

EARLY WARNING REPORT
Form 62-103F1

Required Disclosure under the Early Warning Requirements

State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to common shares (“**Common Shares**”) and common share purchase warrants (“**Warrants**”) of Enablence Technologies Inc. (the “**Issuer**”). The Issuer’s head office is located at:

390 March Road
Ottawa, Ontario
K2K 0G7

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

See Item 2.2.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

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2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On December 21, 2021, the Issuer announced the closing of the first tranche of the non-brokered private placement of Common Shares (the “**Private Placement**”) that had been previously announced on December 7, 2021. The Private Placement was launched on December 7, 2021 in lieu of the private placement of subscription receipts that had been announced on August 23, 2021 when the Issuer announced a recapitalization plan (the “**Recapitalization Transaction**”), which was to be comprised of a restructuring of the Issuer’s secured debt, a shares-for-debt settlement with certain unsecured creditors (“**Shares-for-Debt Settlements**”), a shares-for-services settlement with a service provider, a concurrent private placement of subscription receipts, and a share consolidation (the “**Consolidation**”). The Issuer implemented the Consolidation (on a 120:1 basis) on November 17, 2021 and on December 7, 2021 announced the closing of the Shares-for-Debt Settlements on December 6, 2021, which the acquiror was party to.

Prior to the closing of the Shares-for-Debt Settlements, the acquiror had ownership and control over 276,785 post-Consolidation Common Shares and convertible debentures that represented an aggregate of \$2,260,348.01 of debt that was convertible at the option of the holder at a price of \$9.60 per Common Share, which represented 5.17% of the issued and outstanding Common Shares and 9.17% of the Common Shares on a partially diluted basis. In connection with the Shares-for-Debt Settlements, the Issuer issued the acquiror 1,661,700 Common Shares and 332,340 Warrants in settlement of debt owed by the Issuer to the acquiror in the amount of \$6,231,378.92. Each Warrant entitles the holder to purchase one Common Share at a price of \$3.60 per Common Share until December 6, 2024. Following completion of the Shares-for-Debt Settlements, the acquiror had ownership and control over 1,938,485 Common Shares and 332,340 Warrants, which represent 10.43% of the issued and outstanding Common Shares and 12.00% of the Common Shares on a partially diluted basis following the closing of the Private Placement.

2.3 State the names of any joint actors.

Not applicable.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s security holding percentage in the class of securities.

See Item 2.2.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

See Item 2.2.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See Item 2.2.

3.5 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities referred to in Item 3.4 over which

- (a) the acquiror, either alone or together with any joint actors, has ownership and control,**

See Item 2.2.

- (b) **the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

- (c) **the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

See Item 2.2.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities,**

including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

See Item 2.2 above.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

See Item 2.2 above.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer’s business or corporate structure;**
- (g) a change in the reporting issuer’s charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) a solicitation of proxies from securityholders;**
- (k) an action similar to any of those enumerated above.**

The acquiror participated in the Recapitalization Transaction in the ordinary course of business and acquired the Common Shares and Warrants for investment purposes and not for the purpose of influencing the control or direction of the Issuer. Depending on various factors including, without limitation, the Issuer’s financial position, the price

levels of the Common Shares, conditions in the securities markets and general economic and industry conditions, the Issuer's business or financial condition and other factors and conditions the acquiror deems appropriate, the acquiror may increase or decrease his beneficial ownership of Common Shares or other securities of the Issuer whether in the open market, by privately negotiated agreement or otherwise.

Item 6 – Agreements, Arrangements, Commitments or Understandings with Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

The acquiror must certify that the information in this report is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his or her authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Certificate

The certificate must state the following:

I, as an authorized representative of the acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: December 22, 2021

“David Roland”

Signature

Authorized Signatory