

NEW WAVE HOLDINGS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the nine months ended December 31, 2020

NEW WAVE HOLDINGS CORP.**MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE PERIOD ENDED DECEMBER 31 2020**

(All amounts expressed in Canadian dollars, unless otherwise stated)

This Management Discussion and Analysis ("MD&A") provides a detailed analysis of the business of New Wave Holdings Corp. (formerly New Wave Esports Corp.) (the "Company") and describes its financial results for the nine months ended December 31, 2020. The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the nine months ended December 31, 2020 and related notes, and the audited consolidated financial statements for the year ended March 31, 2020 and related notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") Refer to Note 3 of the March 31, 2020 audited financial statements for disclosure of the Company's significant accounting policies and a discussion of future accounting policy changes. The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in the Canadian dollar. This MD&A is current as of March 1, 2021.

Management's Responsibility

The Company's management is responsible for the preparation and presentation of the financial statements and the MD&A. The financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board. This MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators, and the Canadian Securities Exchange.

COMPANY BACKGROUND

New Wave Holdings Corp. (formerly New Wave Esports Corp.) ("the Company" or "New Wave") was incorporated under the Business Corporation Act of British Columbia on May 17, 2006. The Company's objective is to generate income and achieve long term capital appreciation through investments focused on the psychedelic and esports sectors. In the psychedelic sector, New Wave will focus on supporting research on active psychedelic compounds, creation of consumer products based on functional mushrooms, and developing an IP portfolio focusing on psilocybin, LSD, MDMA, and ketamine derived treatments for neuropsychiatric diseases. The head office, principal address and records office of the Company are located at 401 - 217 Queen Street West, Toronto, Ontario, M5V 0R2.

On October 24, 2019, the Company completed a "three cornered" amalgamation whereby its previous wholly owned subsidiary, 1205619 B.C. Ltd., amalgamated with the company New Wave Holdings (BC) Corp. pursuant to an amalgamation agreement dated June 7, 2019 (announced in the Company's June 18, 2019 news release) as amended effective September 26, 2019, among the Company, 1205619 B.C. Ltd., and New Wave Holdings Corp. On October 28, 2019, the Company began trading on the Canadian Securities Exchange under the stock symbol NWES which was eventually changed to SPOR.

QUARTERLY HIGHLIGHTS AND SUBSEQUENT DEVELOPMENTS

- Entered into a letter of intent to form an Ireland based digital marketing company joint venture, subsequent to the quarter. New Wave will acquire a 50% interest in the operations in this co-venture named N2 Logics Inc ("N2 Logics") or similar name. N2 Logics is a private company that support online e-commerce platforms to maximize exposure and reach parties interesting in making an online purchase.
- Completes acquisition of Way of Will Inc. ("WoW") a leading retailer of aromatherapy products extracted from natural aromatic plant extracts and essential oils.

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(All amounts expressed in Canadian dollars, unless otherwise stated)

OVERALL PERFORMANCE

The Company continued operations for the three months ended December 31, 2020 and incurred a net loss of \$13,828,439 primarily driven by the loss on remeasurement of its investment and impairment of Anahit and the engagement of numerous consultants for business advisory services, share-based payments and various activities and related expenses in ramping up operations, although the Company also successfully raised additional equity financing to expand its investment activities, personnel, and marketing efforts. For the nine months ended December 31, 2020, the Company has made a key investment in WoW and successfully completed several financings. The Company expects to continue to raise additional funds through equity and debt financings and seek additional investment opportunities including diversifying its investment portfolio and other similar investments. For the nine months ended December 31, 2020, the Company completed the acquisition of all of the issued and outstanding shares of WoW. WoW is an aromatherapeutic essential-oil based wellness company based in Toronto, Canada. Wow products enhance your commitment to health, wellness and training by blending essential oils that protect, energize, refresh, relax, moisturize and groom the body and mind.

INVESTMENTS AT FAIR VALUE

The Company has the following investments as at December 31, 2020 and March 31, 2020:

	Number of Shares/Units Held	Fair Value at March 31, 2020	Investment	Fair market value Adjustments	Fair Value at September 30, 2020
Equities of private esport companies:		\$	\$	\$	\$
Even Matchup Gaming Inc.	200	1,500,000	(1,080,000)	-	420,000
Playline Ltd.	51,653	250,829	-	-	250,829
Tiidal Gaming Group Inc.	2,250,000	1,125,000	-	-	1,125,000
Avatar One E-Sports Capital Corp.	7,500,000	150,000	-	-	150,000
Talon Esports Ltd.	681,818	405,000	-	-	405,000
Stock options held:					
Talon Esports Ltd.	681,818	198,511	-	-	198,511
Balance		3,629,340	(1,080,000)	-	2,549,340

- i. On March 27, 2019, the Company purchased 180 common shares (18%) of Even Matchup Gaming Inc. ("EMG") for \$250,000 along with an irrevocable option to acquire an additional 31% interest, with additional terms to purchase from the Even Matchup Gaming Inc.'s existing shareholders, upwards to a maximum of 49% of all common shares. Even Matchup Gaming Inc. is a private company and its shares cannot be reliably valued using any market-derived indicators. The fair value of the investment into Even Matchup Gaming Inc. is currently reflected as the initial cash purchase price of its common shares, the additional amounts paid, and the fair value has been adjusted based on the per share value of the additional amounts paid.

On February 10, 2020, the Company acquired the remaining issued and outstanding shares of EMG for \$1,230,000 comprising \$550,000 cash and 2,518,518 common shares of the Company. The cash consideration is payable in tranches, with \$350,000 paid on February 7, 2020 and the remainder to be paid in installments over the six months following February 7, 2020. A portion of the 2,518,518 common shares issued is subject to a contractual lock up and will be released to the vendors of EMG in installments over twelve months following the closing of the acquisition.

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Immediately after the completed acquisition, the Company took steps to unwind the acquisition due to various operational issues encountered with EMG. On April 16, 2020, the Company and EMG reached a settlement agreement outlined below, that have been completed:

- 1- The Company would retain 200 common shares (20%) of EMG.
 - 2- The Company will return 800 common shares (80%) to EMG shareholders.
 - 3- EMG would return to the Company 2,518,518 common shares for cancellation (received and cancelled).
 - 4- The Company would pay the remaining balance of the committed \$550,000 totaling \$50,000 and also pay \$150,000 to a founding shareholder of EMG. The \$200,000 is included in accounts payable as at March 31, 2020 owing to these parties.
 - 5- The Company will repay \$260,000 in cash loans received from EMG which is included within accounts payable and accrued liabilities.
- ii. On March 22, 2019, the Company purchased 51,653 common shares (less than 1%) of Playline Ltd. for \$250,829. Playline Ltd. is a private company and its shares cannot be reliably valued using any market-derived indicators. The fair value of the investment into Playline Ltd. is currently reflected as the initial cash purchase price of its common shares.
- iii. On March 26, 2019, the Company purchased 2,000,000 common shares (approximately 4%) of Tiidal Gaming Group Inc. for \$400,000. Tiidal Gaming Group Inc. is a private company and its shares cannot be reliably valued using any market-derived indicators. The fair value of the common share investment into Tiidal Gaming Group Inc. is currently reflected at its current fair market value based on its recent financing of \$0.50 per common share.
- On March 11, 2019, the Company entered into an advisory agreement with Tiidal Gaming Group Inc. to provide strategic advisory services. The Company received 250,000 stock options with an exercise price of \$0.20 for a term of five years. The options received have an estimated fair market value of \$46,018 using the Black-Scholes pricing model with the following weighted average assumptions: expected dividend yield – 0%, share price of \$0.20, expected volatility – 155% (average based on comparable companies), risk-free interest rate – 1.66%, exercise price of \$0.20 and an expected average life of 5 years. The fair value of the options investment into Tiidal Gaming Group Inc. is currently reflected at its current fair market value in light of the recent \$0.50 per common share closed private placement, and revised remaining term of the options. During the year ended March 31, 2020, the Company exercised 250,000 stock options for an additional \$50,000 investment into Tiidal Gaming Inc.
- iv. On August 2, 2019, the Company subscribed for 7,500,000 units of Avatar One E-Sports Capital Corp. (“Avatar”) at \$0.02 each for a total subscription price of \$150,000. Each unit consists of one common share of Avatar and one common share purchase warrant of Avatar, with each such warrant entitling the holder to acquire one additional Avatar common share at a price of \$0.02 for five years. The fair value of the investment into Avatar is currently reflected as the initial cash purchase price of its common shares and attached warrants.
- v. On December 3, 2019, the Company purchased 681,818 common shares of Talon Esports Ltd. at a price of \$0.59 (USD \$0.44) per share for an aggregate investment of \$405,000 (USD \$300,000) which represents approximately 6.5% of Talon Esports Ltd. Concurrently, the Company entered into an advisory agreement with Talon Esports Ltd., to provide strategic advisory services. The Company received 681,818 stock options with an exercise price of USD \$0.44 expiring May 13, 2021. The options received have an estimated fair market value of \$198,511 using the Black-Scholes pricing model with the following weighted average assumptions: expected dividend yield – 0%, share price of \$0.44, expected volatility – 155% (average based on comparable companies), risk-free interest rate – 1.66%, exercise price of \$0.44 and an expected average life of 1.5 years.

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INVESTMENT IN ANAHIT

On May 4, 2020, the Company invested in Anahit Therapeutics Ltd. ("Anahit"), a subsidiary of Anahit International Corp., through the purchase of 50% of the outstanding Class A shares of Anahit and 100% of the Class B shares of Anahit, through the issuance of 24,500,000 common shares of the Company fair valued at \$9,065,000, and 500,000 share purchase warrants of the Company exercisable at \$0.10 per share for three years fair valued at \$153,707 utilizing the Black-Scholes option pricing model with the following assumptions – Share price on grant date of \$0.37; Risk-free interest rate of 0.28%; Dividend yield of Nil; Expected volatility of 103%; Expected life of 1 year and forfeiture rate of 0%. Expected volatility was determined based on comparison to similar companies as the Company does not have enough history. In addition to the shares and warrants, the Company provided \$350,000 to Anahit through an unsecured non-interest-bearing loan with a maturity date of 12 months for business development of Anahit and has committed to raise additional capital for Anahit six months from the closing of the investment. In the event the Company does not meet this six-month deadline, the Company will issue an option to Anahit to purchase 7,000,000 shares at a price of \$0.025 per share. Since the Company owns 50% of Anahit, and the Company has significant influence but no control, the Company will account for its investment under the equity method.

On September 23, 2020, pursuant to the terms of the August 26, 2020, share exchange agreement with the Class A shareholder of Anahit, the Company acquired an additional 25% of Anahit. As a result of this transaction, the Company ownership increased from 50% to 75%. As consideration, the Company issued 12,791,667 common shares of the Company with a fair value of \$895,417. As a result of the additional acquisition of Anahit, the Company remeasured its previously held equity interest to its fair value of \$1,790,833. The difference between the carrying amount of the previously held equity interest has recognized as a loss of \$7,178,173 on investment in associate.

On November 13, 2020, the Company gave notice to Anahit that the six month period to come to mutually agreeable terms with respect to the financing commitment as defined in the May 4, 2020 agreement has expired and the Company has hereby given Anahit the option to purchase back 7,000,000 shares at a price of \$0.025 per share. As a result of this option, it is anticipated that the Company's investment of Anahit will be reduced to 40%.

As at September 30, 2020, the Company has accounted for its investment in Anahit under the equity method and have recognized its share of the loss from Anahit.

As at December 31, 2020, the Company recorded an impairment of \$2,615,500 on the remaining balance of its investment in Anahit as the former operators of Anahit has cut-off communications with the Company. The Company also impaired the \$350,000 loan receivable to Anahit.

INVESTMENT IN WoW

On December 18, 2020, the Company entered into a share exchange agreement with Way of Will Inc. ("WoW") and the shareholders of WoW to acquire all of the issued and outstanding shares of Class A and Class B shares of WoW, through the issuance of 28,190,725 common shares of the Company fair valued at \$3,382,887. The shares were issued on December 23, 2020.

Founded in 2016, WoW is an aromatherapeutic essential oil-based wellness company based in Toronto, Canada. WoW products enhance your commitment to health, wellness and training by blending essential oils that protect, energize, refresh, relax, moisturize and groom the body and mind.

- WoW manufactures about 95 per cent of its products in its Toronto-based facility, sourcing the highest-quality raw material and packaging from key suppliers throughout Canada and other international markets;

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(All amounts expressed in Canadian dollars, unless otherwise stated)

- WoW benefits from multichannel sales (such as wholesale, retail and e-commerce), which allows WoW to pivot its sales strategies based on changes in the sales landscape, as well as potential changes to the broader economy and marketplace dynamics;
- In-house manufacturing along with direct business-to-consumer sales through its e-commerce website platform allows WoW to control costs and optimize profit margins;
- Growing United States-domiciled sales, including 600 plus retail and on-line e-commerce distribution channels;
- Key retail clients include an impressive list of industry-leading retailers, such as Wholefoods, Target website, FabFitFun, GNC, Dicks Sporting Goods and Causebox;
- WoW products are also featured on popular e-commerce marketplaces such as Amazon and the Walmart website;

LIQUIDITY AND CAPITAL RESOURCES

In management's view, given the nature of the Company's operations, which comprises commercial esports/gaming activities, investing and advising esports companies in business growth, market penetration, and product expansion, the most relevant financial information relates primarily to current liquidity, solvency and planned strategic growth. The Company's ability to continue as a going concern and realize the carrying value of its assets is dependent on its continued ability to raise capital through public equity financings, and upon the generation of profits from its investments, the outcome of which cannot be predicted at this time.

At December 31, 2020, the Company had working capital of \$75,673, including cash of \$552,600.

Share Capital Activity

On May 12, 2020, the Company issued 24,500,000 common shares pursuant to the May 5, 2020 agreement with Anahit, fair valued at \$9,065,000.

On May 12, 2020, pursuant to the exercise of share purchase warrants, the Company issued 333,333 common shares at \$0.06 per share for total proceeds of \$20,000.

On May 19, 2020, the Company closed a private placement of 10,064,000 common shares at a price of \$0.10 per share for gross proceeds of \$1,064,000. The Company paid cash finders fees of \$40,250 and issued 402,500 brokers warrants at \$0.10 per share until May 12, 2021. The Company recorded a fair value of the brokers warrants of \$112,294 utilizing the Black-Scholes option pricing model with the following assumptions – Share price on grant date of \$0.37; Risk-free interest rate of 0.28%; Dividend yield of Nil; Expected volatility of 103%; Expected life of 1 year and forfeiture rate of 0%. Expected volatility was determined based on comparison to similar companies as the Company does not have enough history.

On June 1, 2020, 500,000 common shares were issued on conversion of \$50,000 in convertible debentures, and on June 15, 2020, a further 5,055,555 common shares were issued on conversion of \$505,555 convertible debentures. See Note 8.

On June 2, 2020, pursuant to the exercise of share purchase warrants, the Company issued 15,555 common shares at \$0.54 per share for total proceeds of \$8,400.

On June 17, 2020, the Company closed a private placement of 6,188,627 Units at a price of \$0.33 per Unit for gross proceeds of \$2,042,247. Each Unit comprises one common share and one share purchase warrant exercisable for two years at a price of \$0.45 per common shares. The Company paid an aggregate cash finders fee of \$97,002 and issued 391,346 broker warrants with the same terms as the Units. The Company recorded a fair value of the agent's warrants of \$41,302 utilizing the Black-Scholes option pricing model with the following assumptions – Share price on grant date of \$0.26; Risk-free interest rate of 0.3%; Dividend yield of Nil; Expected volatility of 103%; Expected life of 2 years and forfeiture rate of 0%. Expected volatility

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was determined based on comparison to similar companies as the Company does not have enough history. The Company also paid the Agent an administration and advisory fees of \$18,000 and paid expenses related to the offering, including legal fees and disbursements totalling \$70,625.

On June 18, 2020, pursuant to the exercise of share purchase warrants, the Company issued 166,667 common shares at \$0.06 per share for total proceeds of \$10,000.

On June 22, 2020, the Company returned to treasury 2,518,518 common shares pursuant to the April 16, 2020, settlement agreement with EMG. See Note 6.

On September 23, 2020, the Company issued 12,791,667 common shares pursuant to the terms of the August 26, 2020 agreement with Anahit fair valued at \$895,417.

On September 30, 2020, the Company issued 714,285 common shares pursuant to a debt settlement agreement with a former director and officer of the Company.

On December 23, 2020, the Company issued 28,180,725 common shares fair valued at \$0.12 per share for a total value of \$3,381,687 pursuant to the December 18, 2020 share exchange agreement with WoW.

During the nine months ended December 31, 2020, the Company issued, in aggregate, 1,791,664 common shares to certain directors, officers and consultants of the Company recognizing \$314,042 in share-based compensation expense.

OUTSTANDING SHARE DATA

The following share capital as of date of this document is:

	Balance
Common Shares	119,465,653
Stock-options	5,448,143
Warrants	28,740,984

RESULTS OF OPERATION**For the three ended December 31, 2020**

The Company incurred a net loss of \$3,974,461 for the three months ended December 31, 2020 which is comparable to the net loss of \$4,153,920 for the comparable period ended December 31, 2019.

During the quarter ended December 31, 2020, the Company recorded an impairment of \$2,615,500 on its investment in Anahit and an impairment of \$350,000 on the loan receivable to Anahit as the Company has lost contact with the former operators of Anahit. In the comparable quarter the Company recorded \$1,442,483 in public company listing cost as the Company completed its three-corner amalgamation and commenced trading on October 28, 2019.

The Company had total expenses of \$1,044,781 for the current quarter as compared to \$2,739,808 for the comparable quarter ended December 31, 2019 a decrease of approximately \$1,695,000. The major decrease is that in the comparable quarter there was a share-based payment of \$1,664,740 as compared to \$161,539 in the current quarter a decline of \$1,503,201. Investor

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relations and marketing have decreased to \$359,298 as compared to \$497,674 for the comparable quarter. In the comparable quarter, the Company was actively promoting the Company and its new investment to its potential investors. Professional fees have decreased to \$58,650 from \$169,620 in the comparable quarter due to cost associated with the public company listing. The note decline was offset by the increase in consulting fees from \$275,151 to \$317,907 in the current quarter. The increase in consulting fees is due to the engaged of numerous consultants for business advisory and administrative services.

During the current quarter the Company also acquired WoW on December 23, 2020 and the current quarter included approximately one week of operations from December 23, 2020 to December 31, 2020.

For the nine months ended December 31, 2020

The Company incurred a net loss of \$13,828,439 for the nine months ended December 31, 2020 compared to \$4,540,296 net loss for the comparable period to December 31, 2019. Included in the net loss to date, the Company recorded a loss of \$7,178,183 on its remeasurement of its investment in Anahit due to the acquisition of the 25% and also recognized its share of the net loss from Anahit of \$320,441. Due to the lack of contact with the former operators of Anahit, the Company has recorded an impairment on the remaining balance of \$2,615,500 and impairment on the \$350,000 loan receivable. In the comparable quarter to date the net loss included a public listing expense of \$1,442,483 and offset by the recognition of an unrealized gain on its investment of \$658,425.

The Company had total expenses of \$3,466,426 for the current period to date which is comparable to the \$3,918,265 for the comparable period to date of \$3,918,265. As noted earlier the Company recorded a share-based payment of \$1,664,740 in the comparable period as compared to \$511,597 in the current period a decline of \$1,153,143. The decline was offset by an increase in consulting fees from \$659,754 to \$1,230,081 in the current period. the increase is due to the Company engaging consultants for business advisory and administrative services. There was also an increase in professional fees and regulatory incurred due to the numerous transactions that have occurred in the current period such as the investments in Anahit and WoW, completion of two private placements and the conversion of a convertible debenture.

OUTLOOK

In the Company's upcoming fiscal year ending March 31, 2021, the Company will seek to, among other things: (i) evaluate additional investment opportunities in the Mycology/Mushroom space; (ii) explore collaboration opportunities on various research studies; (iii) explore opportunities with organizations whose brands are inspired by Nature, Vegan, Non-GMO, and Gluten Free products; and (iv) continue to evaluate the current esports/gaming portfolio to maximize value.

SELECTED QUARTERLY INFORMATION FOR MOST RECENT COMPLETED QUARTERS

	Dec. 31, 2020	Sep. 30, 2020	June 30, 2020	March 31, 2020	Dec. 31, 2019	Sep. 30, 2019	June 30, 2019	March 31, 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Net profit (loss)	(3,974,462)	(8,083,164)	(1,770,813)	(1,199,171)	(4,153,920)	69,424	(565,800)	(618,520)
Basic profit (loss) per share	(0.04)	(0.11)	(0.03)	(0.05)	(0.16)	0.00	(0.04)	(0.12)
Diluted profit (loss) per share	(0.04)	(0.11)	(0.03)	(0.05)	(0.16)	0.00	(0.04)	(0.12)

Due to rounding, the figures for the Company's loss per share may not add up to the amount disclosed in the Company's financial statements.

Variances in quarterly results can be due to share-based payments incurred in a quarter as the Company's stock options generally vest on the grant date and therefore are fully expensed in the quarter in which they are granted; Included in the net loss for December 31, 2019, included the share-based payment of \$1,664,740 and public listing expense of \$1,442,483.

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Included in the net loss for September 30, 2020, was a loss of \$7,178,183 on the remeasurement of its investment in Anahit. Included in the net loss for December 31, 2020, was an impairment of \$2,615,500 on the investment of Anahit and an impairment of \$350,000 on the loan receivable to Anahit.

SELECTED ANNUAL INFORMATION FOR MOST RECENT COMPLETED YEARS

	For the year ended March 31, 2020	Period from inception on April 17, 2018 to March 31, 2019
	\$	\$
Income Statement		
Net profit (loss)	(5,849,467)	(618,520)
Loss per share (basic and diluted)	(0.28)	(0.06)
Balance Sheet		
Total investments	3,629,340	946,847
Total assets	4,413,240	1,229,866
Total long-term liabilities	504,149	-

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The following table summarizes the carrying value of financial assets and liabilities as at December 31, 2020 and March 31, 2020:

	December 31, 2020	March 31, 2020
	\$	\$
Fair value through profit or loss		
Investments at fair value	2,549,340	3,629,340
Amortized cost		
Cash	552,600	541,256
Accounts payable and accrued liabilities	921,168	1,011,434
Lease liability	17,092	40,030
Convertible debentures	93,642	495,412
Loans payable	878,070	-

Fair value measurement

As at December 31, 2020, financial instruments that are measured at fair value on the statement of financial position are represented by cash, investments at fair value, account payable and accrued liabilities, lease liability, convertible debentures and loans payable. The fair values of these financial instruments approximate the carrying value due to their short-term nature.

Financial assets and liabilities that are recognized on the statement of financial position at fair value can be classified in a hierarchy that is based on the significance of the inputs used in making the measurements.

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The levels in the hierarchy are:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The Company's financial assets measured at fair values through profit or loss are as follows:

December 31, 2020	Level 1	Level 2	Level 3
	\$	\$	\$
Investments at fair value	-	-	2,549,340
March 31, 2020	Level 1	Level 2	Level 3
	\$	\$	\$
Investments at fair value	-	-	3,629,340

Management of Industry and Financial Risk

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank account. All of its cash is deposited in a bank account held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The maximum exposure to credit risk is the carrying amount of the Company's financial instruments.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign exchange risk.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time.

The Company's main source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Capital Management

Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital. In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as

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needed. The Company is not subject to externally imposed capital requirements. The Company's management of capital did not change during the quarter ended December 31, 2020.

Fair Value

The fair value of the Company's financial assets and liabilities approximate the carrying amount wither due to their short-term nature or because the interest rates applied to measure their carrying amount approximate current market rates.

RELATED PARTY TRANSACTIONS

Related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties. Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

Transactions with key management and directors

The Company incurred the following transactions for the period ended, with companies controlled by current and former directors and officers of the Company:

	December 31, 2020	December 31, 2019
	\$	\$
Consulting fees	176,000	306,718
Share-based compensation	185,667	406,422
Wages	32,260	223,741

Related parties balance

Included in accounts payable and accrued liabilities at December 31, 2020, are \$200 (March 31, 2020 - \$3,000) owed to an officer or director of the Company for unpaid consulting fees.

Off-Balance Sheet Transactions

The Company has not entered into any significant off-balance sheet arrangements or commitments.

CRITICAL ACCOUNTING ESTIMATES*Significant estimates and assumptions*

The preparation of the unaudited condensed interim consolidated financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability and measurement of deferred tax assets, carrying value of intangible assets and impairment of financial assets.

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(All amounts expressed in Canadian dollars, unless otherwise stated)

Significant judgments

The preparation of the unaudited condensed interim consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include the assessment of the Company's ability to continue as a going concern, assessment of acquisitions as business combinations or asset acquisitions, impairment of non-financial assets and whether there are events or conditions that may give rise to significant uncertainty.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Valuation of share-based compensation and convertible features

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation and other equity based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Valuation of intangible assets including goodwill

Goodwill and intangible assets are tested for impairment at each reporting date. Management first reviews qualitative factors in determining if an impairment needs to be recorded. Quantitative factors are then used to calculate the amount of impairment, if needed. Goodwill and intangibles resulted from a business acquisition. Intangibles were valued based on estimated discounted cash flows.

Valuation of investment in equity instrument

The Company values its equity instruments in private companies at fair value at each reporting date. The determination of fair value is based on estimates made by management on the expected earnings before income, taxes, and amortization multiplied by a reasonable factor for the appropriate industry applicable to the private company.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

PROPOSED TRANSACTIONS

None.

SUBSEQUENT EVENTS

On September 29, 2020, the Company announced that it entered into a letter of intent with Joshua Neilly and Branislav Nikolic to form an Ireland-based joint venture digital marketing company. The Company will acquire a 50-per-cent interest in the operations of this co-venture, named N2 Logics Inc. N2 Logics is a private company that supports digital marketing and on-line growth as consideration the Company will purchase 10 million shares in N2 Logics by way of a private placement for a purchase price of \$150,000. This will give New Wave a 50-per-cent ownership interest in the joint venture with N2 Logics. As at December 31, 2020, the Company had paid \$75,000 of the purchase price of \$150,000. This amount is included in prepaid expenses and deposit. On January 5, 2021, the Company paid the remaining \$75,000.

NEW WAVE HOLDINGS CORP.**MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE PERIOD ENDED DECEMBER 31 2020**

(All amounts expressed in Canadian dollars, unless otherwise stated)

On January 6, 2021, the Company issued 969,230 common shares to settled \$126,000 in debt. This debt is included in commitment to issue shares at December 31, 2020.

On January 5, 2021, \$27,778 were converted into 277,777 common shares of the Company.

Subsequent to December 31, 2020, 5,167,000 share purchase warrants expired unexercised and 389,778 share purchase warrants were exercised for total proceeds of \$52,867 of which \$41,667 was included in commitment to issued shares at December 31, 2020.

RISKS AND UNCERTAINTIES**COVID-19**

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. This outbreak may also cause staff shortages, reduced customer demand, increased government regulations or interventions, all of which may negatively impact the business, financial condition or results of operations of the Company. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments.

Going Concern

As at December 31, 2020 the Company has an accumulated deficit of \$20,296,426 (March 31, 2020 - \$6,467,987 deficit), no source of operating cash flow and no assurance that sufficient funding will be available. Management has the option to raise funds through a combination of equity and/or debt financing, along with a sale of investments. The success of these plans will depend upon the ability of the Company to generate cash flows from its portfolio investments. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.

Sector Specific Investment Risks

The Company seeks a high return on investment opportunities on its psilocybin and esports sectors ("Sectors"). Thus, the Company is exposed to investment risks relating to these Sectors which is generally more volatile than the overall market. Investing in these Sectors can be speculative in nature and the value of the Company's investments may be subject to significant fluctuations. Such businesses entail a degree of risk, regardless of the skill and experience of the corporation's management. The assets, earnings and share values of corporations involved in these sectors are subject to risks associated with the world prices of related products, economic cycles, exchange rates, taxation changes and political events. Government restrictions can also be factors.

Regulatory Risks

The Company's investment in the psilocybin sector operate in a new industry which is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements. The Company's investments incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company's investment and, therefore, on the Company's prospective returns.

The industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the Company which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government

NEW WAVE HOLDINGS CORP.**MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE PERIOD ENDED DECEMBER 31 2020**

(All amounts expressed in Canadian dollars, unless otherwise stated)

levies which may be imposed. Changes in government levies, including taxes, could reduce the Company's earnings and could make future capital investments or the Company's operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

Limited Operating History

The Company has limited operating history as an investment company and has had limited success in its investment sectors. The Company and its business prospects must be viewed against the background of the risks, expenses and problems frequently encountered by companies in the early stages of their development, particularly companies in new and rapidly evolving markets such as the psilocybin sector. There is no certainty that the Company will be able to operate profitably.

Key Personnel

The Company is dependent upon the continued availability and commitment of its management, whose contributions to immediate and future operations are of significant importance. The loss of any such management could negatively affect the Company's business operations. From time to time, the Company will also need to identify and retain additional skilled management to efficiently operate its business. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance of its ability to attract and retain such personnel. If it is not successful in attracting and training qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

Lack of Control or significant influence over Companies in which the Company Invests

In certain cases, the Company invests or may invest in securities of companies that the Company does not control or influence. These investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Company does not agree or that the majority stakeholders or management of the company may take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the values of investments by the Company could decrease and the Company's financial condition and cash flow could suffer as a result.

Due Diligence

The due diligence process undertaken by the Company in connection with investments that it makes or wishes to make may not reveal all relevant facts in connection with an investment. Before making investments, the Company will conduct due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence investigations, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence investigations and making an assessment regarding an investment, the Company will rely on resources available, including information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such investigation will not necessarily result in the investment being successful.

Fluctuations in the Value of the Company and the Common Shares

The net asset value of the Company and market value of its common shares will fluctuate with changes in the market value of the Company's investments. Such changes in value may occur as the result of various factors, including general economic and market conditions, the performance of corporations whose securities are part of the Company's investment portfolio and changes in interest rates which may affect the value of interest-bearing securities owned by the Company. There can be no assurance that shareholders will realize any gains from their investment in the Company and may lose their entire investment.

Need to Manage Growth

NEW WAVE HOLDINGS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE PERIOD ENDED DECEMBER 31 2020

(All amounts expressed in Canadian dollars, unless otherwise stated)

The Company could experience rapid growth in revenues, personnel, complexity of administration and in other areas. There can be no assurance that the Company will be able to manage the impact that growth could place on the Company's administrative infrastructure, systems and controls. If the Company is unable to manage future growth effectively, the Company's business, operations and operating results and financial condition may be materially adversely affected.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The information provided in this report is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

ADDITIONAL INFORMATION

Additional information relating to the Company, is available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com.