Nextleaf Reports Fiscal Year 2024 Financial Performance, Achieves Record Growth from Branded Product Sales, and Maintains Debt-Free Status

Vancouver, British Columbia--(Newsfile Corp. - January 29, 2025) - **Nextleaf Solutions Ltd. (CSE: OILS) (OTCQB: OILFF) (FSE: L0MA) ("Nextleaf", "OILS", or the "Company")**, an innovation-driven life sciences company and licensed cannabis processor, is pleased to announce its annual financial results for Fiscal Year (FY) 2024. The Company achieved record growth from branded product sales while maintaining debt-free status, delivering positive EBITDA[1], and demonstrating financial resilience despite challenging economic conditions.

Key Financial Highlights

- Gross Revenue $16,567,537
- Net Revenue $12,478,039
- Gross Profit $3,742,561
- Maintained Secured Debt-Free Status
- Positive Adjusted EBITDA[1] $675,613

[1] Non-IFRS or supplementary financial measure. See discussion in the Non-IFRS Financial Measures advisories section of this press release below and Management Discussion & Analysis.

Fiscal Year End 2024 Results

Fiscal Year End 2024 Results

	September 30, 2024 $	September 30, 2023 $
Revenue	**16,567,537**	9,962,919
Excise taxes	**(4,089,498)**	(1,783,305)
Net revenue	**12,478,039**	8,179,614
Cost of sales	**8,735,478**	5,869,334
Gross profit	**3,742,561**	2,310,280

Adjusted earnings before interest, tax, depreciation and amortization (EBITDA)

Twelve months ended	**September 30, 2024 $**	September 30, 2023 $
Income (loss) and comprehensive income (loss)	(1,435,991)	223,334
Non-operating Items:		
Depreciation and amortization	701,882	739,737
Interest expense (finance costs)	56,829	38,430
Taxes	-	-
EBITDA	**(677,280)**	1,001,501
Non-operating Items:		
Share-based payments expense	1,352,893	-
Adjusted EBITDA	**675,613**	1,001,501

Fiscal Year End 2024 Financial Statement (Excerpt), Nextleaf Solutions

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https://images.newsfilecorp.com/files/5347/238824_nextleaftable.jpg

The Company achieved a gross revenue of $16,567,537 during the twelve months ended Sept 30, 2024, representing a 66% increase compared to FY23. The Company's net revenue of $12,478,039 reflects a 53% increase compared to FY23.

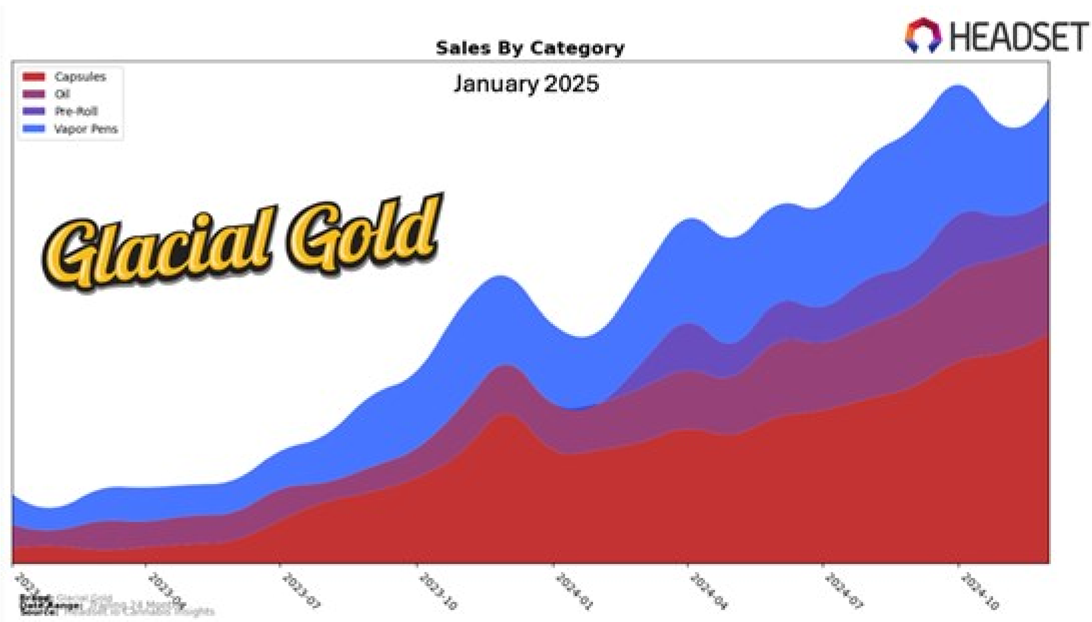
Performance for fiscal 2024 is driven by expanded market presence and increased distribution channels through Alberta and other core provinces, and strategic investments into inventory across key categories to boost commercialization efforts and expand territory sales.

Variations in income (loss) and comprehensive income (loss) for this period was primarily driven by significant share-based payment expenses, which totaled approximately $1,352,893 impacting net income. Additionally, increased investment into sales and marketing efforts associated with ongoing market expansion.

The Company's revenue growth was driven by sustained momentum across all product categories within the consumer brand portfolio, including vapes, oils, and softgels. The Company substantially increased its distribution nationally and achieved successful sell-through of all initial purchase orders, receiving reorders on all items during fiscal 2024.

"This was a year of executing on the fundamentals," shares Emma Andrews, CEO. "We've been rapidly scaling-up our manufacturing operations and inventory to support advancement of our commercial strategy and keep up with consumer demand. Despite the economic environment, we invested in our team and delivered increased sales. We've delivered continual innovation to maintain relevance in the market. We deepened relationships with retail partners and commercial partners alike, powering the industry with competitively priced products and ingredients, delivering uncompromising quality," comments Andrews.

Commercial Growth FY2024



Headset Category Sales Data: Glacial Gold, January 2025

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Nextleaf expanded its market presence through increased points of distribution by investing in regionally tailored retail support and trade marketing initiatives. This was alongside aggressive portfolio optimization and executing on their speed-to-market advantage through rapid innovation in FY24.

Nextleaf's flagship brand Glacial Gold has established a position as the go-to-brand nationally for value, variety and versatility.

- **Expanded Listings and Portfolio Optimization:** Nextleaf achieved 44 new listings across BC, AB, and ON in FY2024. This indicates the company's ability to sustain its diverse portfolio breadth, overtime.

- **Product Diversification:** The product pipeline focuses on smokeless ingestible extracts such as softgels and oils, ready-to-consume convenience formats like All-in-One vapes and infused prerolls, and minor cannabinoid formulations (notably CBG and CBN) across multiple categories. These products solidify Nextleaf's market leadership in these emerging segments.
- **Category Leadership and Provincial Rankings**: Glacial Gold consistently ranks as the #1 Softgel brand in their home province of BC, and for the period Sept - Dec 2024 Glacial Gold held the #1 spot for Softgel sales in Alberta. While the Company faces increased competition in Ontario, their ability to maintain a #4 ranking for Softgel sales in the province, indicates strong acceptance and adoption for the brand in Canada's most influential retail market.

Glacial Gold: Featured Product Assortment, January 2025

To view an enhanced version of this graphic, please visit:
https://images.newsfilecorp.com/files/5347/238824_97dbc65014561802_003full.jpg

2025 Outlook

The Company has prioritized the following strategic initiatives for fiscal 2025:

- **Brand Building:** Investments into retail activations, compliant sampling, product education, and digital engagement to support growth of flagship brand Glacial Gold, celebrating its 10-year anniversary in 2025.
- **Increasing Points of Distribution:** Expanding the number of distribution points within core markets and strengthening retailer relationships through dedicated trade support initiatives.
- **Commercialization & Product Development:** Maintain category leadership position within ingestible extracts and expand on current product assortment. Achieve incremental listings for additional formats and formulations within existing categories.
- **Inventory Building:** Continued investment into building up inventory, including biomass procurement, through to finished products.
- **Operational Efficiency:** Improving operational efficiency through completed integration of an ERP system.
- **Commercial Partners Program Expansion:** achieved through ingredient supply, white labeling, contract manufacturing, and toll processing activities for new and recurring clients.
- **International Exploration:** Nextleaf to initiate exploration into ingredient export opportunities through commercial partners in federally regulated jurisdictions including Europe and South America.

Investor Engagement:

On January 22nd, 2025, Nextleaf hosted an investor and industry focused webinar featuring trends and insights from the cannabis industry in Canada, as well as Internationally. Speakers included Nextleaf CEO Emma Andrews and was co-hosted by Shadd Dales of The Dales Report. The 50 min webinar recording including live Q&A is available for replay on Nextleaf's website:

https://www.nextleafsolutions.com/news/extracting-value-trends-and-insights-shaping-the-future-cseoils-otcqboilff/

About Nextleaf Solutions Ltd.

Nextleaf® is an innovation-driven life science company, and licensed cannabis processor with a portfolio of federally regulated emerging consumer brands, market validated cannabis derivative products, 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.

With coast-to-coast distribution, Nextleaf branded products and ingredients are sold through both medical and recreational channels and includes flagship brand Glacial Gold, leading multiple categories nationally, including cannabis softgels, vapes, and oils.

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, CEO

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Nextleaf trades as OILS on the Canadian Securities Exchange, OILFF on the OTCQB Market in the United States, and L0MA on the Frankfurt Stock Exchange.

Disclaimers and Disclosure Statements:

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.

Non-IFRS Financial Measures

This press release includes references to "Adjusted EBITDA", which are not defined under International Financial Reporting Standards (IFRS). The intent of these non-IFRS measures is to provide additional useful information to investors and analysts. These non-IFRS measures do not have a standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other entities. As such, these non-IFRS measures should not be considered in isolation or used as a substitute for measures of performance prepared in accordance with IFRS. Adjusted EBITDA is calculated as EBITDA plus share based compensation expense. Adjusted EBITDA is considered as a useful measure by management to understand the profitability of Nextleaf Solutions excluding the effects of certain non-operating items.

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