

# Frequently Asked Questions: Our Proposed Merger with Samsung

## Isn't eMagin better off going it alone and not doing this transaction?

- The proposed merger is more favorable to eMagin's shareholders than any other realistically available alternative, including continued operation as an independent company.
- As a stand-alone company eMagin would need to raise significant capital to fund new equipment and cover operating losses. Such a capital raise would be heavily dilutive to existing stockholders.
- As of August 21, 2023, eMagin has borrowed \$10.0 million from Samsung Display under a loan and security agreement that will need to be repaid if the merger is terminated.
- eMagin's independent registered public accounting firm has raised substantial doubt about the company's ability to continue to operate ("going concern").

## Don't you have other potential strategic alternatives?

- eMagin solicited competing offers from eight strategic counterparties; all eight declined a merger deal.
- To date eMagin has been unsuccessful in its efforts to secure a mass production partner.
- Samsung Display has expressed no interest in a partnership or licensing agreement with eMagin.

## Is Samsung the best buyer?

- To date, Samsung Display is the only party to express any interest in a merger transaction.

## Did you maximize the price for shareholders?

- eMagin's board immediately rejected Samsung Display's initial offer of \$1.10 per share.
- The final deal price of \$2.08 per share was reached after several rounds of extensive negotiations with the board from October 2022 through May 2023.
- This all-cash transaction represents immediate and certain value to eMagin's shareholders.

## Did any independent third parties validate this was the best price?

- The two leading independent proxy advisory firms, ISS and Glass Lewis, have recommended voting FOR the transaction.
- Nomura rendered a fairness opinion and determined that the merger consideration was fair.

***Your vote is important. Vote now FOR the transaction***

*If you have any questions about the special meeting or need assistance in voting your shares, please call our proxy solicitor, Innisfree M&A Incorporated toll-free at (877) 717-3930*



## About eMagin Corporation

eMagin is the leader in OLED microdisplay technology, enabling the visualization of digital information and imagery for world-class customers in the military, consumer, medical and industrial markets. The Company invents, engineers, and manufactures display technologies of the future and is the only manufacturer of OLED displays in the United States. eMagin's Direct Patterning Technology (dPd™) will transform the way the world consumes information. Since 2001, eMagin's microdisplays have been used in AR/VR, aircraft helmets, heads-up display systems, thermal scopes, night vision goggles, future weapon systems and a variety of other applications. For more information, please visit [www.emagin.com](http://www.emagin.com).

## Important Cautionary Information Regarding Forward-Looking Statements

This document contains “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are based on the Company’s current expectations, estimates and projections about the expected date of closing of the proposed transaction and the potential benefits thereof, its business and industry, management’s beliefs and certain assumptions made by the Company and Samsung Display Co., Ltd. (“Samsung Display”), all of which are subject to change. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “could,” “seek,” “see,” “will,” “may,” “would,” “might,” “potentially,” “estimate,” “continue,” “target,” similar expressions or the negatives of these words or other comparable terminology that convey uncertainty of future events or outcomes. All forward-looking statements by their nature address matters that involve risks and uncertainties, many of which are beyond our control, and are not guarantees of future results, such as statements about the consummation of the proposed transaction and the anticipated benefits thereof. These and other forward-looking statements, including the failure to consummate the proposed transaction or to make or take any filing or other action required to consummate the proposed transaction in a timely matter or at all, are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statements. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements and caution must be exercised in relying on forward-looking statements. Important risk factors that may cause such a difference include, but are not limited to: (i) the ability of the parties to consummate the proposed transaction in a timely manner or at all; (ii) the satisfaction (or waiver) of closing conditions to the consummation of the proposed transaction, including with respect to the approval of the Company’s stockholders; (iii) potential delays in the consummation of the proposed transaction; (iv) the ability of the Company to timely and successfully achieve the anticipated benefits of the proposed transaction; (v) the occurrence of any event, change or other circumstance or condition that could give rise to the termination of the merger agreement; (vi) the Company’s ability to continue as a going concern on a stand-alone basis; (vii) potential litigation relating to the proposed transaction; (viii) the risk that disruptions from the proposed transaction will harm the Company’s business, including current plans and operations; (ix) the ability of the Company to retain and hire key personnel; (x) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the proposed transaction; (xi) legislative, regulatory and economic developments affecting the Company’s business; (xii) general economic and market developments and conditions; (xiii) the evolving legal, regulatory and tax regimes under which the Company operates; (xiv) potential business uncertainty, including changes to existing business relationships, during the pendency of the proposed transaction that could affect the Company’s financial performance; (xv) restrictions during the pendency of the proposed transaction that may impact the Company’s ability to pursue certain business opportunities or strategic transactions; and (xvi) unpredictability and severity of catastrophic events, including, but not limited to, acts of terrorism or outbreak of war or hostilities, as well as the Company’s response to any of the aforementioned factors. These risks, as well as other risks associated with the proposed transaction, are more fully discussed in the proxy statement filed with the SEC in connection with the proposed transaction on July 20, 2023 (the “Definitive Proxy Statement”).

Additional risks and uncertainties that could cause actual outcomes and results to differ materially from those contemplated by the forward-looking statements are included under the caption “Risk Factors” in the Company’s most recent annual and quarterly reports filed with the SEC and any subsequent reports on Form 10-K, Form 10-Q or Form 8-K filed from time to time and available at [www.sec.gov](http://www.sec.gov). While the list of factors presented here is, and the list of factors presented in the Definitive Proxy Statement are, considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability and similar risks, any of which could have a material adverse effect on the Company’s financial condition, results of operations, or liquidity. The forward-looking statements included herein are made only as of the date hereof. The Company does not assume any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws.

