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NUWAVE TECHNOLOGIES INC
Form 10QSB
November 14, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2002
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-28606

NUWAVE TECHNOLOGIES, INC.

(Exact name of small business issuer as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

22-3387630
(I.R.S. Employer
Identification No.)

ONE PASSAIC AVENUE, FAIRFIELD, NEW JERSEY
(Address of principal executive offices)

07004
(Zip Code)

Issuer's telephone number, including area code: (973) 882-8810

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of November 4, 2002: 15,853,117

Transitional Small Business Disclosure Format: Yes No

NUWAVE TECHNOLOGIES, INC.

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FORM 10-QSB

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NUWAVE TECHNOLOGIES, INC.
Balance Sheets
(In thousands, except share data)

	ASSETS		
		September 30, 2002	December 31, 2001
		----- (unaudited)	-----
Current assets:			
Cash and cash equivalents		\$ 62	\$ 1,011
Accounts receivable, net		6	13

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Inventory	266	41
Prepaid expenses and other current assets	184	17
	-----	-----
Total current assets	518	1,74
Property and equipment	55	8
Other assets	26	3
Deferred tax benefit	280	28
	-----	-----
Total assets	\$ 879	\$ 2,13

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable and accrued liabilities	\$ 559	\$ 84
	-----	-----

Long-term liabilities:

Note payable	155	
	-----	-----
Total liabilities	714	84
	-----	-----

Commitments and contingencies

Stockholders' equity:

Series A Convertible Preferred Stock, noncumulative, \$.01 par value; authorized 400,000 shares; none issued		
Preferred stock, \$.01 par value; authorized 1,000,000 shares; none issued - (preferences and rights to be designated by the Board of Directors)		
Common stock, \$.01 par value; authorized 40,000,000 shares; 14,833,999 shares issued and outstanding at September 30, 2002	148	11
Additional paid in capital	26,592	25,61
Accumulated deficit	(26,575)	(24,44
	-----	-----
Total stockholders' equity	165	1,28
	-----	-----
Total liabilities and stockholders' equity	\$ 879	\$ 2,13
	=====	=====

The accompanying notes are an integral part of these condensed financial statements

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STATEMENTS OF OPERATIONS
(In thousands, except share and per share data)

	Three Months Ended September 30, 2002 ----- (unaudited)	Three Months Ended September 30, 2001 ----- (unaudited)	Nine Months Ended September 30, 2002 ----- (unaudited)
Net sales		\$ 445	\$ 281
Cost of sales		(208)	(148)
		----- 237	----- 133
Operating expenses:			
Research and development expenses	\$ (122)	288	(591)
General and administrative expenses	(442)	(1,013)	(1,679)
	----- (564)	----- (1,301)	----- (2,270)
Loss from operations	----- (564)	----- (1,064)	----- (2,137)
Other income (expense):			
Interest income		12	5
Interest expense	(2)	(2)	(3)
	----- (2)	----- 10	----- 2
Net loss	----- \$ (566)	----- \$ (1,054)	----- \$ (2,135)
	=====	=====	=====
Basic and diluted loss per share:			
Weighted average number of common shares outstanding	13,852,308	10,639,953	12,724,339
	----- 13,852,308	----- 10,639,953	----- 12,724,339
Basic and diluted loss per share	----- \$ (0.04)	----- \$ (0.10)	----- \$ (0.17)
	=====	=====	=====

The accompanying notes are an integral part of these condensed financial statements

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	Nine Months Ended September 30, 2002 ----- (unaudited)	Nine Mo Ended Septembe 2001 ----- (unaudi
Cash flows from operating activities:		
Net loss	\$ (2,135)	\$ (
Adjustments to reconcile net loss to net cash used in operating activities:		
Provision for Doubtful Accounts		
Depreciation expense	24	
Loss on disposal of equipment	7	
Amortization of website development costs		
Amortization of software development costs		
Decrease in accounts receivable	132	
Decrease (increase) in inventory	147	
Increase in prepaid expenses and other current assets	(5)	
Decrease in other assets	4	
Decrease (increase) in accounts payable and accrued liabilities	(287)	
Issuance of options and warrants in connection with consultant agreements	209	
Net cash used in operating activities	----- (1,904) -----	----- (-----
Cash flows from investing activities:		
Purchase of property and equipment	(7)	
Proceeds from sale of equipment	3	
Net cash used in investing activities	----- (4) -----	----- -----

(Continued)

The accompanying notes are an integral part of these condensed
financial statements

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NUWAVE TECHNOLOGIES, INC.

STATEMENTS OF CASH FLOWS
(In thousands)

	Nine Months Ended September 30, 2002 ----- (unaudited)	Nine Mo Ended Septembe 2001 ----- (unaudi
Cash flows from operating activities:		
Proceeds from debt	300	
Proceeds from equity offerings	815	
Costs incurred for equity offerings and warrants	(156)	
Issuance of common stock in connection with exercise of warrants		
Net cash provided by financing activities	----- 959	
Net decrease in cash and cash equivalents	(949)	
Cash and cash equivalents at the beginning of the period	----- 1,011	
Cash and cash equivalents at the end of the period	\$ 62 =====	\$ =====
Supplemental disclosure of cash flow information:		
Interest paid during the period	\$ 3 =====	\$ =====

Supplemental disclosures of non-cash financing activities:

During 2002, the Company issued 1,277,802 shares of common stock in settlement of debt aggregating \$145,000.

The accompanying notes are an integral part of these condensed financial statements

NUWAVE TECHNOLOGIES, INC.

NOTES TO
CONDENSED FINANCIAL STATEMENTS

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1. Basis of Interim Financial Statement Preparation

The accompanying unaudited condensed financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America for interim information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The results of operations for the interim periods shown in this report are not necessarily indicative of expected results for any future interim period or for the entire fiscal year. NUWAVE Technologies, Inc. (the "Company" or "NUWAVE"), believes that the quarterly information presented includes all adjustments (consisting only of normal, recurring adjustments) necessary for a fair presentation in accordance with generally accepted accounting principles. The accompanying condensed financial statements should be read in conjunction with the Company's Annual Report on Form 10-KSB as filed with the Securities and Exchange Commission ("SEC") on April 16, 2002.

2. Capital Transactions

On February 5, 2002, the Company entered into a private placement agreement with investors whereby the Company issued 600,000 shares of the Company's Common Stock for an aggregate purchase price of \$330,000. In connection with this agreement, the Company issued to the Placement Agent a Placement Agent Warrant, exercisable to purchase up to 30,000 shares of Common Stock, representing five percent of the total of the stock issued in the Offering. The warrants shall be exercisable for a period of five years, expiring on February 5, 2007, at an exercise price of \$.55 per share. The Placement Agent also received a cash placement fee of eight percent of the purchase price and a non-accountable allowance equal to two percent of the purchase price, totaling \$33,000.

On February 27, 2002, the Company entered into agreement with an investor whereby the Company issued 214,286 shares of Common Stock for an aggregate purchase price of \$150,000 and warrants to purchase up to 50,000 shares of Common Stock at an exercise price of \$1.00 per share with an exercise period of five years expiring February 27, 2007. Under the terms of the agreement a consultant was paid a finder's fee of \$1,500 representing one percent of the purchase price.

On April 15, 2002, the Company entered into a \$3.0 million Equity Line of Credit Agreement with Cornell Capital Partners, LP (the "Purchaser"). Provided the Company is in compliance with the terms of the Agreement, the Company may, at its option, periodically require the Purchaser to purchase up to \$100,000 in any seven day period of the Company's Common Stock (the "put"

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shares) up to a maximum of \$3.0 million over the next two years, commencing on May 31, 2002 (the effective date of a Securities Act of 1933 (the "Securities Act") registration statement on Form SB-2 for the registration of 5,000,000 shares of Common Stock to be sold under the Equity Line of Credit, plus the 238,095 shares mentioned below). The Company has issued to the Purchaser 218,095 shares of Common Stock as a commitment fee for entering into the Equity Line of Credit Agreement. In addition, the Company issued to the placement agent 20,000 shares of NUWAVE's common stock. For each share of Common Stock purchased under the Equity Line of Credit, the Purchaser will pay 97% of the then Market Price (as defined in the Equity Line of Credit), and will be paid a fee of 4% of each advance.

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The Equity Line of Credit is non-exclusive; thereby permitting the Company to offer and sell its securities to third parties while the Equity Line of Credit is in effect. NUWAVE has the option to terminate the Equity Line of Credit Agreement at any time, provided there is no pending advance thereunder.

Between June 7, 2002 and June 30, 2002 the Company entered into agreements with various investors whereby a total of 1,101,165 shares of Common Stock were issued for an aggregate purchase price of \$330,350. In connection with the issuance of these shares, the Company incurred costs of \$35,664 in placement agent fees and expenses.

On July 3, 2002, 2,530,000 of the Company's unexercised Public Warrants, issued in the Company's initial public offering expired.

On August 20, 2002, the Company received a loan from Cornell Capital Partners, L.P. in the amount of \$300,000. The loan was secured by advance puts under the Equity Line of Credit. As of September 30, 2002, \$145,000 of the outstanding balance had been repaid from the proceeds of puts under the Equity Line of Credit, leaving a current balance of \$155,000. As of September 30, 2002, under the terms of the Equity Line of Credit Agreement, the Company had received a total of \$150,000 and had issued 1,277,802 shares of common stock.

3. Subsequent Events

On October 9, 2002, the Company received a second loan secured by advance puts under the Equity Line of Credit in the amount of \$125,000.

On November 1, 2002 a registration statement filed by the Company on Form SB-2 under the Securities Act of 1933 (the "Securities Act") for the registration of 14,000,000 shares of Common Stock, to be available for sale under the Equity Line of Credit was declared effective.

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Item 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

FORWARD-LOOKING STATEMENTS

This Report on Form 10-QSB contains "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts included in this Report, including without limitation, the statements under "General," "Marketing and Sales," and "Liquidity and Capital Resources," are forward-looking statements. The Company cautions that forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements, due to several important factors herein identified. Important factors that could cause actual results to differ materially from those indicated in the forward-looking statements ("Cautionary Statements") include delays in product development, competitive products and pricing, lack of acceptance of the Company's products, general economic conditions, risks of intellectual property litigation, product demand, industry capacity, new product development, failure of distributor to market our products effectively, commercialization of new technologies, the Company's ability to raise additional capital, and the risk factors detailed from time to time in the Company's Annual Report on Form 10-KSB and other materials filed with the SEC.

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All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the Cautionary Statements.

GENERAL

Our mission is to identify, develop and commercialize high-margin, proprietary technologies suited for high-volume, high-growth markets and, in turn, achieve attractive long-term growth for our company. Our focus to date has been and continues to be on technology related to image and video enhancement designed to enrich picture and video output with clearer, more defined detail in texture, color, contrast and tone, at low cost. Our initial products can be used by original equipment manufacturers (OEM's) for placement into products that produce images for display screens such as televisions and/or DVD players, for supplementing and increasing video quality on existing television monitors and video displays via set-top boxes containing our technology, and by individuals over the Internet for improving their personal images and photographs. Our patented high speed filtering technology removes approximately 70% of the picture noise while retaining correct focus (the image and text in the image does not blur). The three product lines based upon our proprietary technology

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are: 1) the NUWAVE Video Processor (NVP) Technology, 2) Retail Products and 3) Digital Filtering Technology.

RESULTS OF OPERATIONS

Nine Months Ended September 30, 2002 Compared to Nine Months Ended September 30, 2001

Revenues for the nine months ended September 30, 2002 were \$281,000 compared to \$517,000 for the nine months ended September 30, 2001 as we began selling the NVP Technology in the form of ASIC (application specific integrated circuits) chips to OEMs and our first retail product the "VGE" video game enhancer in June of 2001. In December 2001, we entered into a strategic alliance with Gemini Industries ("Gemini"), a manufacturer and distributor of consumer electronics accessories. Gemini was granted a five-year exclusive license to market and distribute NUWAVE's VGE in North America. Initial shipments of the VGE and ASIC chips to Gemini took place during the first quarter of 2002. Minimum ongoing purchase requirements under the contract were to begin in July 2002. After having received a three-month extension Gemini still had not met their minimum contractual purchase requirements and management determined it was in the Company's best interest to terminate the agreement. We are considering the contractual implications as well as our alternatives so as to not further restrict our ability to sell and market our products to the retail marketplace. As part of this effort, we have entered into a non-exclusive strategic alliance with Unical Enterprises, Inc. for the marketing, sales and distribution of our proprietary products as well as a full line of consumer electronics accessories, all with access to the Sylvania brand. Cost of sales for the nine months ended September 30, 2002 was \$148,000 compared to \$236,000 for the nine months ended September 30, 2001.

During the nine months ended September 30, 2002, \$591,000 was spent on research and development activities compared to \$801,000 for the same nine-month period in 2001, a decrease of \$210,000. This decrease was primarily due to the amortization incurred during 2001 relating to development costs for the

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Company's PicturePrep software product and PicturePrepClub website amounting to \$124,000 and a reduction in the use of outside consultants in 2002 amounting to \$67,000. The majority of the research and development expenditures incurred to date during 2002 has related to the development of the Company's new ASIC chip, the "NVP 1104" which was completed in July 2002 and the development of our retail and security/surveillance lines (see marketing and sales).

General and administrative expenses for the nine months ended September 30, 2002, totaled \$1,679,000 representing a decrease of \$645,000 compared to the nine months ended September 30, 2001. Such decrease was the result of decreases in marketing costs of \$267,000 combined with decreases in payroll of \$115,000, professional fees of \$112,000, travel of \$96,000, employee benefits of \$38,000, investor relations costs of \$36,000, recruiting costs of \$37,000 and bad debts expense of \$28,000; these decreases were offset by an increase in financial consulting of \$83,000 primarily representing the non-cash costs (using the Black-Scholes calculation of accounting for issuances of options and warrants) of warrants and options issued to consultants.

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Interest income (net of interest expense) was \$2,000 for the nine months ended September 30, 2002 as compared to \$74,000 for the same period in 2001 primarily due to the Company's lower cash position as well as lower interest rates. As a result of the above, we had a net loss of \$2,135,000 for the nine months ended September 30, 2002 compared to a net loss for the nine months ended September 30, 2001, of \$2,770,000.

Three Months Ended September 30, 2002 Compared to Three Months Ended September 30, 2001

The Company had no revenues for the three months ended September 30, 2002 as compared to \$445,000 for the three months ended September 30, 2001. The revenues for the 2001 period were attributable to the introduction and sale of the "VGE" in June 2001. In compliance with the exclusive license and distribution agreement, Gemini purchased their opening VGE inventory requirements during the first quarter of this year and did not place additional orders during the six month period ended September 30, 2002. As indicated above, Gemini failed to meet their contractual obligations and management has deemed it in the Company's best interest to terminate the agreement and focus our efforts elsewhere. For the quarter ended September 30, 2002, we had a net loss of \$566,000 compared to a net loss for the quarter ended September 30, 2001 of \$1,054,000. The loss for the quarter ended September 30, 2002 included \$442,000 in general and administrative expenses, representing a decrease of \$571,000 compared to the quarter ended September 30, 2001. Such decrease was primarily the result of reduced sales and marketing costs of \$237,000 combined with decreases in professional fees of \$94,000, payroll of \$71,000, travel & entertainment of \$52,000, employee benefits of \$38,000, investor relations costs of \$42,000, bad debt expense of \$28,000 and other \$9,000.

MARKETING AND SALES

Retail & Security/Surveillance Products

On July 24, 2002 we announced the introduction of (1) a line of Retail video products and (2) Security/Surveillance image enhancement products for applications within the growing Homeland Security market. The retail line includes a series of video game hook-up cables, an "S" Video Enhancer (SVE) set top box and four video selector boxes that feature the company's proprietary

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technology for image enhancement. The Company expects the retail line to be sold to OEMs and consumer electronic distributors for resale to national retail chains and specialty audio/video stores. The introduction of these products, should not only satisfy consumer demand for better video quality, but also will allow consumers to mix multiple video sources, from popular products like DVD Players, Satellite Receivers, Video Camcorders, and Video Game Consoles.

We have entered into a non-exclusive strategic alliance with Unical Enterprises, Inc. for the marketing, sales and distribution of our proprietary products as well as a full line of consumer electronics accessories with access to the Sylvania brand. Unical Enterprises, Inc., a leading manufacturer and distributor of Northwestern Bell Phones and the exclusive licensee of the Sylvania name for home automation and consumer electronics accessories, recently announced its entry into the video game accessories market. Along with video

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game accessories we will now, with Unical's support, market a full line of consumer electronics accessories, with access to the Sylvania brand. This line will include products like Universal Remote Controls, Indoor TV antennas, Web Cams, and Nuwave Enabled hookup cables. In connection with this agreement we received a \$2.85 million order for universal remote control units to be delivered to Electronics Etc., Inc. over the next year. We initially anticipated this order would begin shipping during the current fourth quarter but due to product specification changes, we will begin filling this order during the first quarter of 2003. In addition to Unical, the Company is in discussions with other potential retail distribution customers who have seen demonstrations of our new retail products and have expressed interest in going forward. We expect to close some of these customers within the next few months.

The NUWAVE ENABLED Security/ Surveillance image enhancement products includes NUWAVE's patented hardware chip technology which breaks down a video signal into its chrominance and luminance components and then modifies specific parameters: color, luminance, black level, clarity and noise reduction, to remove visual noise before reassembling the signal and sending it to a playback device, such as a video monitor. When integrated into a security and surveillance system, this technology has applications for law enforcement, anti-terrorism and business surveillance, in public locations such as airports, retail stores, sports stadiums and other public gathering places. The Company has received its first order from an agency of the Federal Government for this new line of security/surveillance image enhancement products. Delivery of this order is expected to take place in December.

NVP ASIC Technology

The NUWAVE Video Processor (NVP) technology is proprietary video-enhancement technology designed to significantly enhance video output devices with clearer, sharper details and more vibrant colors when viewed on the display screen. We are marketing this technology in the form of ASIC chips (Application Specific Integrated Circuits) directly to OEM's who by incorporating this enabling technology would improve picture quality in their televisions, VCR's, DVD's, camcorders, set-top boxes and other video output devices. This technology can also be licensed to the OEM for incorporation onto their own ASIC design. The "NVP 104" plastic (silicon) chip was completed during 2001.

During July 2002, the Company announced the availability of its new ASIC Chip, the "NVP 1104". This new chip can create economies of scale in the marketplace by offering a superior product with unique features, which satisfy

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customer's demands for higher video quality at modest prices. It supports the latest video standards such as component video and progressive scan systems and includes features that are targeted at video enhancement for the Security/Surveillance and Home Entertainment applications. These important features together with its low cost implementation make it very attractive to incorporate into OEM consumer audio/video products like DVD players, AV receivers, Video Games, Satellite Receivers, AV Selectors, TV's and Retail set-top box products. The NVP 1104 is 'future proofed' due to its unique design philosophy, and by its ability to function with the many video standards available today. We are currently in discussions with potential customers at

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major OEM's who have indicated their desire to incorporate our technology into their products. We expect to close some of these customers within the next few months.

Digital Filtering Technology

Our proprietary digital filters remove graininess and digital artifacts while preserving proper focus better than any other "real time" filters that are on the market today. In October 2001, we were granted a patent by the U.S. Patent Office covering our digital filters. We plan to license our digital filtering technology to OEM's for embedding in products such as PC's, printers, scanners, camcorders and DVD's, among other digital imaging devices. These patented filters are expected to be in demand for use in processing digital video and movies used for streaming video over the Internet. The digital technology not only complements our proprietary analog ASIC chip technology but can also work in conjunction with it to further improve the resulting image quality. In April 2002, we signed an agreement with Sony Corporation, giving Sony the non-exclusive right to use one of our filters in its digital color printers, in return for a nominal one-time licensing fee. In October, we provided Sony an upgrade to this filter and they have indicated their desire to purchase the upgrade. While these initial steps may lead to a growing relationship between Sony Corporation and NUWAVE, there is no assurance that such a relationship will develop.

Although we anticipate deriving increased revenues from the sale of our ASIC chips and retail products and the licensing of our proprietary digital software during 2003, no assurance can be given that these products will be successfully marketed or that losses will not continue to occur during such period. See "Liquidity and Capital Resources."

LIQUIDITY AND CAPITAL RESOURCES

On September 30, 2002, the Company had cash and cash equivalents of approximately \$62,000, other than the \$155,000 due to Cornell Capital Partners, L.P. which will be repaid from the proceeds of puts under the Equity Line of Credit there are no long-term liabilities. On April 15, 2002, we entered into a \$3 million Equity Line of Credit. Provided we are in compliance with the terms of the Equity Line of Credit Agreement, we may, at our option, require the Purchaser to purchase up to \$100,000 in any seven business day period of our Common Stock, up to a maximum of \$3 million over the two years from May 31, 2002. The purchase price of the shares will be 97% of the then current market price. Upon the initial advance and all subsequent advances, the Investor shall receive a fee equal to 4% of the gross proceeds of each advance. The Equity Line of Credit is non-exclusive; thereby permitting us to offer and sell our securities to third parties while the Equity Line of Credit is in

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effect. We have the right to terminate the Equity Line of Credit Agreement at any time, provided there is no pending advance thereunder. On August 20 and October 9, 2002, the Company received loans from Cornell Capital totaling \$425,000. The loans were secured by advance puts under the Equity Line of Credit. As of November 10, 2002, we have repaid \$185,000 of the outstanding balance from the proceeds of puts under the Equity Line of Credit, leaving a current balance of \$240,000, which we intend to repay at the rate of

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approximately \$15,000 per week from the proceeds of puts under the Equity Line of Credit over the next four months. As of November 10, 2002, we have utilized \$195,000 of the Equity Line credit facility and have issued 2,261,928 shares of common stock. In addition, the outstanding loan balance due to Cornell Capital is secured by advance puts.

Between June 7, 2002 and June 30, 2002 the Company entered into agreements with various investors whereby a total of 1,101,165 shares of Common Stock was issued for an aggregate purchase price of \$330,350. In connection with the issuance of these shares, the Company incurred costs of \$20,640 in placement agent fees and expenses.

In their report on the audit of NUWAVE's financial statements for the year ended December 31, 2001, our independent auditors included an explanatory paragraph because of the uncertainty that we could continue in business as a going concern in the event we are unable to complete a registration and sale of our Common Stock pursuant to this Equity Line of Credit. We anticipate that with our cash currently on hand and the Equity Line of Credit and sales thereunder, we will be able to satisfy currently contemplated cash requirements for at least through the next twelve months. In the event we are unable to complete the sale of our Common Stock pursuant to this agreement or otherwise; there would be substantial doubt about our ability to continue as a going concern. We are continuing our efforts to raise capital in the financial markets on terms that would potentially be less dilutive than utilization of the Equity Line of Credit as well as exploring other options such as mergers/acquisitions and strategic alliances. There can be no assurance that we will be successful in these endeavors.

The Company's common stock is traded on the OTC bulletin board (OTCBB) Market under the symbol WAVE. The OTCBB is a regulated quotation service that displays real-time quotes, last-sale prices and volume information in over-the-counter (OTC) equity securities. Prior to August 13, 2002, the stock had been traded on the Nasdaq SmallCap Market.

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Item 3. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer have reviewed and evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 240.13a-14(c) and 15d-14(c) as of a date within 90 days before the filing date of this quarterly report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's current disclosure controls and procedures are

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effective and timely, providing all material information relating to the Company required to be disclosed in reports filed or submitted under the Exchange Act.

Changes in Internal Controls

There have not been any significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation. We are not aware of any significant deficiencies or material weaknesses, therefore no corrective actions were taken.

PART II - OTHER INFORMATION

Item 2. Changes in Securities

(c) On July 3, 2002, 2,530,000 of the Company's unexpired Public Warrants, issued in the Company's initial public offering expired.

As of November 10, 2002, under the terms of the Equity Line of Credit Agreement, the Company had received a total of \$190,000 and had issued 2,261,928 shares of common stock.

Item 6. Exhibits and Reports on Form 8-K

- (a) Exhibit 99 - 906 Certificates
- (b) Reports on Form 8-K

none

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SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant has caused this Quarterly Report to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Fairfield in the State of New Jersey on November 14, 2002.

NUWAVE TECHNOLOGIES, INC.
(Registrant)

DATE: November 14, 2002

By: /s/ Gerald Zarin

Gerald Zarin
Chief Executive Officer and
Chairman of the Board

DATE: November 14, 2002

By: /s/ Jeremiah F. O'Brien

Jeremiah F. O'Brien
Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gerald Zarin, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of NUWAVE Technologies, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including

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any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 14, 2002

/s/ Gerald Zarin

Gerald Zarin
Chairman of the Board, President, and
Chief Executive Officer

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CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeremiah F. O'Brien, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of NUWAVE Technologies, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to

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record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
- 6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 14, 2002

/s/Jeremiah F. O'Brien

Jeremiah F. O'Brien
Vice President and Chief Financial
Officer