Closure of the R&D center in Brazil

PRESS RELEASE

PARIS, 12 November 2024, 6:00 pm – EKINOPS (Euronext Paris – FR0011466069 – EKI), a leading supplier of telecommunications solutions for telecom operators and enterprises, announces the closure of its wholly-owned Brazilian subsidiary – Ekinops Brasil, located in Campinas, near São Paulo – by the end of 2024. Ekinops Brasil was one of two research and development (R&D) sites dedicated to the Optical Transport business.

Comprising 25 engineers, this R&D site was a carve out acquisition of OTN (Optical Transport Network) technology from Padtec in 2019. Ekinops Brasil is not engaged in any commercial activity in Brazil.

Optimizing Ekinops' R&D organization and cost structure

The closure of Ekinops Brasil reflects both an ambition to refocus the Group's R&D and optimize its operating performance. This decision will enable Ekinops to save around 3 m€ a year in operating expenses.

Ekinops will further prioritize efforts at its R&D center in Lannion, leveraging its technological expertise and strengthening its commitment to innovation within its brand new modern headquarters opened in May 2024, that can accommodate double the current workforce in Lannion.

This measure will have a non-recurring accounting impact on FY 2024 consolidated financial statements, with provisions and asset impairments amounting to approximately 8.0 m€ (unaudited), mainly relating to intangible assets, goodwill and inventories. This non-cash and non-recurring expenses will be booked in Other operating income and expenses.

Non-recurring expenses incurred in connection with the closure of Ekinops Brasil are estimated at around 1 m€ and will also be booked in Other operating income and expenses in FY 2024.

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About EKINOPS

Ekinops is a leading provider of open, trusted and innovative network connectivity 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 three highly complementary product and service sets: EKINOPS360, OneAccess and Compose.

- EKINOPS360 provides optical transport solutions for metro, regional and long-distance networks with WDM for high-capacity point-to-point, ring, and optical mesh architectures, and OTN for improved bandwidth utilization and efficient multi-service aggregation.
- OneAccess offers a wide choice of physical and virtualized deployment options for Layer 2 and Layer 3 access network functions.
- Compose supports service providers in making their networks software-defined with a variety of software management tools and services, including the scalable SD-WAN Xpress and SixSq Edge-to-Cloud solutions.

As service providers embrace SDN and NFV deployment models, Ekinops enables future-proofed deployment today, enabling operators to seamlessly migrate to an open, virtualized delivery model at a time of their choosing.

A global organization, Ekinops (EKI) - a public company traded on the Euronext Paris exchange operates on four continents.

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Name: Ekinops
ISIN code: FR0011466069
Ticker: EKI
Total number of shares: 26,994,049

For more information, visit www.ekinops.com