

Nextleaf Solutions Enters into Patent Licensing Agreement

Royalty anticipated to deliver over \$3.0MM to the Company in 2020ⁱ

VANCOUVER, Dec. 17, 2019 /CNW/ - Nextleaf Solutions Ltd. ("**Nextleaf**", "**OILS**", or the "**Company**") (**CSE: OILS**) (**OTCQB: OILFF**) (**FSE: LOMA**), a Coquitlam-based company developing intellectual property for the extraction and purification of cannabinoids, is pleased to announce that it has entered into a strategic agreement (the "**Agreement**") with a British Columbia-based cannabis processing equipment distribution company (the "**Licensee**").

The Agreement permits the Licensee, on a non-exclusive basis, to commercialize and distribute certain intellectual property, specifically, three issued and pending patents related to post-extraction processing equipment ("**IP**") developed by Nextleaf. OILS will provide the Licensee with initial working capital and strategic support during the indefinite term of the Agreement. OILS may terminate the Agreement if the Licensee does not meet certain minimum annual sales targets.

OILS will receive a royalty equal to 20% of the Licensee's gross revenue from all sources (the "**Royalty**") in exchange for, among other consideration, the licensed IP. Based on the Licensee's current product backlog and 2020 projections, OILS estimates the Royalty could yield over \$3,000,000 in royalty fees to Nextleaf in the 2020 calendar year, with initial revenue expected to commence in the immediate term.ⁱ

"We believe this is an ideal partnership with a company whose management has a proven track record of building one of the industry's largest cannabis processing equipment distributors," stated Charles Ackerman, Chief Financial Officer of Nextleaf. "This deal allows OILS to continue its work to efficiently monetize its patent portfolio globally. It also brings closer to its previously announced goal of \$5,000,000-\$10,000,000 in gross revenue from IP licensing alone in the next 12 months.ⁱⁱ We believe IP licensing has the potential to represent up to 10-20% of our gross annual revenue" continued Ackerman.ⁱ

In addition to the development and monetization of its IP portfolio, OILS continues to focus on assisting Nextleaf Labs Ltd., a Health Canada licensed standard processor, to reach full commercial production including the production and sale of bulk CBD and THC oils. Nextleaf expects to be in a position to announce additional commercial agreements during the first calendar quarter of 2020.

About Nextleaf Solutions

Nextleaf Solutions Ltd. ("**OILS**") is developing disruptive intellectual property for the extraction and distillation of cannabinoids. OILS owns a portfolio of 10 issued patents pertaining to industrial-scale production of distilled CBD and THC oils, the key ingredients used in the manufacturing of standardized cannabinoid based products. OILS commercializes its IP portfolio through IP licensing, B2B processing, and supplying THC and CBD oils to qualified Canadian and international partners through Nextleaf Labs Ltd., a Health Canada licensed standard processor.

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.

Follow OILS across social media platforms: [Twitter](#), [LinkedIn](#), [Facebook](#), and [Instagram](#).
www.nextleafsolutions.com

On behalf of the Board of Directors of the Company,

Paul Pedersen, CEO


CAUTIONARY STATEMENT

Certain statements contained in this press release constitute "forward-looking statements". All statements other than statements of historical fact contained in this press release, including, without limitation, those regarding the Licensee's current backlog and projections for the 2020 calendar year, the Royalty expected to be received by the Company during the 2020 calendar year, the Company's ability to capitalize on its IP portfolio and in jurisdictions outside of Canada, the Company's expected gross revenue from IP licensing during the 2020 calendar year, the percentage of the Company's revenue expected to be received from IP licensing, the Company's expectations

regarding the entering into of new commercial agreements in the first quarter of 2020, and 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 CSE has not reviewed, approved or disapproved the contents of this press release.

ⁱ This estimate is based on management's current views, strategies, expectations, assumptions and forecasts, and has been calculated using accounting policies that are generally consistent with the Company's current accounting policies. The estimate is derived from the expected gross revenues from the Agreement, representations from the Licensee regarding current order backlog and projections, and the achievement of the Licensee's projected product sales forecasts. This estimate is considered a financial outlook under applicable securities laws. The estimate and any other financial outlooks or future-oriented financial information included herein has been approved by management of the Company as of the date hereof. Such financial outlooks or future-oriented financial information are provided for the purposes of presenting information about management's current expectations and goals relating to the future business of OILS. Readers are cautioned that actual results may vary materially as a result of a number of risks, uncertainties, and other factors, many of which are beyond the Company's control. See "Cautionary Statement".

ⁱⁱ Please see the Company's November 20, 2019 press release: "Nextleaf Solutions Granted Two Patents for Industrial-Scale Extraction of CBD and THC."

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