



WAVEFRONT ANNOUNCES THIRD QUARTER 2018 FINANCIAL RESULTS

WAVEFRONT GENERATES POSITIVE INCOME

EDMONTON, Alta., July 30, 2018 Wavefront Technology Solutions Inc. (Wavefront or the Company, TSX-V: WEE; OTCQX: WFTSF), 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 third quarter ending May 31, 2018.

“All of us at Wavefront are very pleased with our progress resulting from the strategic changes we made to Wavefront over the past several years, which are now providing greater and more consistent revenue generating activities,” said Wavefront President and CEO Brett Davidson.

The financial highlights for the reporting period are as follows:

- The basic and diluted net income for the third quarter ended May 31, 2018 was \$54,383 (or \$0.001 income per share), a positive net change of \$976,524 from the comparative quarter ended May 31, 2017, which reported a net loss of \$922,141 (or \$0.011 loss per share).
- Total revenues for the third quarter ended May 31, 2018 amounted to \$1,125,103, an increase of \$599,732 or 114.2% over the comparative quarter.

Total revenues for the third quarter ended May 31, 2018 also increased over the prior quarter (i.e., the three months ended February 28, 2018) to \$268,470 or 31.3%.

- For the third quarter ended May 31, 2018, Powerwave revenues related to well stimulations increased by \$643,659 or 193.4% to \$976,437, compared to \$332,899 in the comparative quarter. The most dramatic impact in Powerwave stimulation revenues came from Wavefront’s activities in the Middle East, which increased by \$546,007 or 333.4%.

The increases in Powerwave stimulation revenues are a result of the Company’s strategic decision several years ago to shift its marketing focus to the Middle East and to revenue streams that have shorter overall sales cycles and favourable profit margins.

- Revenues derived from distribution channels in local geographic markets have helped accelerate sales. Revenues for the nine months ended May 31, 2018 attributed to distribution partners amounted to \$1,807,592 or 80.0% (nine months ended May 31, 2017 - \$527,766 or 32.2%) of total revenues.
- Other expenses (i.e., not including costs of goods sold) for the third quarter ended May 31, 2018, decreased by \$354,318 or 28.1% to \$903,667, compared to \$1,257,985 in May 31, 2017.
- Cash generated (i.e., a profit) from operating activities for the third quarter ended May 31, 2018 was \$63,287, compared to cash used (i.e., a deficit) in operating activities for the third quarter ended May 31, 2017 of \$1,095,576.

The cash generated from operating activities for the third quarter ended May 31, 2018 also represents a net change of \$729,454 from the prior quarter (i.e., cash used in operating activities for the three months ended February 28, 2018 was \$666,167).



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- Total current assets decreased by \$968,914 to \$2,804,667 from the prior year end. Of the net decrease, \$1,403,566 relates to a reduction of cash resources, of which \$64,780 was used for the acquisition of additional Powerwave tools, equipment, and \$1,370,514 was used to fund operations (inclusive of the \$104,465 in inventory that was sold effective February 28, 2018 in the disposition of certain assets including: tubing pump and bailer tools at various locations along with certain other property, plant and equipment, and inventory).
- As of July 26, 2018, Wavefront had \$2,523,709 of cash and cash equivalents on hand. The cash and cash equivalents on hand as at July 26, 2018 increased by \$1,505,719 since the end of the second quarter ending February 28, 2018.

There was a net increase in working capital¹ of \$110,537 from the prior quarter (i.e., the working capital as at February 28, 2018 of \$1,760,846). Working capital will also be positively impacted by the increase in cash and cash equivalents associated with the closing, subsequent to the reporting period, of the private placement that was announced on July 17, 2018, which resulted in gross proceeds of \$1,302,400.

“With the continued maturation of the Company’s focused strategy we firmly believe that Wavefront’s future is bright,” said Davidson. “We are also fully aware that to continue to succeed we must remain diligent and persistent to work within our customer’s timetables; support our distribution channels; find new opportunities; and increase future revenues related to Powerwave.”

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 third quarter ended May 31, 2018, which were filed on SEDAR on July 30, 2018.

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.

For further information please contact:

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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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¹ Working capital is calculated by subtracting current liabilities from current assets. Working capital is a non-IFRS measure with no comparable IFRS measure.