

REGULATED INFORMATION AND INSIDER INFORMATION Crescent half year results 2021

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The half year results of Crescent NV are characterized by reduced revenues due to divestments (UEST NV) and the loss of Covid related sales (social distancing tags) whereby the recurring base business held up well and some major future growth investments (Remoticom and Trust1Team) have not yet translated into sales.

On the other hand, progressive cost reductions have yielded significant efficiency improvements (opex -12% ; EBITDA X 2) even after deducting one-off restructuring costs of €250k (rebitda >€500k).

Finally, the negative operating result was mainly caused by non-cash bookings related to the warrant plan (€ 530k) and depreciation and amortization (€ 762k). After deducting the net financial result (-342k€), a substantial negative net result was thus recorded.

Crescent is now well positioned to finalize its growth initiatives during the second half of the year and to further benefit from the implemented cost savings in order to achieve its strategic objectives of 'double-digit growth and double-digit profitability'.

H1 Highlights

- Turnover down due to divestment Uest and non-recurring sales of social distancing tags
- Despite lower turnover, EBITDA rises from EUR 0.1 million to EUR 0.24 million incl. restructuring costs of EUR 0.25 million
- The 'services' division continues to perform well; the 'solutions' division posted a positive EBITDA contribution
- Operating expenses include 0.5 million EUR non-cash charges due to the exercise of warrants; without these, operating expenses decrease by 12%; the Group has taken additional cost saving measures that will further reduce the opex base of the second semester
- The Group expects to finalize the acquisition of Remoticom Holding BV in the next few weeks

First half results

in k€	H1 2021	H1 2020
Revenue	7.893	9.019
EBITDA	236	100
Operational result	-1.089	-701
Net result	-1.397	-995

Despite slightly lower sales, EBITDA increased compared to the first half of 2020.

In the solutions and lighting divisions, cost-saving measures were taken in course of the first semester, the effects of which will become visible as from the second semester.

Sales and EBITDA of the three divisions were in the first half year:

in k€	H1 2021	H1 2020
Revenue	7.893	9.019
Solutions	3.584	4.312
Services	3.172	3.387
Lighting	1.137	1.320
EBITDA	236	100
Solutions	302	104
Services	454	469
Lighting	-117	-10
Group costs	-403	-463

The services division continued its strong results in the first half. It increased the share of its recurring revenue in total sales, improving its gross margin percentage.

The decline in sales in the solutions division is explained by the loss of sales of safe distance solutions (-0.5 million EUR) and of sales of UEST NV, which was sold at the end of last year (-0.3 million EUR).

IoT sales themselves increased by 9% notwithstanding covid delays.

Sales in the Lighting division were disappointing due to weak demand for lighting fixtures in the Netherlands; the cost base has therefore been adjusted to ensure profitability from the second half year onwards.

Balance sheet

in k€	30/jun/21	31/dec/20
Total own Equity	7.681	7.127
Net financial debt*	5.481	5.616
Net Working Capital**	-4.232	-4.711
*Financial debts less cash		
**Inventory, trade and other receivables less trade and other debts		

Equity increased due to a first capital increase of EUR 1 million through LDA Capital Ltd, and due to two capital increases through the exercise of warrants (EUR 0.3 million capital and EUR 0.3 million share premium). In July the capital was further increased by EUR 0.7 million by a second capital increase from LDA Capital Ltd. Net working capital decreased by EUR 0.5 million, mainly due to the decrease in trade and other payables. Within the applicable corona government measures in Belgium, capital repayments of financial debts were suspended for 0.1 million EUR.

Outlook

Crescent anticipates finalizing the acquisition of Remoticom Holding BV in the coming weeks; this is expected to generate additional sales of EUR 4 million on an annual basis, with a positive EBITDA contribution of around 10%. Remoticom is the market leader in smart lighting systems and sensors. All other activities of the group are now well positioned to achieve profitable growth. The many difficult and expensive rightsizing moves are probably now behind us. The management focus will be on 'growth' more than ever.

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