

# Nextleaf Provides Corporate Update and Comments on Year End Financials

Vancouver, British Columbia--(Newsfile Corp. - February 1, 2022) - Nextleaf Solutions Ltd. (**CSE: OILS**) (**OTCQB: OILFF**) (**FSE: LOMA**) ("**Nextleaf**", "**OILS**", or the "**Company**"), a federally regulated manufacturer and distributor of cannabis vapes and oils, has released its audited annual financial statements for the fiscal year ended September 30, 2021. Nextleaf is pleased to provide a summary of key highlights and milestones achieved in 2021.

- Bulk cannabis distillate sales exceeded \$3.00MM for the year ended September 30, 2021.
- Bulk cannabis distillate sales increased 1,300% year over year.
- Established a commercial supply partnership with a Nasdaq-listed global cannabis company, with Nextleaf supplying CBD ingredients to power the partner's CBD products and brands, including edibles, ingestible oils, and vape carts.
- Acquired the award-winning prohibition-era brand, *Glacial Gold*<sup>™</sup>, and expanded into branded product manufacturing and sales.
- Launched *Glacial Gold*<sup>™</sup> vapes and oils in British Columbia, with over \$300,000 in product sales recognized during the first four weeks in market (September 2021).
- Established distribution of *Glacial Gold*<sup>™</sup> products into three provincial markets and nationally for medical cannabis patients.
- Reduced SG&A and R&D expenditures year over year.

"A significant portion of our cost of sales is related to our existing excess capacity, as such, as our revenue scales our gross profit should increase exponentially," said Nextleaf CFO Charles Ackerman. "2021 was a significant year of graduating the business to increasingly focus on scaling commercial activity. We've added optionality to our revenue model with the addition of cannabis product sales to B2B bulks sales. Combining the B2C and B2B activity all drives further utilization and scale in our extraction economics which is the top of our value chain."

## Key Milestones Subsequent to Fiscal Year 2021

In October 2021, Nextleaf was authorized by the Saskatchewan Liquor and Gaming Authority to distribute cannabis products in Saskatchewan. The Company entered into an agreement with National Cannabis Distribution Inc., a wholly-owned subsidiary of Kiaro Holdings Corp., for the sale and distribution of *Glacial Gold*<sup>™</sup> branded cannabis products throughout Saskatchewan.

Nextleaf entered into a distribution agreement with Medicibus ("**Mendo**"), a Québec-based cannabis processor and distributor, for national distribution of *Glacial Gold*<sup>™</sup> products through Mendo's national medical cannabis sales platform, [www.Mendocannabis.ca](http://www.Mendocannabis.ca).

In November 2021, the Company received acceptance of its application for a Dealer's Licence, now formally under review by Health Canada. Assuming approval from Health Canada, the Dealer's Licence is expected to allow the Company to conduct a variety of activities relating to psilocybin and psilocin including R&D, IP development, production of base substance materials, laboratory analysis, as well as the sale and distribution of the substances to authorized individuals, including researchers and for its use in clinical trials.

The United States Patent and Trademark Office granted Nextleaf a U.S. patent pertaining to a novel process for acetylating CBG, and subsequent refinement of CBG-O-Acetate. The Company was also granted a U.S. patent for the design of its cannabis oil refinery. Nextleaf owns 17 issued U.S. patents, and over 90 patents globally, on cannabinoid processing including extraction, distillation, and acetylation.

In December 2021, Nextleaf completed the first shipment of *Glacial Gold*<sup>™</sup> vapes and oils to the

Company's distribution partner in Saskatchewan for sale by cannabis retailers in that province.

Nextleaf released the most potent ingestible CBD product in the Canadian market, with *Glacial Gold™ Distilled CBD 200 Oil* available nationally to medical patients through Mendo, and for adult-use consumers in British Columbia.

Nextleaf was approved as a vendor and received its first purchase order from the Nova Scotia Liquor Corporation to supply the Nova Scotia market with *Glacial Gold™* CBD and THC products.

The Company completed a public offering of 15,844,208 units at \$0.20 per unit (the "**Units**") for gross proceeds of \$3,168,842 under a prospectus supplement dated December 15, 2021. Each Unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable at price of \$0.275 each for a period of 24 months until December 22, 2023.

Nextleaf's wholly-owned subsidiary Nextleaf Labs Ltd. ("**Nextleaf Labs**") onboarded and delivered initial purchase orders of high-purity THC distillate to two new licensed producers ("**New Partners**"). The two New Partners include a NASDAQ-listed cannabis company and an established distributor of branded cannabis vape products. Additionally, Nextleaf Labs completed a significant wholesale order for high-purity CBD distillate supplied to its existing NASDAQ-listed partner. Since late December, Nextleaf Labs has supplied more than 120 kilograms of high-purity THC and CBD distillate ingredients to its new and existing wholesale partners.

### **British Columbia Market Share - Subsequent to Fiscal Year 2021**

The Company is pleased to provide the following data<sup>[1]</sup> on the sales of its *Glacial Gold™* cannabis vapes and oils for the fourth-quarter calendar year (October 2021 - December 2021) in British Columbia:

- Nextleaf Labs is a top-10 supplier of vapes and oils
- *Glacial Gold™ Anytime Vape* is the #1 selling CBD focused vape
- *Glacial Gold™* is the #7 brand in oils by revenue (5.5% market share)
- *Glacial Gold™* is the #7 brand in vape cartridges by units sold (4.1% market share)
- 12 total *Glacial Gold™* product listings in B.C. - including seven high volume 1-gram vape SKUs
- Multiple Top 20 product rankings within the vape and oil categories in B.C.



**EXPERIENCE  
THE LEGACY**

**Est. 2015**



*Glacial Gold CBD and THC Vapes and Distilled Oils*

To view an enhanced version of this graphic, please visit:

[https://orders.newsfilecorp.com/files/5347/112381\\_9423816bb4b55b61\\_001full.jpg](https://orders.newsfilecorp.com/files/5347/112381_9423816bb4b55b61_001full.jpg)

## **About Nextleaf®**

Nextleaf is a federally regulated manufacturer and distributor of cannabis vapes and oils under its award-winning prohibition-era brand, *Glacial Gold*™. The Company's multi-patented ingredient processing technology transforms cannabis and hemp biomass into high-purity distillate at an industrial scale. Nextleaf is a low-cost producer of cannabis oils, and supplies THC and CBD ingredients to qualified wholesale partners across Canada. Nextleaf is the first publicly traded company to be issued a U.S. patent for the industrial extraction and purification of cannabinoids. The Company has been issued 17 U.S. patents, and over 90 patents globally, on cannabinoid processing including distillation and acetylation. Nextleaf develops proprietary cannabinoid-based formulations and delivery technology through its Health Canada Research Licence with sensory evaluation of cannabis via human testing. For more information, visit [www.nextleafsolutions.com](http://www.nextleafsolutions.com) and [www.Glacial.Gold](http://www.Glacial.Gold).

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](#).

Follow the Company: [Twitter](#), [LinkedIn](#), [Facebook](#), and [Instagram](#).

Follow *Glacial Gold*™: [Instagram](#), [Twitter](#), and [Facebook](#).

For more information please contact:  
Jason McBride, Corporate Development  
604-283-2301 (ext. 219)  
[jason@nextleafsolutions.com](mailto:jason@nextleafsolutions.com)

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

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.

---

[1] British Columbia market share according to BC Cannabis Wholesale sales data

**NEX>TL**EF

To view the source version of this press release, please visit  
<https://www.newsfilecorp.com/release/112381>