



EnWave Announces Consolidated Quarterly Positive Net Income and Reports 2021 Third Quarter Consolidated Interim Financial Results

Vancouver, B.C., August 27th, 2021

EnWave Corporation (TSX-V:ENW | FSE:E4U) ("EnWave", or the "Company") today announces consolidated quarterly positive net income and reports the Company's consolidated interim financial results for the third quarter ended June 30, 2021.

Consolidated Financial Performance:

(\$ '000s)	Three months ended June 30,			Nine months ended June 30,		
	2021	2020	Change %	2021	2020	Change %
Revenues	7,351	5,998	23%	19,570	22,099	(11%)
Direct costs	4,737	4,441	7%	14,780	15,483	(5%)
Gross margin	2,614	1,557	68%	4,790	6,616	(28%)
Operating expenses						
General and administration	1,035	1,197	(14%)	3,375	4,513	(25%)
Sales and marketing	831	1,449	(43%)	3,656	5,188	(30%)
Research and development	391	396	(1%)	1,423	1,412	1%
	2,257	3,042	(26%)	8,454	11,113	(24%)
Net income (loss)	670	(1,166)	157%	(2,987)	(4,442)	33%
Adjusted EBITDA ^(*)	937	(1,034)	(191%)	(1,942)	(3,239)	(40%)
Income (loss) per share – basic and diluted	\$0.00	\$ (0.01)		\$(0.03)	\$(0.04)	

* Adjusted EBITDA is a non-IFRS financial measure. Refer to the disclosure below and in the Company's MD&A regarding non-IFRS financial measures.

EnWave's interim consolidated financial statements and MD&A are available on SEDAR at www.sedar.com and on the Company's website www.enwave.net.

Key Financial Highlights for Q3 (expressed in '000s):

- The Company reported consolidated net income of \$670 for Q3 2021, compared to a net loss of \$1,166 for Q3 2020, an increase in profitability of \$1,836. The positive net income in the quarter marks a major milestone for EnWave in the commercialization of REV™ technology into the food, cannabis and pharmaceutical industries. This is the most profitable quarter in the history of the Company.
- Reported consolidated revenue for Q3 2021 of \$7,351 compared to \$5,998 for Q3 2020, an increase of \$1,353 or 23%.
 - EnWave's Q3 2021 revenue was \$3,560 compared to \$1,609 in Q3 2020, an increase of \$1,951 or 121%. EnWave continued to ramp up Radiant Energy Vacuum ("REV™") machine sales for new licensees as well as generated repeat machine orders from existing licensees.

- NutraDried's Q3 2021 revenue was \$3,791 compared to \$4,389 in Q3 2020, a decrease of \$598 or 14%. NutraDried revenues were lower than the prior year due to not having shipments to Costco in Q3 2021, and this was partially offset by new sales into the bulk and co-manufacturing channels. NutraDried is actively working to win back distribution opportunities in the Costco ecosystem.
- Gross margin for Q3 2021 was 36% compared to 26% for Q3 2020. NutraDried's margins strengthened with changes to sales mix and new sales to higher margin channels, paired with a reduction in indirect manufacturing costs. EnWave's gross margin was positively affected by two large-scale machine orders where previously fabricated machines were redeployed to generate materially higher margins.
- Adjusted EBITDA^(*), a non-IFRS financial measure, for Q3 2021 was \$937 compared to a loss of \$1,034 for Q3 2020 and loss of \$1,968 for Q2 2021. The increase to Adjusted EBITDA^(*) reflects the continued growth and improvement to EnWave's machine sales and royalty licensing, as well as significant progress made at NutraDried after completing a major restructuring and expense reduction in Q2 2021.
- SG&A expenses (inclusive of R&D expenses) for Q3 2021 were a combined \$2,257 compared to \$3,042 for Q3 2020, a reduction of \$785. SG&A expenses were also lower than Q2 2021 by \$724 and the reduction to SG&A spending was largely due to the restructuring and cost control measures implemented at NutraDried in late Q2 2021. NutraDried now operates much leaner and we do not expect to increase SG&A spending in the near term, and expect continue to benefit from the reductions in Q4 2021 and into 2022.
- Generated cash from operating activities in Q3 2021 of \$780 and as at June 30, 2021 had a cash position of \$15,381, an increase in cash of \$669 compared to the \$14,712 on-hand at September 30, 2020. The balance sheet remains strong with sufficient liquidity and operating leverage to exploit future growth in the global deployment of REVTM technology.

Significant Corporate Accomplishments in Q3 2021 and To-Date:

- Signed a royalty-bearing commercial license agreement with AvoLov, LLC (d.b.a. "BranchOut") and sold a 60kW large-scale REVTM machine to scale-up the production of a line of "better-for-you" avocado and fruit products.
- Signed a royalty-bearing commercial license agreement with Europe Snacks Group, a European leader in savory snack production, and sold Europe Snacks a 10kW REVTM machine to initiate commercial production of REVTM-dried snack products.
- Formed a global strategic partnership with Dole Worldwide Food & Beverages Group for the use of REVTM technology to produce Innovative Nutrition Solutions. Dole purchased a 10kW REVTM machine for internal use to conduct intensive market trialing. The strategic partnership with Dole will leverage EnWave's REVTM technology to bring better-for-you snacking options to its global customer base under its industry leading brand.
- Completed fabrication and shipped a large-scale 100kW REVTM machine for Patatas Fritas Torres for royalty-bearing commercial production of healthy cheese snacks in Spain.
- Expanded the licensing of EnWave's technology for the rapid dehydration and processing of cannabis through a royalty-bearing commercial license with Cannaponics PTY Limited (Australia) and Medical Kiwi Limited (New Zealand). Both licensees submitted purchase orders for 10kW GMP REVTM machinery to be delivered later this year.
- Installed the 10kW machine for the U.S. Army at Bridgford Foods Corporation's facility to initiate the advanced development of Close Combat Assault Rations for field testing.
- Signed a royalty-bearing commercial license agreement with a leading Colombian dairy company and sold a 10kW machine for installation in Colombia to conduct initial commercial market trialing.

If market trials are successful, the Colombian dairy company will require additional REV™ machinery to scale for meaningful commercial production.

- Entered a strategic sales and collaboration agreement with Elea, a global leader in Pulsed Electric Field (“PEF”) technology. EnWave and Elea intend to demonstrate the advantages of using PEF and REV™ when processing premium food products and will collaborate to promote the benefits of combining these technologies.
- Conducted extensive cannabis drying trials using the Company’s proprietary Terpene Max™ rapid drying protocol and collected empirical data supporting both the quality and processing advantages for EnWave’s technology in the cannabis industry. Results from controlled studies show that cannabis flower dried using Terpene Max™ on average contains 10-20% more terpenes than room or rack dried flower, and in many instances contained in higher THC content than the control samples.
- Hired Mr. Brad Lahrman as the new Chief Executive Officer at NutraDried, and completed the restructure of the NutraDried business unit. As a result of the restructuring, NutraDried is now better positioned to accelerate growth in Moon Cheese® product distribution and has confirmed many bulk and co-manufacturing opportunities to use the installed REV™ capacity within the plant.
- Appointed Alliance Sales and Marketing as the new grocery store broker at NutraDried. Management expects Alliance to be a driving factor in securing new customers and distribution for Moon Cheese® heading into fiscal year 2022.
- Advanced new product development projects at NutraDried and strengthened NutraDried’s competitive advantage as a category innovator in the all-natural cheese snack space, a rapidly growing category. NutraDried plans to launch exciting new product innovation as part of its fiscal year 2022 operating plan.
- Utilized the Normal Course Issuer Bid to repurchase and cancel 279,700 common shares during the fiscal year for a total cost of \$323 at an average price of \$1.16 per common share.

EnWave’s executive management will be holding a conference call to discuss its 2021 Third Quarter financial results and the Company’s state of affairs. Prepared remarks will be given followed by a question and answer session for shareholders.

Conference Call Details:

Date: August 27, 2021

Time: 7:00am PST / 10:00am EST

Participant Access: 1-877-407-2988 (toll free number)

Webcast: <https://78449.themediaframe.com/dataconf/productusers/enw/mediaframe/46288/index1.html>

(*) Non-IFRS Financial Measures:

Adjusted EBITDA is not a measure of financial performance under IFRS. We define Adjusted EBITDA as earnings before deducting amortization and depreciation, stock-based compensation, foreign exchange gain or loss, finance expense or income, income tax expense or recovery and non-recurring impairment, restructuring and severance charges and government assistance. This measure is not necessarily comparable to similarly titled measures used by other companies and should not be construed as an alternative to net income or cash flow from operating activities as determined in accordance with IFRS. Please refer to the discussion included in the Company’s interim MD&A for the nine months ended June 30, 2021.

About EnWave

EnWave Corporation, a Vancouver-based advanced technology company, has developed Radiant Energy Vacuum ("REV™") – an innovative, proprietary method for the precise dehydration of organic materials. EnWave has further developed patented methods for uniformly drying and decontaminating cannabis through the use of REV™ technology, shortening the time from harvest to marketable cannabis products.

REV™ technology's commercial viability has been demonstrated and is growing rapidly across several market verticals in the food, and pharmaceutical sectors, including legal cannabis. EnWave's strategy is to sign royalty-bearing commercial licenses with innovative, disruptive companies in multiple verticals for the use of REV™ technology. The company has signed over forty royalty-bearing licenses to date spanning twenty countries and five continents. In addition to these licenses, EnWave established a Limited Liability Corporation, NutraDried Food Company, LLC, to manufacture, market and sell all-natural dairy snack products in the United States, including the Moon Cheese® brand, as well as co-manufacture for third parties.

EnWave has introduced REV™ as a disruptive dehydration platform in the food and cannabis sectors: faster and cheaper than freeze drying, with better end product quality than air drying or spray drying. EnWave currently offers two distinct commercial REV™ platforms:

1. *nutraREV*® which is a drum-based system that dehydrates organic materials quickly and at low-cost, while maintaining high levels of nutrition, taste, texture and colour; and,
2. *quantaREV*® which is a tray-based system used for continuous, high-volume low-temperature drying.

EnWave is also active in the pharmaceutical industry through a joint development agreement with GEA Lyophil, a leader in GMP drying machinery.

More information about EnWave is available at www.enwave.net.

EnWave Corporation

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