

Press Release

Updated: Smartoptics Group AS (SMOP) – Q2 2022 financial results

Oslo, 10 August 2022 - Smartoptics Group AS (Smartoptics, OSE: SMOP) today reported revenues of USD 14.6 million in the second quarter of 2022, up 18.1% from the corresponding period in 2021 (12.4), and an EBITDA of USD 3.3 million (1.7). The company reiterates the long-term revenue ambition of USD 100 million by 2025/2026 and an EBITDA margin of 17-20%.

"The second quarter was strong for Smartoptics, with continued rapid revenue growth and high profitability. The global data traffic continues to grow fast, driving demand for fiber optic solutions. Network operators, service providers and enterprises upgrade their networks in high pace, and increasingly prefer flexible, affordable and open-standard technology. In this segment we are one of the leading providers on the global market," says Magnus Grenfeldt, Chief Executive Officer of Smartoptics.

Smartoptics reported revenues in the second quarter of 2022 of USD 14.6 million, compared to USD 12.4 million in the second quarter of 2021. The gross margin for the first quarter was 47.2% (40.4%). The EBITDA* was USD 3.3 million (1.7), equal to an EBITDA margin of 22.9% (13.4%) and the EBIT ended at USD 3.0 (1.2) million, corresponding to an EBIT margin of 20.3% (9.7%).

"Our profitability was high in the second quarter, driven by the solid revenue growth and improved business mix, supported by some one-off effects. We have been able to keep down lead times relatively well despite the global semiconductor shortage, although it affects, and will continue to affect, cost of components to a certain degree," says Magnus Grenfeldt.

During the second quarter Smartoptics has reviewed its strategy on the back of the market development in the period since the IPO in June 2021.

"The accelerating shift towards IP over DWDM leads to a larger market opportunity for Smartoptics than previously anticipated. Now, our technology is becoming attractive for an increasing number of large network operators, adding support for our long-term goals of growing our revenue up to around USD 100 million by 2025/2026, combined with increased profitability with EBITDA margin of 17-20% and EBIT margin of 13-16%," said Magnus Grenfeldt.

QUARTERLY PRESENTATION:

Smartoptics will host a strategy update and presentation of the results by CEO Magnus Grenfeldt, CFO Mikael Haag and CTO Kent Lidström today at 12:00 CET at Hotel Continental in Oslo. The presentation will also be streamed live at

https://channel.royalcast.com/hegnarmedia/#!/hegnarmedia/20220810_1

A recorded version of the presentation will be available after the live stream is concluded.

Please find the full financial report and presentation enclosed.

*) EBITDA and other alternative performance measures (APMs) are defined and reconciled to the IFRS financial statements as a part of the APM section of the second quarter 2022 financial report on page 2.

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About Smartoptics:

Smartoptics provides innovative optical networking solutions and devices for the new era of open networking. The Company's customer base includes thousands of enterprises, governments, cloud providers, Internet exchanges as well as cable and telecom operators. Smartoptics has an open networking approach in everything it does, which allows our customers to break unwanted vendor lock-in, remain flexible and minimize costs. The solutions are used in metro and regional network applications that increasingly rely on data center services and specifications.

For more information, please visit <https://www.smartoptics.com>

This information is considered to be inside information pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements pursuant to Section 5-12 the Norwegian Securities Trading Act. This stock exchange announcement was published by Per Burman, Chief Marketing Officer of Smartoptics AS, at the time and date set out above.