

EnWave Corp

08:00 11 Mar 2020

EnWave is ramping up sales of its unique Radiant Energy Vacuum dehydration technology

- Developing commercial applications for its Radiant Energy Vacuum dehydration technology in the cannabis, food and pharmaceutical industries.
- EnWave's technology can reduce the time required to dry cannabis from between five and seven days to less than an hour
- Pursuing a licensing strategy with partners around the globe

What EnWave does:

EnWave Corp (CVE:ENW) is developing commercial applications for its Radiant Energy Vacuum (REV) dehydration technology in the cannabis, food and pharmaceutical industries.

The Vancouver-based advanced tech company offers industrial-scale dehydration technology, and also provides machinery for drying bulk biological materials and pharmaceuticals in vials.

REV dehydration is a rapid, low temperature drying method that maintains the product's colour, flavour, and nutrients during the drying process. The company says it is faster and cheaper than freeze drying, with better product quality than air drying or spray drying. EnWave licensed the original REV technology from the University of British Columbia (UBC) in 1996, developing it to commercial scale in 2008.

The idea behind REV is a pairing of microwave energy under a vacuum to quickly dehydrate materials. EnWave's patented vacuum-microwave technology allows for uniform drying with flexible moisture content, a benefit as compared to freeze-drying or air-drying.

In the cannabis world, time is money and EnWave's technology can reduce the time required to dry cannabis from between five and seven days to less than an hour. The company says its low temperature drying retains cannabinoids and terpenes and its low-pressure drying prevents oxidation.

The small machine footprint can help reduce the need for oversized drying rooms, with the drying time at an estimated 40 minutes from fresh to dry. The low temperature drying retains cannabinoids and terpenes, the low-pressure drying prevents oxidation, and can deliver "excellent" aroma and appearance, according to the firm.

EnWave is pursuing a licensing strategy with partners around the globe. The firm has licensed royalty partners for cannabis and hemp drying in the United States, New Zealand, Switzerland and Australia.

How is it doing:

EnWave recently reported the highest number of large-scale Radiant Energy Vacuum machines in fabrication during its fiscal 2020 first quarter.

Price: 0.89

Market Cap: \$99.15 m

1 Year Share Price Graph



October 2019 April 2020 October 2020

Share Information

Code: ENW

Listing: TSX-V

52 week	High	Low
	2.03	0.56

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.

action@proactiveinvestors.com

It signed six new licensing agreements during the quarter, boosting its revenue to C\$8.6 million, up 10% from C\$7.8 million compared to the year-ago quarter.

In January, Enwave revealed it had inked a royalty-bearing commercial license agreement with Colombian snack maker Pacifico Snacks SAS, who will use a REV machine to produce dried-fruit snacks for the North American grocery market. The license was the first signed by EnWave in Colombia and was its 38th worldwide.

Another significant deal with a German maker of freeze-dry units is expected to accelerate the potential commercialization of REV technology.

Under the agreement, EnWave will formally collaborate with GEA Lyophil to scale-up and refine REV machinery, leveraging GEA Lyophil's deep expertise and intellectual property in GMP-pharma equipment manufacturing. The agreement will allow for the integration of EnWave's proprietary freezeREV pharmaceutical drying technology into GEA Lyophil's industry-leading equipment design and manufacturing capabilities for the pharmaceutical industry.

If successful, GEA Lyophil will leverage its robust pharmaceutical industry network to manufacture, market and sell REV machinery for use on a global basis for pharmaceutical applications and will pay EnWave an undisclosed royalty on the sale of any future GMP-pharma REV machinery.

What the broker says:

Analyst Steve Hansen at Raymond James has put a C\$2.50 share target on Enwave's stock, seeing the firm as "poised to demonstrate very robust revenue/EBITDA growth throughout our forecast horizon."

"While EnWave shares have historically traded in tandem with the firm's reported revenue progression, we note this relationship has significantly broken down in recent months -- a divergence that, we believe, presents an attractive entry point opportunity given our financial outlook," he added in a recent note.

What the boss says:

"With a disruptive technology, success begets success," EnWave CEO Brent Charleton told Proactive recently. "The more companies who adopt the tech, the less perceived risk is there. We're looking to ramp up sales of our machinery in multiple food verticals as well as in the cannabis space on a global basis this year."

Contact Angela at angela@proactiveinvestors.com

Follow her on Twitter @AHarmantas

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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