



EMCORE Announces Anticipated Sale of Non-Strategic Product Lines

August 8, 2023

ALHAMBRA, Calif., Aug. 08, 2023 (GLOBE NEWSWIRE) -- EMCORE Corporation (Nasdaq: EMKR), the world's largest independent provider of inertial navigation solutions to the aerospace and defense industry, announced today the execution of a nonbinding letter of intent for the sale of the Defense Optoelectronics product line and all Broadband segment product lines except chips to Photonics Foundries, Inc. Given this anticipated sale, EMCORE now expects last-time buy revenue from business lines included in our April 21, 2023 restructuring announcement to aggregate approximately \$6 million, the majority of which relates to the Company's chip business, and includes \$1.3 million that was recognized as revenue for the three months ended June 30, 2023. It is contemplated that the portion of the remaining projected last-time buys that were previously announced by EMCORE will be transferred to Photonics Foundries if the proposed transaction is completed. The anticipated transaction does not include EMCORE's chip business or wafer fab assets.

Jeffrey Rittichier, EMCORE's President and CEO stated, "We are very pleased to announce the execution of a non-binding letter of intent to transfer substantially all assets, including employees, contracts, intellectual property, inventory, and liabilities primarily related to these businesses except for any exceptions specifically negotiated by the parties, and continuing EMCORE's efforts to focus solely on its Inertial Navigation business." Mr. Rittichier went on to say, "Consummation of the transaction remains subject to further buyer diligence, receipt of certain third-party consents, and negotiation and execution of legally binding definitive transaction agreements on mutually agreeable terms, which we currently expect to occur during the quarter ending September 30, 2023."

Nat Mani, CEO and Managing Partner of Photonics Foundries, Inc added, "We look forward to the completion of this transaction to acquire EMCORE's Broadband and Defense Opto product lines, which have a long-standing history and reputation for leadership in the industry. We'd like to welcome and assure the customers of these product lines continuity of supply and a seamless transition of both people and technology. We are committed to providing value-added engineering and manufacturing solutions to EMCORE's customers by leveraging our expertise in optoelectronics."

Notwithstanding the foregoing, there can be no assurance that a definitive agreement will be entered into by the parties or that a transaction will be consummated by the parties on the terms described above or at all.

About EMCORE

EMCORE Corporation is a leading provider of inertial navigation products for the aerospace and defense markets. We leverage industry-leading Photonic Integrated Chip (PIC), Quartz MEMS, and Lithium Niobate chip-level technology to deliver state-of-the-art component and system-level products across our end-market applications. EMCORE has vertically-integrated manufacturing capability at its facilities in Alhambra, CA, Budd Lake, NJ, Concord, CA, and Tinley Park, IL. Our manufacturing facilities all maintain ISO 9001 quality management certification, and we are AS9100 aerospace quality certified at our facilities in Alhambra, Budd Lake, and Concord. For further information about EMCORE, please visit <https://www.emcore.com>.

Forward-looking statements:

The information provided herein may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements include statements regarding EMCORE's plans, strategies, goals and business prospects; the terms and conditions of the proposed transaction, the timing of the execution of definitive transaction documents, the expectation that the proposed transaction will occur, and our expected revenue pursuant to last time buys. These forward-looking statements are based on management's current expectations, estimates, forecasts, and projections about EMCORE and are subject to risks and uncertainties that could cause actual results and events to differ materially from those stated in the forward-looking statements, including without limitation, the following: (a) the risks related to the expected sale of the Broadband and Defense Optoelectronics business lines, including without limitation the failure to successfully negotiate or execute definitive transaction agreements, termination of definitive agreement prior to closing, failure to achieve any anticipated proceeds from any such sale or to fully realize the anticipated benefits of such a transaction, even if the potential transaction occurs, diversion of management's time and attention from our remaining businesses to the sales of such businesses, third party costs incurred by us related to any such transaction, and risks associated with any liabilities related to the transaction or any such assets or business that are retained by us in any sale transaction; (b) risks and uncertainties related to our current expectations with respect to potential revenues arising from last time buys by our Broadband and Defense Optoelectronics customers; (c) any disruptions to our operations as a result of our restructuring activities, the ability to successfully execute our restructuring program and achieve the intended benefits thereof on the expected timeframe or at all, and unforeseen or greater than expected costs associated with the restructuring; (d) risks related to the loss of personnel; (e) risks related to customer and vendor relationships and contractual obligations; (f) risks related to the closing of our manufacturing support and engineering center in China; (g) the rapidly evolving markets for our products and uncertainty regarding the development of these markets; (h) our historical dependence on sales to a limited number of customers and fluctuations in the mix of products and customers in any period; (i) the effect of component shortages and uncertainties concerning the availability and cost of commodity materials and specialized product components that we do not make internally; (j) actions by competitors; (k) risks and uncertainties related to applicable laws and regulations; (l) risks and uncertainties related to manufacturing and production capacity; (m) risks related to the conversion of order backlog into product revenue; and (n) other risks and uncertainties discussed under Item 1A - Risk Factors in our Annual Report on Form 10-K for the fiscal year ended September 30, 2022, as updated by our subsequent periodic reports. Forward-looking statements contained in this press release are made only as of the date hereof, and EMCORE undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

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