



## EnWave Announces its Fourth Quarter and 2017 Annual Consolidated Financial Results

Vancouver, B.C., December 18<sup>th</sup>, 2017

**EnWave Corporation (TSX-V:ENW | FSE:E4U) ("EnWave", or the "Company")** today reported the Company's consolidated financial results for the fourth quarter and year ended September 30, 2017.

EnWave's Radiant Energy Vacuum ("REV<sup>TM</sup>") technology continues to capture and increase market share in the food, cannabis and pharmaceutical drying industries. The superior product quality and economic advantages of using REV<sup>TM</sup> technology as an alternative to conventional options is being proven in several market verticals on a global basis. EnWave anticipates continued commercial success and growth in the worldwide deployment of REV<sup>TM</sup> technology.

During fiscal year 2017, EnWave made significant progress in broadening the use of its REV<sup>TM</sup> technology. The Company expanded its royalty portfolio to include licenses and machinery sold for both yogurt products and medicinal cannabis products, two new rapidly growing and large market verticals. The Company also added multiple new commercial licenses in several countries for previously proven products such as cheese snacks, fruit snacks and fruit ingredients. Increased sales and marketing expenditures further expanded the sales pipeline for machine sales, royalty partnerships, R&D agreements, and technology evaluation and license option agreements ("TELOAs") with prospective partner companies.

Since the beginning of the fiscal year, EnWave has signed six new royalty bearing license agreements, sold four large-scale commercial REV<sup>TM</sup> machines totaling 320kW, sold seven 10kW REV<sup>TM</sup> machines, signed 10 product development TELOA agreements and entered into a joint research project with the US Army.

Further details include:

- Signed a royalty-bearing license agreement with a major Canadian medical cannabis Licensed Producer (the "LP"). The LP has the exclusive right to use and sub-license the Company's dehydration technology for cannabis processing in Canada. The LP has agreed to purchase a large-scale 60kW commercial REV<sup>TM</sup> machine to initiate commercial production and a small-scale 10kW commercial REV<sup>TM</sup> unit to enable advanced product development.
- Received a purchase order for a 100kW large-scale *nutraREV*<sup>®</sup> machine from Ereğli Agrosan ("Ereğli"), a Turkish company that produces high value natural products for the food, cosmetic and health sectors. This order expanded Ereğli's royalty bearing production capacity by adding to its already purchased two 10kW small-scale royalty-bearing machines and one lab-scale R&D machine.
- Received purchase orders for a large commercial 100kW *quantaREV*<sup>®</sup> and 10kW small-scale machine from Pitalia, and expanded its license to include additional fruit products. Pitalia has purchased three REV<sup>TM</sup> machines and has expanded their total royalty-bearing processing capacity to 120kW.

- Signed a royalty-bearing license for wild blueberries with Van Dyk Specialty Products (“Van Dyk”), a major Canadian producer of wild blueberry products. Van Dyk submitted a purchase order for a large-scale 60kW royalty-bearing *nutraREV*<sup>®</sup> machine.
- Received purchase order for Nanuva Ingredients’ third 10kW small-scale machine, expanding its royalty bearing production capacity of high quality fruit products in Chile.
- Signed a royalty-bearing license with Ashgrove Cheese Pty Ltd. and received a purchase order for a small-scale *REV*<sup>™</sup> machine for placement in Australia.
- Signed a royalty-bearing license for yogurt products with Ultima Foods, a subsidiary of one of the largest dairy cooperatives in Canada. Ultima Foods purchased a small-scale 10kW *REV*<sup>™</sup> machine to enable a focused market trial in early calendar year 2018.
- Signed a royalty-bearing license with Howe Foods, the second largest producer of bananas in Australia. Howe Foods purchased a small-scale 10kW *REV*<sup>™</sup> machine to initiate commercial production.
- Signed a royalty-bearing license with AvoChips, LLC (“AvoChips”), a U.S. based snack company to produce a new, and innovative avocado snack product. AvoChips purchased a 10kW *REV*<sup>™</sup> machine to initiate commercial production.
- Entered into a contract with the US Army Natick Soldier R&D Center to jointly develop phytonutrient-rich field rations.
- Signed 10 new TELOAs with food and other processing companies that will evaluate the use of *REV*<sup>™</sup> technology to develop new product applications.

#### Key Financial Highlights for 2017:

- Building sales pipeline by way of increased S&M expense to \$2.2 million compared to \$0.8 million for 2016, an increase of \$1.4 million. EnWave Canada increased S&M expenses \$0.5 million as the Company invested into building its sales pipeline for prospective royalty partners.
- Containing G&A expense with G&A for Q4 2017 being lower than Q4 2016 by \$0.2 million, and G&A expense for the year was fairly consistent year over year with a slight increase of 4%. G&A expense as a percentage of revenue for 2017 was 13%, which was the same for 2016.
- Building revenues with Q4 2017 revenue of \$3.6 million compared to \$2.5 million for Q4 of 2016, an increase of 44%. Annual revenue of \$15.9 million for 2017 was higher than the previous year of \$14.9 million, an increase of 7% or \$1.0 million. Continuing to be cash flow positive with cash flow from operations prior to changes in non-cash working capital<sup>(\*)</sup> of \$0.01 million for 2017 compared to \$1.2 million for 2016, showing positive cash flows from operations before taking to account changes in working capital.
- Improved the operational structure of NutraDried by replacing its CEO, revamping finance and accounting functions, and replacing its prior marketing agent with Slant Design and Marketing, a boutique Vancouver-based marketing and branding agency.
- Reporting improved annual net income at NutraDried of \$0.7 million for 2017 compared to \$0.3 million in 2016, and continued to contribute to the growth of the Company. NutraDried’s success solidifies the business case for using *REV*<sup>™</sup> for creating profitable consumer products and new brands for our royalty partners.
- Improving revenues and profit margins at NutraDried by tactically increasing S&M expenses by \$0.9 million to allow NutraDried to sell Moon Cheese<sup>®</sup> direct to retailers and distributors through its network of brokers in the United States.

- Strengthening the balance sheet by completing a prospectus offering and concurrent private placement of 9,530,000 Units of the Company at \$1.05 each for combined gross proceeds of \$10 million on November 15, 2017. Each Unit consisted of one common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). The Warrants were accepted for listing by the TSX Venture Exchange and commenced trading under the symbol ENW.WT at the open of the market on November 22, 2017.

Consolidated Performance Summary:

(\$ '000s)	Three months ended September 30,			Years ended September 30,		
	2017	2016	Change %	2017	2016	Change %
Revenues	3,630	2,519	44%	15,954	14,933	7%
Direct costs	2,764	2,120	30%	11,654	10,383	12%
Gross margin	866	399	117%	4,300	4,550	(5%)
Operating Expenses						
General and administration	466	627	(26%)	2,072	1,989	4%
Sales and marketing	754	319	136%	2,160	793	172%
Research and development	199	310	(36%)	1,138	1,656	(31%)
	1,419	1,256	13%	5,370	4,438	21%
Net loss – continuing operations	(1,060)	(1,562)	(32%)	(2,986)	(1,837)	62%
Net loss – discontinued operations	-	-	-	-	(86)	(100%)
Net loss for the period	(1,060)	(1,562)	(32%)	(2,986)	(1,923)	55%
Loss per share – continuing operations:						
Basic and diluted	(0.01)	(0.02)		(0.04)	(0.02)	

EnWave's annual and interim consolidated financial statements and MD&As are available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website [www.enwave.net/financials](http://www.enwave.net/financials).

**(\*) Non-IFRS Financial Measures**

Cash flow from operations prior to changes in non-cash working capital is not a measure of financial performance under IFRS. 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 discussion included in the Company's annual MD&A for the year ended September 30, 2017.

**About EnWave**

EnWave Corporation, a Vancouver-based advanced technology company, has developed Radiant Energy Vacuum ("REV™") – an innovative, proprietary method for the precise dehydration of organic materials. REV™ technology's commercial viability has been demonstrated and is growing rapidly across several market verticals in the food and pharmaceutical sectors. EnWave's strategy is to sign royalty-bearing commercial licenses with industry leaders in multiple verticals for the use of REV™ technology. The company has signed twenty-three royalty-bearing licenses to date, opening up eight distinct market sectors for commercialization of new and innovative products. In addition to these licenses, EnWave has formed a Limited Liability Partnership, NutraDried LLP, to develop, manufacture, market and sell all-natural cheese snack products in the United States under the Moon Cheese® brand.

EnWave has introduced REV™ as the new dehydration standard in the food and biological material sectors: faster and cheaper than freeze drying, with better end product quality than air drying or spray drying. EnWave currently has three commercial REV™ platforms:

1. *nutraREV*® which is used in the food industry to dry food products quickly and at low-cost, while maintaining high levels of nutrition, taste, texture and colour;
2. *powderREV*® which is used for the bulk dehydration of food cultures, probiotics and fine biochemicals such as enzymes below the freezing point, and
3. *quantaREV*® which is used for continuous, high-volume low-temperature drying.

An additional platform, *freezeREV*®, is being developed as a new method to stabilize and dehydrate biopharmaceuticals such as vaccines and antibodies. More information about EnWave is available at [www.enwave.net](http://www.enwave.net).

### **EnWave Corporation**

Dr. Tim Durance  
President & CEO

For further information:

John Budreski, Executive Chairman at +1 (416) 930-0914  
E-mail: [jbudreski@enwave.net](mailto:jbudreski@enwave.net)

Brent Charleton, Senior Vice President, Business Development at +1 (778) 378-9616  
E-mail: [bcharleton@enwave.net](mailto:bcharleton@enwave.net)

Deborah Honig, Corporate Development, Adelaide Capital Markets at + 1 (647) 203-8793  
E-mail: [dhonig@enwave.net](mailto:dhonig@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.**