



EnWave Shareholder Update

Vancouver, B.C., August 3rd, 2021

Given the series of recent developments at EnWave over the last several months, we thought it would be best to send a letter to shareholders to provide an update on a number of areas within our business. Topics covered include the general state of affairs, NutraDried's ongoing turnaround, and the lawsuit filed against EnWave's former CEO, as well as details for our Q3 earnings release.

General State of Affairs

Through Fiscal 2021 we've continued to improve and accelerate the commercialization of our patented Radiant Energy Vacuum (REV™) technology broadly across several major markets. We also took decisive action to correct NutraDried's course in February, sparking a turnaround that will be evident in coming quarters. Notwithstanding the business challenges presented by the pandemic, we've managed to generate record gross margins, adjusted EBITDA and profit in our machine sales and royalty generation business unit.

NutraDried Turnaround

We initiated the restructuring of NutraDried's operations in February, which had us rip out many discretionary and several unnecessary expenses within this business unit. We hired an accomplished new CEO, Brad Lahrman, who has seamlessly fit into our core management team. It's early, but we are very happy with Brad's leadership, pragmatic planning and proactive 'get it done' attitude. Velocities have improved over prior year, the business has generated material new bulk sales orders and both revenue and margin are trending in the right direction. There is still lots of work to do, but we are bullish on a strong turnaround from the very poor performance reported in Q1 and Q2 fiscal 2021.

We anticipate that NutraDried's future growth will be driven by continued velocity improvement and expanded distribution, substantial increases to our bulk product sales, (which has a nice, clean, healthy margin profile) and from our new product innovation pipeline, which we think will win us further new distribution. We recently launched our Protein Blitz Mix product line and plan to complement our existing Moon Cheese format with an additional format later this year. Winning back rotational distribution in Costco is still very much a target for our NutraDried sales team and we feel these new product formats could provide the spark to light the fire again in the club channel for us.

Lawsuit Against Former CEO and Others

We've always stated that EnWave will vigorously protect the foundation of our business - our proprietary technology and intellectual property, which includes our patents, trademarks, know-how and machinery. Last Friday night we announced the filing of a Notice of Civil Claim in the B.C. Supreme Court that alleges EnWave's former CEO, Mr. Tim Durance and other defendants associated with Mr. Durance have used and disclosed EnWave's confidential information in breach of their obligations and covenants with EnWave. The Notice of Civil Claim seeks damages, an accounting of profits and injunctive relief.

A few hours prior to issuing Friday's news release, we served Mr. Durance with the Notice, which triggered our public disclosure. We intend to aggressively pursue this case with all legal means at our disposal to safeguard our intellectual property and we are confident about the outcome.

It is beyond the scope of this letter to summarize the claims EnWave is pursuing in its Notice of Civil Claim. The Notice of Civil Claim is a public document. If you would like to review the filed Notice of Civil Claim, please direct an email to info@enwave.net requesting a copy and we will send it to you.

Q3 Fiscal Reporting

We expect to publish our Q3 interim consolidated financial statements and MD&A in the afternoon of August 26th, 2021. We will also hold an investor conference call the following morning on the 27th. Details of this call will be distributed a few weeks in advance. We are excited to review our Company's progress and highlight some of the exciting projects that are evolving quickly, including work with the U.S. Army, intensifying interest from big pharma, several legitimate cannabis deals, prospective manufacturing scale-ups with existing royalty partners and the start-up of REVworx™, our toll manufacturing operation.

Thank you for your ongoing support as an EnWave shareholder and I hope you can join us at our investor call on August 27th.

Very best regards,

Brent Charleton, CFA
CEO and President
EnWave Corporation