

EFFECT Photonics completes its Series-C funding round raising a total of \$43M



Eindhoven, the Netherlands - 21st April 2021 - Today EFFECT Photonics, a leading developer of high-performance dense wavelength division multiplexing (DWDM) optical components based on its optical System-on-Chip technology, announces the completion of its Series-C funding round, with an additional \$6M from the Dutch impact investor Invest-NL, raising a total of \$43M.

The first close of the investment round, was co-led by Smile Invest together with existing investor Innovation Industries Fund, exactly one year after announcing the tape-out of its Manta full photonic integration coherent PIC. Smile Invest are joined by existing investors including Innovation Industries Fund, Photon Delta, btov Partners, Brabant Development Agency (BOM) and individual investors. This new round of funding will be used to further expand the current product line of optical transceivers for among other things 5G networks, and to scale up production capacity. In addition, the R&D activities for the next generation of optical chips, with capacity of more than 400 gigabits per second, will also be ramped up.

(Integrated) photonics is a chip technology in which light signals (photons) are used instead of electrical signals (electrons). In a photonic chip, light signals can be generated, modulated, filtered, and detected. The chip technology developed in Eindhoven is the only photonics technology in which all these functions are combined on a single chip, which replaces a complete optical system. These photonic chips currently allow for high-speed data transfer over fibre optic networks, but the technology can also be used in highly sensitive measuring systems in the medical, automotive and the agri-food industries. It is expected that future quantum computers will also use photonic chips on a large scale.

EFFECT Photonics is a spin-off from the Eindhoven University of Technology. As a pioneer in the field, it is one of the first companies to successfully bring a product on the market based on the photonics technology developed

at the university. The demand for internet bandwidth by end-users is growing exponentially every year. A trend that is being further accelerated by primarily by the roll-out of 5G, and the increase in working from home due to the Corona virus. EFFECT Photonics enables network operators to increase the capacity of their existing infrastructure without having to lay addition cables which is very costly. Upgrading the transceivers is therefore a more cost-efficient solution in address this need for additional bandwidth.

Boudewijn Docter, one of the founders and President of EFFECT Photonics: "As a company, we have come a long way to make the photonics technology market-ready. We are pleased that Invest-NL is joining our other investors in helping us scale up our production and enabling us to bring additional products to market quicker".

Ruud Zandvliet, Senior Investment Manager at Invest-NL: "The Netherlands has a unique ecosystem for photonics technologies. EFFECT Photonics is a leading player in this field, capable of developing complex, fully integrated photonic chips. This offers the company the opportunity be a leading player as a manufacturer of the next generation of transceivers. By joining this investment round, Invest-NL contributes to the availability of financing for upscaling and future R&D investments. This is a good example of the role Invest-NL plays in increasing the strength of scale-ups and is in line with our objective of making the Netherlands more sustainable and innovative."

- End of Press Release

About EFFECT Photonics

EFFECT Photonics produces components for fibre optic networks based on photonic chip technology, originally developed at Eindhoven University of Technology. The unique chip technology from EFFECT Photonics delivers high communication speeds for low costs and low energy consumption. EFFECT Photonics products are used to connect mobile network transmitters to the rest of the Internet and to connect data centres. With the technology of EFFECT Photonics, the capacity of existing fibre optic networks can be increased without having to install additional cables. EFFECT Photonics has offices in Eindhoven Netherlands, Great Britain and Taiwan and an international network of sales partners. www.effectphotonics.com

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About Invest-NL

Invest-NL is an impact investor committed to businesses and projects that will make the Netherlands more sustainable and innovative. Its focus lies on carbon-neutral and circular economy and on innovative, fast-growing companies, or scale-ups. Invest-NL supports innovative entrepreneurs through financing and advice according to one simple principle: impact is our goal, return is our means. As the Dutch partner for European investment institutions, Invest-NL is dedicated to cooperation and always works together with other investors. Invest-NL is headquartered in Amsterdam and employs a staff of 60 people. For more information, go to <https://www.invest-nl.nl>.

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