



Press Release January 29, 2020

## WAVEFRONT ANNOUNCES FIRST QUARTER 2020 FINANCIAL RESULTS

EDMONTON, Alta., January 29, 2020 Wavefront Technology Solutions Inc. (Wavefront or the Company, TSX-V: WEE; OTCQB: WFTSF), an oil field service provider focused on offering the oil and gas industry proprietary, leading edge technology announces its financial results for the first quarter ending November 30, 2019.

An overview of the financial results for the reporting period includes:

- Total recorded revenues for the first quarter 2020 (i.e., three months ended November 30, 2019) were \$700,685 a decrease of \$243,068 from the comparative quarter (i.e., three months ended November 30, 2018) revenues of \$943,753.

Revenues for the first quarter 2020 were not as expected and negatively impacted as US \$500,000 in potential revenues related to the General Services Agreement, which was announced on September 9, 2019, were not yet recognized. Revenues were not recognized, at this time, due to unforeseen, circumstances beyond the Company's control.

It is the intent of the Company, at this time, to continue, in good faith, to work with executive management of the exploration and production ("E&P") client to resolve any matters. Once the Company can recognize revenues, in accordance with International Financial Reporting Standards ("IFRS"), the Company will accordingly disclose any such recognition.

- Of the recorded revenues for the reporting quarter, \$695,184 (2019 - \$840,404) relates to Powerwave stimulations, with \$571,145 (2019 - \$653,503) of those revenues being derived from the Middle East. Powerwave stimulation activity in the Middle East were lower than expected due to decreased activities of Wavefront's Distributors related to among other issues: end user budgetary constraints; and Distributor field performance resulting in jobs being provided to alternate coiled tubing companies.
- The net loss for the quarter ended November 30, 2019 was \$244,782 (or \$0.003 basic and diluted loss per share), compared to the comparative quarter ended November 30, 2018 which reported a net loss of \$45,947 (or \$0.001 basic and diluted loss per share).
- Cash from operating activities totalled \$91,825 was principally impacted by non-working capital items, and the new accounting treatment of leases, which increases interest cost by \$2,486 however, the principal repayment of \$36,514 related to leases are no longer in the operating activities section but is recorded in financing activities section of the statement of cash flows.
- Total assets increased by \$125,513 to \$4,301,477 from the prior year end, the changes of which principally relates to the increase of \$44,938 in cash and cash equivalents, and increases of \$148,228 in prepaid expenses and other current assets. Total assets also increased due to the recognition of right of-use assets (as required by IFRS 16) as at September 1, 2019 of \$213,005, which was amortized over the reporting period by \$37,589.



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Offsetting the aforementioned asset increases were decreases of \$170,014 in trade and other receivables; decreases of \$27,205 in inventories; and, decreases of \$45,850 in property, plant and equipment. Trade and other receivables decreased as a result of decline in recorded revenues.

- As of January 27, 2020, Wavefront had \$2,800,855 of cash and cash equivalents on hand. The cash and cash equivalents on hand as at January 27, 2020 increased by \$157,757 since the first quarter ended November 30, 2019.

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 first quarter ended November 30, 2019, which were filed on SEDAR on January 29, 2020.

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, oil field service provider, focused on offering the oil and gas industry proprietary, leading edge technology primarily for oil and gas well stimulation and applications related to IOR/EOR recovery. Wavefront publicly trades on the TSX Venture Exchange under the symbol WEE and on the OTCQB under the symbol WFTSF. The Company's website is [www.onthewavefront.com](http://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](http://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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