

EnWave Corp

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EnWave posts record revenue in 2Q with a host of deals across multiple industries

EnWave Corp (CVE:ENW), a Vancouver-based advanced tech company, continued to make waves Wednesday with the release of its second quarter financials which showed a record jump in quarterly revenue.

For the quarter ended March 2019, the firm posted revenue of C\$8.8 million, a boost of C\$4.6 million, compared to the same period a year ago.

The firm noted that revenue growth was driven by a boost in sales and distribution of the Company's Moon Cheese product as well as an increase in REV™ equipment sales to the cannabis sector.

EnWave is developing commercial applications for its dehydration technology in the cannabis, food and pharmaceutical industries.

READ: EnWave shares rise on news that Aurora will use its dehydration technology in South America

Earlier on Wednesday, the firm announced Aurora Cannabis Inc (TSE:ACB) (NYSE:ACB) has exercised an option that will see Aurora use EnWave's proprietary Radiant Energy Vacuum (REV) dehydration technology for drying cannabis in South America, aside from Peru.

The firms inked an exclusive, royalty-bearing commercial licence agreement with sub-licensing rights.

Radiant Energy Dehydration is a rapid, low temperature drying method that maintains the product's colour, flavour, and nutrients during the drying process.

2Q financial details

In the second quarter, EnWave more than doubled its gross profit, at C\$3.1 million, compared to C\$1.3 million in the second quarter a year ago.

Gross margin as a percentage of revenue was 36% for the second quarter, compared to 31% for the second quarter last year.

The firm reported a net loss of C\$224,000 in the quarter, narrowing it from the C\$519,000 it reported in the same period a year ago.

EnWave reported a healthy cash position of C\$12.2 million at the end of the quarter, with the Aurora Cannabis deal bringing in additional gross proceeds of C\$10.1 million.

"The company is positioned with a debt-free balance sheet and cash in excess of \$20 million paired with a positive cash flow profile," noted the firm in a release.

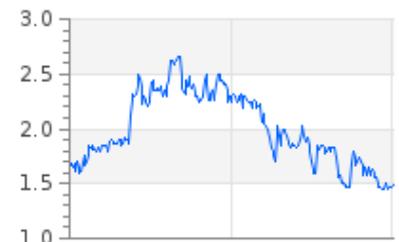
Multiple deals with multiple players

The firm has been busy in the second quarter, with a host of deals.

Price: 1.48

Market Cap: \$164.04 m

1 Year Share Price Graph



February 2019 August 2019 February 2020

Share Information

Code: ENW

Listing: TSX-V

52 week	High	Low
	2.66	1.42

Sector: Software & services

Website: www.enwave.net

Company Synopsis:

EnWave Corporation is a Vancouver-based advanced technology company developing commercial applications for its proprietary Radiant Energy Vacuum (REV™) dehydration technology. EnWave aims to sign royalty-bearing commercial licenses with leading food, nutraceutical, pharmaceutical and cannabis companies for the use of its revolutionary technology.

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Notably, it signed a number of deals with Aurora Cannabis.

This included granting Aurora non-exclusive rights to use EnWave's technology for processing cannabis in Canada. Aurora purchased three machines for installation in Canada. It also inked a royalty-bearing commercial license agreement with Aurora, with the rights to grant sub-licenses, for processing cannabis in the European Union (excluding Portugal) and partnered with Aurora to develop new innovations and intellectual property related to REV and its applications in the cannabis sector by signing an intellectual property agreement and starting a number of new joint development projects.

The company also inked a number of deals with other cannabis companies, including a deal with The Green Organic Dutchman (CSE:TGOD) (OTCMKTS:TGODF) granting the firm non-exclusive rights to use EnWave's technology for processing legalized cannabis in Canada. TGOD purchased four large-scale REV machines for installation in Canada.

The firm shipped its first machine to Tilray Inc (NASDAQ:TLRY) and began the installation and commissioning processes on the first large-scale continuous cannabis processing line.

EnWave also signed an agreement with major Japanese snack company Calbee Inc (TYO:2229) and received a purchase order for a 10kW machine. According to the company, Calbee plans to "conduct intense product development in 2019 and to launch several new products through market testing efforts in 2020."

Other deals included one with Fresh Business Consulting SL, granting Fresh Business exclusive rights to produce a variety of premium food products in Peru.

EnWave also worked on developing nutrient rich field rations with the US Army, announcing a purchase of a second small-scale REV machine by the army as part of the ongoing project. The firm is collaborating with the army and its supply network, as part of a strategy to commercialize REV for high-quality field rations "with superior taste and nutrients."

Multiple platforms

EnWave offers industrial-scale dehydration technology for commercial applications in the food and pharmaceutical spaces. The company says it is faster and cheaper than freeze drying, with better product quality than air drying or spray drying.

It also provides machinery for drying bulk biological materials and pharmaceuticals in vials.

It has multiple commercial platforms, including 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; powderREV, used for dehydrating food cultures, probiotics and biochemicals, such as enzymes, below the freezing point. The company's quantaREV is used for continuous, high-volume low-temperature drying.

Shares of EnWave were at C\$2.37 on Wednesday in Toronto.

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