

# Enablence Technologies Inc. Announces Financial Results for Fiscal Year 2023

Ottawa, Ontario--(Newsfile Corp. - November 3, 2023) - Enablence Technologies Inc. (TSXV: ENA) ("**Enablence**" or the "**Company**"), a supplier of optical components and subsystems, has filed its audited financial statements for the fiscal year ending June 30, 2023 ("**Fiscal Year 2023**") 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.

Commenting on the Company's Fiscal Year 2023 performance, CEO Todd Haugen stated: "I am pleased to report that the quarter ended with the commercial release of a number of new optical products targeting high growth segments of the datacom markets," noted Todd Haugen, Chief Executive Officer, Enablence Technologies. "The rapid expansion of our optical roadmap will continue with the planned release of Ultra DWDM, and LiDAR solutions for industrial automation, and automotive markets. Our ability to accelerate our R&D efforts is supporting our customers' immediate needs, which in turn will enable us to successfully meet our goals for long-term revenue growth."

"As we drive our expansion, I am also particularly excited about our work in the area of artificial intelligence (AI) which is driving significant increases in processor interconnect throughput. The industry is already working aggressively to increase bandwidth between processors and High Bandwidth Memory (HBM). Enablence's new AI optical interconnect technology platform is well positioned to help the industry achieve its goals and open up new areas of growth for our company."

## **Financial Highlights**

Enablence is pleased to provide the following highlights for Fiscal Year 2023 (all dollar figures are expressed in thousands of United States dollars):

- Company revenue finished at \$1,961 for the twelve-month period ending June 30, 2023, holding relatively steady against \$1,978 for 2022 (1% decline). The revenue mix shifted away from Fab Services, taking revenue down from \$678 in June 2022 to \$281 for June 2023. Product and NRE both increased a combined 29% to \$1,680 for June 2023, up from \$1,300 (June 2022).
- Company saw a net comprehensive loss of \$8,471 for the year, as compared to a net comprehensive gain of \$11,693 in 2022, fueled by the recapitalization of the business. Operating expenses increased to \$6,469 in June 2023 from \$5,321 in June 2022, a 21.6% increase. The increase came from investments in sales and operational headcount as well as in R&D for its LiDAR and AI technologies, both of which are gaining momentum in market potential.
- Gross margin for the year ended June 30, 2023 was (\$1,373) as compared to (\$463) for the prior year, a decline of \$910, or 197%. The decline is due primarily to flat revenues matched with a significant investment in wafer fabrication in support of a ramp up in wafer production. Early investment was necessary to counter any risks to capacity constraints for the pipeline opportunities.
- On June 27, 2023, the Company and Vortex LP amended the secured loan agreement by way of a full second amended and restated loan agreement. Under the terms of the second amended and restated agreement, the \$8,323 previously advanced by Vortex LP during the period December 31, 2021 to June 27, 2023, the \$6,297 original principal amount of the EDC purchase order working facility and accrued and unpaid interest outstanding as at June 27, 2023, and the total loan facilities of \$1,077 which includes the original principal amounts of the non-revolving term loans and accrued and unpaid interest as at June 27, 2023, were included in the secured loan for a consolidated total of \$15,697.

- Commenting on the Fiscal Year 2023 Highlights, CFO Stan Besko said: "A pause in chip sales across the industry made 2023 a challenging year for Enablence, but investments in R&D and wafer fabrication capacities, paired with an optimistic technology outlook is positioning Enablence for a strong foundation for future growth."
- The "Financial 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 ("TSX-V" - 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 center 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: [www.enablence.com](http://www.enablence.com).

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## **Cautionary Note Regarding Forward-Looking Information**

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. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. These statements are based on current expectations that involve several risks and uncertainties which could cause actual results to differ from those anticipated. 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.

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