



Press Release April 27, 2018

WAVEFRONT ANNOUNCES SECOND QUARTER 2018 FINANCIAL RESULTS

WAVEFRONT SEES REVENUE GROW MORE THAN TWO HUNDRED PERCENT OVER PREVIOUS QUARTER

EDMONTON, Alta., April 27, 2018 Wavefront Technology Solutions Inc. (Wavefront or the Company, TSX-V: WEE; OTCQX: WFTSF) is a global leader in the advancement of dynamic fluid injection technology for oil and gas well stimulation and Improved/Enhanced oil (“IOR/EOR”) recovery announces its financial results for the second quarter ending February 28, 2018.

“Wavefront’s Powerwave Odyssey Custom Stimulation (POCS) approach to well stimulation is earning a positive reputation for performance and increasing business opportunities. The Company’s financial results for the reporting period clearly reflect that trend,” said Wavefront President, CEO, and Board Chair, Brett Davidson. “Although further work and resources are required to achieve the long term goals of the Company we are pleased that Wavefront’s strategic focus in the Middle East market continues to produce results.”

The financial highlights for the reporting period are as follows:

- Total revenues for the second quarter ended February 28, 2018 amounted to \$856,633, an increase of \$376,418 or 78.4% over the comparative quarter ended February 28, 2017, and an increase over the prior quarter (i.e., the three months ended November 30, 2017) of \$579,966 or 209.6%.

Revenue attributed to all Powerwave product lines were \$795,160, an increase of \$501,234 or 170.5% over revenues in the comparative quarter of \$293,926.

The most dramatic impact in Powerwave stimulation revenues came from international markets, specifically revenues generated in the Kingdom of Saudi Arabia and Kuwait, which saw revenues increase by \$607,646 or 2,753.5% over the comparative quarter ended February 28, 2017. Second quarter 2018 Powerwave stimulation revenues also increased over the prior quarter (i.e., the three months ended November 30, 2017) by \$570,677 or 254.2%. The increases in Powerwave stimulation revenues are a result of the Company’s focus in the Middle East and to revenue streams that have a shorter overall sales cycle and favourable profit margins.

- The strengthening of the Powerwave product mix combined with a strong Middle East marketing focus has increased the Company’s overall gross profit margin¹ with the current quarter having an 82.5% gross profit² compared to 62.4% for the comparative quarter ended February 28, 2017.

¹ Gross profit margin is calculated by dividing the gross profit by gross revenue. Gross profit is a non-IFRS measure with no comparable IFRS measure

² Gross profit margin is calculated by subtracting direct costs from revenue and dividing the result by revenue, and is further discussed in Non-IFRS Measures



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- Consistent with the Company's focus on Powerwave well stimulations that have more favourable profit margins and as a result of the growing trend of unprofitable financial results related to the tubing pump and bailer CGU, effective February 28, 2018, the Company disposed of certain assets including: tubing pump and bailer tools at various locations along with certain other property plant and equipment, and inventory. Together with the disposal of property, plant and equipment, and inventory, the purchaser was also assigned and assumed the Lloydminster field office lease (together the "Disposition").

Total consideration for the Disposition was \$75,000, was paid by the purchaser subsequent to the reporting period, with an offsetting recorded net loss on disposal of the property plant and equipment, and inventory of \$258,017. The \$75,000 consideration was recorded as a receivable as at February 28, 2018.

- Other expenses (i.e., not including costs of goods sold) for the second quarter ended February 28, 2018, amounted to \$1,229,634, compared to \$1,228,076 in February 28, 2017. Excluding the Disposition (noted above) and costs of goods sold, other expenses for the three months ended February 28, 2018, amounted to \$971,617, compared to \$1,228,067 in February 28, 2017, a decrease of \$256,459.
- The basic and diluted net loss for the second quarter ended February 28, 2018 decreased by \$419,540 to \$511,095 (\$0.006 per share), compared to \$930,635 (\$0.011 per share) for the comparative quarter ended February 28, 2017.

Excluding the loss on disposal of property, plant and equipment and inventory of \$258,017, the adjusted net loss³ for the second quarter ended February 28, 2018 decreased by \$677,557 or 72.8% to \$253,078 (or \$0.003 per share), compared to the comparative quarter ended February 28, 2017.

- Total current assets decreased by \$1,217,613 to \$2,555,968 from the prior year end. Of the net decrease, \$1,426,259 relates to a reduction of cash resources, of which \$6,141 was used for the acquisition of additional Powerwave tools, equipment and leasehold improvements, and \$1,433,801 was used to fund operations, and of the inventory reduction \$104,465 was due to the Disposition.
- As of April 25, 2018, Wavefront had \$1,374,634 of cash and cash equivalents on hand. The cash and cash equivalents on hand as at April 25, 2018 increased by \$356,644 since the end of the second quarter ending February 28, 2018.

The above financial highlights should be read in conjunction with the unaudited condensed consolidated interim financial statements and management discussion and analysis of results for Wavefront for the second quarter ended February 28, 2018, which were filed on SEDAR on April 27, 2018.

³ Adjusted net loss is the net loss, less the loss on disposal on property, plant and equipment, and inventory. Adjusted net loss is a non-IFRS term with no comparable measure.



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Davidson further stated, “Wavefront is committed to increasing shareholder value through strict cost management, a very sharp focus on key markets, and growing top line revenue through technology offerings having a shorter sales cycle and healthy profit margins. We are confident we have moved in the right direction.”

ON BEHALF OF THE BOARD OF DIRECTORS

WAVEFRONT TECHNOLOGY SOLUTIONS INC.

“D. Brad Paterson” (signed)

D. Brad Paterson, CFO & Director

About Wavefront:

Wavefront is a technology based world leader in fluid injection technology for improved/enhanced oil recovery and well stimulation. Wavefront publicly trades on the TSX Venture Exchange under the symbol WEE and on the OTCQX under the symbol WFTSF. The Company's website is www.onthewavefront.com.

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Cautionary Disclaimer – Forward Looking Statement

Certain statements contained herein regarding Wavefront and its operations constitute “forward-looking statements” within the meaning of Canadian securities laws and the United States Private Securities Litigation Reform Act of 1995. All statements that are not historical facts, including without limitation statements regarding future estimates, plans, objectives, assumptions or expectations or future performance, are “forward-looking statements”. In some cases, forward-looking statements can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “believe”, “continue” or the negative of these terms or other comparable terminology. We caution that such “forward-looking statements” involve known and unknown risks and uncertainties that could cause actual results and future events to differ materially from those anticipated in such statements. Such factors include fluctuations in the acceptance rates of Wavefront’s Powerwave and Primawave Processes, demand for products and services, fluctuations in the market for oil and gas related products and services, the ability of Wavefront to attract and maintain key personnel, technology changes, global political and economic conditions, and other factors that were described in further detail in Wavefront’s continuous disclosure filings, available on SEDAR at www.sedar.com. Wavefront expressly disclaims any obligation to up-date any “forward-looking statements”, other than as required by law.

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