

Nextleaf Announces Fiscal 2022 First Quarter Results and Provides Commentary

Vancouver, British Columbia--(Newsfile Corp. - March 1, 2022) - Nextleaf Solutions Ltd. (**CSE: OILS**) (**OTCQB: OILFF**) (**FSE: L0MA**) ("**Nextleaf**" or the "**Company**"), a federally regulated manufacturer and distributor of cannabis vapes and oils, announced financial results for its first quarter fiscal 2022 period ("**Q1 2022**") ended December 31, 2021. Nextleaf is pleased to provide the following Q1 2022 highlights:

- The Company earned processing revenues from cannabis concentrate and branded product sales of approximately \$1,150,000, with a gross margin of approximately 30%.
- Nextleaf became a top-10 supplier of cannabis oils and vapes in British Columbia ("**B.C.**").
- Established distribution of Glacial Gold™ branded products into three provincial adult-use markets and nationally for medical cannabis patients.
- Established a commercial supply partnership with a Nasdaq-listed global cannabis company, with Nextleaf supplying THC ingredients to power the partner's THC vape cartridges distributed nationally under their brands.

"Nextleaf's revenue diversity continues to provide a more robust base. With the increasing number of provincial markets and distribution points, our Company is well positioned to realize stable and repeatable growth," said Nextleaf CFO Charles Ackerman. "We are starting to see the positive trend in gross margin at these current revenue levels, which we believe are very scalable - with additional opportunities to realize further efficiencies as we continue to increase utilization of our existing IP and asset base."

Glacial Gold™ Market Share

The Company is pleased to provide the following data^[1] on the sales of its *Glacial Gold™* cannabis oils and vapes in B.C. during the three-month period ended December 2021:

- *Glacial Gold™ Anytime Vape* is the #1 selling CBD forward 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 - including seven high volume 1-gram vape SKUs, representing the largest selection of large format vapes in B.C.
- Multiple top 20 product rankings within the vape and oil categories.



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Nextleaf's Glacial Gold Product Offerings

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Key Milestones During Q1 2022

In October 2021, Nextleaf was authorized by the Saskatchewan Liquor and Gaming Authority to distribute cannabis products in Saskatchewan. In December 2021, the Company launched *Glacial Gold*[™] vapes and oils at cannabis retailers across Saskatchewan through National Cannabis Distribution Inc.

Nextleaf entered into a distribution agreement with Medicibus ("**Mendo**"), a Québec-based cannabis processor and distributor, for national distribution of *Glacial Gold*[™] products through Mendo's national medical cannabis sales platform, 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 Cannabigerol ("CBG"). 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 released the most potent ingestible CBD product in Canada, with *Glacial Gold™ Distilled CBD 200 Oil* available nationally to medical patients through Mendo and for adult-use consumers through provincial distributors.

Nextleaf Labs onboarded and delivered initial purchase orders of high-purity THC distillate to two new licensed producers. During December and January, Nextleaf Labs supplied more than 120 kilograms of high-purity THC and CBD distillate ingredients to its new and existing wholesale partners.

Key Milestones Subsequent to Q1 2022

Nextleaf Labs received approval from the Ontario Cannabis Store ("**OCS**") to list the Company's *Glacial Gold™* branded cannabis products in Ontario. Wholly-owned by the Province of Ontario, the OCS is the sole distributor in the province and all Ontario retailers must purchase their product inventory through the OCS. *Glacial Gold™* products are expected to be available at retail stores across Ontario and at osc.ca starting May 2022.

Nextleaf Labs was approved as a vendor by the Nova Scotia Liquor Corporation and began supplying the Nova Scotia market with *Glacial Gold™* CBD and THC products in January 2022. *Glacial Gold™* vapes and distilled oils are now available across Nova Scotia.

In February 2022, Nextleaf Labs launched two new vape flavours: Sunshine Punch and Sparkling Grape, with the B.C. provincial distributor quickly selling out the new *Glacial Gold™* branded Anytime CBD and Session THC vapes.

"Cannabis retailers and consumers have quickly made Glacial Gold a top-10 selling brand of cannabis oils and vapes in British Columbia," said Nextleaf CEO Paul Pedersen. "With Glacial Gold winning market share in key categories, coast-to-coast distribution of our branded products, and continued growth in our B2B ingredient supply business, Nextleaf is well positioned to deliver strong fundamentals as we scale the utilization of our oil refinery."

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 and 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](#).

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

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

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