ENWAVE
CORPORATION

Management Discussion and Analysis

Year ended September 30, 2023

(expressed in thousands of Canadian dollars)

Dated: December 14, 2023

ENWAVE CORPORATION
("EnWave" or "the Company")

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Date of this report: December 14, 2023

This Management's Discussion and Analysis ("MD&A") provides a review of EnWave Corporation's ("EnWave", "the Company", "we", "us" or "our") financial performance, on a consolidated basis, for the year ended September 30, 2023, relative to the year ended September 30, 2022, and the financial position of the Company at September 30, 2023 relative to September 30, 2022. It should be read in conjunction with EnWave's annual audited consolidated financial statements and accompanying notes for the years ended September 30, 2023 and 2022, as well as the 2022 annual MD&A, and 2023 Annual Information Form ("AIF") (available at www.enwave.net or on www.sedar.com). The financial information contained in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS"), which is the required reporting framework for Canadian publicly accountable enterprises.

All financial references are in thousands of Canadian dollars unless otherwise noted.

Management's Responsibility for Financial Information

The Company's management is responsible for presentation and preparation of the annual consolidated financial statements and the MD&A. The annual consolidated financial statements have been prepared in accordance with IFRS.

The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

The annual consolidated financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the financial information we must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from the present judgements and estimates.

Company Overview

Radiant Energy Vacuum ("REV™") Technology

EnWave is an applied dehydration technology company that licenses its intellectual property and manufactures commercial-scale proprietary dehydration equipment for applications in the food, cannabis and pharmaceutical sectors. EnWave has entered into **52 royalty-bearing commercial licenses** with and sold REV™ equipment to a diverse portfolio of companies operating in over 24 different countries on five continents. EnWave also operates REVworx™, a toll processing facility located in Delta, B.C. that offers vacuum-microwave contract manufacturing services. The REVworx™ facility houses both a batch 10kW and 60kW continuous vacuum-microwave line to accelerate the commercialization of products made with EnWave's patented technology. REVworx™

is not meant to compete with existing commercial licensees, but rather offer an asset light opportunity to prove respective business cases.

REV™ dehydration technology applies microwave energy under vacuum to offer flexible, efficient, low temperature drying suitable for food products, cannabis, biomaterials and certain pharmaceutical ingredients. The Company has two primary commercial scale technologies, *nutra*REV®, a drum-based system, and *quanta*REV®, a tray-based system. The Company has also developed *freeze*REV®, a pilot-scale technology for pharmaceutical applications, and has entered into a Joint Development Agreement with GEA Lyophil GmbH, a major pharmaceutical equipment manufacturer, to jointly work to commercialize REV™ in the pharmaceutical industry.

EnWave's mission is to establish its REV™ technology as a new global dehydration standard. By selectively collaborating with strategic partners focused on creating new or improved product opportunities, increasing throughputs and/or reducing processing costs. The Company is primarily developing opportunities for REV™ technology in the food and cannabis markets. Management believes that REV™ technology can produce products with better quality than air-drying, spray-drying and freeze-drying. REV™ technology is also typically faster and more economical than freeze-drying.

EnWave's core business model is to secure multiple, diversified revenue streams through the licensing of its technology. As part of this strategy, EnWave has four primary revenue streams:

1. **Equipment Sales.** EnWave manufactures and sells REV™ equipment built at its fabrication facility in Delta, British Columbia. The Company offers machinery in a variety of sizes, from 10kW batch units through to 120kW large-scale, continuous processing lines.
2. **Royalties and Licensing Fees.** The Company enters royalty-bearing commercial license agreements with companies that utilize REV™ equipment for commercial production. Each license grants the royalty partner access to EnWave's intellectual property portfolio comprising of the Company's patents, know-how and trade secrets. The commercial license agreements stipulate royalty payments to be made on a quarterly basis based on a percentage of sales generated or a fee per unit produced from the use of the REV™ technology. In certain cases, the royalty structure can take the form of pre-agreed payments not tied to sales or units produced but equate to a targeted annual royalty amount per REV™ machine capacity. The licenses also restrict the royalty partner's commercial use of the technology to specific products within a limited geographic territory. Royalty partners are typically free to sell their REV™ dried products wherever they are legal to be sold.
3. **Equipment Rentals.** EnWave rents pilot-scale 10kW REV™ units to companies evaluating the Company's patented technology for desired product applications. The rental terms are typically less than a year in duration and the objective is to allow prospective royalty partners to develop products using REV™ technology prior to entering into a license agreement. Many companies often purchase the machine supplied to them during the evaluation period to initiate royalty-bearing commercial production.
4. **Toll Manufacturing.** The Company launched a toll manufacturing division called REVworx™ to accelerate the commercialization of more food products using REV™ technology. The toll manufacturing operation contains commissioned pilot-scale and large-scale REV™ equipment to utilize the installed capacity to produce commercial products on a fee-for-service basis. This division complements the current equipment sales and royalty-licensing business model of the Company and serve as a lower barrier entry point for consumer packaged goods ("CPG") companies seeking to market trial REV™-dried products and is open for commercial production.

EnWave's dehydration technology is currently being used to produce commercial applications in multiple market verticals, including fruits and vegetables, dairy products, ready-to-eat meals (including instant noodles), cannabis products, nutraceuticals, and pharmaceuticals. The Company's strategy with respect to existing royalty partners is to collaborate closely with them to develop and commercialize products using REV™ technology and build demand for increased production capacity, which will lead to more equipment sales and ultimately growth in royalty streams.

The Company is actively engaged in many commercially focused research and development projects to expand the number of viable REV™-dried products and to increase the use of REV™ into additional markets.

Commercial License Agreements

EnWave has entered into Technology, Evaluation, and Licence Option Agreements ("TELOAs") and royalty-bearing Commercial License Agreements ("CLAs") with major food processing, cannabis and pharmaceutical companies. The table below outlines EnWave's current royalty-bearing license agreements, the market verticals and the capacity of REV™ equipment installed. Currently, EnWave's dehydration technology is being used to produce commercial applications in multiple market verticals, including fruits and vegetables, cheese products, yogurt products, ready-to-eat meals, seafood snacks, nutraceuticals, hemp and cannabis products, among others. We are actively engaged in multiple R&D projects to expand this commercial product portfolio and to expand the use of REV™ into additional market verticals.

Royalty Partner	Licensed Territory	Licensed Product Category	REV™ Machine Capacity
Alpina	Colombia	Dairy Products	10kW REV®
Arla Foods	Denmark, Sweden, Finland and Norway	Dairy Products	10kW REV®
Ashgrove Cheese	Australia	Cheese Snacks	2 x 10kW REV®
Australian Cannabis Company	Australia	Cannabis Products	10kW GMP REV®(1)
Ballantyne Pty Ltd.	Australia, excluding the State of Tasmania	Dairy Products	10kW REV®
Bare Foods (PepsiCo)	Thailand, Canada and United States	Fruits Snacks	3 x 10kW REV®
Bonduelle Group	North America	Dehydro-frozen Vegetables	120kW REV®
BranchOut Food	North, South and Central America	Fruits and Vegetables	60kW REV® 120kW REV®(2)
Bridgford Meat Company	United States	Military rations and select food products	120kW REV®(1)
Japanese Snack Company	Japan	Premium Snack Products	3 x 10kW REV® 60kW REV®(1)
Cal-San Enterprises	British Columbia	Blueberries, Cranberries	75kW REV®
Canadian Cannabis Company	Canada	Cannabis Products	120kW REV®
Cann Group	Australia	Cannabis Products	10kW REV®
Cannaponics Pty Ltd	Australia	Cannabis Products	10kW GMP REV®(1)
Creations Foods	United States	Cheese Snack Products	100kW REV®
Dairy Concepts	Ireland and United Kingdom	Cheese Snack Products	4 x 10kW REV®
Dole	Asia	Fruits and Vegetable Products	10kW REV® 120kW REV®
Dominant Slice	Portugal	Cheese Snacks	10kW REV®
Electric Farms	United States	Hemp Products	10kW REV®

Ereğli Agrosan /Alarko Holdings	Turkey	Fruits and Vegetables, Cheese	100kW REV® 2 x 10kW REV® 2kW REV®
Europe Snacks	France	Dairy Products	10kW REV®
European Cannabis Company	Europe	Cannabis Products	10kW GMP REV®(1)
Madero Capital (Andean Fruit SAC)	Peru	Fruit and Vegetables	10kW REV® 100kW REV®
FrieslandCampina	Netherlands, Belgium, and Germany	Dairy Products	10kW REV®
Fungaria	Hungary	Fruits and Vegetables	10kW REV®
Gay Lea Foods	Canada	Cheese Snacks	100kW REV® 10kW REV®
GentleDry Technologies	State of Oregon	Cannabis Products	10kW REV®
Howe Foods	Australia	Banana Products	10kW REV®
Illinois Based Cannabis Company	United States	Cannabis Products	10kW REV® 120kW REV® 120kW REV®(1)
Kameya Foods	Japan	Seafood, Wasabi and Fruit	10kW REV®
Kesito (Air Cheese)	Greece	Cheese Snacks	10kW REV®
Lake Blue (Intakt Snacks)	Chile	Cheese Snacks	2 x 10kW REV®
Merck, Sharp & Dohme	Worldwide	Pharmaceuticals	*freeze*REV®
Medical Kiwi	New Zealand	Cannabis Products	10kW GMP REV®
Merom Farms	British Columbia	Wasabi Products	20kW REV®
Metamount Schweiz AG	Switzerland	Hemp Products	10kW REV®
Michael Foods	United States	Food products	10kW REV®
Milne MicroDried	State of Idaho and the United States	Fruits and Vegetables, Blueberries and Strawberries exclusive in the United States	114kW MIVAP 2 x 120kW REV®
Nanuva Ingredients	Chile	Fruits & Vegetables	5 x 10kW REV™
Nippon Trends Food	Canada	Ramen Noodles	10kW REV™
Nomad Nutrition	Canada	Specific Ready-to-Eat Meals	2 x 10kW REV®
Orto Al Sole	Italy	Fruits and Vegetables	10kW REV® 120kW REV®
Pacifico Snacks	Colombia	Fruit Snack Products	10kW REV®
Patatas Fritas Torres	Spain	Cheese Snacks	10kW REV® 100kW REV®
Perdue Farms	United States	Pet Food and Pet Treats	10kW REV®
Pick-One	Mexico	Cheese Snack Products, Fruit and Vegetable Products	10kW REV®

Pitalia	Central America	Fruits and Vegetables, Cheese Snacks	100kW REV® 2 x 10kW REV®
Responsible Foods	Iceland	Dairy, Seafood, Meat, Eggs, Herbs, Berries and Hemp products	2 x 10kW REV®
The Green Organic Dutchman	Canada	Cannabis Products	60kW REV®
Umland Pure Dry	United States	Cheese Snacks	3 x 10kW REV®(3)
Van Dyk Specialty Products	Worldwide	Wild Blueberries	60kW REV®
		Total REV® Capacity	**2,841** kW

Notes:

(1) The machine is currently under fabrication or is not yet installed or in commercial use by the partner.

(2) Machine fabrication of second 120kW REV® will commence in fiscal 2024.

(3) Two 10kW machines are not yet installed or in commercial use, awaiting partner's instructions.

Recent Developments

Normal Course Issuer Bid

On December 5, 2023, the TSX Venture Exchange ("TSXV") accepted the Company's notice of intention to commence a Normal Course Issuer Bid ("NCIB"). Pursuant to the NCIB, the Company may repurchase up to 10,799,564 common shares, representing approximately 10% of the public float as of December 5, 2023, but no more than 2,213,901 in any 30-day period. The NCIB period commenced on December 5, 2023 and will end on the earlier of December 6, 2024, and the completion of purchases under the NCIB. All repurchased shares will be cancelled. During the year ended September 30, 2023 and as of the date of this report, the Company did not purchase nor cancel any common shares.

Option Trade Program

On June 23, 2023, the Company announced it adopted a value for value option trade program (the "Program") for non-insider employees whose stock options were significantly 'out of the money'. The Program is designed to incentivize and retain key employees.

The Company cancelled 2,438,667 non-insider employee share options and replaced them with 869,648 employee share options ("Traded Options") priced at $0.75 for a five-year term on a value for value basis using the Black-Scholes model. The cancellation of unvested options was immaterial and was expensed during the period to stock-based compensation.

REVworx™ Grant

On July 25, 2023, the Company was approved for a cost-shared funding project through the Food Processing Growth Fund ("FPGF"), for which we gratefully acknowledge the financial support of the Province of British Columbia through the Ministry of Agriculture and Food, to purchase a seasoning machine and packaging system (the "Grant") for the REVworx™ facility. The total estimated cost of the seasoning machine and packaging system is $419 of which $314, being 75% of approved project costs, will be covered by the Grant. Project funding and spending will be received and incurred over the next 12 months. With a complete retail packaging system, REVworx™ can provide a high-quality retail offering in the snack space. The majority of EnWave's prospective material REVworx™ customers will require consumer packaging capabilities.

The Grant is contingent on the completion of the project by December 31, 2024, and if this condition is not met, the Company is required to repay the Grant in full to the FPGF. As of the date of this report, $126 has been received with the remaining $188 expected be received by Q2 2024.

NutraDried Operational Wind-Down and Sale of Assets

On January 23, 2023 the Company announced it would commence an orderly wind-down and value maximization process for its operating subsidiary NutraDried. NutraDried's financial performance over the past three fiscal years had deteriorated materially and after assessment of long-term prospects, EnWave's Board of Directors and Executive Management determined that the performance standards that EnWave requires for future ownership and support will not be achieved. NutraDried's diminishing performance over the past three years was linked to abnormally high pricing of block cheese combined with overall lower sales across several of its key distribution channels which were expected to continue.

On March 15, the Company announced the sale of certain assets (the "Asset Sale") of NutraDried to Creations Foods U.S. Incorporated ("Creations"), a snacking company located in Washington State. Creations is a portfolio company of Tio Investment Partners, a Canadian firm that focuses on innovation in the agri-food space. The Asset Sale to Creations includes the Moon Cheese brand, as well as other NutraDried trademarks, auxiliary equipment and saleable inventory for total consideration of $1,608 USD. Creations has taken over production, sales and distribution of the Moon Cheese product portfolio.

EnWave sold one of the two 100kW Radiant Energy Vacuum machines installed at NutraDried's facility (the "REV™ Purchase Order") to Creations for consideration of $1,000 USD. The REV™ Purchase Order generated a margin commensurate with EnWave's target margin for typical REV™ machine sales. EnWave intends to strategically re-sell the second 100kW REV™ machine to either a current or new licensed royalty partner as soon as possible and already re-sold the 10kW REV™ machine to a current royalty partner. EnWave executed a royalty-bearing commercial license agreement with Creations to produce cheese snacks in the United States (the "License"). In addition, NutraDried assigned one of two facility leases to Creations effective April 1, 2023. The License, and REV™ Purchase Order improves EnWave's cash royalty generation potential and allows for the Company to allocate all future resources towards growing its technology licensing business.

In August 2023, NutraDried received correspondence from the Internal Revenue Service ("IRS") advising of a tax refund of $497 USD, of an estimated total potential $1,183 USD tax refund, would be issued to NutraDried in Q4 2023. The refund is for the Employee Retention Tax Credit (the "ERTC") which is a refundable tax credit from the United States government for businesses that were affected during the COVID-19 pandemic and paid employee wages after March 12, 2020 and before January 1, 2022. Subsequent to year end but as of the date of this report, the $497 USD tax refund has been received. There has been no further communication from the IRS related to the remaining potential tax refund and as such the associated receivable has not been recognized as there is no certainty it will be issued.

As part of the orderly wind-down and as of the date of this report, there are no employees of NutraDried. The Company continues to contract one person to assist in the orderly wind-down.

Overall Performance

For the year ended 2023, EnWave reported revenues of $11,363 compared to $11,048 for the same period in 2022, an increase of $315 or 3%. EnWave reported a net loss of $1,579 for fiscal 2023, compared to a net loss of $2,642 for the year ended 2022, an improvement of $1,063, due to an overall decrease in expenses as a result of cost management. During the year, the Company sold four large scale customized machines, including one resale of a repurchased cannabis machine and one resale from the wind-down of NutraDried.

For Q4 2023, the Company had revenues of $1,457 compared to $2,824 in the same period in fiscal 2022, a decrease of $1,367 or 48%. The Company had a net loss from continuous operations of $605 for Q4 2023, compared to $451 for Q4 2022, a decrease of $154 or 34%. The Company reported an Adjusted EBITDA(*) loss of $324 for Q4 2023 compared to $27 for Q4 2022, a decrease of $297. EnWave's revenues decreased $1,367 due to timing of machine fabrication contracts. EnWave had third-party royalty revenue of $1,465 for the year ended 2023, compared to $1,352 for the year ended 2022, an increase of $113 or 8% as a result of an increase in the number of royalty partners, product sold and produced by royalty partners. Royalties are payable to EnWave as a percentage of the value of products sold, the number of units produced by our royalty partners, or a set fee paid quarterly. We also stipulate minimum annual royalty thresholds in our exclusive commercial license agreements, if granted, that must be met by the licensee in order for the licensee to retain exclusivity for production in that geographic area.

During Q4 2023, the Company reported income from discontinued operations of $770 compared to a net loss of $1,822 for the year ended 2022, an improvement of $2,592. For the year ended 2023, the Company reported a loss from discontinued operations of $4,933 compared to $4,285 in the same period in 2022, an increase of $648. The increased net loss is a result of the activity associated with the wind-down of NutraDried offset by the ERTC from the IRS in Q4 of 2023.

(*) Adjusted EBITDA is a non-IFRS Financial Measure. Please see the *"Non-IFRS Financial Measures"* section for more information.

Commercial Licensing and Partnership Development

Technology, Evaluation and License Option Agreement with Foodservice Supplier of Egg

On December 6, 2022, the Company signed a TELOA with one of the largest United States foodservice suppliers of egg products ("Partner). The Partner leased a 10kW REV™ machine to facilitate in-house product development focused on egg and egg-based applications, the first of its kind. The Partner was later disclosed as Michael Foods, following the signing of a commercial license agreement.

Equipment Purchase Agreement and License Agreement with a Major Canadian Cannabis Company

On January 18, 2023, the Company signed a royalty-bearing commercial license agreement with an undisclosed, major Canadian cannabis company and granted the non-exclusive rights to produce cannabis products in Canada. The Cannabis Partner purchased a 120kW REV™ machine to initiate commercial production of premium smokeable flower, cannabis plant material destined for extraction and several edible products.

Equipment Purchase Agreement with Existing Royalty Partner to Triple Capacity

On February 24, 2023, the Company sold two 10kW REV™ machines to an existing licensed royalty partner. The royalty partner will triple its North American REV™ manufacturing capacity with these machines to better support the growing market demand for its commercial products. The Company delivered the first machine in Q2 2023 and the second unit is expected to be delivered in the first half of fiscal 2024.

Equipment Purchase Agreement and License Agreement with PiP International

On May 15, 2023, the Company signed a license with PiP International Incorporated ("PIP") to allow for the commercialization of high-value plant-based ingredients. PIP has purchased a 10kW REV™ machine for continued product development.

Equipment Purchase Agreement and License Agreement with Bridgford Foods Corporation

On June 22, 2023, the Company signed a royalty-bearing commercial license agreement with Bridgford Foods Corporation ("Bridgford"), a leading American food production company, granting the exclusive rights to produce certain military ration products in the United States of America. Bridgford purchased a 120kW REV™ machine to initiate production in partnership with the U.S. Department of Defense ("DoD") manufacturing technology grant which will guarantee the DoD certain manufacturing capacity at Bridgford's facility to supply close combat field rations. Bridgford will also use the REV™ technology to develop additional consumer-branded products at their North Carolina facility.

Technology, Evaluation and License Option Agreement with Moleciwl Cyf

On August 16, 2023, the Company signed a TELOA with Moleciwl Cyf, a Welsh toll-manufacturing start-up that will provide value-added processing and drying services to fruit and vegetable growers across the United Kingdom. During the term of the Agreement, Moleciwl Cyf will lease a 10kW REV™ vacuum-microwave machine to facilitate in-house product development, and market-testing for domestically grown dried fruit and vegetable products destined for snack and ingredient applications.

Commercial License Agreement with Michael Foods

On September 26, 2023, the Company signed a CLA with Michael Foods, a subsidiary of Post Holdings a leading American multi-billion-dollar supplier of foodservice, food ingredient and retail offerings. The CLA grants Michael Foods the right to produce certain food products using REV™ technology in the United States. Michael Foods also purchased a 10kW REV™ machine after conducting product development and research over the past-several months.

Commercial lease agreement with major Pet Treat Company

On September 27, 2023, the Company signed a commercial lease agreement with a major pet treat company ("Pet Company") in the United States. EnWave will lease a new 10kW *REV™* dehydration machine to develop and test marketing of new, innovative pet treat products. The Pet Company and EnWave conducted preliminary product development at the Company's Innovation Centre which were received favourably by the Pet Company compelling further exploration of products in the pet treat space.

Equipment Purchase Agreement with BranchOut

On September 28, 2023, the Company signed an Equipment Purchase Agreement with BranchOut Foods Inc. (NASDAQ:BOF)("BranchOut"), to purchase a 120kW REV™ machine. BranchOut is an international food-tech company dedicated to bringing extraordinary natural snacks and real superfood ingredients to market. BranchOut has been a licensed royalty partner of EnWave's for several years and currently operates a 10kW and 60kW REV™ dehydration machinery to produce a portfolio of fruit and vegetable products. The machine will be delivered late in calendar 2024 pursuant to build-out plans.

Research and Development Licence Agreement with Australian University

On October 25, 2023, the Company signed a Research and Development License Agreement with a major university in Australia (the "University"). The University will use the REV™ machinery for research and development to propagate REV™ technology with key stakeholders in the food and processing industry throughout Australia. The University has also committed to purchasing a 10kW REV™ dehydration machine for use at it's Brisbane campus.

Royalty Partner and REV™ Machine Sales Pipeline

The Company rents REV™ machinery to companies evaluating the technology for specific product applications under TELOAs. The strategy under these arrangements is to co-develop product applications using the technology for specific partner opportunities and to ultimately convert TELOAs into commercial licenses. EnWave earns revenue under TELOAs from short-term REV™ machine rentals as well as fees for access to EnWave's Innovation Center and product development expertise. EnWave's food scientists and engineers work with the prospective licensees during the term of the TELOA to formulate and optimize innovative products using REV™, and to develop a path towards commercialization.

EnWave's current sales pipeline is comprised of several companies that have entered TELOAs as well as many earlier-stage prospects that are in active discussions about using REV™ under mutual non-disclosure agreements. Prospective licensees have the option of bypassing the TELOA phase and entering directly into a commercial license agreement concurrent with the purchase of REV™ machinery. This is often the case when the product applications have been previously proven commercially, or when the value proposition and business case are compelling enough for the prospect to enter directly into commercial production.

EnWave has a dedicated sales team focused on growing the number of commercial license agreements and securing new TELOAs. As of the date of this report, EnWave has **two TELOAs** with prospective licensees evaluating the use of REV™.

Machine Fabrication and Installation Pipeline:

The table below summarizes the current fabrication and commissioning schedule of machines purchased by EnWave licensees under Equipment Purchase Agreements as of the date of this MD&A:

Licensee	Machine Capacity	Licensed Product	Territory
Cannaponics	10kW GMP	Cannabis	Australia(1)
Australian Cannabis Company	10kW GMP	Cannabis	Australia(1)
Cannabis Multi-State Operator	120kW	Cannabis	U.S.A(1)
Unnamed Cannabis Operator	10kW GMP	Cannabis	Europe
Japanese Snack Company	60kW	Fruits and Vegetables	Asia(2)
Umland Pure Dry	2 x 10kW	Cheese	U.S.A.
Bridgford Food Company	120kW	Military Rations	U.S.A.(1)

Notes:

(1) The Company has completed fabrication of the machine for the royalty partner and is pending installation for commercial production.

(2) The Company is in the process of commissioning the machine at the partner site.

Research and Development License Agreements

EnWave has entered into Research and Development License Agreements ("RDLAs") with several institutions and companies. An RDLA provides a company, under mutual non-disclosure agreements, the ability to perform research and development for testing on product or materials, independently or for third-parties, to determine if REV™ dehydration machinery is suitable. RDLAs, in certain cases allow for small scale commercial production if approval is granted by EnWave on a case-by-case basis.

EnWave has **7 RDLA's** as summarized in the table below as at the date of this report:

Licensee	Machine Capacity	Territory
US Army	10kW	U.S.A.
Moore Parke Technology	10kW	Ireland
Cornell University	10kW	U.S.A.
Scitek Australia	10kW	Australia
Danish Institute of Technology	10kW	Denmark
Protein Isolate Plant International	10kW	Canada
Queensland University of Technology	10kW	Australia

Summarized Quarterly Results

The following is a selected summary of quarterly results for the eight most recently completed quarters to September 30, 2023 reported in Canadian dollars, the Company's presentation currency:

	2022				2023			
($ '000s)	*Q1*	*Q2*	*Q3*	*Q4*	*Q1*	*Q2*	*Q3*	*Q4*
Revenues	4,066	1,498	2,660	2,824	2,785	4,635	2,486	1,457
Direct costs	(1,789)	(935)	(1,423)	(1,725)	(1,756)	(2,371)	(1,767)	(1,036)
Gross profit	2,277	563	1,237	1,099	1,029	2,264	719	421
Expenses	(1,962)	(2,262)	(2,044)	(1,550)	(1,772)	(1,577)	(1,637)	(1,026)
Net (loss) income	315	(1,699)	(807)	(451)	(743)	687	(918)	(605)
Discontinued operations	(568)	(687)	(1,208)	(1,822)	(1,286)	(3,386)	(1,031)	770
Adjusted EBITDA(1)	609	(1,039)	(224)	(27)	(256)	1,151	(192)	(324)
Loss per share: continuing operations – basic and diluted	0.01	(0.02)	(0.01)	0.00	(0.01)	0.01	(0.01)	0.00
Loss per share: discontinued operations – basic and diluted	(0.01)	0.00	(0.01)	(0.02)	(0.01)	(0.03)	(0.01)	0.00
Loss per share: Basic and diluted	0.00	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	0.00

(1) Adjusted EBITDA is a non-IFRS Financial Measure. Please see the *"Non-IFRS Financial Measures"* section for more information.

EnWave's revenues, direct costs and net loss fluctuate based on the timing of machine orders from companies in our sales pipeline. Management works closely with each company evaluating REV™ technology under TELOAs and research and development projects but is not able to accurately predict the timing and frequency of machine orders. The revenue in any given period will vary depending on the number of machine orders received and CLAs signed, and this causes variability in our quarterly financial performance. This variability in timing of machine orders affects our quarterly revenues and operating results. Additionally, the Company generates royalty revenues each quarter from the installed REV™ equipment base with its royalty partners but does not have the ability to direct or control the commercial launch and royalty growth of each partner's product offering, resulting in fluctuations in the royalties earned by the Company each quarter.

Selected Annual Information

The following table provides selected consolidated financial information for the periods indicated. The selected financial information below has been derived from the consolidated financial statements. Each investor should read the following in conjunction with the statements thereto.

	Year ended September 30,		
($ '000s)	**2023**	**2022**	**2021**
Revenues	11,363	11,048	12,467
Direct costs	6,930	5,872	6,951
Gross margin	4,433	5,176	5,516
Operating expenses			
General and administration	2,188	2,737	3,143
Sales and marketing	1,396	2,102	1,263
Research and development	1,577	1,998	1,492
Net (loss) income for the year - continuing operations	(1,579)	(2,642)	10
Net loss for the year – discontinued operations	(4,933)	(4,285)	(4,135)
Net loss for the year	(6,512)	(6,927)	(4,125)
Loss per share, continuing operations			
Basic and diluted	(0.01)	(0.02)	0.00
Loss per share discontinued operations			
Basic and diluted	(0.05)	(0.04)	(0.04)
Loss per share (basic and diluted)	(0.06)	(0.06)	(0.04)
Comprehensive loss for the year	(6,622)	(6,492)	(4,710)
Adjusted EBITDA(1)	379	(681)	330
Total assets	16,031	25,847	30,641
Long term liabilities	973	1,603	1,035
Dividends declared	Nil	Nil	Nil

(1) Adjusted EBITDA is a non-IFRS Financial Measure. Please see the *"Non-IFRS Financial Measures"* section for more information.

Discussion of Operations

Revenue

EnWave generates revenue from the sale of REV™ machinery to royalty partners, rental revenue from short-term rentals of REV™ machinery to prospective royalty partners, toll manufacturing services and royalties earned from commercial license agreements.

($ '000s)	**2023**	**2022**
Revenue	11,363	11,048

Revenue for the year ended September 30, 2023, was $11,363, compared to $11,048 for the year ended September 30, 2022, an increase of $315. The increase for 2023 compared to 2022 was due to the different sales mix of large and small scale machines in the period partially offset by an increase in royalties for fiscal 2023. For the year ended September 30, 2023, there were four large scale machine sales, two of which were resales, compared to four large scale machine sales, three of which were resales, for the same period of fiscal 2022. In addition, there were six large scale machines and one small GMP machine in varying levels of production compared to four large-scale machines and three small GMP machines in production during the same period of fiscal 2022. Overall, large customized machine revenues were down for the three months ended Q4 2023. The timing and frequency of each large scale commercial machine order affects the timing of our revenues from the sale of REV™ machinery.

EnWave continues to pursue revenue growth through commercial machine sales and by signing new royalty-bearing licenses that are accompanied by machine purchase orders. The REVworx™ division is pursuing new commercial opportunities for its services. Revenue for EnWave is contract-based and is not considered seasonal; however, fluctuations in revenue will occur based on the magnitude and volume of commercial equipment sales contracts open during a given period.

EnWave reported royalties of $1,465 for the year ended September 30, 2023, compared to $1,352 for the year ended September 30, 2022, an increase of $113 or 8%. Royalties are payable to EnWave as a percentage of the value of products sold, the number of units produced by our royalty partners, or a set fee paid monthly or quarterly. We also stipulate minimum annual royalty thresholds in our commercial license agreements, if granted, that must be met by the licensee in order for the licensee to retain exclusivity for production in that geographic area. Royalties increased for the year ended September 30, 2023, year over year, due to increased royalties on sales and production offset by some Partners foregoing exclusivity.

We expect our royalties to grow as we supply additional REV™ machine capacity to our royalty partners and sign new license agreements.

Direct costs

Direct costs comprise the cost of components, manufacturing labour, overhead costs, depreciation of manufacturing plant and equipment, inventory write-offs, warranty costs and product transportation costs. Direct costs comprise all direct costs related to the revenue generating operations of the Company.

($ '000s)	**2023**	**2022**
Direct costs	6,930	5,872
% of revenue	61%	53%

Direct costs for the year ended September 30, 2023 were $6,930, compared to $5,872 for the year ended September 30, 2022, an increase of $1,058. As a percentage of revenue, direct costs for the year ended September 30, 2023 increased by 8% due to the production mix of large and small machines, stages of fabrication and the resale of two machines in fiscal 2023 compared to the resale of three machines in fiscal 2022. Additionally, input costs for machine fabrication increased during the period, with the cost of stainless steel, microwave parts and inbound freight rising.

General and administration

General and administration ("G&A") expenses consist of wages, administration, accounting and audit fees, legal fees, investor relations, depreciation, insurance, and other corporate expenses.

($ '000s)	**2023**	**2022**
General and administration	2,188	2,737
% of revenue	19%	25%

G&A expenses for the year ended September 30, 2023, were $2,188 compared to $2,737 for the year ended September 30, 2022, a decrease of $549 or 20%. The overall decrease to G&A expenses primarily relates to reduced legal fees, investor relations consultants, personnel costs and Directors fees.

Sales and marketing

Sales and marketing ("S&M") expenses include salaries and wages, travel expenses, consulting fees, promotional and marketing fees, commissions, and office expenses related to selling and marketing activities.

($ '000s)	**2023**	**2022**
Sales and marketing	1,396	2,102
% of revenue	12%	19%

S&M expenses for the year ended September 30, 2023, were $1,396 compared to $2,102 for the year ended September 30, 2022, a decrease of $706. The decrease to S&M expenses is attributable to reduced commissions paid to third-party sales representatives, branding consultants, trade show attendance and a reduction in personnel costs.

Research and development

Research and development ("R&D") expenses include salaries for the Innovation Centre technicians and scientists, global patent filing and maintenance costs, laboratory and Innovation Centre facility costs, R&D travel costs. R&D also includes development costs related to the Company's REVworx™ tolling facility and depreciation expense for R&D equipment.

($ '000s)	**2023**	**2022**
Research and development	1,577	1,998
% of revenue	14%	18%

R&D expenses for the year ended September 30, 2023 were $1,577 compared to $1,998 for the year ended September 30, 2022. R&D expenses for 2023 decreased relative to 2022 due to less upgrades to machine designs, and fewer patent searches. R&D expenses fluctuate depending on the timing and filing of additional patents and patent maintenance fees related to the Company's intellectual property and new machine design.

We plan to invest in our global patent portfolio for new intellectual property in instances where there is a viable commercial application for the invention, and it strengthens our intellectual property position.

Stock-based compensation

Stock-based compensation expense was $556 for the year ended September 30, 2023, compared to $1,132 for the year ended September 30, 2022. The overall decrease to stock-based compensation expense was due to fewer stock option grants and restricted share rights ("RSRs") issued in 2023 and the vesting of stock options with the associated expense recorded in prior quarters. The Option Swap Program on June 23, 2023 had an immaterial impact on stock-based compensation as it was a value for value option trade.

($ '000s)	**2023**	**2022**
Stock-based compensation	556	1,132

Amortization of intangible assets

Amortization of intangible assets for the year ended September 30, 2023 was $10 compared to $118 for the year ended September 30, 2022. The decrease in amortization expense is due to certain intangible assets becoming fully amortized. The Company did not have significant additions to its intangible assets during the year ended September 30, 2023.

($ '000s)	**2023**	**2022**
Amortization of intangible assets	10	118

Foreign exchange gain

Foreign exchange gain for the year ended September 30, 2023 was $27 compared to a loss of $96 for the year ended September 30, 2022. The majority of the Company's foreign exchange gain or loss amounts consists of foreign exchange differences driven by our monetary assets and liabilities in US dollars ("USD"). The fluctuation of foreign exchange is consistent with the Canadian dollar's appreciation or depreciation as measured against the USD for each period due to global macroeconomic factors.

($ '000s)	**2023**	**2022**
Foreign exchange gain (loss)	27	(96)

Other income

Other income relates to government assistance the Company received from stimulus programs introduced by the Canadian government due to the COVID-19 pandemic. EnWave received $nil for fiscal 2023 and $147 in fiscal 2022, respectively. The funding programs related to the Canada Emergency Wage Subsidy ("CEWS") program to subsidize payroll costs, and the Canada Emergency Rent Subsidy ("CERS") program to subsidize rent costs and are non-repayable to the government if the Company continues to meet the eligibility criteria. Both programs claim periods ended by November 2022.

($ '000s)	**2023**	**2022**
Other income	-	147

Discontinued Operations

Discontinued operations relate to the wind-down and discontinuation of NutraDried. NutraDried generated revenue from the sale of Moon Cheese into retail and wholesale distribution channels, and from the sale as bulk product ingredients and co-manufacturing.

($ '000s)	**2023**	**2022**
Loss on discontinued operations	4,933	4,285

Overall, sales decreased for the year ending September 30, 2023 compared to the year ended September 30, 2022, due to the absence of Costco Canada and Target sales in fiscal 2023 and the winddown.

The results of operations of NutraDried are presented as discontinued operations for the year ended September 30, 2023:

	Year ended September 30	
	2023 **$**	**2022** **$**
Revenues	**5,167**	12,655
Cost of sales	**(6,000)**	(10,619)
Inventory write down	**(631)**	-
	(1,464)	2,036
Expenses		
General and administration	**(679)**	(1,270)
Sales and marketing	**(1,237)**	(3,364)
Depreciation	**(870)**	(1,451)
Restructuring costs	**(573)**	-
Professional Fees	**(303)**	(232)
Loss before other items	**(5,126)**	(4,281)
Other items:		
Loss on the sale of assets	**(387)**	(32)
Income tax recovery	**(30)**	28
Employee Retention Tax Credit	**670**	-
Impairment of right of use asset	**(60)**	-
Total other items	**193**	(4)
Loss from discontinued operations	**(4,933)**	(4,285)

Decreased revenues were a result of the Asset Sale to Creations in Q2 2023. Due to the wind-down, higher costs were incurred for restructuring, offset by a decrease in general and administration and sales and marketing expenses as a result of reduced personnel, consultant services and limited trade show attendance. Additionally, there was a write down of inventory and a loss on the sale of assets as a result of the Asset Sale to Creations.

Income taxes

Income tax expense for continuing operations was $nil for the year ended September 30, 2023, and the year ended September 30, 2022. During the fiscal year ended September 30, 2023, the Company did not record any deferred income tax recovery related tax losses generated that would be available for carry-forward.

There are several items that can significantly impact our effective income tax rate, including legislative rate changes, foreign currency exchange rate fluctuations, earnings subject to tax in jurisdictions where the tax rate is different than the Canadian statutory rate, fluctuations in net income, granting of equity-based awards, and other permanent differences between the tax and accounting bases of our assets and liabilities. As a result, our recorded tax provision can be significantly different from the expected tax provision calculated based on the Canadian statutory rate.

Income tax expense for discontinued operations was $30 for the year ended September 30, 2023, compared to a tax recovery of $28 for the year ended September 30, 2022.

($ '000s)	**2023**	**2022**
Current tax (recovery) expense	30	(28)
Deferred tax (recovery) expense	-	-
Income tax (recovery) expense	30	(28)

Fourth Quarter Highlights

	Three months ended September 30, 2023 $	2022 $
Revenues	**1,457**	2,824
Direct costs	**1,036**	1,725
	421	1,099
Expenses		
General and administration	**435**	537
Sales and marketing	**229**	421
Research and development	**357**	468
Stock-based compensation	**88**	212
Amortization of intangible assets	**-**	29
Loss on disposal of assets	**-**	-
Other income	**-**	-
Foreign exchange gain	**(59)**	(114)
Finance income	**(53)**	(40)
Finance expense	**29**	37
	1,026	1,550
Loss for the period continuing operations	**(605)**	(451)
Income tax expense		
Current	**-**	-
Deferred	**-**	-
Loss from continuing operations	**(605)**	(451)
Income (Loss) from discontinued operations	**770**	(1,822)
Income (Loss) for the period	**165**	(2,273)

Revenue

EnWave had revenue of $1,457 for the three months ended September 30, 2023 compared to $2,824 for the three months ended September 30, 2022, a decrease of $1,367. The decrease for Q4 2023 compared to Q4 2022 was due to fewer machines in fabrication and the different sales mix of large and small scale machines in the period, which was partially offset by an increase in royalties for Q4 2023.

($ '000s)	**Three months ended September 30, 2023**	**2022**
Revenue	1,457	2,824

EnWave earned royalties of $381 during the three months ended September 30, 2023 compared to $301 for the three months ended September 30, 2022, an increase of $80 or 27%. We expect that as more large-scale machines are commissioned for commercial production our royalty portfolio will continue to grow.

Direct costs

Direct costs for the three months ended September 30, 2023, were $1,036 compared to $1,725 for the three months ended September 30, 2022, a decrease of $689. As a percentage of revenue, direct costs for the three months ended September 30, 2023 increased by 10% primarily due to fewer large scale machines in fabrication to absorb production overhead and a machine resale in Q4 2022.

($ '000s)	Three months ended September 30, 2023	2022
Direct costs	1,036	1,725
% of revenue	71%	61%

General and administration

G&A expenses for the three months ended September 30, 2023 were $435 compared to $537 for the three months ended September 30, 2022, a decrease of $102. The overall decrease to G&A expenses primarily relates to reduced legal fees, investor relations consultants and personnel costs for Directors with an increase to insurance as a result of a premium adjustment.

($ '000s)	Three months ended September 30, 2023	2022
General and administration	435	537
% of revenue	30%	19%

Sales and marketing

S&M expenses for the three months ended September 30, 2023, were $229 compared to $421 for the three months ended September 30, 2022, a decrease of $192 primarily due to reduced commissions paid to third-party sales representatives which was offset by an increase to external brand consultant fees and higher travel costs for trade show attendance.

($ '000s)	Three months ended September 30, 2023	2022
Sales and marketing	229	421
% of revenue	16%	15%

Research and development

R&D expenses for the three months ended September 30, 2023 were $357 compared to $468 for the three months ended September 30, 2022, a decrease of $111. R&D expenses decreased due to less upgrades to machine designs, and fewer patent searches.

($ '000s)	Three months ended September 30, 2023	2022
Research and development	357	468
% of revenue	25%	17%

Stock-based compensation

Stock-based compensation expense was $88 for the three months ended September 30, 2023, compared to $212 for the three months ended September 30, 2022. The decrease to stock-based compensation expense was due to the vesting of stock options and RSRs granted during previous quarters.

($ '000s)	Three months ended September 30, 2023	2022
Stock-based compensation	88	212

Discontinued operations

Discontinued operations relate to the wind-down and discontinuation of NutraDried. NutraDried generated revenue from the sale of Moon Cheese into retail and wholesale distribution channels, and from the sale as bulk product ingredients and co-manufacturing.

($ '000s)	Three months ended September 30, 2023	2022
Income (loss) on discontinued operations	770	(1,822)

NutraDried revenue and expenses were minimal in Q4 2023 as a result of the wind-down. The income generated during the quarter was primarily a result of the ERTC in the amount of $497 USD.

Liquidity and Capital Resources

Working capital

The components of the Company's working capital on September 30, 2023 and September 30, 2022 are:

($ '000s)	September 30, 2023	September 30, 2022
Current Assets		
Cash and cash equivalents	**4,171**	6,199
Restricted cash	**417**	614
Trade receivables	**1,183**	1,980
Due from customers on contract	**818**	852
Loans receivable	**984**	515
Inventory	**3,353**	6,622
Prepaids and other receivables	**478**	678
Income taxes receivable	**672**	540
	12,076	18,000
Current Liabilities		
Loan payable	**-**	4
Trade and other payables	**2,516**	4,476
Customer deposits and deferred revenue	**443**	1,311
Current portion of lease liabilities	**411**	820
Current portion of other liability	**126**	5
	3,496	6,616
Working Capital	**8,580**	11,384

As at September 30, 2023, the Company had working capital of $8,580, compared to $11,384 as at September 30, 2022. As at September 30, 2023, the cash and cash equivalents balance was $4,171 compared to $6,199 as at September 30, 2022, a decrease of $2,028. The Company used net cash from operating activities of $1,620 for the year ended September 30, 2023.

EnWave had trade receivables of $790 as at September 30, 2023, compared to $813 at September 30, 2022, and NutraDried had trade receivables of $393 at September 30, 2023 compared to $1,167 at September 30, 2022. The decrease in EnWave's trade receivables relates to timing of billing and collection of payments under its equipment purchase contracts. The decrease in NutraDried's trade receivables mainly relates to the collection of the majority of the outstanding balances as a result of the wind down with the remaining balance related to the Asset Sale to Creations.

Due from customers on contract at September 30, 2023 was $818 compared to $852 at September 30, 2022, with the decrease related to billings made on construction contracts. The amounts due from customers on contract are billed and collected when project specific milestones are reached on each project.

EnWave had inventory of $3,353 as at September 30, 2023, compared to inventory of $3,550 at September 30, 2022, a decrease of $197 relating to a write down of non-REV™ machines. NutraDried had inventory of $nil at September 30, 2023, compared to $3,072 as at September 30, 2022, a decrease of $3,072. The decrease in inventory is a result of the Asset sale to Creations as part of the wind-down.

EnWave had current loans receivable of $984 as at September 30, 2023, compared to $515 as at September 30, 2022, that relate to equipment finance loans made to customers under equipment purchase arrangements. The current loans receivable increased due to the sale of a 100kW machine to Creations offset by repayment of loans during the year according to the scheduled amortization. The loans receivable bear interest at a weighted average rate of 9%, have terms ranging from 3 to 32 months and are amortized with monthly blended payments of interest and principal.

Trade and other payables as at September 30, 2023, includes $1,700 of trade payables and accrued liabilities related to EnWave, compared to $2,621 as at September 30, 2022 with the decrease associated with timing of payments made to vendors and other counterparties. Trade and other payables for NutraDried were $816 as at September 30, 2023, compared to $1,855 as at September 30, 2022, with the decrease related to the wind-down of the company.

Financing and liquidity

Cash and cash equivalents were $4,171 at September 30, 2023 compared to $6,199 at September 30, 2022. As at September 30, 2023, the Company had net working capital of $8,580 compared to $11,384 at September 30, 2022. The change in cash consists of:

	Three months ended September 30,		**Year ended September 30,**	
($ 000's)	**2023**	2022	**2023**	2022
Cash from (used in) operating activities from continuing operations	**(273)**	1,214	**(1,620)**	(242)
Cash from (used in) operating activities from discontinued operations	**(13)**	(1,350)	**(894)**	(2,021)
Cash used in investing activities from continuing operations	**20**	(202)	**35**	(1,731)
Cash from (used in) investing activities from discontinued operations	**(2)**	(107)	**1,323**	(791)
Cash from (used in) financing activities from continuing operations	**(9)**	(132)	**(381)**	(530)
Cash from (used in) financing activities from discontinued operations	**(36)**	(105)	**(519)**	(409)

We believe that our current working capital surplus of $8,580 is sufficient to meet our financing needs, maintain right-sized operations and grow in the near-term, and achieve planned growth in the long-term. Management will continuously evaluate capital needs and make decisions based on current circumstances. We structure our machine purchase and installation contracts with a deposit payable at the time of order, which provides advanced liquidity for the construction of the machine.

With the Asset Sale of NutraDried, management believes the completion of the related wind-down process will be cash neutral or cash positive to EnWave.

The Company has maintained a cash and cash equivalents balance of $4,171 at September 30, 2023, compared to $4,471 at June 30, 2023. The Company is targeting to fund operations through cash flows generated from machine sales and royalties from the commercialization of *nutra*REV® and *quanta*REV® technologies, toll manufacturing opportunities and to mitigate any future excess capital requirements with the wind-down of NutraDried. The Company is not exposed to any externally imposed capital requirements. While we plan to fund our operations through sales of REV™ machinery, royalty generation, and toll manufacturing services in the future, there can be no assurance that sufficient revenue will be generated to meet our cash needs.

The ability to achieve our targeted future operating results is based on a number of assumptions that involve significant judgements and estimates, which cannot be assured. Our ability to fund our operating requirements depends on future operating performance and cash flows, which are subject to economic, financial, competitive and business conditions, and other factors, some of which are beyond our control, such as commodity pricing and the macroeconomic environment. If we are unable to achieve our targeted operating results, our liquidity could be adversely impacted. Our operating results could adversely affect our ability to raise additional capital to fund our operations and there is no assurance that debt or equity financing will be available in sufficient amounts, on acceptable terms, or in a timely basis.

Capital expenditures

During the year ended September 30, 2023, EnWave incurred capital expenditures for the acquisition of plant and equipment of $46 compared to $1,803 for the year ended September 30, 2022, the decrease related to the completion of our REVworx™ toll manufacturing facility in fiscal 2022. Discontinued operations had capital inflows of $1,323 as a result of the Asset Sale to Creations in comparison to expenditures of $791 in the year ending September 30, 2022 relating to production equipment. Although we plan to continue to invest in capital equipment as necessary to support our growth, our business is not overly capital intensive.

Contractual obligations

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table provides information about certain of the Company's significant contractual obligations as at September 30, 2023:

($ '000s)	**Due within 1 year**	**Due between 1 - 3 years**	**Due after 3 years**	**Total**
Financial liabilities				
Trade and other payables	2,516	-	-	2,516
Lease liabilities	411	556	417	1,384
Total	**2,927**	**556**	**417**	**3,900**

Contingencies

On September 20, 2021, a civil counterclaim commenced against the Company in the Supreme Court of British Columbia by certain former directors and officers of the Company. The counterclaim was filed in response to a civil claim filed by the Company against the former directors and officers. The counterclaim alleges breach of contract and breach of privacy with respect to the cessation of employment of one of the former directors. The Company believes the action to be without merit and intends to defend the counterclaim. No provision has been recognized as of September 30, 2023.

Transactions with Related Parties

During the year ended September 30, 2023, the Company paid directors' fees to its four independent directors through a combination of cash and stock-based compensation for their services as directors of the Company.

The table below summarizes the transactions with related parties for the three months and years ended September 30, 2023 and 2022:

($ '000s)	**Three months ended September 30,**		**Years ended September 30,**	
	2023	2022	**2023**	2022
	$	$	**$**	$
Directors' fees	**20**	30	**80**	180
Stock-based compensation	**9**	34	**47**	98
	29	64	**127**	278

Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company and/or its subsidiaries, including any external director of the Company and/or its subsidiaries. Remuneration of key management personnel of the Company comprises the following expenses:

($ '000s)	**Three months ended September 30,**		**Years ended September 30,**	
	2023	2022	**2023**	2022
	$	$	**$**	$
Salaries, bonuses, and short-term employee benefits	**400**	271	**1,338**	1,785
Stock-based compensation	**40**	100	**350**	592
	440	371	**1,688**	2,377

Salaries, bonuses, and short-term employee benefits include $297 in salaries and restructuring costs associated with NutraDried.

Critical Accounting Estimates and Judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

The Company regularly reviews its estimates and assumptions; however, it is possible that circumstances may arise which may cause actual results to differ from management estimates, and these differences could be material. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to estimates are recorded prospectively.

Revenue recognition

The revenue recognition policy for customized equipment sales contracts is the percentage-of-completion method. The stage of completion is measured by reference to the actual contract costs incurred as a percentage of total estimated costs for each contract. Determining the estimated contract cost is considered a significant accounting estimate which requires detailed knowledge of the costs to be incurred based on the required design customizations. If the total actual contract costs were to differ by 10% from management's estimated contract costs, the amount of revenue recognized in the period would be increased or decreased by $299 (2022 - $139).

Impairment of inventory

The Company measures inventory at the lower of cost and net realizable value, and in the event cost exceeds net realizable value, an impairment charge is recorded. This determination requires judgement, which includes, among other factors, the selling price, less the estimated costs of completion and selling expenses.

Leases

The right-of-use asset and lease liability valuations are based on the present value of the lease payments over the lease term. The lease term is determined as the non-cancellable term of the lease, which may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to extend or terminate the lease, and any modifications to the lease term will result in the revaluation of the lease. The present value of the lease payments is dependent on the incremental borrowing rate used, which the Company applies estimates when determining the rates.

Estimated useful lives of property, plant and equipment

Depreciation of property, plant and equipment is dependent upon estimates of useful lives and residual values which are determined through knowledge of the business and judgment. Residual values, useful lives and depreciation methods are reviewed annually for relevancy and changes are accounted for prospectively. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic conditions, market conditions and the useful lives of the assets.

Impairment of non-financial assets

At each reporting date, the Company assesses its non-financial assets to determine whether there are any indications of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated. Non-financial assets that do not generate independent cash flows are grouped together into a cash generating unit ("CGU"), which represents the lowest level at which largely independent cash flows are generated. The recoverable amount of a CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is calculated as the present value of the estimated future cash flows discounted at appropriate discount rates. These calculations require the use of estimates and assumptions.

Warranty provision

The Company recognizes revenue from the sale of machines to customers. Machines are sold with a manufacturer's warranty valid for a set period of time. The Company estimates, based on past experience with similar sales, that the warranty costs will not exceed 1% of revenues. The Company therefore recognizes a provision for warranty equal to 1% of revenue recognized.

Share-based compensation

The fair value of stock options and warrants is calculated using the Black-Scholes option pricing model. When determining the fair value of stock options and warrants, management is required to make assumptions and estimates related to expected lives, volatility, risk-free rate, future dividend yields and estimated forfeitures at the initial grant date. Changes in assumptions used to estimate the fair value could result in materially different results.

Discontinued operations

Discontinued operations are reported when a component of the Company, representing a separate major line of business or geographical area of operations with clearly distinguishable cash flows, has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. Discontinued operations are reported as a separate element on the consolidated statements of loss and comprehensive loss for both the current and comparative periods. NutraDried has been classified and reported as a discontinued operation.

Accounting standards and amendments issued and not yet adopted

The following IFRS standards have been issued by the ISAB and pronouncements that are not expected to have a significant impact have been excluded.

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current

The amendment clarifies the classification requirements to determine if a liability with an uncertain settlement date should be presented as current or non-current in the statement of financial position. Under the new requirement, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount or timing of recognition.

The amendment is effective for annual reporting periods beginning on or after January 1, 2024 and is to be applied retrospectively, with earlier application permitted. The Company has evaluated the implications of adopting the amendment and does not believe there to be any significant impact on the Company's consolidated financial statements.

New accounting standard IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information

The new accounting standard requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as 'sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects').

The amendment is effective for annual reporting periods beginning on or after January 1, 2024 with earlier application permitted as long as *IFRS S2 Climate-related Disclosures* is also applied. The company is in the process of evaluating the implications of the new standard and the potential impact on the Company's consolidated financial statements.

New accounting standard IFRS S2: Climate-related Disclosures

The new accounting standard requires an entity to disclose information about its climate-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity.

The amendment is effective for annual reporting periods beginning on or after January 1, 2024 with earlier application permitted as long as IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information is also applied. The company is in the process of evaluating the implications of the new standard and the potential impact on the Company's consolidated financial statements.

Financial Instruments

Financial instruments and risk management

The Company's cash and cash equivalents, restricted cash, trade receivables, loan receivables, loan payable, trade and other payables, and lease liabilities are measured at amortized cost subsequent to initial measurement. Fair value measurement requires classification of financial instruments within a hierarchy that prioritizes the inputs to fair value measurement. When measuring the fair value of an asset or liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy, based on the inputs used in the valuation techniques, as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly;

Level 3 – Inputs that are not based on observable market data.

Fair values

The fair value of financial assets and liabilities classified as loans and receivables and other financial liabilities (excluding lease liability and other liability) approximates their carrying value due to their short-term nature.

The Company uses derivative financial instruments to reduce its exposure to risks associated with fluctuations in foreign exchange rates. The fair value measurement of the foreign exchange derivatives is classified within Level 2 of the fair value hierarchy.

The carrying value of the loan receivables as at September 30, 2023 was $1,446 (2022 - $783) which approximates its fair value and is recorded at amortized cost. The carrying value of the lease liabilities was determined based on the discounted future cash flows using rates related incremental borrowing rates.

The carrying value of the lease liabilities as at September 30, 2023 was $1,384 (2022 - $2,203) which approximates its fair value and is recorded at amortized cost. The carrying value of the lease liabilities was determined based on the discounted future cash flows using rates related incremental borrowing rates.

The Company does not hold any equity instruments that are measured at fair value or amortized costs during the years ended September 30, 2023, and 2022.

Financial risk factors

The use of financial instruments exposes the Company to a number of risks. These risks include credit risk, liquidity risk, and market risk. The Company has established policies and procedures to manage these risks, with the objective of minimizing the adverse effects that changes in the variable factors underlying these risks could have on the Company's consolidated financial statements.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss being incurred by the Company. Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, restricted cash, trade receivables, and due from customers on contract. The Company mitigates its exposure to credit loss by maintaining the majority of cash balances with major Canadian financial institutions.

The Company provides credit to its customers in the normal course of business and, as such, has exposure to credit risk in relation to the collection of trade receivables, due from customers on contract and loans receivable. Prior to issuing credit, management performs due diligence reviewing the customer, taking into account its financial position, historical experience, and other factors. The Company minimizes its credit risk associated with trade receivables and due from customers on contract by maintaining ongoing close contact with customers and by reviewing individual account balances, and proactively following up on overdue amounts. The Company minimizes credit risk associated with loan receivables by performing due diligence prior to issuing loans, ensures customers are reputable companies, filing a lien on the equipment in the country the machine resides and using the machine equipment as collateral. As at September 30, 2023, the Company has recorded a $nil (2022 - $nil) provision for expected credit losses.

The Company is exposed to credit risk in trade receivables by way of concentration of credit with a small number of customers. The Company determines its concentration of credit risk if the balance is more than 10% of total revenue or trade receivables. The Company expects these customers to remain as large customers in the future. Significant change in these customer relationships could materially impact the Company's future financial results. The Company seeks and ordinarily obtains progress advances in respect of its construction contracts. The maximum exposure to loss arising from trade receivables is equal to their total carrying amounts.

The Company transacts with a number of Canadian chartered banks and other brokerages. Due to the creditworthiness of its counterparties, the Company regards all changes in fair value of foreign exchange derivatives as arising only from changes in market factors, including foreign exchange rates. The Company monitors the exposure to any single counterparty along with its financial position. If it is determined that a counterparty has become materially weaker, the Company will work to reduce its credit exposure to that counterparty.

The following table provides information regarding the aging of receivables as at September 30, 2023:

	Neither past due nor impaired	**Past due but not impaired**		
	0 – 30	**31 – 90**	**91 – 365**	**Over 365**
Trade receivables	573	332	278	-
Due from customers on contract	818	-	-	-
Loans receivable	1,446	-	-	-
Indirect tax receivable	14	57	33	
Income tax receivable	-	-	672	-
	2,851	389	983	-

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

The Company manages liquidity risk through ongoing management and forecasting of cash flows, budgeting, and equity financings. Cash flow forecasting is performed to monitor cash requirements and to manage capital management decisions. Such forecasting takes into account current and potential customers, contractual obligations and the Company's technology development and commercialization expectations.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with varying maturities selected with regards to the expected timing of expenditures from continuing operations. As at September 30, 2023, the Company held no foreign exchange derivatives outstanding.

The Company attempts to ensure that sufficient funds are raised from equity financings to meet its operating requirements, after taking into account existing cash. The Company manages liquidity risk through the management of its capital structure and financial leverage. At September 30, 2023, the Company had cash and cash equivalents of $4,171 to settle current liabilities of $3,496.

Financial assets maturity table:

($ '000s)	**0 - 30**	**31 - 90**	**91 - 365**	**365 +**
Cash and cash equivalents and restricted cash	4,171	126	291	-
Trade receivables	1,183	-	-	-
Due from customers on contract	-	784	34	-
Loan receivable	177	145	662	462
Indirect tax receivables	71	-	33	-
Income taxes receivable	-	-	672	-
Total	5,602	1,055	1,692	462

Financial liabilities, excluding other liability, maturity table:

($ '000s)	**0 - 30**	**31 - 90**	**91 - 365**	**365 +**
Trade and other payables	1,972	544	-	-
Customer deposits and deferred revenues	443	-	-	-
Lease liabilities	35	72	304	973
Total	2,450	616	304	973

Market risk

Market risk is the risk that the fair value of future cash flows of the Company will fluctuate due to changes in interest rates and foreign currency exchange rates .

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest risk from the interest rate impact on cash and cash equivalents and restricted cash. The Company earns interest on deposits based on current market interest rates, which during the year ended September 30, 2023 ranged from 3.70% to 5.40% (2022 – 0.65% to 3.70%). A 1% change in interest rates would affect the results of operations by approximately $30 (2022 - $68).

Foreign exchange risk

The Company is exposed to the following foreign exchange risks related to the fluctuation of foreign exchange rates:

(i) The Company operates in the United States and a portion of its expenses are incurred in US dollars; and

(ii) The Company is exposed to currency risk through customers with sales contracts denominated in US dollars.

A significant change in the currency exchange rate of the Canadian dollar relative to the US dollar could have an effect on the Company's results of operations. As at September 30, 2023, all of the Company's liquid assets and liabilities were held in Canadian dollars and US dollars.

The Company sometimes enters into foreign exchange derivative contracts to minimize exposure to foreign currencies. At September 30, 2023 and 2022, the Company held no foreign exchange contracts. The fair values of the foreign exchange derivatives are recurring measurements and are determined whenever possible based on observable market data. If observable market data on the financial derivatives is not available, the Company uses observable spot and forward foreign exchange rates to estimate their fair values.

A change in the value of the Canadian dollar by 10% relative to foreign currencies the Company is exposed to would have affected the Company's loss for the years ended September 30, 2023 and 2022 as follows:

($ '000s) **Currency**	**2023**	**2022**
US dollar	986	1,003

Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk.

In the management of capital, the Company includes the components of equity attributable to common shareholders. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt and acquire or dispose of assets. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

There were no changes in the Company's approach to capital management in the period. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Non-IFRS Financial Measures

In addition to results reported in accordance with IFRS, EnWave also uses certain non-IFRS financial measures that are not prescribed by the International Financial Reporting Standards and as such may not be comparable to similar measures presented by other companies. Management believes that these supplementary financial measures reflect the Company's ongoing business in a manner that allows for meaningful period-to-period comparisons, analysis of business trends and by use of analysts, investors, and interested parties to evaluate financial performance.

While management believes that Non-IFRS measures are helpful supplemental information, they should not be considered in isolation as an alternative to net income, cash flows generated by operating, investing or financing activities or other financial statement data presented in accordance with IFRS.

Non-IFRS financial measures include Adjusted EBITDA.

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. We believe that Adjusted EBITDA is a useful measure as it provides an indication of the operational results of the business after adjusting for non-recurring income and expenses, and non-cash expenses. We consider Adjusted EBITDA to be a key measure as it provides an alternative measure of profitability, before taking into account the Company's non-cash expenses, and it is used by management to measure performance; however, this metric is not defined under IFRS. As a result, this amount may not be comparable to those calculated by other issuers.

Below is a reconciliation of our annual net loss to Adjusted EBITDA:

	Year ended September 30,		
($ '000s)	**2023**	**2022**	**2021**
Net loss after income tax	(6,512)	(6,927)	(4,125)
Amortization and depreciation[1]	1,117	1,098	921
Stock based compensation[2]	556	1,132	824
Foreign exchange (gain) loss[3]	27	(96)	(15)
Finance income[4]	(185)	(144)	(166)
Finance expense [4]	128	118	95
Income tax (recovery) expense	-	-	-
Non-recurring impairment expense[5]	315	-	-
Government grants[6]	-	(147)	(1,339)
Discontinued operations[7]	4,933	4,285	4,135
Adjusted EBITDA	379	(681)	330

Notes:

(1) Amortization and depreciation of property, plant and equipment and intangible assets is a non-cash expense and therefore does not require any cash outlay by the Company.
(2) These include awards that are settled though shares issued from treasury and generally do not require any cash outlay by the Company and are excluded to provide investors with a greater visibility to the underlying performance of operations.
(3) Foreign exchange gains or losses arise from fluctuations in foreign exchange rates of the currencies we transact in, which are driven by macro-economic conditions that are generally not reflective of our business operations.
(4) Finance income and finance expenses do not relate to costs to operate our ongoing operations.
(5) Non-recurring impairment and restructuring costs do not form part of the costs to operate our ongoing operations and are not expected to reoccur in the future.
(6) Government grants are excluded as they relate to grants received by the Company from governments under COVID-19 relief and stimulus programs, they do not relate to revenues received from business operations and are non-recurring.
(7) Discontinued operations relate to NutraDried, which is in the process of an orderly wind-down and not part of the Company's continuing operations.

Non-IFRS financial measures do not have any standardized meaning prescribed by IFRS, and other companies may calculate these measures differently. The presentation of non-IFRS financial measures is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Below is a reconciliation of our quarterly net (loss) income to Adjusted EBITDA for the last eight quarters:

($ '000s)	*Dec 31, 2021*	*Mar 31, 2022*	*Jun 30, 2022*	*Sep 30, 2022*	*Dec 31, 2022*	*Mar 31, 2023*	*Jun 30, 2023*	*Sep 30, 2023*
Net loss (income) after income tax	(253)	(2,386)	(2,015)	(2,273)	(2,029)	(2,699)	(1,949)	165
Amortization and depreciation(1)	203	243	323	329	289	276	276	276
Stock-based compensation(2)	234	378	308	212	168	197	103	88
Foreign exchange gain (loss) (3)	19	47	(48)	(114)	41	(9)	54	(59)
Finance income(4)	(33)	(32)	(39)	(40)	(46)	(33)	(53)	(53)
Finance expense(4)	18	24	39	37	35	33	31	29
Income tax expense (recovery)	-	-	-	-	-	-	-	-
Non-recurring impairment expense(5)	-	-	-	-	-	-	315	-
Government assistance(6)	(147)	-	-	-	-	-	-	-
Discontinued operations(7)	568	687	1,208	1,822	1,286	3,386	1,031	(770)
Adjusted EBITDA	609	(1,039)	(224)	(27)	(256)	1,151	(192)	(324)

Non-IFRS financial measures do not have any standardized meaning prescribed by IFRS, and other companies may calculate these measures differently. The presentation of non-IFRS financial measures is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Forward-looking Statements

Certain statements in this MD&A constitute forward-looking statements, based on management's expectations, estimates and projections. All statements that address expectations or projections about the future, including statements about the Company's strategy for growth, product development, market position, expected expenditures, the Company ceasing to make investments in NutraDried, the timing of the wind-down and dissolution of NutraDried, expectations around the cost of winding down NutraDried, and the Company's intended focus for the future are forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company and other results and occurrences may differ from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation:

- EnWave's ultimate success in selling, licensing or generating a sustainable royalty stream from its *nutra*REV® and *quanta*REV® technologies in the cannabis and food industries will depend, in a large part, on whether these targeted markets view our technologies ("the EnWave technologies") as safe, effective and economically beneficial. Market acceptance will also depend on the Company's ability to demonstrate that the EnWave technologies are attractive alternatives to existing options. If the Company fails to demonstrate feasibility, commercially viable scale that yields acceptable product quality and equipment performance standards, or competes successfully against existing or potential competitors, its operating results may be adversely affected.
- EnWave's technologies targeted for use in the cannabis and pharmaceutical industries will be subject to regulatory approval by a number of government entities and legal systems. Technology development within this regulatory and legal framework may take a number of years and may involve substantial expenditures that vary for each jurisdiction. Any delays in obtaining regulatory and/or legal approval would have an adverse impact on the Company's ability to earn future revenues.

- R&D activities for new technologies are costly and may not be successful. There is no assurance that any of EnWave's technologies will be approved for marketing by the FDA or the equivalent regulatory agency of any other country. There is also no assurance that the Company will be able to generate additional technology candidates for its pipeline, either through internal R&D, or through the in-licensing or acquisition of other technologies. Even if a technology is approved for marketing by the applicable regulatory agency, there is no assurance that the Company will be able to ultimately deliver this technology on a commercial scale or obtain approvals for other technology platforms in the development pipeline.
- EnWave's business is dependent upon securing proprietary rights to its technologies and the Company may be subject to intellectual property infringement claims by others or may not ultimately receive issued patents in all jurisdictions where patents are pending or for new applications.
- EnWave is partially dependent on third-party groups for developing its technology. The inability to design and build commercial scale technology in a timely manner could result in significant delays in development and commercialization of its technologies, which could adversely affect the Company's business, financial condition and results of operations.
- EnWave depends on third-party collaborators to license, co-develop and jointly commercialize some of its technologies. There is no guarantee these third parties will meet the Company's expectations or be able to find commercial opportunities with the technology to support successful commercialization of the EnWave technologies.
- EnWave's business success and progress is dependent upon securing additional funding to expand its business and develop new technologies. If the Company cannot raise capital from investors or secure grants, it may limit the Company's business expansion, ongoing testing programs, regulatory approvals and ultimately impact its ability to commercialize its technologies.
- The impact of the COVID-19 pandemic on the Company's business, operations, capital resources and/or financial results. See the "Risk Factors" section in the Company's Annual Information Form for further information about related risks and uncertainties.
- The process of winding up NutraDried could involve time and expense to the Company materially greater than anticipated, which may result in the requirement for additional funding by the Company to complete such wind-up. Additionally, management time and focus, longer-term outlook and reputation could be negatively impacted.

Actual results could, however, be substantially different due to the risks and uncertainties associated with and inherent to EnWave's business, as more particularly described in the *"Risk Factors*" section of the Company's 2023 Annual Information Form. Additional risks and uncertainties applicable to the forward-looking statements set out herein include, but are not limited to: fluctuations in EnWave's quarterly operating results; fluctuations in EnWave's operating and capital expenses; fluctuations in foreign exchange rates and interest rates that negatively impact EnWave; new or increased competition from other companies developing microwave vacuum technology; the inaccuracy of industry data and projections relied upon by EnWave; interruptions to EnWave's supply chain for key machine components; EnWave will become involved in material litigation; material defects and component quality of parts and raw materials sourced from EnWave suppliers; unforeseen changes to food safety and compliance regulations in the U.S. food processing industry; R&D efforts may not result in the creation of new or enhanced products in a timely or cost-effective fashion or at all; EnWave's royalty partners' and licensees' unwillingness to continue doing business with EnWave on favourable terms or at all; EnWave's business development efforts may not result in increased vertical and market penetration in the global dehydration industry; EnWave's technology may not function as intended or be suitable for the end users it is intended for; unknown or unexpected defects with EnWave's technology that are not correctable in a timely or cost-effective fashion or at all; necessary additional financing may not be available on favourable terms or at all; inability to recruit and retain qualified personnel; legal or regime changes, including changes to import and export requirements of foreign jurisdictions; political risk of domestic and foreign nations; war, terrorism, rebellion, revolt, protests, or other civil conflict; unionization, strikes or labour unrest; the global economic climate; general market trends; EnWave's intellectual property may not be sufficiently protected against third party infringement or misappropriation; EnWave's products may materially infringe on a third party's intellectual property rights; the ongoing ability and desirability of licensees to continue paying EnWave patent licensing royalties on a timely basis or at all; material litigation may arise; material unexpected costs related to EnWave's technology liability or warranty; product recalls or other food safety issues and regulatory actions could arise; information technology data and security breaches; fire, flood, earthquake, or other natural events; failure to obtain necessary permits, certifications, and authorizations; foreign currency fluctuations; dairy and other food commodity pricing fluctuations; share price volatility; unfavourable legal environments for the deployment of REV™ machinery for cannabis processing in certain jurisdictions; deficiencies in accounting policies or internal controls and procedures over financial reporting; insufficiency of insurance; unavailability of certain tax credits; unexpected tax liabilities; business interruptions and/or shutdowns caused by the COVID-19 pandemic.

Although EnWave has attempted to identify factors that may cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, predicted, estimated or intended. Also, many of the factors are beyond the control of EnWave. Accordingly, readers should not place undue reliance on forward-looking statements. EnWave undertakes no obligation to reissue or update any forward-looking statements as a result of new information or events after the date hereof except as may be required by law. All forward-looking statements contained in this MD&A are qualified by this cautionary statement.

Off-balance Sheet Arrangements

As of the date of this MD&A, the Company had no material off-balance sheet arrangements.

Capital Structure and Outstanding Share Data

The common shares, options and RSRs outstanding and exercisable as at the following dates are shown below:

	September 30, 2022		**December 14, 2023**	
	Number	Weighted average exercise price $	Number	Weighted average exercise price $
Common shares outstanding	110,695,055	N/A	110,695,055	N/A
Options				
Outstanding	5,662,981	$1.04	5,662,981	$1.04
Exercisable	2,840,000	$1.54	2,840,000	$1.54
RSRs				
Outstanding	500,000	1.04	500,000	1.04

As of the date of this MD&A, the Company has 110,695,055 common shares issued and outstanding. We maintain a Stock Option Plan (the "Option Plan") that enables us to grant options to directors, officers, employees and consultants. We maintain a Restricted Share Rights Plan (the "RSR Plan") that enables us to grant RSRs to directors, officers, employees and consultants. The Option Plan and RSR Plan permits the granting of compensation securities up to an aggregate maximum of 10% of our issued and outstanding common shares from time to time on a non-diluted basis, and the maximum number of RSRs granted thereunder is further limited to 1,895,000.

Other MD&A Requirements

Information pursuant to National Instrument 51-102.

Copies of all previously published financial statements, MD&A, meeting materials, press releases, etc., are available on Company's website at www.enwave.net, or on the SEDAR website at www.sedar.com.

Directors and officers as at the date of this MD&A:

Directors
John P.A. Budreski
Brent Charleton
Mary C. Ritchie
Stephen Sanford
Patrick Turpin
Pablo Cussatti

Senior Officers	Position
John P.A. Budreski	Executive Chairman
Brent Charleton, CFA	President and Chief Executive Officer
Dylan Murray, CPA, CA	Chief Financial Officer

Contact information:

Corporate, Strategic and Investor Inquiries	Administration and Finance
Brent Charleton, CFA President and Chief Executive Officer Telephone (+1) 778 378 9616 bcharleton@enwave.net	Dylan Murray, CPA, CA Chief Financial Officer Telephone (+1) 778 870 0729 dmurray@enwave.net

******