

Press Release

## **Smartoptics Group AS (SMOP) – Q4 and full year 2021 financial results**

**Oslo, 11 February 2022 - Smartoptics Group AS today reported its results for the fourth quarter 2021. In Q4, recognized revenue grew by 7.4% Y/Y to USD 12.5 million, bringing full-year revenue to USD 45.9 million, which represents a 31.3% increase Y/Y. Adjusted EBITDA rose to USD 1.5 million from USD 0.9 million in Q4 2020, implying an adjusted EBITDA margin of 11.7%. Operating profit (EBIT) was USD 1.2 million in the quarter, resulting in an Operating margin of 10.0%. Cash flow from operating activities was USD 2.1 million, compared to USD 1.4 million in Q4 2020.**

"Smartoptics closed the year with a strong financial performance in the fourth quarter, driven by continued high demand. Consequently, our financial results are in the upper range of our guidance. We've continued to win business with our existing product offering as well as our newer products designed for a multitude of applications, including 5G mobile backhaul. Orders booked in 2021 reached USD 52.5, corresponding to an increase of 39% compared to 2020, and we've received major orders from large accounts in the communication service provider and internet content provider market," said Magnus Grenfeldt, Chief Executive Officer of Smartoptics. "Our solutions, software and services business area grew by 46% compared to previous year, and now represent 65% of our revenue. We're also seeing an increasing rate of endorsement of our open and disaggregated approach from customers, partners, and competitors. Smartoptics has clearly defined our market segment, and our leading position is recognized worldwide."

Smartoptics' customer base includes thousands of enterprises, governments, cloud providers, Internet exchanges as well as cable and telecom operators in the Nordics, U.S., Europe, and APAC. The products are based on in-house developed hardware and software for optical data networks, enhanced through associated services.

"We're seeing growth in all regions, with EMEA showing the highest revenue growth. Supply constraints primarily impacted the Americas region, which had about USD 5.0 million of revenue postponed into 2022. These are orders booked in Q3 2021, that under normal circumstances would have been delivered to customers in Q4. We are expecting the orders to be shipped during the first half of 2022," said Grenfeldt.

Smartoptics' average annual revenue growth in the period 2017-2021 was 28%. The coming years, I expect a similar revenue development.

"We expect the strong market trends for fiber optic equipment to continue long-term, driven by an ever-growing demand for bandwidth globally. Our position in the market is continuously improving and our target to grow to USD 100 million in revenue by 2025/2026, combined with increased profitability and EBITDA margin of 15-18% remains firm," said Grenfeldt.

Please find enclosed Smartoptics' Q4 interim report and the presentation material related to the report.

### **QUARTERLY PRESENTATION:**

Smartoptics will host a presentation of the results by CEO Magnus Grenfeldt and CFO Mikael Haag today, 11 February at 08:00 CET at Hotel Continental, Stortingsgaten 24/26, Oslo. The presentation will be held in English and will also be webcast.

Webcast link: [https://channel.royalcast.com/landingpage/hegnarmedia/20220211\\_1/](https://channel.royalcast.com/landingpage/hegnarmedia/20220211_1/)

The report and presentation will be made available at [www.smartoptics.com](http://www.smartoptics.com) and [www.newsweb.no](http://www.newsweb.no). A recorded version of the presentation will be available after the live stream is concluded.

**For further information, please contact:**

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**About Smartoptics**

Smartoptics provides innovative optical networking solutions and devices for the new era of open networking. Our customer base includes thousands of enterprises, governments, cloud providers, Internet exchanges as well as cable and telecom operators. We have an open networking approach in everything we do which allows our customers to break unwanted vendor lock-in, remain flexible and minimize costs. Our solutions are used in metro and regional network applications that increasingly rely on data center services and specifications. Smartoptics is a Scandinavian company founded in 2006. We partner with leading technology and network solution providers such as Brocade, Cisco and Dell and have a global reach through more than 100 business partners.

For additional information about Smartoptics, please visit <https://www.smartoptics.com>