



FOR IMMEDIATE RELEASE

# Next Green Wave Achieves Positive Cash Flow and Profitability

## NGW Releases Q1 Results and Announces Brand Sale

Vancouver, B.C. — June 4, 2020 — Next Green Wave Holdings Inc. (CSE: NGW) (OTCQX: NXGWF) ("Next Green Wave", "NGW" or the "Company") is pleased to announce the following operational and financial milestones:

- In the months of March, April and May 2020, the Company operated with positive cash flow, and achieved both *positive EBITDA and positive Net Income*.\*
- In the months of April and May 2020, the Company surpassed US\$1 Million of revenues in each month exclusively (March 2020 was US\$900k) and in the last 3 consecutive months, the Company earned revenues over US\$2.9 Million.\*
- The Company has entered the final stages of both licensing and construction related to the extraction facility and expect this to be fully operational in Q3 2020.

**Q1 2020 Financial Results Now Available on SEDAR ([www.sedar.com](http://www.sedar.com))**

The Company would like to highlight some Q1 2020 achievements:

- Surpassed US\$1 Million in Revenues.\*
- As shown in the table below, the Company has materially increased its quarter over quarter revenue, while significantly reducing both its cash-out operating expenses and marketing expenses.
- Have increased plant quality with some strains testing as high as 40% total cannabinoids.

| US\$**             | Q1 2020   | Q4 2019   | Q3 2019 | Q2 2019 |
|--------------------|-----------|-----------|---------|---------|
| Revenue            | 1,177,752 | 144,036   | 83,894  | 58,023  |
| Operating Expenses | 681,515   | 1,024,456 | 808,252 | 975,741 |
| IR & Marketing     | 26,200    | 91,627    | 152,489 | 281,193 |

*“Considering the challenges and obstacles this Company, and the industry, have had to overcome, the Company is proud to announce the accomplishments above. We have been achieving results that are starting to meet our expectations from both a financial and operational standpoint, however, even though we have produced some extremely high-end finished product recently, there is still room to grow.” - Mike Jennings CEO Next Green Wave*



**Video link - <https://youtu.be/qHdao2bQuh0>**

As part of the growing demand for Next Green Wave premium flower, the company has launched a new lineup of products under the NGW brand. The new Next Green Wave flower and concentrates can be found across California including San Diego, LA and Oakland. The new flower was released first locally in Coalinga at [Have A Heart](#) and quickly expanded through our other retail partners and distributors.



The company is pleased to announce today that it has closed a sale of selective assets:

- trademarks and intellectual property rights relating to SD Cannabis and Hartluck,
- inventory relating to the Hartluck brand
- SD Cannabis packaging, and;
- the rights to the lease to the CBD retail store in San Diego

(collectively, the “**Acquired Assets**”) to SDC Parts, LLC (“**SDC Parts**”). Pursuant to an asset purchase agreement dated May 29, 2020 among the Company, Crossgate Capital US Holdings Corp., SDC, SDC Parts and certain principals of SDC Parts (the “**Asset Purchase Agreement**”), the Company sold the Acquired Assets to SDC Parts.

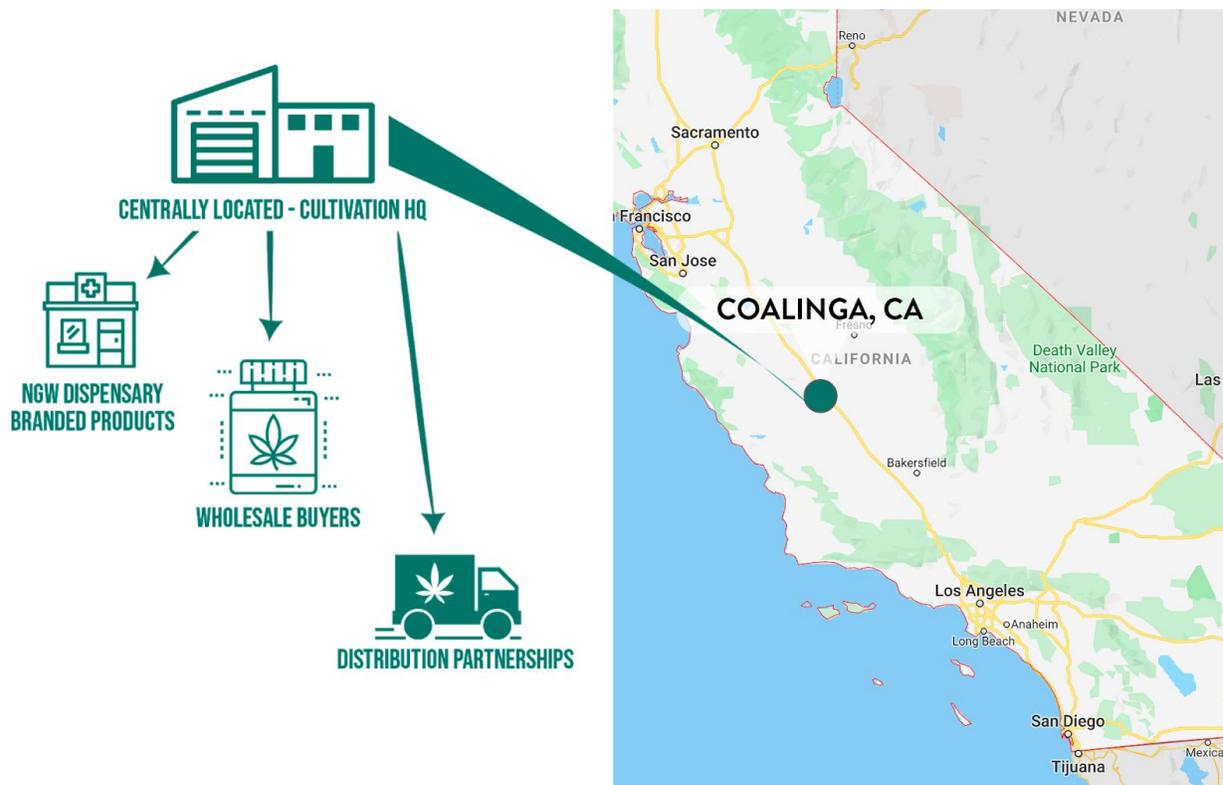
Pursuant to the terms of the Asset Purchase Agreement, the Company received 5,163,406 common shares of the Company that were owned by certain principals of SDC Parts in exchange for the Acquired Assets. These shares were returned to the Company treasury.

Subsequent to the closing of the transaction, the Company's issued and outstanding shares have been reduced from 164,670,189 to 159,506,783 common shares.

*"This is a mutually beneficial arrangement between SDC Parts and the Company and allows the Hartluck and SD Cannabis brands to seek the attention and capital needed to expand, while allowing Next Green Wave to continue to focus on developing its core business model in developing its cannabis business. This transaction also allows us to tighten our share capital structure and returns several million shares to the treasury. We look forward to working with SDC Parts to help both company's grow and succeed."*

**- Mike Jennings CEO Next Green Wave**

### Core Focus



The Company is also pleased to announce the details of its first shareholder call scheduled to take place on **June 4, 2020 at 1:30PM PST**. Pre-registration is mandatory and can be completed by clicking [HERE](#). After registration, you will receive a confirmation email containing information on how to join the call.

### Michael Jennings

Chief Executive Officer, Director  
Next Green Wave Holdings Inc.

## About Next Green Wave

Next Green Wave is a fully integrated premium seed to shelf craft cannabis producer offering products through its in-house brand portfolio and wholesale flower for other large cannabis manufacturers. The Company owns and operates a 35,000 sf indoor facility in Coalinga, CA which is home to our nursery, cultivation, distribution, and future extraction business. NGW has an exclusive seed library consisting of 120 cannabis strains and hybrids including award-winning cultivars and is nearing completion of developing tissue culture cloning technology with bio-tech leader [Precigen](#). Marketing, product design and formulation are produced in-house, please follow along us at [www.nextgreenwave.com](http://www.nextgreenwave.com) or on [Twitter](#), [Instagram](#), or [LinkedIn](#).

**For more information regarding Next Green Wave please contact:**

**Paul Chow**

Director

Tel: +1 (604) 609.6167

[IR@nextgreenwave.com](mailto:IR@nextgreenwave.com)

\*Forecasts assume no meaningful impacts or disruptions to our operations as a result of the COVID-19 pandemic beyond the new protocols and safeguards already implemented throughout the Company

\*\*All financial information is provided in U.S. dollars. The Company provides financial metrics that are not prepared in accordance with IFRS. Management uses non-IFRS financial measures, in addition to IFRS financial measures, to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes and to evaluate the Company's financial performance. Management believes that these non-IFRS financial measures reflect the Company's ongoing business in a manner that allows for meaningful comparisons and analysis of trends in the business, as they facilitate comparing financial results across accounting periods and to those of peer companies. Management also believes that these non-IFRS financial measures enable investors to evaluate the Company's operating results and future prospects in the same manner as management. These non-IFRS financial measures may also exclude expenses and gains that may be unusual in nature, non-cash, infrequent or not reflective of the Company's ongoing operating results. As there are no standardized methods of calculating these non-IFRS measures, the Company's methods may differ from those used by others, and accordingly, the use of these measures may not be directly comparable to similarly titled measures used by others. Accordingly, these non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. While the FY 2019 information available on SEDAR is audited, the quarterly information disclosed above is not.

***Neither Canadian Securities Exchange (the "CSE") nor its Regulation Services Providers (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.***

### **Next Green Wave Forward Looking Statements**

*This press release contains forward-looking statements within the meaning of applicable securities laws. All statements that are not historical facts, including without limitation, statements regarding future estimates, plans, programs, forecasts, projections, objectives, assumptions, expectations or beliefs of future performance, are "forward-looking statements." Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward looking statements. Such risks and uncertainties include, among others, dependence on obtaining and maintaining regulatory approvals, including acquiring and*

*renewing state, local or other licenses and any inability to obtain all necessary governmental approvals licenses and permits to complete construction of its proposed facilities in a timely manner; engaging in activities which currently are illegal under US federal law and the uncertainty of existing protection from U.S. federal or other prosecution; regulatory or political change such as changes in applicable laws and regulations, including U.S. state-law legalization, particularly in California, due to inconsistent public opinion, perception of the medical-use and adult-use marijuana industry, bureaucratic delays or inefficiencies or any other reasons; any other factors or developments which may hinder market growth; NGW's limited operating history and lack of historical profits; reliance on management; NGW's requirements for additional financing, and the effect of capital market conditions and other factors on capital availability, competition, including from more established or better financed competitors; and the need to secure and maintain corporate alliances and partnerships, including with customers and suppliers. These factors should be considered carefully, and readers are cautioned not to place undue reliance on such forward-looking statements. Although NGW has attempted to identify important risk factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other risk factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in forward-looking statements. NGW no obligation to update any forward-looking statement, even if new information becomes available as a result of future events, new information or for any other reason except as required by law.*