

Press Release

Smartoptics Group AS (SMOP) – Q2 and first-half 2021 financial results

Oslo, 10 August 2021 – Smartoptics AS today reported its results for the second quarter and first half 2021. In Q2, recognized revenue grew by 62 percent Y/Y to USD 12.4 million. Adjusted EBITDA was USD 1.4 million (increase of 286 percent vs Q2 2020), implying an EBITDA margin of 11 percent. Operating profit (EBIT) was USD 1.0 million, up from USD 0.2 million in Q2 2020. Cash flow from operating activities was USD 2.3 million, up from USD -0.4 million in Q2 2020.

“We have concluded our first quarter as a publicly-listed company with strong results. Our revenue growth accelerated in Q2, our EBITDA margin expanded, and our customer base grew and diversified further, as communication service providers, internet content providers and enterprises globally expand their networks to meet the increased demand for bandwidth. The demand for bandwidth is driven by e.g. video streaming, roll-out of 5G, IoT and continued growth in the data center market to meet the need for more cloud based services and computing. This ever-growing demand for bandwidth and our open networking solutions approach, which allows the customers the freedom to remain flexible and reduce costs, means that we have a perfect position to compete with the giants of the industry,” said Magnus Grenfeldt, Chief Executive Officer of Smartoptics.

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

“The global volume of data is expected to grow 29 percent annually in the period 2019-2024, and optical transport solutions like ours are a pre-requisite to handle this tremendous growth in demand. During Q2 our order backlog has continued to develop well. For example, we received a second major order from one of the leading Mobile Backhaul/Tower Companies in the US. Our products are used in the build-out of 5G networks in the US.,” said Grenfeldt.

In June 2021, Smartoptics successfully raised USD 11 million and went public on Euronext Growth (Oslo). The strengthened balance sheet provides a solid platform for continued growth going forward.

“After a good first half of the year and continued strong business momentum I can conclude that the outlook for the second half of the year looks positive and in-line with, or slightly above, the growth rate communicated at the time of our listing. We have raised the revenue growth guidance to 20-35% for 2021 (previously 20-30%). There is a remaining uncertainty related to potential disturbances in the supply chain, caused by the global shortage of semi-conductor components required in our products. So far, we have managed well in these challenging times. Our long-term growth targets remain,” said Grenfeldt.

Please find enclosed Smartoptics’ Q2 and first half 2021 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, 10 August at 08:00 CEST at Hotel Continental in Oslo. The presentation will be held in English and will also be webcast.

Webcast link: https://channel.royalcast.com/landingpage/hegnarmedia/20210810_1

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.

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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>