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C O R P O R A T I O N

**Second Quarter 2026**  
**Management Discussion and Analysis**

Six months ended March 31, 2026

(expressed in thousands of Canadian dollars)

Dated: May 21, 2026

**ENWAVE CORPORATION  
("EnWave" or the "Company")****MANAGEMENT DISCUSSION AND ANALYSIS  
SECOND QUARTER  
FOR THE SIX MONTHS ENDED MARCH 31, 2026****Date of this report: May 21, 2026**

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, 2026 relative to the six months ended March 31, 2025, and the financial position of the Company at March 31, 2026 relative to September 30, 2025. 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, 2026 ("Q2 2026") and 2025 ("Q2 2025"), as well as the 2025 annual MD&A and the 2025 annual audited consolidated financial statements and accompanying notes, and the 2025 Annual Information Form ("AIF") (available at [www.enwave.net](http://www.enwave.net) or on [www.sedarplus.ca](http://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 **52 royalty-bearing commercial licenses** and has 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.

## Overall Performance

For the six months ended March 31, 2026, EnWave reported revenues of \$2,759 compared to \$4,866 for the same period in 2025, a decrease of \$2,107 or 43%. EnWave reported a net loss of \$2,263 for the six months ended March 31, 2026, compared to a net loss of \$182 for the six months ended March 31, 2025, a decrease of \$2,081, primarily due to a decrease in equipment construction contract revenue as a result of fewer large scale machine sales.

For Q2 2026, the Company had revenues of \$1,159 compared to \$3,689 in the same period in fiscal 2025, a decrease of \$2,530 or 69%. The Company has a net loss from continuous operations of \$1,149 for Q2 2026, compared to a net loss of \$362 for Q2 2025, a decrease of \$787 or 217%. The Company reported an Adjusted EBITDA (\*) loss of \$775 for Q2 2026 compared to income of \$112 for Q2 2025, a decrease of \$887. The decrease in revenue and Adjusted EBITDA is primarily due to a reduction in equipment construction contract revenue as a result of fewer large scale machine sales.

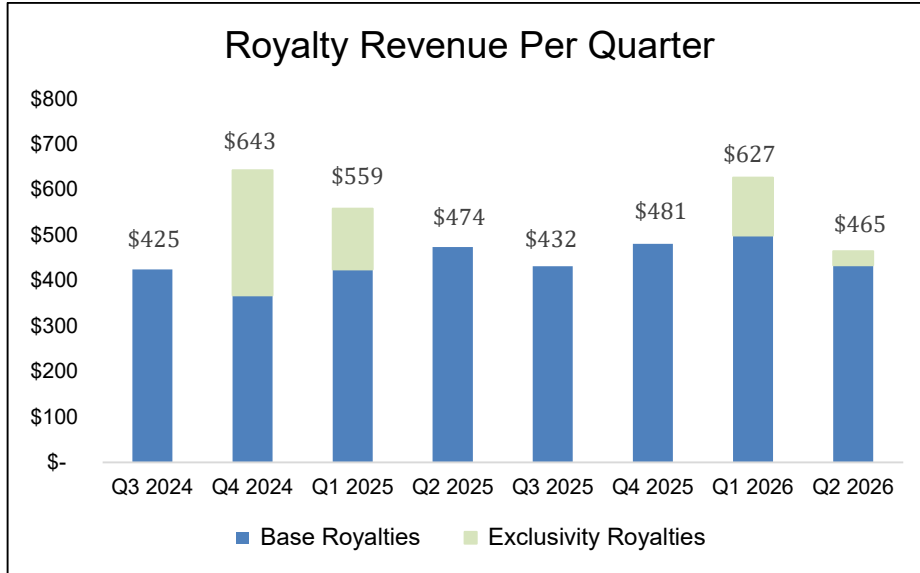
Royalties are payable to EnWave as a percentage of the value of products sold, the number of units produced by our royalty partners, or a set fee paid monthly or quarterly (“Base Royalties”). We also stipulate minimum annual royalty thresholds in our exclusive commercial license agreements, if granted, that must be met by the licensee in order for the licensee to retain exclusivity for production in that geographic area (“Exclusivity Royalties”). Base Royalties were \$934 for the six months ended March 31, 2026, compared to \$899 for the same period in 2025, an increase of \$35 or 4%. Total royalty revenue, including exclusivity payments, was \$1,092 for the six months ended March 31, 2026, compared to \$1,033 in the comparative period, an increase of \$59 or 5%.

For Q2 2026, Base Royalties were \$434 compared to \$474 for Q2 2025, a decrease of \$40 or 8% due to decreased product sales and partner production. The decrease in royalty revenue was partially attributable to the timing of revenue recognition by our partners, as royalties can be based on a percentage of partner-generated revenue. The Company expects royalty revenue growth in future periods as a few partners have communicated inventory builds in anticipation of increased commercial sales activity and expanded product distribution in upcoming quarters. EnWave reported total royalty revenue, including Exclusivity Royalties, of \$465 for Q2 2026, compared to \$474 for Q2 2026, a decrease of \$9 or 2%.

For the six months ended March 31, 2026, the Company reported a loss from discontinued operations of \$6 compared to net income of \$1,118 in the same period in fiscal 2025, a decrease of \$1,124. The decrease is primarily a result of a tax refund recognized in Q2 2025. 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.

(\*) 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**

Technology Evaluation and License Option Agreement with leading global packaged food company

On May 21, 2026, the Company signed a Technology Evaluation and License Option Agreement with one of the world’s largest multinational food companies.

Commercial License Agreement with The Dry Hub in Egypt

On April 15, 2026, the Company signed a Commercial Licence Agreement (“CLA”) with The Dry Hub (“DryHub”), an Egyptian food processing company. In connection with the agreement, DryHub acquired a 10kW REV™ machine, and will be granted exclusive rights to process select fruits, vegetables and herb products in Egypt.

Pursuant to the CLA, DryHub is required to purchase additional REV™ equipment within 18 months of the commissioning date of the initial 10kW REV™ machine to maintain the exclusive rights.

Research and Development License Agreement and Equipment Purchase Agreement with Rhizome Food and Farming LLC

On April 07, 2026, the Company signed a Research and Development License Agreement with Rhizome Food and Farming LLC (“Rhizome”), a North American food company led by renowned chef Dan Barber. The Equipment Purchase Agreement with Rhizome is for a 3.6kW REV™ machine for continued commercial product development.

Research and Development License Agreement, and Equipment Purchase Agreement with Teagasc

On March 10, 2026, the Company signed a Research and Development Licence Agreement and Equipment Purchase Agreement with Teagasc, the Agriculture and Food Development Authority of Ireland. Teagasc is the national body providing integrated research, advisory and training services to the agriculture and food industry and rural communities in Ireland. The Equipment Purchase Agreement with Teagasc is for a 10kW REV™ machine.

Commercial License Agreement with Bowen Gumlu Grower’s Association of Australia

On February 02, 2026, the Company signed a CLA with Bowen Gumlu Grower’s Association (“BGGGA”) in North Queensland, Australia. In addition to signing the License, BGGGA acquired a 10kW REV™ machine from EnWave’s Australian third-party machine re-seller, Scitek, to begin commercial product development and early-stage manufacturing of REV™ dried products.

BGGGA intends to leverage the technological benefits of EnWave’s REV™ dehydration technology to develop and produce commercially attractive tropical fruit snacks and ingredients.

### 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, there is one active TELOA’s with a prospective licensee evaluating the use of REV™. There are numerous companies currently engaged with EnWave’s technical staff to develop new products at the Company’s innovation center through paid engagements. The Company is currently negotiating several potential TELOAs with counterparties.

### 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
Umland Pure Dry	1 x 10kW	Cheese	U.S.A. <sup>(2)</sup>
MicroDried®	1 x 60KW	Fruits & Vegetables	U.S.A. <sup>(1)</sup>
Dairy Concepts	2 x 10kW	Dairy	Ireland <sup>(2)</sup>
U.S. Snacking Company	10kW	Fruits & Vegetables	Mexico <sup>(1)</sup>
Teagasc	10kW	Fruits & Vegetables	Ireland <sup>(1)</sup>
The Dry Hub	10kW	Fruits & Vegetables	Egypt <sup>(1)</sup>

Note:

- (1) The Company has completed fabrication of the machine for the royalty partner and is pending installation for commercial production.
- (2) The machine is deemed commissioned, and associated revenue has been recognized pursuant to the Equipment Purchase Agreement. The installation remains pending 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 **10 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
Rhizome Food and Farming LLC	3.6kW	U.S.A
Teagasc	10kw	Ireland

## Summarized Quarterly Results

The following is a selected summary of quarterly results for the eight most recently completed quarters to March 31, 2026, reported in Canadian dollars, the Company's presentation currency:

(\$ '000s)	2024		2025				2026	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Revenues	2,622	3,634	1,177	3,689	2,744	6,219	1,600	1,159
Direct costs	(1,471)	(2,192)	(837)	(2,480)	(2,209)	(3,667)	(1,006)	(751)
Gross profit	1,151	1,442	340	1,209	535	2,552	594	408
Expenses	(1,386)	(854)	(1,278)	(1,571)	(1,697)	(1,624)	(1,702)	(1,557)
Net (loss) income from continuing operations	(235)	588	(938)	(362)	(1,162)	928	(1,108)	(1,149)
Discontinued operations	(32)	(13)	(8)	1,126	(9)	7	(6)	-
Adjusted EBITDA <sup>(1)</sup>	85	450	(635)	112	(575)	1,407	(585)	(775)
Loss per share: continuing operations – basic and diluted	0.00	0.00	0.00	0.00	(0.01)	0.01	(0.01)	(0.01)
Loss per share: discontinued operations - basic and diluted	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00
Loss per share: basic and diluted	0.00	0.00	0.00	0.01	(0.01)	0.01	(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, 2026, and 2025 and should be read in conjunction with those financial statements.

(\$ '000s)	Three months ended March 31,			Six months ended March 31,		
	2026	2025	Change %	2026	2025	Change %
Revenues	<b>1,159</b>	3,689	(69%)	<b>2,759</b>	4,866	(43%)
Direct costs	<b>(751)</b>	(2,480)	(70%)	<b>(1,757)</b>	(3,317)	(47%)
Gross margin	<b>408</b>	1,209	(66%)	<b>1,002</b>	1,549	(35%)
Operating expenses						
General and administration	<b>529</b>	585	(10%)	<b>1,045</b>	1,009	4%
Sales and marketing	<b>460</b>	436	6%	<b>1,013</b>	922	10%
Research and development	<b>488</b>	378	29%	<b>887</b>	736	21%
	<b>1,477</b>	1,399	6%	<b>2,945</b>	2,667	10%
Net loss - continuing operations	<b>(1,149)</b>	(362)	217%	<b>(2,257)</b>	(1,300)	74%
Net (loss) income - discontinued operations	-	1,126	(100%)	<b>(6)</b>	1,118	(101%)
Adjusted EBITDA <sup>(1)</sup> (loss) income	<b>(775)</b>	112	(792%)	<b>(1,360)</b>	(523)	(160%)
Loss per share:						
Continuing operations – basic and diluted	<b>\$ (0.01)</b>	\$ 0.00		<b>\$ (0.02)</b>	\$ (0.01)	
Discontinued operations – basic and diluted	<b>\$ 0.00</b>	\$ 0.01		<b>\$ 0.00</b>	\$ 0.01	
Basic and diluted	<b>\$ (0.01)</b>	\$ 0.01		<b>\$ (0.02)</b>	\$ 0.00	

**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,		Six months ended March 31,	
	2026	2025	2026	2025
Revenue	1,159	3,689	2,759	4,866

Revenue for the six months ended March 31, 2026, was \$2,759 compared to \$4,866 for the six months ended March 31, 2025, a decrease of \$2,107. Revenue for the three months ended March 31, 2026, was \$1,159, compared to \$3,689 for the three months ended March 31, 2025, a decrease of \$2,530. The decrease was primarily due to a decrease in equipment construction contract revenue and fewer small-scale machine sales. In Q2 2026, there was one small-scale machine commissioned and two large-scale machines on contract at various stages of the fabrication process. In the comparative period, there were two small-scale machines and the sale and fabrication of a large-scale machine. 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. 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 \$25 for the three months ending March 31, 2026, compared to \$140 for the three months ended March 31, 2025, a decrease of \$115.

Base Royalties were \$434 for the three months ended March 31, 2026, compared to \$474 for the three months ended March 31, 2025, a decrease of \$40 or 8%. The decrease in royalty revenue was partially attributable to the timing of revenue recognition by our partners, as royalties can be based on a percentage of partner-generated revenue. Royalties, Including Exclusivity Royalties, for the six months ended March 31, 2026, are \$1,092 compared to \$1,033 in fiscal 2025, an increase of \$59 or 5%. 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.

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 and tolling labour, overhead costs, depreciation of manufacturing and REVworx™ 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,		Six months ended March 31,	
	2026	2025	2026	2025
Direct costs	751	2,480	1,757	3,317
% of revenue	65%	67%	64%	68%

Direct costs for the three months ended March 31, 2026, were \$751 compared to \$2,480 for the three months ended March 31, 2025, a decrease of \$1,729. As a percentage of revenue, direct costs for the three months ended March 31, 2026, decreased by 2% due to the production mix of large machines at various stages of commissioning and fabrication.

Direct costs for the six months ended March 31, 2026 were \$1,757, compared to \$3,317 for the six months ended March 31, 2025, a decrease of \$1,560. Direct costs as a percentage of revenues for the six months ended March 31, 2026, decreased by 4% due to lower fabrication activity following the completion of fabrication stages for two large-scale machines, due to the production mix of large machines at various stages of commissioning and fabrication.

### **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 March 31,		Six months ended March 31,	
	2026	2025	2026	2025
General and administration	529	585	1,045	1,009
% of revenue	46%	16%	38%	21%

G&A expenses for the three months ended March 31, 2026, were \$529 compared to \$585 for the three months ended March 31, 2025, a decrease of \$56. G&A expenses for the six months ended March 31, 2026, were \$1,045 compared to \$1,009 for the six months ended March 31, 2025, an increase of \$36 or 4%. The overall increase in G&A expenses primarily relates to higher professional fees and legal fees offset by lower recruitment commissions paid to third parties. In the comparative period, the legal costs associated with the Term Loan and Credit Facility were capitalized.

### **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.

(\$ '000s)	Three months ended March 31,		Six months ended March 31,	
	2026	2025	2026	2025
Sales and marketing	460	436	1,013	922
% of revenue	40%	12%	37%	19%

S&M expenses for the three months ended March 31, 2026, were \$460 compared to \$436 for the three months ended March 31, 2025, an increase of \$24. S&M expenses for the six months ended March 31, 2026, were \$1,013 compared to \$922 for the six months ended March 31, 2025, an increase of \$91. The overall increase in S&M expenses is mainly attributable to personnel onboarding and increased marketing activities, offset by reduced trade show attendance during the period, as compared to the same period.

### **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.

(\$ '000s)	Three months ended March 31,		Six months ended March 31,	
	2026	2025	2026	2025
Research and development	488	378	887	736
% of revenue	42%	10%	32%	15%

R&D expenses for the three months ended March 31, 2026, were \$488 compared to \$378 for the three months ended March 31, 2025, an increase of \$110. R&D expenses for the six months ended March 31, 2026, were \$887 compared to \$736 for the six months ended March 31, 2025, an increase of \$151. R&D expenses increased due to personnel overhead, travel costs and patent search fees as compared to March 31, 2025. 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 \$115 for the three months ended March 31, 2026, compared to \$128 for the three months ended March 31, 2025, a decrease of \$13. Stock-based compensation expense was \$170 for the six months ended March 31, 2026, compared to \$271 for the six months ended March 31, 2025, a decrease of \$101. The overall decrease in stock-based compensation was due to increased stock option grants and restricted share rights ("RSRs") issued during the comparative period.

(\$ '000s)	Three months ended March 31,		Six months ended March 31,	
	2026	2025	2026	2025
Stock-based compensation	115	128	170	271

### **Foreign exchange (gain) loss**

Foreign exchange gain for the three months ended March 31, 2026, was \$91 compared to foreign exchange loss of \$6 for the three months ended March 31, 2025. Foreign exchange loss for the six months ended March 31, 2026, was \$13 compared to foreign exchange gain of \$141 for the six months ended March 31, 2025. 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 March 31,		Six months ended March 31,	
	2026	2025	2026	2025
Foreign exchange (gain) loss	(91)	6	13	(141)

### **Discontinued Operations**

Discontinued operations relate to the wind-down and discontinuation of NutraDried. There are no active operations, leases, or employees of NutraDried as of the date of this report.

(\$ '000s)	Three months ended March 31,		Six months ended March 31,	
	2026	2025	2026	2025
Income(loss) on discontinued operations	-	1,126	(6)	1,118

A \$836 USD tax refund for NutraDried was recognized in Q2 2025. 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. The Company does not expect to receive any additional tax refunds or credits related to NutraDried.

## Liquidity and Capital Resources

### Working capital

The components of the Company’s working capital on March 31, 2026, and September 30, 2025, are:

(\$ '000s)	March 31, 2026	September 30, 2025
<b>Current assets</b>		
Cash and cash equivalents	3,308	6,359
Restricted cash	42	42
Trade receivables	829	929
Due from customers on contract	2,293	3,699
Loans receivable, current	901	913
Inventory	3,911	1,399
Prepays and other receivables	514	652
	<b>11,798</b>	<b>13,993</b>
<b>Current liabilities</b>		
Trade and other payables	1,854	3,416
Customer deposits and deferred revenue	88	34
Borrowings	1,547	375
Current portion of lease liability	424	471
	<b>3,913</b>	<b>4,296</b>
<b>Working capital</b>	<b>7,885</b>	<b>9,697</b>

As at March 31, 2026, the Company had working capital of \$7,885 compared to \$9,697 as at September 30, 2025. As at March 31, 2026, the cash and cash equivalents balance was \$3,308 compared to \$6,359 as at September 30, 2025, a decrease of \$3,051. The Company used net cash from operating activities of \$3,769 at March 31, 2026, compared to \$1,184 for the six months ended March 31, 2025.

EnWave had trade receivables of \$829 as at March 31, 2026, compared to \$929 as at September 30, 2025, a decrease of \$100. The decrease in trade receivables relates to the net collections of deposits and performance milestones completed on equipment sales contracts and royalties.

Due from customers on contract as at March 31, 2026, was \$2,293 compared to \$3,699 as at September 30, 2025, a decrease of \$1,406. The decrease 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 \$3,911 as at March 31, 2026, compared to \$1,399 at September 30, 2025, an increase of \$2,512. The increase in inventory primarily relates to purchasing components for large-scale machines.

EnWave had current loans receivable of \$901 as at March 31, 2026, compared to \$913 as at September 30, 2025, a decrease of \$12. 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 10%, have remaining terms ranging from 2 to 28 months and are amortized with monthly blended payments of interest and principal.

Trade and other payables as at March 31, 2026, were \$1,854 compared to \$3,416 as at September 30, 2025, with the decrease associated with the timing of payments made to vendors and other counterparties.

EnWave had borrowings of \$1,547 as at March 31, 2026, compared to \$375 as at September 30, 2025, an increase of \$1,172. The increase in borrowings primarily relates to additional drawdowns on the Credit Facility to support inventory purchases and business development activities.

### Financing and liquidity

Cash and cash equivalents were \$3,308 as at March 31, 2026, compared to \$6,359 as at September 30, 2025. As at March 31, 2026, the Company had net working capital of \$7,885 compared to \$9,697 at September 30, 2025. The change in cash consists of:

(\$ '000s)	Three months ended March 31,		Six months ended March 31,	
	2026	2025	2026	2025
Cash used in operating activities from continuing operations	(211)	(583)	(3,769)	(1,787)
Cash (used in) generated from investing activities from continuing operations	(68)	30	(85)	70
Cash generated from (used in) financing activities from continuing operations	1,043	(208)	834	74
Cash generated from operating activities from discontinued operations	-	590	-	603
Cash used in investing activities from discontinued operations	-	-	-	-
Cash used in financing activities from discontinued operations	-	-	-	-

Management will continuously evaluate capital needs and make decisions based on current circumstances. We generally 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. However, in response to increased market demand and to reduce customer lead times, the Company has elected to manufacture certain machines for inventory without a customer contract in place.

In fiscal 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 at an interest rate of Canadian prime plus 1.50% and is repayable on demand. As at March 31, 2026, the Credit Facility had a total authorized limit of \$2,530, with \$1,232 drawn and \$1,298 in remaining undrawn availability.

Additionally, in fiscal 2025, EnWave received a Term Loan with Desjardins for \$500. The Term Loan is renewable every 12-month period and payable over an amortization period of 48 months at a rate of Canadian prime plus 2.00%. As at March 31, 2026, the balance of the Term Loan is \$315.

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 at the date of MD&A, the Company is in compliance with the covenant.

The Company had a cash and cash equivalents balance at March 31, 2026, of \$3,308 compared to \$6,359 at September 30, 2025. 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 six months ended March 31, 2026, EnWave incurred capital expenditures of \$89 for the acquisition of plant and equipment, compared to a net divestiture of \$27 for the six months ended March 31, 2025. The expenditures were primarily related to the leasehold improvements. 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, 2026:

(\$ '000s)	Due within 1 year	Due between 1 - 3 years	Due after 3 years	Total
<b>Financial liabilities</b>				
Trade and other payables	2,229	-	-	2,229
Customer deposits and deferred revenue	375	-	-	375
Borrowings	345	-	-	345
Lease liabilities	487	1,073	1,058	2,618
<b>Total</b>	<b>3,061</b>	<b>1,073</b>	<b>1,058</b>	<b>5,192</b>

### Transactions with Related Parties

During the three months ended March 31, 2026, the Company paid directors' fees to independent directors through a combination of cash and stock-based compensation for their services as directors of the Company.

The table below summarizes the transactions with related parties for the three and six months ended March 31, 2026, and 2025:

(\$ '000s)	Three months ended		Six months ended	
	March 31,		March 31,	
	2026	2025	2026	2025
	\$	\$	\$	\$
Directors' fees	23	15	38	30
Stock-based compensation	6	1	10	6
	29	16	48	36

### 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 three and six months ended March 31, 2026, and 2025 comprises the following expenses:

(\$ '000s)	Three months ended		Six months ended	
	March 31,		March 31,	
	2026	2025	2026	2025
	\$	\$	\$	\$
Salaries, bonuses, and short-term employee benefits	238	232	472	455
Stock-based compensation	48	78	72	162
	286	310	544	617

### 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, 2025.

**IFRS Accounting Standards and amendments issued and not yet adopted**

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

***IFRS 7, IFRS 9: Classification and Measurement of Financial Instruments***

On May 30, 2024, the IASB issued amendments to IFRS 9 *Financial Instruments* to address matters identified during the post-implementation review of the standard's classification and measurement requirements.

The amendments clarify the recognition and derecognition dates for certain financial assets and liabilities and modify the guidance related to settling financial liabilities through electronic payment systems. The IASB also clarified the assessment of contractual cash flow characteristics when determining whether a financial asset meets the solely payments of principal and interest criterion, including assets with Environmental, Social and Corporate governance-linked or other similar contingent features. Additional disclosure requirements were introduced for financial instruments with contingent features that do not directly relate to basic lending risks and costs, and the disclosures for equity instruments designated at fair value through other comprehensive income were amended.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Management is currently evaluating the impact of the future adoption of the amendments to IFRS 7 and IFRS 9 on the Company's consolidated financial statements.

***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 profit or loss 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, ensuring 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 maintains a provision for credit losses relating to specific losses estimated on individual credit exposure. As at March 31, 2026, the Company has recorded a \$56 (2025 - \$nil) provision for expected credit losses.

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

The Company transacts with a number of Canadian chartered banks and other brokerages. 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, 2026:

(\$ '000s)	Current	Past due but not impaired		
	0 – 30 days	31 – 90 days	91 – 365 days	Over 365 days
Trade receivables	708	79	42	-
Due from customers on contract	2,293	-	-	-
Loans receivable	1,548	-	-	-
Indirect tax receivable	13	-	-	-
<b>Total</b>	<b>4,562</b>	<b>79</b>	<b>42</b>	<b>-</b>

#### 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. At March 31, 2026, the Company had cash and cash equivalents of \$3,308 to settle current liabilities of \$3,913.

Financial assets maturity table:

(\$ '000s)	0 – 30 days	31 – 90 days	91 – 365 days	Over 365 days
Cash and cash equivalents and restricted cash	3,308	-	42	-
Trade receivables	829	-	-	-
Due from customers on contract	82	163	1,068	980
Loans receivable	116	136	649	647
Indirect taxes receivable	13	-	-	-
<b>Total</b>	<b>4,348</b>	<b>299</b>	<b>1,759</b>	<b>1,627</b>

**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	1,204	248	402	-
Customer deposits and deferred revenue	25	-	63	-
Borrowings	1,242	20	285	-
Lease liabilities	33	67	323	1,932
<b>Total</b>	<b>2,504</b>	<b>335</b>	<b>1,073</b>	<b>1,932</b>

**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, Term Loan and Credit Facility. The Company earns interest on deposits based on current market interest rates which during the six months ended March 31, 2026, ranged from 2.00% to 3.75% (2025 – 2.50% to 3.75%). The interest rate on the Term Loan during the six months ended March 31, 2026, ranged from 4.45% to 4.70% (2025 – 6.95% to 8.45%). A 1% change in interest rates would affect the results of operations by approximately \$49 (2025 - \$25).

**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 March 31, 2026, 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 six months ended March 31, 2026, and 2025 as follows:

(\$ '000s)	<u>2026 \$</u>	<u>2025 \$</u>
US dollar	221	756

## 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

An 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 our quarterly net (loss) income to Adjusted EBITDA for the last eight quarters:

	<i>Jun</i> 30, 2024	<i>Sep</i> 30, 2024	<i>Dec</i> 31, 2025	<i>Mar</i> 31, 2025	<i>Jun</i> 30, 2025	<i>Sep</i> 30, 2025	<i>Dec</i> 31, 2026	<i>Mar</i> 31, 2026
<i>(\$ '000s)</i>								
Net (loss) income after income tax	(267)	575	(946)	764	(1,171)	935	(1,114)	(1,149)
Amortization and depreciation <sup>(1)</sup>	299	298	293	302	295	368	289	294
Stock-based compensation <sup>(2)</sup>	32	30	143	128	59	59	55	115
Foreign exchange loss (gain) <sup>(3)</sup>	(9)	35	(147)	6	194	(66)	104	(91)
Finance income <sup>(4)</sup>	(42)	(63)	(47)	(30)	(26)	19	(20)	(14)
Finance expense <sup>(4)</sup>	40	37	72	68	65	99	95	96
Non-recurring (income) expense <sup>(5)</sup>	-	(475)	(11)	-	-	-	-	(26)
Discontinued operations <sup>(6)</sup>	32	13	8	(1,126)	9	(7)	6	-
Adjusted EBITDA	85	450	(635)	112	(575)	1,407	(585)	(775)

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 has completed an orderly wind-down and is 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.
- 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 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.
- 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 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, and ultimately impact its ability to commercialize its technologies.
- 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.

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 2025 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:

	March 31, 2026	Weighted average exercise price \$	May 21, 2026	Weighted average exercise price \$
	Number		Number	
Common shares outstanding	118,716,721	N/A	118,716,721	N/A
Options				
Outstanding	7,598,719	0.38	7,598,719	0.38
Exercisable	5,058,732	0.42	5,058,732	0.42
RSRs				
Outstanding	285,000	N/A	285,000	N/A
Compensation Options				
Outstanding	336,875	0.40	336,875	0.40

As of the date of this MD&A, the Company has 118,716,721 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](http://www.enwave.net), or on the SEDAR+ website at [www.sedarplus.ca](http://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
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