



EnWave Corporation

Annual Information Form

For the financial year ended September 30, 2022

Dated December 15, 2022

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PRELIMINARY NOTES

This annual information form (“AIF”) contains information which describes EnWave Corporation (collectively with its subsidiaries, unless the context requires otherwise, “we”, “our”, “us”, “EnWave”, the “Corporation”, or the “Company”) and its operations, risks and other factors which affect its businesses.

Date of Information

This AIF is dated as of December 15, 2022. Except where otherwise indicated, all information in this AIF is given as of September 30, 2022.

Currency and Exchange Rate

Except where otherwise indicated, all references to currency in this AIF are to Canadian dollars.

The following table sets forth, for each period indicated, the exchange rates of the US dollar to the Canadian dollar at the end of such period and the high, low, and average (calculated as an average of the daily noon rates, and as an average of the daily indicative rate) exchange rates for such period. Such rates, which are expressed in Canadian dollars, are based on the exchange rate for one US dollar, as reported by the Bank of Canada.

Fiscal Year	High	Low	Average	End of Period
2022	\$1.3726	\$1.2329	\$1.2772	\$1.3707
2021	\$1.3349	\$1.2040	\$1.2642	\$1.2741
2020	\$1.4496	\$1.2970	\$1.3457	\$1.3339

Forward-Looking Information

Certain statements contained in this AIF constitute forward-looking information. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking information. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. We believe the expectations reflected in forward-looking information are based on reasonable assumptions, but no assurance can be given that these expectations will prove to be correct and the forward-looking information included in this AIF should not be unduly relied upon. These statements speak only as of the date of this AIF.

In particular, this AIF may contain forward-looking information pertaining to the following: growth and future prospects of our business; effects of the COVID-19 outbreak as a global pandemic; our market positions and market conditions for our products; expectations relating to our license agreements and machine orders; benefits that may accrue to the Company as a result of growth strategies; ongoing research and development programs and technology evaluation by third parties; expected operational performance; expected expenditures and availability of funds; market acceptance and operational performance of our snack products; and our perceptions of the industries and markets in which we or our royalty partners operate.

Forward-looking information reflects our current views with respect to expectations, beliefs, assumptions, estimates and forecasts about our business and the industries and markets in which

we or our royalty partners operate. Statements constituting forward-looking information are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Assumptions underlying our expectations regarding forward-looking information contained in this AIF include, among others: that we will be able to effectively market our products and advance our royalty-bearing license business; that demand for our products and technology will continue to grow; the general stability of the economic, political and regulatory environments within the countries where we conduct business; that we will be able to successfully protect and preserve our intellectual property; that we will be able to successfully compete against competitors that manufacture products utilizing similar technology; that we will be able to successfully market and sell our food products; our ability to obtain financing (if necessary) on acceptable terms; that interest and foreign exchange rates will not vary materially from current levels; and that our equipment will operate at expected levels. The foregoing list of assumptions is not exhaustive.

Forward-looking information is inherently uncertain, and actual achievements of the Company and other results and occurrences may differ materially from those reflected in the forward-looking information due to a variety of risks, uncertainties and other factors described in this AIF, including, without limitation:

- Dependence on core technology and Royalty Partners;
- Dependence on major customers;
- Negative operating cash flow;
- Additional funding requirements;
- Direct Costs;
- Disruptions as a result of the COVID-19 Pandemic;
- Dependence on third party suppliers;
- Equipment risk;
- Credit and liquidity risk;
- Foreign exchange risk;
- Lengthy sales cycle and variable results;
- Changes in consumer preferences and demand;
- Future sales or issuances of securities;
- Effect of market price volatility on common shares;
- Reliance on key personnel;
- Competition risks;
- Intellectual property risks;
- Food safety, warranty claims, product liability and product recalls;
- Regulatory risks;
- Success of research and development activities;
- Risks relating to taxes and accounting;
- Environmental and safety risks;
- Insurance and uninsured risks;
- Information technology, cyber security and electronic commerce risks;
- Risks of litigation;
- Risks relating to leased premises;
- General economic, political and trade risks;

- Risks related to the cannabis industry;
- Legal risk related to legal changes to US cannabis laws;
- Anti-corruption and bribery;
- Reputational risk;
- Dividends; and
- Conflicts of interest risk;

See “*Risk Factors*” section of this document.

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 information, 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. EnWave undertakes no obligation to reissue or update any forward-looking information as a result of new information or events after the date hereof except as may be required by law. All forward-looking information contained in this AIF are qualified by this cautionary statement.

Industry and Market Data

Information contained in this AIF concerning the industry and the markets in which EnWave operates, including EnWave’s perceived trends, market position, market opportunity, market share, and competitive advantages within the food, cannabis and pharmaceutical dehydration technology markets, is based on information from independent industry analysts and third-party sources (including industry publications, surveys, and forecasts), EnWave’s internal research, and Management estimates. Management estimates are derived from publicly available information released by independent industry analysts and other third-party sources, as well as data from EnWave’s internal research, and are based on assumptions made by EnWave based on such data and its knowledge of its industry and markets, which Management believes to be reasonable. EnWave’s internal research has not been verified by any independent source, and EnWave has not independently verified any third-party information. While EnWave believes the market opportunity and market share information included in this AIF is generally reliable, such information is inherently imprecise. In addition, projections, assumptions, and estimates of EnWave’s future performance and the future performance of the industry and the markets in which EnWave operates constitute forward-looking statements herein and are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the “Risk Factors” and other sections of this AIF.

Trademarks

EnWave, the EnWave logo, *NUTRADRIED*, *Moon Cheese*[®], *bioREV*[®], *FREEZEREV*[®], *NutraREV*[®], *NUTRAREV*[®], *POWDERREV*[®], *QUANTAREV*[®], *REV*[™], *FRUIT STAND*[®] and *CRUNCHIFY*[®] are trademarks owned directly or indirectly by EnWave. *REVworx*[™] is a trademark that has been filed by the Company and is pending registration. Other product names mentioned herein may be the trademarks of their respective owners. The absence of the symbols [™] and [®] in proximity to each trademark in this AIF is not a disclaimer of ownership of the related trademark.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this AIF:

“Articles” means the articles of incorporation of the Corporation;

“Aurora” means the Aurora Cannabis Inc.;

“Board” means EnWave’s Board of Directors;

“CBCA” means the *Canada Business Corporations Act*;

“CLA” means a royalty-bearing commercial license agreement;

“Common Share” means a common share in the capital of EnWave;

“COVID-19” means the novel coronavirus SARS-CoV-2 (including new variants thereof), and the related global pandemic declared by the World Health Organization;

“CPG” means consumer packaged goods;

“CSA” means the Canadian Securities Administrators;

“Director” means a director of the Company and member of the Board;

“Dole” means Dole Worldwide Food and Beverage Group;

“ELA” means Equipment Leasing Agreement;

“EPA” means Equipment Purchase Agreement;

“EU” means European Union;

“FDA” means the United States Food and Drug Administration;

“GEA” means GEA Lyophil GmbH;

“GMP” means Good Manufacturing Practices;

“IT” means information technology;

“Management” means the management of the Company;

“NCIB” means Normal Course Issuer Bid;

“NutraDried” means NutraDried Food Company, LLC, which is a US subsidiary of EnWave;

“PCT” means Patent Cooperation Treaty;

“PLC” means programmable logic control;

“PwC” means PricewaterhouseCoopers LLP;

“R&D” means research and development;

“REV™” means Radiant Energy Vacuum;

“**RDLA**” means Research and Development License Agreement;

“**Royalty Partner**” means a business entity holding a license under a CLA;

“**RSR**” means a Restricted Share Right issued pursuant to the Company’s Restricted Share Rights Plan;

“**SEDAR**” means System for Electronic Document Analysis and Retrieval in Canada, found online at www.sedar.com;

“**Shareholder Rights Plan**” means the shareholder rights plan adopted by the Board on September 30, 2019;

“**TELOA**” means a Technology Evaluation and License Option Agreement;

“**TGOD**” means The Green Organic Dutchman Holdings Ltd.;

“**Tilray**” means Tilray, Inc.;

“**TSX**” means the Toronto Stock Exchange;

“**TSXV**” means the TSX Venture Exchange;

“**UBC**” means the University of British Columbia;

“**US**” means the United States of America; and

“**USD**” means US dollars.

CORPORATE STRUCTURE

The Company is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and its Common Shares trade on both the TSXV (trading symbol: ENW) and the Frankfurt Stock Exchange (trading symbol: E4U).

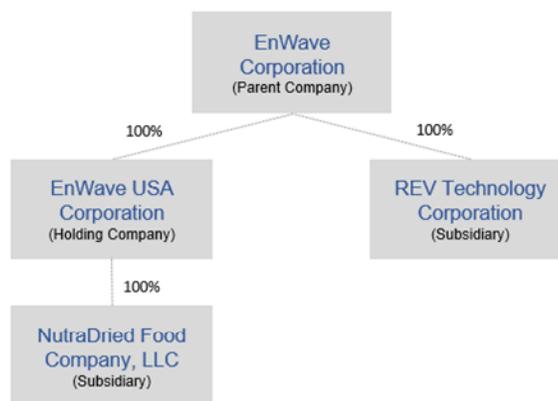
The Company was formed pursuant to the provisions of the CBCA on July 14, 1999 as a result of the amalgamation of Commonwealth Assisted Living Inc., a “junior capital pool”, and DRI Dehydration Research Inc. Prior to this amalgamation, Commonwealth Assisted Living Inc. had not conducted operations of any kind.

The registered office of the Company is located at #1000 Cathedral Place – 925 West Georgia Street, Vancouver, B.C., V6C 3L2, Canada. The head office of the Company is located at #1 – 1668 Derwent Way, Delta, B.C., V3M 6R9, Canada.

The Company has a principal subsidiary company, EnWave USA Corporation, which was incorporated under the laws of the State of Delaware, US in 2012. EnWave USA Corporation, in turn, owns the 100% interest in NutraDried, which is a limited liability corporation formed in Washington State, US.

The Company has a principal subsidiary company, REV Technology Corporation, which was incorporated under the laws of the State of Delaware, US on October 15, 2020.

The following diagram describes the current organizational structure of the Company and its principal subsidiaries:



RECENT DEVELOPMENTS

The following recent developments of the Company took place before the date of this report and subsequent to the year ended September 30, 2022:

- On December 6, 2022, the Company signed a TELOA with a major North American egg processing company.
- On October 4, 2022, the Company leased two additional 10kW REV™ machines to Dole.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Over the past three years ended September 30, 2022, EnWave has made significant progress in the commercialization of its REV™ technology in the food, cannabis and pharmaceutical industries. EnWave's strategy is to propagate the use of REV™ dehydration technology globally. As of September 30, 2022, EnWave had signed 50 CL across 26 countries. Our revenues from sales of machinery represented expansion of the royalty-bearing REV™-drying capacity installed at our Royalty Partners' facilities. NutraDried distributed its products throughout the US and Canada. The Company has completed a number of significant other corporate events over the past three years as described below.

Fiscal Year 2022

- September 15, 2022, the Company signed a TELOA with a major North American meat snack company to develop and test several innovative meat snack iterations in the US.
- On September 13, 2022, the Company signed an EPA for a 60kW REV™ machine with a leading global snack manufacturing company in Asia.

- On August 18, 2022, the Company signed a TELOA with Wyckoff Farms Inc. to evaluate the use of REV™ for the dehydration of hop products.
- On August 16, 2022, the Company signed a TELOA with a leading Canadian cannabis company.
- On July 13, 2022, the Company's announced that REVworx™ had successfully completed the Safe Quality Food (SQF) certification process.
- On July 12, 2022, the Company signed an EPA with Dole for a 120kW REV™ machine.
- On July 11, 2022, the Company signed a TELOA with New Plymouth Food Inc., a part of Bounty Fresh Group, a leading producer of protein products in Southeast Asia.
- On June 29, 2022, the Company signed a CLA with an unnamed pharmaceutical cannabis company in Europe, and signed an EPA for an EU-GMP 10kW REV™ dehydration machine.
- On June 28, 2022, the Company signed an EPA with Fungaria Snacks Ltd. for a 10kW REV™ machine.
- On June 27, 2022, the Company signed an EPA with Dairy Concepts IRL for a third 10kW REV™ machine to increase commercial production capacity for dairy snacks in Ireland.
- On May 3, 2022, the Company signed a TELOA with Goldencrops Corporation, a Southeast Asian ingredient manufacturer to evaluate a variety of fruit, dairy and grain products in Taiwan.
- On March 3, 2022, the Company signed an EPA with Nomad Nutrition Ltd. for a second 10kW REV™ machine to expand production capacity for it's ready-to-eat adventure meals.
- On February 22, 2022, the Company signed an ELA with Dole for a 10kW REV™ machine.
- On February 16, 2022, the Company signed an EPA with its Italian Royalty Partner, Orto Al Sole, for a large-scale 120kW REV™ machine to scale-up manufacturing capacity for its better-for-you snacks in Italy.
- On February 8, 2022, the Company announced that the US Patent and Trademark Office had granted the Company a new method and apparatus patent for the drying and decontamination of cannabis using its REV™ advanced dehydration technology.
- On January 27, 2022, the Company announced it signed an EPA with Fresh Business for a 10kW REV™ machine for research and development on dried products in Western Europe.
- On January 21, 2022, the Company announced that Alpina Productos Alimenticios A.S. BIC, its Colombian Royalty Partner, had launched a dried cheese snack using REV™ technology for the South American market.
- On December 30, 2021, the Company signed a second EPA with an Illinois-based cannabis Royalty Partner for a second 120kW REV™ machine.

- On December 14, 2021, the Company announced it had signed a TELOA with Protein Isolate Plant International Inc. to explore the dehydration of a pea protein isolate and derivative products.
- On December 2, 2021, the Company signed an EPA with an Irish dairy company, Dairy Concepts Ireland, for a second 10kW REV™ machine for the production of cheese snack products in the U.K.
- On October 21, 2021, the Company successfully completed the installation and commissioning of a 10kW REV™ machine for Dole for internal product development of fruits and vegetables.
- On November 8, 2021, the Company announced that NutraDried had secured a 12-week product rotation with a major warehouse club chain in Canada.
- On October 13, 2023, the Company announced a TELOA with M/S Lalsai Dehy Foods in India.

Fiscal Year 2021

- On September 23, 2021, the Company signed a CLA and EPA with a US cannabis multi-state operator for a 120kW REV™ machine for the rapid and gentle processing of premium cannabis products in an undisclosed US State. The Company also terminated the CLAs with Aurora that were signed in April 2019.
- On September 9, 2021, the Company signed a CLA and EPA with an Australian based cannabis company for a 10kW GMP REV™ machine for the production of cannabis products in Australia.
- On August 26, 2021, the Company formed a global strategic partnership with Dole to develop innovative nutrition solutions using fruits and vegetables. Dole purchased a 10kW REV™ machine to accelerate internal product development and to allow for focused market trials in select regions.
- On July 27, 2021, the Company entered a strategic sales and marketing collaboration with Elea Vertriebs- Und Vermarktungsgesellschaft to develop food applications that jointly leverage the benefits offered by Elea's Pulsed Electric Field ("PEF") technology and EnWave's REV™ technology. A 10kW REV™ machine has been installed at Elea's facility in Quakenbruck, Germany.
- On July 19, 2021, the Company signed a CLA and EPA with a leading Colombian Dairy Company to purchase a 10kW REV™ machine for the production of all natural, shelf-stable cheese snacks in Colombia.
- On July 14, 2021, the Company signed a CLA and EPA with Medical Kiwi Limited for a 10kW GMP REV™ machine for the production of cannabis products in New Zealand.
- On July 14, 2021, the Company completed the installation and start-up of a 10kW REV™ machine for the US Army at its third-party manufacturing facility, Bridgford Foods Corporation (NASDAQ: BRID). The machine will be used by Bridgford Foods to produce Close Combat Assault Rations for field testing.

- On July 9, 2021, the Company signed a material transfer agreement with AstraZeneca AB (NASDAQ:AZN) to facilitate the trialing of REV™ technology for the dehydration and shelf-stabilization of liquid monoclonal antibody formulations.
- On July 5, 2021, the Company signed a CLA and EPA with Cannaponics PTY Limited to purchase a 10kW GMP REV™ machine for the production of dried cannabis flower for use in medicinal products in Australia.
- On June 30, 2021, the Company signed a CLA and EPA for a 10kW REV™ machine with Europe Snacks. The license grants Europe Snacks the rights to produce crunchy, shelf-stable cheese as well as several vegetable snacks in France.
- On May 11, 2021, the Company signed a CLA and EPA with AvoLov, LLC d.b.a. BranchOut Food, to acquire a 60kW REV™ machine to process avocado and fruit snack products.
- On April 20, 2021, the Company signed an EPA with NuWave Foods, Inc. (“NuWave”) to purchase a 10kW REV™ machine to produce a variety of bakery products with elongated shelf lives.
- On March 19, 2021, the Company signed an EPA with Dairy Concepts IRL to acquire a 10kW REV™ machine for production of dried cheese and cheese-like snacks in Ireland.
- On March 9, 2021, the Company signed a CLA with a leading Illinois-based U.S. cannabis company granting for production of cannabis products in the State of Illinois.
- On February 10, 2021, the Company received a purchase order from the U.S. Army’s Combat Capabilities Development Center for a second 10kW REV™ machine. The machine will be used by a third-party food manufacturer to produce Close Combat Assault Rations for field testing.
- On February 9, 2021, the Company signed an EPA with existing partner Natural Nutrition SpA, d.b.a. Nanuva Ingredients, for two additional 10kW REV™ machines to increase its capacity of premium dried fruit and vegetable snacks.
- On January 13, 2021, the Company signed a RDLA with Fresh Business for research and development on products using the Company’s technology in Spain.
- On January 5, 2021, the Company signed an EPA with Responsible Foods for a second 10kW REV™ machine to double manufacturing capacity to produce premium dried snacks in Iceland.
- On December 1, 2020, the Company signed a CLA and EPA for a 10kW REV™ machine with Nippon Trends Food Service, Inc. to initiate commercial production of dehydrated ramen noodles in Canada.
- On November 30, 2020, the Company signed an EPA with Spanish Royalty Partner, Patatas Fritas Torres, for a 100kW REV™ machine to scale up production of shelf-stable cheese snacks in Spain.
- On November 23, 2020, the Company signed a CLA with NuWave Foods produce shelf-stable bakery products and edibles in Canada.

- On November 13, 2020, the Company announced it had signed an EPA with GEA to deliver a customized pilot REV™ machine, which will be installed in its R&D facility in Germany.
- In November 2020, the Company and Tilray mutually agreed to terminate the CLA between the companies. Tilray made the operational decision to not use REV™ for large-scale drying in its operations.

Fiscal Year 2020

- On September 29, 2020, the Company announced that it had received a purchase order for a second 10kW REV™ machine from Lake Blue SpA d.b.a. INTAKT SNACKS™ to increase commercial production of cheese snacks in Chile.
- On September 23, 2020, the Company announced it had received a purchase order from Metamount Schweiz AG for a 10kW REV™ machine for drying industrial hemp in Switzerland.
- On September 21, 2020, the Company announced it had signed a TELOA with Extrx OY to explore the dehydration of a variety of wild arctic berry products in Finland.
- On September 15, 2020, the Company announced it had signed a CLA with Dairy Concepts IRL for commercial production of cheese snacks in Ireland and the United Kingdom.
- On August 28, 2020, the Company announced it plans to launch a new toll manufacturing division branded as “REVworx™” that will offer toll manufacturing of REV™ products to customers. The toll manufacturing facility will be located in the Metro-Vancouver area and will have large-scale REV™ machinery installed.
- On August 26, 2020, the Company announced it had signed a TELOA with a leading European snack company to explore a variety of premium dehydrated snack products.
- On August 25, 2020, the Company announced it is collaborating with UBC to investigate a manufacturing method for a new inhaler with the goal of using it to help provide relief for COVID-19 patients, and the project will be primarily funded by an NSERC Alliance government research grant.
- On August 5, 2020, the Company announced it had signed a CLA with Orto Al Sole Di Gandini Claudio to produce certain types of premium fruit and vegetable snack products for the European market. The Company received a purchase order for a 10kW REV™ machine to initiate commercial production in Italy.
- On July 27, 2020, the Company announced it had obtained a Research License from Health Canada under the *Cannabis Act* for its Vancouver-based pilot plant facility for independent research and development on cannabis products.
- On June 25, 2020, the Company announced it had signed a non-exclusive CLA with Pick-One S.A. de C.V. to produce dried cheese and fruit snacks in Mexico. The Company received a purchase order for a 10kW REV™ machine to be installed in Mexico.

- On June 9, 2020, the Company announced it had received a purchase order for the second and third 10kW REV™ machines from Calbee Inc. to expand its processing capacity to launch its new line of premium, healthy fruit and vegetable snack products in Japan.
- On May 27, 2020, the Company announced it had successfully completed its first remote installation and start-up of a 10kW REV™ dehydration machine with Responsible Foods, Ehf, an Icelandic Royalty Partner, in response to travel restrictions imposed due to the global COVID-19 pandemic.
- On May 19, 2020, the Company announced it had signed a TELOA with a leading European fruit and vegetable company to explore a variety of premium dehydrated fruit and vegetable products.
- On May 14, 2020, the Company announced it had signed a TELOA with NuWave Foods Inc. to explore the development of new and innovative shelf-stable donut and fritter products.
- On April 22, 2020, the Company announced it had signed a TELOA with a leading South American food company to explore the production of a variety of value-added food products.
- On March 18, 2020, the Company announced its plan to license the Company's proprietary REV™ technology into the US cannabis market.
- On March 27, 2020, the Company announced that it had received nine recent patent approvals from a number of international patent offices to add to the Company's global patent portfolio.
- On March 20, 2020, the Company held its annual general meeting of the shareholders and the shareholders ratified, among other things, the Shareholder Rights Plan.
- On February 14, 2020, the Company announced a reduction to the number of REV™ machines that will be delivered to TGOD for its Valleyfield, Quebec, facility. The Company and TGOD agreed to stop the fabrication of two of the three 120kW REV™ machines previously ordered by TGOD. The Company did not incur any losses as a result of the change in scope of machine delivery as it now owns the two partially completed REV™ systems and will seek to redeploy them for new projects in the cannabis or food verticals.
- On February 12, 2020, the Company announced that it had appointed Mr. Patrick Turpin to the Board.
- On January 23, 2020, the Company announced it had signed a CLA with Pacifico Snacks S.A.S. to produce certain premium fruit snack products in Colombia. The Company received a purchase order for a 10kW REV™ machine to initiate commercial production for distribution to specialty retailers in the US and other markets.
- On January 22, 2020, the Company announced it had signed a technology license and joint development agreement with GEA for the joint development and potential scale-up of EnWave's freezeREV® technology. If GMP-pharma REV™ machinery is successfully developed and commercialized under the agreement with GEA, EnWave will receive a

future royalty as a percentage of revenue generated from the sale of GMP-pharma REV™ machinery utilizing the Company's intellectual property.

- On January 8, 2020, the Company announced it had signed a CLA with KL Ballantyne Pty Ltd., a leading Australian dairy producer. The Company received a purchase order for a 10kW REV™ machine to initiate commercial production.
- On December 31, 2019, the Company announced it had received a purchase order for the delivery of a 100kW nutraREV® processing line with Fresh Business Peru to produce dried, premium, nutritious fruit and vegetable to export to international markets. This is in addition to a 10kW REV™ machine previously purchased by Fresh Business and marks the first large-scale REV™ machinery to be installed in South America.
- On December 18, 2019, the Company announced it had signed a CLA with Responsible Foods, Ehf to produce shelf-stable snacks using premium Icelandic raw materials, including dairy, seafood, meat, microalgae, and seaweed. The Company received a purchase order for a 10kW REV™ machine to initiate commercial production.
- On December 11, 2019, the Company announced it had signed a CLA with Helius Therapeutics Ltd., which is the largest licensed medical cannabis company in New Zealand. The Company had received a purchase order for a 10kW REV™ machine to initiate commercial processing in New Zealand.
- On November 26, 2019, the Company announced it had signed a CLA with a Medical Cannabidiol Company based in Switzerland to process medicinal-grade hemp for cannabidiol extraction. The Company will lease a 10kW machine for an initial term of six months.
- On November 19, 2019, the Company announced it had signed a TELOA with Pick-One S.A. de CV to explore the development of dehydrated fruit and vegetable snacks in Mexico.
- On October 22, 2019, the Company announced that it signed a sublicense agreement with Cann Group Ltd. in Australia. The Company had received a purchase order for a 10kW REV™ machine to initiate commercial processing of cannabis at its facility in Australia.

ENWAVE'S BUSINESS

Business Overview

EnWave is a Delta, British Columbia-based industrial technology company that licences, builds and installs commercial-scale dehydration machinery for applications in the food, cannabis and pharmaceutical sectors. EnWave also has a large-scale toll drying facility in Delta, British Columbia that offers toll drying services for commercial volumes of REV-dried products for third-party food companies.

EnWave's proprietary REV™ dehydration platforms apply microwave energy under vacuum to offer flexible, efficient, low temperature processing suitable for food products, cannabis products and certain biomaterials. The Company currently has two commercial-scale technologies, *nutraREV®* and *quantaREV®*. EnWave's mission is to establish its REV™ technology as a new global dehydration standard. The Company is developing markets for its REV™ technology by

selectively collaborating with strategic partners focused on creating new or improved product applications, increasing throughputs compared to alternatives drying methods and/or reducing processing costs. Management believes that REV™ technology can produce products with better quality than air-drying, spray-drying and freeze-drying in certain market sectors. REV™ technology is also typically dry products faster and more economical than freeze-drying.

The Company aims to grow revenues by selling many more REV™ machines, generating material commercial interest through REVworx™, and by securing a diversified portfolio of royalty streams through the licensing of its technology for specific market applications with a variety of Royalty Partners. Each CLA defines the royalty terms based on a percentage of sales generated, units produced or time-based usage payments by the Royalty Partner 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 equates to a targeted annual royalty amount per REV™ machine capacity. These agreements also restrict the Royalty Partner's use of the technology to specific applications and production using the REV™ technology to a limited geographical area. The Company's strategy with respect to existing Royalty Partners is to work closely with them to develop and commercialize products using REV™ technology and build future royalty streams by building production capacity. The Company also seeks to generate revenues and profits from the sale of its REV™ machines, and also from tolling services through REVworx™.

EnWave has prospective Royalty Partners evaluating the REV™ technology under TELOAs. The strategy under these arrangements is to co-develop product applications using the REV™ technology for specific partner opportunities and to ultimately convert them into commercial licences. EnWave earns revenues 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 has several active TELOAs with prospective Royalty Partner companies that are evaluating REV™ technology for potential commercial adoption.

As of the date hereof, EnWave has entered into 50 royalty-bearing CLAs with various food processing, cannabis and pharmaceutical companies. The table below outlines EnWave's CLAs that are currently in effect:

Royalty Partner	Licensed Territory	Licensed Product Category	REV™ Machine Capacity
Milne MicroDried	State of Idaho and the United States	Fruits and Vegetables, Blueberries and Strawberries exclusive in the United States	114kW MIVAP ⁽¹⁾ 120kW <i>quantaREV</i> ® 120kW <i>quantaREV</i> ®
Gay Lea Foods	Canada	Cheese Snacks	100kW <i>nutraREV</i> ® 10kW REV™
NutraDried ⁽²⁾	United States	Cheese Snacks	100kW <i>nutraREV</i> ® 100kW <i>nutraREV</i> ® 10kW REV™ 2kW <i>nutraREV</i> ®
Bonduelle Group	North America	Dehydro-frozen Vegetables	120kW <i>quantaREV</i> ®
Cal-San Enterprises	British Columbia	Blueberries, Cranberries	75kW <i>nutraREV</i> ®
Pitalia	Central America	Fruits and Vegetables, Cheese Snacks	100kW <i>quantaREV</i> ® 10kW REV™ 10kW REV™
Ereğli Agrosan	Turkey	Fruits and Vegetables, Cheese	100kW <i>nutraREV</i> ® 10kW REV™ 10kW REV™ 2kW <i>nutraREV</i> ®
Van Dyk Specialty Products	Worldwide	Wild Blueberries	60kW <i>nutraREV</i> ®
Merom Farms	British Columbia	Wasabi Products	20kW <i>nutraREV</i> ®
Nanuva Ingredients	Chile	Fruits & Vegetables	10kW REV™ 10kW REV™ 10kW REV™ 10kW REV™ 10kW REV™
Umland Pure Dry	United States	High Kosher Cheese Snacks	10kW REV™
Perdue Farms	United States	Pet Food and Pet Treats	10kW REV™
Lake Blue (Intakt Snacks)	Chile	Cheese Snacks	10kW REV™ 10kW REV™
Dominant Slice	Portugal and Spain	Cheese Snacks	10kW REV™
Kesito (Air Cheese)	Greece	Cheese Snacks	10kW REV™
Ashgrove Cheese	Australia	Cheese Snacks	10kW REV™ 10kW REV™
Howe Foods	Australia	Banana Products	10kW REV™
GentleDry Technologies	State of Oregon	Cannabis Products	10kW REV™

Bare Foods (PepsiCo)	Thailand, Canada and United States	Fruits Snacks	10kW REV™ 10kW REV™ 10kW REV™
Arla Foods	Denmark, Sweden, Finland and Norway	Dairy Products	10kW REV™
Nomad Nutrition	Canada	Specific Ready-to-Eat Meals	10kW REV™ 10kW REV™
Merck, Sharp & Dohme	Worldwide	Pharmaceuticals	freezeREV®
The Green Organic Dutchman	Canada	Cannabis Products	60kW REV™
FrieslandCampina	Netherlands, Belgium, and Germany	Dairy Products	10kW REV™
Fresh Business (NXTDRIED)	Peru	Fruit and Vegetables	10kW REV™ 100kW REV™
Calbee	Japan	Premium Snack Products	10kW REV™ 10kW REV™ 10kW REV™ 60kW REV™(3)
Electric Farms	United States	Hemp Products	10kW REV™
Kameya Foods	Japan	Seafood, Wasabi and Fruit	10kW REV™
Patatas Fritas Torres	Spain	Cheese Snacks	10kW REV™ 100kW REV™
Cann Group	Australia	Cannabis Products	10kW REV™ (3)
Metamount Schweiz AG	Switzerland	Hemp Products	10kW REV™
Responsible Foods	Iceland	Dairy, Seafood, Meat, Eggs, Herbs, Berries and Hemp products	10kW REV™ 10kW REV™
Ballantyne Pty Ltd.	Australia, excluding the State of Tasmania	Dairy Products	10kW REV™
Pacifico Snacks	Colombia	Fruit Snack Products	10kW REV™
Pick-One	Mexico	Cheese Snack Products, Fruit and Vegetable Products	10kW REV™
Orto Al Sole	Italy	Fruits and Vegetables	10kW REV™ 120kW REV™ (3)
Dairy Concepts	Ireland and United Kingdom	Cheese Snack Products	10kW REV™ 10kW REV™ 10kW REV™ (3)
Nippon Trends Food	Canada	Ramen Noodles	10kW REV™
Illinois Based Cannabis Company	United States	Cannabis Products	10kW REV™ 120kW REV™ 120kW REV™(3)

BranchOut Food	North, South and Central America	Fruits and Vegetables	60kW REV™
Europe Snacks	France	Dairy Products	10kW REV™
Alpina	Colombia	Dairy Products	10kW REV™
Cannaponics Pty Ltd	Australia	Cannabis Products	10kW GMP REV™ ⁽³⁾
Medical Kiwi	New Zealand	Cannabis Products	10kW GMP REV™
Dole	Asia	Fruits and Vegetable Products	10kW REV™ 120kW REV™ ⁽³⁾
US Cannabis Company	United States	Cannabis Products	120kW REV™ ⁽³⁾
Australian Cannabis Company	Australia	Cannabis Products	10kW GMP REV™ ⁽³⁾
Fungaria	Hungary	Fruits and Vegetables	10kW REV™
Neorev Innovation S.L.	Spain	Dairy Products	10kW REV™
European Cannabis Company	Europe	Cannabis Products	10kW GMP REV™ ⁽³⁾

Notes:

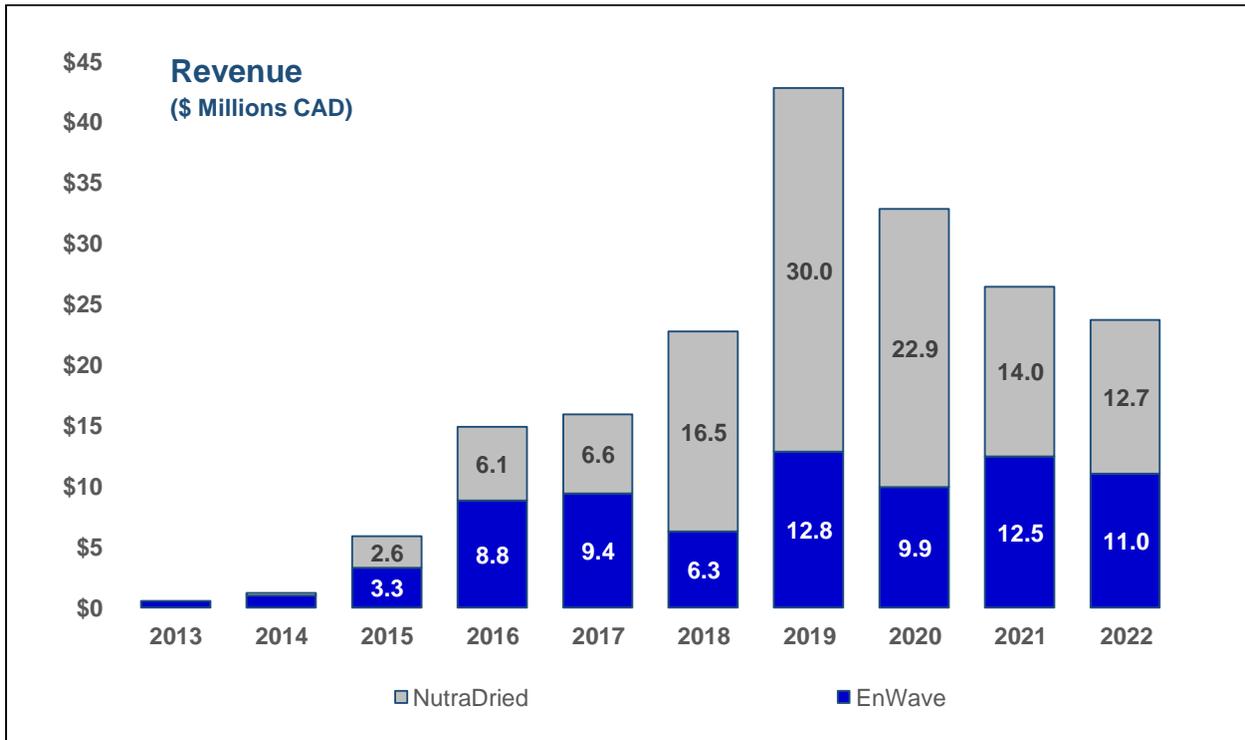
- (1) The Company holds an exclusive worldwide royalty-bearing license granted by INAP GmbH over its MIVAP technology, an alternative microwave vacuum dehydration technology. Royalties generated from the Company's *quantaREV*® machine platform make use of the MIVAP technology, and will be subject to the royalty sharing arrangement. This license provides EnWave with a competitive advantage in the market by reducing the possibility of competition from other companies pursuing similar technologies and strengthening our intellectual property position.
- (2) NutraDried is a consolidated wholly-owned subsidiary of the Company.
- (3) Machine is currently under fabrication or is not yet installed for commercial for use by the Royalty Partner.

EnWave has signed five Research and Development License Agreements (“RDLAs”) to enable advanced R&D and demonstration of the technology’s capabilities with SciTek (Australia), Cornell University (US), US Army (US), Moore Park Technology (Ireland) and Fresh Business (Spain). Under each RDLA the Company places REV™ machines strategically at these locations to enable easier geographical access for companies to experience first-hand the capabilities of REV™ technology.

EnWave also has also developed *freezeREV*®, a pilot-scale technology for dehydration of pharmaceutical products and ingredients. The Company has entered a Joint Development Agreement with GEA, a major German GMP pharmaceutical equipment manufacturer to advance the design and scale-up of *freezeREV*® into the pharmaceutical vertical. EnWave delivered a pilot-scale pharmaceutical machine to GEA to enable demonstration and evaluation of the technology to prospective customers.

Revenue Trend

The chart below depicts the company’s revenue growth over the past ten years.



Products and Technologies

nutraREV® Continuous, Low-Temperature Dehydration

Designed for the dehydration of fruits, vegetables, herbs, dairy products, meats and seafood, *nutraREV®* machinery is currently available at scales up to 120kW in rated microwave power. *nutraREV®* is modular in design, allowing EnWave to provide its partners with customized machine scale to suit their specific production needs. *nutraREV®* machinery tumbles the product in large drums as they pass through the vacuum-microwave chamber. Total processing times can range from forty-five to ninety minutes on average, depending on the individual product and desired end moisture content. *nutraREV®* is continuous and is controlled by a PLC operating system. *nutraREV®* units are available at varying scales: 2kW for product development, 10kW for pilot-scale production and 60kW to 100kW for continuous, commercial production.

quantaREV® Continuous, Low-Temperature Dehydration

Designed for low-temperature dehydration of solid, liquid, granular or encapsulated food or cannabis products, *quantaREV®* implements either a tray-based or belt-based system to move the product load through the vacuum-microwave chamber. *quantaREV®* is highly scalable and provides an appropriate method to dry fragile solid products and viscous liquid slurries. *quantaREV®* units are available at varying scales: 10kW for pilot-scale production, and 60kW or 120kW for continuous, commercial production.

freezeREV® In-vial High Speed Dehydration for Biopharmaceuticals

Designed for the dehydration of biomaterial and pharmaceutical products below the freezing point in vials, freezeREV® is currently available as a multi-vial prototype for partner research and development and as a continuous GMP design. In 2019, EnWave installed the first scaled-up GMP freezeREV® machine for Merck Pharmaceuticals.

In 2020, EnWave signed a technology license and joint development agreement with GEA where the collaboration will leverage EnWave's freezeREV® technology and intellectual property alongside GEA's expertise and intellectual property in the manufacturing of GMP-pharma equipment to scale-up and refine EnWave's GMP-pharma REV™ machinery. Both parties have agreed to a series of development related milestones under a joint project, and, if met, will extend the term of the agreement into the commercial equipment manufacturing phase, where EnWave could earn a royalty from the sale of any future GMP-pharma REV™ machinery.

EnWave has delivered a pilot-scale freezeREV® to GEA's facility in Germany for further development and to conduct trials with prospective pharmaceutical customers.

REVworx™ Toll Manufacturing Services

In 2022, EnWave launched a new toll manufacturing division branded as REVworx™, to accelerate the commercialization of food products made using REV™ dehydration technology. The REVworx™ division of the Company offers toll manufacturing services for a wide range of food products that are processed using the Company's patented dehydration technology. The toll manufacturing division is intended to compliment the Company's global royalty-licensing business model as a low-barrier first step for launching new REV™ products.

The Company has completed the build-out of a 9,300 square foot food processing facility at its corporate headquarters on Annacis Island in Delta, British Columbia. The facility has been granted Safe Quality Food (SQF) certification and was designed to meet the necessary quality standards and food safety requirements for commercial food processing.

The Company is actively marketing the new service offering to prospective customers, and has qualified several prospective customers in its pipeline. The Company expects to begin producing commercial food products at the REVworx™ facility in 2023 on a tolling basis, and will leverage the REVworx™ capabilities to produce innovative new products for the market.

Proprietary Trademarks

Trademark	Registration Number	Registration Date	Renewal Date	Status
Canada				
POWDERREV	1,410,355 TMA797,852	09/11/2008 05/17/2011	05/17/2026	Registered
bioREV	1,347,948 TMA710, 864	05/11/2007 04/03/2008	04/03/2023	Registered
FREEZEREV	1,410,356 TMA833,981	09/11/2008 10/09/2012	10/09/2027	Registered
REV	1,581,706 TMA863,459	06/12/2012 10/23/2013	10/23/2028	Registered
NUTRADRIED	1,443,945	07/07/2009	01/24/2026	Registered

Trademark	Registration Number	Registration Date	Renewal Date	Status
	TMA788,439	01/24/2011		
QUANTAREV	1,504,830 TMA827,524	11/22/2010 07/04/2012	07/04/2027	Registered
nutraREV	1,347,949 TMA710,134	05/11/2007 03/25/2008	03/25/2023	Registered
EnWave Logo 	1,511,940 TMA829,481	01/19/2011 08/08/2012	08/08/2027	Registered
NUTRADRIED	1,811,198 TMA1,051,632	11/24/2016 08/28/2019	08/28/2029	Registered
FRUIT STAND	1,821,912 TMA997,984	02/08/2017 06/01/2018	06/01/2033	Registered
ENWAVE	1,873,089 TMA1,055,396	12/14/2017 09/19/2019	09/19/2029	Registered
REVworx	2,052,717	09/18/2020		Pending
MOON CHEESE	1,628,138 TMA889517	05/24/2013	05/11/2029	Registered
MOON CHEESE PROTEIN BLITZ MIX	2081128	30/01/2021		Pending
Europe				
NUTRADRIED	008751174 008751174	12/11/2009 06/02/2010	12/11/2029	Registered
MOON CHEESE	017932384	18/07/2018	18/07/2028	Registered
United Kingdom				
NUTRADRIED	UK00908751174 UK00908751174	12/11/2009 06/02/2010	12/11/2029	Registered
MOON CHEESE	UK00917932384	18/07/2018	18/07/2028	Registered
Mexico				
NUTRADRIED	1245440 1294041	01/30/2012 06/28/2012	01/30/2022	Registered
NUTRADRIED	1245437 1292649	01/30/2012 06/22/2012	01/30/2022	Registered
United States				
REV	85/650,912 4,496,847	06/13/2012 03/18/2014	03/18/2024	Registered
QUANTAREV	85/184,857 4,330,089	11/24/2010 05/07/2013	05/07/2023	Registered
FREEZEREV	77/595,400 4,718,474	10/17/2008 04/14/2015	04/14/2025	Registered
POWDERREV	77/596,520 4,043,651	10/20/2008 10/25/2011	10/25/2021	Registered
NUTRAREV	77/227,153 3,801,522	07/11/2007 06/15/2010	06/15/2030	Registered
NUTRADRIED	87/247,948 6,021,362	11/25/2016 03/31/2020	03/31/2030	Registered
ENWAVE	87/743,384 6,147,906	01/04/2018 09/08/2020	09/08/2030	Registered
CRUNCHIFY	86/027,240 5,332,297	08/02/2013 1/14/2017	11/14/2027	Registered
MOON CHEESE	85/945,637	05/29/2013	03/24/2025	Registered

Trademark	Registration Number	Registration Date	Renewal Date	Status
	4,706,186	03/24/2015		
MOON CHEESE PROTEIN BLITZ MIX	6681030	22/03/2022	22/03/2022	Registered
South Korea				
MOON CHEESE	4020170015509 4013077910000	02/07/2017 11/28/2017	11/28/2027	Registered
Taiwan				
MOON CHEESE	01660123	22/11/2013	15/08/2024	Registered
Japan				
MOON CHEESE	5980996	01/25/2017	15/09/2027	Registered

Proprietary Patents

Patent Family	Title	Country	Status	Patent No. (Application No.)	Application/ Expiration Date
1	Crispy Banana Snack Products	Patent Cooperation Treaty (PCT)	Pending	PCT/CA2022/050076	Jan 19, 2022
2	Method and Apparatus for Pasteurizing and Dehydrating Marijuana (Cannabis)	Australia Brazil Canada Chile Costa Rica European Patent Office Israel Mexico New Zealand Peru South Africa Thailand USA	Granted Granted Granted Published Pending Published Pending Pending Granted Pending Granted Pending Granted	2017430185 112020003969-1 3070605 0323-2020 2020-0092 17923887.8 272004 MX/a/2020/001210 761019 000290-2020/DIN 2020/00245 2001000907 11278635	Aug 30, 2037
3	Dough Portioning Machine (Dough Portioning)	Canada	Pending	3146733	Jan 25, 2022
4	Apparatus and Method for Dehydrating Biological Materials with Freezing and Microwaving (freezeREV)	Canada USA USA (Continuation)	Granted Granted Granted	2736317 10023857 16/033767	Sep 11, 2029 Jan 26, 2031 Jan 29, 2030
5	Method of Making Dried Porous Food Products (Frozen-In)	Australia Brazil Canada Chile Costa Rica European Patent Office Indonesia Japan Mexico New Zealand PCT	Granted Pending Granted Published Pending Published Pending Granted Pending Granted Nat'l Phase	2017408828 1120190213295 3043779 01489-2019 2019-0463 17905292.3 PID201906528 2019-544635 MX/a/2019/008616 753745 PCT/CA2017/050469	Apr 13, 2037

Patent Family	Title	Country	Status	Patent No. (Application No.)	Application/ Expiration Date
		Mexico New Zealand Peru Republic of Korea Singapore South Africa Thailand	Pending Granted Pending Pending Granted Granted Published	MX/a/2019/009650 754924 001508-2019/ DIN 10-2019-7027814 11201906185V 2019/04706 1901005180	
15	Method of Making Dried Vegetable Snack Products (Surface Rigidification)	Patent Cooperation Treaty (PCT)	Published	PCT/CA2021/051434	Oct 12, 2021
16	Method and Apparatus for Drying Cannabis (Terpene Max)	Patent Cooperation Treaty (PCT)	Pending	PCT/CA2021/051180	Aug 25, 2021
17	Method of Making Dried Food Products (Tofu)	United States of America	Published	15/768439	Oct 14, 2015
18	Method of Drying Biological Material (Vaccines)	Brazil Canada European Patent Office France Germany India Switzerland United Kingdom United States	Granted Granted Validated Granted Granted Granted Granted Granted Granted	PI0721365-4 2673589 2111426 2111426 60 2007 052558.6 279898 2111426 2111426 8877469	Feb 1, 2027

Research and Development

EnWave continues to develop intellectual property and advancements in its dehydration technology to further improve EnWave's competitive advantage. The Company's R&D team is composed of engineers and scientists with expertise in a broad range of technical competencies, including: food science, microbiology, electrical engineering, and mechanical engineering. EnWave's R&D team works to improve its technology platforms by introducing new innovations, and the latest advancements in cutting-edge technologies.

Intellectual Property

Utility and design patents, trademarks, copyrights, and trade secrets support a multi-faceted approach to help protect EnWave against third-party infringement of its dehydration solutions. EnWave continues to develop and extend its patents by constantly improving its technology. EnWave has several trademarks in use in Canada, the US, and other jurisdictions worldwide. EnWave seeks and maintains what Management considers appropriate protection for its trademarks and intellectual property.

EnWave maintains appropriate copyright notices, assignments of copyright, and waivers of moral rights with respect to EnWave's suppliers, employees and sub-contractors who create or develop

or who have created or developed proprietary material for EnWave, as well as with respect to resellers who use such proprietary material.

Competitive Conditions

The Company's REV™ technology competes primarily against freeze drying and air drying, as well as other microwave drying processes in the food, legal cannabis and pharmaceutical industries.

For many years, companies experimenting with vacuum-microwave dehydration technology have been trying to establish broader commercial success with a variety of machine designs. To date, the major obstacle blocking their success has been their failure to harness and direct microwave energy within a vacuum environment in order to deliver scalable commercial technology with consistent output quality. There are many technical challenges to overcoming these hurdles; EnWave has overcome these technical challenges through extensive R&D investment and has sought to protect its innovations with pending or granted patents and strict protection of confidential information.

The Company's competitive analysis has identified a number of potentially competitive technologies in Europe, China and North America. However, to EnWave's knowledge, there are no companies with technology comparable to REV™ that pose a direct material threat to EnWave in terms of being both operational at commercial-scale, reliable in production and strongly protected by a portfolio of patents.

In some cases, companies appear to be developing vacuum-microwave designs that EnWave has already experimented with, but has discarded for reasons such as non-scalability or inconsistent quality of output. Furthermore, patent searches conducted by EnWave's personnel and by its patent agents have found a variety of food-related vacuum-microwave patents dating back as much as 30 years (most of which are now in the public domain), but very little in the biomaterials sector.

Several small-scale vacuum-microwave systems are currently available in the market. The Company's REV™ technology operates under high-power density with a much smaller volumetric chamber which greatly increases system efficiencies. The high-power density approach requires a sophisticated PLC to counteract the problems others have resolved with size, lower power and resulting higher cost. Having design control of the REV™ equipment and the process controller provides the user with the flexibility to customize products. The Company believes that its REV™ technology is competitive because of the combination of product development, process control, patented products and economically priced equipment.

REV™ technology competes with incumbent dehydration technologies including spray, air and freeze drying, amongst others. REV™ technology is designed to offer a commercial dehydration process that is high-speed and economical considering the value of the end products, while maintaining high levels of nutrition, colour, flavour and creating attractive texture in dried food materials. For cannabis and hemp products, REV™ maintains high levels of cannabinoids and terpenes. The Company has conducted a wide array of tests on all of its platforms to determine their competitive advantages over the three aforementioned main forms of dehydration used in the identified target markets and the general results are presented in the following table:

Method	Process	Economics	Product Quality
Spray & Air Drying	High heat using hot air into a chamber or on continuous belt	Low cost High speed	Heat & oxygen generally damage nutrients, flavour, colour, texture, bioactivity
Freeze Drying	Freeze and slowly remove moisture through sublimation in large batches	Very slow Capital intensive Energy intensive	High quality preservation of nutrients, flavour, colour, texture, bioactivity
REV™ Technology	Microwave energy applied under vacuum in a low temperature environment above or below freezing	Low cost High speed	High quality preservation of nutrients, flavour, colour, texture, bioactivity

There are many current companies that produce spray, air and freeze-drying machinery. Dominant air, spray and freeze dryer producers include SMC Corporation, Parker Air Dryers, Buhler Group, GEA, and GEA Niro, among others.

There are other technologies and methods available in the market for the dehydration of cannabis and hemp products. These other technologies include dehumidified air-drying rooms, heat pump dehumidification systems, industrial rack air driers, paddle driers and belt-air driers. The producers of these cannabis drying systems include Cann Systems, LLC, Harter GmbH, Bepex International, LLC, and Vulcan Drying Systems, among others.

Based on information and comparisons obtained from analysis presented in industry reports, information from certain companies and the Company’s own cost comparisons, and as the result of EnWave’s strong patent position and the technological advances that the Company has made over the past 15 years, EnWave is comfortable in continuing to present REV™ as an advanced drying technology that can create value for global and regional food and cannabis processors. Our patented technology will allow us to pursue revenues from both equipment sales and royalty payments. Management believes that the processing of food and other products as detailed in this AIF utilizing the Company’s REV™ technology is faster and more economical than freeze drying, producing a better-quality end product than the utilization of traditional hot air drying or spray drying methods.

Target Market Verticals

EnWave’s goal is to assist its partners in meeting the evolving consumer demands for convenient, nutritious food applications while also cutting costs to improve margins and establish higher production efficiencies. EnWave’s technology conveys that high product quality and low processing costs are no longer mutually exclusive. Partners in different market verticals have different dehydration needs depending on the nature of their business and raw materials used. EnWave’s dehydration platforms are designed to provide features such as high-speed processing, reduced energy usage, continuous processing, flexible moisture content, enhanced product attributes, and new product innovations.

EnWave targets long-term partnerships with companies seeking to bring new, improved and/or innovative products, through the use of our proprietary REV™ technology, into their respective marketplace. These attributes appeal to a range of vertical markets, including:

- Dairy
- Meat production and processing
- Fruits and vegetables
- Protein-based products
- Starch-based products
- Nutraceuticals

- Spices and herbs
- Pulse crops
- Cannabis
- Hemp
- Baked goods
- Biopharmaceutical products
- Vaccines
- Seafood
- Ready-to-eat meals
- Shelf stable noodles

EnWave has a patent covering a method for rapidly drying and decontaminating cannabis. The cannabis patent has been granted in Canada, US and Australia, and is pending in several other jurisdictions. This patent expands the application of EnWave's technology to the rapidly growing global medicinal and recreational cannabis market sectors in legal jurisdictions. EnWave's patented technology has the ability to uniformly dry and pasteurize cannabis in a few hours, which dramatically shortens the time from harvest to yielding marketable products while circumventing the need to transport medicinal and recreational cannabis to highly specialized and expensive off-site gamma irradiation facilities.

Sales and Distribution

EnWave relies primarily on internal efforts to market, distribute, and sell its products. EnWave has also established several new international third-party sale representatives with cooperation agreements to establish communication with potential Royalty Partners. EnWave is currently commercializing its REV™ dehydration technology through the formation of partnerships with food, pharmaceutical and licensed cannabis companies. Currently, EnWave has third-party representation in the following territories: Australia, New Zealand, Greece, Japan, Turkey, Mexico, India, Middle East and Europe. EnWave's proactive sales effort involves two main phases that are explained below. EnWave typically pays third parties a commission on the purchase price of successful REV™ machine sales. Also, in certain circumstances where it is warranted, EnWave has also agreed to include a small share of ongoing royalties generated from licensees in markets where it relies on the cultural and business expertise of the channel partner to address the market.

EnWave vigorously pursues new partnerships through targeted outreach and strategic business development efforts. Companies that confirm tangible interest in REV™ technology may first enter into a TELOA if more due diligence is deemed necessary. A TELOA is an agreement that provides a prospective partner with an option, for a defined period of time, to license a product application within a specific geography for processing. The purpose of the TELOA is to provide optionality on a licensing arrangement during the time the prospective company is evaluating the adoption and investment case in REV™. During the TELOA term, each company either works collaboratively with our food science and sales teams to conduct an economic analysis and product development at our Innovation Centre in Canada or they can choose to rent REV™ machinery for use on their premises. We provide enhanced value to these prospective Royalty Partners during this stage by identifying the appropriate REV™ machinery as well as teaching integral processing know-how that has been developed over our many years of vacuum-microwave experience. Our R&D team works closely with the prospective Royalty Partner to co-develop the desired product application, resulting in new, innovative product ideas through the use of REV™. Approximately one third of EnWave's current commercial licenses were developed through a TELOA. Other Royalty Partners have moved directly from preliminary trials to royalty-bearing commercial licenses.

Once the value proposition of REV™ has been clearly identified by a prospective Royalty Partner, we typically enter into a royalty-bearing licensing agreement referred to as a CLA. The CLA grants our partner a non-exclusive or exclusive right to use REV™ technology in a defined geographic region to process a defined product or list of defined products, thus creating, in many cases, a

competitive advantage for them in their marketplace. Exclusive CLAs specify minimum annual royalty payments needed to maintain the granted exclusivity and typically require a simultaneous purchase order of EnWave's machinery upon signing. It also may stipulate any future machine purchase order requirements by the Royalty Partner. A future commercialization option for prospective Royalty Partners includes leveraging REVworx™ to conduct significant market trials or longer term tolling contracts with EnWave.

Manufacturing and Production

EnWave's machinery is assembled and tested at its manufacturing facility located in Delta, British Columbia, Canada. A large amount of the electronic and mechanical components are purchased from third party suppliers; the steel is sourced typically from Canadian suppliers. EnWave regularly and carefully monitors demand, supply, and stock of higher risk, expensive components and sub-assemblies that have longer lead-times for production, are custom made, or are manufactured by a small number of suppliers. EnWave employs a team of skilled mechanical and electrical engineers and technicians that manage the fabrication, assembly and installation of the REV™ machinery on a global basis.

Components

EnWave uses a number of third-party suppliers to produce the various parts and components used to build REV™ machinery. The primary components used to build REV™ machinery include stainless steel chambers and mechanical components, microwave generators, electrical components, vacuum pumps and PLCs. All key components are widely available from a number of potential suppliers and the Company believes it is in a favourable position to negotiate terms and purchase prices. EnWave's engineering and technical services division currently uses suppliers based in both North America, Europe and China to maximize efficiencies and lower overall machine costs, while maintaining high quality.

EnWave currently sources microwave magnetron generators from suppliers in Europe and North America. PLCs and control systems are purchased from several major sources internationally. Sensors and conventional stainless-steel parts are purchased from a number of specialist firms depending on the component. Vacuum chambers are built to EnWave's design and specifications by British Columbia machine fabrication shops. REV™-specific machine parts are made in EnWave's own machine shop or by specialty manufacturers.

Facilities

EnWave leases two facilities in Delta, British Columbia, Canada. The first location houses its corporate services, customer service, sales, finance, R&D and REVworx™ toll manufacturing facility. The second location houses its electrical engineering, mechanical engineering, technical services and manufacturing teams.

Employees

EnWave had 31 full-time personnel employed or retained as at September 30, 2022, excluding personnel at NutraDried.

Foreign Operations

EnWave's operations, facilities and employees are all located within Canada. NutraDried's operations, facilities and employees are all located in the US. EnWave often derives revenues from machine sales and royalties generated outside of Canada. It also is serving the domestic market and has many commercial licenses with Canadian companies. Outside of Canada, the US is currently both EnWave's largest market and source of revenue by geographic area. In addition to Canada and the US, EnWave has entered into CLAs with companies operating globally.

NUTRADRIED'S BUSINESS

Business Overview

NutraDried is a limited liability corporation registered in Washington State, US. NutraDried manufactures and sells Moon Cheese®, an all-natural dried cheese snack produced using two of EnWave's 100kW *nutraREV*® machines. NutraDried has three product lines of shelf-stable cheese snacks: Moon Cheese®, Protein Blitz Mix, and Moon Cheese Crunchy Sticks. NutraDried produces its products at its manufacturing facility located in Ferndale, Washington State, US.



Figure 1: Parmesan Garlic, Gouda, Cheddaw, Pepper Jack, and White Cheddar Black Pepper Moon Cheese® packages



Figure 2: Crazy Cheezy Protein Blitz Mix Package



Figure 3: Moon Cheese® Crunchy Cheese Sticks

NutraDried started as a proof-of-concept business for EnWave as it showcased the capabilities of large-scale commercial REV™ machinery to current and potential Royalty Partners. Moon Cheese® has now grown into a nationally distributed snack brand and has distribution throughout Canada and the US. NutraDried’s strategy includes growing sales and distribution of its shelf-stable, clean label, high protein, low carbohydrate snack lineup across the retail grocery, club, and online channels. Part of this strategy will involve line extensions, new flavour or product launches and new package sizes. NutraDried also aims to grow sales of bulk dried cheese on a business-to-business basis for inclusion as ingredients in various food products and mixes and will potentially add additional REV™-dried snack products to its portfolio when advantageous.

NutraDried has demonstrated the ability for large-scale REV™ technology to operate reliably and consistently in a commercial environment. This operation has served the Company as a showcase of the capability of large-scale commercial REV™ machinery to current and potential Royalty Partners. Furthermore, NutraDried’s distribution success has established a precedent for analysis by dairy companies considering the commercialization of REV™ technology into their operations. EnWave will continue to showcase NutraDried’s REV™ operations to potential Royalty Partners to advance the adoption of REV™ in the global dehydration industry, and to pursue other opportunities to enhance shareholder value.

NutraDried holds a CLA for REV™ technology and pays a quarterly royalty to EnWave based on sales. The royalty payment from NutraDried is eliminated from revenue and expense in the consolidated financial statements of the Company.

Industry Trends

NutraDried operates in the CPG industry. The Company’s research has shown that consumer behavior in the US and Canada is increasingly shifting toward healthy and on-the-go snacking. Consumers are increasingly focused on eating and snacking healthier, leading to robust growth in “better-for-you” snacks. The “better-for-you” snacks leading the way are typically all-natural and are produced with simple ingredients and have clean labels. Research also shows that consumers are snacking more frequently across all parts of the day.

Gluten-free dieting is an emerging growth segment in the food products industry. Consumption of gluten-free snacks and other CPG products has increased in recent years due to increased awareness of new healthy dietary trends. Moon Cheese® is well positioned as a crunchy, low carb snack product that provides a healthy and gluten-free snacking experience.

Protein has become a major focus for consumers and the food products industry. Operators are looking for new and innovative ways to introduce healthy protein into product offerings. Consumers are increasingly seeking protein-based snacks as a healthy alternative to traditional CPG items. Industry trends are showing growth in protein-based snacks such as beef jerky, dairy and nuts.

Sales and Distribution

NutraDried's products are sold through a variety of direct customer relationships, brokers and distributors. NutraDried also sells its products directly to certain retailers and to distributors in Canada and the US. NutraDried retains the services of brokers in the food industry to secure supply arrangements with retailers, and brokers are paid commissions on sales to their customer accounts. NutraDried has begun to actively seek and pursue contract manufacturing and private-label opportunities which allow sale of bulk format crunchy cheese to third parties for use in trail mixes, salad toppings and other food products. The objective is to diversify and grow these revenue streams along with grow its national distribution present in the US. NutraDried also sells product directly to consumers through its online store (www.mooncheese.com), through Amazon.com and Amazon.ca. NutraDried uses third-party logistics and administration providers to manage sales to Amazon.

Manufacturing and Production

NutraDried's products are produced at its manufacturing facility located in Ferndale, Washington, in the US. The primary raw materials required for production are refrigerated cheese, packaging supplies and electrical energy. NutraDried produces Moon Cheese[®] products on two 100kW *nutraREV*[®] machines and operates two finish-fill pouch packaging lines. The principal raw material used in production is cheese purchased from US-based dairy manufacturers. The costs of our inputs may vary widely due to market fluctuations, currency oscillations and changes in governmental agriculture and energy policies. The majority of our inputs are purchased on the open market and we do not use long-term fixed price contracts or derivatives to hedge our exposure. We forward purchase a portion of our cheese requirements to mitigate short-term price fluctuations. The components required are widely available from multiple suppliers, and our goal is to source raw materials of high quality at a price point that support a targeted gross margin. We believe that we will be able to secure the necessary supply of inputs required to meet our operational needs.

NutraDried's Protein Blitz Mix product line is seasoned and packaged by a third-party co-packer. NutraDried produces the cheese component and the third-party co-packer combines the cheese with nuts and provides final packaging.

Competitive Conditions

NutraDried operates in the CPG industry and faces a number of competitive conditions that are experienced industry-wide. The consumer foods industry is highly competitive, with numerous manufacturers of various sizes in the US, Canada and globally that have significant brand power and scale. The snack category that NutraDried competes in is also highly competitive. Consumers have many competing products available to them and the rates of product substitution are high. There are many companies operating in this category of products that have substantial financial, marketing and other resources. Competition is based on product innovation, quality, price, brand recognition and loyalty. We compete with both multi-national and local manufacturers of CPG products positioned for snacking. We compete with widely advertised, branded products and also

with regional brands and other products generally sold at lower prices. NutraDried also competes against several Royalty Partners producing dried cheese snacks outside of the US, who import their finished goods into the US.

Intangible Property

NutraDried has a CLA for REV™ technology granted by EnWave. Pursuant to this CLA, NutraDried pays a royalty of 5% of revenues of its product to EnWave Corporation, its parent company, on a quarterly basis. The CLA furnishes NutraDried with the exclusive right to produce dehydrated cheese snacks, not including high kosher cheese snacks, in the US utilizing EnWave's REV™ technology. NutraDried also holds a registered trademark for the brand Moon Cheese®.

Economic Dependence and Customer Concentration

NutraDried sells to a number of US and Canadian customers, including distributors, grocery stores, other retailers and coffee shops. NutraDried's largest customer is Costco, and there is significant customer concentration in sales to Costco in Canada and the US. For the year ended September 30, 2022, Costco sales to Costco represented 20% of NutraDried's sales. Sales to Costco are not made under long-term contracts and orders are filled on a purchase order basis. Management cannot predict the patterns and volumes of products that Costco will order.

Facilities

NutraDried leases an industrial food processing facility in Ferndale, Washington State, US.

Employees

NutraDried had 36 full-time personnel employed or retained as at September 30, 2022.

RISK FACTORS

The Company is subject to a number of risk factors and uncertainties related to its business. These risk factors could materially affect the Company's future operating results and financial position and could cause actual events to differ materially from those described in forward-looking information relating to the Company.

The Board of Directors has the overall responsibility and oversight of the Company's risk management practices. The Company's management is responsible for developing and monitoring the Company's risk strategy, and reports to the Board on its activities. Risk management is incorporated in all levels of strategic and operational planning, and is reviewed regularly to reflect changes in market conditions and the Company's activities. The risks described below are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also materially and adversely affect its business. The reader is urged to review these risk factors.

Dependence on Core Technology and Royalty Partners

The Company may face delays, difficulties or unanticipated costs in establishing licensing fees, royalties, sales, distribution and manufacturing capabilities or partnerships for its technologies

which could adversely affect the Company's business, financial condition and results of operations. The Company'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. Additionally, EnWave's business development efforts may not result in increased vertical and market penetration in the global dehydration industry. EnWave may also be exposed to material unexpected costs related to liability or warranty claims related to EnWave's technology.

The Company has entered into a commercial license and equipment supply agreement with Merck, Sharpe & Dohme pursuant to which it was contracted to provide a *freezeREV*[®] machine in accordance with its customer's specifications. The Company has also entered into a joint development agreement with GEA Lyophil GmbH ("GEA") pursuant to which the parties intend to jointly develop and commercialize *freezeREV*[®] equipment for pharmaceutical applications. There may be significant costs required to develop the *freezeREV*[®] equipment designs to the point where they are technically viable for commercial processing, and with such costs being unknown, the project related to *freezeREV*[®] could be economically impractical to complete. There is no guarantee that a *freezeREV*[®] machine will meet the output and product standards expectations of the recipient. There is no guarantee that GEA will commercialize *freezeREV*[®] or invest and dedicate resources into the development of *freezeREV*[®] technology. The Company's *freezeREV*[®] technologies have not been established in the market and there is no guarantee that there will be any commercial acceptance of *freezeREV*[®] in the pharmaceutical industry.

The Company 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.

Dependence on Major Customers

NutraDried is competing in the market for natural dried cheese snacks for the US. There is no guarantee that a sizeable market for natural dried cheese snacks can be established or if the market is viable long-term. Natural cheese snack products sold in the US, Canada and other countries could expose the Company to liability in the event its products are proven to cause personal damages to consumers or fail to meet regulatory standards, such as FDA standards, or other applicable laws or regulations. NutraDried may require the Company to invest capital to establish the market and increase commercial processing capabilities, and there is no guarantee that such capital will be available, or that any such invested capital will have the intended impact on NutraDried's business. The CPG market is highly competitive and the rate of substitution among competing products is high. There is no guarantee that NutraDried will be able to secure new points of distribution, or retain existing points of distribution for Moon Cheese[®] on favourable terms or at all. A significant portion of NutraDried's revenue is from sales to one major customer, which creates customer concentration risk. There is no guarantee that major customers will continue to purchase product from the Company in the future. The loss of a major customer could

have a material adverse effect on the financial results, cash flows, and the overall financial condition of NutraDried and, therefore, EnWave.

A significant reduction of purchases, whether as a result of postponements or delays in orders for our products, contractual disputes or otherwise, by any of our largest customers or Royalty Partners, could have a material adverse effect on our business, financial condition, liquidity and results of operations.

The Company has entered and plans to enter contracts for the sale of equipment to cannabis companies headquartered in Canada, the US, Australia, Switzerland, Portugal and New Zealand. The cannabis industry is volatile and exposed to regulatory risks, oversupply risks, challenges accessing new capital and delays to confirmed projects to build new greenhouse capacity. There is a risk that the companies EnWave contracts with for the sale of equipment may default on payment obligations due to capital constraints or may request delays to installations of equipment, which may cause financial hardship for EnWave. Certain of EnWave's customers in the cannabis industry require access to new capital to complete capital projects, which could include the purchase of EnWave machinery. There is a risk that EnWave's customers could face insolvency, bankruptcy or other liquidity challenges that could affect the Company's cash flow and financial condition.

Negative Operating Cash Flow

The Company has made significant up-front investments in research and development, sales and marketing, and general and administrative expenses in order to develop and expand its business. Although the Company has implemented various cost savings measures over the last few years as a result of global economic challenges, the Company is currently incurring expenditures related to the Company's operations and investment activities that may generate negative operating cash flow. Operating cash flow may decline in certain circumstances, many of which are beyond the Company's control. There is no assurance that sufficient revenues will be generated in the near future. Because the Company continues to incur significant expenditures for 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. An inability to generate positive cash flow until the Company reaches a sufficient level of sales and royalty earnings with positive gross margins to cover operating expenses or raise additional capital on reasonable terms may adversely affect the Company's viability as an operating business. Fluctuations in EnWave's operating and capital expenses may cause fluctuations in quarterly operating results and may have a material negative impact on our financial condition.

Additional Funding Requirements

EnWave's business success and progress could be dependent upon securing additional funding to expand its business and develop new technologies. If the Company cannot raise capital from investors, secure grants, or generate sustained positive operating cash flow it may limit the Company's research and development, ongoing testing programs, regulatory approvals and ultimately impact its ability to commercialize its technologies. If our revenues decline, we may have limited ability to expend the capital necessary to undertake or complete future projects. There can be no assurance that debt or equity financing or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to us. Moreover, future activities may require us to alter our capitalization significantly. Our inability to access sufficient capital for

our operations could have a material adverse effect on our financial condition, results of operations or prospects. If we issue additional equity securities, existing shareholders may experience dilution or be subordinated to any rights, preferences or privileges granted to the new equity holders.

The economic viability of the Company's business plan may be impacted by the Company's ability to obtain financing. Global economic conditions impact the general availability of financing through public and private debt and equity markets, as well as through other avenues. Significant political, market and economic events may have wide-reaching effects and, to the extent they are not accurately anticipated or priced into markets, may result in sudden periods of market volatility and correction. Periods of market volatility and correction may have an adverse impact on economic growth and outlook, as well as lending and capital markets activity, all of which may impact the Company's ability to secure adequate financing on favourable terms, or at all.

Direct Costs

Direct costs of NutraDried are dependent on the pricing of packaging supplies, freight and in particular, the commodity pricing of raw cheese as the primary raw material used in production. Although NutraDried will sometimes use forward contracts to mitigate the impacts of commodity price fluctuations, significant increases to these costs without offsetting product pricing increases will have a negative impact on NutraDried's performance.

Economic and Political Conditions and International Trade

Customer demand for EnWave's systems and products may be affected by economic and political conditions on an international, regional, country, or local level. Because a significant portion of the Company's purchases and sales are made in foreign jurisdictions, the Company is subject to numerous risks including shipping delays, political instability, conflict, labour strikes, import duties and trade restrictions.

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. Failure to comply with applicable trade laws may subject the Company to civil or criminal penalties, including material monetary fines, or other adverse consequences including denial of import or export privileges, and could damage the Company's reputation and business prospects.

Furthermore, general market, political and economic conditions, including, for example, volatility of the global economy, economic slowdowns (such as those caused by COVID-19 and government policies enacted to prevent the spread of the virus), inflation, interest and currency exchange rates, structural changes in the industry in which the Company operates, global supply and demand for the Company's production inputs and products (including, but not limited to, dairy and other food commodity pricing fluctuations) and supply chain disruptions, political developments, trade wars, legislative or regulatory changes, social or labour unrest and stock market trends will affect the Company's operating environment and its operating costs, profit margins and share price. Rising inflation may negatively impact our business, raise costs and

reduce profitability. Uncertainty or adverse changes relating to government regulation, economic and foreign policy matters, and other world events have the potential to adversely affect the performance of and outlook for the Canadian and global economies, which in turn may affect the ability of the Company to access financing on favourable terms or at all. Recent uncertainty regarding Canada's ability to access North American markets via the new United States-Mexico-Canada Agreement, which took effect on July 1, 2020, and replaced the North American Free Trade Agreement, and increased levels of turmoil in certain geopolitical hotspots have the potential to increase uncertainty and volatility in Canadian and global markets, respectively. The Company is exposed to potential supply chain disruptions due to foreign supplier failures, pandemics, extreme weather events, geopolitical risk (including the downstream impacts of the Russia-Ukraine conflict), raw material and component shortages, labour disruption or insufficient capacity at ports, and risks of delays or loss of inventory in transit. Rising costs associated with inbound freight and related services may also adversely impact the business. Additionally, uncertainty about the trading relationship between the US and China has created uncertainty and volatility in global markets. The occurrence of negative sentiment or events in the Canadian and broader global economy could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The inflationary pressures present in the Canadian and United States economy in fiscal 2022 and anticipated to continue in fiscal 2023 could curtail consumer spending and increase our production costs and supply costs, all of which could adversely impact the Company's financial condition.

Global financial conditions remain subject to sudden and rapid destabilizations in response to future events, as government authorities may have limited resources to respond to future crises. A slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect our growth and profitability. Future crises may be precipitated by any number of causes, including but not limited to public health crises including epidemics, pandemics such as COVID-19, or outbreaks of new infectious diseases or viruses, natural disasters, national emergencies, geopolitical instability, domestic or global trade disruptions, infrastructure disruptions, technological attacks, changes to energy prices or sovereign defaults. Increased levels of volatility or a rapid destabilization of global economic conditions may result in a material adverse effect on commodity prices, demand for our or our Royalty Partners' products, availability of credit, investor confidence, and general financial market liquidity, all of which may adversely affect our operations (or those of our Royalty Partners, which in turn would affect our operations) and the trading price of our securities.

Disruptions as a result of the COVID-19 Pandemic

The COVID-19 pandemic introduced a number of risks and uncertainties for the Company's business, which could significantly impact the Company's results of operations going forward. .

The Company continues to monitor the evolution of the pandemic, focusing on the jurisdictions in which the Company and its subsidiary operate. In particular, the Company continues to adhere to health and governmental guidance and maintains continuous communication with suppliers, customers and business partners to identify and monitor any potential risks to our ongoing operations. To date, the Company has maintained continuous operations and has not had significant supply chain interruptions due to the pandemic. However, while the situation relating to the pandemic has improved in 2022, it is possible that future developments relating to COVID-19 could adversely impact the Company's business, operations, financial condition and cash

flows. The extent of any future material adverse effect on the Company, including the effect of governmental responses and domestic or global trade disruptions (including supply chain shortages and delivery disruptions or delays), cannot be predicted with confidence as at the date hereof.

The Company's business is global and has customers and Royalty Partners operating in twenty six countries globally. The pandemic and governmental actions taken to contain COVID-19 have adversely affected the global economy and financial markets, generally, and such impacts have varied by country and are different depending on the level of spread of the virus or any variants thereof and responses from government authorities. The Company's royalties are derived from a global network of Royalty Partners, and future developments relating to the COVID-19 pandemic could materially impact the operations of our partners, and therefore impact the royalties generated by the Company. Furthermore, the Company's business is dependent on securing new royalty agreements with new Royalty Partners internationally, and any travel restrictions or requirements imposed by governmental authorities to contain the spread of COVID-19 may impact our ability to send sales representatives and qualified technical personnel to secure licenses and install machinery, and thus impact our ability to generate new machine sale revenues.

Although the Company has made significant progress in adapting to conditions resulting from the pandemic, our operations have been and may continue to be disrupted to varying degrees in many markets, from international travel and quarantine restrictions to domestic or global trade disruptions, including supply chain shortages and delivery disruptions or delays. COVID-19 has negatively impacted our business and will likely continue to impact our business, financial condition, cash flow and results of operations to an extent that is dependent on future events and developments that are highly uncertain, unpredictable, and rapidly evolving, including:

- the duration and scope of the COVID-19 pandemic, including the existence or emergence of, duration, scope, spread and intensity of any variants of COVID-19;
- the continued availability and effectiveness of any vaccines (including booster vaccines) or alternative treatments to prevent or treat COVID-19 infections and to contain or eliminate the pandemic;
- the ability of the Company's suppliers to perform their contractual obligations to us in a timely manner, at previously anticipated costs or at all, and if necessary, the Company's ability to obtain substitute sources of materials and components, or source supplies and/or services from alternative providers, in a timely manner, on terms acceptable to the Company or at all;
- the Company's ability to continue to meet its customers' needs in the event of significant disruption to its business and operations, including the unavailability of its labour force, materials and/or services from third party suppliers and means of transporting its products, reduced production capacity, and rise in previously anticipated costs;
- the ability of the Company's customers to conduct business without significant disruption, including their ability to pay in a timely manner for the products purchased from the Company;
- the demand for the Company's products, which may be impacted by, among other things, the ability of the Company's customers to purchase such products due to the negative impact of the pandemic on their businesses and financial conditions;
- the Company's ability to perform its contractual obligations pursuant to any financing or other agreement; and

- the continued impact of the COVID-19 pandemic on the global economy and financial markets.

As we cannot predict any of the foregoing events or developments, we cannot provide assurance that there will not be continued disruptions to the Company's operations, its suppliers or its customers in the future.

Dependence on Third Party Suppliers

The Company is dependent upon the supply of microwave parts from key manufacturers for the successful operation of its business. A supplier's failure to supply materials or components in a timely manner, material defects and component quality of parts and raw materials sourced from suppliers, or the Company's inability to obtain substitute sources for these materials and components in a timely manner or on terms acceptable to the Company, could harm the Company's ability to integrate and deliver its products to its customers. Additionally, the loss of the services of any of these suppliers and a failure to obtain an acceptable alternative solution at a similar cost could have a material adverse effect on our relationships with our customers and Royalty Partners, and the business, operations and financial condition of the Company.

Equipment Risk

EnWave (and NutraDried, as applicable) may not achieve its planned production level in respect of REV™ equipment or dried cheese snack product, cost projections or quality/design benchmarks in respect of its operations. EnWave's technology may not function as intended or be suitable for the end users it is intended for. Cost overruns, equipment breakdowns, damage during shipment of equipment or failures to perform to design specifications in a manner that is not correctable in a timely or cost-effective fashion or at all, could have a material adverse effect on the Company's results of operations and financial performance.

Credit and Liquidity Risk

The Company is exposed to counterparty risks and liquidity risks including but not limited to: (i) through the companies with which the Company has financial instruments and customer contracts; (ii) through financial institutions that hold the Company's cash and cash equivalents; (iii) through companies that have payables owing to the Company; (iv) through the Company's insurance providers; and (v) through the Company's lenders. The Company is also exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, such facilities may not be on terms favourable to the Company. If these risks materialize, the Company's operations and the trading price of the Common Shares could be adversely affected.

Foreign Exchange Risk

Our profitability is subject to fluctuations in foreign currencies, particularly the US dollar. Fluctuations in foreign currencies and interest rates have become more volatile in recent periods and affect our competitive position in world markets. Our competitiveness in world markets is also affected by the relative strength of the currencies of other producing countries. We use a variety of derivative financial instruments to reduce our exposure to risks associated with fluctuations in foreign exchange and interest rates.

Lengthy Sales Cycle and Variable Results

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 fluctuations in revenues, profitability and cash flow.

Changes in Consumer Preferences and Demand

The Company may be unable to anticipate changes in consumer preferences and trends, which may result in decreased demand for our technology or NutraDried's dried cheese snack product. Our success depends in part on our Royalty Partners' ability to anticipate the tastes, habits and purchasing behaviours of consumers and to offer products that appeal to their preferences in channels where they shop, or in the case of NutraDried, our ability to achieve the foregoing. Consumer preferences and category-level consumption in regards to our technology and NutraDried's dried cheese snack product may change from time to time and can be affected by a number of different trends and other factors. If our partners or, in the case of NutraDried we, fail to anticipate, identify or react to these changes and trends, such as adapting to emerging e-commerce channels, or to introduce new and improved products on a timely basis, our partners or, in the case of NutraDried we, may experience reduced demand for these products, which in turn could have a material adverse impact on the Company's operating results and financial performance.

Future Sales or Issuances of Securities

The Company may issue additional equity or debt securities to finance future activities. The Company cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the Common Shares. With any additional sale of Common Shares, existing investors will suffer dilution to their voting power and the Company may experience dilution in its earnings, if any, per Common Share.

Market Price Volatility on Securities

The market price of the Common Shares and our other securities may be adversely affected by a variety of factors relating to EnWave's business, including fluctuations in the Company's operating and financial results, the results of any public announcements made by the Company and the Company's failure to meet analysts' expectations. In addition, from time to time, the stock market experiences significant price and volume volatility that may affect the market price of our securities for reasons unrelated to the Company's performance. Additionally, the value of our securities is subject to market value fluctuations based upon factors that influence the Company's operations, such as legislative or regulatory developments, competition, global capital market activity and changes in interest and currency rates. There can be no assurance that the market price of our securities will not experience significant fluctuations in the future, including fluctuations that are unrelated to the Company's performance. The value of the Common Shares will be affected by the general creditworthiness of the Company. The value of our securities may

also be affected by the Company's financial results and political, economic, financial and other factors that can affect the capital markets generally, the stock exchanges on which our securities are traded and the market segment of which the Company is a part. Recent periods have seen generalized volatility in stock markets and significant declines in stock prices.

Reliance upon Key Management Personnel

The Company's future success depends, to a large extent, upon the services of highly skilled and experienced management and technical personnel. The loss of the services of one or more of our management and technical personnel could make us less competitive in certain areas, including sales and marketing, knowledge and expertise, prioritizing expenditures and maintaining employee relations, and cost management, that could have a material adverse effect on our business. In addition, as the Company's business grows, it will require additional qualified key administrative, scientific and technical personnel. The Company faces intense competition for qualified personnel, and there can be no assurance that the Company will be able to attract and retain such personnel. The Company does not have key man insurance in place in respect of any of its senior officers or personnel.

Competition Risks

New dehydration systems are being developed around the world by many companies and new advances may significantly reduce the value of the Company's technologies. The Company's technologies and products compete against those of other more established companies, some of which have greater financial, marketing and other resources than that of the Company. Some of the products of the Company's competitors are already established in the food and cannabis processing industries and this provides those companies with advantages over the Company. In addition, these competitors may be able to institute and sustain price wars, or imitate the features of the Company's products, resulting in a reduction of the Company's market share and cause a downwards revision in pricing and profit margins. The introduction of competing dehydration systems to the marketplace could negatively impact the Company's ability to earn royalties. There can be no assurance that the Company will be successful in the face of increasing competition from new products and enhancements in existing products introduced by existing competitors or new companies.

New snack products are developed consistently by food companies throughout the world. There are other shelf-stable cheese snacks available in the US and Canadian marketplaces from competitors of NutraDried. There is no guarantee that NutraDried will successfully develop a sustainable market for the Moon Cheese[®] product. There is a risk that other competitors could gain distribution with NutraDried's customers and could displace our products in accounts where our products are sold. Competing food companies may develop similar products that are preferred by consumers or existing NutraDried customers.

Intellectual Property Risks

To establish and protect our intellectual property rights, we rely on a combination of copyright, trade secret and trademark laws, patents, confidentiality procedures, contractual provisions, and other similar measures, all of which offer only limited protection.

The Company's future success and competitive position depends, in part, on its ability to obtain and maintain the proprietary nature of its technologies, products and manufacturing processes. There can be no assurance that we will not be subject to intellectual property infringement claims

by others, or that any patent applications will result in patents being issued or that current or additional patents will afford protection against competitors. 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. To protect its intellectual property against third party infringement or misappropriation, the Company may become involved in litigation (the outcome of which is uncertain), which could result in substantial expenses, divert the attention of the Company's technical and management personnel and materially disrupt the conduct of its businesses by adversely affecting the development of the Company's technology and products or sales. Some of the Company's competitors may be able to sustain the costs of complex patent litigation more effectively than the Company because they have substantially greater resources. Uncertainties resulting from the initiation and continuation of any litigation could adversely affect the Company's revenue, financial position and results of operations. Our confidentiality agreements with our licensees and other parties may not provide us with adequate remedies for any breach or prevent other persons or institutions from asserting rights to intellectual property arising out of these relationships.

Additionally, certain jurisdictions may not offer intellectual property protection that is as effective or enforceable as other jurisdictions. The steps we have taken to protect our intellectual property may not prevent the misappropriation of proprietary rights or the reverse engineering of our technology. Moreover, others may independently develop technologies that are competitive with or superior to those of our Company or that infringe our intellectual property. The enforcement of our intellectual property rights in such jurisdictions may depend on us taking legal action against such infringing parties, and we cannot be sure that these actions will be successful, even when our rights have been infringed.

The Company's intellectual property includes trade secrets and know-how which may not be protected by its patents. There can be no assurance that the Company will be able to protect its trade secrets. To help protect the Company's rights, the Company requires its employees, consultants, advisors and collaborators to enter into confidentiality agreements. There can be no assurance that these agreements will not be breached, that the Company would have adequate remedies for any breach, or that the outcome of any claim, suit or proceeding that the Company may pursue in connection thereto will be favourable to the Company. Accordingly, these agreements may not adequately protect the Company's trade secrets, know-how or other proprietary information in the event of any unauthorized use or disclosure. In addition, non-Canadian courts are sometimes less willing than Canadian courts to protect trade secrets. If our competitors independently develop equivalent knowledge, methods and know-how, we may not be able to assert our trade secrets against them and consequently, our business could be harmed.

Food Safety, Warranty Claims, Product Liability, and Product Recalls

EnWave typically provides warranties on its products and the failure of its products to operate as described may cause loss of customers, damage to the Company's reputation, delay in or loss of market acceptance, additional warranty expenses, costs or disruptions associated with product replacement or recalls. From time to time, the Company may become subject to warranty or product liability claims that may require it to make significant expenditures to defend these claims or pay damage awards or make settlement payments. The Company may also incur costs and expenses relating to a recall of one or more of its products. The process of identifying recalled products that have been widely distributed may be lengthy and require significant resources and the Company may incur significant replacement costs, contract damage claims, and harm to its reputation.

The Company is subject to a number of risks that affect the food industry in general, including the risk of accidental product contamination, food spoilage, product tampering, consumer product liability, and the potential expenses, costs or disruptions of a product recall. The risk relates both to NutraDried's operations and EnWave's toll processing operation, REVworx™. The Company actively attempts to mitigate these risks by adhering to its rigorous food safety protocols in its manufacturing facility. However, the Company cannot assure that strict adherence to its rigorous food safety protocols will eliminate the risks related to food safety. If the Company is required to recall certain of its products as a result of accidental product contamination, food spoilage, product tampering or otherwise, NutraDried may suffer from a loss of customers, damage to its reputation, delay in or loss of market acceptance, additional expenses, costs or disruptions associated with product recalls, or become subject to product liability claims. The process of identifying recalled products that have been widely distributed may be lengthy, arduous and require significant resources. Any of these events could have a material adverse effect on the business, financial condition, and results of operations of the Company.

Regulatory Risks

The Company's technologies targeted for use in the pharmaceutical industry will be subject to regulatory approval by a number of government entities, including the FDA in the US and by comparable authorities in other countries. Technology development within this regulatory framework takes a number of years and may involve substantial expenditures. Any delays by the Company or our Royalty Partners, or NutraDried, in obtaining regulatory approval, unforeseen changes to food safety and compliance regulations in the food processing industry, or legal or regime changes, including changes to import and export requirements of foreign jurisdictions, could have an adverse impact on the Company's ability to earn future revenues from these technologies, or NutraDried's ability to earn future revenues from its food products.

Research and Development

Research and development activities for new technologies are costly and may not result in the creation of new or enhanced products in a timely or cost-effective fashion or at all. There is no assurance that any or all of the Company's technologies for pharmaceutical products will be approved for marketing by the FDA or the equivalent regulatory agency of any other country. There is also no assurance that the Company will be able to generate additional technology candidates for its pipeline, either through internal research and development, or through the in-licensing or acquisition of other technologies. Even if a technology is approved for marketing by the applicable regulatory agency, there is no assurance that the Company will be able to ultimately deliver this technology on a commercial scale or obtain approvals for other technology candidates in the pipeline. Furthermore, technological developments by the Company's competitors may render the Company's technologies obsolete.

EnWave depends on third-party collaborators to license, co-develop and jointly commercialize some of its technologies. There is no guarantee these third parties will meet the Company's expectations or be able to find commercial opportunities with the technology to support successful commercialization of the EnWave technologies.

Taxes and Accounting Rules

The Company operates in Canada and has subsidiaries in the US. The Company earns royalties from companies domiciled in various other international jurisdictions. The introduction of new tax laws or regulations, or changes to, or differing interpretation of, or application of, existing tax laws

or regulations in Canada, the US, or the countries of our Royalty Partners could result in an increase in the Company's taxes, or other governmental charges, duties or impositions. The Company's international transactions have not yet been reviewed by the Canada Revenue Agency or the Internal Revenue Service and, should such transactions be reviewed, no assurances can be given that the tax matters will be resolved favourably. No assurance can be given that new tax laws or regulations will not be enacted or that existing tax laws or regulations will not be changed, interpreted or applied in a manner which could have a material adverse effect on the Company, and unexpected tax liabilities may materially adversely affect the Company's financial condition.

Environmental and Safety Regulations and Permits

The Company's operations sometimes involve hazardous materials. The Company believes that it takes the necessary precautions to appropriately contain such hazardous materials in its operations. The Company is required to comply with applicable environmental and safety regulations. Changes to environmental and safety regulations may limit the Company's activities or increase its costs. An environmental accident may have adverse consequences for the Company's operations and financial condition. To our knowledge, the Company has obtained all required permits, certifications, authorizations and approvals for its operations. However, failure to obtain or maintain any required permits, certifications, authorizations and approvals could have a material adverse effect on the Company's financial condition and results of operations.

NutraDried is required to comply with applicable food safety regulations. Changes to such regulations may limit NutraDried's activities or increase its costs. To our knowledge, NutraDried has made all necessary registrations with government entities, such as the FDA in the US, and has obtained all required permits, certifications, authorizations and approvals for its operations. However, failure to make such registrations, or obtain or maintain any required permits, certifications, authorizations and approvals could have a material adverse effect on the Company's financial condition and results of operations.

EnWave's toll processing facility will be required to comply with applicable food safety regulations in Canada, including the *Safe Food for Canadians Act*, and Health Canada regulations. EnWave is in the process of making arrangements for the required permits, certifications, authorizations and approvals. There is no guarantee that EnWave will be able to successfully obtain the required permits, certifications, authorizations and approvals for its operations, and failure to obtain and maintain those regulatory requirements could have a material adverse effect on the Company's financial condition and results of operations.

Insurance and Uninsured Risks

Our business is subject to a number of risks and hazards generally, including industrial accidents, product defects, changes in the regulatory environment and natural phenomena. Such occurrences could result in damage to our premises, equipment and products, personal injury or death, delays in operations, monetary losses and possible legal liability. Although we maintain insurance, and we require our Royalty Partners and other licensees to obtain applicable insurance coverage, including product liability insurance for their products, there can be no assurance that we will not incur losses beyond the limits of, or outside the coverage of, such insurance. There can be no assurance that in the future we will be able to maintain existing coverage or that premiums will not increase substantially. The Company may be subject to liability for risks against which we cannot insure or against which we may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds

available for our normal business activities. Payment of liabilities for which we do not carry insurance may have a material adverse effect on our business, financial condition and operations.

Cyber Security, Information Technology Systems, and Electronic Commerce

EnWave is dependent on information technology (“IT”) networks and systems, including the internet, to process, transmit and store electronic information, to manage business operations and for the functioning of the Company’s products and services. Although EnWave has implemented security systems and monitoring systems to prevent, detect and address potential security breaches, there are no assurances that such security and monitoring systems will be effective and computer hackers may be able to penetrate the Company’s network security. Computer hackers may be able to create system disruptions or develop and deploy viruses, worms, and other malicious software programs that attack the Company’s networks or otherwise exploit security vulnerabilities of the Company’s products, services or software. It is also possible that computer hackers could penetrate the network security of customers using EnWave’s products. Any of the foregoing could affect the Company’s operations, products or services, harm EnWave’s reputation, result in the unintended disclosure or misuse of confidential or proprietary information, result in a claim for damages against the Company, and require the Company to incur significant costs to eliminate or alleviate the problem. Additionally, the Company’s ability to transact business may be affected. There are no assurances that advances in criminal capabilities, new discoveries in the field of cryptography, or other developments will not compromise or breach the technology protecting the Company’s IT networks, systems, products, and software.

EnWave’s IT systems are also subject to disruption, damage, or failure from natural disasters, power loss and defects in design. To date, EnWave has not experienced any material losses relating to IT system disruptions, damage or failure, but there are no assurances that EnWave will not incur such losses in the future. Any of these and other events could result in IT systems failures, operational delays, production downtimes, destruction or corruption of data, security breaches, or other manipulation or improper use of the Company’s systems and networks. If systems are damaged or cease to function properly, capital investment may be required.

NutraDried’s electronic commerce (“e-commerce”) strategy of selling its dried cheese snack products direct to consumers through its online store (www.mooncheese.com) and through Amazon.com, Inc. subjects NutraDried to the risks of engaging in e-commerce. In the e-commerce landscape, customers expect a positive, convenient, and safe experience, including user-friendly websites, seamless and disruption-free delivery processes, safe and reliable processing of payments, minimal to no website downtime or technical failures, security breaches, or concerns about consumer privacy. The failure of NutraDried, or any online store that is authorized to carry and sell NutraDried’s products, to create and maintain the satisfaction of e-commerce customers, may materially adversely impact NutraDried’s, and therefore EnWave’s, business, financial position and cash flow.

Cyber threats continuously increase in sophistication, and may become more difficult to anticipate, and detect on a timely basis. A lapse in cybersecurity, or successful cyber attack, may defeat the Company’s security measures or those of its service providers or third-party vendors. This includes the risk that the Company’s websites and digital platforms may be subject to distributed denial of service (DDoS) attacks in the future, a technique used by hackers to take an Internet service offline by overloading its servers. Ransomware attacks are increasing exponentially while phishing attempts remain a constant industry threat. Since techniques used to obtain unauthorized access change frequently, the Company may be unable to implement

adequate preventative measures or stop the attacks while they are occurring. A data loss or security breach stemming from one of these attacks could delay or interrupt service to the Company's customers. These collective risks have been heightened since the onset of the COVID-19 pandemic as threat actors have notably taken concerted efforts in the market to take advantage of disruption associated with the COVID-19 pandemic and other previously unreported flaws in third-party software. As the cyber threat landscape evolves, the Company may be required to expend significant additional resources to modify or enhance its protective measures or to investigate and remediate any information security vulnerabilities.

Litigation

The Company may, from time to time, and in the ordinary course of conducting its business, be threatened with, or may be named as a defendant in various legal proceedings, including lawsuits based upon product liability, personal injury, breach of contract, lost profits, intellectual property infringement or other consequential damage claims which could exceed the Company's existing insurance coverage. A significant judgment against the Company, or the imposition of a significant fine or penalty, as a result of a finding that the Company failed to comply with laws or regulations, or being named as a defendant on multiple claims, could have a material adverse effect on the Company's business, financial condition, liquidity and results of operations. Even if the Company is not found liable for these claims, the cost of defending these actions may be material.

The Company, like other manufacturers and sellers of commercial processing equipment, is subject to potential liabilities connected with its business operations including potential liabilities and expenses associated with product defects, performance, reliability or delivery delays. A major product liability claim could have a material adverse effect on the Company's business, financial condition, liquidity and results of operations because of the size of any judgment awarded, the costs of defending against such claims, and diversion of key employees' time and attention from the business and potential damage to its reputation.

Facilities

As EnWave continues to grow its business and personnel, it will need to maintain, develop, and acquire adequate and modern real property facilities in various locations. Even if EnWave believes that its facilities are adequate for the Company's current needs and that suitable additional or substitute space may be available as needed, there are no assurances that EnWave will be able to renew these facilities' leases, as applicable, or find alternative facilities that meet its needs on favourable terms, or at all.

Risks Related to the Cannabis Industry

The Company sells its proprietary equipment and licenses its technology to certain end users for use in new and emerging industries or segments, including the cannabis industry, that may not grow or achieve market acceptance in a manner that we can predict. The demand for our technology in the cannabis industry depends on the uncertain growth of such industry. The legal cannabis industry is a relatively new industry, and the Company anticipates that associated regulations will be subject to change. For example, certain countries have adopted frameworks that authorize, regulate, and tax the cultivation, processing, sale, and use of cannabis for medicinal and/or non-medicinal use. The market for cannabis in Canada is now regulated under the *Cannabis Act*, the *Cannabis Regulations* and other applicable law. Health Canada is the primary regulator of the industry as a whole. The *Cannabis Act* and the *Cannabis Regulations* came into force on October 17, 2018, with the *Cannabis Act* amending the *Controlled Drugs and*

Substances Act and the Cannabis Regulations replacing the Access to Cannabis for Medical Purposes Regulations.

Provincial and territorial governments have taken different approaches to regulate the distribution and sale of cannabis for adult-use purposes. For example, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Nunavut and Northwest Territories have chosen government-regulated retail, whereas Manitoba and Saskatchewan have opted for a private sector approach. Ontario, British Columbia, Alberta, Yukon and Newfoundland & Labrador have chosen to pursue a hybrid approach of public and private sale and distribution.

Our Royalty Partners are and will be subject to a variety of laws, regulations, guidelines, and policies relating to the management, labelling, advertising, sale, storage, and disposal of cannabis, as well as laws and regulations relating to the health care industry, drugs, controlled substances, health and safety, labour standards, the conduct of operations, and the protection of the environment.

The Company's technology is applicable to a variety of industries and applications and has only recently been adopted by certain cannabis producers in jurisdictions where such activities have been legalized. The Company cannot predict the impact of the changes to the compliance regime for the international and domestic medical and recreational marijuana industries. Similarly, the Company cannot predict the time required for its Royalty Partners to secure all appropriate regulatory approvals for their products, or the extent of testing and documentation that may be required by governmental authorities. The impact on our Royalty Partners who operate or may in the future operate in this industry, whether in terms of opportunity or competition or otherwise, will impact the magnitude of EnWave's opportunity to earn royalty revenues in this particular industry and there is no assurance that EnWave will be successful in transforming its commercialization and patent development in the cannabis industry into material earnings.

EnWave holds a Research and Development License from Health Canada to work with cannabis at its pilot plant facilities. There is no guarantee that the Company will be able to abide by the strict regulations regarding the handling of cannabis for R&D purposes. Nor is there any guarantee that the proper required documentation and security measures will be implemented and upkept in accordance to Health Canada's requirements, which ultimately could lead to legal issues and financial repercussions to the Company.

Risks Related to US Cannabis Laws

In the US, cannabis is largely regulated at the State level. Multiple States have now legalized cannabis in some form, including California, Nevada, New York and Florida, among others. Notwithstanding the permissive regulatory environment of cannabis at the State level, cannabis is a Schedule I controlled substance under the *Controlled Substances Act*, with policies of enforcement that are subject to frequent change. Additionally, financial transactions involving proceeds generated by cannabis-related conduct can form the basis for prosecution under federal money laundering or other related statutes.

The Company licenses its technology to US cannabis producers and plans to supply machinery to US cannabis producers after having conducted thorough due diligence to determine that its business operates legally within the applicable State and US federal laws. The Company is not aware of any non-compliance by the aforementioned US cannabis producers with applicable licensing requirements or State regulatory frameworks relating to cannabis, and relies on

contractual representations relating to applicable US laws. However, such efforts by the Company do not guarantee compliance by such producers.

The expansion of the Company into the US cannabis industry is subject to risks relating to the varying, inconsistent and potentially conflicting, uncertain and rapidly evolving State and US federal laws, regulations, administrative practices, judicial interpretations, and enforcement approaches.

The Company is indirectly at risk through the US cannabis producers to which it licenses its technology or supplies machinery, as the producers' businesses may be affected by the changing legal, economic and social landscape of cannabis in the US. Such producers' businesses may be adversely affected by the enforcement or increased enforcement of US federal marijuana laws, including prosecution or seizure of their assets, by the failure to achieve the anticipated level of growth or market acceptance, or by evolving consumer perceptions and social perceptions generally of cannabis. Any of these events may adversely impact these producers' businesses and financial condition, including loss of sales or their ability to purchase or continue to purchase the Company's machinery, and consequently, impact EnWave's sales and opportunity to earn royalty revenues, and materially adversely impact the Company's business, financial condition, liquidity and results of operations.

The Company is also subject to direct risks relating to its expansion into the US cannabis industry, including risks of: accusations of violating US federal marijuana laws despite compliance with applicable State marijuana laws; applicable regulatory bodies imposing restrictions on the Company's ability to operate in the US; accusations of non-compliance with the requirements of applicable stock exchange(s) or recommendations of applicable securities administrator(s); third party suppliers suspending or withdrawing supplies; and the Company's personnel facing inadmissibility by U.S. Customs and Border Protection officers. Although the Company has assessed these risks following an extensive review and with external legal advice, there is no assurance that the aforementioned risks will not materialize, and any of the foregoing events and related enforcement action could have a material adverse effect on the business, financial condition, and results of operations of the Company.

US federal law prohibits, among other things, (i) the provision of services or products that are specifically designed for, or targeted at, entities engaging in activities related to the cultivation, distribution or possession of marijuana in the US ("Subject Entities"), or (ii) having commercial interests or arrangements with entities engaging in the business activities described in (i) above. The Company's products, which it licenses, builds, installs or sells to its customers or other end users, are multi-purpose products designed and intended for use in a wide range of applications in food, cannabis, pharmaceutical and other sectors, and therefore, the Company's services or products are not specifically designed for, or targeted at, Subject Entities. The Company is not, to its knowledge, in violation of any US federal laws relating to marijuana. However, as a result of the fluctuating US federal legal framework relating to marijuana, the Company's business activities in the US may be interpreted as being, or could become, in violation thereof. Any enforcement of US federal laws against the Company could have a material adverse effect on the business, financial condition, operations, and results of operations of the Company.

Any changes to the legality of the Company's business operations in the US may result in non-compliance with the TSXV requirements, which requirements essentially follow the US federal treatment of cannabis and cannabis-related businesses. Despite the Company's best efforts to mitigate its risks of non-compliance with TSXV requirements to which it is subject, if the US federal marijuana laws change such that the Company's business activities in the US are held to be in

violation thereof, then the Company may be at risk of the TSXV initiating at its discretion a delisting review or being delisted from the TSXV. Consequently, the Company may incur expenses and costs related to any such delisting review or delisting, and the market price of the Common Shares and our other securities may be adversely affected.

The CSA published on February 8, 2018, CSA Staff Notice 51-352 (Revised) – *Issuers With US Marijuana-Related Activities*, which outlined CSA staff’s specific disclosure expectations of issuers that have, or are in the process of developing, marijuana-related activities in States where such activity has been authorized within a State regulatory framework. Although these are recommendations only, failing to provide disclosure as deemed appropriate by the CSA may result in regulatory action, including requests for restatements of non-compliant filings and referrals for appropriate enforcement action. The Company may incur expenses or costs related to any such requests or enforcement actions.

The evolving legal, economic and social landscape of marijuana in the US, or any enforcement of State or US federal marijuana laws against the Company or the US cannabis producers to which it licenses its technology or supplies machinery now or in the future, could result in third party suppliers suspending or withdrawing supplies, which could harm the Company’s ability to integrate and deliver its products to its customers, and consequently have a material adverse effect on the Company’s relationships with its customers and Royalty Partners, and the business, financial condition, operations and results of operations of the Company.

A foreign visitor who is involved either directly or indirectly in the cannabis industry may be subject to increased border scrutiny when attempting to enter the US. The U.S. Customs and Border Protection previously advised that border agents may deem a foreign visitor who is involved, either directly or indirectly, in a State-legal cannabis industry as inadmissible. While unassociated trips to the US may not result in problems entering the US, a foreign visitor attempting to enter the US to proliferate cannabis-associated business may be deemed inadmissible, at the discretion of the border agents. As a company with operations in both the US and Canada, inability of our employees or counterparties to enter the US could harm our ability to conduct our business.

The expansion by the Company into the US cannabis industry in the future would be subject to the foregoing risks, and therefore the success of such expansion initiatives cannot be assured, as any number of factors could slow or halt further progress in this industry.

Corruption and Bribery

EnWave’s operations are governed by and involve interactions with many levels of government in various jurisdictions. EnWave is required to comply with anti-corruption and anti-bribery laws, including the Canadian *Corruption of Foreign Public Officials Act* and the US *Foreign Corrupt Practices Act*, as well as similar laws in the countries in which EnWave conducts business. In recent years, there has been a general increase in both the severity of penalties and frequency of enforcement under such laws, resulting in greater punishment and scrutiny to companies convicted of violating anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also any of its third-party agents. Although EnWave has adopted policies and a risk-based approach to mitigate such risks, such measures are not always effective in ensuring that the Company and its employees or third-party agents will strictly comply with such laws. If the Company is subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines or sanctions (including debarment) being imposed on EnWave.

Reputation

Damage to our reputation may arise from an incident or event which is in monetary terms not material. Matters which could affect our reputation include significant design or manufacturing defects of our machines, quality issues with NutraDried's products, or a contravention of law, such as environmental or health law, or a failure to maintain appropriate standards of corporate responsibility.

Dividends

The Company has not paid out any cash dividends to date and has no plans to do so in the immediate future. As a result, an investor's return on investment will be solely determined by his or her ability to sell Common Shares in the secondary market.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other public and private companies and consequently there exists the possibility for such directors and/or officers to be in a position of conflict. Any decision made by any of such directors and/or officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company. Conflicts, if any, will be subject to the procedures and remedies available under the CBCA, which provides that, in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his/her interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the CBCA. In appropriate cases, we will establish a special committee of independent directors to review a matter in which directors or management, may have a conflict. In accordance with the provisions of the CBCA, our directors and officers are required to act honestly and in good faith with a view to the best interests of our Company.

DIVIDENDS AND DISTRIBUTIONS

EnWave has not declared or paid any dividends on Common Shares since incorporation, and it is not anticipated that any dividends will be declared or paid in the immediate or foreseeable future. Any decision to pay dividends will be made by the Board on the basis of earnings, financial requirements, and other relevant factors existing at such future time. See "*Risk Factors – Dividends*".

DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital of the Company consists of an unlimited number of voting Common Shares without par value as well as an unlimited number of voting preferred shares ("Preferred Shares"), issuable in series. As of the date of this AIF, 110,205,055 Common Shares were issued and outstanding and there were no Preferred Shares issued and outstanding.

Holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Company, to attend and to cast one vote per Common Share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Board at its

discretion from funds legally available therefor, and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series of class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

The Preferred Shares may, at any time and from time to time, be issued in one or more series, each series to consist of such number of shares as may be determined by the Board. Subject to the provisions of the CBCA, the Board may, prior to the issuance thereof, fix the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Shares.

A complete description of the terms and conditions of our warrants issued pursuant to the 2018 Financing (the “**Warrants**”), each of which is exercisable into one Common Share at a price of \$1.50 until November 15, 2022, and which are listed and posted for trading on the TSXV under the symbol “ENW.WT”, are contained in the Warrant Indenture between the Company and Computershare Trust Company of Canada dated as of November 15, 2017, which is available on SEDAR at www.sedar.com.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the TSXV under the symbol “ENW” and on the Frankfurt Stock Exchange under the symbol “E4U”.

The following table sets forth information relating to the trading of the Common Shares on the TSXV for the most recently completed financial year ended September 30, 2022:

Month	High (\$)	Low (\$)	Trading Volume
October 2021	1.20	1.05	1,074,511
November 2021	1.15	0.91	1,375,471
December 2021	1.03	0.85	1,539,924
January 2022	1.01	0.82	759,395
February 2022	0.98	0.84	626,491
March 2022	0.95	0.85	1,013,259
April 2022	0.92	0.76	1,230,431
May 2022	0.83	0.60	1,924,097
June 2022	0.70	0.61	849,389
July 2022	0.67	0.61	706,260
August 2022	0.68	0.52	762,972
September 2022	0.63	0.44	668,629

Prior Sales

During the year ended September 30, 2022, the following securities of the Company, which are not listed or quoted on a marketplace, were issued:

Date of Issuance	Type of Security	Number of Securities	Exercise Price or Conversion Price
July 6, 2022	Stock Options	10,000	\$0.63
May 30, 2022	Stock Options	10,000	\$0.67
March 7, 2022	Stock Options	10,000	\$0.86
January 10, 2022	Stock Options	30,000	\$0.97
December 12, 2022	RSR ⁽¹⁾	275,000	n/a
December 12, 2022	Stock Options	1,800,000	\$0.90
October 10, 2021	Stock Options	20,000	\$1.14
October 4, 2021	Stock Options	25,000	\$1.11

(1) Each RSR entitles the holder to one Common Share of the Company upon vesting.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To the knowledge of the Company, none of its securities are in escrow or subject to a contractual restriction on transfer.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding

The following persons are the current Directors and executive officers of the Company as of the date hereof:

Name, Province or State, Country of Residence	Principal Occupation or Employment and Occupation during the Past Five Years	Director Since
Brent Charleton British Columbia, Canada <i>President, Chief Executive Officer, and Director</i>	Mr. Charleton has been employed by the Company in various senior roles since 2010, including Senior Vice President of Corporate Affairs and Senior Vice President of Sales and Business Development, prior to being appointed President and CEO in August 2018. Mr. Charleton is a graduate of the Marketing Management Diploma program with an Honours Distinction at British Columbia Institute of Technology, holds a Bachelor of Arts degree from Simon Fraser University, and holds a Chartered Financial Analyst designation.	August 29, 2018
John P.A. Budreski British Columbia, Canada <i>Executive Chairman and Director</i>	Mr. Budreski has been the Executive Chairman of EnWave since June 2014. He is also the Executive Chairman of Morien Resources Corp. (TSXV:MOX), a mining development company, where he has been an executive since November 2012. He has been a director of Sandstorm Gold Ltd. (TSX:SSL) since June 2009, a director of Input Capital Corp. (TSXV: INP) from February 2017 to July 2019 and a director of NuLegacy Gold (TSX: NUG) since April 2018. Mr. Budreski also served as a director of Alaris Royalty Corp. (TSX:AD) from July 2008	June 23, 2014

Name, Province or State, Country of Residence	Principal Occupation or Employment and Occupation during the Past Five Years	Director Since
	<p>until May 2018. From 1987 to 2012, Mr. Budreski spent 25 years in the investment banking industry beginning as an associate with RBC Capital Markets in Calgary and New York, a Managing Director with Scotia Capital Markets in New York and Toronto and ultimately becoming the President and CEO of Orion Securities. He also served as Vice Chairman with Cormark Securities Inc. and completed multiple capital markets transactions as an independent advisor or as a principal. Mr. Budreski holds an MBA from the University of Calgary and a Bachelor of Engineering from TUNS/Dalhousie.</p>	
<p>Mary C. Ritchie Alberta, Canada</p> <p><i>Director</i></p>	<p>Ms. Ritchie is President and Chief Executive Officer of Richford Holdings Ltd., an accounting and investment advisory services company; a director and Chair of the Audit Committee of Alaris Royalty Corp. (TSX:AD); a director and Chair of the Audit Committee of Morien Resources Corp (TSXV:MOX); a former member of the RBC Global Asset Management independent oversight committee; a former director of Industrial Alliance Insurance and Financial Services Inc. Ms. Ritchie obtained a B.A. degree from the University of Western Ontario and a Bachelor of Commerce degree from the University of Alberta. She is a member of CPA Canada and a Fellow of CPA Alberta.</p>	<p>October 6, 2014</p>
<p>Stephen Sanford Washington, USA</p> <p><i>Director</i></p>	<p>Mr. Sanford is a seasoned legal executive with over 30 years of experience as an executive for a Fortune 500 company. He is the former Senior Vice President and Managing General Counsel at Fluor Corporation ("Fluor"), a global engineering and construction company. During his tenure at Fluor, Mr. Sanford has provided legal expertise and leadership during the structuring of billions of dollars in transactions. Mr. Sanford obtained both his Bachelor's Degree and Law Degree from Dalhousie University and holds an MBA from the University of Calgary.</p>	<p>February 12, 2019</p>
<p>Patrick Turpin Utah, USA</p> <p><i>Director</i></p>	<p>Mr. Patrick Turpin is an accomplished senior executive who has successfully conceived and launched revenue-generating retail channel businesses and brands. Mr. Turpin is a veteran of the retail and consumer packaged goods industry and has close to 30 years of experience leading organizations in multiple areas of the value chain. Mr. Turpin was the co-founder of Popchips, Inc. ("Popchips"), one of the leading better-for-you snack brands in North America. Prior to Popchips, Mr. Turpin was a senior executive at Costco Wholesale.</p>	<p>February 11, 2020</p>
<p>Pablo Cussatti New York, USA</p> <p><i>Director</i></p>	<p>Mr. Cussatti has been Chief Operating Officer of CH Guenther & Son LLC (a multinational food company) since February 2022. Mr. Cussatti was formerly the Chief Supply Chain Officer of Godiva Chocolatiers from</p>	<p>November 19, 2020</p>

Name, Province or State, Country of Residence	Principal Occupation or Employment and Occupation during the Past Five Years	Director Since
	June 2021 to February 2022. He has 28 years of food operations and manufacturing experience. Formerly, Mr. Cussatti was the Senior Vice President of Manufacturing for Ventura Foods from January 2018 to June 2021, Senior Vice President Operations and Fulfillment at Blue Apron from September 2016 to December 2017 and Senior Vice President Manufacturing at Pinnacle Foods from May 2012 to September 2016. Prior to 2012 Mr. Cussatti also held senior positions at Pepsi Bottling Group and Dean Foods. Mr. Cussatti obtained his Bachelor's Degree in Mechanical Engineering from Columbia University.	
Dylan Murray British Columbia, Canada <i>Chief Financial Officer and Corporate Secretary</i>	Mr. Murray has been Chief Financial Officer for the Company since December 2022. Mr. Murray was formally the Chief Financial Officer of Choom Holdings Inc. from February 2021 to August 2022, and Vice President of Finance at Choom Holdings Inc. from October 2019 to February 2021. Mr. Murray was Director of Finance at FirstService Corporation from July 2017 to October 2019. Mr. Murray obtained a Bachelor of Commerce from the University of Calgary. Mr. Murray is also a Chartered Professional Accountant.	N/A

Each director's term of office expires at the next annual meeting of shareholders of the Company or when his or her successor is duly elected or appointed, unless his/her term ends earlier in accordance with the articles or by-laws of the Company, he/she resigns from office or he/she becomes disqualified to act as a director of the Company.

The Company currently has two committees of the Board, comprised of the following members:

- (a) Audit Committee: Ms. Mary C. Ritchie (Chair), Mr. Stephen Sanford, Mr. Patrick Turpin; and Mr. Pablo Cussatti
- (b) Independence Committee: Mr. Stephen Sanford (Chair), Ms. Mary C. Ritchie, Mr. Patrick Turpin, and Mr. Pablo Cussatti.

As of the date of this report, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, 2,431,411 Common Shares, representing approximately 2.20% of the total number of Common Shares outstanding before giving effect to the future exercise of options to purchase Common Shares held by such directors and executive officers which will result from an event that will occur while that person is acting in the capacity as director or executive officer.

Other than described below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially control of the Company, (i) is, or within ten years prior to the date of this AIF has been, a director or executive officer of any company (including EnWave) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any

proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Other than described below, no director or executive officer of the Company, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, Chief Executive Officer ("CEO") or Chief Financial Officer ("CFO") of any company (including EnWave) that: (i) was the subject, while the director or executive officer was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO of such company.

In addition, Mr. Budreski became a director of Colossus Minerals Inc. ("**Colossus**") in late March of 2014 pursuant to the terms of, and upon the completion of, a court supervised restructuring. Prior to Mr. Budreski joining the board of directors of Colossus, Colossus had failed to file its requisite disclosure materials with the applicable regulatory bodies and, on April 29, 2014, the Ontario Securities Commission issued a cease trade order against Colossus. As of the date hereof, the cease trade order remains in effect.

Dylan Murray was the Chief Financial Officer of Choom Holdings Inc. ("**Choom**") until July 31 2022, a company that operated a chain of retail cannabis outlets, when it obtained creditor protection under CCAA on April 22, 2022. As of the date hereof, the CCAA proceeding is still being carried out under the supervision of the Supreme Court of British Columbia. After Choom obtained creditor protection under CCAA and while Mr. Murray was the Chief Financial Officer, the British Columbia Securities Commission issued a cease trade order against Choom on June 3, 2022. As of the date hereof, the cease trade order remains in effect.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of the Company's knowledge, and other than as disclosed in this AIF, there are no known existing or potential material conflicts of interest between the Company and any director or officer of the Company, except that certain of the directors and officers serve as directors and officers of other public companies and therefore it is possible that a conflict may arise between their duties as a director or officer of the Company and their duties as a director or officer of such other companies.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

The Company filed a Notice of Civil Claim in the Supreme Court of British Columbia against Durance Technologies, Inc., Dehydration Research, LLC, 1140522 B.C. Ltd., Timothy Douglas Durance, Gary Melvin Michael Sandberg, Reihaneh Noorbakhsh, Beenu Anand, Peregrine Precision Systems Inc., Peregrine Precision Systems LLC, Sean Nigel Tyrone Mclean, BC Hop Company Ltd. and Dwayne Wallace Stewart that alleges the defendants used and disclosed EnWave's confidential information and breached contractual obligations owed to EnWave. The Notice of Civil Claim seeks damages, an accounting of profits and injunctive relief. On July 30, 2021, EnWave filed an injunction application seeking orders restraining the defendants from selling or supplying vacuum microwave dryers pending trial. The court granted an order prohibiting the defendants from selling, attempting to sell, supplying, delivering or installing vacuum microwave dryers pending the outcome of trial, which is currently scheduled for September 2023.

On September 20, 2021, Durance Technologies, Inc., Dehydration Research, LLC, 1140522 B.C. Ltd., Timothy Douglas Durance, Gary Melvin Michael Sandberg, and Beenu Anand filed a counterclaim in the Supreme Court of British Columbia against the Company, and its Chief Executive Officer and Chief Financial Officer in response to the Notice of Civil Claim filed by the Company. The counterclaim alleges breach of contract and breach of privacy with respect to the cessation of employment of a former employee and director. A court hearing for the Notice of Civil Claim and the counterclaim is currently scheduled for September 2023.

On November 21, 2022, a purported class action proceeding was commenced in the Superior Court of the State of California for the County of Orange against NutraDried, the Company's subsidiary, on behalf of persons who purchased 3-ounce Moon Cheese® products in the State of California. The complaint alleged, inter alia, that the Company's 3-ounce Moon Cheese® products misled consumers based on the size of the package and the amount of snack product contained therein being commensurate with the size of the package. The Company believes the action to be without merit and intends to defend the claim.

Regulatory Actions

There were no: (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during its most recently completed financial year; (b) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (c) settlement agreements that the Company entered into before a court relating to securities legislation or with a securities regulatory authority during its most recently completed financial year.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Company is not aware of any material interest, direct or indirect, of (i) a Director or executive officer of the Company, (ii) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Common Shares, or (iii) any associate or affiliate of any of the foregoing, in any transaction within the three most recently completed financial years or during the current financial year, that has materially affected or is reasonably expected to materially affect the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are PricewaterhouseCoopers LLP, Chartered Professional Accountants, at their offices located at PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia.

Computershare Trust Company of Canada is the Company's registrar and transfer agent at its principal offices located at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia.

MATERIAL CONTRACTS

The only material contracts entered into by the Company during the most recently completed financial year, or entered into by the Company prior to the most recently completed financial year, but which are still in effect, are as follows (collectively the “**Material Contracts**”):

Warrant Indenture(s)

On November 15, 2017, the Company and Computershare Trust Company of Canada entered into a warrant indenture providing for the issue of Warrants pursuant to the Company's 2018 Financing. A summary of the 2018 Financing is contained in the *Glossary of Terms* section of this AIF.

Copies of the Material Contracts are available under the Company's profile on SEDAR at www.sedar.com, and the descriptions of the Material Contracts in this AIF are qualified in their entirety by the full text of the Material Contracts.

AUDIT COMMITTEE

The Company's Audit Committee is a committee of the Board established for the purpose of monitoring the Company's systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of the Company's external auditors. The Audit Committee is also responsible for reviewing the Company's annual audited financial statements, unaudited quarterly financial statements and management's discussion and analysis of financial results of operations for both annual and interim financial statements and review of related operations prior to their approval by the full Board.

The Audit Committee's charter (“**Charter**”) sets out its responsibilities and duties, qualifications for membership, procedures for committee member removal and appointment and reporting to the Board. A copy of the full text of the Charter is attached hereto as Schedule “A” to this AIF.

The following are the current members of the Audit Committee:

Ms. Mary C. Ritchie (Chair)	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Mr. Stephen Sanford	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Mr. Patrick Turpin	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Mr. Pablo Cussatti	Independent ⁽¹⁾	Financially literate ⁽¹⁾

(1) As defined by National Instrument 52-110 *Audit Committees*

Relevant Education and Experience

Mary C. Ritchie – Ms. Ritchie is the President and Chief Executive Officer of Richford Holdings Ltd., an accounting and investment advisory services firm based in Edmonton, Alberta. She has over 30 years of experience in both the public, private and not-for-profit sectors and is a member of CPA Canada and a Fellow of CPA Alberta. Ms. Ritchie is a member of the board of directors and audit committee of Alaris Equity Partners Income Trust (TSX:AD-UN.TO) and Morien Resources Corp (TSXV:MOX), and is a former member of RBC Global Asset Management's independent oversight committee. Ms. Ritchie is a former member of the board of directors of Industrial Alliance Insurance and Financial Services Inc. Ms. Ritchie holds a B.A. degree from the University of Western Ontario and a Bachelor of Commerce degree from the University of Alberta.

Stephen Sanford – Mr. Sanford is a seasoned legal executive with over 30 years of experience as an executive for a Fortune 500 company. He is the former Senior Counsel to Managing General Counsel at Fluor Corporation (“Fluor”), a global engineering and construction company. Mr. Sanford has significant experience structuring major commercial transactions in a variety of legal systems around the world. In his role at Fluor, Mr. Sanford manages a team of legal professionals with a global footprint that addresses intellectual property matters, taxation, insurance and risk management matters. During his tenure at Fluor, Mr. Sanford has provided legal expertise and leadership during the structuring of billions of dollars in transactions. He obtained both his Bachelor's Degree and Law Degree from Dalhousie University and holds an MBA from the University of Calgary.

Patrick Turpin – Mr. Turpin is a seasoned consumer products executive with 30 years of consumer products experience. He was an investment banker with Donaldson Lufkin and Jenrette before going into industry as an executive with Costco Wholesale Corp where he launched several billion dollar businesses such as Costco's gas station business, executive membership division and its vertically integrated snack food packaging and processing business. Mr. Turpin left Costco to launch a snack food brand called Popchips which he helped grow into a leading snack business North America and the United Kingdom. Today Mr. Turpin serves as a board member and advisor to numerous food and beverage related companies in North America. He holds a BA from Claremont McKenna college in Economics and History.

Pablo Cussatti – Mr. Cussatti is the Chief Operating Officer of CH Guenther & Son LLC, a multinational commercial baking company that operates over 25 production facilities across the US, Canada and Europe. Mr. Cussatti has over 25 years of experience holding senior executive roles with major food companies including PepsiCo, Pinnacle Foods, Ventura Foods and Godiva Chocolatier. Mr. Cussatti has developed and executed major capital and operating plans in the food industry and has been responsible for annual operating costs exceeding \$4 billion. Mr. Cussatti holds a B.S. in Mechanical Engineering from Columbia University.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on any exemption from NI 52-110 other than the exemptions available in Section 5 (Reporting Obligations) of NI 52-110, as the Company is a venture issuer.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Charter sets out responsibilities regarding the provision of non-audit services by the Company's external auditors. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and all non-audit related services require Audit Committee pre-approval.

External Auditor Service Fees

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ended September 30	Audit Fees	Audit-Related Fees ⁽¹⁾	Tax Fees ⁽²⁾	All Other Fees ⁽³⁾	Total
2022	\$151,673	nil	nil	\$6,741	\$158,414
2021	\$134,820	nil	nil	\$10,112	\$144,932

- (1) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements which are not included under the heading "Audit Fees".
- (2) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.
- (3) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP, the Company's external auditors for the financial year ended September 30, 2022, have confirmed that they are independent of the Company in accordance with the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found under the Company's profile on SEDAR at www.sedar.com.

Additional information, including Directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the Company's Management Information Circular dated as of February 14, 2022, which is available under the Company's profile on SEDAR at www.sedar.com.

Additional financial information is provided in the Company's financial statements and Management's Discussion and Analysis for the year ended September 30, 2022 which may be found under the Company's profile on SEDAR at www.sedar.com.

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

1. Mandate

The audit committee will assist the board of directors (the "**Board**") in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well as the Corporation's business, operations and risks.

2. Composition

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Corporation. The audit committee will consist of a minimum of three directors.

2.1 Independence

A majority of the members of the audit committee must not be officers, employees or control persons of the Corporation.

2.2 Expertise of Committee Members

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

3. Meetings

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Corporation's Chief Financial Officer and external auditors in separate executive sessions.

4. Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities:

4.1 External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors; and
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

4.2 Internal Control

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Corporation. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Corporation; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 Financial Reporting

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

General

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

Annual Financial Statements

- (c) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (d) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and

- (e) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

- (f) review and approve the interim financial statements prior to their release to the public; and
- (g) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Information

- (h) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

4.4 Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Corporation or any subsidiary of the Corporation shall be subject to the prior approval of the audit committee.

Delegation of Authority

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

- (b) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
 - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
 - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

- (c) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:

- (i) the pre-approval policies and procedures are detailed as to the particular service;
- (ii) the audit committee is informed of each non-audit service; and
- (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 Other Responsibilities

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

4.6 Reporting Responsibilities

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

5. Resources and Authority of the Audit Committee

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

6. Guidance – Roles & Responsibilities

The following guidance is intended to provide the Audit Committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

6.1 *Internal Control*

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

6.2 *Financial Reporting*

General

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Corporation's adoption of them.

Annual Financial Statements

- (d) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Corporation reports or trades its shares;
- (e) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (f) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (g) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (h) ensure that the external auditors communicate all required matters to the committee.

Interim Financial Statements

- (i) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (j) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and
- (k) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
 - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
 - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financial statements are consistent with changes in the Corporation's operations and financing practices;
 - (iii) generally accepted accounting principles have been consistently applied;
 - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
 - (v) there are any significant or unusual events or transactions;
 - (vi) the Corporation's financial and operating controls are functioning effectively;
 - (vii) the Corporation has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
 - (viii) the interim financial statements contain adequate and appropriate disclosures.

6.3 Compliance with Laws and Regulations

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

6.4 Other Responsibilities

- (a) review, with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements.