

Press Release

Smartoptics Group AS (SMOP) – Q3 2022 financial results

Oslo, 26 October 2022 – Smartoptics Group AS (OSE: SMOP) today reported revenues of USD 13.6 million in the third quarter of 2022, up 23.0% from the corresponding period in 2021 (11.1), and an EBITDA of USD 3.1 million (1.5). The company announced an ambition to up-list to Oslo Børs main market during 2023 and reiterates the long-term revenue ambition of USD 100 million by 2025/2026 and an EBITDA margin of 17-20%.

“The third quarter of 2022 was yet another strong quarter, with accelerated revenue growth and solid profitability, driven by the strong trends with increased global data traffic, streaming, 5G rollouts, cloud computing and internet of things, leading to an ever-growing need for enterprises and operators to increase their network capacity. Smartoptics, being among the leading providers of cost-efficient and flexible open-standard optical networks solutions, operate right in the center of this exciting market,” said CEO of Smartoptics Magnus Grenfeldt.

Smartoptics reported revenues in the third quarter of 2022 of USD 13.6 million, compared to USD 11.1 million in the second quarter of 2021. The gross margin for the third quarter was 48.2% (42.5%). The EBITDA* was USD 3.1 million (1.5), equal to an EBITDA margin of 22.8% (13.1%) and the EBIT ended at USD 2.7 million (1.0), corresponding to an EBIT margin of 20.1% (9.2%).

The accelerated revenue growth and high profit margin comes on the back of a return to more normal seasonality in Smartoptics’ business in 2022, and a good situation when it comes to sourcing of semiconductors and other critical components.

“We continue to win new business, while servicing our existing customer base consisting of hundreds of enterprises, cloud- and communication service providers. A particularly noteworthy contract win during the third quarter was a network build for a European regional government mainly based on products released in 2022. It is strategically interesting as the network is being built by one of the largest European tier 1 network operators. The contract represents a solid proof point for Smartoptics’ strategy to develop products that allow us to service larger projects and accounts better,” said Magnus Grenfeldt.

The Board of Smartoptics Group has decided to initiate the preparation for an uplisting of the company’s shares from Euronext Growth to the regulated market on the Oslo Børs main list. The preliminary plan indicates an uplisting during 2023.

“Smartoptics has developed strongly since the listing on Euronext Growth in 2021, and we are ready to start preparations for an uplisting, which will further underscore the quality of our company. We believe an uplisting will contribute to Smartoptics being seen as an interesting investment for an even broader audience,” said Magnus Grenfeldt.

Investors, analysts and media are welcome to join a lunch presentation today at 12:00 at Haakon VII's gate 2, Oslo. The presentation will be held by CEO Magnus Grenfeldt and CFO Mikael Haag and will also be available via a live webcast. Webcast viewers may submit written questions during and after the presentation.

Time: Today, Wednesday the 26th of October 2022 at 12:00 CET

Venue: The conference center at Haakon VII's gt 2, Oslo, second floor Language: English

Webcast link: https://channel.royalcast.com/landingpage/hegnarmedia/20221026_4/

The report and presentation will be made available at www.smartoptics.com and 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. 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>