



## VIAVI Urges EXFO Special Committee to Uphold Their Fiduciary Duty to Maximize Value for All Shareholders

- *On July 20, 2021, VIAVI increased its already-superior proposal to acquire EXFO for US\$8.00 in cash per share*
- *By rejecting VIAVI's US\$8.00 per share superior binding proposal, Germain Lamonde and the EXFO Special Committee are unfairly depriving minority shareholders of consideration of US\$2.00 per share or 33.3% **higher** than Mr. Lamonde's Going Private Transaction*
- *EXFO's recently announced strong fiscal third quarter 2021 financial results and future prospects further underpin the inadequate valuation of Mr. Lamonde's Going Private Transaction*

**SCOTTSDALE, Ariz., July 26, 2021** – [Viavi Solutions Inc.](#) ("VIAVI") (NASDAQ: VIAV) is once again extremely disappointed that Germain Lamonde, EXFO Inc.'s (TSX: EXF) (NASDAQ: EXFO) ("EXFO") Chairman and majority shareholder, and the EXFO Special Committee have rejected our increased binding proposal (the "Binding Proposal") to acquire EXFO for US\$8.00 in cash per share. VIAVI's increased Binding Proposal represents a significant premium of:

- 116% to the NASDAQ closing price on June 4, 2021, the trading day before the announcement of the going private transaction (the "Going Private Transaction") by Mr. Lamonde;
- 33.3% to the US\$6.00 per share consideration offered under the Going Private Transaction; and
- 6.7% to VIAVI's previous already-superior proposal to acquire EXFO.

Using his privileged vantage point as Executive Chairman and controlling shareholder, Mr. Lamonde crafted an inadequate, squeeze-out offer of US\$6.00 per share to EXFO minority shareholders, priced at the low end of the US\$5.75 to US\$7.50 valuation range provided by the EXFO Special Committee's own valuator, TD Securities Inc. As is now evident by the EXFO Special Committee's rejection of VIAVI's Binding Proposal, which is exceedingly more favourable from a financial point of view than Mr. Lamonde's Going Private Transaction, the fiduciary out protection contained in the form of a "Superior Proposal" provision in the Arrangement is devoid of any practical effect, in that it cannot lead to the conclusion of a transaction that is more favorable to EXFO's shareholders.

Immediately following VIAVI's first, already-superior proposal, Mr. Lamonde publicly rejected VIAVI's proposal, stating that he would not consider any change of control transaction. He then issued a coercive ultimatum to EXFO minority shareholders: either accept his inadequate US\$6.00 per share offer or be forced to continue to hold EXFO shares which, last traded at \$3.70 prior to the announcement of the Going Private Transaction on June 7, 2021, and could well return to that trading level in light of Mr. Lamonde's refusal to consider a value-maximizing transaction that would benefit all EXFO's shareholders.

Similarly, the EXFO Special Committee, following Mr. Lamonde's ultimatum, also publicly declined to engage with VIAVI. Disappointingly, they continue to recommend Mr. Lamonde's lower offer and, by refusing to engage with VIAVI, are now depriving minority shareholders of an



additional US\$2.00 per share in value under VIAVI's Binding Proposal – 33.3% higher than Mr. Lamonde's Going Private Transaction.

Given the significant value and premium we are offering to all EXFO shareholders, we would have expected the EXFO Special Committee, consistent with their fiduciary duties, to work with us to employ every effort to persuade Mr. Lamonde to accept our Binding Proposal, or at the very least, ask Mr. Lamonde to engage with us to see if a deal could be reached that would make sense for all.

Instead, from what we can tell based on the EXFO circular, the EXFO Special Committee has hardly negotiated with Mr. Lamonde. They agreed to lower the projections EXFO management initially prepared after Mr. Lamonde declared them to be “aggressive,” and then accepted only his second offer (which was \$0.75 above his initial offer).

Shareholders deserve better and the EXFO Special Committee is urged to take this opportunity to work with VIAVI to maximize value for all shareholders in accordance with its fiduciary duty. It is up to Mr. Lamonde and the EXFO Special Committee to explain why they feel Mr. Lamonde's Going Private Transaction is better than VIAVI's Binding Proposal which is US\$2.00 per share or 33.3% higher. We do not understand how the EXFO Special Committee could reasonably arrive at this conclusion or continue to recommend and facilitate an inadequate and coercive Going Private Transaction.

We also note that approval of the Going Private Transaction has a “majority of a minority” approval component at the Special Meeting of EXFO shareholders, which excludes all votes attached to shares controlled by Mr. Lamonde. The Going Private Transaction also requires court approval on the “fairness” of the transaction. Completion of the inferior Going Private Transaction will not provide EXFO's minority shareholders with the opportunity to receive full and fair value for their investment.

VIAVI is committed to taking the necessary steps to ensure that its superior Binding Proposal is evaluated on its clear and strategic merits. The combination of VIAVI and EXFO would build a leader in communications test and measurement for the next decade. The strength of the combined teams and technology, combined with significantly greater scale and financial resources, would enable strong investment in growth while achieving greater operating leverage than either company could do alone.

### **Advisors**

Fried Frank Harris Shriver & Jacobson LLP and McCarthy Tétrault LLP are acting as U.S. and Canadian legal counsel to VIAVI, respectively. Kingsdale Advisors is acting strategic shareholder and communications advisor to VIAVI.

### **About VIAVI Solutions**

VIAVI (NASDAQ: VIAV) is a global provider of network test, monitoring and assurance solutions for communications service providers, enterprises, network equipment manufacturers, government and avionics. We help these customers harness the power of instruments, automation, intelligence and virtualization to [\*Command the network\*](#). VIAVI is also a leader in light management solutions for 3D sensing, anti-counterfeiting, consumer electronics, industrial,



automotive, and defense applications. Learn more about VIAVI at [www.viavisolutions.com](http://www.viavisolutions.com). Follow us on [VIAVI Perspectives](#), [LinkedIn](#), [Twitter](#), [YouTube](#) and [Facebook](#).

### **Forward-Looking Statements**

This press release contains forward-looking statements including statements and expectations regarding the Proposal, the strategic merits of a transaction between EXFO and VIAVI, VIAVI's expectations regarding growth, scale, financial resources and operating leverage, and VIAVI's plans regarding EXFO's brand, legacy and operations. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected. For more information on these risks, please refer to the "Risk Factors" section included in the Company's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission on August 24, 2020 and our Quarterly Reports on Form 10-Q filed on November 10, 2020, February 9, 2021 and May 7, 2021. The forward-looking statements contained in this press release are made as of the date hereof and the Company assumes no obligation to update such statements.

### **Additional Information**

VIAVI is providing the disclosure required under Section 9.2(4) of National Instrument 51-102 – *Continuous Disclosure Obligations* applicable to public broadcast solicitations.

Any solicitation made by VIAVI will be made by it (directly or on its behalf) and not by or on behalf of management of EXFO. All costs incurred for any such solicitation will be borne by VIAVI. VIAVI has entered into an agreement with Kingsdale Advisors pursuant to which Kingsdale Advisors has agreed to provide certain consulting and related services. VIAVI may solicit proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian corporate and securities laws, including through press releases, speeches or publications, and by any other manner permitted under applicable Canadian corporate and securities laws. If VIAVI commences any solicitation of proxies, proxies may be revoked by an instrument in writing by a shareholder giving the proxy or by its duly authorized officer or attorney, or in any other manner permitted by law. Neither VIAVI nor, to its knowledge, any of its associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, (i) in any matter proposed to be acted upon in connection with the Going Private Transaction or (ii) in any transaction since the beginning of EXFO's most recently completed financial year or in or in any proposed transaction which has materially affected or would materially affect EXFO or any of its subsidiaries. Based upon publicly available information, EXFO's head office is located at 400 Godin Avenue, Quebec, Quebec, G1M 2K2, Canada.

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