

Nextleaf Announces Q2 Results with Strong Revenue Growth in Vapes and CBD Oils

Vancouver, British Columbia--(Newsfile Corp. - May 31, 2022) - Nextleaf Solutions Ltd. (CSE: OILS) (OTCQB: OILFF) (FSE: LOMA) ("Nextleaf" or the "Company"), a federally regulated manufacturer and distributor of cannabis vapes and oils, announced today its Q2 financial and operational results for the quarter ended March 31, 2022 ("Q2 2022").

"*Glacial Gold* continues to establish itself as one of the best-selling brands in vapes and CBD oil. I'm proud of our team for competing head-to-head against the largest cannabis companies in the world, and winning our key categories," said Nextleaf Co-Founder and CEO, Paul Pedersen.

During Q2, Nextleaf sold more vapes and oils in B.C. than Canopy Growth, Tilray Brands, Aurora Cannabis, Organigram, Sundial, The Valens Company, and Medipharma Labs.

Key Highlights^[1]

- *Glacial Gold*TM is the #2 selling brand of CBD oils in British Columbia
- *Glacial Gold*TM is the #6 selling brand of 1-gram vapes in British Columbia
- *Glacial Gold*TM Anytime Vape is the #1 selling CBD forward vape SKU in British Columbia
- *Glacial Gold*TM has the second most SKU listings for 1-gram vapes in British Columbia
- 44% increase in market share quarter-over-quarter in the oil category
- 14% increase in market share quarter-over-quarter in the vape category

Selected Financial Highlights

Selected financial highlights for the three months ended March 31, 2022, and March 31, 2021, was as follows:

	March 31, 2022	March 31, 2021
Revenue	1,145,000	131,000
Gross margin	421,000	(479,000)
Loss and comprehensive loss	(607,000)	(1,209,000)
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Cash used in operating activities	(429,000)	(221,000)
Cash used in investing activities	-	44,000
Cash provided by (used in) financing activities	(524,000)	3,004,000

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For the quarter ended March 31, 2022, the Company reported revenue of \$1,145,000, an increase of \$1,014,000 as compared to revenue of \$131,000 for the quarter ended March 31, 2021. The increase in revenue was a result of the Company having transitioned to a branded cannabis products company, with \$825,710 in *Glacial Gold*TM product sales, and \$319,602 in cannabis concentrate sales for the quarter ended March 31, 2022. Cost of sales for the quarter ended March 31, 2022, was \$723,871, an increase of \$114,225, compared to \$609,646 for the quarter ended March 31, 2021. The increase in cost of sales was a result of increased sales activity. The use of cash in financing activities during the quarter ended March 31, 2022, was driven by convertible debenture repayments and facility lease payments.



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Key Milestones During Q2

Glacial Gold[™] Distilled CBD 200 Oil became available nationally through Nextleaf's Quebec-based medical cannabis distribution partner, Mendo, in January 2022. *Glacial Gold* Distilled CBD 200 Oil is the highest potency CBD product available in Canada.

Glacial Gold[™] CBD and THC products became available in Nova Scotia through Nova Scotia Liquor Corporation cannabis stores in February 2022.

Nextleaf launched three new *Glacial Gold*[™] vape SKUs in B.C., including two new flavours: Sunshine Punch and Sparkling Grape.

Cannavolve Inc. ("**Cannavolve**") was engaged by Nextleaf to provide field coverage at cannabis retailers and support the national rollout of *Glacial Gold*[™] products. Cannavolve has a wide network of cannabis sales reps throughout every major provincial market in Canada. The partnership will help Nextleaf drive increased distribution and same-store sales of its award-winning prohibition-era brand, *Glacial Gold*[™].

Key Milestones Subsequent to Q2

Glacial Gold[™] vapes and oils launched in the Ontario Cannabis Store ("**OCS**") and are now available at retail stores across Ontario.

Nextleaf announced its expansion into the "Capsules" category, with *Glacial Gold*[™] THC softgels.

The United States Patent and Trademark Office granted the Company its 18th issued U.S. patent.

Nextleaf announced a strategic agreement (the "**Agreement**") with Hempcrete Natural Building Ltd. ("**Hempcrete Natural**"), an international construction company creating carbon neutral communities through sustainable, renewable, and stronger buildings. The Agreement permits Hempcrete Natural, on a non-exclusive basis, to commercialize certain Nextleaf intellectual property, specifically, a U.S. patent related to hemp biomass processing.

Change to Board of Directors

Nextleaf is pleased to announce the addition of Sam Kassem to its Board of Directors pending the issuance of his Health Canada security clearance. Mr. Kassem brings unique qualifications as a CFA charterholder with over 10 years of operational experience from servicing cannabis and hemp processors around the world. Sam Kassem is Co-Founder and President of Root Sciences Inc., one of North America's largest providers of end-to-end processing equipment solutions.

Tim Gillis has resigned from the Board to pursue other interests. The Company would like to thank Mr. Gillis for his contribution since 2019 and wish him well on his future endeavors.

Financial Statements

The consolidated financial statements of the Company for the three months ended March 31, 2022 and accompanying MD&A have been filed with the securities regulators and are available on SEDAR at www.sedar.com under the Company's issuer profile.

About Nextleaf Solutions Ltd.

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 supplier of 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 18 U.S. patents, and over 95 patents globally, on cannabinoid processing including distillation and acetylation. Nextleaf develops 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 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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Follow *Glacial Gold*: [Instagram](#), [Twitter](#), and [Facebook](#).

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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 by revenue according to BC Cannabis Wholesale sales data (January 1- March 31, 2022)

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