NEXE Innovations' Windsor site on target to be in production early 2023

VANCOUVER, BC, Dec. 15, 2022 /CNW/ - NEXE Innovations Inc. ("NEXE" or the "Company") (TSXV: NEXE) (Frankfurt: NX5) (OTC: NEXNF) - As we close out 2022, we reflect on what we have accomplished to date – the launch of our disruptive and proprietary fully compostable single-serve coffee pod and transitioning from an outsourced manufacturing process to an in-house component manufacturing process.

In January 2022, NEXE purchased a 54,000 square foot facility in Windsor, Ontario to support the development of a vertically integrated manufacturing operation. With a focus on de-risking the supply chain and improving our margins, we continue to work with world class vendors and integrators to develop processes for our highly customized equipment to manufacture key components in-house. Once complete, we expect to control our manufacturing process end to end.

There are numerous advantages of transitioning to a vertically integrated operation and onshoring, including limited supply chain risks, protecting our IP, higher operating margins, and lowering our carbon footprint. One key advantage has been to accelerate the R&D process in-house, which has led to additional enhancements to our compostable materials, resulting in the NEXE pod composting in as little as 17 days, down from 35 days in an industrial composting facility.

Installed component manufacturing equipment at NEXE's Windsor Facility (CNW Group/Nexe Innovations Inc.)

We are targeting to be in production early 2023 in the Windsor facility, with both component and finished goods manufacturing. With the hiring of Chris Murray, an experienced senior sales leader, the main areas of focus for 2023 will be scaling our operations and sales. Chris has 20+ years of extensive experience in the coffee and consumer packaged goods (CPG) industry in Canada and the U.S. NEXE is currently in active discussions with various potential customers. A key part of our sales strategy is to target private label and co-manufacturing segments of the market to reliably fill our production capacity as it comes online. By the end of 2024, we expect the Company to have a total production capacity of ~500 million units per year for the coffee segment.

NEXE is hiring for various positions at its new facility in Windsor, Ontario. For detailed job descriptions visit www.nexeinnovations.com/careers/. Interested candidates can submit their resume at careers@nexeinnovations.com.

The fully compostable packaging market is still in its infancy stage. Consumer's preferences are changing, and they are willing to pay more for sustainable options. The capacity to meet this increasing industry demand for compostable packaging is limited. The new Windsor facility and vertically integrated operations will strengthen NEXE's position within the industry and allow us to build on our manufacturing expertise and operational footprint.

We expect 2023 will be a pivotal year as our scaled production comes online. We maintain a strong balance sheet with ~$28 million in working capital and minimal debt to support our operations as we scale and start to generate sales. On behalf of the entire management team, we would like to extend a big thank you to all our employees, customers, shareholders, and other stakeholders. May you all have a wonderful holiday season and a happy and healthy 2023.

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About NEXE Innovations Inc.

NEXE Innovations Inc. is a leader in innovative compostable materials technology based in British Columbia, Canada. The first product developed by NEXE Innovations is one of the only patented, fully-compostable, single-serve coffee pods for use in existing major single-serve coffee machines.

For more information about NEXE Innovations' compostable materials and how it is well-positioned to meet the growing demand for environmentally friendly and sustainable products, visit www.nexeinnovations.com and follow us on social media @nexeinnovations.

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Cautionary Note Regarding Forward-Looking Statements

Certain statements in this release are forward-looking statements or information, which include, but are not limited to, statements in respect of the Company growing its customer base; the Company's ability to be in production in Q1 2023 in the Windsor facility, with both component and finished goods manufacturing; transitioning to a vertically integrated and injection molding manufacturing process, including the ability to develop processes to manufacture key components in-house and ultimately control the manufacturing process end to end; the Company's ability to have a total production capacity of ~500 million units per year for the coffee segment by 2024; transitioning from R&D to production; filing patents and obtaining various certifications and targeting the private-label and co-manufacturing segments of the coffee and superfoods market; and the Company's overall business strategy. 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, the Company's ability to execute on its business strategy and those risks set out in the Company's management's discussion and analysis for the three months ended August 31, 2022, under the heading "Risk and Uncertainties". 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, receipt of necessary approvals 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.