



# ENWAVE CORPORATION

APRIL 2020 CORPORATE PRESENTATION

GLOBAL LEADER IN VACUUM MICROWAVE DEHYDRATION TECHNOLOGY

[ENWAVE.NET](http://ENWAVE.NET)



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This presentation contains forward-looking information based on management's expectations, estimates and projections about the future, including statements about EnWave's strategy for growth, product development, market position, expected expenditures and operational & financial results. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated and are not a guarantee of future performance and involve a number of risks, uncertainties and assumptions. All third party references to market information in this presentation are not guaranteed to be accurate as EnWave did not conduct the original primary research. Please see "Risk Factors" in EnWave's Annual management discussion and analysis for the year ended September 30, 2019 available on SEDAR under EnWave's profile at [www.sedar.com](http://www.sedar.com). Although EnWave has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements. EnWave's forward-looking information is based on the beliefs, expectations and opinions of management of EnWave on the date the statements are made. EnWave does not assume any obligation to update forward-looking information, whether as a result of new information, future events or otherwise, other than as required by applicable law. Amounts shown herein are in Canadian dollars unless otherwise stated.

\* NON-IFRS MEASURES – Management uses certain non-International Financial Reporting Standards ("IFRS") measures that it believes are useful to investors in evaluating the performance and results of EnWave. The term "Adjusted EBITDA" refers to earnings before deducting stock-based compensation, foreign exchange gain or loss, non-recurring restructuring and impairments, depreciation, amortization, interest, and taxes. Management believes that Adjusted EBITDA is a useful measure as it provides an indication of the operational results of our business. Adjusted EBITDA does not have a standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures provided by other companies. Investors are cautioned that Adjusted EBITDA should not be construed as an alternative to operating income determined in accordance with IFRS as an indicator of EnWave's financial performance or as a measure of its liquidity and cash flows.

## DISTINCTIVE EXCELLENCE

We offer the most scalable and reliable vacuum-microwave technology with the most comprehensive set of innovations and solutions that accelerate product and process development and unlock value for our global partners.

## MISSION

To accelerate our disruption of the global dehydration industry and become the most sought-after drying solution for partners at the forefront of the dairy, fruit, vegetable and cannabis industries.



# CAPITAL MARKETS

**TSXV:ENW**

**\$0.78**

**\$2.66**

**\$0.56**

**111.3 MM (Basic)**

**\$85.7 MM**

**FSE:E4U**

Share Price

52 Week High

52 Week Low

**126.1 MM (Fully Diluted)**

Market Capitalization

Symbols

Shares Outstanding

Management & Board

**Toronto Venture Stock Exchange (TSXV)**

**Frankfurt Stock Exchange (FSE)**

Exchange Listings

Distributed  
/ Retail  
**50%**

Seven Major  
Shareholders  
**48%**

**2%**



## Research Analyst Coverage



Steve Hansen, CFA



Neil Linsdell, CFA



Kyle McPhee, CFA



# BUSINESS STRATEGY

## ROYALTY REVENUE

- Growing a robust, diverse royalty stream portfolio by licensing patented technology to food and cannabis processors.
- Royalties generated from licensing are based either on a percentage of sales or units produced by the licensee.
- Thirty-seven (37) current licensees of REV™ technology, operating in 16 countries.

## MACHINE SALES

- EnWave earns revenue from selling its REV™ machinery.
- Three primary scales of REV™ machinery sold: 10kW, 60kW and 100kW/120kW units.
- Machine pricing ranges from \$230K to \$2MM; GMP machinery up to \$3+ MM.

## NUTRADRIED FOOD CO.

- Wholly-owned NutraDried Food Company, LLC is rapidly growing consumer package goods snack company.
- Manufactures and sells Moon Cheese® using two 100kW nutraREV® machines.
- Proof-of-concept turned high growth opportunity, distributes Moon Cheese® in more than 25,000+ stores.

## FINANCIAL PERFORMANCE

REVENUE	<b>\$22.8</b> <small>MM</small> FY 2018	▶	<b>\$42.8</b> <small>MM</small> FY 2019	▶	<b>\$8.6</b> <small>MM</small> Q1 2020
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THIRD PARTY ROYALTIES	<b>\$571</b> <small>K</small> FY 2018	▶	<b>\$735</b> <small>K</small> FY 2019	▶	<b>\$402</b> <small>K</small> Q1 2020
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NUTRADRIED ROYALTY	<b>\$839</b> <small>K</small> FY 2018	▶	<b>\$1.64</b> <small>MM</small> FY 2019	▶	<b>\$208</b> <small>K</small> Q1 2020
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# INVESTMENT CASE



## 1 Disruptive Technology with a Significant, Long-term, Competitive Advantage

- REV™ technology is superior to competition (air drying; freeze drying).
- EnWave owns a portfolio of patents to protect this competitive advantage; wide moat and barriers to entry.

## 2 Proven Technology and Business Strategy

- Commercial Royalty-Bearing License Agreements signed with over 37 companies and growing.
- Commercialized products have been successful, generating meaningful revenues for several partners.

## 3 Significant Market Opportunity in a Large Addressable Market

- Commercially proven product applications in food and cannabis industries.
- Robust business development pipeline with more than 80+ companies evaluating technology use.

## 4 Rapidly Growing Revenue and Positive Cash Flow Profile

- Revenue has grown from \$0.5 MM in 2013 to \$42.8 MM in FY2019.
- Significant runway remains as partnerships ramp up production and new agreements are executed.

## 5 NutraDried Food Co. Offers Unique CPG Growth Opportunity

- Rapidly improving growth profile with unique product portfolio and premier distribution in multiple channels.
- Comprehensive sales and marketing strategy developed
- Premiere distribution already won, excellent velocities thus far



# NUTRADRIED FOOD COMPANY

PROOF-OF-CONCEPT TURNED GROWTH OPPORTUNITY

Wholly-owned **Better-For-You Snacking** Business

# A Nutritional Grand Slam



High Protein: **11g/serving**

Low Carb: **0 - 2g/serving**

Low Net Sugar: **0g/serving**

Clean Label: **2 - 4 ingredients**



# Nutritious + Great Taste + Convenience



## Tasty & Convenient

### Shelf Stable | Great Tasting

80% of consumers eat cheese daily/few times/wk

100% cheese - with a crunch!

### Snackable

Can grab by the handful

Resealable pouch for OTG





# NUTRADRIED FOOD COMPANY | STATE OF AFFAIRS

- EnWave hired new NutraDried management team who completely overhauled the sales infrastructure, broker network, marketing strategy, packaging and operating capabilities
- Moon Cheese at intersection of multiple consumer trends, leveraging REV™ technology to create unique snack products and expand portfolio
- Envable list of current retail partners and strong/growing velocities
- Data driven improvements made to packaging, marketing and sales strategy in FY2019, several initiatives launched in FY2020
- Current macroeconomic headwinds have lead to meaningful cost reductions





# NUTRADRIED FOOD COMPANY | ACTION PLAN

## COVID-19 Effects

- Challenge to get meetings/conversations during pandemic; in-person meeting halted currently so virtual interactions are being pursued
- Retailers dealing with hoarding shopping behaviors for core food & cleaning items have prioritized re-stocking versus new items
- Unprecedented # of large retailers (11 representing 2100+ stores) not releasing “snack category review” schedule; a key enabler to secure customer meetings
- Several key retailers slow to make decisions – awaiting decisions at 10 retailers (4700 stores)



# NUTRADRIED FOOD COMPANY | ACTION PLAN

## Distribution Expansion Effort Remains Optimistic

- Premier retail partnerships, including:



- Growing distribution among retail grocery, food service, convenience and club channels;
- Over +25,000 stores across the United States and counting; impressive velocities;
- Recent meetings with 61 retailers that represent almost 7,000 stores; 38 additional retailers targeted in near term representing another 6,500 stores.



# NUTRADRIED FOOD COMPANY | ACTION PLAN

## Packaging and Portfolio Improvements

- Tested 25 varieties - Parmesan Garlic was #2 preferred and Bacon Cheddar #3; Doubles the line appeal with target consumers; Unique among near-in competition;
- New 1oz size will drive new channels;
  - Distribution opportunities
    - Food service
    - Convenience stores
    - Retail grocery
    - Club
    - Online
  - Sampling opportunities
- New 10oz size now available in all flavors



# Impressive Velocities



FY '19 UNITS/STORE/WEEK  
KEY CUSTOMERS



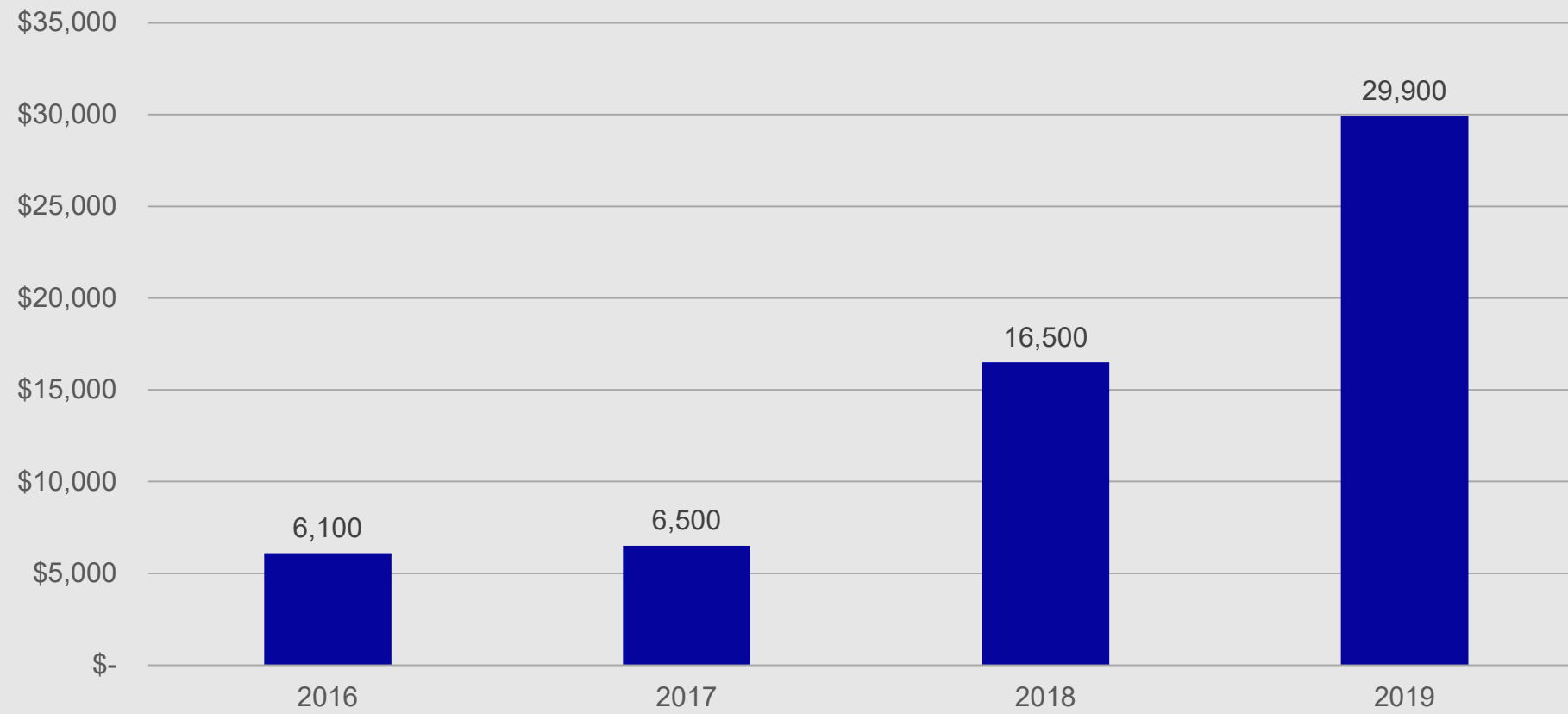
# Focused new product development will continue growth in future years

- 1 Cheese as base + other ingredients; new forms
- 2 Extend to dairy-based shelf stable snacks





## NUTRADRIED REVENUE GROWTH ('000s CAD)





# ROYALTY GENERATION & MACHINE SALES



# THIRTY-SEVEN ACTIVE ROYALTY PARTNERS

## CANNABIS AND HEMP PARTNERS



## PHARMACEUTICAL PARTNER



## FRUIT AND VEGETABLE PARTNERS



## DAIRY PARTNERS





# COMMERCIAL PERFORMANCE

## PATENTED TECHNOLOGY ADOPTION

FY2019 NEW  
LICENSES

9

TOTAL REV  
CAPACITY  
INSTALLED  
TO DATE

1,325 kW

FY 2020 YTD  
NEW LICENSES

5

TOTAL REV  
CAPACITY  
ON ORDER

670 kW



# GEA LYOPHIL LICENSE AND JOINT DEVELOPMENT | PATH TO MONETIZATION IN PHARMA INDUSTRY

- EnWave developed freezeREV<sup>®</sup> technology for rapid dehydration of pharmaceutical vaccines. Improves activity levels, reduces cycle time, and enables continuous processing.
- Joint Development Agreement provides an opportunity for EnWave to leverage GEA's vast expertise and commercial network.
- EnWave will contribute know-how for the potential scale-up of a continuous GMP REV<sup>™</sup> machine, similar to the machine sold to Merck. GEA will lead the project.
- Future REV<sup>™</sup> machines sold in the pharmaceutical industry will be built and sold by GEA and a royalty will be paid to EnWave based on revenue.
- Allows EnWave to focus on core competencies in the global food and cannabis industries, reduces the resources necessary to pursue meaningful monetization and leverages an industry technical and commercial leader in GEA Lyophil.

# THREE-YEAR FINANCIAL PERFORMANCE



REVENUE	<b>\$15.9MM</b> FY2017	▶	<b>\$22.8MM</b> FY2018	▶	<b>\$42.8MM</b> FY2019
ROYALTIES	<b>\$370K</b> FY2017	▶	<b>\$571K</b> FY2018	▶	<b>\$740K</b> FY2019
INCLUDING NUTRADRIED ROYALTY	<b>\$687K</b> FY2017	▶	<b>\$1.39MM</b> FY2018	▶	<b>\$2.57MM</b> FY2019
CASH ON THE BALANCE SHEET	<b>\$1.3MM</b> FY2017	▶	<b>\$9.1MM</b> FY2018	▶	<b>\$18.7MM</b> FY2019

## FINANCIAL HIGHLIGHTS

- Royalty revenue is expected to grow over the long-term as more REV™ machines are ordered and installed.
- NutraDried reported net income of \$3.0 MM for FY2019 compared to \$3.6 MM in FY2018, as sales and marketing investments were made to drive future growth.
- Adjusted EBITDA\* of \$3.17 MM showed consolidated cash profitability for FY2019.
- Strong balance sheet with approximately \$14.5 MM in the treasury as of March 31, 2020.

C \$ THOUSANDS	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Revenue	1,224	5,870	14,933	15,954	22,825	42,852
Net Loss	(5,034)	(4,993)	(1,837)	(2,986)	(945)	(1,986)
Adjusted EBITDA*	(2,690)	(2,655)	1,028	6	2,932	3,168
Adjusted EBITDA* Margin	(220%)	(45%)	7%	0.03%	13%	7.4%

\*Refer to Non-IFRS Measures set out on slide 1. Refer to the company's MD&A for a reconciliation of Net Income to adjusted EBITDA.

# CORPORATE PRESENTATION



## REASONS TO OWN ENW

- Disruptive technology with a substantial, long-term, competitive advantage
- Significant market opportunity in large, diversified, addressable market
- Proven technology and business strategy
- Rapidly growing revenue and cash flow profile
- NutraDried Food Co. offers unique CPG growth opportunity



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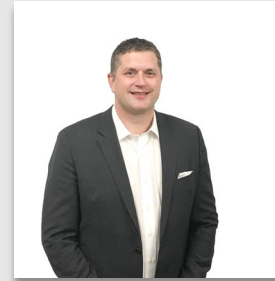


# APPENDIX



**John P.A. Budreski / MBA**  
**EXECUTIVE CHAIRMAN**

- Proven history of advancing and accelerating businesses in addition to an engineering background
- 30+ years of extensive capital markets and executive management experience



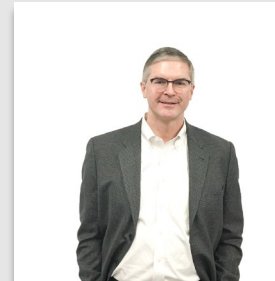
**Brent Charleton / CFA**  
**PRESIDENT & CEO**

- Accomplished leader with expertise in finance, business development and capital markets; leads REV commercialization efforts
- Demonstrated ability to implement organizational change and drive improving financial performance



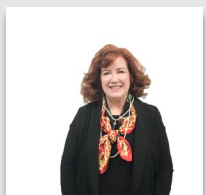
**Dan Henriques / CPA, CA**  
**CFO**

- Extensive experience in finance effectiveness and financial reporting
- Supported numerous mid-market companies with financial reporting and compliance



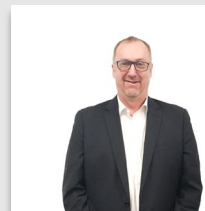
**Mike Pytlinski / MBA**  
**CEO, NUTRADRIED FOOD CO.**

- Proven track record of driving growth through sound strategic planning and integrated marketing programs
- Close to 30 years of experience in the U.S. CPG industry



**Marie C. Ritchie / F C A**  
**DIRECTOR & CHAIR OF AUDIT**  
**COMMITTEE**

- President and CEO of Ritchford Holdings Ltd., an accounting and investment advisory services company
- Fellow of the Canadian Institute of Chartered Accountants



**Dr. Stewart Ritchie / P H D**  
**DIRECTOR**

- President of Canadian Poultry Consultants Ltd. since 1989
- President of American Association of Avian Pathologists from 2010 to 2011



**Hugh McKinnon**  
**DIRECTOR**

- Director and shareholder of Norscot Investments Ltd.
- Director of Premium Brands and Glacier Media



**Stephen Sanford**  
**DIRECTOR**

- Former Managing General Counsel at Fluor Corp
- Lawyer licensed in Canada and USA



**Patrick Turpin**  
**DIRECTOR**

- Co-Founder of Popchips
- 30+ years of experience leading consumer packaged goods organizations

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**John P.A. Budreski / M B A**  
**EXECUTIVE CHAIRMAN**

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**Brent Charleton / C F A**  
**PRESIDENT & CEO**