

Nextleaf Announces Q3 2022 Results and Provides Commentary

Vancouver, British Columbia--(Newsfile Corp. - August 30, 2022) - Nextleaf Solutions Ltd. (**CSE: OILS**) (**OTCQB: OILFF**) (**FSE: LOMA**) ("**Nextleaf**" or the "**Company**"), a federally regulated manufacturer and distributor of cannabis extracts including vapes and oils, announced today its Q3 financial and operational results for the quarter ended June 30, 2022 ("**Q3 2022**").

During Q3 2022, Nextleaf's prohibition-era brand, *Glacial Gold*[™] maintained its position as a leader in vapes and oils in the competitive British Columbia ("B.C.") market and expanded its distribution into Ontario, Canada's largest cannabis market.

Key Highlights

- *Glacial Gold*[™] remains a top-5 selling brand of CBD oils in B.C.
- *Glacial Gold*[™] remains a top-10 selling brand of one-gram vapes in B.C.
- *Glacial Gold*[™] *Anytime 1:1 Vape* remains the #1 selling CBD-forward vape SKU in B.C.
- 5% increase in market share quarter-over-quarter in the oil category
- *Glacial Gold*[™] *Anytime 1:1 Glacial Fresh Mint* and *Distilled 30:30 Oil* launched in Ontario, May 2022

Q3 2022 Results and Commentary

For the quarter ended June 30, 2022, the Company reported revenue of \$1,202,638, an increase of \$546,777 as compared to revenue of \$655,861 for the quarter ended June 30, 2021. The increase in revenue was a result of the Company having transitioned to a branded cannabis products company, with \$776,717 in *Glacial Gold*[™] product sales, and \$425,921 in cannabis concentrate sales for the quarter ended June 30, 2022. Cost of sales for the quarter ended June 30, 2022, was \$1,314,011, an increase of \$550,625 compared to \$763,386 for the quarter ended June 30, 2021. The increase in cost of sales was a result of increased sales activity. Overhead expenses reduced by \$306,207 from the same prior year quarter because of continued realized operational efficiencies.

Key Milestones During Q3 2022

Glacial Gold[™] *Anytime 1:1 Glacial Fresh Mint* and *Distilled 30:30 Oil* launched in the Ontario Cannabis Store ("OCS") and are now available at retail stores across Ontario and online at www.OCS.ca.

Nextleaf announced its expansion into the "Capsules" category, with *Glacial Gold*[™] THC softgels. Product expected to launch in B.C. retail stores this fall.

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.

The Company announced it produced D⁹-tetrahydrocannabinol acetate (D⁹-THC-OAc, delta-9-THC-OAc, THC-OAc), colloquially referred to as THC-O ("THC-O") under its Health Canada Research Licence in anticipation of commercialization. Nextleaf has validated its manufacturing process of THC-O through third-party analytical testing. The Company is of the understanding that THC-O is not subject to

excise tax as it does not meet the definition of "Total THC" as defined under the *Excise Act 2001*, which is aligned with the definition of the same in the *Cannabis Act*.

Key Milestones Subsequent to Q3 2022

Nextleaf announced the launch of a new one-gram, *Glacial Gold™ CBD 3:1 Vape* in the Company's signature berry lemonade flavour. The new CBD 3:1 Vape will build off the success of the *Glacial Gold™ Session THC Vape* and *Anytime 1:1 Vape* by offering an additional tier of potency at the accessible price point and quality the legacy brand is known for.

In July, the Company announced it had validated its technology to produce THC-free Broad Spectrum CBD distillate ("THC-Free CBD") from industrial hemp feedstock.

Nextleaf announced the launch of its first THC-Free CBD product. *Glacial Gold™ Rise & Shine CBD Drops* is a broad-spectrum alternative to CBD isolates, perfect to start the day without the risk of intoxication. Nextleaf expects *Glacial Gold™ Rise & Shine CBD Drops* to be available first in adult-use channels in British Columbia and nationally through medical cannabis distribution partners in the fall.

Financial Statements

The consolidated financial statements of the Company for the three months ended June 30, 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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On behalf of the Board of Directors of the Company,
Kevin Keagan, CFO

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.

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