



# ENWAVE CORPORATION

CORPORATE PRESENTATION APRIL 2021

GLOBAL LEADER IN VACUUM MICROWAVE DEHYDRATION TECHNOLOGY

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



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# DISTINCTIVE EXCELLENCE

ENWAVE CORPORATION

Our patented Radiant Energy Vacuum (“REV™”) technology **offers the most scalable and reliable vacuum-microwave technology on the market.**

We use REV™ technology and our comprehensive technical know-how to accelerate product and process development and unlock value for our global food and cannabis industry partners.





# MONETIZING OUR INNOVATION

## DIVERSIFYING THE COMMERCIALIZATION OF REV™

### ROYALTY REVENUE

- Building a robust and diverse royalty portfolio by licensing REV™ technology to food and cannabis producers.
- Royalties are based on a percentage of sales or units produced using REV™ equipment.
- Already secured +40 licenses of operating in 20 countries.

### MACHINE SALES

- Revenue from selling REV™ machinery.
- Machine pricing ranges from \$230K for small-scale units to \$2.0MM for large-scale units. GMP machinery up to \$3+ MM.
- Expanding international sales rep and referral network to accelerate global adoption.

### REWORX™ TOLLING

- Launching EnWave's own toll manufacturing facility in June 2021.
- Large-scale REV™ equipment to be available for third-party processing.
- Significantly de-risk technology adoption and accelerate new product introductions.
- Acceleration tool to drive new royalty-bearing licenses.

### NUTRADRIED FOOD CO.

- Proof-of-concept turned success story, NutraDried Food Company demonstrated REV™ technology.
- Manufactures and sells Moon Cheese® using two 100kW nutraREV® machines.
- Moon Cheese® available in more than 25,000+ stores; +\$29 MM revenue in FY19, +\$22 MM in 2020.



# FOOD & INGREDIENTS

## BENEFITS OF REV™ TECHNOLOGY



### RAPID GENTLE DRYING

Fresh to dry at moderate temperatures and rapid speeds.



### COLOUR, FLAVOUR & NUTRIENT RETENTION

Keep natural colours, flavours and nutrients locked-in without the use of additives or preservatives.



### PRECISE MOISTURE CONTROL & UNIFORM DRYING

Volumetric drying allows any final moisture percentage and a varying range of textures from chewy to crunchy.



### REDUCED FOOTPRINT

Save space and time by reducing the need for large freeze-drying chambers.



### DRY ALMOST ANY ORGANIC MATERIAL

Fruit, vegetables, herbs, spices, cheese and yogurt. Dry almost any product using REV™.



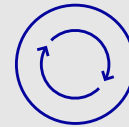
# CANNABIS & HEMP

## BENEFITS OF REV™ TECHNOLOGY



### TERPENE & CANNABINOID RETENTION

Exceptional retention of CBD, THC and terpenes with ability to reclaim volatile terpenes.



### CLOSED LOOP SYSTEM

Material reduction in microbial counts. Lower possibility for microbial contamination during drying.



### RAPID GENTLE DRYING

Shorten the 5-15 day conventional room/rack dry process to 45-minutes to 3-hours.



### REDUCED FOOTPRINT + LABOUR

Small machine footprint and lower capex compared to room/rack drying. Producers can convert drying rooms into value-add harvest space.



### PRECISE MOISTURE CONTROL

Target desired moisture content for both combustible and extractable products.



### INCREASED PROCESS CONTROL

Enhanced process controls for operating a GACP or GMP compliant supply chain. Programmable by strain.

# COMMERCIAL DRYING SOLUTIONS



## Terpene Max™ Protocol 1

### Designed For:

Maximized Terpene Retention and Quality  
Aroma and Aesthetics

**Product:** Combustible

**Dry Time:** 70 - 120 min

**Max Temp:** 40 °C

**Moisture:** 10% -14%



## Rapid Extract Protocol 2

### Designed For:

Rapid Processing and  
100% Cannabinoid Retention Ideal for  
Extract

**Product:** Extract

**Dry Time:** 60 min

**Max Temp:** 57 °C

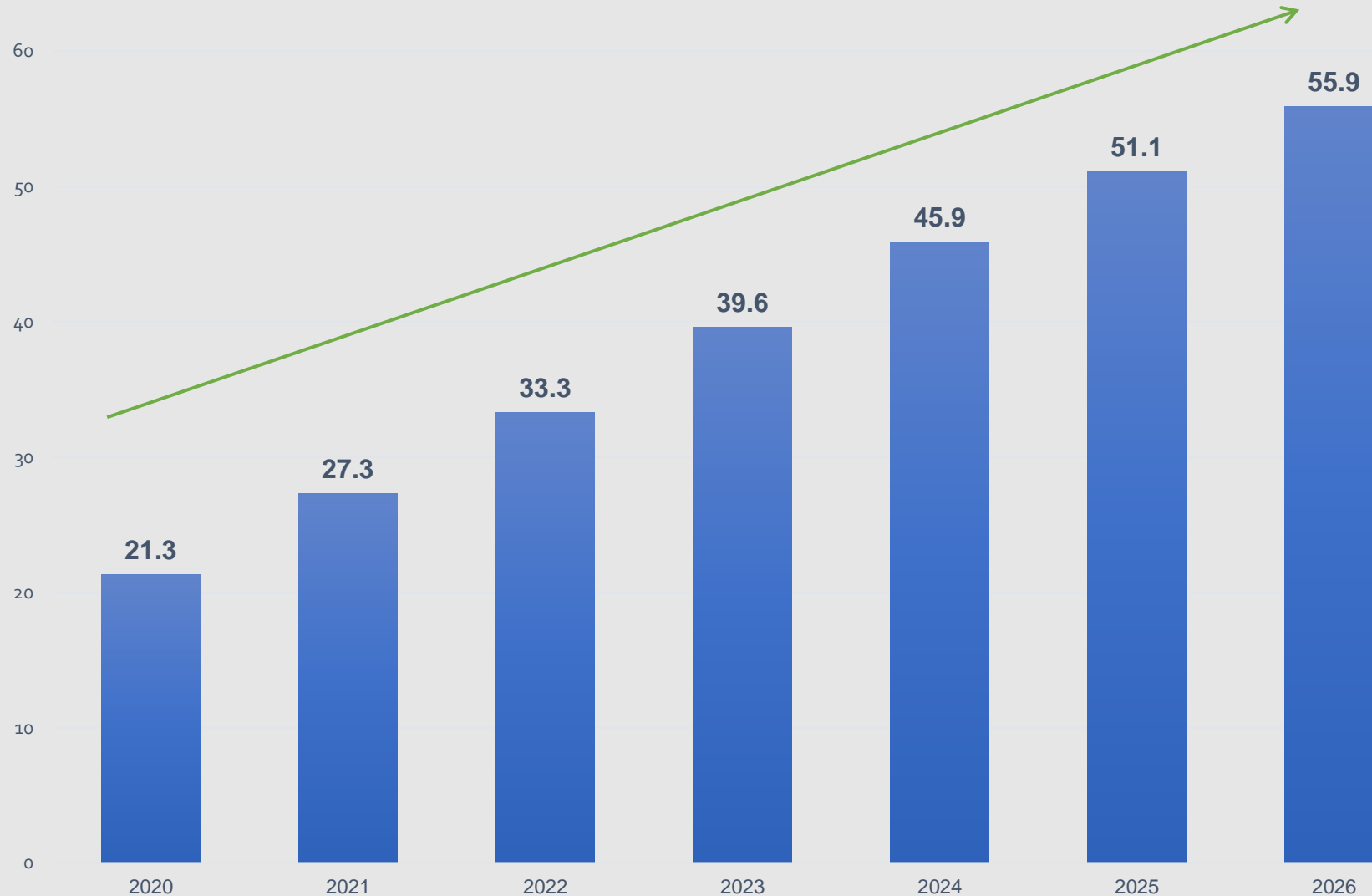
**Moisture:** 5% - 8%





# ESTIMATED \$56B LEGAL CANNABIS MARKET BY 2026

**CAGR  
17%**







DO NOT INSERT THE HAND OR FOREIGN OBJECTS

**DANGER**  
Do not touch moving parts

**DANGER**  
Electrical Hazard

**WARNING**  
Entanglement Hazard  
can cause injury.  
Keep hands clear of  
belt during operation.





# 40+ GLOBAL ROYALTY PARTNERS AND COUNTING

EnWave has fostered licensed partnerships globally with companies in **20 countries** across **5 continents**.

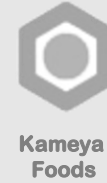




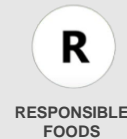


# PROVEN VACUUM MICROWAVE CHOICE FOR OVER 40 INDUSTRY LEADING LICENSED PARTNERS

## FRUIT AND VEGETABLE PARTNERS



PICK-ONE



## DAIRY PARTNERS



## CANNABIS & HEMP PARTNERS





# COMMERCIALIZATION PIPELINE

## DEAL FLOW & MACHINE SALES STRENGTHENING

### YTD Deals Signed and Purchase Orders

- Illinois Cannabis Company (Cannabis) CLA, 10kW & 120kW
- Gentle Dry Technologies (Cannabis) CLA
- NuWave Foods (Baked Goods) CLA, 10kW option on 60kW
- Nippon Foods (Ramen Noodles) CLA, 10kW
- SunRhize Tempeh (Tempeh) TELOA
- GEA Lyophil GMP REV Machine
- Patatas Fritas scale up to 100kW & auxiliary equipment
- Responsible Foods 10kW repeat order
- Nanuva Ingredients two 10kW repeat order
- U.S. Army 10kW repeat order
- Sutas (Major Turkish Dairy) TELOA
- Dairy Concepts Ireland 10kW repeat order
- BranchOut CLA, 60kW



**FY 2021 GOAL → FIVE >60kW MACHINE SALES, TWELVE 10kW SALES**



# REVworx™

## Tolling Service

### MOTIVATION:

Remove potential commercialization roadblocks and encourage more companies to bring REV™-dried products to market.

### PAST REV™ ADOPTION ROADBLOCKS:

- Market opportunity for new products often unknown;
- Reluctancy to enter royalty agreement until commercial potential is confirmed;
- Manufacturing risk unpalatable and no co-manufacturers that can scale in existence; line trials impossible; and,
- Resistance to deploying CAPEX to construct greenfield or brownfield REV™ processing facilities given risk of launching new products.



# REVworx™ COMMERCIAL SOLUTIONS



1

**Increases speed to market for REV™-dried products**

...by eliminating lead-time to access manufacturing capacity, combined with operator know-how and technology best practices.



2

**Reduces financial risk for REV™ adopters**

...by leveraging existing REV™ capacity, eliminating the initial CAPEX investment and need for suitable in-house facilities.



3

**Enables CPG companies to test innovative products**

...which should ultimately lead to more REV™-dried products launching and remaining in-market following commercial validation.



4

**Reduces operational burden for brands launching new REV™ products**

... allowing our partners to focus on core strengths including marketing, branding and distribution while outsourcing REV™ processing to the experts.



5

**Ability to scale REVworx™ to grow with partners quickly**

... REV™ processing capacity can, and will be, increased based on industry demand. Take or pay and MOQ terms to support build out.



# REVworx™ Strategy

- REVworx™ facility to be constructed at EnWave's Delta headquarters; target completion June 2021;
- REVworx™ will drive primary licensing-royalty model, with goal of converting clients into licensed royalty partners;
- REV™ capacity of 90kW to be installed; 60kW continuous line and three 10kW units for processing; pre and post processing equipment;
- Up to \$2 MM investment expected; available capital in treasury; break-even targeted in first twelve months of operation.



# REV™ TECHNOLOGY SHOWCASE

## WHOLLY-OWNED OPERATING SUBSIDIARY



- 1** NutraDried initiated in 2013 as a REV™ technology demonstration to de-risk adoption by licensed partners; led to eight cheese snack producing royalty partners globally thus far.
- 2** Moon Cheese at intersection of multiple consumer trends, including, low carbs, clean-label and high protein; expanding portfolio to compete in emerging sector.
- 3** Tangible commercial success from the launch of Moon Cheese. Generated revenues of \$29 MM in 2019, \$22 MM in 2020.
- 4** Premier list of current retail partners and strong velocities; expanding distribution network into multiple channels.
- 5** Recent restructuring to bring expenses in line with core business; positioned for return to profitability and growth in 2H 2021.











# REV™ MONETIZATION IN PHARMA

GEA LYOPHIL JOINT DEVELOPMENT; MERCK RESEARCH ARTICLE

## Partnered With the Global Market Leader:

- Signed a Joint Development Agreement with GEA Lyophil GmbH in 2020.
- Collaborating to scale-up a continuous GMP REV™ machine for pharma applications.
- All future GMP REV™ machines sold for pharma application will be manufactured by GEA
- EnWave to receive a royalty from the sale of new pharma lines

## Merck Article Confirms Benefits:

- Merck confirmed 80-90% reduction of drying times when compared to lyophilization.
- Comparability to lyophilization for uniformity and repeatability; Increased manufacturing flexibility.
- Merck expected to continue testing through 2021 and potentially scale-up commitment to REV™ machinery through joint development relationship with GEA.

**MAJOR INFLUX OF INBOUND INQUIRIES FROM BIG PHARMA**

# FINANCIAL PROFILE



(\$'000s)	2021 (Q1 YTD)	2020	2019	2018	2017
Moon Cheese Sales	\$ 4,857	\$ 22,948	\$ 29,994	\$ 16,474	\$ 7,764
Machinery Sales & Rentals	2,356	9,100	12,113	5,780	7,820
Royalties	320	835	735	571	370
<b>Total Revenue</b>	<b>\$ 7,533</b>	<b>\$ 32,883</b>	<b>\$ 42,842</b>	<b>\$ 22,825</b>	<b>\$ 15,954</b>
<b>GM %</b>	<b>23%</b>	<b>27%</b>	<b>32%</b>	<b>39%</b>	<b>27%</b>
Net Loss	(1,371)	(4,441)	(1,986)	(945)	(2,986)
Adjusted EBITDA*	(911)	(3,219)	3,168	2,932	(0)
Cash and cash equivalents	17,401	14,712	18,665	9,101	1,319
Total assets	34,633	40,663	43,250	22,162	13,344
Total liabilities	5,654	12,312	12,306	5,240	3,312

- Rapid commercialization underway
- Strong current pipeline of machine orders
- Targeting cash flow positivity for FY2021

## Highlights:

- Multiple revenue streams: Moon Cheese, Machinery and Royalties
- Growing the high margin, recurring and compounding licensing royalties
- Healthy and scalable margin profile at early stages of commercialization; positioned to significantly improve with scale
- Strong balance sheet – fully cashed-up



# YTG 2021 GOALS

## RUN LEAN, DIVERSIFY, LEVERAGE EXISTING PARTNERSHIPS

- Get both business units generating positive EBITDA by Q4 fiscal 2021 or sooner.
- Invest strategically in our internal capabilities and continue to leverage third party partners for mutual benefit.
- Successfully start-up REVworx™ with at least two anchor clients and several additional projects initiated.
- Continue to work closely with our current royalty partners to win repeat purchase orders; sell five >60kW REV machines and twelve 10kW units.
- Prove to the international cannabis industry that TerpeneMax™ is the most advantageous drying method available through robust data and live commercial-scale demonstrations.





# REASONS TO OWN ENW

- Disruptive technology with a substantial, long-term, competitive advantage
- Significant market opportunity in large, diversified, addressable market
- Proven technology and diversified monetization strategy
- Growing royalty revenue and cash flow profile
- NutraDried Food Co. offers unique CPG growth opportunity
- Built the structure for success, now up to management to execute