



Press Release July 28, 2021

WAVEFRONT ANNOUNCES THIRD QUARTER 2021 FINANCIAL RESULTS

EDMONTON, Alta., July 28, 2021 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 third quarter ending May 31, 2021.

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

- For the third quarter 2021 (i.e., three months ended May 31, 2021) recorded revenues amounted to \$371,281 a decrease of \$330,978 from the comparative quarter (i.e., three months ended May 31, 2020) revenues of \$702,259. Revenues for the third quarter were fundamentally flat decreasing \$1,837 from the prior quarter (i.e., three months ended February 28, 2021) that reported revenues of \$373,118.
- Of the revenues for the third quarter ended May 31, 2021, \$354,079 (2020 - \$693,229) relates to Powerwave stimulations, compared to \$347,863 from the prior quarter ended February 28, 2021.

Of the revenues recorded, \$335,862 of those revenues were derived from the Middle East, a decrease of \$283,427 over the comparative quarter. Revenue derived from the Middle East were however, somewhat increasing by \$14,917 from the revenues recognized from Middle East in the second quarter ended February 28, 2021.

- General and administrative, sales and marketing, research and development, and amortization and depreciation expenses for the third quarter ended May 31, 2021, increased by \$18,028 to \$720,840, compared to \$702,812 for the quarter ending May 31, 2020. However, general and administrative, sales and marketing, research and development, and amortization and depreciation expenses declined from the prior quarter ended February 28, 2021 by \$83,457.

With the increases to the Company's general and administrative expenses i.e., consulting fees, repairs and maintenance and vehicles expenses, increased related to and in support of the Company's distributor in the Kingdom of Saudi Arabia.

- The net loss for the third quarter 2021, i.e., the three months ended May 31, 2021 was \$353,977 (or \$0.004 basic and diluted loss per share) compared to the comparative quarter ended May 31, 2020, which reported a net loss of \$16,562 (or \$0.0002 basic and diluted loss per share).
- Despite the decline in Powerwave activity and revenues, the Company was able to generate cash from operating activities of \$37,443 during the third quarter 2021.
- Revenues for the nine-month period ended May 31, 2021 totalled \$1,190,159, a decrease of \$918,825 from the comparative period revenues of \$2,108,984.
- General and administrative, sales and marketing, research and development, and amortization and depreciation expenses for the nine months ended May 31, 2021, declined by \$140,243 to \$2,359,629, compared to \$2,499,872 for May 31, 2020.
- Net loss for the nine months ended May 31, 2021 increased by \$436,378 to \$1,117,335 (or basic and diluted net loss of \$0.013 per share), compared to the net loss of \$680,957 (or basic and diluted net loss of \$0.0078 per share) for the comparative period ended May 31, 2020.



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- Cash used in operations for the nine months ended May 31, 2021, was \$349,029 compared to \$289,743 in the comparative period.
- Total assets decreased by \$678,695 from the prior year end to \$2,692,803, the changes of which principally relates to the decrease of \$489,322 in cash and cash equivalents. In addition to cash used in operations, cash of \$65,578 was also used for the principal repayment of the lease, and \$59,918 relates to purchases of property, plant and equipment.

Current assets were also impacted by an increase in prepaid expenses of \$24,719 that are a result of prepayment of insurance fees that were not financeable, and the prepayment of TSX Venture Exchange and OTCQB Venture Market annual filings fees.

Current assets were also impacted by decreases in trade and other receivables by \$517,966 and decreases in inventories of \$25,326, that relate to reduced Powerwave stimulations and revenues.

- As at May 31, 2021, the Company had positive working capital of \$1,064,999 (August 31, 2020 - \$2,038,835). Changes in working capital relate to the net decreases in current assets of \$1,007,905 (i.e., decreases in cash and cash equivalents of \$489,332, decreases in trade and other receivables of \$517,966 that is tied to decreases in revenues, and decreases in inventory of \$25,326 which were offset by increases in prepaid expenses of \$24,719). Working capital was impacted to a lesser degree as there was an increase in current lease liabilities of \$31,852, an increase of unearned revenue of \$11,983, which was offset by decreases in trade accounts payable and accrued liabilities of \$77,904.

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, 2021, which were filed on SEDAR on July 28, 2021.

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.

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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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