



NEXE Innovations Provides Corporate Update

WINDSOR, ON, Oct. 18, 2024 /CNW/ - NEXE Innovations Inc. ("NEXE", the "Company", "we", "us" or "our") (TSXV: NEXE) (Frankfurt: NX5) (OTC: NEXNF), a leader in innovative compostable materials solutions, is pleased to provide shareholders with an update of our progress over the last 24 months.

We are seeing that compostable packaging is in high demand across nearly every sector of the consumer-packaged goods industry (CPG), with 80% of the 25 largest CPG companies committing to fully recyclable or compostable packaging by 2030¹. We believe that as plastics begin to be phased out, NEXE is well-positioned to address this challenge. We have undertaken rigorous commercial testing of our NEXE pod over the last 24 months with several customers as we pivoted to our new vertically integrated strategy to targeting business-to-business customers (B2B). In recent months, we have engaged with multiple companies of varying sizes and are in the final stages of negotiating master manufacturing supply agreements that will cover a series of purchase orders. While the sales cycle can be lengthy, particularly for a startup entering a new market with a disruptive solution, we expect to finalize some of these negotiations shortly.

Our ~54,000 sq. ft. Windsor Facility is operational, with a targeted annual production capacity of up to 500 million Keurig* and Nespresso** compatible compostable coffee pods. Strategically located, the facility provides us access to major markets in the U.S. and Canada. To address supply chain and quality control challenges, we brought key processes in-house, from manufacturing our proprietary resin and major components to the finished product. NEXE has also invested heavily in infrastructure, allowing us to scale rapidly into new products across different industries. One key strategic decision was establishing an in-house tool shop to work with R&D and collaborating with B2B customers on customized solutions to shorten the product development cycle. The additional benefit of an in-house tool shop also ensures minimal machine downtime.

Keurig Dr. Pepper, the largest player in North America, recently announced plans to beta-test compostable pods later this year using a new machine that allows consumers to continue to brew plastic capsules as well as this new format², while Nespresso is piloting their own version in select European markets³. These developments highlight the growing importance of sustainable solutions like compostable materials.

At NEXE, our extensive R&D has resulted in what we believe is a superior product. We recognized early on that scaling up and achieving cost competitiveness with plastic and aluminum pods was essential. Over the last two years, we transformed our business model to deliver a better product and ensure scalability, mitigate supply chain risks, and compete on price with plastic.

"We're proud of the progress we've made in the compostable coffee pod industry. While Keurig and Nespresso are just starting to explore sustainable alternatives, these developments highlight the growing importance of sustainable solutions like compostable materials," said Ash Guglani, President and Co-founder of NEXE. "By reshoring all operations and bringing every aspect of manufacturing in-house, we have gained a competitive advantage, allowing us to deliver a superior product at a competitive price. As the demand for eco-friendly coffee pods grows, we are confident NEXE will stand out with our innovative and cost-effective solutions—even against plastic."

Summary of Market and Investor Awareness Initiatives

The Company has also undertaken certain market and investor awareness initiatives.

Independent Trading Group (ITG): The Company has retained ITG to provide market-making services. The agreement with ITG has an initial term of one month, which may be extended by mutual agreement. ITG will receive a payment of CAD\$5,000, plus applicable taxes, per month during the agreement period. ITG is a CISO dealer-member that specializes in market making, liquidity provision, agency execution, ultra-low latency connectivity, and bespoke algorithmic trading solutions. ITG and its principals are arm's length from the Company and neither ITG nor its principals hold any securities of the Company.

Clarkham Capital: The Company has engaged Clarkham Capital of London, United Kingdom, to provide investor relations and consulting services to the Company. The Company selected Clarkham Capital to assist with the Company's German Investor Engagement campaign, with a focus on the German stock market and the German-speaking investor community. Services will include the preparation of articles and coverages on a variety of financial platforms and newsletters and, at the election of the Company, the translation and distribution of news releases in Germany. The agreement with Clarkham Capital has a minimum term of three months and will continue until terminated by the parties with at least 30 days' notice. Clarkham Capital will be paid EUR 350,000 plus applicable taxes, for the three-month period. There are no performance factors contained in the agreement and Clarkham Capital will not receive securities of the Company as compensation. Clarkham Capital is an international investor relations agency headed by Sebastian Korbach, operating in London, United Kingdom. Clarkham Capital and its principals are arm's length from the Company and neither Clarkham Capital nor its principal hold any securities of the Company.

Torque Capital: The Company has engaged Torque Capital for consulting services to enhance and execute the Company's corporate development objectives and investor relations initiatives to increase investor awareness and interest in the Company. The Company has an initial term of three months which may be extended by mutual agreement of the parties. Torque Capital will receive a payment of CAD\$75,000, plus applicable taxes. There are no performance factors contained in the agreement and Torque Capital will not receive securities of the Company as compensation. Torque Capital is a Vancouver-based investor advisory firm headed by Adam Giddens that provides financial communication services to public companies. Torque Capital and its principals are arm's length from the Company and neither Torque Capital nor its principal hold any securities of the Company.

Proactive Investors: The Company has engaged Proactive Investors to provide investor relations and media services to the Company. The agreement with Proactive Investors has an initial term of one year term which will automatically renew for additional successive 12-month terms unless terminated by either party at least 90 days prior to renewal. Proactive Investors will be paid ~CAD\$32,781, plus applicable taxes, for the initial 12-month term. Proactive Investors is based in Toronto, Ontario, and is a multi-media business and financial media portal that provides breaking news, commentary, and analysis on hundreds of listed companies and pre-IPO businesses across the globe. Proactive investors and its principals are at arm's length from the Company, and neither Proactive Investors nor its principals hold any securities of the Company.

**NEXE Innovations Inc. is not affiliated with, endorsed, or sponsored by Keurig®. Keurig® is a registered trademark of Keurig Dr Pepper Inc.*

***NEXE Innovations Inc. is not affiliated with, endorsed, or sponsored by Nespresso®. Nespresso® is a registered trademark of Société des Produits Nestlé S.A*

About NEXE Innovations Inc.

NEXE Innovations is focused on providing innovative compostable material solutions and packaging to the B2B segment to help businesses achieve their sustainability goals. NEXE Innovations has developed a proprietary and patented compostable material that can withstand heat, pressure, and water. Our flagship product, the NEXE Pod, a BPI-certified compostable coffee pod, showcases our material's durability and is an ideal substitute for plastic. The NEXE pod is compatible with major coffee brewing machines and is manufactured at NEXE's vertically integrated facility based in North America. Discover our innovative approach to sustainability at www.nexeinnovations.com and join our journey on social media @nexeinnovations. #compostablecoffee #sustainability #greentech

On behalf of the Company:

Ash Guglani
President & Director

For investor relations contact:
Kam Mangat
VP, Investor Relations & Corporate Strategy
invest@nexeinnovations.com
Office +1-604-359-4725
Mobile +1-604-359-4742

For media relations contact: media@nexeinnovations.com

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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 indications of interest from potential clients, consumer trends, consolidation of operations and the Company's overall business strategy, increases in production and revenue, and the Company's long-term growth and development plans. 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 year ended May 31, 2024 under the headings "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.

¹ <https://consumerbrandsassociation.org/sustainability/recycling-policy-platform/>

² Something new is on the horizon: K-Rounds plastic-free pods, Keurig, March 13, 2024

³ <https://www.nespresso.com/ch/en/compostable>

View original content to download multimedia:

<https://www.prnewswire.com/news-releases/nexe-innovations-provides-corporate-update-302280894.html>

SOURCE Nexe Innovations Inc.

View original content to download multimedia:

<http://www.newswire.ca/en/releases/archive/October2024/18/c4045.html>

%SEDAR: 00048754E

CO: Nexe Innovations Inc.

CNW 18:44e 18-OCT-24