

Industrial growth. Focused execution.

Strategic transition and commercial progress

3–6 months

PLANNED TRANSITION

\$3 million

CONDITIONAL REX JV

\$6.5 million

FIVE COMMERCIAL ITEMS

Strategic transition

MDWerks is advancing a strategic pivot toward technology and manufacturing, with a particular focus on the lumber industry. In response to continued weakness in the spirits market, management is concentrating resources on industrial applications and equipment opportunities. The company will continue producing SRAS systems as its focus in the spirits business.

Management expects the transition to take approximately three to six months. The immediate priority is to maintain core operations while completing projects and converting the active sales pipeline into signed contracts and cash receipts.

Commercial progress since September 3

Since the September 3, 2026 board meeting, the company has sent five proposals, contracts and invoices with a total value of **\$6.5 million**. One has been paid; management reports that the remaining items are likely to move forward.

Rex joint venture | \$3 million opportunity

Management targets closing the \$3 million Rex joint venture transaction by **December 31, 2026**, subject to required closing conditions. These include finalizing programming and updates to achieve the required system speed and continuous operation for **four weeks**.

The proposed transaction would give Rex a **49% ownership interest** in the joint venture in exchange for \$3 million. Rex has made serious infrastructure improvements, demonstrating its commitment to the project expansion.

An additional **\$150,000** is needed to complete the existing proto-type system already installed, and support the opportunity to secure orders for at least two more drying systems. Those additional orders remain prospective.

\$325,000 funding request

Capital priorities and prospective customer opportunities

Near-term funding request

The company is seeking **\$325,000** to sustain operations, complete the Rex project and support the travel needed to advance prospective customer contracts. The immediate priority is **\$250,000 for operations and Rex completion**.

USE OF FUNDS	AMOUNT	PURPOSE / TIMING
Operating continuity	\$100,000	Immediate: SEC reporting, employee pay and rent.
Rex completion	\$150,000	Complete the system, pursue at least two additional drying-system orders and advance the joint venture closing.
Customer travel	\$75,000	Fund key customer meetings to advance contract closings.
TOTAL REQUEST	\$325,000	Immediate priority: \$250,000 for operations and Rex completion.

Sales pipeline and customer engagement

RF Specialties (RFS) opportunities focus on wood microchip and sawdust drying applications. Management estimates project margins of **30%–60%**, depending on project scope and execution.

The \$75,000 travel budget will support key meetings with prospective customers and efforts to close contracts. Companies identified for engagement include:

Canfor • Mindea USA • Rosboro • Brightwood
SmartLam • Tolko • Ludinek Engineering
Boise Cascade • Georgia Pacific

Execution priorities

Maintain SEC reporting, employee pay and rent; complete the Rex system to advance the conditional \$3 million joint venture closing; and convert customer meetings into signed equipment contracts.

Investor perspective

This funding would support execution of the company's planned three-to-six-month transition and position it to pursue the industrial drying pipeline. Successful conversion of these opportunities depends on funding availability, customer decisions, project completion and satisfaction of applicable contract conditions.

Forward-looking statements reflect management's current expectations. Timing, contract values, margins and prospective orders are not assured and may differ materially from actual results.