



Ekinops completes the acquisition of OTN technology from Padtec

PRESS RELEASE

PARIS, July 19, 2019 - EKinOPS (Euronext Paris - FR0011466069 – EKI), a leading supplier of telecommunications solutions for telecom operators, today completes the acquisition of the OTN-Switch (Optical Transport Network) platform developed by Padtec, an optical communications system manufacturer based in Brazil.

Target major operator core networks to triple optical transport business within 5 years

OTN technology is used to switch data traffic over optical fibers, significantly optimizing network bandwidth utilization. The OTN technology will allow Ekinops to meet growing market demand for this type of technology. It is estimated that over 40% of the optical network market uses OTN solutions.

This strategic acquisition will enable the Group to become a leader in this field and deliver additional revenue from new OTN products starting in 2020. By offering a global OTN/DWDM solution for optical networks product line, Ekinops will be able to target the major operator core networks market segment with the objective to triple its optical transport product sales within 5 years.

Main transaction terms

Ekinops has acquired the advanced OTN technology and an R&D team comprising 25 engineers based in Campinas, near Sao Paulo (Brazil) for €10 million in cash. Brazilian operations are overseen by Jean-Luc Pamart, co-founder of Ekinops and VP of R&D for optical transport.

The acquisition is financed by the Group's cash resources (€14.2 million net cash¹ at December 31, 2018) and debt. The Group raised €6.5 million of bank loans in Q2 2019.

¹ Cash and cash equivalents minus borrowings (excluding bank debt relating to CIR research tax credit pre-financing)

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About EKINOPS

Ekinops is a leading provider of open and fully interoperable Layer 1, 2 and 3 solutions to service providers around the world. Our programmable and highly scalable solutions enable the fast, flexible and cost-effective deployment of new services for both high-speed, high-capacity optical transport as well as virtualization-enabled managed enterprise services.

Our product portfolio consists of two highly complementary product sets. One, marketed under the Ekinops 360 brand name, provides a single, fully integrated platform for metro, regional, and long-haul applications. The other, marketed under the OneAccess brand name, provides a wide choice of physical and virtualized deployment options for Layer 2 and Layer 3 network functions.

As service providers embrace SDN and NFV deployment models, Ekinops' solutions enable them to deploy today in the knowledge that they can seamlessly migrate to an open virtualized delivery model at a time of their choosing.

A global organization, with operations in 4 continents; Ekinops (EKI) - a public company traded on the Euronext Paris exchange - is headquartered in Lannion, France, and Ekinops Corp., a wholly-owned subsidiary, is incorporated in the USA.

EKI Name: Ekinops
LISTED ISIN code: FR0011466069
EURONEXT Ticker: EKI
Total number of shares: 23,692,152

For more information, visit www.ekinops.com