



FOR IMMEDIATE RELEASE

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Meade® Instruments Announces Significant Progress with Reboot and Celebrates 50th Anniversary

Meade Acquisition Corp. (dba Meade Instruments) is celebrating its one year reorganization of Meade Instruments and Meade's 50th year anniversary.

The Backstory

In November 2019, a US Federal court jury found that Ningbo Sunny Electronic Co., Ltd. (Defendant) had engaged in price fixing, market allocation, attempted monopolization, conspiracy to monopolize, and lessening competition/creating a monopoly in telescope manufacturing (www.telescope.com/content.jsp?pageName=orion-protecting-us-consumers). Defendant was the owner of Meade Instruments Corp. at the time. Plaintiff in the case was Optronic Technologies, Inc. (dba Orion® Telescopes & Binoculars).

Within days of the verdict, the Defendant placed Meade Instruments Corp. into administrative bankruptcy to impede collection of the judgment awarded as a result of the jury determination.

In January 2021, Meade began to experience supply chain disruptions as a result of violations of the US Federal Court Judge's order that the Chinese factory supply Meade and Orion (despite an agreement with Orion that Orion would not put a collection lien on payments back to the Defendant on Meade orders). What is not widely known is that starting in 2014 (soon after its 2013 illegal acquisition of Meade), the Defendant had implemented a concentrated plan to offshore Meade's supply chain. Hence, this 2021 refusal to ship in defiance of the Court order, caused Meade, already operating under bankruptcy protection, to have to cancel numerous reseller orders for both factory and direct import orders. The result was a ripple effect of discord, hardship and end-user customer dissatisfaction issues for Meade resellers.

Despite the challenges associated with Meade given supply chain disruptions and the onset of the Covid-19 pandemic, Orion stepped in to rescue Meade from liquidation with a reorganization plan effective June 1, 2021.

In our first year, the new company has been focused on:

Ramping production at our North America factory

Meade's Mexico telescope factory is the largest consumer telescope factory outside of China manufacturing telescopes and mounts for advanced and expert amateur astronomers. We have made significant investments of funds and bandwidth reshoring the factory's raw material and parts supply chains, and in manufacturing tooling. The Advanced Coma-Free™ (ACF) telescope primary, secondary



and corrector plate mirror blanks have been and continue to be manufactured exclusively for Meade by a trusted partner in the USA.

For the factory production, we continue to invest in our personnel. We have increased both the size of the production workforce and have also cross-trained in order to increase our production capacity. Critically, we are rebuilding the North America - USA and Mexico - supply chains in order to source essential parts. We have made quite a bit of progress and began ramping production in Q1 2022 of the LX90, LX200, LX600, tripods, respective OTAs, and select Coronado® telescopes. We still have a few issues with the supply chains for StarLock™ and select Coronado models, which are being actively worked and we expect to resolve by October.

Improving Product Quality

Next, we have invested in Quality Control engineering and staff resources. Our product quality confidence is reflected in the increase of the warranty period for Meade-branded product for the original purchaser from one to two years on sales from a Meade Authorized Reseller on or after June 1, 2021. We are also tackling parts availability and pricing for warranty and non-warranty support.

Improving Customer Support

For customer support, we have invested in increased staffing, workflow software, metrics setting and tracking, product and cross-training.

Adding Products and Product Lines

In addition to rebuilding the supply chain for the existing products, we have launched and relaunched new telescopes, accessories, and binoculars. For example, the number of Polaris™ and Infinity™ products and accessories available through our Direct Import program increased in Q2 from four to seven telescopes. We also will be launching additional accessories and a new 20x80 astronomy binocular in late June.

Moreover, we are pleased to announce the relaunch of the popular LX85 EQ mount. We have re-shored this product and its supply chain to our factory, and we can proudly now call this product “Designed and Manufactured in North America”. We are on track for first shipments in late August which will include 6” and 8” ACF, and 6” and 8” Reflectors.

We have quite a bit more in the pipeline for 2022 and 2023 and will make future announcements as we get closer to launch dates.

Delivering Operating Leverage with Orion

We consolidated USA operations in Watsonville, CA while finding additional supply chain leverage between the two affiliates. Significant process improvements have been implemented and we continue to work a long list of additional opportunities. Moving forward, we expect to roll out leverage opportunities for our partners when ordering both Meade and Orion products from our Watsonville warehouses and/or from our Direct Import partners.



Distribution Strategy

Meade is focused on long-term relationships with select, proven hobbyist committed resellers. When our partners do well, Meade will do well.

Marketing

Meade recently launched a new Meade.com web site that includes:

1. Initial web site redesign.
2. Modern web architecture/platform including scalable, faster, responsive design (desktop, tablet, mobile).
3. Improved site search and navigational functionality.
4. Robust web site hosting environment.
5. Improved data quality and product presentation including images and specifications.
6. Significant data clean up from the old web site.
7. Data integration/standardization across platforms.

Moreover, Meade has re-started select trade magazine advertising now that inventory availability is improving and will be implementing additional Meade and Coronado marketing programs.

We look forward to continued improvements and additional announcements in 2022.

Meade® Instruments (www.meade.com) is an industry-leading designer and manufacturer of consumer and observatory class telescopes since 1972.

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