

OTC Markets Group:

Joining us today is Paul Pedersen, the CEO of Nextleaf Solutions that trades on our OTCQB Venture Market under the ticker OILFF. Nextleaf Solutions is a Canadian based cannabis technology company that specializes in extract and distilling THC and CBD oils for the wholesale market. Paul, thanks so much for joining us today.

Paul Pedersen

Hey, thanks for having me so Cecilia.

OTC Markets Group

So Paul, last year you joined us for a discussion to introduce Nextleaf's story to our listeners. And we're so pleased to have you back for an update. Remind us about Nextleaf's vision and solutions for the next generation of cannabis services and products.

Paul Pedersen

Yeah, so Nextleaf has been very focused on developing disruptive intellectual property around the extraction purification and delivery of cannabinoids. We have one of the largest patent portfolios for cannabis extraction and delivery trailing GW pharma and canopy growth. And, for a company of our size, we think there's great opportunity to, to really monetize this patent portfolio. That's over 75 issued globally. We see our strategy around developing, building a motor around our technology really being central to our business. And that is on, on being a low cost producer of standardized THC and CBD based molecules. That's where we see the big opportunity in this industry.

OTC Markets Group

So Paul, give us an update and overview of your patent portfolio and current partners.

Paul Pedersen

Yeah. So over the last few months, we've been issued some additional patents that we think are very significant. We have currently 12 issued U.S. patents and over 70 issued patents globally. I think very significantly when we look at what's happened in December canopy grow have brought the first patent infringement lawsuit against GW pharma over an extraction process patent. And then obviously

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GW pharma getting acquired by jazz pharmaceutical 7 billion and, GW pharma, 57 issued U.S. patents. We think very significant a company of our size, with our 12 issued U.S. patents. And most importantly our IP is really built around our value proposition and that is the production of standardized low cost molecules in Canada. We commercialize our IP portfolio through our health Canada license processing facility through the wholesale market, as well as taking branded vape and oil-based products to market. We've got a couple of large customers here in Canada that we supply them bulk CBD and THC oils for their consumer product and very exciting to launch some brands that people are gonna know and recognize here in the back half of 2021.

OTC Markets Group

That's very exciting. And what is your forecast for global cannabis initiatives and reforms in 2021? And what trends are you seeing?

Paul Pedersen

Yep, for us, I mean, obviously we operate only in Canada and of course we have a global mindset where we have one of the largest patent portfolios globally when it comes to cannabis extraction, purification and delivery. And, for us paying a lot of attention to what's happening in the U.S. and we think that the state of New York and now Virginia becoming the first Southern U.S. state to legalize very significant to what we think is on the horizon. And that's the federal legalization in the United States of cannabis, but also we're also closely monitoring what's happening in Europe, what's happening in Australia and Asia. We have after GW pharma, one of the largest patent portfolios in Europe and really see that as a market that will open up. And for us, I think can't understate how important we think it is the opportunity to operate in Canada. I mean, we really recently saw British American tobacco make a quarter of a billion dollar investment in the largest processor in Atlantic Canada. We think what that signifies big pharma and alcohol and tobacco companies want to develop cannabis IP in Canada, where it's federally legal with AI on bringing that IP to the us and other global markets as legalization happens there.

OTC Markets Group

What other exciting developments do you have in store for 2021 to leverage your growth?

Paul Pedersen

Yeah we're just very excited now to have our final health Canada license in place that allows us to take branded fit in his products and distribute those across the country. So for us, I mean that's obviously a process a so very excited to really scale that business up. But, for us, it's all about utilization of our efficient automated closed loop extraction system. We've been and engineered a custom plant that allows us to have a significant competitive advantage when it comes to low cost production of standardized distillate. And as distillate is what our wholesale partners use to power their edibles, their beverages and their vape based products. And really it's the continued growth of that we think is gonna allow us to really scale our business in a meaningful way.

Paul Pedersen

I mean, the economics are fantastic when you look at our 6,000 square foot processing facility, that's really automation and our business model allows us to bring in what is an abundant supply of this biomass cannabis and hemp biomass is over a billion grams across the country, sitting in vaults right now not able to be sold and for us to be able to turn in, what we call garbage in the gold. We think there's just a tremendous value in R P been able to isolate, standardize and purify these molecules and allow us to develop and distribute differentiated THC and CBD based products.

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Nextleaf Solutions began trading on the OTCQB Venture Market in 2019 and is also traded on the CSE. How does cross trading on the OTCQB Market continue to enhance your U.S. investor strategy?

Paul Pedersen

Yeah, I, I think we really appreciate trading on the OTCQB because it opens us up to a wider investor, audience increases liquidity I think most importantly for our U.S. shareholders, it makes it easier for them to trade the stock. I mean, obviously we commence trading as oils on the CSE here in Canada, but love to be able to be cross trade on the OTC Markets.

OTC Markets Group

Well, thank you for the updates, Paul and great talking with you.

Paul Pedersen

Thank you so much, Cecilia. I appreciate your time.

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Nextleaf Solutions trades under the symbol OILLF on our OTCQB Venture Market.

*\*This is an autogenerated transcript and may contain typos.*