



NEW WAVE ESPORTS ANNOUNCES CLOSING OF SECOND TRANCHE OF CONVERTIBLE DEBENTURE PRIVATE PLACEMENT

TORONTO, FEBRUARY 24, 2020 / New Wave Esports Corp. (“New Wave Esports” or the “Company”) (CSE:NWES) is pleased to announce the closing of the second and final tranche of a non-brokered private placement (the “**Offering**”) of secured convertible debentures of the Company (the “**Convertible Debentures**”), pursuant to which the Company issued Convertible Debentures in the aggregate principal amount of \$111,111.12, for gross proceeds of \$100,000.00 (reflecting an original discount equal to 10% of the principal amount of the Convertible Debentures) to the Company. The proceeds will be used to fund working capital for the Company and certain investees, and for general corporate purposes.

The Convertible Debentures are convertible into common shares of the Company (each, a “**Share**”) at a conversion price of \$0.10 per Share (the “**Conversion Price**”), and will mature two years from the date of issuance (the “**Maturity Date**”). On the one year anniversary of the Maturity Date, the principal amount of the Convertible Debentures shall automatically increase by 10% if the Convertible Debentures remain outstanding. Beginning on the date that is four months and one day following the closing date of the Offering, the Company will have the right to prepay or redeem a part or the entire principal amount of the Convertible Debentures plus any accrued and unpaid interest at any time by providing a minimum of 30 days and a maximum 60 days of redemption notice prior to the redemption date. The Conversion Price will be subject to customary adjustments in certain events.

The Convertible Debentures will not bear interest until the Maturity Date, or any event of default. After either event, if the Convertible Debentures remain unpaid, they will bear interest at a rate of 22% per annum, paid monthly.

“We are strongly focused on growing New Wave Esports’ portfolio and revenues within the expanding esports industry,” says Dan Mitre, CEO of New Wave Esports. “The capital we’ve raised and resources we’ve gathered positions us strategically as we narrow our objectives and provide the support to our portfolio as we aim to see continued success in esports and competitive gaming.”

On closing, the Company issued to the Purchaser of the Convertible Debentures, 1,111,112 Share purchase warrants (the “**Warrants**”), for each Share underlying the Convertible Debenture purchased. The Warrants are exercisable for a period of two (2) years from issuance into Shares of the Company with each Warrant entitling the holder thereof to acquire one Share (each, a “**Warrant Share**”) at an exercise price of \$0.15 per Warrant Share (the “**Exercise Price**”).

If at any time during the term of the Convertible Debentures and the Warrants, the Company issues securities at price deemed lower than the Conversion Price or Exercise Price then in effect, or issues any

warrants or options with an exercise price at a lower price than the Conversion Price or Exercise Price then in effect (but exclusive of options or other forms of equity issued under the Company's Stock Option Plan or Restricted Share Unit Plan, up to a combined maximum limit of 20% of the issued and outstanding Shares as of the closing date), then the Conversion Price and the Exercise Price, as the case may be, will be adjusted downward to such lower exercise price if warrants or options were issued, or 150% of the deemed issuance price of the securities if no warrants or options were issued. Further, if during the term of the Warrants, the Company issues warrants with an exercise price below the Exercise Price then in effect, the Company will issue to the subscriber special warrants at such lower exercise price, equal to the number of warrants the subscriber would have received on the Closing Date if such lower exercise price would have been used to calculate (based on an exercise price being 150% of the conversion price) the number of warrants.

An insider of the Company participated in the Offering. Such participation represents a related-party transaction under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"), but the transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the subject matter of the transaction, nor the consideration paid, exceed 25% of the Company's market capitalization. The Offering was approved by all of the independent directors of the Company.

The Company paid a finder's fee of \$6,000 or approximately 6% of the gross proceeds to an eligible dealer in connection with the Offering completed by qualified investors.

The Convertible Debentures and Warrants issued pursuant to this Offering are subject to a statutory hold period of four months and one day from the closing date of the Offering.

ABOUT NEW WAVE ESPORTS CORP.

New Wave Esports Corp. (CSE: NWES) is an esports and competitive gaming company that provides capital and support services to esports organizations, teams, leagues, events, platforms, tools, and technology innovators.

New Wave Esports has leadership teams located in Toronto, Ontario and Los Angeles, California. For more company information and contact details, visit <http://newwaveesports.com>.

HIGHLIGHTS OF THE NEW WAVE ESPORTS PORTFOLIO:

- **Avatar One Esports Capital Corp.:** An esports acquisition vehicle, Avatar has invested in Real Time Games Holdings Limited, owners and operators of Luckbox. Luckbox is an esports wage betting platform (minority stake investment at a \$1M valuation).
- **Even Matchup Gaming:** Events company bringing esports to the masses through over 80 annual events (wholly-owned subsidiary).
- **PlayLine:** Daily fantasy sports betting platform, co-founded by UFC middleweight champion Michael Bisping, with two-time NBA All-Star Roy Hibbert as their Investor/Strategic Partnerships Manager (minority stake investment at a \$4M valuation).

- **Talon Esports:** Professional esports team operator in Asia providing a supportive platform to elevate its players to compete at the highest levels in triple-A gaming titles (minority stake investment at a \$4M valuation).
- **Thunderbolt CDG:** Software applications and technology development company that has provided services for 40+ startup companies (wholly-owned subsidiary).
- **Tiidal Gaming:** Esports organization that owns and operates Canada's premier esports team Lazarus, one of the highest-grossing teams in the world (minority stake investment at an \$8M valuation).

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FORWARD-LOOKING INFORMATION DISCLAIMER

Certain statements contained in this news release may constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", and similar expressions. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information such as, among others, changes to the Company's strategic and operational plans. The Company believes that the expectations reflected in the forward-looking information are reasonable, including the Company's use of proceeds. However, no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon. Any forward-looking information contained in this news release represents the Company's expectations as of the date hereof, and is subject to change after such date. The Convertible Debentures, if converted upon the term thereof, can result in substantial dilution to investors. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. Not for distribution to U.S. Newswire Services or for dissemination in the United States. Any failure to comply with this restriction may constitute a violation of U.S. Securities laws.

Any information in this press release regarding the Company's portfolio investees and their respective plans were obtained directly from such investees. Although the Company believes these sources to be reliable, the accuracy and completeness of such information are not guaranteed and have not been

independently verified. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.