

Nextleaf Reports First Quarter Results for Fiscal Year 2025 Including Increased Gross Profit, and Significant Net Income Improvement

Vancouver, British Columbia--(Newsfile Corp. - March 4, 2025) - **Nextleaf Solutions Ltd. (CSE: OILS) (OTCQB: OILFF) (FSE: L0MA) ("Nextleaf", "OILS", or the "Company")**, an innovation-driven life sciences company and licensed cannabis processor, is pleased to announce its financial results for the first quarter of fiscal year 2025 ending Dec 31st 2024. The Company reported gross revenue of \$3,852,505 and net revenue of \$2,886,673. Notably, a significant improvement in net income at \$530,432 alongside gross profit margin increasing by 28% quarter-over-quarter.

Q1 FY2025 Highlights

- **Consistent Revenue Performance:** Gross revenue of \$3.85 million, compared to the prior quarter (Q4 FY2024: \$3.81 million), reflecting sustained demand and market positioning.
- **Improved Gross Profit Margin:** 32%, up from 25% in the prior quarter, highlighting enhanced operational efficiency and cost management.
- **Major Net Income Turnaround:** Net income of \$530,432, marking a significant improvement from a net loss of \$239,675 in Q4 FY2024, underscoring enhanced profitability and financial discipline.
- **Optimized Cost Structure:** Cost of Goods Sold (COGS) reduced by 11.5% quarter-over-quarter (\$1.65M vs. \$1.86M), reflecting improved operational efficiency and cost management.
- **Positive EBITDA¹:** \$405,390, reinforcing the Company's focus on high-margin activities and long-term financial sustainability.
- **Product Launches:** 8 new product launches under house-brand Glacial Gold emphasizing the Company's focus on, and burgeoning expertise in ready-to-consume, convenience-based formats featuring minor cannabinoids and full-spectrum offerings, alongside high potency and high purity extracts.
- **Market Position:** Glacial Gold has consistently ranked as the top softgel brand in BC and AB through Dec 2024 and continues to be a top 5 brand in ON.

[1] Non-IFRS or supplementary financial measure. See discussion in the Non-IFRS Financial Measures advisories section of this press release below and Management Discussion & Analysis.

The Company reported a temporary but strategic shift in Q1 FY2025, prioritizing toll-processing activities for Commercial Partners over bulk ingredient production for B2B sales. This decision reinforces Nextleaf's commitment to its Commercial Partners Program, ensuring the continued service of long-standing relationships while covering all associated processing costs.

"When our vault is loaded and we're focused on toll-processing, the most impactful opportunity for us is to continue to scale CPG sales with our flagship brand, Glacial Gold. This includes product innovation and deepening our in-market impact through expanded presence." Shares Nextleaf CEO Emma Andrews.

"By concentrating on higher margin activities, we improved our cost-of-sales and significantly increased profitability in Q1-delivering stronger shareholder value. Our lean manufacturing model, and business agility allow us to pivot quickly in response to market conditions," comments Andrews.

Through both toll-processing activities and bulk-ingredient sales, Nextleaf Labs supplies high-quality ingredients to leading national brands, utilizing the Company's multi-patented, highly automated, closed-loop extraction system.



Nextleaf Labs is a trusted Licensed Processor and home to flagship brand Glacial Gold

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Q2 FY2025 Outlook

The Company will prioritize and allocate working capital to the following strategic initiatives throughout the second quarter of FY2025:

- Operational Expansion: Increased manufacturing shifts and multi-department hiring to support growth in CPG sales as well as infrastructure improvements.
- Commercialization: 3 new product launches expected in Q2, in addition to 4 expanded listings for existing products across core markets (BC, AB, ON)
- Brand Refresh: Improved creative direction including enhanced visual identity, digital communications, and trade marketing for in-house brand Glacial Gold, celebrating its 10-year anniversary in 2025.

Event Announcements

On International Women's Day 2025 (March 6th), Nextleaf CEO Emma Andrews will be speaking at [Radicle Femmes](#) in Toronto ON, Canada's largest networking event celebrating women in weed. Hosted by [Marigold PR](#), in partnership with VIP Sponsor the [Ontario Cannabis Store \(OCS\)](#), Andrews' panel will feature insights about building and scaling brands that resonate.

Nextleaf will be in attendance at the [International Cannabis Business Conference](#) in Berlin Germany, April 29-30 2025. This is part of Nextleaf's commitment to increasing their focus on ingredient export through Commercial Partnerships. The Company welcomes relevant business development outreach from potential partners in attendance: info@nextleafsolutions.com

Share Issuance

Nextleaf has issued 476,923 common shares of the Company to a consultant to settle a \$31,000 outstanding balance. The consultant has agreed to accept such shares in full satisfaction of the debt.

About Nextleaf Solutions Ltd.

Nextleaf® is an innovation-driven life science company, and licensed cannabis processor with a portfolio of federally regulated emerging consumer brands, market validated cannabis derivative products, and high-potency bulk ingredients. Nextleaf's multi-patented, highly automated, closed loop extraction and distillation technology sets the global standard for processing cannabis at scale.

With coast-to-coast distribution, Nextleaf branded products and ingredients are sold through both medical and recreational channels. Featuring the acclaimed brand Glacial Gold, leading multiple categories nationally, including cannabis softgels, vapes, and oils.

The Company has been issued 19 U.S. patents, and 75+ patents globally, on cannabinoid processing including extraction, distillation, and acetylation.

On behalf of the Board of Directors of the Company,
Emma Andrews, CEO

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Nextleaf trades as [OILS on the Canadian Securities Exchange](#), [OILFF on the OTCQB Market in the United States](#), and [LOMA on the Frankfurt Stock Exchange](#).

Disclaimers and Disclosure Statements:

Certain statements contained in this press release constitute "forward-looking statements" within the meaning of applicable securities laws. All statements other than statements of historical fact contained in this press release, including, without limitation, statements regarding the Company's anticipated delivery of its products to provincial markets across Canada and those regarding the Company's strategy, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to the risk factors discussed in the Company's MD&A for the most recent fiscal period. Management provides forward-looking statements because it believes they provide useful information to investors when considering their investment objectives and cautions investors not to place undue reliance on forward-looking information. Consequently, all of the forward-looking statements made in this press release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this press release and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law. The Canadian Securities Exchange has not reviewed or approved the contents of this press release.

Non-IFRS Financial Measures

This press release includes references to "EBITDA", which are not defined under International Financial Reporting Standards (IFRS). The intent of these non-IFRS measures is to provide additional useful information to investors and analysts. These non-IFRS measures do not have a standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other entities. As such, these non-IFRS measures should not be considered in isolation or used as a substitute for measures of performance prepared in accordance with IFRS. EBITDA is considered as a useful measure by management to understand the profitability of Nextleaf Solutions excluding the effects of certain non-operating items.

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