

## **IQE plc**

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Cardiff, UK  
8 September 2025

### **Trading Update and Strategic Review Update**

IQE plc (AIM: IQE, "IQE" or the "Group"), the leading global supplier of compound semiconductor wafer products and advanced material solutions, provides a trading update for the full year ending 31 December 2025.

As previously noted, trading in H1 2025 was impacted by macroeconomic uncertainty and as a result, some end customer demand was fulfilled with existing inventory. The Group has continued to experience weakness in wireless markets, largely as a result of softness in mobile handset sales, and this is expected to persist through 2025. In addition, delays to federal funding cycles in US military and defence sectors are resulting in the deferral of orders into 2026.

Accordingly, revenue for FY 2025 is expected to be between £90.0m to £100.0m, resulting in an adjusted EBITDA position of between £(5.0)m to £2.0m. H1 2025 revenue is expected to be at least £44.0m with an £(0.4)m adjusted LBITDA.

The Group will report its interim results on 23 September 2025.

#### **Strategic Review**

The Board continues to believe there is a significant market opportunity for IQE because of the Group's leading position in providing advanced compound semiconductors across several market verticals and to a base of global marquee customers. The Board is now expanding the scope of the previously announced Strategic Review to also incorporate the potential sale of the Company and is seeking buyers.

While the Strategic Review process remains ongoing, IQE is progressing negotiations with multiple parties for the sale of the Group's Taiwan operations. Should the sale of Taiwan be concluded, it is expected that the proceeds from such sale will be used to fully repay the Group's Revolving Credit Facility with HSBC Bank and Convertible Loan Notes issued in March 2025, as well as providing IQE with cash to invest in its core operations. The Board continues to be advised by Lazard on the full scope of the Strategic Review.

The Takeover Panel (the "**Panel**") Executive has granted a dispensation from the requirement of Rules 2.4(a) and 2.4(b) of the Code such that IQE is not required to identify in this announcement any potential offeror with which IQE is in talks, or from which an approach has been received, unless that potential offeror has been specifically identified in any rumour or speculation.

Following this announcement, IQE is now considered to be in an "offer period" as defined by the Code, and the disclosure requirements as set out below will apply.

IQE is in receipt of an approach from a potential offeror at the time of this announcement. There can be no certainty either that an offer will be made nor as to the terms of any offer, if made.

#### **Jutta Meier, Chief Executive Officer of IQE, commented:**

*"We have updated our expectations for the full year to adjust for the deferral of certain contracts in our Wireless and Photonics segments. This is a result of continued global and macro uncertainty which has impacted the unwinding of customer inventory levels pre-built in 2023 and 2024, the sale of new mobile handsets and the release of budgetary spending across the US military and defence sector.*

*Looking ahead, while the Strategic Review remains ongoing I am encouraged by the progress we are making and remain confident in our ability to unlock value for all of our stakeholders."*

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White & Case LLP is acting as legal adviser to IQE.

**ABOUT IQE**

<http://iqep.com>

IQE is the leading global supplier of advanced compound semiconductor wafers and materials solutions that enable a diverse range of applications across:

- Smart Connected Devices
- Communications Infrastructure
- Automotive and Industrial
- Aerospace and Security

As a scaled global epitaxy wafer manufacturer, IQE is uniquely positioned in this market which has high barriers to entry. IQE supplies the global market and is enabling customers to innovate at chip and OEM level. By leveraging the Group's intellectual property portfolio including know-how and patents, it produces epitaxy wafers of superior quality, yield and unit economics.

IQE is headquartered in Cardiff UK, with employees across manufacturing locations in the UK, US and Taiwan, and is listed on the AIM Stock Exchange in London.

The person responsible for arranging the release of this announcement on behalf of IQE is Jutta Meier, Chief Executive Officer.

**IMPORTANT NOTICES**

Lazard & Co., Limited ("**Lazard**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority (the "**FCA**"), is acting exclusively as financial adviser to IQE and no one else in connection with the Strategic Review and will not be responsible to anyone other than IQE for providing the protections afforded to clients of Lazard nor for providing advice in relation to the Strategic Review or any other matters referred to in this announcement. Neither Lazard nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard in connection with this announcement, any statement contained herein or otherwise.

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**DISCLOSURE REQUIREMENTS OF THE CODE**

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an

offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

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### **PUBLICATION OF THIS ANNOUNCEMENT**

In accordance with Rule 26.1 of the Code, a copy of this announcement will be made available, subject to certain restrictions relating to persons resident in restricted jurisdictions, at <https://www.iqep.com>, by no later than 12:00pm (London time) on the business day following this announcement. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

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