

Nextleaf Solutions Provides Commentary on Restated Q3 Financial Results

Vancouver, British Columbia--(Newsfile Corp. - August 31, 2021) - Nextleaf Solutions Ltd. (CSE: **OILS**) (OTCQB: **OILFF**) ("**Nextleaf**", "**OILS**", or the "**Company**"), a federally regulated cannabis oil producer that owns one of the largest portfolios of U.S. patents for the extraction, distillation, and delivery of cannabinoids, released restated Q3 financials today. Subsequent to the filing of the financial statements and management's discussion and analysis for the three and nine month period ended June 30, 2021, the Company identified calculation and input errors which have been corrected in the amended and restated financial statements and management's discussion and analysis. The Company notes that the restatement has minimal bearing on the historical and ongoing operating performance of the Company.

The Company is pleased to provide the following highlights of its financial results:

- Bulk cannabis distillate sales for the year-to-date exceeded \$2.00MM during the period.
- Bulk cannabis distillate sales increased over 500% quarter over quarter to \$656,000.
- Onboarded and supplied bulk CBD distillate to a Nasdaq-listed global cannabis company.
- Onboarded and supplied bulk THC distillate to one of the top selling vape brands nationally.
- Received seven initial SKU listings and first purchase order from the province of British Columbia for *Glacial Gold*[™] THC and CBD vape and ingestible oil products.
- Revenues from the Company's initial order from the BC Liquor Distribution Branch are expected to be realized in the Company's fourth quarter.

Q3 Milestones and Recent Developments

In its fiscal third quarter Nextleaf Solutions continued to execute on its corporate strategy and advance its commercial operations, as illustrated by the following milestones:

- The Company's wholly-owned subsidiary Nextleaf Labs Ltd. received an amendment to its existing Standard Processing Licence from Health Canada that authorizes the sale of cannabis extracts, edibles, and topical products, directly to provincially-authorized distributors and retailers across Canada.
- Acquired the award-winning, prohibition-era brand *Glacial Gold*[™] and announced its entry into branded consumer products.
- Launched a Specialty Molecules Division to focus on the development and commercialization of novel psychoactive compounds.
- Granted a U.S. patent pertaining to a novel synthetic route of modifying THC found in cannabis distillate into a more potent prodrug version of THC-O-acetate.
- Commenced human trials under the Company's amended Health Canada Cannabis Research Licence to collect sensory evaluation data of cannabis vapes from qualified volunteers.
- Awarded a patent in Europe pertaining to the production of cannabis distillate.
- Granted a U.S. patent pertaining to the extraction and purification of THC and CBD.
- Granted a U.S. patent pertaining to a method for separating cannabinoid-rich trichomes from lower potency cannabis biomass, including most approved industrial hemp cultivars, which the Company uses to increase the concentration of CBD in hemp biomass.

Nextleaf Comments on Financial Results from Q3 Financials

Charles Ackerman, Chief Financial Officer of Nextleaf, said: "Over the last six months, we've seen pricing in the bulk concentrate market start to normalize and remain more consistent. We see this as a leading indicator the market is starting to find equilibrium. As our B2B revenue continues to trend up, we are excited at the prospect that we're really just getting started with our existing client base, of which represent multiple global cannabis companies with leading product SKUs in Canada and existing

footholds in the United States."

Ackerman continued, "With our provincial sales channel coming online in September, we look forward to further diversifying our revenue base, to help drive efficient production and move us toward consistent monthly profitability. With our facility that is heavily automated, with the additional utilization, and revenue potential from B2C sales it should help us reach that goal this year."

Details of the input and calculation errors can be found in the notes and discussions to the June 30, 2021 financial statements and management discussion and analysis filed on August 31, 2021 (collectively, the "Restated Financial Reports"). A copy of the Company's Restated Financial Reports may be viewed on the Company's SEDAR profile at www.sedar.com. The Restated Financial Reports replace and supersede the related previously filed financial statements and accompanying management's discussion and analysis, and as such should be disregarded.

About Nextleaf®

Nextleaf is a federally regulated cannabis oil producer that owns one of the largest portfolios of U.S. patents for the extraction, distillation, and delivery of cannabinoids. Nextleaf supplies cannabis distillate to its wholesale customers and distributes consumer products under its award-winning prohibition-era brand, *Glacial Gold*™. Nextleaf's patented closed-loop automated extraction plant in Metro Vancouver has a design capacity to process 600 kilos of dried cannabis into oil per day. Nextleaf is developing delivery technology through its Health Canada Research Licence with sensory evaluation of cannabis via human testing. The Company owns 15 U.S. patents and has been issued over 80 patents globally.

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

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www.nextleafsolutions.com

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On behalf of the Board of Directors of the Company,
Paul Pedersen, CEO

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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 CSE has not reviewed or approved the contents of this press release.

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