

Nextleaf Solutions Ltd. Achieves Strong Fiscal Year 2023 Financial Performance, Debt-Free Status, and Positive Cash Flow from Operations

Vancouver, British Columbia--(Newsfile Corp. - January 30, 2024) - Nextleaf Solutions Ltd. (CSE: OILS) (OTCQB: OILFF) (FSE: LOMA) ("Nextleaf", or the "Company"), a multi-patented biotech company, and Canadian-based cannabis processor with a commercialized portfolio of federally regulated adult-use brands, cannabis derivative products, and high purity bulk ingredients is pleased to announce its annual financial results for Fiscal Year End (FY) 2023, showcasing robust growth, strategic achievements, and significant financial milestones.

Key Financial Highlights:

- **Total Gross Revenue:** Nextleaf, including its wholly owned subsidiaries, reports a remarkable total gross revenue of nearly \$10 MM (\$9.96 MM) for FY2023.
- **Gross Profit:** The gross profit for the same period stands at an impressive \$2.3MM.
- **Positive Cash Flow:** The Company achieved four consecutive quarters of consistent positive cash flow from operations, demonstrating operational efficiency and financial resilience.
- **Debt-Free Status:** Nextleaf solidified its financial position by successfully retiring its senior note, achieving a significant milestone in becoming debt-free and fortifying its balance sheet.

Fiscal Year End 2023 Results:

The Company, including activities of its wholly owned subsidiaries Nextleaf Labs Ltd., reports total gross revenue for Fiscal Year End (FY) 2023 totaling nearly \$10 MM (\$9.96 MM) with a gross profit of \$2.3 MM.

Moreover, FY2023 delivered four quarters of consistent positive cash flow, attributed to a reduction in operating expenses, increased revenue, and improved gross margins. The Company's strategic move to become debt-free by retiring its senior note is a testament to a significant financial milestone and a strengthened balance sheet.

Nextleaf's year-over-year gross revenue increased by an impressive \$4.6 MM, representing a growth of 1.86 times (or 186.1%) compared to the previous year. The significant momentum is attributed to the company's commercialization efforts, notably in the fourth quarter, generating approximately \$3.3 MM in revenue. This represents a 24% increase from the previous quarter, and a remarkable 77.7% year-over-year growth from Q4 of FY2022. The substantial financial turnaround underscores enhanced liquidity and adept management strategies.

Strategic Milestones and Commercial Growth FY2023:

Nextleaf has experienced significant commercial growth in Fiscal Year 2023, marked by a series of impactful initiatives and successes:

- **Diverse Product Launches:** Successfully launched 15 new products into the Canadian rec market, further diversifying the portfolio to meet evolving consumer preferences. This includes the introduction of 3 Softgel SKUs, 4 Ingestible Oil SKUs, and 8 Vape SKUs.

- **Extensive Product Listings:** Secured and maintained 100+ individual product listings across six provinces, demonstrating a commitment to widespread accessibility. Nextleaf brands and products are now available in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Nova Scotia.
- **Market Expansion:** Successfully entered two new provincial markets, Alberta, and Manitoba, expanding Nextleaf's brand presence to a broader Canadian audience.
- **Brand Traction in Alberta:** Glacial Gold gained immediate traction in Alberta, emerging as a top-selling brand for softgels and oils in the region.
- **Regional Leadership in BC:** Achieved the status of the #1 softgel brand in British Columbia in 2023, capturing over 40% of wholesale market share and accounting for more than 50% of all individual softgels sold in the province.
- **Ontario Market Performance:** Secured the #4 position in softgel brand rankings in Ontario wholesale in Q4. With two strong SKUs already in the market and the anticipation of four more in 2024, we are poised for continued growth and market penetration in the province.

These commercial milestones highlight Nextleaf Solutions' agility and effectiveness in responding to market dynamics, launching innovative products, and establishing a strong market presence across provinces. As we look ahead, we remain committed to furthering our commercial success, expanding our product offerings, and solidifying our leadership position in the cannabis industry.



Glacial Gold

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High Plains

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"This was a monumental year for our business. 2023 delivered the framework for financial stability. This provided the confidence that we have the tenacity, talent, technology, and tactics to ride the waves inherent in this industry. Despite the complexity, we've remained very focused on delivering one simple premise...value," shares Emma Andrews, Interim CEO.

"We've worked through growing pains and roadblocks, overcoming setbacks and stigma. It has fortified our team, and I'm proud of how far we've come," continues Andrews, "we've put in a lot of hard work to get here, and we're just getting started. There's a collective understanding of the unique inflection point we are at."

About Nextleaf Solutions Ltd.

Nextleaf® is an innovative cannabis processor with a portfolio of federally regulated emerging consumer brands, market validated cannabis derivative products, and high-purity and high-potency bulk ingredients. Nextleaf's multi-patented, highly automated, closed loop extraction and distillation technology sets the global standard for processing cannabis at-scale.

The Company currently manufactures over 80 different products, across 4 categories for white label clients and house brands. Formulated products and bulk ingredients are sold domestically to B2B partners and exported to applicable international jurisdictions.

With coast-to-coast distribution, Nextleaf brands are sold through both medical and recreational channels and includes award-winning legacy-era brand Glacial Gold, offering unparalleled value across multiple formats including high purity and high potency vapes, oils, softgels and infused prerolls. Additionally, newly launched house brand High Plains offers a broader assortment of cannabinoids and plant compounds, reaching additional market segments.

Nextleaf's commitment to constant innovation, and speed-to-market advantage is guided by their team's unique depth of industry experience, complimented by their Health Canada Research License allowing for unique sensory evaluation of cannabis via human trials, and rapid prototyping. The Company has been issued 19 U.S. patents, and 75+ patents globally, on cannabinoid processing including extraction, distillation, and acetylation.

On behalf of the Board of Directors of the Company,
Emma Andrews, Interim CEO

Contact: investors@nextleafsolutions.com

Visit NextleafSolutions.com to learn more about the company.
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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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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

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