ENWAVE CORPORATION

Second Quarter 2024

Management Discussion and Analysis

Six months ended March 31, 2024

(expressed in thousands of Canadian dollars)

Dated: May 23, 2024

ENWAVE CORPORATION
(“EnWave” or the “Company”)

MANAGEMENT DISCUSSION AND ANALYSIS
SECOND QUARTER
FOR THE SIX MONTHS ENDED MARCH 31, 2024

Date of this report: May 23, 2024

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 six months ended March 31, 2024 relative to the six months ended March 31, 2023, and the financial position of the Company at March 31, 2024 relative to September 30, 2023. It should be read in conjunction with EnWave’s unaudited condensed consolidated interim financial statements and accompanying notes for the three and six months ended March 31, 2024 (“Q2-2024”) and 2023 (“Q2-2023”), as well as the 2023 annual MD&A and the 2023 annual audited consolidated financial statements and accompanying notes, and the 2023 Annual Information Form (“AIF”) (available at www.enwave.net or on www.sedarplus.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 the presentation and preparation of the condensed consolidated interim financial statements and the MD&A. The condensed consolidated interim 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 condensed consolidated interim financial statements and information in the MD&A necessarily include amounts based on informed judgements 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 23 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 better quality products 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.

Recent Developments

Management and Board Directors

Mr. Stephen Sanford has retired and decided not to stand for re-election at the AGM on March 27, 2024. The Company would like to express our gratitude to Stephen for his dedication, hard work and commitment over the years.

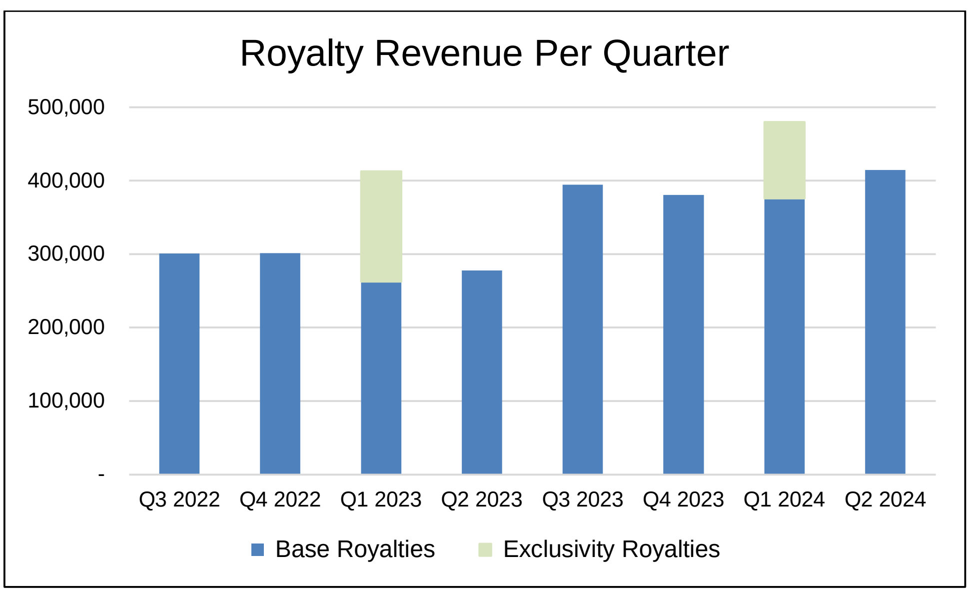
Overall Performance

For Q2 2024, EnWave reported revenues of $663 compared to $4,635 for Q2 2023, a decrease of $3,972 or 86%. EnWave reported a net loss of $1,559 for Q2 2024, compared to a net profit of $687 for Q2 2023, a decrease of $2,246 due to an overall decrease in machine sales and the sale of two high margin machines in Q2 2023. The Company reported an Adjusted EBITDA(*) loss of $1,268 compared to an Adjusted EBITDA(*) profit of $1,151 in Q2 2023, a decrease of $2,419.

For the six months ending March 31, 2024, EnWave's revenues decreased $5,495 due to limited sales of machines and timing of machine fabrication contracts. EnWave had third-party royalty revenue of $894 for the six months ending March 31, 2024, compared to $690 for the period ending six months ending March 31, 2023, an increase of $204 or 30% 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 monthly or quarterly ("Base Royalties"). 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 ("Exclusivity Royalties").

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

The following shows the quarterly royalty revenues from the eight most recently completed quarters:



For the six months ending March 31, 2024, the Company reported a loss from discontinued operations of $3 compared to a loss of $4,672 for Q2 2023, a decrease of $4,669. The decrease in net loss is a result of minimal activity associated with NutraDried due to the wind-down.

Commercial Licensing and Partnership Development

Technology, Evaluation and License Option Agreement with North American Multi-State Cannabis Company

On February 2, 2024, the Company signed a Technology, Evaluation and License Option Agreement with a North American multi-state cannabis company ("Cannabis Cultivator") to lease a 10kW REV™ machine to evaluate the value proposition of REV™ technology over other incumbent drying methods. If the evaluation is deemed successful, EnWave expects to grant a commercial license and sell REV™ equipment to the Cannabis Cultivator.

Toll Manufacturing Agreement with BranchOut Food Inc.

On February 6, 2024, the Company signed a toll manufacturing agreement with the current royalty partner BranchOut Foods (NASDAQ:BOF) ("BranchOut") to produce vegetable snack products on an interim basis. The toll manufacturing agreement originally secured two months of single-shift manufacturing beginning early March 2024 and provides for additional toll manufacturing as needed. This toll manufacturing relationship has continued through the date of this MD&A and is expected to extend until August 2024 at the earliest, to support ongoing large, repeat orders from BranchOut's key customers.

Commercial License Agreement with Established South American Food Manufacturer

On February 28, 2024, the Company signed a new royalty-bearing commercial license with an established South American food manufacturer (the "South American Partner") that sells health supplements, snacks, cereals, and baked goods amongst other products. In conjunction, the South American Partner signed an equipment lease agreement to lease two 10kW REV™ machines, enabling immediate commercial production for products developed in collaboration with EnWave. The South American Partner will have the option to buy both machines within six months at a pre-agreed price. Concurrent with signing the lease agreement and as a condition to keep the commercial license, the South American Partner is finalizing financing to procure a 120kW REV® machine, which must be completed within six (6) months.

Technology, Evaluation and License Option Agreement with Food Company Led by Michelin Star Chef

On April 2, 2024, the Company signed a Technology, Evaluation and License Option Agreement with a North American food company led by a renowned chef with multiple Michelin Stars (the "Food Company") to rent pilot-scale REV™ machine to evaluate the value proposition of REV™ technology for their production of bespoke culinary creations that align with the vision of its Michelin Star chef owner. If the evaluation is deemed successful, EnWave will potentially support larger-scale production for the Food Company at its REVworx toll-drying facility or help facilitate a co-manufacture relationship with another licensed royalty partner within EnWave's network.

Commissioning of 120kW REV™ Machine at Bridgford Foods

On April 28, 2024, the Company completed the commissioning of a 120kW REV™ machine for Bridgford Foods ("Bridgford") at their North Carolina facility. Bridgford will start production in partnership with the U.S. Department of Defense ("DoD") to supply the DoD with close combat field rations. Bridgford will also use the REV™ technology to develop additional consumer-branded products.

Equipment Purchase Agreement with Existing Royalty Partner

On May 21, 2024, the Company signed an Equipment Purchase Agreement with an existing royalty partner to acquire a 120kW REV™ machine intended for start-up in 2024. The royalty partner is actively commercializing its own branded snack products, as well as working with several major consumer packaged goods companies to develop and co-manufacture a number of new snack and ingredient products.

REV™ Machine Sales Pipeline

The Company rents REV™ machinery to companies evaluating the technology for specific product applications under Technology Evaluation and License Option Agreements ("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 R&D facilities 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 multiple 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 and marketing team focused on growing the number of commercial license agreements and securing new TELOAs. As of the date of this report, EnWave has five 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(1)
Umland Pure Dry	2 x 10kW	Cheese	U.S.A.(1)
BranchOut Foods	120kW	Fruit & Vegetables	U.S.A.
Existing Royalty Partner	120kW	Fruit & Vegetables	Undisclosed

Note:

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

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 March 31, 2024, reported in Canadian dollars, the Company’s presentation currency:

	2022		2023				2024	
($ ‘000s)	*Q3*	*Q4*	*Q1*	*Q2*	*Q3*	*Q4*	*Q1*	*Q2*
Revenues	2,660	2,832	2,785	4,635	2,486	1,457	1,262	663
Direct costs	(1,423)	(1,725)	(1,756)	(2,371)	(1,767)	(1,036)	(1,029)	(830)
Gross profit	1,237	1,107	1,029	2,264	719	421	233	(167)
Expenses	(2,044)	(1,558)	(1,772)	(1,577)	(1,637)	(1,026)	(1,377)	(1,392)
Net (loss) income	(807)	(451)	(743)	687	(918)	(605)	(1,144)	(1,559)
Discontinued operations	(1,208)	(1,822)	(1,286)	(3,386)	(1,031)	770	(151)	148
Adjusted EBITDA(1)	(224)	(27)	(256)	1,151	(192)	(324)	(756)	(1,268)
Loss per share: continuing operations – basic and diluted	(0.01)	(0.02)	(0.01)	0.01	(0.01)	0.00	(0.01)	(0.01)
Loss per share: discontinued operations - basic and diluted	(0.01)	(0.02)	(0.01)	(0.03)	(0.01)	0.00	0.00	0.00
Loss per share: basic and diluted	(0.02)	(0.04)	(0.02)	(0.02)	(0.02)	0.00	(0.01)	(0.01)

Note:

(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 Financial Information

The following table sets out selected consolidated financial information for the periods indicated and has been derived from EnWave's condensed consolidated interim financial statements and accompanying notes for the three and six months ended March 31, 2024 and 2023 and should be read in conjunction with those financial statements.

($ '000s)	**Three months ended March 31,**			**Six months ended March 31,**		
	2024	2023	Change %	**2024**	2023	Change %
Revenues	**663**	4,635	(86%)	**1,925**	7,420	(74%)
Direct costs	**(830)**	(2,371)	(65%)	**(1,859)**	(4,127)	(55%)
Gross margin	**(167)**	2,264	(107%)	**66**	3,293	(98%)
Operating expenses						
General and administration	**565**	697	(19%)	**1,076**	1,252	(14%)
Sales and marketing	**440**	276	59%	**791**	890	(11%)
Research and development	**384**	415	(7%)	**785**	812	(3%)
	1,389	1,388	0%	**2,652**	2,954	(10%)
Net income(loss) - continuous operations	**(1,559)**	687	(327%)	**(2,703)**	(56)	4727%
Net loss - discontinued operations	**148**	(3,386)	104%	**(3)**	(4,672)	(100%)
Adjusted EBITDA[(1)] (loss) income	**(1,268)**	1,151	(210%)	**(2,024)**	895	(326%)
Loss per share:						
Continuous operations – basic and diluted	**$ (0.01)**	$ 0.01		**$ (0.02)**	$ (0.00)	
Discontinued operations – basic and diluted	**$ 0.00**	$ (0.03)		**$ 0.00**	$ (0.04)	
Basic and diluted	**$ (0.01)**	$ (0.02)		**$ (0.02)**	$ (0.04)	

Note:

(1) Adjusted EBITDA is a non-IFRS financial measure. Please see the "*Non-IFRS Financial Measures*" section for more information, including a reconciliation to net loss.

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)	Three months ended March 31, 2024	Three months ended March 31, 2023	Six months ended March 31, 2024	Six months ended March 31, 2023
Revenue	663	4,635	1,925	7,420

Revenue for the six months ended March 31, 2024, was $1,925, compared to $7,420 for the six months ended March 31, 2023, a decrease of $5,495. Revenue for the three months ended March 31, 2024, was $663, compared to $4,635 for the three months ended March 31, 2023, a decrease of $3,972. The decrease for Q2 2024 was due to an overall decrease in machine sales and fewer machines in fabrication for the period, partially offset by an increase in royalties compared to Q2 2023. There were two large scale machines and one small scale 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 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 $414 for the three months ended March 31, 2024, compared to $277 for the three months ended March 31, 2023, an increase of $137 or 49%. Royalties for the six months ended March 31, 2024 are $894 compared to $690 in fiscal 2023, an increase of $204 or 30%. 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 three months ended March 31, 2024, 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)	Three months ended March 31, 2024	Three months ended March 31, 2023	Six months ended March 31, 2024	Six months ended March 31, 2023
Direct costs	830	2,371	1,859	4,127
% of revenue	125%	51%	97%	56%

Direct costs for the three months ended March 31, 2024, were $830 compared to $2,371 for the three months ended March 31, 2023, a decrease of $1,541. As a percentage of revenue, direct costs for the three months ended March 31, 2024 increased by 74% due to fewer machine sales and different stages of fabrication to absorb the overhead fixed costs.

Direct costs for the six months ended March 31, 2024 were $1,859, compared to $4,127 for the six months ended March 31, 2023, a decrease of $2,268. Direct costs as a percentage of revenues for the six months ended March 31, 2024, increased by 41% compared to the six months ended March 31, 2023. The decrease in gross margin was primarily due to fixed labour and overhead costs with minimal fabrication of large scale machines and the two high margin machine sales in the same period in 2023.

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.

	Three months ended March 31,		Six months ended March 31,	
($ '000s)	**2024**	**2023**	**2024**	**2023**
General and administration	565	697	1,076	1,252
% of revenue	85%	15%	56%	17%

G&A expenses for the three months ended March 31, 2024, were $565 compared to $697 for the three months ended March 31, 2023, a decrease of $132. G&A expenses for the six months ended March 31, 2024, were $1,076 compared to $1,252 for the six months ended March 31, 2023, a decrease of $176 or 14%. The overall decrease to G&A expenses for the quarter and fiscal 2024 primarily relates to reduced personnel costs, regulatory fees, and no allowance for expected credit loss, which was offset by an increase to insurance.

Sales and marketing

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

	Three months ended March 31,		Six months ended March 31,	
($ '000s)	**2024**	**2023**	**2024**	**2023**
Sales and marketing	440	276	791	890
% of revenue	66%	6%	41%	12%

S&M expenses for the three months ended March 31, 2024, were $440 compared to $276 for the three months ended March 31, 2023, an increase of $164. S&M expenses for the six months ended March 31, 2024, were $791 compared to $890 for the six months ended March 31, 2023, a decrease of $99. The decrease to S&M expenses is attributable to a reduction in personnel costs offset by an increase in marketing and brand consultants and tradeshow attendance.

Research and development

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

	Three months ended March 31,		Six months ended March 31,	
($ '000s)	**2024**	**2023**	**2024**	**2023**
Research and development	384	415	785	812
% of revenue	58%	9%	41%	11%

R&D expenses for the three months ended March 31, 2024, were $384 compared to $415 for the three months ended March 31, 2023, a decrease of $31. R&D expenses for the six months ended March 31, 2024, were $785 compared to $812 for the six months ended March 31, 2023, a decrease of $27. R&D expenses for 2024 decreased relative to 2023 due to an increase in patent searches offset by ongoing cost management. 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 $71 for the three months ended March 31, 2024, compared to $197 for the three months ended March 31, 2023, a decrease of $126. Stock-based compensation expense was $186 for the six months ended March 31, 2024, compared to $365 for the six months ended March 31, 2023, a decrease of $179. The overall decrease to stock-based compensation expense was due to no stock option grants or restricted share rights ("RSRs") issued in Q1 & Q2 2024 and the vesting of stock options with the associated expense recorded in prior quarters.

	Three months ended March 31,		Six months ended March 31,	
($ '000s)	**2024**	**2023**	**2024**	**2023**
Stock-based compensation	71	197	186	365

Foreign exchange loss

Foreign exchange gain for the six months ended March 31, 2024 was $27 compared to foreign exchange loss of $32 for the six months ended March 31, 2023. 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.

	Three months ended March 31,		Six months ended March 31,	
($ '000s)	**2024**	**2023**	**2024**	**2023**
Foreign exchange (gain) loss	(51)	(9)	(27)	32

Discontinued Operations

Discontinued operations relates to the wind-down and discontinuation of NutraDried which was substantially completed in the prior fiscal year. There are no active operations, leases, or employees of NutraDried as of the date of this report.

	Three months ended March 31,		Six months ended March 31,	
($ '000s)	**2024**	**2023**	**2024**	**2023**
Income(loss) on discontinued operations	148	(3,386)	(3)	(4,672)

Liquidity and Capital Resources

Working capital

The components of the Company's working capital on March 31, 2024, and September 30, 2023 are:

($ '000s)	**March 31, 2024**	September 30, 2023
Current assets		
Cash and cash equivalents	**3,162**	4,171
Restricted cash	**291**	417
Trade receivables	**1,554**	1,183
Due from customers on contract	**-**	818
Loans receivable, current	**792**	984
Inventory	**3,413**	3,353
Prepaids and other receivables	**346**	478
Income taxes receivable	**-**	672
	9,558	12,076
Current liabilities		
Trade and other payables	**1,337**	2,516
Customer deposits and deferred revenue	**1,159**	443
Current portion of lease liabilities	**499**	411
Current portion of other liability	**251**	126
	3,246	3,496
Working capital	**6,312**	8,580

As at March 31, 2024, the Company had working capital of $6,312, compared to $8,580 as at September 30, 2023. As at March 31, 2024, the cash and cash equivalents balance is $3,162 compared to $4,171 as at September 30, 2023, a decrease of $1,009. The Company used net cash from operating activities of $967 at March 31, 2024 compared to $1,635 for the six months ended March 31, 2023.

EnWave had trade receivables of $1,554 as at March 31, 2024, compared to $790 as at September 30, 2023, and NutraDried had trade receivables of $nil as at March 31, 2024, compared to $393 as at September 30, 2023. The increase in EnWave's trade receivables relates to the net collections of deposits and performance milestones completed on equipment sales contracts. The decrease in NutraDried's trade receivables mainly relates to the collection of the outstanding balances and settlement of the Asset Sale to Creations.

Due from customers on contract to EnWave as at March 31, 2024, was $nil compared to $818 as at September 30, 2023, 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 $3,413 as at March 31, 2024, compared to inventory of $3,353 at September 30, 2023, an increase of $60. Inventory increased due to a REVworx tolling contract while machine inventory remained relatively constant from fewer machine sales during the period.

EnWave had current loans receivable of $792 as at March 31, 2024, compared to $984 as at September 30, 2023, that relate to equipment finance loans made to customers under equipment purchase arrangements. The current loans receivable decreased due to repayment of loans during the six months according to the scheduled amortization. The loans receivable bear interest at a weighted average rate of 9%, have terms ranging from 5 to 26 months and are amortized with monthly blended payments of interest and principal.

Trade and other payables as at March 31, 2024, includes $1,166 of trade payables and accrued liabilities related to EnWave, compared to $1,700 as at September 30, 2023 with the decrease associated with timing of payments made to vendors and other counterparties. Trade and other payables for NutraDried were $171 as at March 31, 2024, compared to $816 as at September 30, 2023, with the decrease related to the wind-down of the company.

Financing and liquidity

Cash and cash equivalents were $3,162 as at March 31, 2024, compared to $4,171 as at September 30, 2023. As at March 31, 2024, we had net working capital of $6,312 compared to $8,580 at September 30, 2023. The change in cash consists of:

($ '000s)	**Three months ended March 31, 2024**	**2023**	**Six months ended March 31, 2024**	**2023**
Cash (used in) from continuous operating activities	**(284)**	(327)	**(967)**	(1,635)
Cash (used in) generated from discontinued operating activities	**(255)**	(415)	**420**	(794)
Cash (used in) generated from investing continuous activities	**(185)**	(9)	**(331)**	51
Cash generated from investing of discontinued activities	**-**	513	**-**	343
Cash used in financing continuous activities	**(11)**	(133)	**(145)**	(239)
Cash used in financing discontinued activities	**-**	(335)	**-**	(448)

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.

The Company had cash and cash equivalents balance at March 31, 2024, $3,162 compared to $4,171 at September 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. While we plan to fund our operations through sales of REV™ machinery, royalty generation and toll manufacturing services, 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 six months ended March 31, 2024, EnWave incurred capital expenditures for the acquisition of plant and equipment of $352 compared to capital inflows of $28 for the six months ended March 31, 2023, the increase in expenditures related to the purchase of production equipment for our REVworx™ facility which was partially financed by the grant from the Food Processing Growth Fund. Discontinued operations had capital inflows of $nil in comparison to expenditures of $343 in the six months ending March 31, 2023 relating to the sale of 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 March 31, 2024:

($ '000s)	Due within 1 year	Due between 1 - 3 years	Due after 3 years	Total
Financial liabilities				
Trade and other payables	1,337	-	-	1,337
Lease liabilities	499	1,294	-	1,793
Other liability	251	-	-	251
Total	**2,087**	**1,294**	**-**	**3,338**

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 March 31, 2024.

Transactions with Related Parties

During the three and six months ended March 31, 2024, the Company paid quarterly directors' fees to its independent directors through a combination of cash and stock-based compensation for their services as directors of the Company. The decrease in Director's compensation is due to one less director, a voluntary reduction in overall remuneration and no equity grants relative to the comparative period.

The table below summarizes the transactions with related parties for the three and six months ended March 31, 2024, and 2023:

($ '000s)	**Three months ended March 31,**		**Six months ended March 31,**	
	2024	2023	**2024**	2023
	$	$	**$**	$
Directors' fees	**20**	20	**40**	40
Stock-based compensation	**7**	13	**15**	26
	27	33	**55**	66

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, during the six months ended March 31, 2024, and 2023 comprises the following expenses:

($ '000s)	**Three months ended March 31,**		**Six months ended March 31,**	
	2024	2023	**2024**	2023
	$	$	**$**	$
Salaries, bonuses, and short-term employee benefits	147	188	568	790
Stock-based compensation	43	151	96	246
	190	339	664	1,036

Critical Accounting Estimates

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.

Significant estimates and judgments used in the preparation of the consolidated financial statements are described in the annual audited consolidated financial statements for the year ended September 30, 2023.

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 should be presented as current or non-current in the consolidated 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 Risk

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.

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 the 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 March 31, 2024:

($ '000s)	**Neither past due nor impaired**	**Past due but not impaired**		
	0 – 30 days	**31 – 90 days**	**91 – 365 days**	**Over 365 days**
Trade receivables	1,031	389	134	-
Loans receivable	913	-	-	-
Indirect tax receivable	-	-	34	-
Total	1,944	389	168	-

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. At March 31, 2024, the Company held no foreign exchange derivatives outstanding.

The Company attempts to ensure that sufficient funds are available 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. As of March 31, 2024, the Company had current assets of $9,558 to settle current liabilities of $3,246.

Financial assets maturity table:

($ '000s)	**0 – 30 days**	**31 – 90 days**	**91 – 365 days**	**Over 365 days**
Cash and cash equivalents and restricted cash	3,162	-	291	-
Trade receivables	1,554	-	-	-
Loans receivable	82	151	559	121
Indirect taxes receivable	-	-	34	-
Total	4,798	151	884	121

Financial liabilities, excluding other liabilities, maturity table:

($ '000s)	**0 – 30 days**	**31 – 90 days**	**91 – 365 days**	**Over 365 days**
Trade and other payables	496	541	300	-
Customer deposits and deferred revenue	108	502	549	-
Lease liabilities	33	64	402	1,294
Total	637	1,107	1,251	1,294

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, restricted cash, and Loan payable. The Company earns interest on deposits based on current market interest rates, which during the six months ended March 31, 2024 ranged from 5.00% to 5.40% (2023 - 3.70% to 4.65%). A 1% change in interest rates would affect the results of operations by approximately $19 (2023 - $45).

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 contracts with customers denominated in US dollars.

A significant change in the currency exchange rate of the Canadian dollar relative to the US dollar could influence the Company's results of operations. As at March 31, 2024, all of the Company's liquid assets and liabilities were held in Canadian dollars and US dollars.

The Company enters into foreign exchange derivative contracts when appropriate to minimize exposure to foreign currencies when appropriate. As at March 31, 2024, 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 net loss for the six months ended March 31, 2024, and 2023 as follows:

($ '000s)	**2024 $**	**2023 $**
US dollar	227	85

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 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 discontinued operations. 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 quarterly net (loss) income to Adjusted EBITDA for the last eight quarters:

($ '000s)	*Jun 30, 2022*	*Sep 30, 2022*	*Dec 31, 2022*	*Mar 31, 2023*	*Jun 30, 2023*	*Sep 30, 2023*	*Dec 31, 2023*	*Mar 31, 2024*
Net (loss) income after income tax	(2,015)	(2,273)	(2,029)	(2,699)	(1,949)	165	(1,295)	(1,411)
Amortization and depreciation(1)	323	329	289	276	276	276	275	288
Stock-based compensation(2)	308	212	168	197	103	88	115	71
Foreign exchange loss (gain)(3)	(48)	(114)	41	(9)	54	(59)	24	(51)
Finance income(4)	(39)	(40)	(46)	(33)	(53)	(53)	(52)	(54)
Finance expense(4)	39	37	35	33	31	29	26	37
Non-recurring impairment and restructuring costs(5)	-	-	-	-	315	-	-	-
Discontinued operations(6)	1,208	1,822	1,286	3,386	1,031	(770)	151	148
Adjusted EBITDA	(224)	(27)	(256)	1,151	(192)	(324)	(756)	(1,268)

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) 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.

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 a health crisis including epidemics, pandemics, emergence, or re-emergence of infectious disease 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 health crises including epidemics, pandemic, or emergence/re-emergence of infections diseases.

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, warrants, options and RSRs outstanding and exercisable as at the following dates are shown below:

	March 31, 2024		May 23, 2024	
	Number	Weighted average exercise price $	Number	Weighted average exercise price $
Common shares outstanding	110,805,055	N/A	110,825,055	N/A
Options				
Outstanding	5,584,324	1.04	4,960,082	0.95
Exercisable	3,813,106	1.27	3,353,106	1.15
RSRs				
Outstanding	390,000	1.03	360,000	0.97

As of the date of this MD&A, the Company has 110,825,055 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
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
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