



EnWave Announces 2018 Third Quarter Consolidated Interim Financial Results

Vancouver, B.C., August 28th, 2018

EnWave Corporation (TSX-V:ENW | FSE:E4U) ("EnWave", or the "Company" - http://www.commodity-tv.net/c/search_adv/?v=298005) today reported the Company's consolidated interim financial results for the third quarter ended June 30, 2018.

Consolidated Financial Performance:

(\$ '000s)	Three months ended June 30,			Nine months ended June 30,		
	2018	2017	Change %	2018	2017	Change %
Revenues	6,779	4,674	45%	15,470	12,324	26%
Direct costs	3,848	3,052	26%	9,818	8,890	10%
Gross margin	2,931	1,622	81%	5,652	3,434	65%
Operating expenses						
General and administration	510	548	(7%)	1,709	1,606	6%
Sales and marketing	1,105	705	57%	2,378	1,406	69%
Research and development	332	348	(5%)	900	939	(4%)
	1,947	1,601	22%	4,987	3,951	26%
Net loss	(104)	(529)	80%	(1,020)	(1,926)	(47%)
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)		\$ (0.01)	\$ (0.02)	

Third Quarter Highlights:

- Expanded distribution of Moon Cheese[®] with additional product rotations in a number of Costco divisions; achieved the highest ever single quarter sales for Moon Cheese[®].
- Expanded its royalty-bearing license agreement with Tilray[®], a major Canadian medical cannabis Licensed Producer, to include exclusive rights to REV[™] technology for processing cannabis in the country of Portugal for processing cannabis. Tilray[®] purchased a second large-scale 60kW REV[™] machine to be installed in Portugal.
- Signed a CLA with Arla Foods ("Arla"), the world's largest manufacturer of organic dairy products and an innovation leader. The CLA grants Arla the exclusive right to use REV[™] technology to process dairy products in Denmark, Sweden, Finland and Norway. Arla purchased a 10kW small-scale machine to initiate commercial production.
- Signed a technology evaluation and license option agreement ("TELOA") with a major Canadian licensed producer of cannabis (the "Licensed Producer) and granted the Licensed Producer the exclusive option to license REV[™] for processing legalized cannabis in a European country. The Licensed Producer is renting a pilot-scale machine during the term of the TELOA to facilitate evaluation of the technology.

- Signed a TELOA with a Fresh Business Consulting S.L., (“Fresh Business”) a diversified investment and consulting firm headquartered in Spain, to develop several innovative food products using EnWave’s technology in Peru. Fresh Business will rent a small-scale REV™ machine, which will be installed in Lima, Peru.
- Signed a TELOA with a major Australian dairy company to evaluate REV™ technology for the development of several dehydrated, premium dairy ingredients. The Company rent a small-scale REV™ machine for use in Australia for a six months, during which time EnWave’s team will work closely to facilitate product development.
- Announced the commercial launch of Agropur Dairy Co-operative’s iögo Protein Crunch snack products, an innovative way of enjoying yogurt on-the-go that is processed using licensed REV™ technology.
- Signed a Collaboration and License Option Agreement with GEA Lyophil GmbH, (“GEA”), a Liquid Dosage organization of the Business Application Pharma of the GEA Group. EnWave and GEA will jointly evaluate a potential partnership to facilitate the manufacture and deployment of continuous cGMP REV™ lyophilization equipment into the global pharmaceutical sector.
- Advanced the fabrication and delivery of the first scaled-up Good Manufacturing Practices (“GMP”) freezeREV® machine by starting factory acceptance testing.
- Announced a capital project to expand the Company’s production capacity of Moon Cheese® through the installation of a second 100kW nutraREV® machine and a 10kW REV™ machine. The project has commenced and is expected to be commissioned in early fall, which will facilitate the continued sales growth of Moon Cheese® based on projected demand.
- Jointly ended the collaboration agreement with Sutro Biopharma Inc. (“Sutro”) to deliver a commercial powderREV® unit. During factory acceptance testing EnWave and Sutro were unable to satisfy certain quantitative bioactivity measures for the excipient-free, dried cell-free extract formulation. Recorded a resulting impairment charge of \$865 to “Due from customers on contract”.

Sales Pipeline:

Currently, the Company has 11 prospective royalty partners actively engaged in TELOA projects and the U.S. Army in an advanced stage of technology evaluation. In August 2018, the Company announced the U.S. Army’s purchase of a 10kW REV™ machine to facilitate an accelerated path to improved Close Combat Assault Ration deployment. EnWave’s strategy regarding these projects is to demonstrate the product innovation and attractive processing economics available through the use of REV™ technology, and to ultimately convert them into royalty-bearing commercial license agreements.

EnWave has been growing its prospective royalty partner pipeline as it commercializes REV™ across the food, legalized cannabis and pharmaceutical sectors as part of its strategy to build a large, diversified royalty-bearing portfolio.

Key Financial Highlights for the Third Quarter (expressed in \$ ‘000s):

- Reported the highest quarterly revenue ever for the Company in Q3 2018 of \$6,779 compared to \$4,674 for Q3 of 2017, an increase of \$2,105. Royalty revenues for Q3 2018 increased to \$137, compared with \$94 for Q3 of 2017.
- More than doubling revenues for NutraDried with Q3 2018 revenues of \$5,169 compared to Q3 2017 revenues of \$1,888, an increase of \$3,281 or 144%. NutraDried continues to increase points of distribution for its all-natural, crunchy Moon Cheese® snack.

- Achieving gross profit of \$2,931 for Q3 2018 compared to \$1,622 for Q3 2017, an increase of \$1,310. Gross margin as a percentage of revenue was 43% for Q3 2018 compared to 35% for Q3 2017.
- Continuing to be cash flow positive with cash flow from operations prior to changes in non-cash working capital^(*) of \$1,632 for the first three quarters of 2018, compared to \$284 for the first three quarters of 2017, showing positive cash flows from operations before taking into account changes in working capital.
- Reducing G&A expenses with Q3 2018 G&A expense of \$510, compared to \$548 for Q3 of 2017, a decrease of \$38. As a percentage of revenue, G&A expense was 7.5% for Q3 2018, compared to 11.7% for Q3 2017.
- Maintaining R&D expenses with R&D expense for Q3 2018 of \$332, compared to \$348 for Q3 of 2017, a decrease of \$16. The Company continues to invest strategically to strengthen its patent portfolio and to develop new product innovations with commercial potential.
- Growing net income at NutraDried of \$1,908 for Q3 2018 compared to \$167 for Q3 2017, an increase of over 11x. NutraDried continued to contribute significantly to the growth of the Company in terms of revenues and profitability with its growing distribution base and strong profit margins.

EnWave's interim consolidated financial statements and MD&A are available on SEDAR at www.sedar.com and on the Company's website www.enwave.net/financials.

(*) Non-IFRS Financial Measures

Cash flow from operations prior to changes in non-cash working capital is not a measure of financial performance under IFRS. This measure is not necessarily comparable to similarly titled measures used by other companies and should not be construed as an alternative to net income or cash flow from operating activities as determined in accordance with IFRS. Please refer to the discussion included in the Company's MD&A for the nine months ended June 30, 2018.

About EnWave

EnWave Corporation, a Vancouver-based advanced technology company, has developed Radiant Energy Vacuum ("REV™") – an innovative, proprietary method for the precise dehydration of organic materials. EnWave has further developed patent-pending methods for uniformly drying and decontaminating cannabis through the use of REV™ technology, shortening the time from harvest to marketable cannabis products.

REV™ technology's commercial viability has been demonstrated and is growing rapidly across several market verticals in the food, and pharmaceutical sectors including legal cannabis. EnWave's strategy is to sign royalty-bearing commercial licenses with industry leaders in multiple verticals for the use of REV™ technology. The company has signed over twenty royalty-bearing licenses to date, opening up nine distinct market sectors for commercialization of new and innovative products. In addition to these licenses, EnWave has formed a Limited Liability Corporation, NutraDried Food Company, LLC, to develop, manufacture, market and sell all-natural cheese snack products in the United States under the Moon Cheese® brand.

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

1. *nutraREV*® which is used in the food industry to dry food products quickly and at low-cost, while maintaining high levels of nutrition, taste, texture and colour;

2. *powderREV*[®] which is used for the bulk dehydration of food cultures, probiotics and fine biochemicals such as enzymes below the freezing point, and
3. *quantaREV*[®] which is used for continuous, high-volume low-temperature drying.

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

EnWave Corporation

For further information:

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

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

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

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

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