

## Next Green Wave Holdings (NGW)

February 05, 2019

**Next Green Wave is a fully integrated, seed-to-consumer, cannabis company that is licensed for medical and recreational cannabis operations in Coalinga, California. The Company has acquired four medical and recreational Conditional Use Permits (CUP's) for cultivation, nursery, volatile and non-volatile extraction and distribution.**

**It is well positioned to capitalize on a massive opportunity after completing a \$21 million raise. These proceeds allow the Company to acquire and complete three facilities, finalize the supply chain from seed-to-consumer, and execute its vision to be the world-class nursery and the number one consumer products goods cannabis company in California.**

**The Company has several catalysts for growth and is focused on quickly increasing market share in California. In addition, Next Green Wave is led by a management team with a proven track record of success that is able to execute and create value for shareholders.**

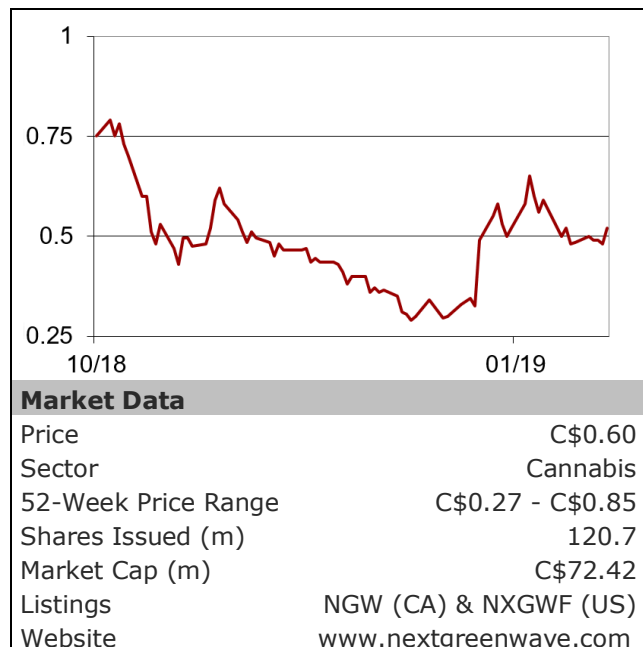
**Although many investors are closely monitoring the Canadian cannabis industry, we believe that the United States market is flying under the radar. Therefore, companies that focus on the U.S. cannabis market are undervalued compared with their Canadian peers. This creates a great opportunity for investors as the United States cannabis industry is in the early innings of a major growth cycle and markets like California represent massive opportunities.**

**We initiate coverage of Next Green Wave Holdings with a buy recommendation and a price target of \$1.61, which is 168% above today's stock price.**



Following a successful public listing, Next Green Wave offers an attractive value proposition for the following reasons:

- The Company is fully licensed to conduct business in California which is the largest cannabis market in the world;
- The Company is in the middle of a major expansion that will significantly increase production capacity;
- The Company entered into a partnership with leading biotech company Intrexon (NASDAQ: XON) to develop plantlets and a world-class nursery through tissue culturing;
- The Company has acquired an award winning, premium world-class seed bank of cultivars, with international recognition; and
- The Company raised \$21 million to finance the purchase of assets, construction, and brand development.



## THE COMPANY

Next Green Wave Holdings' vertically integrated seed-to-consumer operations enable it to maximize operational efficiency and deliver a premium quality and reliably sourced product. Upon completion of the facilities, the Company will be a fully integrated cannabis company with the ability to legally cultivate, extract and distribute cannabis and cannabinoid infused products.

Next Green Wave was the first company to purchase property in the green zone in Coalinga and holds four licenses that form the foundation of its vertically integrated business model:

- ❑ Nursery – Production and sales of proprietary seeds and clones as well as the production and sales of third party seeds and clones;
- ❑ Cultivation – Growing cannabis flowers for both sales and testing;
- ❑ Extraction – Includes **volatile extraction, non-volatile extraction** and product infusion; and
- ❑ Distribution – Implementing targeted marketing and sales strategies to sell both Next Green Wave produced products and those produced by its branded distribution partners. Services include transportation, processing, packaging, marketing and sales.

Through these four cornerstone operations, the Company is able to offer a variety of cannabis products and cannabis-related services.

### **VOLATILE / NON-VOLATILE EXTRACTION**

- In volatile manufacturing solvents, such as ethanol, butane, pentane and propane extraction products are used in the extraction process, which produces flammable gas or vapor.
- In non-volatile manufacturing only non-petroleum solvent products are used, such as CO2.

The Company's world-class facilities are located on a wholly-owned 15 acre property

that is ideally located between Los Angeles and San Francisco. This allows for easy distribution across the entire State of California.

Next Green Wave has partnered with global biotechnology leader Intrexon to advance its cannabis cultivation process using Intrexon's high-throughput plant regeneration Botticelli™ platform. This platform is an advanced tissue culture technology designed to enable efficient propagation of plants. When applied to cannabis, Botticelli™ offers potential for a sustainable, scalable, and more economical solution than conventional cloning. The companies will pursue to develop strains that are immune to harmful pathogens, improve plant consistency and optimize plant traits to bring to market.



**Next Green Wave's Coalinga property is strategically located between Los Angeles and San Francisco.**

### Operating Facilities

By 2020, the Company expects to have four operating cannabis facilities totalling 335,000 square foot on 15.34 acres of land in Coalinga, California to be used for the cultivation and distribution of cannabis and cannabis infused products. The Company is the sole owner of the piece of property. The combined production output of the facilities is expected to be between 100,000 to 125,000 pounds of premium cannabis per year.

**Facility A (Indoor Cultivation)** - NGW entered into a construction contract dated

February 1, 2018 to commence construction of a 35,000 square foot facility on Lot A to accommodate a 4,050 square foot nursery and a 24,300 square foot space for indoor cultivation of adult cannabis plants.

Commercial operations for Facility A are expected to commence in Q1 2019. The Company anticipates Facility A to produce approximately 7,000 to 10,000 pounds of premium cannabis per year.



**Next Green Wave's 35,000 square foot indoor facility has been completed and will soon be fully operational.**

Phase 1 construction is now complete on the facility, with all major construction having been completed in January 2019. A few items remain, such as finishing the power cable installation from the local substation to connect the facility, as well as a final city inspection for the issuance of an occupancy permit.

The facility comes equipped with proprietary fertigation, operational and security systems, and also hosts positive pressured, climate-controlled rooms to accommodate the full growth cycle of cannabis.

The starting line is near and it's expected that Next Green Wave will begin production over the next few weeks.

**Facility B (Indoor Cultivation)** - In 2019, the Company plans to commence construction of a 50,000 square foot facility, immediately adjacent to Facility A, to accommodate expansion of the Company's nursery, flower and trim operations.

Commercial operations for Facility B are expected to commence in Q2 2020 and the Company anticipates Facility B to produce approximately 12,000 to 14,000 pounds of premium cannabis per year.

**Facility C (Manufacturing and Distribution)** - The Company plans to retrofit the existing Facility C to accommodate the Company's commercial extraction, infusion and distribution operations for cannabis oils, cannabis extracts, cannabinoid infused products. Also read "Cannabis Products" below.

Commercial operations for Facility C are expected to commence in Q1 2019 and the Company anticipates Facility C to produce approximately 2,500 to 3,000 liters of cannabis oil per year.

**Facility D (Greenhouse Cultivation)** - The Company plans to build a 250,000 square foot greenhouse. The Company anticipates completion of Facility D in 2020. Commercial operations for Facility D are expected to commence in late 2020 and the Company anticipates Facility D to produce approximately 80,000 to 100,000 pounds of premium cannabis per year.

## Cannabis Products

- ❑ **Nursery stock** - The Company intends to produce and sell premium medical grade clones. Using production techniques developed by Michael Jennings, the Company's COO and Head of R&D. Next Green Wave also intends to produce industry standard nursery stock for both its flower production operations and for other large-scale licensed cultivators in the State of California.
- ❑ **Dried Cannabis** - The Company intends to sell premium medical grade organic dried flowers and trim. Using its database of premium quality cultivars, the Company plans to gain a competitive advantage through innovation, brand awareness, ongoing research and development, quality assurance and analytically-driven operations.

❑ **Cannabis Oils** - Cannabis has over 140 different active compounds that interact with the endocannabinoid system in the human body, which may produce a variety of medicinal effects, in addition to the known psychoactive effects. The ability to effectively and selectively extract these molecules from the raw cannabis flower needs to be further understood and studied. In addition, there are a variety of known carrier oils with properties that enable the suspension of the cannabis oil within the carrier.

As the medical and recreational cannabis markets in California progress, the Company expects a growing trend towards more subtle and healthier methods of consuming cannabis. The Company also expects the pricing of cannabinoid content to be significantly higher in oils than that for dried flowers.

Using high performance extraction equipment and manufacturing techniques, the Company intends on developing high quality cannabis oil concentrates that maintain the chemical profiles of their parent strains that the Company anticipates can be used in a variety of novel formulations and delivery methods.

❑ **Cannabis Edibles and Cannabis Oil-Infused Products** - The Company intends to manufacture edible products using raw cannabis oil extracts, wax, distillate and isolate as infused ingredients. Wax products will be made for direct consumption, while distillate and isolate will be used to manufacture edible cannabis products, including pills, lozenges, candies, beverages and baked goods, and oil infused cannabis products, including topical, tinctures and salves.

❑ **Seeds and Cultivars** - The Company's seed bank comprises of over 120 different genetic varieties for cannabis originating from across the world. Next Green Wave will continue to analyze and catalogue these genetic varieties and seeds in order to offer unique cannabinoid profiles designed for a wide assortment of therapeutic effects.

## Fully Licensed

Early 2019, Next Green Wave announced that it had obtained all necessary state and local licenses for its site A production facility in Coalinga, California.

It currently holds the following licenses:

- ❑ Indoor Cultivation - Adult Use (up to 15,000 ft<sup>2</sup>)
- ❑ Indoor Cultivation - Medical (up to 5,000 ft<sup>2</sup>)
- ❑ Nursery Adult
- ❑ Nursery Medical
- ❑ Distribution - Adult
- ❑ Distribution - Medical
- ❑ Volatile Extraction - includes non-volatile extraction, infusion and manufacturing

The newly issued licenses will allow Next Green Wave to carry out all its seed to sale operations in the State of California.

"With the completion of our 35,000 ft<sup>2</sup> premium indoor Facility A imminent, we have received all of the state licenses necessary to move into production in 2019. This is a major milestone to see us into full operation in 2019," Stated Leigh Hughes, CEO & Executive Chairman of Next Green Wave.

## SEED TO CONSUMER

Next Green Wave is building state of the art facilities for cultivation, nursery/breeding, extraction, and distribution to produce and transport premium cannabis products to end users.

Below is an overview of these four crucial steps in the vertical seed to consumer process.

### Nursery

Next Green Wave plans to cultivate premium cannabis in the flowering facility and will use the nursery to create hybrid strains and be a major supplier of clones, seeds and seedlings to retail and wholesale clients.

The Company currently holds over 120 cultivars in its nursery archive. However, the goal is to manufacture many more award-

winning seeds and clones with the ultimate goal to develop world-class plantlets for the B2B and consumer markets.

The Company's cultivars include premium cannabis flowers and seeds coupled with award winning genetics and cultivation breeding techniques. It is a five-time High Times Cannabis Cup winner' and was inducted into the High Times Seedbank Hall of Fame in 2014.

Michael Jennings cannabis brand Loud Seeds, has also been mentioned in several cannabis documentaries, including Million Dollar Grow Room, Kings of Pot and the Netflix documentary Legend of 420.



**Through the Loud Seeds brand, Next Green Wave has established relationships with several of the major dispensaries and media in CA.**

Next Green Wave's operations is the driving force behind the Company's premium cannabis products, as it has breeding methods that have been developed for over 20 years and is a specialist in creating, launching and marketing new strains based on consumer demand.

Moreover, is has also built a strong distribution list in California along with relationships with many other well-known cultivators and breeding partners.

To advance its nursery even more, the Company partnered with Intrexon to advance tissue culturing technologies to develop pathogen free, consistent premium plantlets using the Botticelli™ Platform.

Thanks to its outstanding infrastructure and partnerships, Next Green Wave has the capacity to produce hundreds of thousands, and ultimately millions of seeds per month of both high THC, high CBD and THC/CBD hybrids of varying ratios.

### **CBD / THC**

Although CBD and THC act on different pathways of the body, they seem to have many of the same medical benefits. Unlike THC, CBD however does not cause a high. While this makes CBD a poor choice for recreational users, it gives the chemical a significant advantage as a medicine, since health professionals prefer treatments with minimal side effects.

CBD is non-psychoactive because it does not act on the same pathways as THC. These pathways, called CB1 receptors, are highly concentrated in the brain and are responsible for the mind-altering effects of THC. Having exactly the right mix of THC and CBD in cannabis oil is essential to treat disorders, as many conditions require a different mix.

### **Cultivation**

Cannabis cultivation is a term that refers to growing cannabis, either in a commercial facility or in a home garden. Cannabis cultivation can occur outdoors, but it is much more likely to be indoors in a hydroponic (soilless) set-up.

Next Green Wave will cultivate globally recognized and award winning genetics in its 35,000 square foot advanced production facility, ensuring a premium product and quality. The facility will count 14 grow rooms with their proprietary climate control and watering system.

The Company knows as no other that cultivation of premium quality cannabis starts with industry leading state of the art fertigation, integrated pest management and cultivation techniques.

### **Extraction**

In the cannabis industry, extraction refers to the process of extracting or concentrating the most potent compounds from the plants. Extraction essentially removes the oil found in the trichomes from the plant. The resulting

products from the extraction process (the concentrates or extracts) are therefore a highly concentrated and potent form of THC and other cannabinoids.

The extracted concentrates can be in the form of oils, pills, and other forms, and can also be used to make edibles like baked goods, candies, and infused beverages.



**Next Green Wave will have the ability to process its own inventory and third party biomass into oils, waxes, shatter, terpenes, distillates and finished product manufacturing.**

Extraction is a common practice performed for a number of different reasons, ranging from increasing marijuana’s medical benefits to producing a more potent recreational product.

Next Green Wave will process biomass grown from its facility to produce oils, waxes, tinctures, and other cannabis products that can be processed into edibles, topical products, drink products and vaporizers. In addition, the Company will provide toll extraction services for other licensed cultivators that seek extraction processing.

Target markets include vape and edible manufacturers, distributors, dispensaries and third-party cultivators.

## Distribution

Distribution is a major aspect of the cannabis business and Next Green Wave plans to sell its own products throughout the State of California. In addition, the Company plans to contract high quality licensed producers and processors that do not have a distribution license to package, market, transport, and sell their respective products through its wholesale and retail network.

In order to do so, Next Green Wave will develop a network of licensed dispensaries to distribute its branded products and white label products throughout the State. The Company will assemble a qualified professional sales team to sell both Next Green Wave as well as third party products to these dispensaries.

Only state licensed transporters are permitted to move cannabis products legally in California. As a licensed provider of distribution, Next Green Wave will implement a fee for transporting third party goods.

## THE MARKET

### California Cannabis Market

In 2018, California legalized adult-use cannabis under the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). California is projected to be the largest cannabis market in the U.S., largely due to its population of 39.54 million residents, which is more than five times the size of the next largest state that has legalized adult use cannabis at the state level.

The latest figures show that around 5,000 licenses have been issued on a temporary basis, to thousands of cannabis businesses. This indicates that the market is highly fragmented with no true market leader yet emerging amongst the thousands of issued licenses.

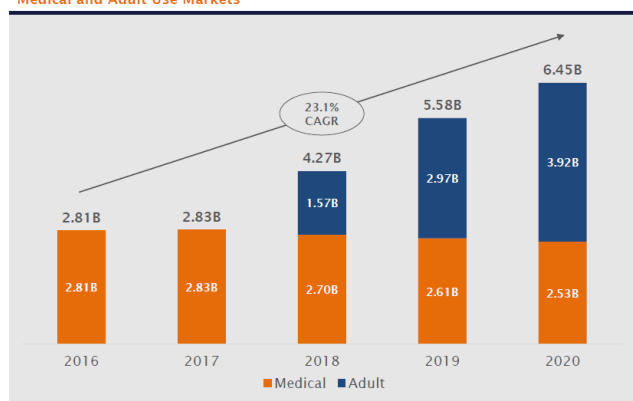
Businesses are pursuing vertical integration strategies, however almost every cannabis company is pursuing a variant of this strategy creating opportunities for companies with a highly focused corporate strategy with a

distinct value proposition such as Next Green Wave.

Overall, the California cannabis market grew significantly between 2016 and 2018 due to the introduction of the legal adult use cannabis market.

From 2018 to 2020, the medical cannabis market segment is projected to decline due to current patients / customers switching to the legal adult use segment to service their needs. By the second year of legalization, the adult use segment will become larger than the medical segment.

California Market Size (US\$B)  
Medical and Adult Use Markets



**Arcview Market Research and New Frontier Data.**

The California regulated market alone reached approximately \$4.3 billion in sales in 2018, and is estimated to reach approximately \$6.45 billion in sales by 2020. As a reference point, the beer market in California hit US\$5 billion in 2017.

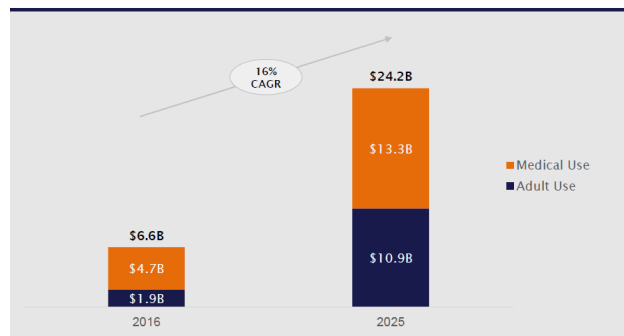
**U.S. Cannabis Market**

Despite legal, regulatory and political obstacles, the U.S. cannabis industry continues to experience substantial growth as States across the U.S. are moving to legalize adult-use cannabis, typically starting with medical use legalization. However, the senate is expected to pass a bill in the next 2-5 years to formalize the Cole Memorandum and effectively allow for a national industry.

According to Arcview Market Research, the legal cannabis market in the U.S. was estimated to have grown to \$9.7 billion in 2017. In the last year, approximately 2.3

million people in the U.S. consumed marijuana for medical purposes and an additional 1.8 million consumed marijuana recreationally (in states where recreational use has been legalized). However, Arcview estimates that the potential cannabis market will grow to approximately 44 million people in the U.S.

US Cannabis Market Size



**Source: New Frontier Data.**

The US legal cannabis market is expected to see a 16% CAGR and be worth over \$24B by 2025, ushering in a wealth of investment opportunity alongside it. Few, if any, multi-billion dollar industries are expected to grow that quickly.

Hemp, which is closely related to marijuana but has no psychoactive effect, has been classified as a controlled substance under federal law for decades. The Farm Bill, signed by President Trump late 2018, removes this designation and reclassifies hemp as an agricultural product, legally distancing hemp from pot, which is still illegal to grow in most states.

Hemp can either be grown as fiber, generally used to make clothing, rope and building materials, or to be harvested for its cannabidiol, or CBD, which has broad health benefits.

**Worldwide Cannabis Market**

Globally, countries are moving to legalize medical cannabis. The number of conditions treated with medical marijuana is growing rapidly. As new patients are added to the market, the demand for medical marijuana is expected to increase multiple folds over the forecast period.

Typically, medical cannabis legalization is seen as the first step towards full recreational / adult-use legalization. As such, globally-minded cannabis companies are building international businesses to capitalize on the forthcoming opportunity in both the medical and recreational cannabis markets.

Countries like Canada, the U.S., Germany and Australia are expected to emerge as leading markets in terms of sale, whereas, countries like Israel are focusing on research and technology development and are leveraging on knowledge transfer.

The global legal marijuana market is expected to reach USD 146.4 billion by end of 2025, according to a new report by Grand View Research, Inc.

## GROWTH DRIVERS

### Intrexon Partnership

Next Green Wave Holdings and Intrexon Corporation recently entered into a strategic licensing agreement to utilize the latter's Botticelli™ platform.

The Botticelli™ platform is an advanced tissue culture technology designed to enable efficient propagation of plants while maintaining genetic purity and product performance. When applied to cannabis, Botticelli™ offers potential for a sustainable, scalable, and more economical solution than conventional clones.

Growers currently rely on clonal propagation, which is labor intensive, requires lots of time and space, and is subject to phytosanitary risk. Botticelli™ on the other hand enables unlimited and rapid production of cannabis plants with product consistency.

The ability to rapidly multiply proprietary plant lines in smaller areas offers significant advantages to conventional methods. Moreover, the ability to generate disease-free plants potentially eliminates disease risks associated with mother clone maintenance.

Intrexon has demonstrated proof-of-concept data for high-throughput regeneration and is

already being commercialized across the globe in several agro products.

The collaboration between the companies will be two-staged:

- An optimization phase in which Intrexon will calibrate its Botticelli™ technology to Next Green Wave's specific cannabis cultivars and;
- A production phase in which Next Green Wave may utilize the technology in: (i) the production of cannabis plantlets for its downstream products and (ii) the sale of plantlets to third party producers in California.

Intrexon will be investing in the laboratory infrastructure in Next Green Wave's licensed Facility C. Intrexon will also be investing in providing its personnel to work on the research and development project.

In return, Next Green Wave will enable Intrexon to use over 1000sqft of research and development space in Facility C, and also nursery and cultivation space in Facility A.

In addition, Intrexon will be entitled to royalties on Next Green Wave's own plantlet usage and the parties will split revenues from third party sales equally.



**Using a small amount of plant tissue, Intrexon's Botticelli™ platform enables production of a large number of plants that are essentially genetically pure.**

Mike Jennings, Chief Operations Officer and Head of Research and Development of Next Green Wave commented, "In my many years as a breeder and grower, I have not seen advances with as much potential to be disruptive to plantlet production as the Botticelli™ technology and am looking forward to realizing its potential in collaboration with the talented Intrexon team."



## RECENT EVENTS

### Construction Completed of First Production Facility

Mid-January 2019, Next Green Wave announced that it had completed all major structural construction on its first indoor cannabis production facility in Coalinga, California.

PG&E has commenced work to trench and install power cables from the local substation to connect to the facility. The installation is expected to be completed very shortly and will be subject to a final city inspection for the issuance of an occupancy permit. The permit is the final step to allow the Company to begin production.

### Next Green Wave Acquires Extensive Catalogue of Cannabis Genetics

Early 2019, Next Green Wave announced that the Company's COO and Head of R&D, Michael Jennings, had assigned 100% of his interests to a cannabis genetics inventory, including 112 cultivars, to the Company's wholly owned subsidiary, Crossgate Capital US Holdings Corp.

The legalization of cannabis in California has added pressure on cultivators to produce new strain varieties for the fast-evolving market. The Company anticipates that these new cultivars will enable it to further execute on its strategy to build a world-class nursery and to develop new cannabis hybrids with desired traits for the California market.

"As a Company, our vision is to build a world-class nursery that pushes the innovation envelope in the cannabis industry," stated Leigh Hughes, Executive Chairman and CEO. "We have one of the world's most exceptional breeders and cultivators who is determined to execute Next Green Waves' vision to develop a distinguished nursery for the medical and adult-use cannabis market in California."

The Company plans to integrate its newly acquired cultivars into its breeding program in the coming weeks. The Company anticipates

that this will have a positive impact on the products, which it can then introduce into the California market in 2019.

## FINANCIALS

The Company currently does not have any source of revenue; however, this is expected to change in Q1 of 2019.

The net loss for the three-month period ended September 30, 2018 was \$1,300,383 compared to a net loss of \$27,426 for the same period in 2017.

The net loss for the nine-month period ended September 30, 2018 was \$1,907,523 compared to a net loss of \$27,426 for the same period in 2017.

Amounts in \$000's	09/30/18	09/30/17
General Office	107	1
IR & Communications	419	-
Legal & Accounting	292	27
Management Fees	171	-
Stock-Based Comp.	571	-
Travel	202	-
<b>Total Expenses</b>	<b>1,998</b>	<b>27</b>
<b>Net Loss</b>	<b>1,908</b>	<b>27</b>
Diluted Shares Outs.	120,544	2,500
Diluted EPS	(0.02)	(0.01)
<b>Selected income statement data for the nine months ended September 30, 2018 and September 30, 2017. Source: Company Filings</b>		

### Balance Sheet As Of September 30, 2018

As at September 30, 2018, the Company's cash position was \$7,465,029 compared to \$290,421 at December 31, 2017. Working capital at September 30, 2018 was \$8,424,283 compared to \$333,601 at December 31, 2017. The increase in working capital was due primarily to \$20,038,725 in net proceeds from several private placements between January 2018 and June 2018.

The Company used \$1,655,214 of cash in operating activities during the nine months

ended September 30, 2018 compared to \$45,992 for the same period in 2017.

Amounts in \$000's	09/30/18	12/31/17
Cash and Cash Eq.	7,465	290
Short Term Investments	530	-
Receivable	83	-
Prepays & Deposits	522	5
<b>Total Current Assets</b>	<b>8,601</b>	<b>378</b>
Land	5,105	-
Construction in Progress	7,272	-
Intangible Assets	2,817	-
<b>Total Assets</b>	<b>23,795</b>	<b>378</b>
Accounts Payable	176	45
<b>Total Liabilities</b>	<b>176</b>	<b>45</b>
Total Stockholder Equity	23,619	334
<b>Selected balance sheet data on September 30, 2018 and December 31, 2017. Source: Company Filings</b>		

## OUTLOOK & VALUATION

Next Green Wave is focused on constructing state-of-the-art facilities in California for nursery/breeding, cultivation, extraction and distribution. The Company's business is vertically integrated, which allows it to control the complete seed-to-consumer process. This is an attractive aspect of the story as it will lead to better margins and lower costs.

Next Green Wave is well positioned to start capitalizing on the California cannabis market in 2019 as its first major facility becomes operational.

The Company's Coalinga property is strategically located. As it counts more than 15 acres, or about the size of 12 American football fields, Next Green Wave has plenty of room to build out its 350,000 square foot of space to grow over the next two years.

The Company has significant levers for growth and has received a strategic \$21 million investment.

Its corporate team has extensive public company, regulatory compliance, finance, marketing, gardening, and operational experience.

The company has premium-quality genetics with international recognition. Next Green Wave has established relationships with several of the major dispensaries and media in California. As such, it can leverage its name for rapid customer acquisition through its consumer products goods strategy of penetrating premium brands.

One of the most exciting announcements to come out of Next Green Wave in recent weeks was the signing of a deal with Intrexon Corp, in an aim to create a world-class nursery. The deal is a win for both parties as Intrexon will be entitled to royalties on Next Green Wave's own plantlet use, and the parties will share the revenue from third-party sales.

While Next Green Wave is still a relatively new entrant to the market, listing on the Canadian Securities Exchange (CSE) in October 2018 and on OTCQB market in the US in December 2018, the year looks to be a very exciting one for the Company, with a host of items on the agenda.

Moreover, in the coming months, Next Green Wave is keeping an eye out for strategic acquisitions and other partnerships with industry players.

### Valuation

Given that Next Green Wave doesn't generate any earnings yet, a multiple-based valuation is not possible. Instead, we apply a Discounted Cash Flow (DCF) model.

Based on our estimate of 155 million shares outstanding fully diluted, the intrinsic value of Next Green Wave's shares derived from our model is \$1.61.

**As such, we initiate coverage of Next Green Wave Holdings with a buy recommendation and a price target of \$1.61, which is 168% above today's stock price.**

## SHARE DATA

As of January 2019, Next Green Wave had approximately 120.7 million common shares

outstanding. In addition, the Company had approximately 27.8 million warrants outstanding with an average exercise price of \$0.69. Each warrant entitles its holder to purchase one common share of the Company.

Finally, Next Green Wave had about 6.7 million stock options outstanding with a weighted average exercise price of \$0.37. Each stock option entitles its holder to purchase one common share of the Company.

## MANAGEMENT

### ▣ MR. LEIGH HUGHES - EXECUTIVE CHAIRMAN & CHIEF EXECUTIVE OFFICER

Mr. Hughes is an integrated marketing communications and innovations professional of 15+ years. He has held board level positions for multiple companies and has success and experience in venture capital services and the commercialization of private and public companies across the globe, in particular: North America, Australia, and the Asia Pacific Region. He is currently a corporate advisor to multiple listed companies on the CSE and TSXV.

### ▣ MR. DAVID WILSON - DIRECTOR

Mr. Wilson is a Senior Financial Executive with 25+ years of experience as a strategic advisor focused on facilitating opportunities and solving problems. His career has covered all aspects of corporate finance, including mergers & acquisitions, public and private financings of equity and debt, and corporate governance both in USA and Canada, with an industry emphasis on liquor distribution, technology, electronics manufacturing international agriculture and consumer goods industries.

### ▣ MR. MIKE JENNINGS - CHIEF OPERATIONS OFFICER & HEAD OF R&D

Mr. Jennings is a Californian native from the Central Valley who has been working in the cannabis industry for 20+ years. Aside from focusing on large cultivation projects, Mike has specialized in owning and operating dispensaries. Mike is the co-founder of Loud Seeds, a multiple High Times Cannabis Cup winning breeding and cultivation company. He has been involved in cannabis cultivation, breeding, and marketing for 15+ years and has established brands in both the United States and Europe.

### ▣ MR. PAUL CHOW - CO-FOUNDER & DIRECTOR

For over 18 years, Mr. Chow has provided business advisory services for both public and private companies. He has founded, acted as a senior officer and director, and provided strategic planning for various companies in the marijuana, mining, oil and gas, and technology sectors during his career. Mr. Chow's experience working within the Canadian equities market will provide great assistance to the IPO and the business development for Next Green Wave.

### ▣ MR. MATTHEW JEWELL - CPA-CA, VP FINANCE

Mr. Jewell has spent the last several years assisting companies in emerging industries scale and grow from a financial reporting, treasury, HR, legal and operational perspective. Before joining Next Green Wave, Matt was involved with numerous tech companies of various sizes and international locations, including the State of California. Matt spent the first several years of his career at KPMG where he gathered his base knowledge of financial reporting, tax, compliance, process and control implementation.



CSE: NGW  
OTCQB: NXGWF

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