



## Lightwave Logic Provides Second Quarter 2023 Corporate Update

ENGLEWOOD, Colo., Aug. 10, 2023 /PRNewswire/ -- [Lightwave Logic, Inc.](#) (NASDAQ: LWLG), a technology platform company leveraging its proprietary electro-optic (EO) polymers to transmit data at higher speeds with less power in a small form factor, today provided a corporate update in conjunction with the filing of its Quarterly Report on Form 10-Q for the second quarter ended June 30, 2023.

### **Second Quarter 2023 and Subsequent Company Highlights:**

- Began commercialization of electro-optic polymer materials with first commercial material supply license agreement for Perkinamine® chromophore materials.
- As of June 30, 2023, the company's cash and cash equivalents were \$32.6 million, enabling it to finance operations through February 2025.
- Revenue Recognition:
  - The company's first commercial agreement occurred in May 2023, in the form of a four (4) year material supply and license agreement (the "License Agreement") that incorporates the company's patented electro-optic polymer materials for use in manufacturing photonic devices (the "Licensed Product"). The licensee shall pay the company a running royalty with a minimum royalty paid on an annual basis over the term of the License Agreement. Additional future revenue will be generated from royalties from the licensee's sale of Licensed Product that exceed the minimum royalty payments. The License Agreement is a non-exclusive material supply and license agreement.
  - All revenues are recognized over time commencing with the License Agreement in May 2023. No revenues were recognized for the three and six month period ending June 30, 2023 since the licensee did not requisition material as of June 30, 2023. An up-front licensing fee in the amount of \$50,000 was paid during the three and six month period ending June 30, 2023 and is recorded in short term liability deferred revenue in the company's balance sheet as of June 30, 2023.
- Further strengthened intellectual property (IP) portfolio with 3 U.S. patents and publications:
  - Patent issuance for innovative chromophore design using novel Thiopene bridge, increasing overall EO polymer performance.
  - Patent Issuance for innovative polymer cladding design to enhance polymer modulator performance in a manner amenable to high-volume foundry production.
  - Patent publication to more efficiently pole advanced structural material designs for commercial foundry fabrication.
- Appointed respected industry executive Laila Partridge to Board of Directors, bringing a 30+ year track record of executing transactions in the technology space to advise the company's management team as the company commercializes its electro-optic polymer materials.
- Announced groundbreaking low-temperature optical modulator with record performance, paving the way for applications in supercomputers, quantum circuits and advanced computing systems.
- Presented at leading industry and investor conferences internationally, including the 8th Photonic Integrated Circuits (PIC) International Conference, Benzinga All-Access Show, the Sequire Investor Summit: Puerto Rico, and the Ladenburg Thalmann 2023 Tech Expo.
- Invited to speak at prestigious industry conferences globally, including at Market Focus sessions at the European Conference on Optical Communications and at Optica's Photonic-Enabled Cloud Computing Industry Summit in October 2023, as well as at EPIC's Technology Meeting on Microelectronics and Photonics in November 2023.

The full text of the company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 was filed with the SEC on August 9, 2023 and can be found [here](#).

## **Management Commentary**

"The second quarter of 2023 was underscored by our first commercial agreement - a milestone achievement for Lightwave Logic that we are incredibly proud of," said Dr. Michael Leppy, Chairman and Chief Executive Officer of Lightwave Logic. "Our initial commercial material supply license agreement validates the market acceptance and competitive advantage of our technology and will provide Perkinamine® chromophore materials for polymer based photonic devices and photonic integrated circuits (PICs). The agreement includes a license initiation fee, per unit royalties, minimum royalty levels that increase annually, and minimum sales volumes in units. Supplying licensed materials further validates a first prong of our three-prong revenue model and business strategy that includes 1) technology transfer and partnering with foundries, transceiver companies etc., 2) selling product with polymer based photonic integrated circuits (PICs), and 3) commercial licensing of our chromophore materials.

"We continued to solidify our IP moat in the second quarter with three new patent issuances and publications. We received a publication from the patent office for an advanced chemical structural design and process that enhances the overall efficiency of poling non-linear organic optical chromophores while simultaneously improving thermal stability and electro-optic efficiency (r33). We received a patent for an advanced chemical structural design that enhances the overall performance of non-linear organic optical chromophores using a novel thiophene bridge. A second patent is for a cutting-edge design technique, enhancing the performance of polymer modulators through the use of innovative polymer cladding design that is amenable for high-volume foundry fabrication when integrated with silicon photonics. The fortification of our intellectual property portfolio, with innovative new patents and publications such as these, will be critical as we move ahead on our commercialization journey.

"With a first prong of our commercialization strategy underway, we took the opportunity to strengthen our Board with the appointment of respected industry executive Laila Partridge. Laila brings over 30 years of executive experience in technology, corporate innovation and finance to the Board of Directors - having worked with a wide range of technologies, including telecommunications, internet infrastructure, artificial intelligence, internet of things and more. Her knowledge of both the fiber optic communications markets as well as adjacent markets will help us hone business strategies for growing our electro-optic polymer business.

"As we enter this exciting new era of commercialization, we are positioning Lightwave Logic to make our next-generation technologies truly ubiquitous in the global internet infrastructure of the future. Our strong team, technology, and IP assets have laid the foundation to further build upon our first licensing agreement with a next generation of milestone achievements through year-end," concluded Leppy.

## **About Lightwave Logic, Inc.**

Lightwave Logic, Inc. (NASDAQ: LWLG) develops platforms leveraging its proprietary engineered electro-optic (EO) polymers to transmit data at higher speeds with less power in a small form factor. The company's high-activity and high-stability organic polymers allow Lightwave Logic to create next-generation photonic EO devices, which convert data from electrical signals into optical signals, for applications in data communications and telecommunications markets. For more information, please visit the company's website at [lightwavelogic.com](http://lightwavelogic.com).

## **Safe Harbor Statement**

The information posted in this release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. You can identify these statements by use of the words "may," "will," "should," "plans," "explores," "expects," "anticipates," "continue," "estimate," "project," "intend," and similar expressions. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. These risks and uncertainties include, but are not limited to, lack of available funding; general economic and business conditions; competition from third parties; intellectual property rights of third parties; regulatory

constraints; changes in technology and methods of marketing; delays in completing various engineering and manufacturing programs; changes in customer order patterns; changes in product mix; success in technological advances and delivering technological innovations; shortages in components; production delays due to performance quality issues with outsourced components; those events and factors described by us in Item 1.A "Risk Factors" in our most recent Form 10-K and 10-Q; other risks to which our company is subject; other factors beyond the company's control.

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8/10/2023 8:31:00 AM