



EnWave Reports 2024 Second Quarter Consolidated Interim Financial Results

Vancouver, B.C., May 24th, 2024

EnWave Corporation (TSX-V:ENW | FSE:E4U) (“EnWave”, or the “Company”) today reported the Company’s consolidated interim financial results for the second quarter ended March 31, 2024.

All values in thousands and denoted in CAD unless otherwise stated.

- Reported royalty revenues of \$414, representing an increase of \$137 relative to the comparable period in the prior year. Royalties for the six months ending March 31, 2024 were \$894 compared to \$690 for the same period ending March 31, 2023, an increase of \$204 or 30%. Royalties grew due to increased partner product sales and production offset by a decrease in exclusivity fees.
- Reported revenue for Q2 2023 of \$663, representing a decrease of \$3,972 relative to the comparable period in the prior year. The decrease was related to fewer machine sales and machines in fabrication due to the inherent volatility in large-scale Radiant Energy Vacuum (“REV™”) machine orders.
- Reported Selling, General & Administrative (“SG&A”) costs (including Research & Development (“R&D”)) of \$1,389 which was consistent with the comparable period in the prior year. SG&A costs for the six months ending March 31, 2024 were \$2,652 compared to \$2,954 for the same period ending March 31, 2023, a decrease of \$302 or 10%. The Company continues to make concerted efforts to manage discretionary spending.
- Gross margin for the three months ended Q2 2024 was -25% compared to 49% for the three months ended Q2 2023. The decrease in margin was a result of fewer machine sales and machines in fabrication to absorb fixed overhead costs.
- Reported an Adjusted EBITDA⁽¹⁾ loss of \$1,268 for Q2 2024, compared to an Adjusted EBITDA⁽¹⁾ profit of \$1,151 in the same period in the prior year.

Consolidated Financial Performance:

(\$ '000s)	Three months ended March 31,			Six months ended March 31,		
	2024	2023	Change %	2024	2023	Change %
Revenues	663	4,635	(86%)	1,925	7,420	(74%)
Direct costs	(830)	(2,371)	(65%)	(1,859)	(4,127)	(55%)
Gross margin	(167)	2,264	(107%)	66	3,293	(98%)
Operating expenses						
General and administration	565	697	(19%)	1,076	1,252	(14%)
Sales and marketing	440	276	59%	791	890	(11%)
Research and development	384	415	(7%)	785	812	(3%)
	1,389	1,388	0%	2,652	2,954	(10%)



Net income (loss) continuing operations	(1,559)	687	(327%)	(2,703)	(56)	(4727%)
Net income (loss) discontinued operations	148	(3,386)	104%	(3)	(4,672)	100%
Adjusted EBITDA ⁽¹⁾	(1,268)	1,151	(210%)	(2,024)	895	(326%)
Loss per share:						
Basic and diluted – continuous operations	\$ (0.01)	\$ 0.01		\$ (0.02)	\$ 0.00	
Basic and diluted – discontinued operations	\$ 0.00	\$ (0.03)		\$ 0.00	\$ (0.04)	
	\$ (0.01)	\$ (0.02)		\$ (0.02)	\$ (0.04)	

(1) Adjusted EBITDA is a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures disclosure below for a reconciliation to the nearest IFRS equivalent.

EnWave's consolidated interim financial statements and MD&A are available on SEDAR+ at www.sedarplus.ca and on the Company's website www.enwave.net.

Significant Corporate Accomplishments in Q2 2024 and Subsequently:

- Signed an Equipment Purchase Agreement with an existing Royalty Partner for a 120kW REV™ dehydration machine to commercialize its own branded snack products and co-manufacture new snack and ingredient products with several major consumer packaged goods companies.
- Signed a Technology Evaluation and License Option Agreement with a North American multi-state cannabis company to evaluate REV™ Technology over other incumbent drying methods.
- Signed a toll manufacturing agreement with BranchOut Food Inc. to produce vegetable snack products on an interim basis at the Company's REVworx facility in Delta, Canada.
- Signed a new royalty-bearing commercial license and equipment lease agreement for two 10kw REV™ machines with an established South American food manufacturer that currently sells health supplements, snacks, cereals, baked goods, among other products.
- Signed a Technology Evaluation and License Option Agreement with a North American food company led by a renowned chef with multiple Michelin Stars.

Non-IFRS Financial Measures:

This news release refers to Adjusted EBITDA which is a non-IFRS financial measure. We define Adjusted EBITDA as earnings before deducting amortization and depreciation, stock-based compensation, foreign exchange gain or loss, finance expense or income, income tax expense or recovery and non-recurring impairment, restructuring and severance charges, and discontinued operations. This measure is not necessarily comparable to similarly titled measures used by other companies and should not be construed as an alternative to net income or cash flow from operating activities as determined in accordance with IFRS. Please refer to the reconciliation between Adjusted EBITDA and the most comparable IFRS financial measure reported in the Company's consolidated interim financial statements.

(\$ '000s)	Three months ended March 31,		Six months ended March 31,	
	2024	2023	2024	2023
Net (loss) income after income tax	(1,411)	(2,699)	(2,706)	(4,728)
Amortization and depreciation	288	276	563	565
Stock-based compensation	71	197	186	365
Foreign exchange loss	(51)	(9)	(27)	32
Finance income	(54)	(33)	(106)	(79)
Finance expense	37	33	63	68
Discontinued operations	(148)	3,386	3	4,672
Adjusted EBITDA	(1,268)	1,151	(2,024)	895

Non-IFRS financial measures should be considered together with other data prepared in accordance with IFRS to enable investors to evaluate the Company's operating results, underlying performance and prospects in a manner similar to EnWave's management. Accordingly, these non-IFRS financial measures are 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. For more information, please refer to the *Non-IFRS Financial Measures* section in the Company's MD&A available on SEDAR+ www.sedarplus.ca.

About EnWave

EnWave is a global leader in the innovation and application of vacuum microwave dehydration. From its headquarters in Delta, BC, EnWave has developed a robust intellectual property portfolio, perfected its Radiant Energy Vacuum (REV™) technology, and transformed an innovative idea into a proven, consistent, and scalable drying solution for the food, pharmaceutical and cannabis industries that vastly outperforms traditional drying methods in efficiency, capacity, product quality, and cost.

With more than fifty royalty-generating partners spanning twenty-three countries and five continents, EnWave's licensed partners are creating profitable, never-before-seen snacks and ingredients, improving the quality and consistency of their existing offerings, running leaner and getting to market faster with the company's patented technology, licensed machinery, and expert guidance.

EnWave's strategy is to sign royalty-bearing commercial licenses with food producers who want to dry better, faster and more economical than freeze drying, rack drying and air drying, and enjoy the following benefits of producing exciting new products, reaching optimal moisture levels up to seven times faster, and improve product taste, texture, color and nutritional value.

Learn more at EnWave.net.

EnWave Corporation

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.