



EnWave Reports 2024 Fourth Quarter and Annual 2024 Consolidated Financial Results

Vancouver, B.C., December 13, 2024

EnWave Corporation (TSX-V:ENW | FSE:E4U) ("EnWave", or the "Company") reported the Company's consolidated interim financial results for the fourth quarter and fiscal year ended September 30, 2024.

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

- Reported revenue for Q4 2024 of \$3,634, representing an increase of \$2,177 relative to the comparable period in the prior year. The increase in revenue was primarily a result of the resale of a large-scale machine and an increase in royalties during the period.
- Reported Royalties of \$642 for Q4 2024, representing an increase of \$261 relative to the comparable period in the prior year. The increase in royalties was primarily a result of an increase in exclusivity payments driven by a new Commercial License Agreement with an existing royalty partner.
- Reported Adjusted EBITDA⁽¹⁾ of \$450 for Q4 2024, an increase of \$774 from the comparable period in the prior year.
- Reported Net Income from continuing operations of \$588 in Q4 2024, an increase of \$1,193 from the comparable period in the prior year.
- Reported an overall increase in Selling, General & Administrative ("SG&A") costs (including Research & Development ("R&D")) of \$269 for Q4 2024 relative to the comparable period in the prior year, with the increase primarily related to legal fees, travel costs, marketing, and trade show attendance.

Consolidated Financial Performance:

(\$ '000s)	Three months ended September 30,			Year ended September 30,		
	2024	2023	Change %	2024	2023	Change %
Revenues	3,634	1,457	149%	8,181	11,363	(28%)
Direct costs	(2,192)	(1,036)	112%	(5,522)	(6,930)	(20%)
Gross margin	1,442	421	243%	2,659	4,433	(40%)
Operating expenses						
General and administration	604	435	39%	2,346	2,198	7%
Sales and marketing	319	229	39%	1,468	1,396	5%
Research and development	367	357	3%	1,494	1,577	(5%)
	1,290	1,021	26%	5,308	5,171	3%
Net (loss) income continuing operations	588	(605)	197%	(2,350)	(1,579)	(49%)



Net (loss) income discontinued operations	(13)	770	(102%)	(48)	(4,933)	99%
Adjusted EBITDA ⁽¹⁾	450	(324)	239%	(1,489)	379	(493%)
Loss per share:						
Basic and diluted – continuous operations	\$0.01	\$ (0.01)		\$ (0.02)	\$ (0.01)	
Basic and diluted – discontinued operations	\$(0.00)	\$ 0.01		\$ (0.00)	\$ (0.05)	
	\$0.01	\$ 0.00		\$ (0.02)	\$ (0.06)	

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

Key Financial Highlights for the Year Ended 2024 (expressed in '000s):

- Revenue for the year ended 2024 of \$8,181, compared to \$11,363 for the year ended 2023, a decrease of \$3,182. The decrease in revenue was due to fewer machine sales and machines in fabrication offset by higher royalties compared to 2023.
- Royalty Revenues for the year ended 2024 of \$1,961 compared to \$1,465 for the year ended 2023, an increase of \$496. The increase in royalties was primarily a result of an increase in exclusivity payments and increased production and sales by current partners.
- Gross margin for the year ended 2024 was 33% compared to 39% for the year ended 2023. The decrease in margin was a result of fewer machine sales to absorb fixed costs relative to fiscal 2023.
- SG&A expenses (including R&D) for the year ended 2024 were \$5,308, compared to \$5,171 for the year ended 2023, an increase of \$137. The increase primarily related to legal fees, travel costs, marketing, and trade show attendance.
- Adjusted EBITDA (refer to *Non-IFRS Financial Measures* section below) for the year ended 2024 was a loss of \$1,489, compared to \$379 for the year ended 2023, a decrease of \$1,868. The decrease in adjusted EBITDA was primarily due to fewer machine sales and machines in fabrication relative to fiscal 2023.

Significant Corporate Accomplishments in Q4 2024 and Subsequently:

- Signed a Research and Development License and Lease Agreement with ELEA Technology GmbH ("ELEA"). ELEA will lease a 10kW REV™ machine for use at its German facility beginning in February 2025 for a minimum three-month term.
- Signed a Licence Agreement, referral agreement and an Equipment Purchase Agreement for a 10kW REV™ machine with the Spanish National Centre for Food Technology and Safety ("CNTA").
- Signed a revolving credit facility agreement with Desjardins Tech & Innovation Banking of the Desjardins Group ("Desjardins"). The amount available to the Company under the facility is calculated as the lesser of \$5 million and a function of royalties, receivables and inventory at an

interest rate of Canadian prime plus 1.50%. Additionally, the Company signed a \$500K loan agreement with Desjardins with an amortization period of 48 months. The loan is to be repaid monthly on equal and consecutive payments of principal plus interest at a rate of Canadian prime plus 2.00%.

- Reached global settlements of its civil claim in the Supreme Court of British Columbia against EnWave's former CEO and three other former EnWave employees (the "Durance Defendants"). Pursuant to the settlement, the Durance Defendants, together with three companies associated with the former CEO, are permanently restrained and enjoined from, directly or indirectly, selling, attempting to sell, supplying, delivering or installing vacuum microwave dryers. The Durance Defendants, together with three companies associated with the former CEO, are also obligated to assign all issued and pending patents in the name of the Durance Defendants to EnWave.
- Signed a Commercial Licence Agreement with an existing royalty partner for the right to use EnWave's proprietary vacuum-microwave dehydration technology in an unspecified Central American country.
- Hired a new Vice President, Global Sales and Business Development as part of EnWave's enhanced sales strategy, attracting top-level sales talent and growing the Company's presence internationally.

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, non-recurring income and expenses, 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 financial statements.

	Three months ended September 30,		Year ended September 30	
(\$ '000s)	2024	2023	2024	2023
Net (loss) income after income tax	575	165	(2,398)	(6,512)
Amortization and depreciation	298	276	1,160	1,117
Stock-based compensation	30	88	248	556
Foreign exchange (gain) loss	35	(59)	(1)	27
Finance income	(63)	(53)	(211)	(185)
Finance expense	37	29	140	128
Non-recurring (income) expense	(475)	-	(475)	315
Discontinued operations	13	(770)	48	4,933
Adjusted EBITDA	450	(324)	(1,489)	379

Non-IFRS financial measures should be considered together with other data prepared 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 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-six 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

Mr. Brent Charleton, CFA
President and CEO

For further information:

Brent Charleton, CFA, President and CEO at +1 (778) 378-9616
E-mail: bcharleton@enwave.net

Dylan Murray, CPA, CA, CFO at +1 (778) 870-0729
E-mail: dmurray@enwave.net

Safe Harbour for Forward-Looking Information Statements: This press release may contain forward-looking information 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 expected synergies following the closing are forward-looking statements. All third-party claims referred to in this release are not guaranteed to be accurate. All third-party references to market information in this release are not guaranteed to be accurate as the Company did not conduct the original primary research. These statements are not a guarantee of future performance and involve a number of risks, uncertainties and assumptions. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.



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.

