NEXE Developing Compostable Single-Use Facemasks

VANCOUVER, BRITISH COLUMBIA - FEBRUARY 16, 2021 - NEXE Innovations Inc. (TSXV: NEXE) ("NEXE" or the "Company"), a leader in innovative plant-based materials science and manufacturing technologies, has begun the development and prototyping of a compostable disposable facemask (the "NEXE Mask") in response to the ongoing COVID-19 pandemic. In developing the NEXE Mask, NEXE will leverage existing collaborations in polymer science, plant-based materials, and municipal composting that were utilized for its NEXE pod. To support this goal, NEXE has also initiated new collaborations with leaders in healthcare and personal protective equipment (PPE).

NEXE has developed initial prototypes and will focus on creating a fully functional compostable disposable facemask that meets international healthcare standards in the coming months. The space required for manufacturing can be easily accommodated in NEXE's newly expanded production facility, and several new hires in engineering roles are anticipated as part of the project. The Company aims to complete a functional prototype in 2021. With funds raised under the December 2020 financing and received under warrant exercises, NEXE has sufficient funds to complete the development of the NEXE Mask.

It is estimated that more than 100 billion facemasks[1] are currently being disposed of every month as the COVID-19 pandemic rages. The vast majority of these are made from non-compostable polypropylene, requiring decades or centuries to break down and leaving microplastic pollution behind. While they are a key tool in the fight against COVID-19, these disposable masks also create significant landfill waste or contaminate lakes, rivers, oceans, and soils. The global market for disposable masks exceeded $70 billion USD in 2020[2], more than double the size of the market for single-serve beverage pods.

“NEXE Mask” plant-based mask concept

“With this project, NEXE is finally able to showcase our innovation platform, leveraging our battle-tested experience in handling plant-based materials technologies to confront plastic waste in the healthcare industry,” said CEO Darren Footz. “Masks save lives, but there has to be a more sustainable solution. We’ve built the skills and technologies needed to confront this problem, and are excited to open up a new dimension to our business.”

NEXE will leverage established collaborations with the Surrey Biofuels Facility, one of Canada’s most advanced composting centres, and Dr. Zachary Hudson, Canada Research Chair in Sustainable Chemistry at UBC. Hudson also serves as Chief Scientific Officer of NEXE, and his lab at UBC is equipped with state-of-the-art instruments for materials characterization and design.

“Our goal is to develop a disposable facemask that is made from plant-based materials without compromising on safety or comfort. By engaging with leaders in materials science, compostability, PPE manufacturing, and healthcare, NEXE aims to apply our technologies to one of the world’s fastest-growing sources of plastic waste. We are excited to share more about our technologies and partnerships in the short term,” said Hudson.

[1] J. C. Prata, A. L. Patrício Silva, T. R. Walker, A. C. Duarte, T. Rocha Santos, *Environ. Sci. Tech.* **2020**, *54*, 7760.
[2] Grand View Research. Disposable Face Mask Market Size, Share & Trends Analysis Report By Product (Protective, Dust, Non-woven), By Application (Industrial, Personal), By Distribution Channel, And Segment Forecasts, 2020 - 2027. 2020

About NEXE Innovations Inc.

NEXE Innovations Inc. is a leader in plant-based compostable technology and advanced materials manufacturing based in British Columbia, Canada. The company has developed one of the only patented, fully compostable, plant-based, single-serve coffee pods for use in leading single-serve coffee machines. The proprietary NEXE pod is designed to reduce the significant environmental impact caused by single-serve pods, >40 billion of which are discarded every year. With over $35M raised to date from equity and government funding and over five years of R&D, NEXE is well-positioned to meet the growing demand for environmentally friendly and sustainable products in the single-serve coffee sector and beyond.

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Cautionary Note Regarding Forward-Looking Statements

Certain statements in this release are forward-looking statements or information, which include the proposed use of proceeds, commercialization of the NEXE PODs, including the NEXE Nespresso Compatible Pod, development of the NEXE Mask, and increase production capacity, create other environmentally friendly compostable packaging opportunities, development of technologies, the potential of the Company's technology, future plans, regulatory approvals and other matters. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such information can generally be identified by the use of forwarding-looking wording such as "may", "expect", "estimate", "anticipate", "intend", "believe" and "continue" or the negative thereof or similar variations. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, including but not limited to, business, economic and capital market conditions, the ability to manage operating expenses, consumer demand for and sentiment towards the Company's products, security threats, and dependence on key personnel. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future, including the demand for its products, anticipated costs, and the ability to achieve goals. Factors that could cause the actual results to differ materially from those in forward-looking statements include, failure to obtain regulatory approval, the continued availability of capital and financing, equipment failures, litigation, increase in operating costs, the impact of Covid-19 or other viruses and diseases on the Company's ability to operate, competition, failure of counterparties to perform their contractual obligations, government regulations, loss of key employees and consultants, and general economic, market or business conditions. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The reader is cautioned not to place undue reliance on any forward-looking information.

The forward-looking statements contained in this news release are made as of the date of this news release. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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