

Press Release

Smartoptics Group AS (SMOP) – Releases Annual Report 2022

Oslo, 20 April 2023 – Smartoptics, a leading provider of optical networking solutions, today released its Annual Report 2022. The report is enclosed.

“It is a pleasure to present the 2022 annual report showing solid progress along our strategic path and continued strong financial development. 2022 was the fifth consecutive year of strong revenue growth,” said CEO of Smartoptics Magnus Grenfeldt.

Smartoptics operates in a rapidly growing global market for high-speed and high-capacity data transmission, driven by increased demand for bandwidth as a result of growing adoption of 5G, video streaming, internet of things and cloud computing.

“During 2022 we continued to introduce innovative technology, the new standardized 400G interface, increasing the attractiveness of open line fiber optic transmission. It is a very positive signal that more than 30 percent of our revenue in the second half of 2022 was related to these products,” said Magnus Grenfeldt.

Smartoptics reported revenue of USD 57.4 million in 2022, a growth of 25.0 percent compared to 2021. The gross margin was 44.2 percent, 1.5 percentage points higher than in 2021, whereas the EBITDA margin was 18.9 percent (13.6 percent in 2021). The reported revenue and gross profit figures are USD 0.8 million lower than the preliminary numbers disclosed in the Q4 interim report. The reported EBITDA figure is USD 0.95 million lower than in the Q4 report. The reason for the difference is that revenue from service contracts, associated with Q3 and Q4 deliveries, that is accrued over several years in the final accounts, were incorrectly fully recognized as revenue in the 2022 accounts disclosed in the Q4 interim report.

“Smartoptics’ outlook continues to be very strong. The ever-growing demand for bandwidth continues forcefully, and at the same time the movement of disaggregation of networks benefits lean and flexible vendors like Smartoptics. We feel confident in maintaining our ambition to reach USD 100 million in revenue by 2025/2026,” said Magnus Grenfeldt.

DIVIDEND PROPOSAL

As announced 19 April 2023, the Board of Smartoptics Group AS has decided to propose an inaugural dividend of NOK 0.50 for 2022, which corresponds to a payment of NOK 48 million (USD 4.58 million assuming a USD/NOK exchange rate of 10.47) based on the current number of outstanding shares.

If approved by the annual general meeting, this will be Smartoptics’ first dividend payment since the public listing in 2021. The Board has made its recommendation on the back of the strong financial results in 2022 and the previously communicated positive outlook for 2023.

The Board believes that Smartoptics, following several years of solid growth and proven profitability, has entered into a phase of consistent positive cash flow over time. This leaves room for regular dividend payments, and the Board plans to present a defined dividend policy in connection with Smartoptics’ Q1 2023 result announcement 11 May 2023.

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://smartoptics.com/>