

Financial Presentation

Q1 2025

May 8, 2025



Q1'25 Growth continues

REVENUE

	2025	Change
Q1	14.4 MUSD	13.5%

13.5% increased revenue in Q1 2025 vs Q1 2024

A record Q1 in the company's history, despite decline in business area Optical Devices driven by tariff uncertainties

GROSS MARGIN

	2025	2024
Q1	47.3%	48.6%

Robust regional performance in Americas and APAC driven by strong sales in business areas Optical solutions, Software and Services

EBITDA MARGIN

	2025	2024
Q1	8.4%	8.4%

Strong operating cash flow and acceptable EBITDA margin given continued investments

Virtually no tariff impact in Solutions, No impact in Software and Services and limited impact on Devices after actions

Tariff exemption¹ and taking action to adapt to the new framework



Solutions, SW and Services

- All DCP products Made in Sweden
- Competitive position unchanged as no competitors manufacture in the US
- Current effective tariff to the US is 0% on made in Sweden and Asia outside China

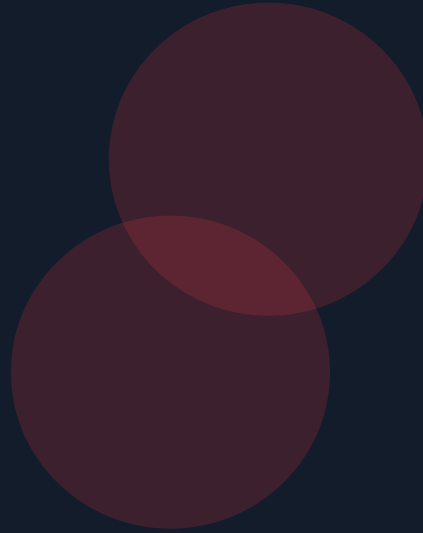


Devices

- 6% of Group Invoicing² subject to tariffs from now. Declining
- Current effective tariff to the US 27.5% for Made in China

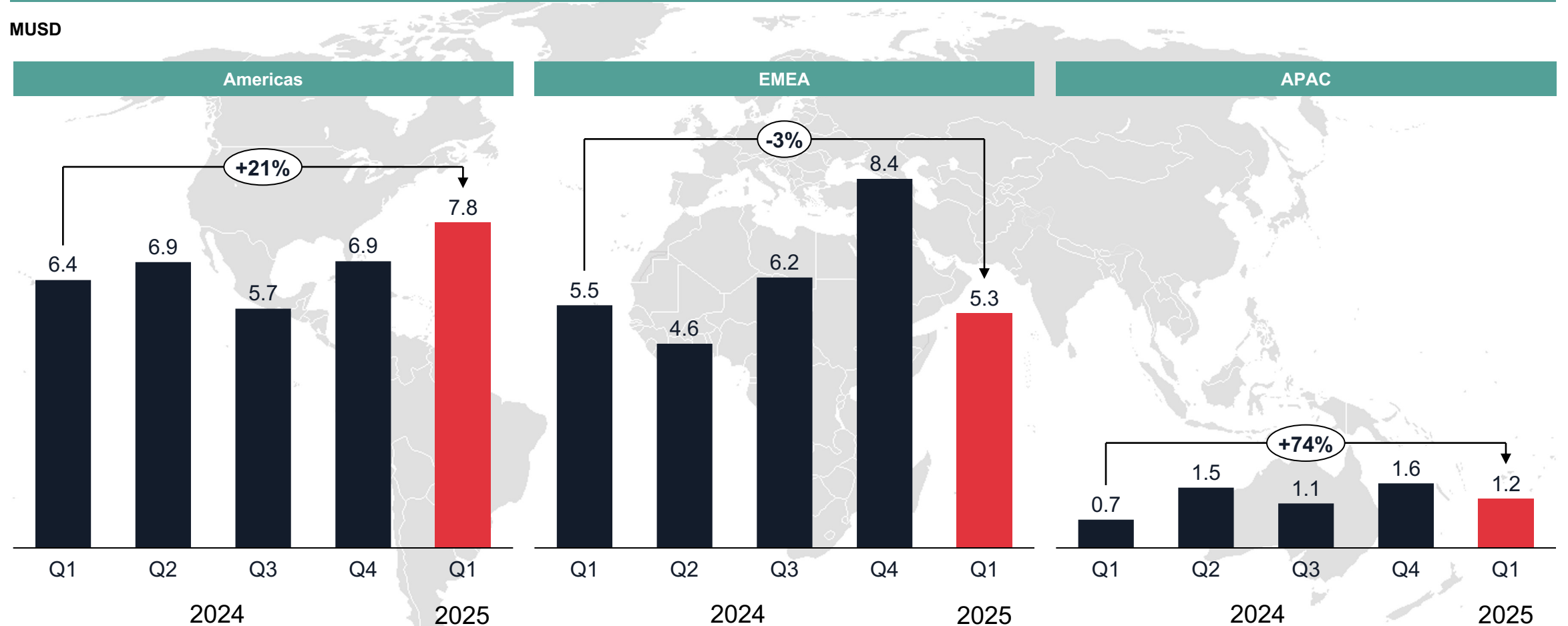


Q1'25 deep dive



Strong quarter in Americas demonstrating market comeback, and continued positive development in APAC

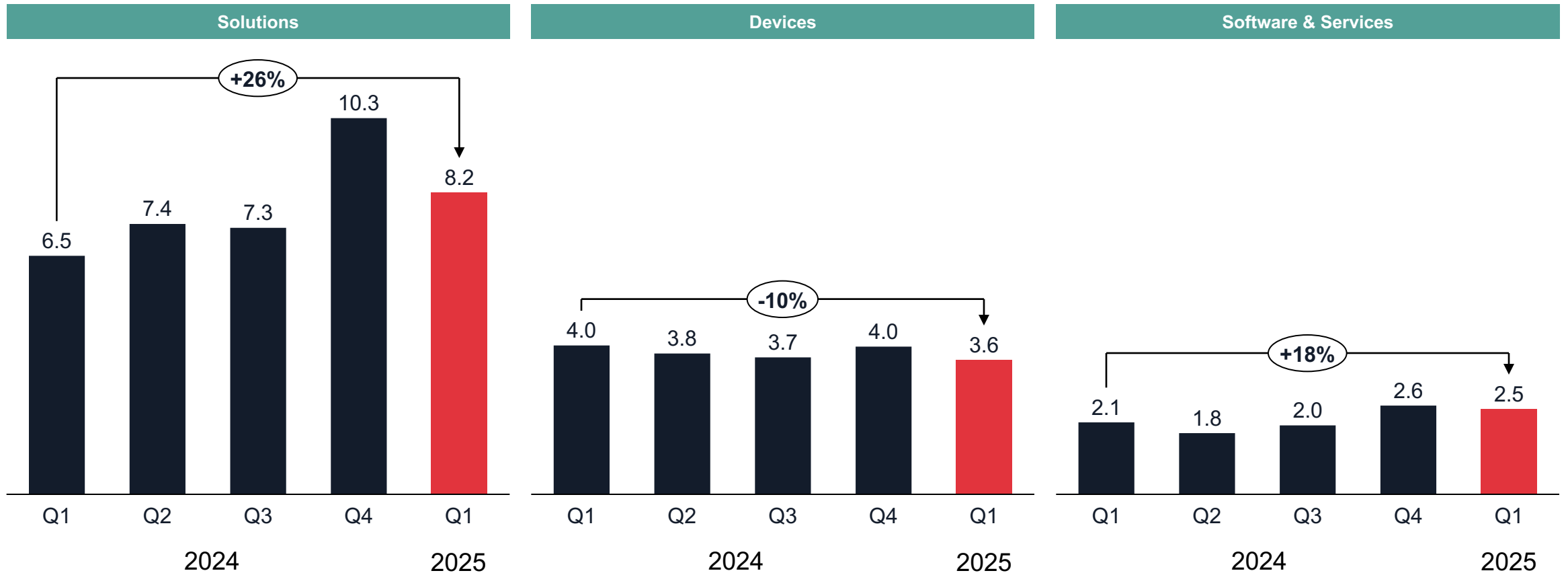
Revenue per region and quarter – Last 5 quarters



Strong growth in Business areas Solutions and Software and Services. Business area Devices muted by tariff situation

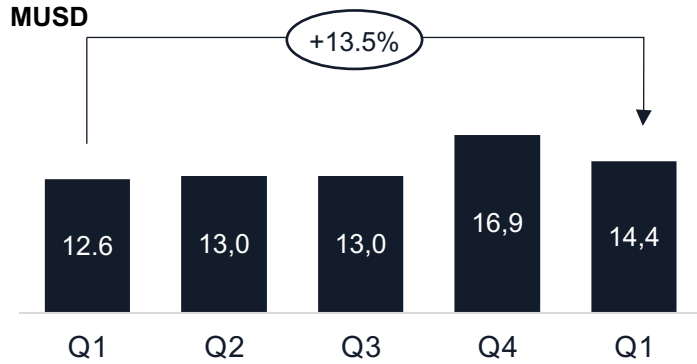
Revenue per business area and quarter – Last 5 quarters

MUSD

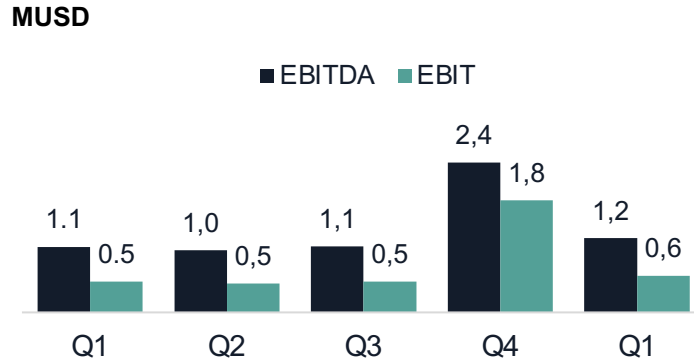


Summary of Q1 financial performance

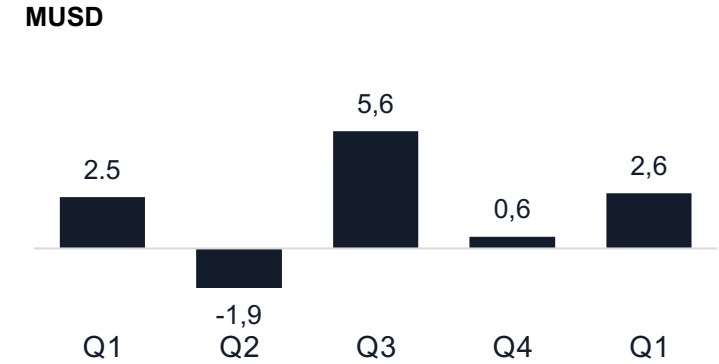
Revenue



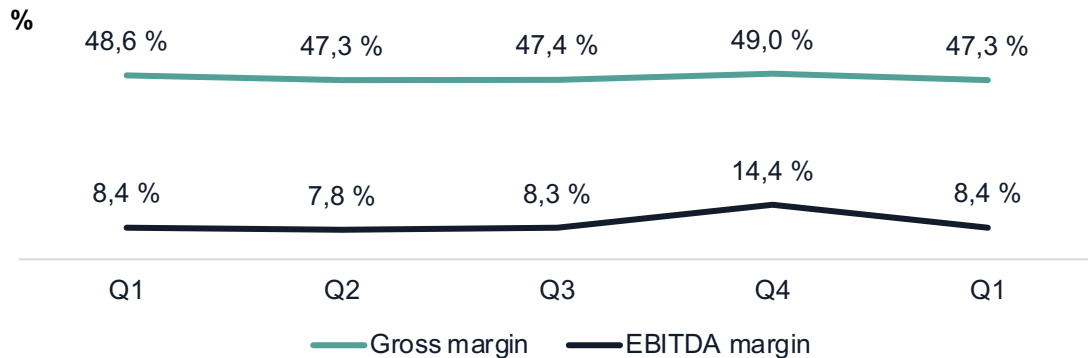
EBITDA & EBIT



Operating cash flow



Gross margin and EBITDA margin



Comments

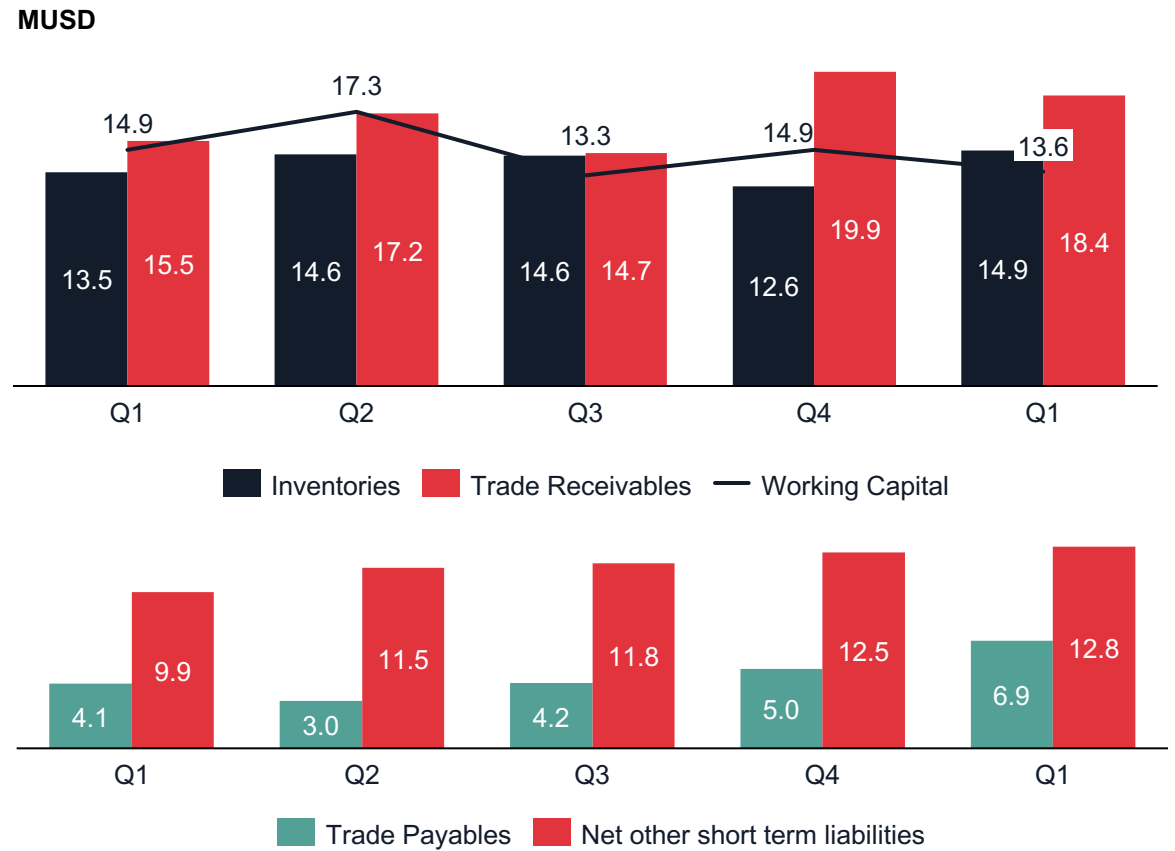
- Q1 2025 cash flow from operating activities is MUSD 2.6 (2.5)
- Q1 2025 Gross Margin is 47.3% (48.6.0%)
- Q1 2025 EBITDA margin is 8.4% (8.4%)

Strong financial position

Balance sheet Mar 31, 2025



Working capital development past 5 quarters



Dividend of NOK 0.60 per share proposed

Board considerations

- Emphasizing stable to increasing dividend
- Anticipating positive financial development
- Solid financial position
- Strong cash flow
- Dividend policy updated to reflect above considerations
- Pending AGM approval

Dividend policy

The Board of Directors will seek a stable to growing dividend, and consider inter alia Smartoptics' financial position, one-off item impacts, growth trajectory, investment plans, flexibility, financial targets and covenants.



First glance at 2025 strategy

The foundation of Smartoptics strategy remains strong



Expanding addressable market

- Continuous product development targeting more applications
- More relevant for larger networks and accounts



Fill the Gap in the market caused by consolidation

- Market consolidation has left few competitors in the 50-500 MUSD space
- Continued focus on relevant customer segments for Smartoptics



Open and disaggregated solutions

- Continued shift toward more cost-efficient networks
- IP over DWDM is becoming a standard deployment model for metro networks

Ever growing demand for bandwidth

Strategic focus areas 2025

AGENTIC AI AND AUTOMATION

- Frictionless business with Smartoptics
 - Increased internal operational efficiency
- Network automation
 - Simplifying day to day tasks in networks
- Proactive Surveillance
 - Simplifying work processes and automate tasks based on events or predictions
- Convergence between network layers
 - Leapfrog into IP-over-DWDM



EXAMPLES OF CUSTOMER BENEFITS

- Support
- Maintenance
- Network analysis
- Troubleshooting
- Smart Co-Pilot
- Performance predictions

Gain market share and generate new revenue streams

Long-term ambitions stay firm

	2025 Q1 RESULTS	LTM RESULTS	2025/2026 ASPIRATIONS
REVENUE	14.4 MUSD	57.2 MUSD	~100 MUSD
GROSS MARGIN	47.3%	47.8%	~45%
EBITDA MARGIN	8.4%	10.0%	~17-20%
EBIT MARGIN	4.1%	5.9%	~13-16%

Profit and Loss Statement

Profit and Loss Statement Q1 2025

Amounts in USD 1 000	2025 Q1	2024 Q1
Total revenue and other operating income	14 355	12 649
Direct cost of sales	-7 569	-6 502
Employee benefit expenses	-4 516	-4 063
Other operating expenses	-1 062	-1 021
Total operating expenses	-13 148	-11 586
Depreciation	-500	-477
Amortization of intangible assets	-117	-81
Total depreciation and amortization	-617	-558
Operating profit/(loss)	591	504
Financial income	82	2
Financial expenses	-45	-101
Net foreign exchange gains (losses)	-504	1 061
Net Finance Items	-467	962
Profit/(loss) before income tax	124	1 466
Income tax	-59	-345
Profit/(loss) for the year	64	1 121
Shares outstanding (Basic)	98 045 518	97 459 212
Shares outstanding (Diluted)	98 045 518	97 618 927
Earnings per share (Basic) USD	0.001	0.011
Earnings per share (Diluted) USD	0.001	0.011
Earnings per share (Basic) NOK	0.011	0.121
Earnings per share (Diluted) NOK	0.011	0.120

Balance Sheet

Balance Sheet Mar 31, 2025

Amounts in USD 1 000	2025 Q1	2024 Q1
Capitalized development cost	1 835	1 190
Other Intangible assets	606	97
Property, plant and equipment	3 501	2 876
Right of use assets	1 164	1 699
Deferred tax assets	1 505	1 002
Total Non Current Assets	8 610	6 864
Inventories	14 881	13 532
Trade receivable	18 373	15 360
Other current assets	1 195	1 175
Cash and cash equivalents	9 889	11 488
Total Current Assets	44 339	41 556
TOTAL ASSETS	52 949	48 419

Amounts in USD 1 000	2025 Q1	2024 Q1
Share capital	186	180
Share premium	14 116	13 060
Other paid in capital	-	19
Foreign currency translation reserves	253	441
Retained earnings	16 104	17 123
Total Equity	30 659	30 823
Lease liabilities (noncurrent portion)	392	1 075
Contract liabilities (noncurrent deferred revenue)	4 562	3 322
Other noncurrent liabilities	161	699
Total noncurrent liabilities	5 115	5 096
Lease liabilities (current portion)	837	694
Trade payable	6 864	4 137
Contract liabilities (deferred revenue)	5 596	3 006
Tax payable	230	1 248
Current Public duties payable	616	1 208
Other current liabilities	3 031	2 209
Total current liabilities	17 174	12 501
Total Liabilities	22 289	17 597
TOTAL EQUITY AND LIABILITIES	52 949	48 420

Cash Flow Statement

Cash Flow Statement Q1 2025

Amounts in USD 1 000	2025 Q1	2024 Q1
Cash flows from operating activities		
Profit/(loss) before income tax	124	1 466
Adjustments for		
Taxes paid	-730	-
Depreciation and amortization	617	558
Net interest	-37	80
Change in inventory	-2 267	666
Change in trade receivable	1 491	1 464
Change in contract liabilities (deferred revenue)	1 189	-236
Change in trade payable	1 816	-346
Change in other current assets and other liabilities	351	-1 204
Interest received	82	2
Net cash inflow from operating activities	2 636	2 452
Net cash (outflow) from investing activities	-1 009	-635
Net cash inflow from financing activities	-391	977
Net increase/(decrease) in cash and cash equivalents	1 235	2 795
Cash and cash equivalents at the beginning of period	7 972	9 321
Effects of exchange rate changes on cash and cash equivalents	680	-629
Cash and cash equivalents at the end of period	9 889	11 488

Thank you