



ENABLENCE TECHNOLOGIES ANNOUNCES RESULTS FROM ANNUAL AND SPECIAL SHAREHOLDERS' MEETING; PROVIDES UPDATE ON RECAPITALIZATION TRANSACTION

Ottawa, Canada – October 26, 2021 – Enablence Technologies Inc. ("**Enablence**" or the "**Company**") (TSXV: ENA), a supplier of optical components and subsystems, is pleased to announce the results of its annual and special shareholders' meeting held earlier today (the "**Meeting**"). At the Meeting, all of the resolutions described in the management information circular of the Company dated September 21, 2021 (the "**Circular**"), were approved by shareholders of the Company, including the requisite shareholder approvals of the Recapitalization Transaction (as defined below) as well as: (i) the adoption of the Omnibus Equity Incentive Plan (as defined in the Circular); (ii) the election of the director nominees described in the Circular (being Mr. Derek H. Burney, Mr. Louis De Jong and Mr. Dan Shmitt); and (iii) the re-appointment of MNP LLP as auditor of the Company.

Update on Recapitalization Transaction

At the Meeting, the Company obtained the requisite shareholder approvals to, among other things, complete the recapitalization transaction as more particularly described in the Circular (the "**Recapitalization Transaction**"), including: (i) the consolidation of the outstanding common shares of the Company (the "**Common Shares**") on the basis of one post-consolidation Common Share in exchange for a number of pre-consolidation Common Shares within a range of fifty (50) to two-hundred (200), as may be determined by the Board of Directors at a future date; (ii) the creation of Mr. Dan Bordessa together with Ms. Maria Semenko as a new "control person" of the Company resulting from the issuance of Common Shares to them under the terms of the Shares-for-Debt Settlement (as defined below) and Shares-for-Services Settlement (as defined in the Circular); (iii) the creation of Vortex ENA LP, Paradigm Capital Inc., Paradigm Capital Partners Limited and Mr. David Roland, collectively, as a potential new "control person" of the Company; (iv) the minority or disinterested approvals required for certain share-for-debt settlements ("**Shares-for-Debt Settlements**") required by the policies of the TSX Venture Exchange and/or Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

As described in the Circular, the Company entered into agreements providing for Shares-for-Debt Settlements with creditors holding an aggregate of \$41,397,844.11 (plus up to \$3,000,000.00 of additional debt under the Grid Note as described in the Circular) of the total unsecured debt of the Company (collectively, the "**Committed Shares-for-Debt Settlements**"), pursuant to which all of the unsecured debt owed by the Company to such creditors will be settled in exchange for the issuance of either: (i) Common Shares at a deemed price of \$0.025 per Common Share (the "**Recap Price**"); or (ii) units of the Company ("**Units**") at a deemed price equal to the Recap Price for 80% of the amount of the debt (with the remaining 20% of the debt being extinguished for no consideration), with each Unit comprising one Common Share and one-fifth (1/5th) of one common share purchase warrant (each whole warrant, a "**Warrant**"), at the creditor's election and subject to the policies of the TSXV. Each full Warrant will entitle the holder thereof to purchase one Common Share at a price of \$0.03 per share for a period of 36 months following the closing date of the Recapitalization Transaction.

Also as described in the Circular, the Company has made an offer to certain remaining unsecured debtholders of the Company holding an aggregate of \$1,955,863.59 in unsecured debt (the "**Remaining Debt**"). The holders of the Remaining Debt have not agreed to a Shares-for-Debt Settlement with the Company, and it is a condition in favour of certain major holders of Committed Shares-for-Debt Settlements that 100% of the Remaining Debt enter into an agreement with the Company to convert such Remaining Debt on the same terms as the Committed Shares-for-Debt Settlements noted above (the "**Closing Condition**").

In the event any of the holders of the Remaining Debt do not enter into an agreement with the Company to convert such Remaining Debt as described above, the Company intends to seek a waiver of the Closing Condition from the required major holders of Committed Shares-for-Debt Settlements. As of the date hereof, the Company has held multiple discussions with such major creditors whose waiver will be required, and these discussions are ongoing.

About Enablence Technologies Inc.

Enablence is a publicly traded company that designs, manufactures and sells optical components and subsystems to a global customer base. It utilizes its patented technologies, including planar lightwave circuit intellectual property, in the production of an array of photonic components and broadband subsystems that deliver a key portion of the infrastructure for current and next-generation telecommunication systems. The Company's components are key elements in large optical network infrastructure builds which enable global networking and large-scale computing for businesses and individuals, including data centers and 5G telecommunications networks. For more information, visit 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 to complete the Recapitalization Transaction, if at all; the ability of the Company to complete the Recapitalization on the terms announced, or at all; the ability of the Company to obtain shareholder and regulatory approvals of the Recapitalization Transaction and ancillary matters; the use of funds expected to be made available as a result of the Recapitalization Transaction (if any); reduction in the debt burden; and the consolidation of Common Shares. By their nature, forward-looking statements require us to make assumptions. Assumptions are based in part on the future capital expenditure levels, the ability to fulfill all conditions precedent to the closing of the Recapitalization Transaction, the ability to secure regulatory approval and the ability to secure shareholder 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 shareholder and regulatory approvals of the Recapitalization Transaction and ancillary matters; the remaining debtholders declining to convert their Remaining Debt on the same terms as the Shares-for-Debt Settlement, which may give rise to termination rights; 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; uncertainties relating to the ultimate spread, severity and duration of COVID-19 and related adverse effects on the economies and financial markets of

countries in which the Company operates; and the ability of the Company to successfully implement its business continuity plans with respect to the COVID-19 pandemic. 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) under Enableness's issuer profile. Enableness 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.

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