

## LOAN AGREEMENT

January 30, 2024

**Enablence Technologies Inc.**  
390 March Road, Suite 119  
Ottawa, Ontario K2K 0G7  
Canada

**RE: Loan Facilities provided by Pinnacle Island LP to Enablence Technologies Inc.**

### Recitals:

- A. Enablence Technologies Inc. (the "**Borrower**") issued in favour of Pinnacle Island LP (the "**Lender**") an unsecured convertible debenture note dated June 27, 2023 in the principal amount of CAD\$11,000,000 (the "**Existing Convertible Debenture**");
- B. The Borrower issued in favour of the Lender a demand promissory note dated December 13, 2023 in the principal amount of CAD\$2,040,820 (the "**Existing Promissory Note**"); and
- C. The Lender has agreed to provide additional financing to the Borrower on the terms and conditions set out herein.

**NOW THEREFORE** in consideration of the covenants and agreements contained in this agreement (this "**Loan Agreement**") and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, each of the parties hereto agree to the following terms and conditions:

1. Borrower: Enablence Technologies Inc.
2. Guarantors: Enablence Canada Inc. ("**Enablence Canada**"), Enablence USA Components Inc. ("**Enablence Components**") and Enablence USA Inc. ("**Enablence USA**" each a "**Guarantor**" and collectively, the "**Guarantors**").
3. Loan Facilities:
  - (a) The indebtedness evidenced by the Existing Convertible Debenture as amended and restated pursuant to the amended and restated convertible debenture in the form of Exhibit I attached hereto (the "**Amended and Restated Convertible Debenture**") and the indebtedness evidenced thereby being "**Facility #1**"); and
  - (b) A non-revolving term loan in the maximum principal amount of (a) CAD\$4,300,000 which consists of advances previously made by the Lender as evidenced by the Existing Promissory Note plus the additional amount to be advanced upon satisfaction of the conditions precedent set out in Section 13 of this Loan Agreement (such non-revolving term loan being "**Facility #2**" and collectively with Facility #1, the "**Loan Facilities**" each a "**Loan Facility**"). For certainty, the Existing Promissory Note shall be amended and restated by the terms

hereof, as of the date of this Loan Agreement without novation. All amounts outstanding under and in respect of the Existing Promissory Note immediately prior to giving effect to this Loan Agreement shall, without duplication, continue to be outstanding under this Loan Agreement and shall continue as obligations under this Loan Agreement. It is the intent of the parties hereto that this Loan Agreement shall not constitute a novation of the outstanding obligations and liabilities existing under the Existing Promissory Note or evidence payment of all or any part of such outstanding obligations and liabilities and that this Loan Agreement restates in its entirety the Existing Promissory Note.

4. Purpose:
  - (a) Facility #1: To assist in financing working capital.
  - (b) Facility #2: To assist in financing working capital.
  
5. Advances:
  - (a) Facility #1: Has been fully advanced and no further borrowings may be made in respect thereof (including no re-borrowing of any amounts which may be repaid from time to time in respect of this facility).
  
  - (b) Facility #2: The principal amount of CAD\$2,040,820 was advanced as evidenced by the Existing Promissory Note. Accrued and unpaid interest owing pursuant to the Existing Promissory Note as of the date hereof in the amount of CAD\$24,602, which for certainty is hereby being added to the principal amount owing under Facility #2 and shall hereafter constitute principal and bear interest at the interest rate set out in Section 7(a)(ii) of this Loan Agreement and otherwise be treated as part of the principal of Facility #2 for purposes of this Loan Agreement). The remaining available principal amount of CAD\$2,234,578 shall be advanced by way of a single draw (the "**Facility #2 Advance**") upon satisfaction of the conditions precedent set out in Section 13 of this Loan Agreement. The Borrower hereby confirms and acknowledges that immediately following the Facility #2 Advance the outstanding principal amount of Facility #2 shall be CAD\$4,300,000 (being the total of (i) CAD\$2,040,820 advanced pursuant to the Existing Promissory Note, plus (ii) accrued and unpaid interest owing pursuant to the Existing Promissory Note as of the date hereof in the amount of CAD\$24,602, plus (iii) CAD\$44,578 representing that portion of the Structuring Fee which is being deducted from the Facility #2 Advance and retained by the Lender pursuant to Section 7(b) of this Loan Agreement, plus (iv) CAD\$2,190,000 representing the net proceeds of the Facility #2 Advance available to the Borrower).

6. Principal: Subject to the acceleration of payment of the Obligations upon the occurrence of an Event of Default and any payments required to be made pursuant to Section 12 of this Loan Agreement, the Borrower shall pay the entire outstanding principal amount owing in respect of the Loan Facilities as follows:
- (a) Facility #1: in accordance with the terms of the Amended and Restated Convertible Debenture.
  - (b) Facility #2: in one lump sum payment on July 31, 2025 (the "**Facility #2 Maturity Date**").
7. Interest and Fees:
- (a) Interest shall accrue on the outstanding principal balance from time to time of each of the Loan Facilities as follows:
    - (i) Facility #1: in accordance with the terms of the Amended and Restated Convertible Debenture;
    - (ii) Facility #2: at the rate of 12% per annum, both before and after maturity, demand, default and judgment. Interest shall be calculated monthly in arrears, on the basis of the actual number of days elapsed and on the basis of a year of 365 days and shall accrue at the aforesaid rate from the date of this Loan Agreement until actual payment.
  - (b) As additional consideration for entering into this Loan Agreement, the Borrower agrees to pay the Lender a fee in an amount equal to CAD\$215,000 (the "**Structuring Fee**"), which Structuring Fee shall be fully earned as of the date of this Loan Agreement. The Lender hereby acknowledges having already received a partial payment of the Structuring Fee in the amount of CAD\$40,816.40 (concurrent with the advance under the Existing Promissory Note). The remainder of the Structuring Fee shall be payable as follows: (i) CAD\$44,578 upon and from the advance of Facility #2 Advance; and (ii) the remainder of CAD\$129,605.60 upon the Facility #2 Maturity Date.
  - (c) Subject to applicable law, default interest on amounts due and payable pursuant to this Loan Agreement in respect of either Loan Facility but unpaid will be payable by the Borrower to the Lender on demand at the rate set out in clause (a) above applicable to such Loan Facility increased by **[REDACTED - COMMERCIALLY SENSITIVE INFORMATION]** per annum from the date of payment default and for so long as such default will

continue (as well before and after maturity, demand and/or judgment).

8. Costs and Expenses: **[REDACTED – COMMERCIALY SENSITIVE INFORMATION]**
9. Guarantees and Security Documents: As security for the due and punctual payment and performance of all the Obligations, each Transaction Party, as the case may be, will as soon as possible and in any event within thirty (30) days from the date hereof unless otherwise indicated, execute and deliver (or cause to be delivered) to the Lender, each of the following agreements, each in form and substance similar to the corresponding agreements comprising the Vortex Loan Agreement Documentation and otherwise satisfactory to the Lender (collectively, the **“Guarantees and Security Documents”**):
- (a) from the Borrower:
    - (i) a general security agreement by the Borrower in favour of the Lender granting a second ranking priority security interest over all of the Borrower’s present and after-acquired personal and movable property, subject only to Permitted Liens; and
    - (ii) a pledge of all equity interests in the capital of Enablence Canada and Enablence USA, subject only to the prior pledge of such equity interests in favour of Vortex pursuant to the Vortex Loan Agreement Documentation;
  - (b) from Enablence Canada:
    - (i) an unconditional and irrevocable guarantee from Enablence Canada; and
    - (ii) a general security agreement by Enablence Canada in favour of the Lender granting a second ranking priority security interest over all of Enablence Canada’s present and after-acquired personal and movable property, subject only to Permitted Liens;
  - (c) from Enablence Components:
    - (i) an unconditional and irrevocable guarantee from Enablence Components; and
    - (ii) a security agreement by Enablence Components in favour of the Lender granting a second ranking priority security interest over all

of Enableness Components' present and after-acquired personal and movable property, subject only to Permitted Liens having priority under applicable law or under a contract with the Lender;

- (d) from Enableness USA:
  - (i) an unconditional and irrevocable guarantee from Enableness USA;
  - (ii) a security agreement by Enableness USA in favour of the Lender granting a second ranking priority security interest over all of Enableness USA's present and after-acquired personal and movable property, subject only to Permitted Liens having priority under applicable law or under a contract with the Lender; and
  - (iii) a pledge of all equity interests in the capital of Enableness Components, subject only to the prior pledge of such equity interests in favour of Vortex;
- (e) from or on behalf of each of the Transaction Parties:
  - (i) an officer's certificate from an officer of each of the Transaction Parties (other than the Corporation whose officer's certificate shall be delivered in accordance with Section 14 of this Loan Agreement) satisfactory to the Lender, (i) setting out the names of persons authorized to sign the Transaction Documents for such Transaction Party and any other documents required thereunder, with specimen signatures of such persons, and (ii) attaching a certified copy of the constating documents of each Transaction Party, as amended to date, and of the resolutions of the board of directors or any other governing body of each Transaction Party as the Lender may require, authorizing the Transaction Documents;
  - (ii) evidence of insurance coverage (together with first lender loss payee and additional insured certificates satisfactory to the Lender) for each Transaction Party as required pursuant to the terms of the Transaction Documents;
  - (iii) as soon as reasonably possible in the circumstances, which for greater certainty may exceed 30 days provided that the Transaction Parties are using commercially reasonable

efforts to obtain them, landlord waiver and access agreements in form and substance satisfactory to the Lender acting reasonably in respect of each of the premises listed in Schedule B; and

- (iv) such financial or other information or such other agreements, documents and instruments relating to each Transaction Party as the Lender may reasonably require including without limitation, such financing statements, registrations, estoppel letters and subordination agreements as may be necessary to perfect the Liens granted pursuant to the Guarantees and Security Documents in the priority contemplated by this Section 9.

10. Representations: As at the date of this Loan Agreement and as at the date of each advance, each Transaction Party (unless otherwise indicated) makes or is deemed to make, all representations and warranties set forth in Section 2 of Schedule A.

11. Covenants: Until all Obligations are indefeasibly paid in full and in addition to any covenants set forth in the Amended and Restated Convertible Debenture, each Transaction Party (unless otherwise indicated) agrees to comply with all covenants set forth in Section 3 of Schedule A and further agrees that:

- (a) within one hundred and twenty (120) days after the end of each Borrower Financial Year, the Borrower will deliver to the Lender a copy of its audited consolidated financial statements for such Borrower Financial Year;
- (b) it will not permit its chief executive office or the collateral granted as security pursuant to the Guarantees and Security Documents to be located in any province or state other than the locations in Schedule B; and
- (c) it will not at any time directly or indirectly create, incur, assume or otherwise be or become liable with respect to any indebtedness without the prior written consent of the Lender except: (i) indebtedness created hereunder; (ii) indebtedness outstanding on the date hereof and which has been disclosed to the Lender, and any refinancing of such indebtedness provided that the amount of such refinancing does not exceed the amount of such indebtedness (including principal outstanding and interest accrued but unpaid) on the date hereof; (iii) unsecured indebtedness; (iv) indebtedness arising under or pursuant to the Vortex Loan Agreement Documentation; (v) indebtedness in respect of trade accounts payable incurred in the ordinary course of

business; or (vi) indebtedness secured by Permitted Liens.

12. Prepayments:
- (a) The Borrower shall be entitled to prepay any and all amounts owing in respect of Facility #2 at any time and from time to time without any notice or penalty subject to the prior written consent of Vortex. For certainty, the Borrower shall not have the ability to prepay any of the amounts owing in respect of Facility #1 except in accordance with the terms and provisions of the Amended and Restated Convertible Debenture or as otherwise provided for in this Section 12.
  - (b) If any of the collateral subject to the security interests granted pursuant to the Guarantees and Security Documents and having a value in excess of **[REDACTED – COMMERCIAL SENSITIVE INFORMATION]** is damaged, destroyed or taken by condemnation or expropriated in whole or in part, the Borrower shall make a prepayment in the entire amount of all insurance or other proceeds received in respect of such collateral as a result of such damage, destruction or expropriation, unless the entire amount of such proceeds are promptly used (i) to purchase any replacements thereof (which replacement collateral shall be subject to security in favour of the Lender), (ii) by the Borrower for working capital purposes or (iii) by the Borrower to repay any indebtedness owing by it pursuant to the Vortex Loan Agreement Documentation, subject to the terms of the Intercreditor Agreement.
  - (c) Notwithstanding Section 3(g) of Schedule A or anything to the contrary in any of the Transaction Documents, each of the Transaction Parties may enter into a Disposition of all or any part of the collateral subject to the security interests granted pursuant to the Guarantees and Security Documents provided that (i) at the time such Disposition is entered into no Event of Default has occurred which is continuing, (ii) any such Disposition is made in the ordinary course of business or with the prior written consent of the Lender (not to be unreasonably withheld or delayed), (iii) any such Disposition is made on arm's length terms and conditions and for fair-market value consideration, and (iv) all proceeds of any such Disposition (minus reasonable transaction costs) are (X) promptly paid to Vortex to repay any indebtedness owing by the Borrower pursuant to the Vortex Loan Agreement Documentation, (Y) promptly paid to the Lender for application by the Lender against the Obligations or (Z) used by the Transaction Parties to purchase any replacements of such collateral (which replacement

collateral shall be subject to security in favour of the Lender) or for working capital, in each case subject to the terms of the Intercreditor Agreement.

(d) The Borrower shall direct the Lender to pay a portion of the Facility #2 Advance as follows:

(i) **[REDACTED – COMMERCIALY SENSITIVE INFORMATION]**

For certainty, the remaining balance of the Facility #2 Advance shall be retained by the Borrower for working capital requirements.

Except as expressly provided for in this Section 12, any amounts paid to the Lender pursuant to this Section 12 shall be applied against the Obligations (or in the case of a prepayment pursuant to Section 12(a) in respect of amounts owing in respect of Facility #1) in accordance with the "Application of Payments" clause in Section 5 of Schedule A. Amounts prepaid may not be re-borrowed.

13. Conditions Precedent to Facility #2 Advance: The Lender shall have no obligation to make the Facility #2 Advance until each of the following conditions have been performed and satisfied:

(a) the representations and warranties set forth in this Loan Agreement shall be true and correct in all material respects;

(b) no Event of Default, or any event that with notice, lapse of time or a determination hereunder or any combination thereof would constitute an Event of Default, shall have occurred;

(c) the Lender shall have received evidence of conditional acceptance of Facility #2 by the TSX Venture Exchange; and

(d) the Lender, the Transaction Parties and Vortex shall have entered into an intercreditor agreement on terms and provisions satisfactory to the Lender in its sole discretion (the "**Intercreditor Agreement**").

14. Confidentiality/ Disclosure: The Lender agrees with the Borrower that it will use its reasonable efforts to keep confidential and not to disclose any non-public information supplied to it and marked as such by the Borrower in connection with this Loan Agreement, provided that nothing herein shall limit, and the Borrower hereby consents to, the disclosure of any such information (a) to the extent required by statute, rule, regulation, court order or judicial process; (b) to the Lender's legal counsel; (c) to the Lender's auditors, consultants or accountants; (d) in connection with any litigation relating to this Loan Agreement, any of the other Transaction

Documents or the transactions contemplated hereby to which the Lender is a party; (e) to any actual or proposed participants in, and any actual or proposed assigns of, the Lender's rights and benefits hereunder or to successors of the Lender; or (f) to any actual or prospective party to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Loan Agreement or payment hereunder.

15. Public Statements: None of the Transaction Parties shall make or issue any public statements, notices or press releases concerning this Loan Agreement or any of the other Transaction Documents without the Lender's prior written consent, such consent not to be unreasonably withheld or delayed, save and except for such disclosure as may be required by applicable law (in which case the Transaction Party required to make any such disclosure shall provide each of the other Transaction Parties with prior written notice and a copy of any such disclosure).
16. Governing Law: This Loan Agreement is made under and will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in such Province.
17. Jurisdiction of Courts: Each of the parties hereto irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario (and applicable federal courts), the courts of its Jurisdiction of Incorporation, the courts of any jurisdiction where any of the Transaction Parties may have assets or carries on business and the courts where payments are to be made hereunder. Each of the Transaction Parties agrees that a final judgment against it in any such legal proceeding will be conclusive and may be enforced in any other jurisdiction by suit on the judgment (a certified or exemplified copy of which judgment will be conclusive evidence of the fact and of the amount of the Transaction Parties' indebtedness) or by such other means provided by law.
18. Defined Terms and Additional Terms and Conditions: Capitalized words or phrases not otherwise defined herein will have the meanings set forth in Schedule A to this Loan Agreement.  
  
Schedule A to this Loan Agreement which includes definitions, representations and warranties, covenants, events of default and other general terms and conditions forms an integral part of this Loan Agreement.
19. Maturity Date: Subject to the acceleration of payment of the Obligations upon the occurrence of an Event of Default, all unpaid Obligations arising under or pursuant to this Loan Agreement or any of the other Transaction Documents (save and except for the

Amended and Restated Convertible Debenture) shall become due and payable on the Facility #2 Maturity Date.

***[signature pages follow]***

If this Loan Agreement is acceptable, kindly sign and return the attached copy to the Lender. In the event that the Lender has not received an executed copy of this Loan Agreement by January 31, 2024 it will be considered null and void.

**PINNACLE ISLAND LP, by its general partner  
100318530 ONTARIO INC.**

By: signed "*Michael Roland*"  
Name: Michael Roland  
Title: President

We accept and agree to be bound by the above terms and conditions and those set forth in the attached Schedules and Exhibit.

**ENABLENCE TECHNOLOGIES INC.**

By: signed "Stan Besko"  
Name: Stan Besko  
Title: Chief Financial Officer

I have authority to bind the Borrower

**ENABLENCE CANADA INC.**

By: signed "Stan Besko"  
Name: Stan Besko  
Title: Chief Financial Officer

I have authority to bind the Guarantor

**ENABLENCE USA COMPONENTS INC.**

By: signed "Stan Besko"  
Name: Stan Besko  
Title: Chief Financial Officer

I have authority to bind the Guarantor

**ENABLENCE USA INC.**

By: signed "Stan Besko"  
Name: Stan Besko  
Title: Chief Financial Officer

I have authority to bind the Guarantor

## **SCHEDULE A**

### **Section 1 - Definitions**

**"Authorization"** means any consent, registration, filing, agreement, certificate, license, approval, permit, authority or exemption and all corporate, creditors' and shareholders' approvals or consents.

**"Borrower Financial Year"** means each 12 months period ending June 30.

**"Business Day"** means a day on which banks are open for business in Ottawa, Canada.

**"CAD"** or "Canadian Dollars" means the currency of Canada.

**"Control"** means with respect to a Transaction Party, the ownership, directly or indirectly, of more than **[REDACTED – COMMERCIALY SENSITIVE INFORMATION]** of its voting securities, of the control over the composition of its board of directors, whether by contract or otherwise or the power to direct its management and policies, whether through the ownership of voting capital, by contract or otherwise or the shareholding in any such party which entitles the owner to receive distributable profits exceeding **[REDACTED – COMMERCIALY SENSITIVE INFORMATION]** thereof.

**"Disposition"** means any sale, assignment, transfer, conveyance, lease or other disposition of all or any of the property, assets and undertaking of any of the Transaction Parties in a single transaction or a series of related transactions.

**"Environmental Laws"** means all requirements under any law, rule, regulation, order, or judgment, decree, license, agreement or other restriction of any governmental authority relating to the environment, pollution, contamination, or the disposal, storage, and discharge of hazardous or toxic substances into the environment.

**"Guarantees and Security Documents"** has the meaning ascribed thereto in Section 9 of this Loan Agreement.

**"Jurisdiction of Incorporation"** means (i) with respect to the Borrower and Enablene Canada, Canada and (ii) with respect to Enablene Components and Enablene USA, the State of Delaware.

**"Lien"** means any mortgage, lien, claim, pledge, hypothecation, encumbrance, charge or other security interest granted or arising by operation of law with respect to the property of any person or any preferential arrangement that has the effect of security for any debt, liability or other obligations.

**"Obligations"** means all present and future indebtedness, liabilities and obligations owing from time to time by any of the Transaction Parties to the Lender in respect of each of the Loan Facilities or otherwise pursuant to or arising from any of the Transaction Documents whether on account of principal, interest or otherwise and including, without limitation, any and all fees, costs, expenses and indemnification amounts payable by any of the Transaction Parties to the Lender pursuant to or arising from any of the Transaction Documents.

**"Permitted Liens"** means:

- (i) carrier's, warehousemen's, mechanic's, materialmen's, repairmen's and general rights of retention and other like Liens, arising both by operation of law and in the ordinary course of business;

- (ii) leases not prohibited pursuant to this Loan Agreement, provided that such leases attach only to the assets which are the subject of such leases;
- (iii) Liens created on property at the time of its purchase solely as security for the purchase price of such property, and any renewal thereof which is limited to the original property and to a renewal of the indebtedness incurred to finance the purchase price thereof;
- (iv) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not detract from the value of the affected property or interfere with the ordinary conduct of the business of any Transaction Party;
- (v) banker's liens, rights of set-off or compensation or similar rights to deposit accounts or the funds maintained with a creditor depository institution;
- (vi) Liens existing on the date hereof and which have been subordinated and postponed under subordination and postponement agreements satisfactory to the Lender; and
- (vii) Liens created pursuant to the Vortex Loan Agreement Documentation.

**"Transaction Documents"** means this Loan Agreement, each of the Guarantees and Security Documents, the Amended and Restated Convertible Debenture and the Intercreditor Agreement.

**"Transaction Parties"** means the Borrower and each of the Guarantors and **"Transaction Party"** means any one of them.

**"Vortex"** means Vortex ENA LP.

**"Vortex Loan Agreement Documentation"** means, collectively, the Second Amended and Restated Loan Agreement dated as of June 27, 2023 between Vortex, as lender and the Borrower, and each of the Transaction Documents (as defined therein), each as may be amended, restated, supplemented or otherwise modified or replaced from time to time.

## **Section 2 – Representations and Warranties**

Each Transaction Party represents and warrants to the Lender as at the date of this Loan Agreement and will be deemed to represent and warrant to the Lender as at the date of each advance, that:

- (a) it is duly incorporated, organized and validly existing under the laws of its Jurisdiction of Incorporation;
- (b) the entering into, delivery and performance by it of the terms of the Transaction Documents to which it is a party and of each document to be delivered by it with respect thereto:
  - (i) are within its corporate powers and have been duly authorized by all necessary corporate action; and

- (ii) are not in violation of any law, statute, regulation, ordinance or decree applicable to it and are not contrary to public policy or public order in its Jurisdiction of Incorporation or any other jurisdiction where it operates;
- (c) the Transaction Documents to which it is a party have been duly executed and delivered by it or on its behalf and constitute direct, legal, valid and binding obligations of it, enforceable against it in accordance with their respective terms;
- (d) all Authorizations required under the laws of its Jurisdiction of Incorporation and any other jurisdiction where it operates in connection with the execution and delivery by it of the Transaction Documents to which it is a party, the performance by it of the terms thereof and the validity and enforceability and admissibility in evidence thereof, have been effected or obtained and are in full force and effect;
- (e) except as disclosed in writing to the Lender, there are no legal proceedings pending or, so far as is known to it, threatened, which could or would materially adversely affect its financial condition or its operations, or its ability to perform its obligations under any of the Transaction Documents to which it is a party;
- (f) except as disclosed in writing to the Lender, it is not in violation of any term of its incorporating instrument and by-laws or of any agreement to which it or its business or assets are subject; the entering into, performance of and compliance with the Transaction Documents will not result in any such violation or constitute a default under or be in conflict with any such term or result in the creation of any Lien upon any of its assets pursuant to any such term, other than Liens in favour of the Lender;
- (g) all payments to be made by it under the Transaction Documents to which it is a party are exempt from any taxes in its Jurisdiction of Incorporation or jurisdiction from which payments are made and it is not required by law to make any deduction or withholding therefrom;
- (h) it is in compliance with all applicable laws, regulations and requirements of governmental authorities (including Environmental Laws and laws relating to corruption and bribery);
- (i) it is subject to the laws of its Jurisdiction of Incorporation in respect of its obligations generally and is not entitled to claim for itself or its assets immunity from jurisdiction, judgment, set-off, compensation, execution, attachment or other legal process in respect of its obligations under the Transaction Documents to which it is a party;
- (j) in any proceedings taken in its Jurisdiction of Incorporation for the enforcement of Transaction Documents to which it is a party, the governing law thereof will be recognized by the courts of its Jurisdiction of Incorporation; the irrevocable submission by it to the non-exclusive jurisdiction of the courts referred to in the Transaction Documents to which it is a party is legal, valid, binding and enforceable; and any judgment obtained in proceedings in such courts would be enforced by the courts of its Jurisdiction of Incorporation in accordance with and subject to the procedure in its Jurisdiction of Incorporation, provided such judgment is not contrary to public policy in its Jurisdiction of Incorporation and prior notice of those proceedings is given to it or its process agent, as the case may be;
- (k) except as set forth in the audited consolidated financial statements of the Borrower, it is, after giving effect to the transactions contemplated hereby, and the other Transaction Documents to which it is a party, solvent, able to pay its debts as they become due, it has

capital sufficient to carry on its business, and it will not be rendered insolvent by the execution and delivery of the Transaction Documents or by completion of the transactions contemplated hereby and thereby;

- (l) in respect of the security interests granted and/or to be granted by it in the collateral described in the Guarantees and Security Documents to which it is a party:
  - (i) it is, or with respect to such collateral acquired after the date hereof will be, the sole beneficial owner of such collateral, free and clear of any Liens, except for Permitted Liens;
  - (ii) it has, or with respect to such collateral acquired after the date hereof will have, the right to grant a security interest in such collateral in favour of the Lender on the terms of the Guarantees and Security Documents to which it is a party; and
  - (iii) the security interest granted pursuant to such Guarantees and Security Documents has been validly created and will, when registered, constitute a security interest at the ranking required by this Loan Agreement in the collateral granted as security thereunder, duly perfected under all applicable laws; and
- (m) each of the representations and warranties set out in the Amended and Restated Convertible Debenture and each of the other Transaction Documents are true and correct as of the date hereof.

Each Transaction Party shall indemnify and hold the Lender harmless on account of any circumstances that make any of the above representations incorrect.

### Section 3 – Covenants

Each Transaction Party (unless otherwise indicated) covenants and agrees to:

- (a) promptly notify the Lender of the occurrence of any Event of Default or of any event that with notice, lapse of time or a determination hereunder or any combination thereof would constitute an Event of Default;
- (b) obtain and maintain in force (or where appropriate, promptly renew) all Authorizations necessary for carrying out its business generally, those Authorizations required in connection with the execution and delivery of the Transaction Documents to which it is a party, the performance by it of the terms thereof and the validity and enforceability and admissibility in evidence thereof;
- (c) pay when due all taxes payable by it;
- (d) at all times comply with all applicable laws and regulations relating to it and its business, including without limitation, any Environmental Laws and any laws relating to corruption and bribery and laws relating to pension funds and pension plans maintained by it;
- (e) perform the following undertakings:
  - (i) maintain and preserve all of the collateral under the Guarantees and Security Documents, if any, in good repair, working order and condition and, from time to time, make all required and proper repairs, renewals, replacement, additions and improvements thereto and carry on its business in a proper and efficient manner so as to preserve and protect such collateral and the earnings, incomes, issues and profits thereof;
  - (ii) at any reasonable time and from time to time, upon reasonable prior notice, permit the Lender or any representative thereof to: (A) examine and make copies of and abstracts from its records and books (including, without limitation, electronic records), and (B) verify the existence and state of the collateral under the Guarantees and Security Documents, if any, in any manner the Lender may consider appropriate; and it agrees to furnish all assistance and information and to perform all such acts as the Lender may reasonably request in connection therewith and for such purpose to grant to the Lender or its representative access to all places where the collateral under the Guarantees and Security Documents, if any, may be located and to all premises occupied by it to examine and inspect such collateral;
  - (iii) promptly notify the Lender of any loss of or damage to the collateral under the Guarantees and Security Documents, if any;
  - (iv) promptly notify the Lender of any change in its name or the location of its chief executive office or any change in its Control;
  - (v) take all steps and all actions as may be reasonably required or deemed advisable by the Lender to perfect or more fully evidence the Lender's rights and interest in the collateral under the Guarantees and Security Documents, if any; and

- (vi) notwithstanding anything to the contrary contained in the Transaction Documents, with respect to the collateral under the Guarantees and Security Documents, if any, it agrees that no Liens (other than the security interest created in favour of the Lender under the Guarantees and Security Documents to which it is a party and the Permitted Liens) will be created or permitted to exist over the collateral under the Guarantees and Security Documents, if any, until all sums due to the Lender under the Transaction Documents are repaid;
- (f) on or prior to the date when it takes title to the collateral under the Guarantees and Security Documents, if any, or any portion thereof and so long as any monies remain unpaid hereunder, maintain or cause to be maintained in effect, at its own expense (i) property insurance covering such collateral in an amount not less than the cost of acquisition of the collateral; and (ii) third-party liability insurance in respect thereof of such amount and scope as may be customary in Canada. All policies and subsequent policies taken out in accordance with this Section will be issued by reputable insurance companies or underwriters and be similar in form and substance to its usual policies of insurance and as may be customary for entities carrying on the same business and operations. All property insurance policies shall name the Lender as first lender loss payee and provide that all losses in respect of claims shall be paid to the Lender (subject to the terms of the Intercreditor Agreement). All liability insurance policies shall name the Lender as additional insured. In addition, all policies and subsequent policies shall provide that the insurer's rights of subrogation be subordinate to the Lender's right of full recovery. In the event that any insurance required under this Section shall not have been renewed prior to the date on which such insurance is scheduled to lapse, the Lender or its assignee may (but shall not be obligated to) pay any premium necessary to renew such insurance, and in such event it shall be obligated to indemnify the Lender or its assignee immediately, as the case may be, for the payment of such premium;
- (g) not undertake or effect any Disposition of all or any part of its property, assets or undertaking, whether now owned or hereafter acquired except as permitted by Section 12(c) of this Loan Agreement; and
- (h) at all times comply with all covenants and agreements made by it pursuant to the Amended and Restated Convertible Debenture and each of the other Transaction Documents.

All monies and proceeds arising from any policy of insurance covering the collateral may be applied by the Lender in accordance with the "Application of Payments" clause in Section 5 of this Schedule A.

#### Section 4 – Events of default

If any one or more of the following events (each an "**Event of Default**") has occurred and is continuing:

- (a) the non-payment when due of any sum payable hereunder, within five (5) Business Days of such sum becoming due;
- (b) if proceedings are started by any person to dissolve, liquidate, or wind up any Transaction Party or to suspend any of their respective business operations;
- (c) if any Transaction Party (i) makes an assignment for the benefit of its creditors; or (ii) petitions or applies to any tribunal for the appointment of a receiver or trustee for itself or any substantial part of its assets; or (iii) starts any proceeding relating to itself under any present or future reorganization, arrangement, adjustment of debt, dissolution or liquidation law of any jurisdiction; or (iv) in any way consents to, approves or acquiesces in any bankruptcy, reorganization or insolvency proceeding started by any other person, or any proceeding by any other person for the appointment of a receiver or trustee thereof or any substantial part of its assets; or (v) allows any receivership or trusteeship to remain undischarged for a period of thirty (30) days; or (vi) becomes or is declared by any competent authority to be bankrupt or insolvent;
- (d) if any Transaction Party sells or otherwise disposes of all or a substantial part of its assets or ceases all or a substantial part of its business operations without the prior written consent of the Lender;
- (e) if any Transaction Party fails to pay any amount due, under any one or more loans or guarantees to which it is a party, on the due date or within any applicable grace period or is otherwise in default under any one or more agreements evidencing its indebtedness or guarantee to which it is a party;
- (f) if any representation or warranty made by or on behalf of any Transaction Party in any Transaction Document or in any related document or opinion will have been incorrect when made or deemed to be made;
- (g) if any Transaction Party creates or permits to exist or continue any Lien, other than over any of its present or future properties, assets or revenues, other than: (i) Permitted Liens, or (ii) Liens which the Transaction Party is diligently disputing in good faith and which are vacated or discharged within thirty (30) days after the Transaction Party becomes aware;
- (h) if any Transaction Party fails to obtain or maintain in force any Authorization from any administrative or governmental agency or other body required under the laws of such Transaction Party's jurisdiction of incorporation which is or may become necessary for such Transaction Party to fulfill its obligations under the Transaction Documents to which it is a party including without limitation any authorization to acquire and remit in, as applicable by this Loan Agreement, United States Dollars or Canadian Dollars;
- (i) if any court makes any judgment or order, or any law, ordinance, decree or regulation is enacted the effect of which is to make any Transaction Document or any material provision hereof or thereof invalid or unenforceable against any Transaction Party, and each such Transaction Party fails to provide replacement documents satisfactory to the Lender

evidencing, and where applicable, securing, its indebtedness thereunder within thirty (30) days of such event;

- (j) if any other event or circumstance occurs which, in the opinion of the Lender, is likely to materially and adversely affect any Transaction Party's ability to perform all or any of its obligations under the Transaction Documents to which it is a party;
- (k) if any of the Transaction Parties fail to execute and deliver the Guarantees and Security Documents in compliance with Section 10 of this Loan Agreement;
- (l) if any Transaction Party defaults in the due performance or observance of any term of the Transaction Documents to which it is a party other than those specifically dealt with in this Section 4 which is not remedied within thirty (30) days after notice by the Lender to do so;
- (m) if any Transaction Party, except in the ordinary course of business, sells or otherwise disposes of all or any part of the collateral under the Guarantees and Security Documents, if any, without the prior written consent of the Lender or if all or any part of such collateral is seized;
- (n) if the Guarantees and Security Documents cease to create a valid and perfected security interest in the collateral thereunder at the rank required by this Loan Agreement, or any Lien other than a Permitted Lien, is created over the collateral under the Guarantees and Security Documents, if any;
- (o) if there is any change in Control of any Transaction Party;
- (p) upon the occurrence of any "Event of Default" pursuant to and as defined in the Vortex Loan Agreement Documentation; or
- (q) upon the occurrence of any "Event of Default" (as defined in the Amended and Restated Convertible Debenture). For certainty, in the event of any conflict between any Event of Default and any "Event of Default" (as defined in the Amended and Restated Convertible Debenture), the latter shall prevail to the extent of any such conflict.

then, the Lender is under no further obligation to make advances and the Lender may declare all or part of the indebtedness of the Borrower hereunder to be immediately due and payable, whereupon the same will become immediately due and payable without any further demand or notice of any kind. Any exercise, failure to exercise or delay in exercising by the Lender of any right or remedy hereunder will not be or be deemed to be a waiver of, or will not prejudice, any other rights or remedies to which the Lender may be entitled for any Event of Default or any potential Event of Default.

## **Section 5 – General Terms and Conditions**

Other than as provided for in the Amended and Restated Convertible Debenture, the Borrower agrees to the following additional provisions (for certainty, in the event of any conflict between any of the provisions in this Section 5 and the provisions of the Amended and Restated Convertible Debenture, the latter shall prevail to the extent of any such conflict.

### Application of Payments

All payments made by or for the account of the Borrower hereunder will be applied against the Obligations in descending order as follows: (i) to all amounts then due and payable (other than principal and interest) in respect of the Loan Facilities including, without limitation, any and all outstanding amounts owing to the Lender (a) in respect of the Structuring Fee pursuant to Section 7(b) of this Loan Agreement and (b) pursuant to Section 12 of this Loan Agreement in such order as the Lender may elect; (ii) to interest then due and payable in respect of the Loan Facilities; and (iii) to principal then due and payable in respect of the Loan Facilities. All amounts received by the Lender pursuant to any of the Transaction Documents (other than this Loan Agreement) will be applied to the indebtedness of the Borrower to the Lender in such order of priority as the Lender determines in its sole discretion.

### Interest

Notwithstanding anything contained herein to the contrary, the Borrower will not be obliged to make any payment of interest or other amounts payable to the Lender hereunder in excess of the amount or rate that would result in the receipt by the Lender of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)). If the making of any payment by the Borrower has resulted in a payment that is in excess of such amount or rate, then the Lender (after having determined such excess amount) shall (i) apply such excess amount against any other Obligations then due and unpaid and (ii) refund to the Borrower any further excess amount remaining thereafter.

Unless otherwise stated, in this Loan Agreement, if reference is made to a rate of interest, fee or other amount "per annum" or a similar expression is used, such interest, fee or other amount shall be calculated on the basis of a year of 365 or 366 days, as the case may be. If the amount of any interest, fee or other amount is determined or expressed on the basis of a period of less than one year of 365 or 366 days, as the case may be, the equivalent yearly rate is equal to the rate so determined or expressed, divided by the number of days in the said period, and multiplied by the actual number of days in that calendar year.

The Borrower fully understands and is able to calculate the rate of interest applicable to the Loan Facilities based on the methodology for calculating per annum rates provided for in this Loan Agreement. The Lender agrees that, if requested in writing by the Borrower, it shall calculate the nominal and effective per annum rate of interest on the advance outstanding at any time and provide such information to the Borrower promptly following such request; provided that any error in any such calculation, or any failure to provide such information on request, shall not relieve the Borrower or any other Transaction Party of any of its obligations under this Loan Agreement or any other Transaction Document, nor result in any liability to the Lender. The Borrower hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to the this Loan Agreement or any other Transaction Document, that the interest payable under this Loan Agreement and the Transaction Documents, that the interest payable under this Loan Agreement and the calculation thereof has not been adequately

disclosed to it, whether pursuant to section 4 of the *Interest Act* (Canada) or any other applicable law or legal principle.

#### Place of Payment

All amounts payable by the Borrower to the Lender pursuant hereto (including, for certainty, any amount payable pursuant to the Amended and Restated Convertible Debenture) will be paid in Canadian dollars without set-off, compensation or counterclaim not later than 11:00 a.m. Ottawa time on the day such payment is due and in funds which are for same-day settlement, at such institution and to the credit of such account as the Lender may from time to time notify the Borrower. Further, the Borrower agrees, within five (5) Business Days of the Lender's request therefor, to execute a Pre-Authorized Debit Agreement, in form and substance satisfactory to the Lender (a "**PAD Agreement**"), authorizing deductions from the Borrower's bank account of regular recurring installments of principal, interest, and/or fees payable from time to time arising under this Loan Agreement. In the event that the Borrower makes installment payments to the Lender through a third party (the "**Third Party Payor**"), the Borrower shall cause such Third Party Payor to execute a PAD Agreement authorizing deductions from the Third Party Payor's bank account, it being understood that any such payments by the Third Party Payor will be deemed to be payments made by the Borrower under this Loan Agreement. Further, if the Third Party Payor also acts as Guarantor hereunder, no such payments made by the Third Party Payor under a PAD Agreement shall constitute a payment under any of the Guarantees and Security Documents.

If a day on which an amount is due is not a Business Day, such amount will be deemed to be due on the following such day.

#### Evidences of Indebtedness

The loan accounts maintained by the Lender in the name of the Borrower will be prima facie evidence (in the absence of manifest error) of the indebtedness of the Borrower to the Lender hereunder (including, for certainty, amounts comprising principal and interest).

#### Taxes

If the Borrower is required by law to deduct or withhold taxes from any payment to the Lender hereunder (including, for certainty, any payment made pursuant to the Amended and Restated Convertible Debenture), the sum payable by the Borrower will be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Lender receives and retains (free from any liability in respect of any such deduction or withholding) the sum it would have received and so retained had no such deduction or withholding been made or required.

#### Notice

Any communication, demand or notice to be made hereunder will be made in writing and be deemed to have been made: (a) in the case of any communication made by letter, when left at that address or (as the case may be) ten (10) days after being deposited in the post postage prepaid in an envelope addressed to it at that address; (b) in the case of any communication made by email, upon the sender's receipt of an acknowledgement from the intended recipient (such as the "return receipt requested" function (or a similar function), as available, return email or other written acknowledgement); or (c) if sent by recognized international overnight courier, upon receipt as evidenced by record of delivery by such overnight courier. All notices shall be sent to:

- (i) Pinnacle Island LP, at 95 Wellington Street West, Suite 2101, Toronto, Ontario,

Attention: Michael Roland  
Email: **[REDACTED – PERSONAL INFORMATION]**

- (ii) Borrower and Enablene Canada, at 390 March Road, Suite 119, Ottawa, Ontario K2K 0G7, Canada,

Attention: Tim Klug  
Email: **[REDACTED – PERSONAL INFORMATION]**

AND

Attention: Stan Besko  
Email: **[REDACTED – PERSONAL INFORMATION]**

- (iii) Enablene Components and Enablene USA, at 2933 Bayview Drive, Fremont, CA 94538, USA,

Attention: Tim Klug  
Email: **[REDACTED – PERSONAL INFORMATION]**  
AND

Attention: Stan Besko  
Email: **[REDACTED – PERSONAL INFORMATION]**

#### Assignment

This Loan Agreement will be binding upon and enure to the benefit of the parties and their respective successors and assigns. None of the Transaction Parties may assign or transfer all or any part of their respective rights or obligations hereunder without the prior written consent of the Lender (in its sole discretion).

#### Counterpart

This Loan Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which will constitute together one and the same instrument and the parties agree that receipt by fax or portable document format (pdf) of an executed copy of this Loan Agreement will be deemed to be receipt of an original.

#### English Language

The parties hereto agree that this Loan Agreement and each other Transaction Document will be in the English language or will be accompanied by an English translation certified by the Borrower or upon request by the Lender will be accompanied by an English translation certified by an officially sworn licensed translator to be complete and correct.

#### Entire Agreement

The Transaction Documents constitute the entire understanding among the parties hereto with respect to the subject matter hereof and supersede any and all prior agreements or understandings, written or oral, with respect thereto.

#### Interpretation

All calculations for the purposes of determining compliance with the financial covenants contained in this Loan Agreement will be made on a basis consistent with generally accepted accounting principles consistently applied in Canada as existing on the date of this Loan Agreement, unless noted otherwise in the "Covenants" sections of this Loan Agreement.

Severability

If any provision of this Loan Agreement or any of the other Transaction Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Loan Agreement and the other Transaction Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

## **SCHEDULE B**

### **Location of Operations, Records and Collateral**

#### **The Borrower:**

The business operations of the Borrower are located at:

- 390 March Road, Suite 119, Ottawa, Ontario K2K 0G7, Canada

The records of the Borrower are located at:

- 390 March Road, Suite 119, Ottawa, Ontario K2K 0G7, Canada

The collateral under the Guarantees and Security Documents to which the Borrower is a party is located at:

- 390 March Road, Suite 119, Ottawa, Ontario K2K 0G7, Canada

#### **Enablence Canada:**

The business operations of Enablence Canada are located at:

- 390 March Road, Suite 119, Ottawa, Ontario K2K 0G7, Canada

The records of Enablence Canada are located at:

- 390 March Road, Suite 119, Ottawa, Ontario K2K 0G7, Canada

The collateral under the Guarantees and Security Documents to which Enablence Canada is a party is located at:

- 390 March Road, Suite 119, Ottawa, Ontario K2K 0G7, Canada

#### **Enablence Components and Enablence USA:**

The business operations of Enablence Components and Enablence USA are located at:

- 2933 Bayview Drive, Fremont, CA 94538 USA

The records of Enablence Components and Enablence USA are located at:

- 2933 Bayview Drive, Fremont, CA 94538 USA

The collateral under the Guarantees and Security Documents to which each of Enablence Components and Enablence USA is a party is located at:

- 2933 Bayview Drive, Fremont, CA 94538 USA

**EXHIBIT I**  
**FORM OF AMENDED AND RESTATED CONVERTIBLE DEBENTURE**

**PINNACLE ISLAND LP**

as the Holder

- and -

**ENABLENCE TECHNOLOGIES INC.**

as the Company

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**AMENDED AND RESTATED CONVERTIBLE DEBENTURE**

March 7, 2024

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**AMENDED AND RESTATED CONVERTIBLE DEBENTURE**  
(the “**Debenture**”)

**THIS AMENDED AND RESTATED DEBENTURE** dated as of March 7, 2024 between Enablence Technologies Inc. (the “**Company**”) and Pinnacle Island LP (the “**Holder**” and, together with the Company, the “**Parties**”).

**WHEREAS** the Holder and the Company are parties to a convertible debenture dated as of June 27, 2023 (the “**Original Debenture**”), which the Holder agreed to purchase on the terms and conditions set forth in the Subscription Agreement (as defined below).

**AND WHEREAS** the Parties wish to make certain amendments to the Original Debenture, including to reflect that this Debenture shall be a Secured Obligation (as defined below), and have agreed to do so by way of entering into this Amended and Restated Debenture.

**AND WHEREAS** this Amended and Restated Debenture shall be effective upon the Company’s receipt of the necessary Approvals (as defined below) with such Approvals being sought, together with the Required Shareholder Approval, at the meeting of Shareholders (as defined below) being held on March 7, 2024.

**NOW THEREFORE** for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

**ARTICLE 1**  
**INTERPRETATION**

**1.1 Defined Terms**

As used herein the following expressions will have the following meanings and grammatical variations thereof shall have corresponding meanings:

“**Additional Debentures**” means the convertible debentures that may be issued by the Company [REDACTED – COMMERCIAL SENSITIVE INFORMATION].

“**Amendment**” has the meaning assigned to such term in Section 4.2(i).

“**Applicable Laws**” means, with respect to any Person or matter, any statute, law, rule, treaty, convention, regulation, order, decree, request, determination or other requirement of any Governmental Agency (having the force of law) relating and applicable to such Person or matter and, where applicable, any interpretation thereof by any Governmental Agency having jurisdiction with respect thereto or charged with the administration or interpretation thereof.

“**Approvals**” means, as of the relevant date, each and every approval, order in council, authorization, license, permit, consent and other approvals by or with any Governmental Agency or other Person which are, as at such date, required by Applicable Law and necessary to authorize or permit the execution, delivery, performance, validity and enforceability of the Financing Documents.

“**Base Interest Rate**” has the meaning assigned to such term in Section 2.2(a).

“**Board**” means the board of directors of the Company.

“**Business Day**” means any day which is not a Saturday, a Sunday or a day observed as a holiday under Applicable Laws in either Toronto, Ontario or Fremont, California or a day in which banking institutions located in Toronto, Ontario or Fremont, California are permitted to be closed.

“**Capital Reorganization**” has the meaning assigned to such term in Section 3.4(d).

“**Change of Control**” means (a) a transaction that would result in the acquisition or purchase by any Person (other than the Holder or any Person that is acting jointly or in concert with the Holder) of (i) assets of the Company and its Subsidiaries, the fair market value of which assets, in the aggregate,

constitute **[REDACTED – COMMERCIALY SENSITIVE INFORMATION]** of the fair market value of the consolidated assets of the Company, or (ii) voting or equity securities of the Company where those securities, together with the offeror’s securities, constitute, in the aggregate, **[REDACTED – COMMERCIALY SENSITIVE INFORMATION]** of the outstanding voting or equity securities of the Company, or; or (b) an amalgamation, consolidation, merger or combination as a result of which the person(s) who were holders of equity securities of the Company immediately prior to such transaction cease to hold a majority of the equity securities of the specified Person immediately following such transaction.

“**Change of Control Effective Date**” means, in respect of a Change of Control, the date upon which such Change of Control is completed or becomes effective.

“**Change of Control Payment Date**” has the meaning assigned to such term in Section 2.4.

“**Closing Date**” means the date of issue of the Original Debenture, which for clarity is June 27, 2023.

“**Common Share Reorganization**” has the meaning given to it in Section 3.4(a).

“**Common Shares**” means common shares of the Company.

“**Company**” means Enablence Technologies Inc., and its legal successors and permitted assigns.

“**Conversion Period**” has the meaning assigned in Section 3.1.

“**Conversion Price**” means \$2.00, subject to adjustment in accordance with the terms of this Debenture.

“**Convertible Securities**” means any agreement, option, warrant, note, instrument, right, unit or other security or conversion privilege issued or granted by the Company or any of its Subsidiaries that is exercisable or convertible into, or exchangeable for, or otherwise carries the right of the holder to purchase or otherwise acquire Common Shares, including pursuant to one or more multiple exercises, conversions and/or exchanges.

“**Current Market Price**” at any date means the volume weighted average price of the Common Shares on the Principal Stock Exchange during the ten consecutive Trading Days ending on the Trading Day immediately preceding such date, where the volume weighted average price is determined by dividing the aggregate sale price of all Common Shares sold during that period by the total number of Common Shares sold during that period and, if no such prices are available, “Current Market Price” will be the Fair Market Value per Common Share.

“**Date of Conversion**” has the meaning assigned in Section 3.3(b).

“**Debenture**” means this Amended and Restated Debenture.

“**Default**” means any event which, with the passage of time, the giving of notice or both, would constitute an Event of Default.

“**Default Rate**” means **[REDACTED – COMMERCIALY SENSITIVE INFORMATION]**.

“**Distributed Property**” has the meaning given in Section 3.4(c).

“**Event of Default**” means any of the events described in Section 5.1.

“**Fair Market Value**” means the fair market value as determined by the Board, acting reasonably; provided that if a dispute arises with respect to Fair Market Value, such dispute will be conclusively determined by such firm of independent chartered professional accountants as may be selected by the Board and acceptable to the Holder, acting reasonably, and any such determination will be binding upon the Holder and the Company.

**“Financing Documents”** means this Debenture, the Subscription Agreement and the Security Documents and **“Financing Document”** means any of the Financing Documents.

**“Fiscal Quarter”** means any of the three-month periods ending on the last day of September, December, May and June in each Fiscal Year.

**“Fiscal Year”** means any of the twelve-month periods ending on the last day of June in each year.

**“Governmental Agency”** means any supranational, national, federal, provincial, regional or local government or governmental department, agency, authority, board, central bank, monetary authority, commission, or other entity charged with the administration, interpretation or enforcement of any Applicable Law.

**“Guarantor”** has the meaning assigned to such term in Section 2.5(a).

**“Holder”** means Pinnacle Island LP, and its legal successors and permitted assigns.

**“Initial Interest Period”** means the period commencing on the Closing Date and ending on December 31, 2023.

**“Interest Payment Date”** means (i) for the Initial Interest Period, April 1, 2024, (ii) for any other Interest Period, the last day of such Interest Period or (iii) the Date of Conversion (in relation to the accrued and unpaid interest on the principal amount of the Debenture converted in accordance with the terms hereof).

**“Interest Period”** means each successive six-month period after the Initial Interest Period.

**“Material Adverse Change”** means any change of circumstances or any event which would have a Material Adverse Effect.

**“Material Adverse Effect”** means an event or circumstances taken alone or in conjunction with other events or circumstances (or a series of adverse effects, none of which is material in and of itself but which, cumulatively, result in a material adverse effect) that has or could be reasonably expected to have a material adverse effect upon:

- (a) the condition (financial or otherwise), business, performance, operations or prospects of the Company;
- (b) the legality, validity or enforceability of any Financing Document;
- (c) the ability of the Company to exercise its rights or perform its obligations under the Financing Documents to which it is party taken as a whole; or
- (d) the rights or remedies of the Holder under the Financing Documents taken as a whole.

**“Maturity Date”** has the meaning assigned to such term in Section 2.3.

**“NI 45-102”** means National Instrument 45-102 – *Resale of Securities* together with the companion policy thereto.

**“Notice of Conversion”** means a notice of conversion in the form attached as Exhibit A hereto.

**“Offered Securities”** has the meaning assigned to such term in Section 3.4(b).

**“Parties”** means the parties to this Amended and Restated Debenture.

**“Permitted Liens”** has the meaning assigned to such term in Section 2.5(a).

“**Person**” means any natural Person, corporation, firm, partnership, joint venture, joint stock company, incorporated or unincorporated association, government, governmental agency or any other entity, whether acting in individual, fiduciary or other capacity.

“**principal amount**” initially means the sum of \$11,000,000.

“**Principal Stock Exchange**” means the TSXV, and if the Common Shares are not listed on the TSXV but are listed on another stock exchange or stock exchanges in Canada, references to the Principal Stock Exchange will be deemed to be references to such other stock exchange or, if more than one, to the one on which the greatest volume of Common Shares regularly trades.

“**Reporting Jurisdictions**” means British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

“**Required Shareholder Approval**” means the approval of the Shareholders (other than the Holder and its affiliates and associates) in accordance with the policies of the TSXV for the issuance of Common Shares pursuant to this Debenture that, pursuant to Section 1.12(a) of TSXV Policy 4.1 – *Private Placements*, are not permitted to be issued without such approval.

“**Rights Offering**” has the meaning assigned to in Section 3.4(b).

“**Secured Obligations**” has the meaning assigned to such term in Section 2.5(a).

“**Securities Legislation**” means all applicable securities legislation in each Reporting Jurisdiction, and the rules and regulations made thereunder, and the orders and published policy statements of the securities commissions or other securities regulatory authorities in such jurisdictions, and the rules, regulations and policies of the Principal Stock Exchange.

“**Security Documents**” has the meaning assigned to such term in Section 2.5(b).

“**SEDAR+**” means the System for Electronic Document Analysis and Retrieval+.

“**Shareholders**” means the holders of Common Shares.

“**Special Distribution**” has the meaning assigned to such term in Section 3.4(c).

“**Subscription Agreement**” means the subscription agreement dated June 27, 2023 between the Company and the Holder providing, among other things, for the issue of the Original Debenture to the Holder on the Closing Date.

“**Subsidiary**” means, with respect to a specified Person, another Person that is controlled, directly or indirectly, by such specified Person, and includes a Subsidiary of that Person; provided that, for greater certainty, neither the Corporation nor any of its Subsidiaries is a Subsidiary of the Holder or any of its Subsidiaries for the purposes of this Debenture.

“**Taxes**” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any applicable Governmental Agency, and including any interest and penalties thereon or with respect to the foregoing.

“**Trading Day**” means a day on which the Principal Stock Exchange is open for the transaction of business and Common Shares have traded.

“**TSXV**” means the TSX Venture Exchange.

## **1.2 Time of the Essence**

Time shall be of the essence of each provision of this Debenture. Any extension, waiver or variation of any provision of this Debenture shall not be deemed to affect this provision and there shall be no implied waiver of this provision.

### **1.3 Calculation of Time**

Unless otherwise specified, time periods within or following which any act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends. Where the last day of any such time period is not a Business Day, such time period shall be extended to the next Business Day following the day on which it would otherwise end.

### **1.4 Currency**

Unless otherwise specified, all references in this Debenture to dollar amounts, “dollars” or “\$” are references to Canadian dollars.

### **1.5 Business Days**

Whenever any action to be taken pursuant to this Debenture would otherwise be required to be taken on a day that is not a Business Day, such action shall be taken on the next Business Day following the day on which such action was to be taken.

### **1.6 Headings**

The descriptive headings preceding Articles and Sections of this Debenture are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such Articles or Sections. The division of this Debenture into Articles and Sections shall not affect the interpretation of this Debenture.

### **1.7 Plurals and Gender**

Words in the singular include the plural and *vice versa* and words in one gender include all genders.

### **1.8 Statutory References**

Any reference to a statute shall mean the statute in force as at the date of this Debenture, together with all rules and regulations promulgated thereunder (including any instrument of the Canadian Securities Administrators), as the same may be amended, re-enacted, consolidated or replaced from time to time, and any successor statute thereto, unless otherwise expressly provided.

## **ARTICLE 2 TERMS**

### **2.1 Principal Sum**

For value received, the Company promises to pay on the Maturity Date or prior thereto pursuant to Section 2.4 to the order of the Holder the principal amount of this Debenture outstanding from time to time plus all accrued and unpaid interest as hereinafter set forth, in lawful money of Canada at the office of the Holder set forth in Section 6.5(a), or in such other manner as the Holder may designate.

### **2.2 Interest**

- (a) The principal amount of this Debenture outstanding will bear interest from and after the date hereof, calculated and payable in cash semi-annually in arrears on each Interest Payment Date and the earlier of the Date of Conversion, the date of redemption in accordance with Article 2 and the Maturity Date, at the rate of 7.5% per annum (the “**Base Interest Rate**”) until the earliest of: (i) the Date of Conversion of the principal amount of this Debenture, in full; (ii) the date of redemption of this Debenture and payment of all accrued and unpaid interest under this Debenture, in full, pursuant to this Article 2; and (iii) the date the principal amount of this Debenture and all accrued and unpaid interest under this Debenture is repaid in full, whether on the Maturity Date or prior thereto pursuant to Section 2.4.

- (b) Notwithstanding Section 2.2(a), the principal amount of this Debenture outstanding will bear interest from and after the occurrence of an Event of Default which is continuing at the Default Rate. For so long as an Event of Default has occurred and is continuing, such interest shall be calculated and be payable in cash semi-annually in arrears on each Interest Payment Date, with interest on overdue interest at the same rate, and compounded semi-annually until paid; provided, however, any accrued and unpaid interest in respect of the period prior to the Event of Default shall remain calculated at the interest rate specified under Section 2.2(a) but, after the Event of Default, the interest on such overdue interest shall be calculated at the Default Rate.
- (c) For purposes of the *Interest Act* (Canada), whenever any interest or fee under this Debenture is calculated using a rate based on a number of days less than a full year, such rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (x) the applicable rate, (y) multiplied by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends, and (z) divided by the number of days based on which such rate is calculated.

### 2.3 Maturity

The principal amount of this Debenture will be repayable on the earlier of (a) June 30, 2027 (the “**Maturity Date**”), and (b) the occurrence of an Event of Default in accordance with Article 5, but only to the extent that this Debenture, or any part of it, has not been converted by the Holder in accordance with the terms hereof.

### 2.4 Change of Control

If there is a Change of Control at any time during the term of this Debenture, the Holder will have the right to require the Company to redeem this Debenture at a price equal to 105% of the principal amount of this Debenture then outstanding, plus all accrued and unpaid interest pursuant to this Article 2. The Holder will exercise the right under this Section 2.4 by delivering a written redemption notice to the Company on or before the 15<sup>th</sup> Business Day following the Change of Control Effective Date. Upon such redemption notice being given, subject to any prior conversion under the terms of this Debenture, the portion of this Debenture that is being redeemed plus all accrued and unpaid interest thereon will become due and payable on the redemption date specified in such notice (the “**Change of Control Payment Date**”), which date shall not be earlier than fifteen (15) Business Days following receipt by the Company of the redemption notice.

### 2.5 Security

- (a) As continuing security for the due and timely payment by the Company of the principal amount, interest and all other amounts and obligations owing by the Company to the Holder under this Debenture or otherwise (whether present or future, direct or indirect, absolute or contingent, matured or not) (collectively, the “**Secured Obligations**”), the Company shall execute and deliver to the Holder a general security agreement granting the Holder a first priority security interest (subject only to such prior liens as may be consented to by the Holder in writing (the “**Permitted Liens**”) in all of the present and after-acquired assets of the Company. In addition, the Company shall cause each of Enablence Canada Inc., Enablence USA Inc. and Enablence USA Components Inc. (each, a “**Guarantor**”) to execute and deliver to the Holder (i) a guarantee of the payment and performance of the Secured Obligations, and (ii) a general security agreement granting the Holder a first priority security interest (subject only to Permitted Liens) in all of the present and after-acquired assets of each Guarantor as security for the payment and performance by such Guarantor of the obligations arising under or pursuant to its guarantee.
- (b) The general security agreements referenced in Section 2.5(a) above (collectively, the “**Security Documents**”), shall be properly registered, recorded and filed in all jurisdictions which, in the reasonable opinion of the Holder’s counsel, are desirable or required to make effective the security created or intended to be created by the

Company and each Guarantor in favour of the Holder pursuant to the Security Documents and to ensure the perfection and the intended priority of the security interests granted thereby.

### **ARTICLE 3 CONVERSION OF DEBENTURE**

#### **3.1 Conversion of Debenture into Common Shares**

Upon and subject to the provisions and conditions of this Article 3, the Holder may, at its option, at any time and from time to time until 4:00 p.m. (Toronto time) on the Business Day immediately preceding the Maturity Date (the “**Conversion Period**”), convert all or any portion of the outstanding principal amount of this Debenture into a number of Common Shares equal to the quotient obtained by dividing the principal amount of this Debenture being converted by the Conversion Price.

#### **3.2 Restrictions on Conversion**

Until the Required Shareholder Approval has been obtained, the Holder may not convert a portion of the principal amount of this Debenture to the extent that the issuance of the Common Shares issuable to the Holder upon such conversion exceeds 19.9% of the then issued and outstanding Common Shares and would require the approval of the Shareholders pursuant to Section 1.12(a) of TSXV Policy 4.1 – *Private Placements*.

#### **3.3 Manner of Exercise of Right to Convert to Common Shares**

- (a) The Holder may exercise its rights to convert in accordance with the provisions of Article 3, by (i) sending to the Company a Notice of Conversion in the manner provided in Section 6.5, and (ii) surrendering this Debenture to the Company at its address set out in Section 6.5.
- (b) The date of conversion for the purposes of Article 3 (the “**Date of Conversion**”) shall be the date that is sixty-one (61) days after the Company has received (i) the Notice of Conversion and (ii) the surrendered Debenture at the address of the Company set out in Section 6.5.
- (c) Upon conversion of all or a portion of this Debenture in accordance with this Article 3, the Holder will be entitled to be entered in the books of the Company as at the applicable Date of Conversion as the holder of the number of Common Shares into which the principal amount of this Debenture tendered for conversion pursuant to this Section 3.3 and, as soon as practicable, the Company will deliver or cause to be delivered to the Holder a DRS Advice evidencing a non-certificated registered position (or, if requested by Holder, a certificate) for the appropriate number of the Common Shares.
- (d) The Corporation and the Holder agree that the conversion of all or any portion of the principal amount of this Debenture into Common Shares in accordance with the provisions of this Article 3 will constitute a full settlement of the debt obligation to the extent of the principal amount of this Debenture so converted in consideration for the issuance by the Company of such Common Shares.
- (e) The Holder agrees that if the conversion of all or any portion of the Debenture is completed prior to October 28, 2023, the certificate(s) representing the Common Shares will be subject to a legend in the form as set forth in Section 2.5(2)3(i) of NI 45-102 or if the Holder does not receive a certificate representing such Common Shares or if the Common Shares are entered into a direct registration or other electronic book-entry system, the Holder shall receive written notice containing the legend set out in Section 2.5(2)3(i) of NI 45-102.

- (f) The Company shall pay any and all documentary, stamp, transfer, issuance and other similar taxes that may be payable with respect to the issuance and delivery of Common Shares upon the conversion of this Debenture.

### 3.4 Adjustment of Conversion Price

The Conversion Price will be subject to adjustment from time to time in the events and in the manner provided as follows:

- (a) If during the Conversion Period the Company:
  - (i) issues any of its securities to all or substantially all holders of the Common Shares by way of a stock dividend or interest or distributions;
  - (ii) subdivides its outstanding Common Shares into a greater number of Common Shares; or
  - (iii) combines or consolidates its outstanding Common Shares into a smaller number of Common Shares,

(any of such events being herein called a “**Common Share Reorganization**”), then the Conversion Price will be adjusted effective as of the effective time of the Common Share Reorganization referred to in (ii) or (iii) above or after the record date at which holders of Common Shares are determined for the purposes of the Common Share Reorganization referred to in (i) above, as the case may be, to a price which is **[REDACTED – COMMERCIAL SENSITIVE INFORMATION]**:

- (A) **[REDACTED – COMMERCIAL SENSITIVE INFORMATION]**; and

- (B) **[REDACTED – COMMERCIAL SENSITIVE INFORMATION]**;

- (b) If during the Conversion Period the Company sets a record date for the issuance of Convertible Securities to all or substantially all holders of Common Shares, entitling them, for a period expiring not more than forty-five (45) days after the record date (the “**Offered Securities**”) at a price per Offered Security (or having a conversion price per such security) less than the Conversion Price applicable as of such record date (the issuance of any such rights, options or warrants being a “**Rights Offering**”), then the Conversion Price will be adjusted **[REDACTED – COMMERCIAL SENSITIVE INFORMATION]** so that it will equal the price determined by **[REDACTED – COMMERCIAL SENSITIVE INFORMATION]**:

- (i) **[REDACTED – COMMERCIAL SENSITIVE INFORMATION]**; and

- (ii) **[REDACTED – COMMERCIAL SENSITIVE INFORMATION]**.

Such adjustment shall be made successively whenever such an issuance is made or a record date is fixed. To the extent that any such rights, options or warrants are not so issued or are not exercised prior to the expiration thereof, the Conversion Price will be readjusted to the Conversion Price which would then be in effect if the record date had not been fixed or the Conversion Price which would then be in effect based upon the number of Common Shares actually issued upon the exercise of such rights, options and warrants, as the case may be.

- (c) If during the Conversion Period the Company issues or distributes to all or substantially all holders of Common Shares, (i) securities of any kind (including Convertible Securities), (ii) evidences of indebtedness, or (iii) any other assets (in each case, the “**Distributed Property**”) and, in any of those cases, the issuance or distribution does not constitute a Common Share Reorganization or a Rights Offering (any of such events being herein called a “**Special Distribution**”), then the Conversion Price will

automatically be adjusted as of the record date for such issuance or distribution so that it will equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction:

- (i) the numerator of which will be the number of Common Shares outstanding on the record date multiplied by the Current Market Price on the record date, less the Fair Market Value of the Special Distribution; and
- (ii) the denominator of which will be the number of Common Shares outstanding on the record date multiplied by such Current Market Price.

Such adjustment shall be made successively whenever such a record date is fixed.

- (d) If during the Conversion Period there is a reclassification or change of Common Shares into other shares or there is a reorganization of the Company or a consolidation or merger or amalgamation of the Company with or into another Person that results in any reclassification of Common Shares or a change of Common Shares into other shares or there is a transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another person (any such event being herein called a “**Capital Reorganization**”), then the Holder will be entitled to receive and will accept, upon the exercise of such right of conversion at any time after the effective date thereof, in lieu of the number of Common Shares to which the Holder was theretofore entitled on conversion, the kind and amount of shares or other securities or money or other property that the Holder would have been entitled to receive as a result of such Capital Reorganization, if, on the effective date thereof, the Holder had been the registered holder of the number of such Common Shares to which the Holder was theretofore entitled upon conversion, subject to adjustment thereafter in accordance with provisions the same, as nearly as may be possible, as those contained in this Section 3.4 and Section 3.5.

### **3.5 Conversion Rights Adjustment Rules**

The following rules and procedures are applicable to adjustments made pursuant to Section 3.4:

- (a) any Common Shares owned by or held for the account of the Company, if any, will be deemed not to be outstanding for the purpose of any computation pursuant to Section 3.4;
- (b) in any case in which Section 3.4 shall require that an adjustment become effective immediately after a record date or agreement date for an event referred to herein, the Company may defer, until the occurrence of such event, issuing or transferring to the Holder who converts on a Date of Conversion after such record date or agreement date and before the occurrence of such event the additional Common Shares issuable upon such conversion by reason of the adjustment of the Conversion Price required by such event before giving effect to such adjustment provided, however, that the Company shall deliver to the Holder an appropriate instrument evidencing the Holder’s right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such the Common Shares forming part of such additional Common Shares declared in favour of holders of record of such Common Shares on and after the Date of Conversion or such later date as such Holder would, but for the provisions of this subsection (b), have become the holder of record of such additional Common Shares pursuant to Section 3.4(b);
- (c) in case the Company after the date hereof shall take any action affecting its Common Shares, other than any action described in Section 3.4, which in the opinion of the Board, acting reasonably, would materially affect the conversion rights of the Holder, the Conversion Price shall be adjusted in such manner, at such time and by such action by the directors, as they may determine, acting reasonably, to be equitable to the Holder and the Company in the circumstances, but subject in all cases to any necessary regulatory approval. The failure to take any such action by the directors so as to provide for an adjustment on or prior to the effective date or record date of any

action by the Company affecting its Common Shares shall be conclusive evidence that the Board has determined that it is equitable to make no adjustment in the circumstances;

- (d) the adjustments provided for in Section 3.4 are cumulative and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section, provided that, notwithstanding any other provision of Section 3.4 or this Section 3.5, no adjustment shall be made which would result in any increase in the Conversion Price (except upon a consolidation or combination of outstanding Common Shares);
- (e) no adjustment in the Conversion Price will be made in respect of any event described in Section 3.4 if the Holder is entitled to participate in such event on the same terms, *mutatis mutandis*, as if the Holder had converted the entire principal amount of this Debenture immediately prior to the effective date or record date of such event, as applicable;
- (f) no adjustment in the Conversion Price will be made pursuant to Section 3.4 in respect of the issue of Common Shares pursuant to:
  - (i) this Debenture, any Additional Debentures, or Convertible Securities existing as of the issue date of this Debenture; or
  - (ii) any stock option, purchase plan or other share compensation arrangement for officers, employees or directors of the Company outstanding or in existence as at the date hereof;
- (g) if a dispute arises with respect to any adjustment or proposed adjustment in the Conversion Price, such dispute will be conclusively determined by a firm of independent chartered professional accountants as may be selected by the Company and the Holder, and any such determination will be binding upon the Holder, the Company and all transfer agents and all security holders of the Company;
- (h) if any Common Shares to be issued upon the conversion of this Debenture hereunder require any filing with or registration with or approval of any governmental authority in Canada or compliance with any other requirement under any Applicable Law of Canada or a province thereof before such Common Shares may be validly issued upon such conversion or traded by the person to whom they are issued pursuant to such conversion, the Company will take all action as may be necessary to secure such filing, registration, approval or compliance, as the case may be;
- (i) if the Company sets a record date to determine holders of Common Shares for the purpose of entitling them to receive any dividend or distribution or any subscription or purchase rights and will thereafter legally abandon its plans to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the Conversion Price will be required by reason of the setting of such record date; and
- (j) notwithstanding the foregoing, nothing in this Article 3 shall in any manner compromise or derogate from any rights the Holder may have to approve any transaction contemplated by this Article 3, whether in its capacity as a Shareholder (if applicable), as a Holder of this Debenture or otherwise.

### **3.6 Postponement of Issuance of Common Shares**

In any case where the application of Section 3.4 results in a decrease of the Conversion Price taking effect immediately after the record date for a specific event, if any portion of this Debenture is converted after that record date and prior to completion of the event, the Company may postpone the issuance to the Holder of the Common Shares to which the Holder is entitled by reason of the decrease of the Conversion Price, but such Common Shares will be so issued and delivered to the Holder upon

completion of that event with the number of such Common Shares calculated on the basis of the Conversion Price on the exercise date adjusted for completion of that event. The Company will deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such Common Shares.

### **3.7 No Requirement to Issue Fractional Common Shares**

The Company will not be required to issue fractional Common Shares upon the conversion of the principal amount of this Debenture. Any fractional Common Shares will be rounded down to the nearest whole number without payment or compensation in lieu thereof. For greater certainty, such rounding shall only occur after aggregating all Common Shares to be issued upon the conversion of the principal amount of this Debenture.

### **3.8 Certificate as to Adjustment**

The Company will from time to time as soon as practicable after the occurrence of any event which requires an adjustment or re-adjustment in the Conversion Price as provided in Section 3.4, deliver a certificate of the Company to the Holder specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

### **3.9 Notice of Certain Matters**

The Company will give notice to the Holder, in the manner provided in Section 6.5, of its intention to undertake any event and/or fix a record date (if applicable) for any event described in Section 3.4 that may give rise to an adjustment in the Conversion Price not less than thirty (30) days prior to the earlier of the record date (if applicable) or the effective date of such event, which notice shall include the material terms of such event.

### **3.10 Company to Reserve Securities**

The Company covenants with the Holder that it will at all times allot and reserve out of its authorized Common Shares and solely for the purpose of conversion of this Debenture into Common Shares as provided in this Article 3, a sufficient number of Common Shares to satisfy the conversion of the remaining principal amount of this Debenture. The Company covenants with the Holder that all Common Shares which will be so issuable will upon issuance be duly and validly issued as fully-paid and non-assessable.

### **3.11 Replacement of Debenture**

If this Debenture becomes mutilated or lost, stolen or destroyed, the Company will issue to the Holder a new Debenture upon surrender and cancellation of the mutilated Debenture, or, in the case of a lost, stolen or destroyed Debenture, upon the Holder furnishing to the Company such evidence of such loss, theft or destruction as will be satisfactory to the Company, acting reasonably, together with an indemnity in an amount and form satisfactory to the Company, acting reasonably. The Holder will pay all reasonable expenses incidental to the issuance of any such replacement Debenture.

## **ARTICLE 4 COVENANTS**

### **4.1 Reporting Requirements**

The Company hereby covenants and agrees with the Holder that, until this Debenture has either been terminated or the entire principal amount of this Debenture has been fully (and not partially) converted into Common Shares at the option of the Holder in accordance with its terms, the Company shall furnish the Holder with the following documents, statements and reports (by e-mail in pdf format):

- (a) **Quarterly Financial Statements.** As soon as available but in no event later than the *Securities Act* (Ontario) or NI 51-102 would require such information to be filed on

SEDAR+ for the first three Fiscal Quarters of each Fiscal Year of the Company (but subject to clause (c) below), the unaudited financial statements of the Company.

- (b) **Annual Financial Statements.** As soon as available but in no event later than the *Securities Act* (Ontario) or NI 51-102 would require such information to be filed on SEDAR+ for the Fiscal Year of the Company (but subject to clause (c) below), audited consolidated financial statements of the Company.
- (c) **Delivery.** The financial statements required to be delivered under clauses (a) and (b) shall be deemed to be delivered if the Company files or furnishes such report or information in accordance with Canadian securities laws on SEDAR+.
- (d) **Compliance Certificate.** The financial statements delivered (or deemed delivered) under clauses (a) and (b) shall be accompanied by a certificate of a senior officer of the Company certifying that no Default or Event of Default has occurred and is continuing as of the date of such delivery or deemed delivery.

#### 4.2 Additional Covenants

The Company hereby covenants and agrees with the Holder that, until this Debenture has either been terminated or the entire principal amount of this Debenture has been fully (and not partially) converted into Common Shares at the option of the Holder in accordance with its terms:

- (a) **Shareholder Approval.** The Company shall use commercially reasonable efforts to obtain the Required Shareholder Approval as promptly as practicable, including by written consent. If such written consent is not obtained by the next meeting of Shareholders, the Company will seek the Required Shareholder Approval at each meeting of the Shareholders following the date of this Debenture until the Required Shareholder Approval has been obtained. The Board shall unanimously recommend that the Shareholders approve the resolution seeking the Required Shareholder Approval, and the Company shall use commercially reasonable efforts to obtain the Required Shareholder Approval at each meeting, including soliciting proxies in favour of the approval of such resolution.
- (b) **Prompt Payment.** The Company shall duly and punctually pay or cause to be duly and punctually paid all amounts payable by the Company under this Debenture in accordance with provisions hereof governing the payment of such amounts. The Company shall promptly comply with all obligations to issue Common Shares upon a conversion under Section 3.1 and in compliance with Section 3.2 and Section 3.3 and take all related steps in furtherance of the foregoing.
- (c) **Notices.** The Company shall promptly notify the Holder of the occurrence of any Default or Event of Default, and of the occurrence or existence of any event or circumstance that foreseeably will become a Default or Event of Default, and the action which the Company proposes to take, has taken or cause to be taken with respect thereto.
- (d) **Legal Existence and Compliance.** The Company shall preserve and maintain its legal existence in good standing and shall qualify and remain duly qualified to carry on business and at all times comply with all Applicable Laws relating to it and its business, including without limitation, any Environmental Laws and any laws relating to corruption and bribery and laws relating to pension funds and pension plans maintained by it.
- (e) **Corporate Existence.** Neither the Company nor any of its Subsidiaries shall take part in any consolidation, plan of arrangement, amalgamation, merger, winding-up, dissolution, capital or corporate reorganization or similar proceeding or arrangement, unless (i) the corporation formed by or surviving any such proceeding or arrangement is a corporation incorporated under the original jurisdiction of formation, the laws of the United States or the laws of Canada or any province thereof (such corporation being herein referred to as the “**Successor Entity**”), (ii) the Successor Entity is of comparable

or better creditworthiness relative to the Company or such Subsidiary, as applicable, (iii) the Successor Entity expressly assumes the Company's obligations under this Debenture pursuant to an instrument in form and substance satisfactory to the Holder, acting reasonably, (iv) no Default or Event of Default is then existing or would result from the consummation of such proceeding or arrangement; (v) the provisions of Article 3, as applicable, have been complied with; and (vi) the Successor Entity delivers to the Holder an officer's certificate, in form and substance reasonably satisfactory to the Holder, acting reasonably, with respect to the instrument delivered pursuant to clause (iii) above.

- (f) **Taxes.** The Company shall pay when due all Taxes payable by it.
- (g) **Reporting Issuer.** The Company shall use its commercially reasonable efforts to maintain its status as a "reporting issuer" in each of the Reporting Jurisdictions and the Company shall comply with all applicable Securities Legislation, provided that the covenant to remain a "reporting issuer" shall not apply to any merger, amalgamation, arrangement, take-over bid, going private transaction or other similar transaction involving the purchase or sale of all of the outstanding Common Shares.
- (h) **TSXV Listing.** The Company shall use its commercially reasonable efforts to not take any action which would reasonably be expected to result in the delisting or suspension of the Common Shares on or from any securities exchange, market or trading or quotation facility on which the Common Shares are now or are then listed or quoted, including without limitation the TSXV, and the Company shall comply with the rules and regulations thereof; provided that this covenant shall not apply to any merger, amalgamation, arrangement, take-over bid, going private transaction or other similar transaction involving the purchase or sale of all of the outstanding Common Shares for cash or securities of an entity listed on an internationally recognized stock exchange.
- (i) **Equitable Treatment.**
  - (i) In the event any term in any Additional Debentures is subject to amendment (each, an "**Amendment**") following the date of the Original Debenture in a manner that, if made in the same manner hereunder, would be favourable to the Holder, the Company shall provide prompt notice of such Amendment to the Holder and upon receipt of such notice the Holder shall be entitled to make the same Amendment hereunder without the consent of the Company.
  - (ii) The Company agrees to cooperate and enter into any Amendment requested by the Holder pursuant to this clause (i).

## **ARTICLE 5 EVENTS OF DEFAULT AND REMEDIES**

### **5.1 Events of Default**

The occurrence of any of the following events will constitute an Event of Default under this Debenture:

- (a) a breach by the Company of any payment obligation under this Debenture and such breach continues unremedied for five (5) Business Days;
- (b) the commencement of proceedings for the dissolution, liquidation or winding up of any of the Company or any of its Subsidiaries or for the suspension of the operations of any of the Company or any of its Subsidiaries (provided that, if such proceedings are commenced by another Person, such proceedings shall only constitute an Event of Default if either (i) such proceedings are not being diligently defended, or (ii) such proceedings have not been discharged, vacated or stayed within thirty (30) days after commencement);

- (c) the Company or any of its Subsidiaries ceases to carry on its business or is adjudged or declared bankrupt or insolvent or admits in writing its inability to pay its debts generally as they become due or makes an assignment for the general benefit of creditors, petitions or applies to any tribunal for the appointment of a receiver or trustee for it or for any part of its property (or such a receiver or trustee is appointed for it or any part of its property), or files a notice of intention to file a proposal, or commences (or any other Person commences) any proceedings relating to it under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or hereafter in effect (provided that, if such proceedings are commenced by another Person, such proceedings shall only constitute an Event of Default if either (i) such proceedings are not being actively and diligently contested in good faith, or (ii) such proceedings have not been discharged, vacated or stayed within thirty (30) days after commencement), or expressly consents to or approves of any such proceeding for it or for any part of its property, or acquiesces to the appointment of any receiver or trustee, sequestrator or other custodian for it or any such part of its property;
- (d) any representation or warranty made or deemed made by the Company or any of its Subsidiaries in any Financing Document or in any other document, agreement or instrument delivered pursuant hereto or thereto or referred to herein or therein proves to have been incorrect in any material respect (without duplicating any materiality qualification contained in any such representation or warranty) when made or furnished which has not been remedied within thirty (30) days after written notice to do so has been given by the Holder to the Company;
- (e) the breach or failure of due observance or performance by the Company or any of its Subsidiaries of any provision of Section 4.2 or Section 2.5, provided that, with respect to Section 4.2, if such breach or default is capable of being cured, such default continues unremedied for a period for thirty (30) days after the earlier of knowledge by the Company thereof or notice thereof from the Holder;
- (f) the breach or failure of due observance or performance by the Company or any of its Subsidiaries of any covenant or provision of any of the Financing Documents, other than those heretofore or hereafter dealt with in this Section 5.1, or of any other document, agreement or instrument delivered pursuant hereto or thereto which is not remedied within thirty (30) days after written notice to do so has been given by the Holder to the Company;
- (g) the Company or any of its Subsidiaries in respect of any indebtedness, either (i) fails to make any payment (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure continues after the applicable grace or notice period, if any, specified in the relevant document on the date of such failure; or (ii) fails to perform or observe any other condition or covenant, or any other event shall occur or condition exist, under any agreement or instrument relating to any such indebtedness and (A) as a consequence thereof, the holder or holders of such indebtedness or beneficiary or beneficiaries of such indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) are able to cause such indebtedness to be declared to be due and payable prior to its stated maturity, or (B) the holder of such indebtedness has declared an event of default under the instrument governing such indebtedness;
- (h) any one or more of the Financing Documents is determined by a court of competent jurisdiction not to be valid and enforceable by the Holder against the Company or any of its Subsidiaries, and any such document has not been replaced by a valid and enforceable document and equivalent in effect to such document, assuming such document had originally been valid and enforceable, in form and substance acceptable to the Holder, within thirty (30) days of such determination, provided, however, that such grace period shall only be provided if the Company actively cooperates with the Holder to so replace such document;

- (i) any event occurs or series of events occur (including a change to any Applicable Law) which individually or together has a Material Adverse Effect; and
- (j) any Approval shall be denied or withdrawn or shall cease to remain in full force and effect or shall otherwise be impaired and such denial, withdrawal, ceasing to be in full force and effect or impairment would reasonably be expected to result in a Material Adverse Effect, provided however, that the foregoing shall not constitute the occurrence of an Event of Default if the Company diligently pursues and obtains a replacement of such Approval within forty-five (45) days after such denial, withdrawal, ceasing to be in full force and effect or impairment, which forty-five (45) day period will be extended for another sixty (60) days if the Company is working diligently and in good faith to obtain or replace such Approval and, in the opinion of the Holder, no Material Adverse Change would reasonably be expected to occur as a result of such additional sixty (60) day period.

## **5.2 Consequences of an Event of Default**

If an Event of Default occurs, the entire unpaid principal amount of this Debenture outstanding at that time plus all accrued and unpaid interest and any other monetary amounts outstanding under this Debenture will be accelerated, and will become immediately due and payable at the option of the Holder (upon written notice by the Holder to the Company), and all such amounts shall accrue interest at the Default Rate in accordance with Section 2.2(b). Alternatively, if an Event of Default occurs, the Holder may, by giving written notice thereof to the Company, convert the entire principal amount of this Debenture then outstanding, in accordance with Section 3.1 and Section 3.2.

## **ARTICLE 6 GENERAL**

### **6.1 Waiver**

No act or omission by the Holder in any manner whatever will extend to or be taken to affect any provision hereof or any subsequent breach or default or the rights resulting therefrom save and except for an express waiver in writing and any consent or waiver granted in accordance with Section 6.2. A waiver of default will not extend to, or be taken in any manner whatsoever to affect the rights of the Holder with respect to, any subsequent default, whether similar or not. The Company waives every defence based upon any or all indulgences that may be granted by the Holder.

### **6.2 Consent**

Where a provision of this Debenture requires an approval or consent by a Party to this Debenture and written notification of such approval or consent is not delivered within the applicable time in accordance with this Debenture, then the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

### **6.3 No Merger or Novation**

Neither the taking of any judgment nor the exercise of any power of seizure or sale will operate to extinguish the liability of the Company to pay the monies owed hereunder nor will the same operate as a merger of any covenant herein contained or of any other obligation, nor will the acceptance of any payment or other security constitute or create any novation.

### **6.4 Holder May Remedy Default**

If the Company fails to do anything hereby required to be done by it, the Holder may, but will not be obliged to, do such thing and all reasonable sums thereby expended by the Holder will be payable forthwith by the Company, and will be secured and will have the benefit of the lien created by the Security Documents, but no such performance by the Holder will be deemed to relieve the Company from any default hereunder.

## 6.5 Notices

Any notice or other communication that is required or permitted to be given hereunder shall be in writing and shall be validly given if delivered in person (including by courier service) or transmitted by electronic transmission (including email) to such party, as follows:

(a) to the Holder at:

Pinnacle Island LP  
95 Wellington Street West  
Suite 2101  
Toronto, Ontario M5J 2N7

Attention: Michael Roland  
Email: [REDACTED – PERSONAL INFORMATION]

(b) to the Company at:

Enablence Technologies Inc.  
390 March Road  
Suite 119  
Ottawa, Ontario K2K 0G7

Attention: Tim Klug  
Email: [REDACTED – PERSONAL INFORMATION]

Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day or if delivery or transmission is made on a Business Day after 5:00 p.m. at the place of receipt, then on the next following Business Day). Any Party may at any time change its address for service from time to time by giving notice to the other parties in accordance with this Section 6.5.

## 6.6 Severability

If any provision of this Debenture is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Debenture shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby are not affected in any manner materially adverse to any Party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Debenture so as to effect the original intent of the Parties hereto as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

## 6.7 Adjustment of Interest

Notwithstanding any provision to the contrary contained in this Debenture, in no event will the aggregate “interest” (as defined in Section 347 of the *Criminal Code* (Canada)) payable under this Debenture exceed the effective annual rate of interest on the “credit advanced” (as defined in that section) under this Debenture lawfully permitted under that section and, if any payment, collection or demand pursuant to this Debenture in respect of “interest” (as defined in that section) is determined to be contrary to the provision of that section, such payment, collection or demand will be deemed to have been made by mutual mistake of the Company and the Holder and the amount of such payment or collection will be refunded to the Company; for purposes of this Debenture the effective annual rate of interest will be determined in accordance with generally accepted actuarial practices and principles over the term of this Debenture on the basis of annual compounding of the lawfully permitted rate of interest and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Holder will be conclusive for the purposes of such determination, in the absence of evidence to the contrary.

## **6.8 Indemnification**

The Company agrees to indemnify the Holder from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits and reasonable costs, expenses or disbursements (except by reason of the fraud, wilful misconduct or gross negligence of the Holder or any of its employees or a material breach by the Holder of any of its covenants contained herein) which may be imposed on, incurred by, or asserted against the Holder in connection with this Debenture and arising by reason of a breach of any representation and warranty of the Company contained in the Subscription Agreement, any action (including any action referred to herein) or inaction or omission to do any act legally required of the Company under this Debenture. In addition to the foregoing, the Company agrees to reimburse the Holder for all reasonable and documented legal or other expense incurred in connection with investigating, defending or participating in any action or other proceeding relating to any such losses or liabilities.

## **6.9 Remedies**

The Parties hereto acknowledge and agree that an award of money damages may be inadequate for any breach of this Debenture and any such breach could cause the non-breaching Party irreparable harm. Accordingly, the Parties hereto agree that, in the event of any breach or threatened breach of this Debenture by one of the Parties, the non-breaching Party will also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Debenture but will be in addition to all other remedies available at law or equity to each of the Parties.

## **6.10 Assignment**

Neither Party may assign any rights and benefits or obligations under this Debenture without the prior written consent of the Party, except that the Holder may assign any of its rights and benefits or obligations under this Debenture to any other Person, in respect of which such assignment is exempt from the prospectus requirements under, and is otherwise in compliance with, applicable Securities Legislation.

## **6.11 Enurement**

This Debenture and all its provisions enures to the benefit of the Holder, its successors and permitted assigns and will be binding upon the Company, its successors and permitted assigns. Presentment, notice of dishonour, protest and notice of protest hereof are hereby waived.

## **6.12 Amendments**

Subject to Section 4.2(i), this Debenture may only be amended by a written agreement of the Company, on the one hand, and the Holder, on the other hand.

## **6.13 Further Assurances**

Each Party shall do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Debenture, and each Party shall provide such further documents or instruments as reasonably required by any other Party as necessary or desirable to effect the purpose of this Debenture and carry out its provisions.

## **6.14 Governing Law and Jurisdiction for Disputes**

This Debenture shall be governed by and construed in accordance with the Applicable Laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated, in all respects, as an Ontario contract. Each of the Parties irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario over any action or proceeding arising out of or relating to this Debenture.

## **6.15 Counterparts and Delivery**

This Debenture and all documents contemplated by or delivered under or in connection with this Debenture may be executed and delivered in any number of counterparts (whether by DocuSign, email, or other electronic means), with the same effect as if all parties had signed and delivered the same document, and all counterparts shall be construed together to be an original and will constitute one and the same agreement.

*[Signature page follows.]*

**IN WITNESS WHEREOF** the Parties have executed this Amended and Restated Debenture.

**ENABLENCE TECHNOLOGIES INC.,  
as the Company**

By:

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Name: Tim Klug  
Title: Chief Operations Officer

**PINNACLE ISLAND LP, by its general partner,  
1000318530 ONTARIO INC.,  
as the Holder**

Per:

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Name: Michael Roland  
Title: President

**EXHIBIT A  
NOTICE OF CONVERSION**

**TO: ENABLENCE TECHNOLOGIES INC. (the "Company")**

The undersigned holder (the "**Holder**") of the attached Amended and Restated Convertible Debenture (the "**Debenture**") hereby irrevocably elects to convert \$ \_\_\_\_\_ of the outstanding principal amount thereof (the "**Conversion Amount**") into \_\_\_\_\_ Common Shares of the Company pursuant to the terms of the Debenture at the Conversion Price and on the other terms specified in the Debenture. The capitalized terms used but not otherwise defined herein have the meanings given in the Debenture. The Holder irrevocably directs that such Common Shares and all the securities comprising such Common Shares be issued in the name of the Holder and be delivered to the Holder at the address set out below:

\_\_\_\_\_  
Street

\_\_\_\_\_  
City

\_\_\_\_\_  
Province / State

\_\_\_\_\_  
Postal / ZIP Code

\_\_\_\_\_  
Attention

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
E-mail

**DATED** the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

● [Name of Holder]

By: \_\_\_\_\_

Name: ●

Title: ●