



HALE CAPITAL PARTNERS

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July 1, 2024

# EMCORE Consensual Senior Secured Note Purchase, Forbearance, and Restructuring

## Hale Capital Acquires EMCORE Senior Secured Debt, Provides Restructuring Support

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**New York, NY** — Hale Capital Partners (“HCP”) announced today the acquisition of EMCORE Corporation’s (NASDAQ: EMKR) senior secured credit facility through a consensual assignment from Wingspire Capital LLC. The transaction, completed through HCP-FVU, LLC as Successor Agent, includes a Forbearance Agreement and Second Amendment to Credit Agreement providing EMCORE with financial flexibility to execute necessary restructuring actions.

Under the terms of the Resignation and Appointment of Agent Agreement dated April 29, 2024, HCP-FVU, LLC assumed the role of administrative agent for the lenders under the original Credit Agreement. The Forbearance Agreement provides EMCORE with the framework to implement cost reductions and operational restructuring with the objective of achieving adjusted cash flow breakeven.

EMCORE is a leading provider of advanced photonic and inertial navigation products for the aerospace and defense markets. The company’s navigation systems and fiber optic gyroscopes serve critical defense applications, consistent with Hale Capital’s strategy of investing in national security technology businesses at operational inflection points.

### Restructuring Progress

Following the transaction, EMCORE’s Board established a restructuring committee with authority to direct management on necessary cost reductions. Key restructuring actions included personnel reductions representing approximately 40% of EMCORE’s workforce, resulting in annualized savings of approximately \$17 million, and the planned closure of the Alhambra, CA facility.

The restructuring produced meaningful results: during the fiscal fourth quarter ending September 2024, EMCORE generated positive cash flow of \$1.8 million, substantially lowered operating expenses, increased revenue 6% sequentially, and grew backlog on strong bookings. Revenue for the fiscal third quarter reached \$20.4 million, driven by record high shipments from the Concord facility.

On August 5, 2024, EMCORE voluntarily prepaid approximately \$9.3 million to fully repay all amounts outstanding under the Credit Agreement with Hale Capital, demonstrating the success of the restructuring program in restoring financial health.

### **About Hale Capital Partners**

Hale Capital Partners is a private equity firm that partners with talented entrepreneurs to achieve remarkable corporate transformations. Founded in 2007 by Martin M. Hale Jr., HCP invests in defense technology, federal services, and commercial technology companies. With an evergreen fund structure, the firm serves as a long-term steward for growth-oriented businesses, bringing deep operational expertise, institutional knowledge, and a proven track record spanning 19 years of investing across market cycles.

### **About EMCORE Corporation**

EMCORE Corporation (NASDAQ: EMKR) is a leading provider of inertial navigation products for the aerospace and defense markets. The company designs and manufactures navigation systems, fiber optic gyroscopes, and advanced photonic products used in defense, commercial, and space applications.

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