



# ENWAVE CORPORATION

CORPORATE PRESENTATION SEPTEMBER 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 in the global 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.





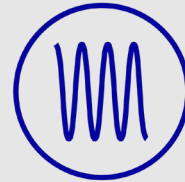
# THE PRECISE SCIENCE OF REV™ TECHNOLOGY

REV™ technology uses specific combinations of vacuum and microwave energy that allow for rapid, gentle drying of diversified materials.



## THE VACUUM ADVANTAGE

- Lower boiling point: fast, low-temperature processing
- Rapid water removal without cooking or oxidizing
- Closed system captures volatilized components, i.e. terpenes
- Ability to “puff” products, creating unique textures in food products and appropriate density in cannabis



## THE MICROWAVE ADVANTAGE

- Efficient energy transfer: 85-90% efficiency and reduced energy requirements, lower cost
- Volumetric heating: fast and uniform water removal
- Precise temperature regulation
- Tight process control and drying customization to optimize consistent results

# MARKET SPECIFIC BENEFITS

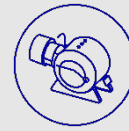
## PROVEN VALUE IN FOOD AND CANNABIS INDUSTRIES



### RAPID GENTLE DRYING

**Food** - Fresh to shelf stable at moderate temperatures in less than 25% of the time required by incumbent drying tech.

**Cannabis** – Dries product well below decarboxylation point in less than 2 hours; traditional room/rack dry takes 5-14 days.



### REDUCED FOOTPRINT+LABOUR

**Food** – Smaller footprint required when compared with large air-dryers and freeze-drying chambers (est. 25-30% reduction).

**Cannabis** – Reduced footprint and lower CAPEX to achieve same throughput of room/rack dry facilities. Less FTE required.



### PREMIUM PRODUCTS

**Food** - Retains natural colours, flavours and nutrients, eliminates need for additives or preservatives; unique products enabled through vacuum-microwave tech.

**Cannabis** – Exceptional retention of terpenes, CBD and THC; precise control of moisture levels optimize quality of both combustible applications and product destined for extraction.



### CUSTOMIZABLE PROCESS

**Food** – Enhanced process control, allowing for specific drying programs for various products – fruit, veg, dairy, meat, etc.;

**Cannabis** – GACP or GMP compliant process, programmable by strain and reduced material touchpoints..



# PHARMACEUTICAL BLUE SKY

## POTENTIAL BENEFITS OF REV™ TECHNOLOGY



### HIGH SPEED PROCESSING

Rapid drying with significant time saving over conventional lyophilization (on-demand manufacturing).



### SCALABILITY

Machine options that scale from research and development, batch production to continuous commercial production.



### CONTINUOUS PROCESSING

Integrate REV™ technology into your continuous production line to facilitate “quality by design” processing.



### INCREASED UNIFORMITY

Uniform energy field and drying temperatures across the load..



### REDUCED ENERGY USAGE

Volumetric heating delivers thermal energy closer to the sublimation front, and often allows self-modulated energy absorption.

Signed license with **Merck**, joint development agreement with **GEA Lyophil** and engaged with several global pharma companies regarding proof-of-concept development, including **AstraZeneca** and others.



# MONETIZING OUR INNOVATION

## DIVERSIFYING THE COMMERCIALIZATION OF REV™

### ROYALTY REVENUE

- Building diverse royalty portfolio by licensing REV™ technology to food and cannabis producers.
- Royalties are based on a percentage of sales, units produced or machine activity when using REV™ equipment.
- +45 licensees operating in 20 different countries; approx. \$1M per annum, expected to grow materially in FY22.

### MACHINE SALES

- Revenue from selling REV™ machinery, and other patented auxiliary equipment.
- Machine pricing ranges from \$260K for small-scale units to \$2.3MM for large-scale units. GMP machinery up to \$3+ MM.
- Expanding international sales rep and referral network to accelerate global adoption; Eleven current channel partners.
- Currently capable of building up to ten large-scale machines per annum; can easily scale to increase manufacturing.

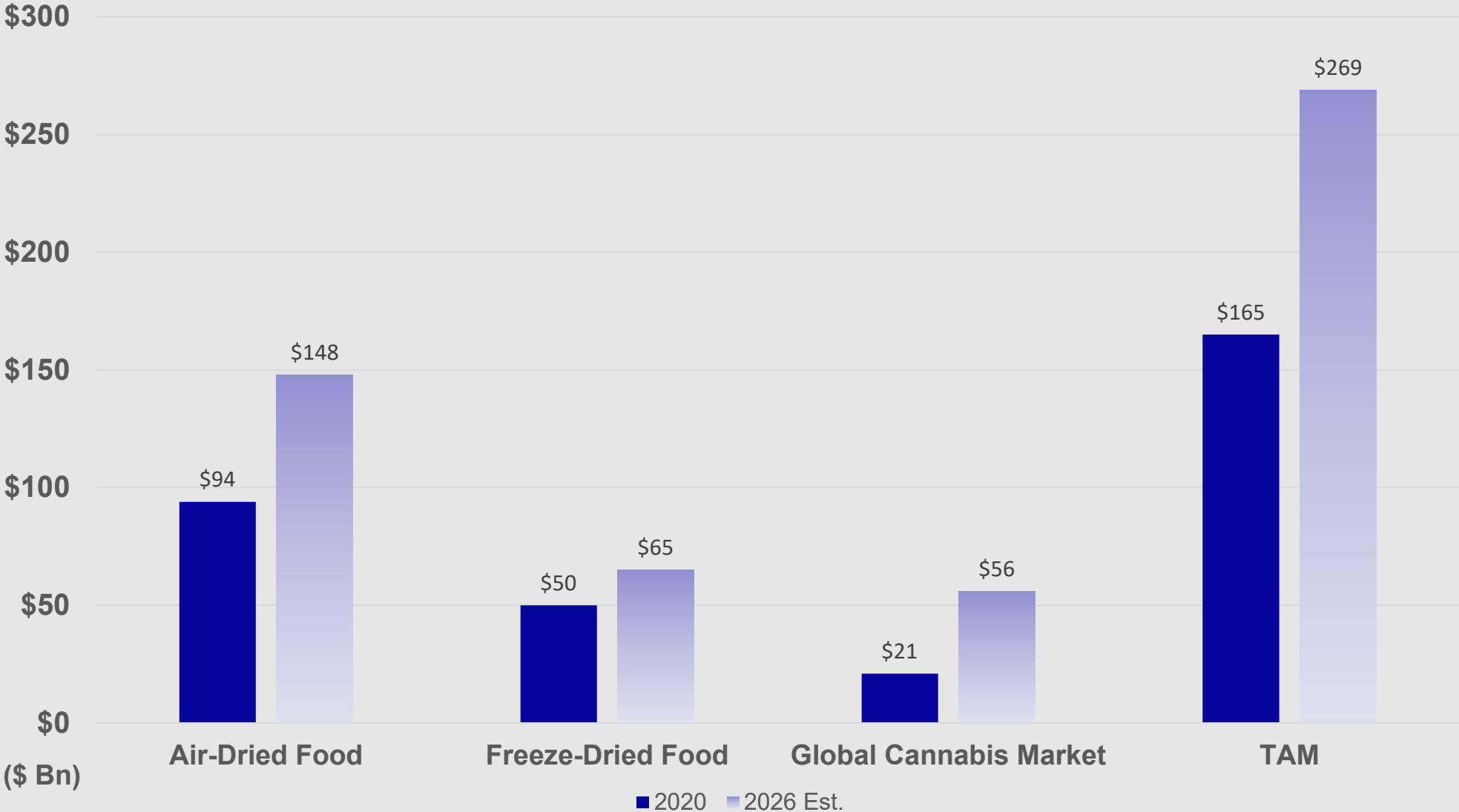
### REVVORX™ TOLLING

- 60kW continuous REV™ equipment to be available for third-party manufacturing; upstream and downstream processes integrated.
- Significantly de-risk technology adoption and accelerate faster new product introductions to market.
- Sales acceleration tool to drive new royalty-bearing licenses.

### NUTRADRIED FOOD CO.

- Proof-of-concept turned success story, NutraDried Food Company demonstrated first large-scale REV™ machinery in 2015.
- Manufactures and sells Moon Cheese® using two 100kW REV® machines; revenue potential for up-to \$45M off installed capacity.
- Moon Cheese® available in more than 25,000+ stores including Starbucks, Whole Foods, Target, Wal-Mart; approx. +\$20M current annual revenue.
- New innovation in format and flavours planned for FY22.

# MASSIVE ADDRESSABLE MARKET







# 45+ GLOBAL ROYALTY PARTNERS AND COUNTING

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

Majority of licenses granted with **fruit/vegetable (17)**, **dairy (15)** and **cannabis (9)** companies.



# NUTRADRIED FOOD COMPANY

## WHOLLY-OWNED OPERATING SUBSIDIARY

### **First Large-Scale REV™ Installation, Proof-of-Concept Turned Success**

- Launched Moon Cheese as consumer brand in 2013; quickly scaled and peaked around \$29M in revenue in 2019 with material distribution wins;
- Used as sales tool to de-risk adoption of REV™ by other companies.
- Financial challenges created by COVID and poor expense management by former NutraDried management; course correction made in Feb 2021 through restructuring and revision of reporting lines.

### **Turnaround Well Underway, New CEO and Robust Innovation Pipeline**

- Overhead and S&M expense structure reduced; supported by base business.
- Hired new CEO to lead the turnaround; course corrected adjusted EBITDA from negative \$2.9M to positive \$52K in one quarter of changes.
- Hired new broker to significantly increase Moon Cheese distribution.
- Activated the Moon Cheese innovation pipeline for FY22 including new formats.
- Raised Moon Cheese pricing online, exploring viable options in brick and mortar

### **Significant Upside in Cheese Snacking and Diversification Plays**

- All-natural cheese snacks is a \$50Bn category in the U.S. with 35% CAGR
- Aggressively pursuing bulk and private label opportunities.

**MOON  
CHEESE™**

**100%  
NATURAL**



# REV™ COMMERCIALIZATION SUCCESS



## New Deal Flow and Machine Sales in FY21

### Record Number of New Deals Signed

- Seven (7) new R&D/TELOA agreements
- Ten (10) new Commercial Licenses

### Material New REV™ Machine Capacity Installed

- Fourteen (14) 10kW machines sold
- Three (3) 60kW or greater machines sold
- Installed nine (9) 10kW and on one 100kW machine in FY21; three additional large scale and six 10kW to be installed in near-term

### Robust Pipeline of Agreements in Negotiation

- Multiple repeat order opportunities, cannabis and food projects advancing
- Interest building in pharma vertical via GEA Lyophil joint development relationship

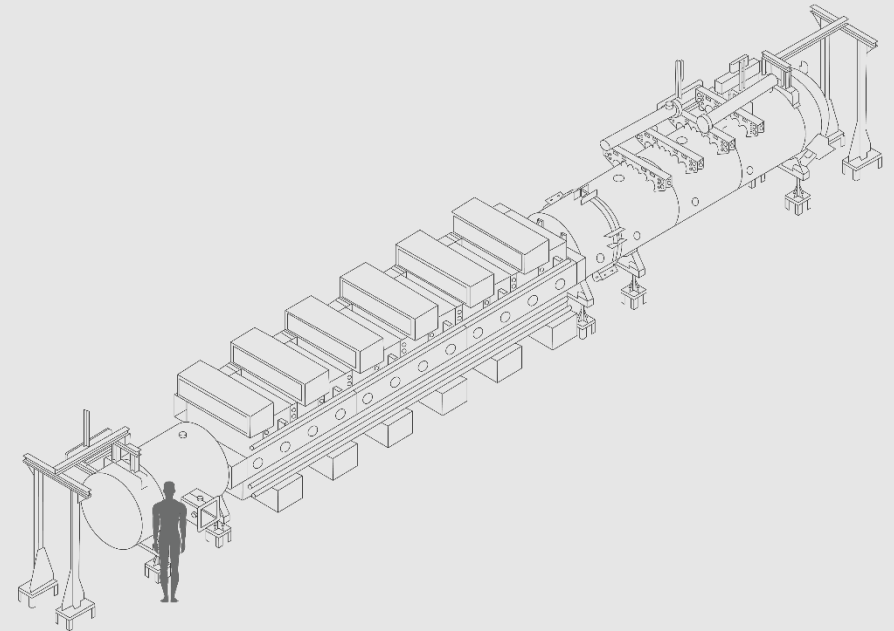
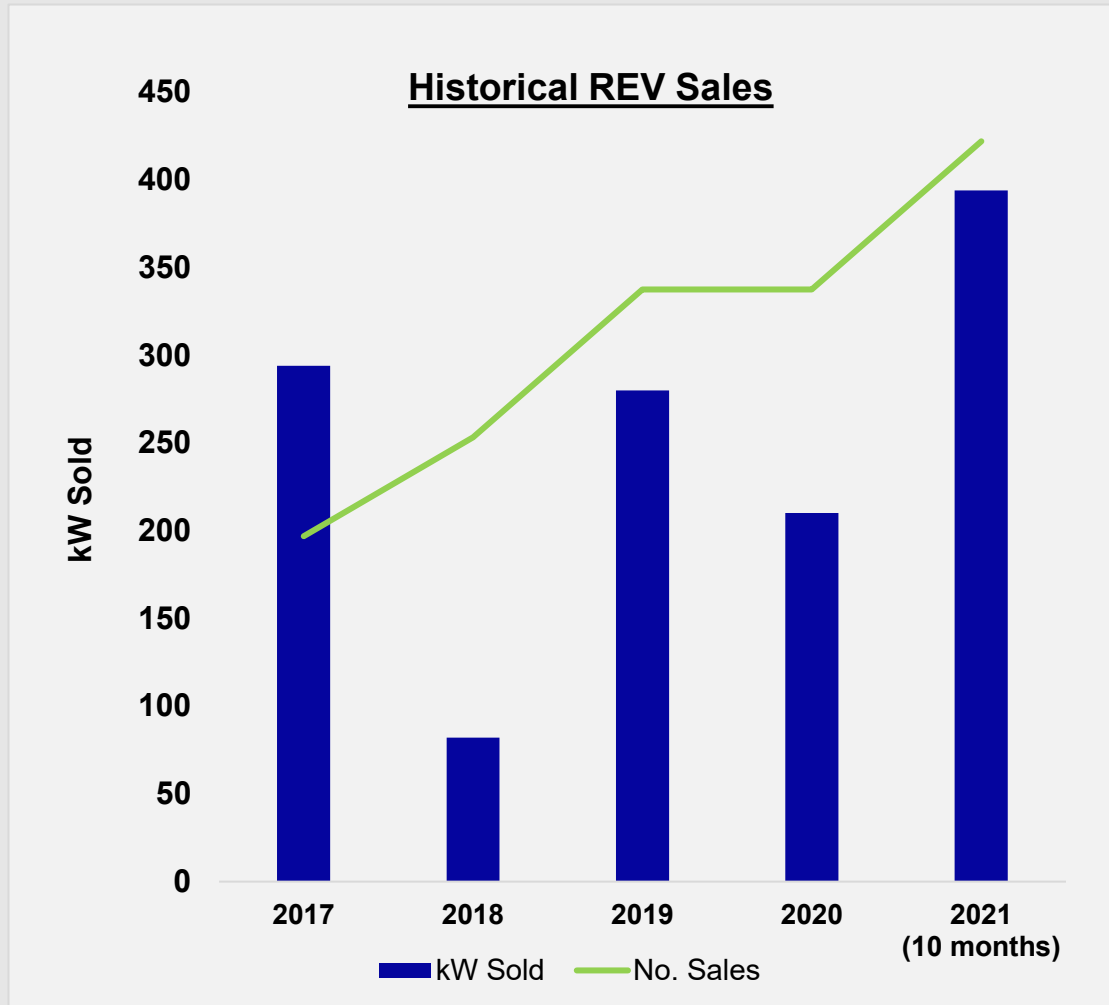


**TWENTY-ONE AGREEMENTS SIGNED, 420kW of REV™ MACHINERY SOLD**

# 2021 COMMERCIAL MOMENTUM



On Track for Record kW's of REV™ Machine Sales





# PARTNER HIGHLIGHT

## DOLE TO DEVELOP INNOVATIVE NUTRITION SOLUTIONS

- Dole Food & Beverages Group, a division of Dole Asia Holdings, is a world leader in growing, sourcing, distributing, and marketing fruit and healthy snacks.
- Collaborating since December 2020; product development and technology evaluation for nine months; commitment from Dole to use REV as the technology of choice to develop innovative, nutritious and convenient food applications.
- Purchased a 10kW for own pilot plant, leveraging several existing EnWave licensed partners to launch REV™-dried fruit snacks in select markets; could purchase multiple large-scale REV™ machines in FY22 pending market trial success.
- Actively working on functional ingredient applications as a second project; clear advantages already identified.
- Working with top executives to ensure project momentum.





# PARTNER HIGHLIGHT

## CALBEE LEVERAGING REV™ FOR PREMIUM SNACKS

- Calbee, Inc. is one of the largest snack food companies in Japan, and is a leader in the manufacture and sale of potato, flour-based snacks, and processed cereals.
- Calbee holds over 50% market share for the domestic Japanese snack market and holds over 70% market share for potato-based snacks.
- Internal push to broaden portfolio of better-for-you snacks.
- Launched premium fruit snack line in Japanese market using three 10kW REV™ units.
- 100kW line trial planned for Q2FY22, purchase decision shortly thereafter regarding at least one large-scale REV™ machine.



# PARTNER HIGHLIGHT

REV™ IS KEY TO U.S. ARMY RATION IMPROVEMENT





# CANNABIS OUTLOOK BRIGHTENS

## OPPORTUNITY FOR MULTIPLE NEAR-TERM, LARGE-SCALE ORDERS

### U.S. Market Continues to be Primary Opportunity

- Illinois-based MSO's 120kW will be commissioned in Q1 FY22, product reviews have been phenomenal from 10kW use; referral agreement in place to help with non-Illinois companies; potential repeat machine orders
- Several additional MSOs in advanced discussion to potentially adopt REV™; anticipated “domino effect” as more industry leaders transition to REV™.
- 80% of \$21Bn global market is in the U.S.

### Demand for GMP Machinery Growing

- Channel Partner, Scitek Australia, sold two GMP 10kW machines and anticipates several more in coming quarters; \$400k sales price, \$140k more than base model due to traceability and quality of components.
- European and Australasian leads are demanding GMP; current quotes out for both 10kW and 60kW GMP machinery.

### Significant Data Generated in Q3

- Collaboration between Gentle Dry Tech, an unnamed MSO and EnWave yielded robust data set of COAs for over twenty strains; results showed 30-50% more terpene retention from REV™ when compared to room/rack dry controls

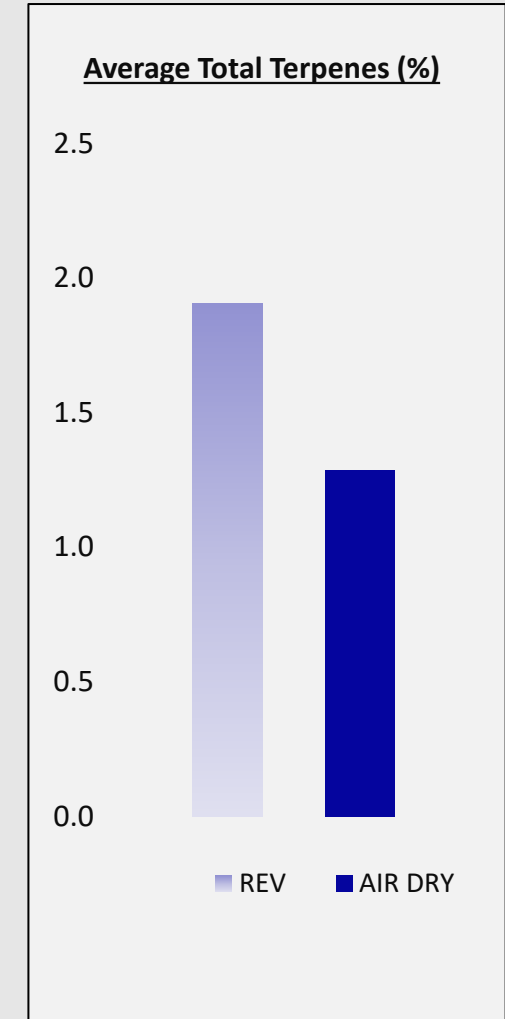
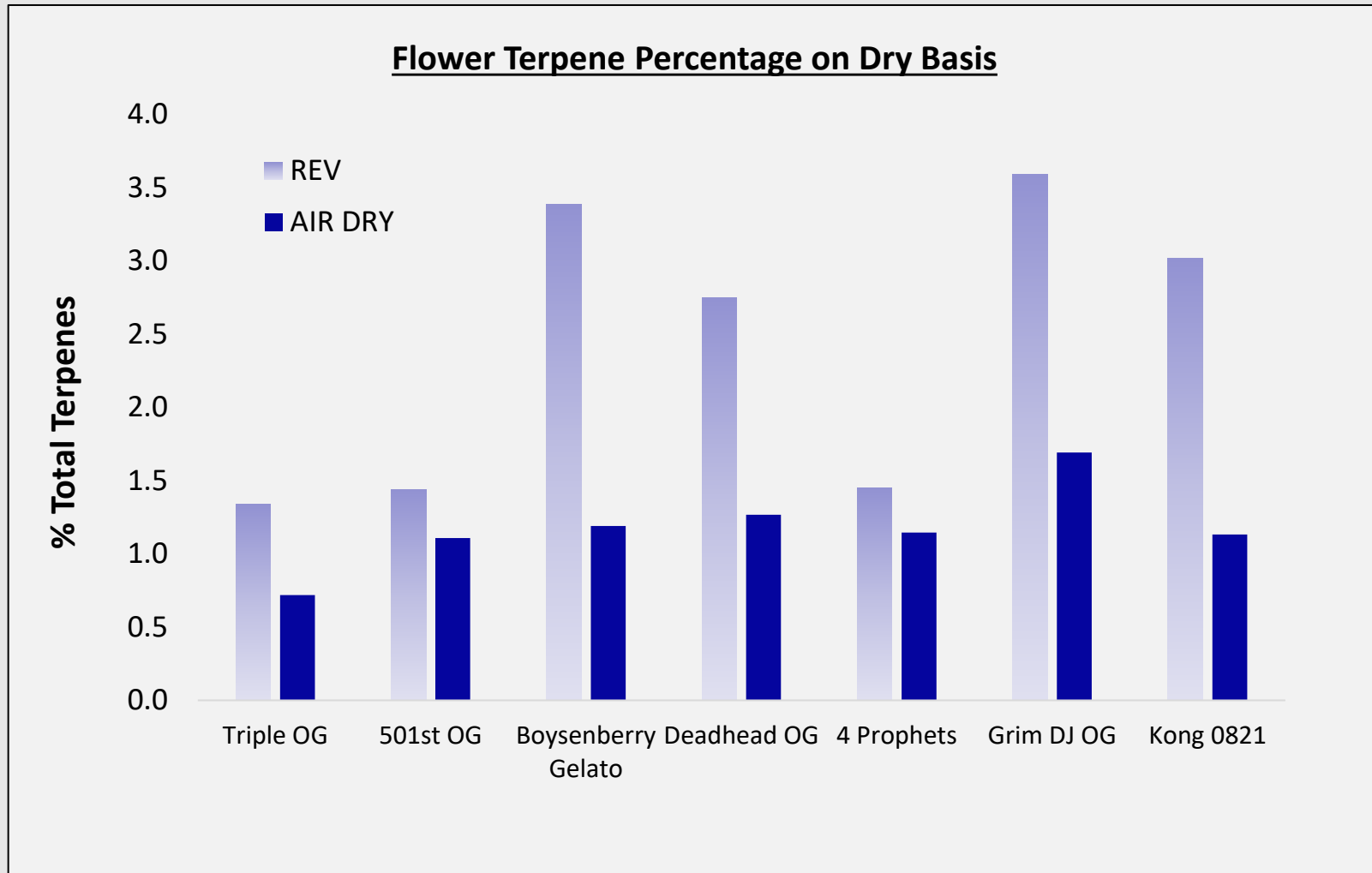






# CANNABIS OUTLOOK BRIGHTENS

## TERPENE MAX™ PROTOCOL – COMPELLING DATA



# REVworx™ TOLL MANUFACTURING



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™ Status

- REVworx™ facility to be constructed at EnWave's Delta headquarters; Delays in municipal permitting tied to plumbing/drainage changes delayed the project; anticipated completion timing is Q1 FY22.
- Hired General Manager and QA Manager; SQF & HACCP preparation to meet Food Safety requirements.
- 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; \$1.5M spent to-date; available capital in treasury; break-even targeted in first twelve months of operation.





# FINANCIAL PROFILE

(\$'000s)	2021 (Q3 YTD)	2020	2019	2018	2017
Moon Cheese Sales	\$ 10,985	\$ 22,948	\$ 29,994	\$ 16,474	\$ 7,764
Machinery Sales & Rentals	7,911	9,100	12,113	5,780	7,820
Royalties	674	835	735	571	370
<b>Total Revenue</b>	<b>\$ 19,570</b>	<b>\$ 32,883</b>	<b>\$ 42,842</b>	<b>\$ 22,825</b>	<b>\$ 15,954</b>
<b>GM %</b>	<b>25%</b>	<b>27%</b>	<b>32%</b>	<b>39%</b>	<b>27%</b>
Net Loss	(2,987)	(4,441)	(1,986)	(945)	(2,986)
Adjusted EBITDA*	(1,942)	(3,219)	3,168	2,932	(0)
Cash and cash equivalents	15,381	14,712	18,665	9,101	1,319
Total assets	32,568	40,663	43,250	22,162	13,344
Total liabilities	7,224	12,312	12,306	5,240	3,312

- Multiple revenue streams: Moon Cheese, Machinery and Royalties; REVworx™ soon.
- Growing 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
- Positive Q3'21 Adjusted EBITDA\* of \$937K

\*Adjusted EBITDA is a non-IFRS financial measure; refer to the Company's MD&A for disclosures on non-IFRS financial measures



# REV™ BUSINESS MAKING WAVES

## BEST EVER QUARTERLY BUSINESS UNIT PERFORMANCE

### Q3 FY21 Financial Performance

- Generated **\$530K in Net Profit**
- Yielded **\$1.84M Adjusted EBITDA**
- Increased **Gross Margin to 49%** YTD from 47% through H1 FY21
- **Strong cash position of \$14.6M**, after NutraDried funding, NCIB and REVworx™ investments

### YTD FY21 Financial Performance

- Produced **\$547K in Net Profit YTD**, \$1.27M better than FY20 YTD
- Generated **\$2.47M Adjusted EBITDA YTD**, \$3.2M better than FY20 YTD
- Revenue of **\$9.5M YTD**, \$200K more than FY20 YTD





# YTG FY21 - FY22 TARGETS

## RUN LEAN, DIVERSIFY, LEVERAGE SUCCESSES

- Will continue to invest strategically in our internal capabilities and continue to leverage third party partners for mutual benefit – i.e. channel partners for sales and manufacturing partners for scaling our business.
- Successfully start-up REVworx™ and secure enough customers to use at least 75% capacity utilization by end FY22; use facility to accelerate the growth of our royalty portfolio by converting REVworx™ clients into royalty partners.
- Continue to work closely with our current royalty partners to win repeat purchase orders; secure two additional large-scale orders in Q4 FY21, ten new large-scale orders and fifteen 10kW orders in FY22.
- Prove to the international cannabis industry that TerpeneMax™ is the most advantageous drying method available through robust data and live commercial-scale demonstrations; add at least five new U.S. MSOs to EnWave's royalty partner group in FY22.
- Targeting consolidated net profit in Q4 FY21 and FY22.

# REASONS TO OWN ENW

- Disruptive technology with a substantial competitive advantage
- Significant market opportunity in large, diversified, addressable market
- Proven technology and diversified monetization strategy
- Scalable, high margin business model in place; royalties growing
- NutraDried Food Co. offers unique CPG optionality; growth expected
- Material near-term growth opportunities in Cannabis and Food industries with current and new royalty partners; Pharma blue sky gaining traction



# APPENDIX



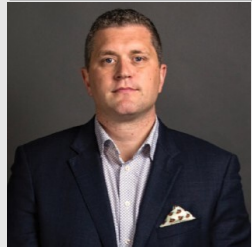


# LEADERSHIP / MANAGEMENT



**John P.A. Budreski / M B A**  
Executive Chairman

- Proven history of advancing and accelerating businesses in addition to an engineering background
- 30+ years of extensive capital markets and executive experience including roles at Scotia Capital, Cormark Securities and multiple advisory and board positions



**Brent Charleton / C F A**  
President & CEO  
Director

- Accomplished leader with expertise in finance, business development and capital markets; has lead REV™ commercialization efforts since 2016
- Demonstrated ability to implement organizational change and drive improving financial performance



**Dan Henriques / C P A, C A**  
CFO  
COO, NutraDried Food Co.

- Extensive experience in finance effectiveness, financial reporting and contract development and negotiation
- Supported numerous mid-market companies with financial reporting and compliance in his previous role at PricewaterhouseCoopers



**Brad Lahrman / M B A**  
CEO, NutraDried Food Co.

- Strong experience in plant-protein, organic, better for you brands across multiple categories, merchandising locations and routes to market, in both PE backed and startup environments.
- Proven track record of delivering revenue, profit and market share growth.



# LEADERSHIP / BOARD OF DIRECTORS



**Mary 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



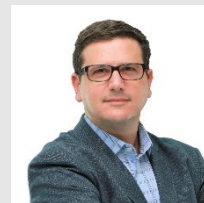
**Patrick Turpin**  
Director

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



**Stephen Sanford**  
Director  
Chair Of Independence Committee

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



**Pablo Cussatti**  
Director

- Chief Supply Chain Officer, Godiva Chocolatier
- Previous operations roles included, Ventura Foods, Blue Apron, Pinnacle Foods, Pepsi Bottling Group, and Dean Food



**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