



## ENABLENCE TECHNOLOGIES ANNOUNCES FINANCIAL RESULTS FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2022

Ottawa, Canada – May 25, 2022 – Enablence Technologies Inc. ("Enablence" or the "Company") (TSXV: ENA), a supplier of optical components and subsystems, has filed its unaudited financial statements for the three and nine months ended March 31, 2022 ("Q3 2022") and related management's discussion and analysis and certifications (collectively, the "Financial Statements"). Electronic copies of the Financial Statements are available on SEDAR ([www.sedar.com](http://www.sedar.com)) under Enablence's issuer profile.

### **Q3 2022 Highlights**

Enablence is pleased to provide the following highlights for Q3 2022 (all dollar figures are in United States dollars, unless otherwise noted):

- Company revenue for the quarter decreased by 37% during the three months ended March 31, 2022 as compared to the same period in the prior year. This decline was the result of lower non-recurring engineering ("**NRE**") revenue of \$283,000 which was partially offset by an increase of \$42,000 in proprietary optical chip and third-party fabrication sales during the quarter. For the nine months ended March 31, 2022, revenue decreased by 25% as compared to the same period in the prior year, the result of decreased non-recurring engineering ("**NRE**") revenue of \$206,000, and \$277,000 in proprietary optical chip sales. The Company believes that the decline in both revenue streams is temporary and due to typical demand swings from its customers and to temporary plant shutdowns resulting from lockdowns imposed during the second and third quarters of fiscal 2022 by Asian nations responding to increasing levels of "Omicron variant" infections. Many countries have begun easing pandemic restrictions, and the Company expects sales to its Asian customers to resume based on positive market trends and inbound interest from both existing and new customers.
- The Company recognized a net loss of \$1,114,000 for the three months of Q3 2022, as compared to a net loss of \$771,000 for the same period in the prior year. The increased loss is due to a greater loss from operations, lower foreign exchange gains, and lower Gain on modification of debt arising, partially offset by lower interest expense during the quarter compared to the same quarter in the prior year.

- Net income for the nine months ended March 31, 2022 was \$13,826,000 compared to a net loss of \$3,947,000 for the same period the prior year. The increase is due to the one-time Gain on recapitalization recognized in Q2 2022 and higher Gains on modification of debt recognized in the first and third quarters of the current year relating primarily to the modification and restatement of the Vortex LP senior secured loan facility, compared to the Gain on modification of the Company's convertible debenture debt during Q3 2021. The increased Gains on recapitalization and debt modification during the current nine-month period were partially offset by a higher loss from operations compared to the same period in the prior year.
- During the quarter ended March 31, 2022, the Company received \$425,000 in cash funding under the terms of its senior secured loan facility with Vortex ENA LP ("**Vortex LP**") which was amended and restated on December 31, 2021. The loan has a maturity date of December 31, 2025. Subsequent to the quarter end, the Company received additional funding of \$860,000 under the terms of the senior secured loan facility. Additional advances under the loan facility are subject to the sole discretion of Vortex.

Commenting on the Q3 2022 Highlights, Interim CFO T. Paul Rowland said: "After a weak start to the quarter, it is particularly gratifying to see proprietary chip sales for Q3 exceed sales for both Q2 and the comparable quarter last year. This positive trend highlights both the improvements we have been making to our fabrication plant in California and our continuing efforts to support both our Asian markets and expand our North American customer base." CEO Todd Haugen further commented: "Increasing sales of core optical chips is validation of the continued expansion of fiber solutions in Data Centers. Enablence is at the forefront of that expansion and we expect continued growth in our core product areas for the foreseeable future."

The "Q3 2022 Highlights" above are qualified in their entirety by the Financial Statements, which are available on SEDAR ([www.sedar.com](http://www.sedar.com)) under Enablence's issuer profile. For additional information on the Company, please refer to the investor presentation of the Company, which is available on Enablence's website ([www.enablence.com/investors](http://www.enablence.com/investors)) in the "Corporate – Investors" tab.

### **About Enablence Technologies Inc.**

Enablence is a publicly traded company listed on the TSX Venture Exchange ("TSXV" - ENA) that designs, manufactures and sells optical components, primarily in the form of planar lightwave circuits (PLC), on silicon-based chips. Enablence products serve a global customer base, primarily focused today on data centre and other rapidly-growing end markets. Enablence also works with customers that have emerging market uses for its technology, including medical devices, automotive LiDAR and virtual and augmented reality headsets. In select strategic

circumstances, the Company also uses its proprietary, non-captive fabrication plant in Fremont, California to manufacture chips designed by third party customers.

For more information, visit Enablence's website ([www.enablence.com](http://www.enablence.com)).

### **Forward-looking Statements**

This news release contains forward-looking statements regarding the Company based on current expectations and assumptions of management, which involve known and unknown risks and uncertainties associated with our business and the economic environment in which the business operates. All such statements are forward-looking statements under applicable Canadian securities legislation. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In particular, this news release contains forward-looking statements pertaining to the timing and ability of the Company secure additional capital, improve its fabrication plant in California, grow its customer base in North America, and experience a recovery in sales to its Asian customers. By their nature, forward-looking statements require us to make assumptions. Assumptions are based in part on the ability to secure regulatory approval. These statements are based on current expectations that involve several risks and uncertainties which could cause actual results to differ from those anticipated. These risks include, but are not limited to, risks relating to the Company failing to obtain the requisite regulatory (including the TSX Venture Exchange) approvals; the terms as described hereof may be amended following the date hereof; the impact of the evolving COVID-19 pandemic on the Company's business, operations and sales and related adverse effects on the economies and financial markets of countries in which the Company operates. Although the Company believes that the expectations reflected in the forward looking statements contained in this news release, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. We caution our readers of this news release not to place undue reliance on our forward-looking statements as a number of factors could cause actual results or conditions to differ materially from current expectations. *Additional information on these and other factors that could affect the Company's operations are set forth in the Company's continuous disclosure documents that can be found on SEDAR ([www.sedar.com](http://www.sedar.com)) under Enablence's issuer profile.* Enablence does not intend, and disclaims any obligation, except as required by law, to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

### **For further information contact:**

T. Paul Rowland, Interim CFO  
Enablence Technologies Inc.  
[paul.rowland@enablence.com](mailto:paul.rowland@enablence.com)

Todd Haugen, CEO  
Enablence Technologies Inc.  
[todd.haugen@enablence.com](mailto:todd.haugen@enablence.com)

***Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.***