

Nextleaf Solutions Provides a Corporate Update and Comments on Financial Results from the First Quarter

VANCOUVER, March 2, 2021 - Nextleaf Solutions Ltd. ("**Nextleaf**", "**OILS**", or the "**Company**") (**CSE: OILS**) (**OTCQB: OILFF**), the world's most innovative cannabis processor, is pleased to provide shareholders with the following corporate update:

Nextleaf Comments on Financial Results from Q1 Financials

First quarter 2021 represents Nextleaf's first full quarter generating processing revenue, with the company commencing cannabis wholesale revenue in September 2020. Nextleaf is pleased to announce record revenue (unaudited) of \$1,257,000 during the quarter ended December 2020. The revenue figure represents a 359% increase year-over-year for the same period. The Company delivered bulk sales of approximately 100 kilos of high-purity CBD distillate to a British Columbia-based licensed producer and distributor of cannabis products. During the quarter, Nextleaf continued to add to its client roster, signing cannabis extraction agreements with three Canadian licensed producers which operate cannabis production and distribution facilities across Canada.

The industry continues to see demand for efficient extraction and distillation services due to an ample supply across the industry of dried cannabis biomass that has a shorter shelf life than cannabis oils. The Company expects to continue to announce additional commercial contracts through fiscal 2021, with a focus on building on existing clients to expand from one-off supply orders to longer term supply agreements. Nextleaf has the ability to fully leverage its low-cost extraction and distillation platform by increasing its plant utilization to drive wholesale revenue.

Nextleaf Receives Mexican Patent

The Mexican Institute of Industrial Property has granted Nextleaf a patent vital to the low-cost production of cannabis distillate. Nextleaf owns the second largest cannabis patent portfolio in Mexico.

On September 19, 2020 the Mexican Senate approved a comprehensive adult-use marijuana legalization bill. The pending law requires President Andrés Manuel López Obrador signing the bill into law, which will make Mexico the third country to legalize adult-use cannabis. Mexico's supreme court recently set a deadline of April 30, 2021 for the law to be passed. Once signed, Mexico will become the largest legal cannabis market in the world, based on population.

Nextleaf has developed a competitive advantage through technology that is protected in key countries, including Canada, the United States, Israel, Australia, New Zealand, Mexico, Colombia, South Africa, the U.K., and across Europe.

CBD Gummies Powered by OILS™ now Available in B.C.

CBD gummies powered by OILS™ high purity CBD distillate were launched at cannabis retailers in British Columbia through the Company's Commercial Partners Program. This marks an important milestone for Nextleaf in the commercialization of its intellectual property ("IP") portfolio, as the Company continues to expand its wholesale customer base.

Rapid Emulsion Technology by OILS™

Nextleaf completed production of its first commercial batch of rapid THC oil drops using the Company's patent pending rapid emulsification technology. With a development focus of providing a rapid onset, Nextleaf's proprietary delivery technology allows its private label partners to develop differentiated cannabis ingestible products. Looking ahead, the Company sees increased opportunities to monetize its delivery technology into higher margin private label business.

General Market Outlook

The cannabis oil segment has experienced hyper commoditization over the past two years and although the rate is slowing, the segment will continue to face pricing pressure, as the market moves toward equilibrium in supply and demand.

Nextleaf is uniquely positioned to be a low-cost leader based on the simple, yet powerful, fact that its technology was built around converting the lowest cost input into high-purity distillate. Due to a focus on automation, as Nextleaf's facility utilization increases - further operational synergies should be realized, providing the ability to drive costs down and provide more value to B2B clients.

"We've built our entire business to deliver efficient value to our clients through innovation. Furthermore, we've structured many of our supply agreements to leverage a split revenue model, providing a hedge on commodity risk - one of the largest enterprise risks faced by all cannabis companies," said Nextleaf Solutions CFO Charles Ackerman. "As the overall consumer market continues to grow steadily with the rollout of retail stores and broader product offerings, we expect to see the industry work through the market oversupply. We believe that ultimately, the companies that continue to innovate and drive further value for clients, like Nextleaf, will be the long term winners in this industry," said Ackerman.

About Nextleaf®

Nextleaf is an innovative cannabis processor that owns one of the largest portfolios of U.S. patents for the extraction, purification, and delivery of cannabinoids. Through its wholly-owned subsidiary Nextleaf Labs Ltd, a licensed processor, the Company is a low-cost producer of cannabis distillate and private label THC & CBD oils. Nextleaf's proprietary closed-loop automated extraction plant in Metro Vancouver has a design capacity to process 600 kilos of dried cannabis into oil per day. The Company owns 12 U.S. patents and has been issued over 70 patents globally. Nextleaf is developing delivery technology through its Health Canada research licence, including sensory evaluation of cannabis via human testing. The Company's patent pending Rapid Emulsion Technology by OILS™ powers differentiated ingestible cannabis products. Nextleaf is commercializing its issued and pending patents through licensing of intellectual property, providing extraction services, and supplying cannabis oils to qualified Canadian and international business-to-business partners under their own brand.

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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