

E N W Λ V E
C O R P O R A T I O N

Third Quarter 2025
Management Discussion and Analysis

Nine months ended June 30, 2025

(expressed in thousands of Canadian dollars)

Dated: August 21, 2025

**ENWAVE CORPORATION
("EnWave" or the "Company")****MANAGEMENT DISCUSSION AND ANALYSIS
THIRD QUARTER
FOR THE NINE MONTHS ENDED JUNE 30, 2025****Date of this report: August 21, 2025**

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 nine months ended June 30, 2025 relative to the nine months ended June 30, 2024, and the financial position of the Company at June 30, 2025 relative to September 30, 2024. It should be read in conjunction with EnWave's unaudited condensed consolidated interim financial statements and accompanying notes for the three and nine months ended June 30, 2025 ("Q3 2025") and 2024 ("Q3 2024"), as well as the 2024 annual MD&A and the 2024 annual audited consolidated financial statements and accompanying notes, and the 2024 Annual Information Form ("AIF") (available at www.enwave.net or on www.sedarplus.ca). The financial information contained in this MD&A has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), 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 Accounting Standards.

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 **50 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, *nutraREV*®, a drum-based system, and *quantaREV*®, a tray-based system. The Company has also developed *freezeREV*®, 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 market. Management believes that REV™ technology can produce better quality products in most cases 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 serves 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

New Lease Commencement

During the quarter, the Company entered into a lease termination agreement (the “Lease Termination”) for 1279 Derwent Way, Delta, BC, the location used by the Company for machine manufacturing. Concurrent with the lease termination, the Company signed a new lease agreement for machine manufacturing at 1639 Fosters Way, Delta, BC (the “New Lease”). The term of the New Lease is 7 years 3 months and contains a lease renewal option for an additional 5 years. The lease commencement date is July 1, 2025. There is no change to machine manufacturing capacity or capability with the New Lease.

Equity Financing

Subsequent to the quarter, the Company entered into an agreement with Clarus Securities Inc. (“Clarus”), as lead agent and sole bookrunner, pursuant to which Clarus agreed to sell, on a “best efforts” private placement basis, up to 7,500,000 common shares of the Company (the “Offering Shares”) at a price per Share of C\$0.40 (the “Issue Price”) for aggregate gross proceeds to the Company of up to \$3,000 (the “Offering”). The Offering closed on August 21, 2025, and was fully subscribed.

In consideration for their services, the Company agreed to pay Clarus a cash commission equal to 5.5% of gross proceeds from the Offering and that number of non-transferable compensation options (the “Compensation Options”) as is equal to 5.5% of the aggregate number of Offering Shares sold under the Offering. Each Compensation Option is exercisable to acquire one Common Share at a price equal to the Issue Price for a period of 24 months from the closing date of the Offering.

The Company intends to use the funds to increase inventory levels by manufacturing two large-scale machines (60kW REV™ – 120kW REV™). The manufacturing and fabrication process takes approximately 6 months per machine to complete. This investment, combined with an expanded marketing presence through increased trade show attendance and sales personnel, is designed to ensure faster order fulfillment and support prospective future machine sales.

Additionally, as the amount available to the Company under its Credit Facility with Desjardin is calculated as the lesser of \$5,000 and a function of royalties, receivables and inventory, the Company expects that additional availability will be unlocked on completion of the Offering and the manufacturing of two large scale machines.

Overall Performance

For the nine months ended June 30, 2025, EnWave reported revenues of \$7,610 compared to \$4,547 for the same period in 2024, an increase of \$3,063 or 67%. EnWave reported a net loss of \$1,353 for the nine months ended June 30, 2025, compared to a net loss of \$2,973 for the nine months ended June 30, 2024, an improvement of \$1,620 due to increased royalties, tolling fees, increased equipment construction contract revenue and a tax refund for NutraDried recognized in discontinued operations.

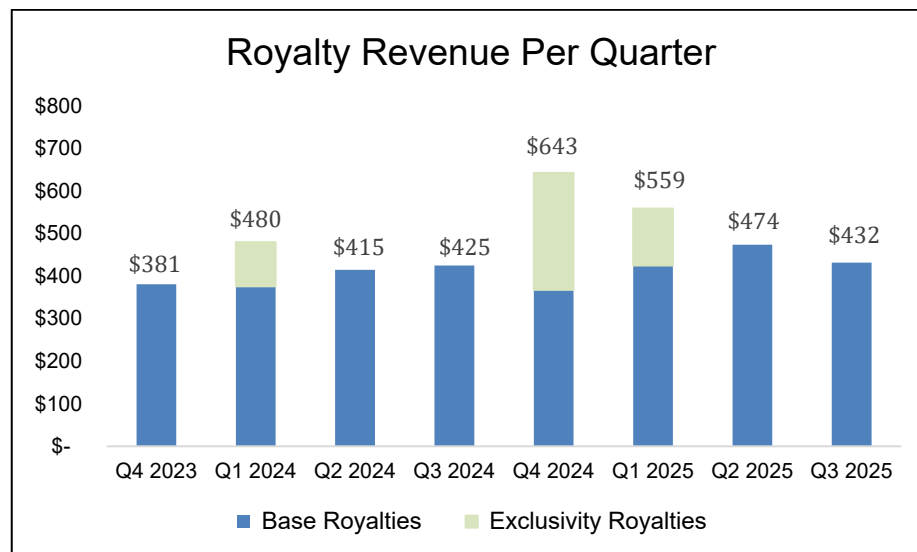
During the nine months ended June 30, 2025, the Company commissioned two small-scale machines, completed the fabrication of a large-scale machine and initiated fabrication of two 60kW machines.

For Q3 2025, the Company had revenues of \$2,744 compared to \$2,622 in the same period in fiscal 2024, an increase of \$122 or 5%. The Company has a net loss from continuing operations of \$1,162 for Q3 2025, compared to a net loss of \$235 for Q3 2024, a decrease of \$927 or 394%. The Company reported an Adjusted EBITDA (*) loss of \$575 for Q3 2025 compared to income of \$85 for Q3 2024, a decrease of \$660. The decrease in EBITDA is primarily attributable to the resale of a high-margin large scale machine in the comparative period and the absence of small-scale machine sales in Q3 2025 compared to two in Q3 2024. EnWave had third-party royalty revenue of \$431 for Q3 2025, compared to \$425 for Q3 2024, an increase of \$6 or 1% as a result of increased royalty partners, product sales and partner production offset by a decrease in royalties associated with the licence termination and machine buybacks from an Illinois, U.S. based cannabis company during the period. The Company repurchased a 10 kW REV™ machine and 120kW REV™ machine from the Illinois, U.S. based cannabis company, increasing inventory levels and strengthening the Company's position to deliver on partnership opportunities. 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").

For Q3 2025, the Company reported loss from discontinued operations of \$9 compared to a net loss of \$32 in the same period in fiscal 2024, an improvement of \$23. The improved net loss is primarily a result of a minimal activity associated with NutraDried.

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

The following is the Company's quarterly royalty revenues from the eight most recently completed quarters:



Commercial Licensing and Partnership Development

Equipment Purchase Agreement with MicroDried® for 60kW Radiant Energy Vacuum Machine and Signs License Amendment

On April 22, 2025, the Company signed an equipment purchase agreement and license amendment with MicroDried®, the Company's longest-standing royalty partner.

Pursuant to the equipment purchase agreement, MicroDried® will acquire an additional 60kW REV™ machine to support increased production capacity and meet accelerating demand across its diverse portfolio of shelf-stable, clean-label fruit and vegetable ingredients. Further, MicroDried® has the option to purchase a second additional 60kW REV™ dehydration machine before July 31, 2025. If the second 60kW REV™ machine is purchased, a pre-agreed bulk discount will be applied.

The license amendment, signed concurrently with the equipment purchase agreement, grants MicroDried® exclusive rights to use REV™ technology for apple ingredient production in Washington, Oregon, and Idaho.

Second Progress Payment Related to Equipment Purchase Agreement with Procescir S.A. de C.V. of Mexico for 120kW Radiant Energy Vacuum Machinery

On April 29, 2025, the Company announced it had received the second progress payment pursuant to a previously announced equipment purchase agreement signed with Procescir S.A. de C.V. ("Procescir"), for a 120kW REV™ machine for the commercial production of several fruit and vegetable products in Mexico. Procescir, is a leading Mexican agriculture company that is vertically integrated.

License Agreement Amendment with Creations Foods US Inc.

On May 20, 2025, the Company announced it signed an amendment to the royalty-bearing licence agreement with Creations Foods US Inc. ("Creations Foods"). The amendment grants Creations Foods an additional right to produce dried cheese snacks for pet treat applications on a non-exclusive basis in the United States.

License Agreement Amendment with Procescir S.A. de C.V.

On June 11, 2025, the Company announced signing an amendment to the CLA with Procescir S.A. de C.V. to add several additional fruit and vegetable products to the CLA and an equipment purchase agreement to sell auxiliary support equipment to Procescir S.A. de C.V.

Commercial License Agreement and Equipment Purchase Agreement with MicroDried®

On July 3, 2025, the Company announced signing an additional CLA and equipment purchase agreements for two 10kW and one 60kW REV™ machines with MicroDried®. Under the License Agreement, MicroDried® gains exclusive rights to produce mochi and Greek yogurt products in North America. It also includes the right to manufacture additional dairy applications, such as shredded cheese and cheesecake.

Equipment Purchase Agreement with Dairy Concepts

On July 30, 2025, the Company announced the sale of two additional 10kW REV™ machines to Dairy Concepts IRL to expand dairy snack production in Europe. DCI continues to hold an exclusive license to use the Company's proprietary drying technology to produce certain dairy snacks in the United Kingdom.

Commercial Licence for Exclusivity in Central America Terminated

Subsequent to the quarter, an existing royalty partner, with multiple commercial licences, that committed to multiple large-scale machines during the fiscal year, confirmed they would not be proceeding with payment under the commercial licence for exclusivity in an unspecified Central American country and as a result, the commercial licence was terminated. This partner redeployed capital to a different strategic area and opened a new processing facility to house the recently

acquired large-scale machines. The termination of this Central America commercial licence does not affect the other commercial licences in place with this partner.

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 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⁾
Umland Pure Dry	1 x 10kW	Cheese	U.S.A. ⁽¹⁾
Procescir	120kW	Frutis & Vegetables	Mexico ⁽¹⁾
MicroDried®	2 x 60kW	Dairy	USA ⁽²⁾
MicroDried®	2 x 10kW	Dairy	USA ⁽¹⁾
Dairy Concepts	2 x 10kW	Dairy	Europe ⁽¹⁾

Note:

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

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 **9 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
CNTA	10kW	Spain
ELEA	10kW	Germany

Summarized Quarterly Results

The following is a selected summary of quarterly results for the eight most recently completed quarters to June 30, 2025, reported in Canadian dollars, the Company's presentation currency:

	2023	2024				2025		
(\$ '000s)	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenues	1,457	1,262	663	2,622	3,634	1,177	3,689	2,744
Direct costs	(1,036)	(1,029)	(830)	(1,471)	(2,192)	(837)	(2,480)	(2,209)
Gross profit	421	233	(167)	1,151	1,442	340	1,209	535
Expenses	(1,026)	(1,377)	(1,392)	(1,386)	(854)	(1,268)	(1,571)	(1,697)
Net (loss) income - continuing operations	(605)	(1,144)	(1,559)	(235)	588	(938)	(362)	(1,162)
Net income (loss) - discontinued operations	770	(151)	148	(32)	(13)	(8)	1,126	(9)
Adjusted EBITDA ⁽¹⁾	(324)	(756)	(1,268)	85	450	(635)	112	(575)
Income (loss) per share: continuing operations – basic and diluted	0.00	(0.01)	(0.01)	0.00	0.00	0.00	0.00	(0.01)
Income (loss) per share: discontinued operations - basic and diluted	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00
Income (loss) per share:	0.00	(0.01)	(0.01)	0.00	0.00	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 nine months ended June 30, 2025 and 2024 and should be read in conjunction with those financial statements.

(\$ '000s)	Three months ended June 30,			Nine months ended June 30,		
	2025	2024	Change %	2025	2024	Change %
Revenues	2,744	2,622	5%	7,610	4,547	67%
Direct costs	(2,209)	(1,471)	50%	(5,526)	(3,330)	66%
Gross margin	535	1,151	(54%)	2,084	1,217	71%
Operating expenses						
General and administration	532	664	(20%)	1,541	1,740	(11%)
Sales and marketing	485	358	(35%)	1,407	1,149	22%
Research and development	388	342	(13%)	1,124	1,127	(0%)
	1,405	1,364	3%	4,072	4,016	1%
Net loss - continuing operations	(1,162)	(235)	394%	(2,462)	(2,938)	(16%)
Net (loss) income - discontinued operations	(9)	(32)	(72%)	1,109	(35)	(3269%)
Adjusted EBITDA ⁽¹⁾ (loss) income	(575)	85	(776%)	(1,098)	(1,939)	(43%)
(Loss) income per share:						
Continuing operations – basic and diluted	\$ 0.01	\$ 0.00		\$ (0.02)	\$ (0.02)	
Discontinued operations – basic and diluted	\$ 0.00	\$ 0.00		\$ 0.01	\$ 0.00	
Basic and diluted	\$ 0.01	\$ 0.00		\$ 0.01	\$ (0.02)	

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 June 30,		Nine months ended June 30,	
	2025	2024	2025	2024
Revenue	2,744	2,622	7,610	4,547

Revenue for the nine months ended June 30, 2025, was \$7,610 compared to \$4,547 for the nine months ended June 30, 2024, an increase of \$3,063. Revenue for the three months ended June 30, 2025, was \$2,744, compared to \$2,622 for the three months ended June 30, 2024, an increase of \$122. In Q3 2025, there were two 60KW machines in fabrication, and the completion of a large-scale machine. In the comparative period, there was one high-margin large-scale machine resale, two small-scale machine sales, and two large-scale machines at varying levels of production. The timing and frequency of each large-scale commercial machine order affect 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 tolling revenue of \$56 for the three months ended June 30, 2025, compared to \$234 for the three months ended June 30, 2024, a decrease of \$178. During the nine months ended June 30, 2025, tolling revenue was \$315 compared to \$234 in fiscal 2024, an increase of \$81. The increase was due to the completion of five different projects for one tolling partner for the nine months ended June 30, 2025 as compared to the completion of two projects for the nine months ended June 30, 2024. The company recognizes tolling revenue upon completion and shipment of the purchase order.

EnWave reported royalties of \$431 for the three months ended June 30, 2025, compared to \$425 for the three months ended June 30, 2024, an increase of \$6 or 1%. Royalties for the nine months ended June 30, 2025 are \$1,464 compared to \$1,319 in fiscal 2024, an increase of \$145 or 11%. 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 nine months ended June 30, 2025, year over year, due to increased royalties on sales and production.

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

Direct costs

Direct costs comprise the cost of components, manufacturing and tolling labour, overhead costs, depreciation of manufacturing and REVworxTM 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 June 30,		Nine months ended June 30,	
	2025	2024	2025	2024
Direct costs	2,209	1,471	5,526	3,330
% of revenue	81%	56%	73%	73%

Direct costs for the three months ended June 30, 2025, were \$2,209 compared to \$1,471 for the three months ended June 30, 2024, an increase of \$738. As a percentage of revenue, direct costs for the three months ended June 30, 2025 increased by 25% due to the resale of a high-margin large-scale machine in the prior period and a pre-agreed bulk discount applied to the two 60kW machines sold to MicroDried® in Q3 2025. The bulk discount was an incentive for MicroDried® to purchase the second 60kW machine.

Direct costs for the nine months ended June 30, 2025 were \$5,526, compared to \$3,330 for the nine months ended June 30, 2024, an increase of \$2,196. Direct costs as a percentage of revenues for the nine months ended June 30, 2025, were consistent with the prior period.

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)	Three months ended June 30,		Nine months ended June 30,	
	2025	2024	2025	2024
General and administration	532	665	1,541	1,740
% of revenue	19%	25%	20%	38%

G&A expenses for the three months ended June 30, 2025, were \$532 compared to \$665 for the three months ended June 30, 2024, a decrease of \$133. G&A expenses for the nine months ended June 30, 2025, were \$1,541 compared to \$1,742 for the nine months ended June 30, 2024, a decrease of \$201 or 11%. The overall decrease in G&A expenses primarily relates to a reduction in legal costs associated with the Term Loan and Credit Facility which were capitalized as part of the transaction, offset by recruitment and consulting fees. Additionally, in the comparative period, the Company incurred higher legal fees in connection with a civil claim against certain former directors and officers of the Company. The Company reached global settlements of its civil claim and the civil counterclaim in the Supreme Court of British Columbia in Q4 2024.

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 June 30,		Nine months ended June 30,	
(\$ '000s)	2025	2024	2025	2024
Sales and marketing	485	358	1,407	1,149
% of revenue	18%	14%	18%	25%

S&M expenses for the three months ended June 30, 2025, were \$485 compared to \$358 for the three months ended June 30, 2024, an increase of \$127. S&M expenses for the nine months ended June 30, 2025, were \$1,407 compared to \$1,149 for the nine months ended June 30, 2024, an increase of \$258. The overall increase in S&M expenses is mainly attributable to increased trade show attendance, and personnel onboarding offset by reduced commissions paid to third-party sales representatives.

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 June 30,		Nine months ended June 30,	
(\$ '000s)	2025	2024	2025	2024
Research and development	388	342	1,124	1,127
% of revenue	14%	13%	15%	25%

R&D expenses for the three months ended June 30, 2025, were \$388 compared to \$342 for the three months ended June 30, 2024, an increase of \$46. R&D expenses for the nine months ended June 30, 2025, were \$1,124 compared to \$1,127 for the nine months ended June 30, 2024, a decrease of \$3. 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 \$59 for the three months ended June 30, 2025, compared to \$32 for the three months ended June 30, 2024, an increase of \$27. Stock-based compensation expense was \$330 for the nine months ended June 30, 2025, compared to \$218 for the nine months ended June 30, 2024, an increase of \$112. The overall increase in stock-based compensation expense was due to stock option grants and restricted share rights (“RSRs”) issued in Q1 2025.

(\$ '000s)	Three months ended June 30,		Nine months ended June 30,	
	2025	2024	2025	2024
Stock-based compensation	59	32	330	218

Foreign exchange loss

Foreign exchange loss for the three months ended June 30, 2025 was \$194 compared to foreign exchange gain of \$9 for the three months ended June 30, 2024. Foreign exchange loss for the nine months ended June 30, 2025 was \$53 compared to foreign exchange gain of \$36 for the nine months ended June 30, 2024. 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)	Three months ended June 30,		Nine months ended June 30,	
	2025	2024	2025	2024
Foreign exchange loss (gain)	194	(9)	53	(36)

Discontinued Operations

Discontinued operations relate to the dissolution of NutraDried. There are no active operations, leases, or employees of NutraDried as of the date of this report.

(\$ '000s)	Three months ended June 30,		Nine months ended June 30,	
	2025	2024	2025	2024
(Loss) income on discontinued operations	(9)	(32)	1,109	(35)

A tax refund of \$836 USD was received for NutraDried during Q2 2025 and was recognized in discontinued operations. The tax refund was 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.

Liquidity and Capital Resources

Working capital

The components of the Company's working capital on June 30, 2025, and September 30, 2024 are:

(\$ '000s)	June 30, 2025	September 30, 2024
Current assets		
Cash and cash equivalents	4,641	4,762
Restricted cash	41	92
Trade receivables	1,486	642
Due from customers on contract	1,380	298
Loans receivable, current	332	979
Inventory	2,598	2,698
Prepays and other receivables	439	470
Income taxes receivable	-	-
	10,917	9,941
Current liabilities		
Trade and other payables	2,744	1,830
Customer deposits and deferred revenue	602	322
Current portion of borrowings	120	-
Current portion of lease liability	410	576
	3,876	2,728
Working capital	7,041	7,213

As at June 30, 2025, the Company had working capital of \$7,041 compared to \$7,213 as at September 30, 2024. As at June 30, 2025, the cash and cash equivalents balance was \$4,641 compared to \$4,762 as at September 30, 2024, a decrease of \$121. The Company used net cash from operating activities of \$1,144 at June 30, 2025 compared to \$392 for the nine months ended June 30, 2024.

EnWave had trade receivables of \$1,486 as at June 30, 2025, compared to \$642 as at September 30, 2024, an increase of \$844. The increase in EnWave's trade receivables relates to the net collections of deposits and performance milestones completed on equipment sales contracts and royalties.

Due from customers on contract to EnWave as at June 30, 2025, was \$1,380 compared to \$298 as at September 30, 2024, an increase of \$1,082. The increase is 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 an inventory of \$2,598 as at June 30, 2025, compared to an inventory of \$2,698 at September 30, 2024, a decrease of \$100. The decrease in inventory primarily relates to the sale of one large-scale and commissioning of two small-scale machines during the period offset by a repurchase of a large-scale and a small-scale machine.

EnWave had current loans receivable of \$332 as at June 30, 2025, compared to \$979 as at September 30, 2024, a decrease of \$647. The balance in loans receivable relates to equipment finance loans made to customers under equipment purchase arrangements. The current loans receivable decreased due to the repayment of loans during the quarter according to the scheduled amortization. The loans receivable bear interest at a weighted average rate of 9%, have remaining terms ranging from 1 to 22 months and are amortized with monthly blended payments of interest and principal.

Trade and other payables as at June 30, 2025, includes \$2,725 of trade payables and accrued liabilities related to EnWave, compared to \$1,773 as at September 30, 2024 with an increase of \$952 associated with timing of payments made to vendors and other counterparties. Trade and other payables for NutraDried were \$19 as at June 30, 2025, compared to \$57 as at September 30, 2024.

Financing and liquidity

Cash and cash equivalents were \$4,641 as at June 30, 2025, compared to \$4,762 as at September 30, 2024. As at June 30, 2025, we had net working capital of \$7,041 compared to \$7,213 at September 30, 2024. The change in cash consists of:

(\$ '000s)	Three months ended June 30,		Nine months ended June 30,	
	2025	2024	2025	2024
Cash generated from (used in) continuing operating activities	643	575	(1,144)	(392)
Cash generated from discontinued operating activities	487	39	1,090	459
Cash generated from (used in) investing continuing activities	3	211	73	(120)
Cash generated from investing discontinued activities	-	-	-	-
Cash used in financing continuing activities	(198)	(387)	(124)	(532)
Cash used in financing discontinued activities	-	-	-	-

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.

In Q1 2025, EnWave entered into a Credit Facility with Desjardins for growth and working capital purposes. The amount available to the Company under the Credit Facility is calculated as the lesser of \$5,000 and a function of royalties, receivables and inventory. As of June 30, 2025, approximately \$2,149 is available to the Company at a rate of Canadian prime plus 1.5%.

Additionally, in Q1 2025, EnWave received a Term Loan with Desjardins for \$500 with an amortization period of 48 months. The Term Loan is to be repaid monthly on equal and consecutive payments of principal plus interest at a rate of Canadian prime plus 2.00%.

The Credit Facility and Term Loan are secured by the Company's assets and includes a Minimum Liquidity Position Covenant which requires EnWave to maintain a liquidity position greater than or equal to the greater of the 6-month trailing or projected cash burn, calculated on a free cash flow basis. The Covenant is tested monthly. As of the date of this report, the Company is compliance with the covenant.

Subsequent to the quarter, the Company entered into an agreement with Clarus, as lead agent and sole bookrunner, pursuant to which Clarus agreed to sell, on a "best efforts" private placement basis, up to 7,500,000 common shares of the Company at a price per Share of C\$0.40 for aggregate gross proceeds to the Company of up to C\$3,000,000. The Offering closed on August 21, 2025, and was fully subscribed.

The Offering and this non-dilutive debt, in addition to the Company's available working capital, will be used to fund EnWave's growth strategy and for general working capital purposes. The Company had a cash and cash equivalents balance at June 30, 2025, of \$4,641 compared to \$4,762 at September 30, 2024. The Company is targeting to fund operations through cash flows generated from machine sales, rentals and royalties from the commercialization of *nutraREV*® and *quantaREV*® technologies, toll manufacturing opportunities through REVworx and when needed, the Credit Facility. However, there can be no assurance that sufficient revenue will be generated to meet our cash needs or that the Credit Facility will be sufficient.

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. If further capital is needed in the future, our operating results could adversely affect our ability to raise additional capital and there is no assurance that debt or equity financing will be available in sufficient amounts, with acceptable terms or in a timely basis.

Capital expenditures

During the nine months ended June 30, 2025, EnWave received net proceeds of \$22 for a small divestiture of redundant plant and equipment compared to capital expenditures of \$189 for the nine months ended June 30, 2024. The expenditures in the prior period related to the purchase of production equipment for the REVworx™ facility. 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 June 30, 2025:

(\$ '000s)	Due within 1 year	Due between 1 - 3 years	Due after 3 years	Total
Financial liabilities				
Trade and other payables	2,744	-	-	2,744
Borrowings	120	285	-	405
Lease liabilities	410	510	15	935
Total	3,274	795	15	4,084

Transactions with Related Parties

During the three and nine months ended June 30, 2025, the Company paid directors' fees to its three 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.

The table below summarizes the transactions with related parties for the three and nine months ended June 30, 2025, and 2024:

(\$ '000s)	Three months ended June 30,		Nine months ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Directors' fees	15	15	45	55
Stock-based compensation	1	5	7	20
	16	20	52	75

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 nine months ended June 30, 2025, and 2024 comprises the following expenses:

(\$ '000s)	Three months ended June 30,		Nine months ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Salaries, bonuses, and short-term employee benefits	232	215	687	645
Stock-based compensation	33	27	195	123
	265	242	882	768

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, 2024.

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.

IFRS 18: Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Company's consolidated financial statements. From the preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of IFRS 18 will have no impact on the Company's net profit, the Company expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported.
- The line items presented in the financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

- The way in which the information is grouped in the financial statement notes might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - management-defined performance measures;
 - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss; and
 - for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.
- From a cash flow statement perspective, interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Company will apply the new standard from its mandatory effective date for annual reporting periods beginning on or after January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending September 30, 2027, will be restated in the financial year ending September 30, 2028, in accordance with IFRS 18.

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. As at June 30, 2025, the Company has recorded a \$41 (2024 - \$nil) provision for expected credit losses related to trade receivables.

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 June 30, 2025:

(\$ '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	958	439	89	-
Due from customers on contract	1,380	-	-	-
Loans receivable	394	-	-	-
Indirect tax receivable	28	-	-	-
Total	2,760	439	89	-

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.

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 June 30, 2025, the Company had current assets of \$10,917 to settle current liabilities of \$3,876.

Financial assets maturity table:

(\$ '000s)	<u>0 – 30 days</u>	<u>31 – 90 days</u>	<u>91 – 365 days</u>	<u>Over 365 days</u>
Cash and cash equivalents and restricted cash	4,641	-	41	-
Trade receivables	1,486	-	-	-
Due from customers on contract	38	79	790	473
Loans receivable	105	56	171	62
Indirect taxes receivable	28	-	-	-
Total	6,298	135	1,002	535

Financial liabilities maturity table:

(\$ '000s)	<u>0 – 30 days</u>	<u>31 – 90 days</u>	<u>91 – 365 days</u>	<u>Over 365 days</u>
Trade and other payables	714	1,434	596	-
Customer deposits and deferred revenue	317	-	285	-
Borrowings	10	20	90	285
Lease liabilities	52	137	221	525
Total	1,093	1,591	1,192	810

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 instruments 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, Term Loan and Credit Facility. The Company earns interest on deposits based on current market interest rates which during the nine months ended June 30, 2025 ranged from 2.50% to 3.75% (2024 – 5.00% to 5.40%). The interest rate on the Term Loan during the nine months ended June 30, 2025, ranged from 6.95% to 8.45% (2024 – nil%). A 1% change in interest rates would affect the results of operations by approximately \$24 (2024 - \$19).

Foreign exchange risk

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

- (i) The Company is exposed to currency risk through suppliers with purchase orders denominated in US dollars.
- (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 June 30, 2025, all of the Company's liquid assets and liabilities were held in Canadian dollars and US dollars.

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 nine months ended June 30, 2025, and 2024 as follows:

	2025	2024
(\$ '000s)	\$	\$
US dollar	758	416

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.

Non-IFRS Financial Measures

In addition to results reported in accordance with IFRS Accounting Standards, 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, non-recurring income and expenses, 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 the Company's quarterly net (loss) income to Adjusted EBITDA for the last eight quarters:

	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024	Dec 31, 2024	Mar 31, 2025	June 30, 2025
(\$ '000s)								
Net income (loss) after income tax	165	(1,295)	(1,411)	(267)	575	(946)	764	(1,171)
Amortization and depreciation ⁽¹⁾	276	275	288	299	298	293	302	295
Stock-based compensation ⁽²⁾	88	115	71	32	30	143	128	59
Foreign exchange (gain) loss ⁽³⁾	(59)	24	(51)	(9)	35	(147)	6	194
Finance income ⁽⁴⁾	(53)	(52)	(54)	(42)	(63)	(47)	(30)	(26)
Finance expense ⁽⁴⁾	29	26	37	40	37	72	68	65
Non-recurring (income) expense ⁽⁵⁾	-	-	-	-	(475)	(11)	-	-
Discontinued operations ⁽⁶⁾	(770)	151	(148)	32	13	8	(1,126)	9
Adjusted EBITDA	(324)	(756)	(1,268)	85	450	(635)	112	(575)

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 through 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 expenses, like impairment and restructuring costs, and non-recurring income 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 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 quantaREV®, nutraREV®, and freezeREV® technologies in the food, pharmaceutical and cannabis industries will depend, in a large part, on whether these targeted markets view these technologies as safe, effective and economically beneficial. Market acceptance will also depend on the Company's ability to demonstrate that its technologies are attractive alternatives to existing options and the most suitable vacuum-microwave option. If the



Company fails to demonstrate feasibility, commercially viable scale within acceptable product quality and equipment performance standards, or compete successfully against existing or potential competitors, its operating results may be adversely affected.

- EnWave has entered into commercial licenses and equipment supply agreements with several Royalty Partners in the food and cannabis processing industries. There is no guarantee that these Royalty Partners will successfully launch products that are sustainable in the marketplace or ultimately pay royalties to the Company. There is no guarantee these Royalty Partners will place future commercial machine orders with the Company or continue doing business with EnWave on favourable terms or at all.
- EnWave currently incurs expenditures related to the Company's operations and investment activities that may generate negative operating cash flow. Operating cash flow may decline in certain circumstances, many of which are beyond the Company's control. There is no assurance that sufficient revenues will be generated in the near future. Because the Company continues to incur significant expenditures on research and development, sales and marketing, and general and administrative expenses, the Company may experience negative operating cash flow until it reaches a sufficient level of sales and royalty earnings with positive gross margins to cover operating expenses.
- EnWave's operations may require importing and exporting goods and technology across international borders on a regular basis. The Company may be subject to various duties applicable to materials manufactured in foreign countries and may be affected by various other import and export restrictions, as well as other considerations or developments impacting upon international trade, including economic or political instability, shipping delays, and product quotas. Although the Company mandates strict compliance with Canadian, US, and other applicable international trade laws, there are no assurances that the Company's policies and procedures will prevent violations of such laws.
- 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, lenders, secure grants, or generate sustained positive operating cash flow it may limit the Company's research and development, ongoing testing programs, regulatory approvals and ultimately impact its ability to commercialize its technologies.
- A significant reduction of purchases, whether as a result of postponements or delays in orders for our products, contractual disputes or otherwise, by any of our largest Royalty Partners, could have a material adverse effect on our business, financial condition, liquidity and results of operations.
- The Company's revenue model is dependent on joint product development projects with prospective Royalty Partners operating under TELOAs. The Company is unable to predict when and if the time and economic investment made during the sales cycle will convert into a CLA and revenue from the sale of equipment and royalty payments. This sales cycle can be long and does not necessarily translate into revenues, and there is no guarantee that companies evaluating the adoption of REV™ under TELOAs, or R&D agreements will convert into CLAs. As a result, the Company cannot accurately predict the length of its sales cycle, which results in periodic fluctuations in revenues, profitability and cash flow.
- EnWave's business is dependent on its ability to obtain and maintain the proprietary nature of its technologies, products and manufacturing processes. There can be no assurance that we will not be subject to intellectual property infringement claims by others, or that any patent applications will result in patents being issued or that current or additional patents will afford protection against competitors. No guarantee can be given that others will not independently develop substantially equivalent proprietary information or techniques or otherwise gain access to our proprietary technology.
- The Company's future success and competitive position depends, in part, on its ability to obtain and maintain the proprietary nature of its technologies, products and manufacturing processes. There can be no assurance that we will not be subject to intellectual property infringement claims by others, or that any patent applications will result in patents being issued or that current or additional patents will afford protection against competitors.

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 2024 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; 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; 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 infectious 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:

	June 30, 2025		August 21, 2025	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Common shares outstanding	111,206,721	N/A	118,706,721	N/A
Options				
Outstanding	6,298,719	0.40	6,298,719	0.40
Exercisable	4,112,057	0.50	4,112,057	0.50
RSRs				
Outstanding	160,000	0.67	160,000	0.67

As of the date of this MD&A, the Company has 118,706,721 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.sedarplus.ca.

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

Directors	Senior Officers	Position
John P.A. Budreski	John P.A. Budreski	Executive Chairman
Brent Charleton	Brent Charleton, CFA	President and Chief Executive Officer
Louise Lalonde	Dylan Murray, CPA, CA	Chief Financial Officer
Patrick Turpin		
Pablo Cussatti		

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
