

Enablence Technologies Inc. Announces Financial Results for Fiscal Year 2024

October 28, 2024 11:53 PM EDT | Source: Enablence Technologies Inc. (/company/2725/Enablence-Technologies-Inc.)

Ottawa, Ontario--(Newsfile Corp. - October 28, 2024) - Enablence Technologies Inc. (TSXV: ENA) ("Enablence" or the "Company"), a leading provider of optical chips and sub systems for datacom, telecom, automotive and artificial intelligence (AI) applications has filed its audited financial statements for the fiscal year ending ("Fiscal Year 2024") 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) (<https://api.newsfilecorp.com/redirect/QOyBmf2LO2>) under Enablence's issuer profile.

Commenting on the Company's Fiscal Year 2024 performance, Todd Haugen, CEO, Enablence Technologies, stated, "Hyperscale datacenter investments for AI is driving a huge growth cycle for optical semiconductors. We believe the first half of FY2024, a challenging year for the entire optical industry, represented the bottoming of the cycle, with the second half rebounding showing significant improvement - most notably Q4 saw record high wafer sales. Demand generated by AI across all three optical segments, communications, sensing, and compute, is positioning our company for a strong cycle in FY2025 and well into FY2026."

Haugen added, "Our investments in advanced product development and fabrication technology focused on meeting demand for optics in artificial intelligence, datacom, and advanced vision is beginning to show results. We greatly expanded the number of products which support AI focused hyperscale datacenter demand, as well as traditional optical communications applications, where our leading power efficiency and heat dissipation offer major advantages.

"Critically, we have increased our addressable market to include high growth optical sensing and optical compute applications. Optical sensing applications in automotive, medical and aerospace are powering new opportunities for our semiconductors with important design in projects with several LiDAR suppliers. Additionally, the intensive matrix multiplication demands of AI has led to the release of commercial optical compute products as well as high bandwidth, NxN optical connectivity within the rack. In FY2025, the first commercially available AI accelerator rack mounted products built with Enablence chips will hit the market opening the door to broad adoption of our chips in rack and server applications. Our pipeline across all three lines of business communications, sensing and compute products is strong. This supports our strategic growth plan to expand legacy optical communications while growing our market in optical sensing and optical compute with new advanced products."

Financial Highlights

Enablence is pleased to provide the following highlights for Fiscal Year 2024 (all dollar figures are expressed in thousands of United States dollars):

Revenue for the year ended June 30, 2024, was \$1,601 as compared to \$1,961 for the prior year, a decrease of \$360, or 18%. This year saw an increase in NRE revenue to \$578, up from \$466, as customers sought out new products in AI, LiDAR, and Medical Imaging. Sales into Americas increased to \$655, up from \$452 over the same period last year, with the region now representing 41% of total revenues.

The Company generated net loss of \$14,108 for Fiscal Year 2024 (2023 - net loss of \$8,605). The larger loss resulted from critical investments in manufacturing capacity and technical resources as the Company sees a significant increase in demand for its wafers.

Investors injected over \$6,611 in new funding over the year as the Company's technology is gaining traction with key vendors and markets.

Commenting on the Fiscal Year 2024 Highlights, CFO Stan Besko said: "The losses this year will prove to be an inflection point for the Company's path to growth and profitability."

Outlook

Based on the Company's current business outlook, management expects the overall performance for Fiscal Year 2025 to be as follows:

- In fiscal year 2025, revenue is expected to be \$5.5M +/- .5M, representing over 300% year-over-year (YoY) growth.
- Based on current projections, we expect to become gross margin positive in Q3 FY2025.
- Investments in fab upgrades will greatly expand capacity from 100 wafer starts per week to 700 wafers per week in FY2025, helping meet demand.
- AI demand is accelerating the rollout of hyperscale datacenters with industry estimates putting investments at \$250b this year greatly increasing demand for our products. AI demands for high bandwidth communications, precise data, and efficient matrix multiplication, we believe will drive our business across optical communications, optical sensing, and optical compute market segments well into the future.

The "Financial Highlights" above are qualified in their entirety by the Financial Statements, which are available on SEDAR (www.sedar.com (<https://api.newsfilecorp.com/redirect/oLa3efMK2a>)) 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 (<https://api.newsfilecorp.com/redirect/O3qmGs7BXp>)) 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, markets and sells optical chips and sub systems, primarily in the form of planar lightwave circuits (PLC), on silicon-based chips for datacom, telecom, automotive and artificial intelligence (AI) applications. 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 (<https://api.newsfilecorp.com/redirect/BpB1ASGXvz>).

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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 few 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) (<https://api.newsfilecorp.com/redirect/55XYoT4wLW>) 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 because of new information, future events or otherwise.

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