

Nextleaf Reports Profitable Second Quarter FY25 Results Including Increased Revenue Growth and Positive Net Income Improvement

Vancouver, British Columbia--(Newsfile Corp. - May 30, 2025) - **Nextleaf Solutions Ltd. (CSE: OILS) (OTCQB: OILFF) (FSE: LOMA) ("Nextleaf", "OILS", or the "Company")**, an innovation-driven life science company and licensed cannabis processor, is pleased to announce its financial results for the second quarter of fiscal year 2025, ended March 31 2025. The Company reported gross revenue of \$4,698,331, net revenue of \$3,515,435 and gross profit of \$1,348,054. The Company has continued making substantial improvements in net income at \$348,789 while maintaining a gross profit margin at 29%.

Q2 FY2025 Highlights

Strong Revenue and Profitability:

- Gross revenue reached \$4.70 million, reflecting a 22% increase from \$3.85 million in the previous quarter.
- Gross profit totaled \$1.35 million, up 42% from \$950,516 in the same period last year, with a steady gross margin of 29%.
- Net income came in at \$348,789, marking a strong turnaround from a net loss of \$1.1 million during the same quarter in 2024.
- Positive EBITDA¹ at \$946,482 YTD, highlighting the Company's operational efficiency and disciplined cost management.

Strengthened Balance Sheet:

- As of March 31, 2025, the Company had total assets of \$9.0 million and working capital of \$2.7 million, up from \$1.6 million on September 30, 2024.
- The Company maintained a healthy current ratio of 1.85 and concluded the quarter with no secured debt, reflecting strong near-term financial stability.
- Shareholders' equity rose to \$5.5 million, reflecting improved profitability and a reduction in deficit.

Commercial Expansion:

- Product Launches: 8 new product launches under house-brand Glacial Gold across 3 categories including: 2 infused pre-rolls, 4 vapes, and 2 bottled oils, emphasizing the Company's continued focus on high potency and high purity extracts, infused products, ready-to-consume, and convenience-based formats.

"From compliance to commercialization, we are proving that constraints-based innovation can happen across all areas of the business. We are setting the standard for capacity utilization, fiscal discipline, and resourcefulness. Since Day 1 our team has turned challenges into opportunities for improved efficiency, output and strategic progress." Shares Emma Andrews, Nextleaf CEO.

Q3 FY2025 Outlook

The Company will prioritize and allocate working capital to the following strategic initiatives throughout the third quarter of FY2025:

- Facility expansion and optimization allowing for continued investment into inventory to fulfill domestic demand in recreational and medical channels.
- Adding operational bench strength through key hires to support ERP integration, Quality

Assurance, and Manufacturing.

- Research and development for category expansion, and new product formats.
- Market expansion into Quebec in partnership with Quebec Craft Cannabis.
- Trade marketing for strategic retail partnerships with an emphasis on education and a national sampling program.
- Relaunching www.glacial.gold (Summer 2025) for improved brand awareness, conversion and customer engagement.

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. Featuring the acclaimed 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

Contact: investors@nextleafsolutions.com

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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](#).

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 "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. EBITDA is considered as a useful measure by management to understand the profitability of Nextleaf Solutions excluding the effects of certain non-operating items.

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.

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