

A CHANGE IN DIRECTION

A Strategic Pivot to Industrial Technology & Manufacturing for the Lumber Industry

MDWerks Inc. is changing its strategic direction. The company operates through two wholly owned subsidiaries: **Two Trees Beverage Company**, which produces and sells spirits brands, and **RF Specialties, LLC**, which designs and manufactures industrial radio-frequency (RF) systems. MDWerks has previously relied heavily on alcohol brand sales from Two Trees. Going forward, the company will focus on industrial design and manufacturing through RF Specialties, with the lumber industry as its primary market.



RF SPECIALTIES Engineered for wood products



OUR MISSION

MDWerks designs, manufactures, and deploys proprietary RF energy-wave systems that make industrial processes faster, cleaner, and more cost-effective. Our mission is to bring this technology to the lumber and wood-products industry, helping sawmills and producers turn raw material and by-products into higher-value output with less time, energy, and waste.

RF SPECIALTIES: OUR CORE BUSINESS

RF Specialties now leads the company's growth, designing, building, and supporting automated RF systems from its facility in Mills River, North Carolina.

-  **Molecular Sawdust Drying System (MSDS):** sets sawdust moisture for wood pellets and other end products, with faster drying, lower cost, and modular capacity.
-  **Wood-chip drying and board straightening:** the same technology applied across the mill.
-  **Compound extraction:** systems for recovering materials such as turpentine and furfural.

Rex Lumber LOI. After deploying its sawdust-drying pilot system, RF Specialties signed a non-binding letter of intent with Rex Lumber Company for a proposed joint venture to develop and sell RF solutions for the lumber industry, with revenue from system sales, deployments, royalties, and services.

WHY WE ARE PIVOTING

The U.S. alcohol market is shrinking, and the wholesalers' own trade group expects declines to continue through 2027.

-5.7%

U.S. core spirits revenue, 12 months to Q1 2026

54%

of Americans say they drink, tying a record low

~25%

of craft distilleries closed, Sept 2024 to Sept 2025

Depending on brand sales in this market is no longer the best use of our capital. Our engineering and manufacturing work is.

THE TRANSITION AT TWO TREES

Over the next quarter, Two Trees will wind down its spirits brands and its alcohol processing operations. The company will redirect capital, people, and engineering resources to RF Specialties and the industrial markets where our technology creates the most value.

WHAT CONTINUES

SRAS
Aging & Polishing

MDWerks will keep manufacturing and selling its proprietary **Spirits Rapid Aging System (SRAS)**, our patented aging and polishing technology. SRAS matures and refines distillate far faster than barrel aging, using less wood, energy, and storage space. We will serve distillers and bulk-spirits producers as an equipment supplier, not a brand owner.

OUR COMMITMENT

MDWerks is now a technology and manufacturing company. We will judge our success by the systems we design and build, the customers we serve, and the efficiency we deliver to the lumber industry and every other industry where our technology applies.