

## PROSPECTUS



### Smartoptics Group ASA

(A public limited liability company incorporated under the laws of Norway)

#### Listing of the Company's Shares on Oslo Børs

This prospectus (the "**Prospectus**") has been prepared by Smartoptics Group ASA (the "**Company**", or "**Smartoptics**", and together with its subsidiaries, the "**Group**") solely for use in connection with the admission to trading (the "**Listing**") of the Company's shares, each with a par value of NOK 0.02 (the "**Shares**") on Euronext Oslo Børs, a stock exchange operated by Oslo Børs ASA ("**Oslo Børs**" or the "**Oslo Stock Exchange**").

The Shares have been admitted to trading on Euronext Growth Oslo (formerly Merkur Market), a multilateral trading facility operated by Oslo Børs, since 3 June 2021 under the ticker code 'SMOP' and with ISIN NO0011012502. On 21 August 2025, the Company applied for the Shares to be admitted to trading and listing on Oslo Børs. The Company's listing application was approved by Oslo Børs on 26 August 2025. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of Oslo Børs. Trading in the Shares on Oslo Børs is expected to commence on or about 28 August 2025, under the ticker code 'SMOP'.

The Shares are registered in the Norwegian Central Securities Depository (the "**VPS**") in book-entry form. All Shares rank in parity with one another and carry one vote.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any restrictions. See Section 13 "*Transfer restrictions*".

**THIS PROSPECTUS SERVES AS A LISTING PROSPECTUS ONLY. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR INVITATION TO PURCHASE, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SHARES OR OTHER SECURITIES ARE BEING OFFERED OR SOLD IN ANY JURISDICTION PURSUANT TO THIS PROSPECTUS.**

Investing in the Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 "*Risk Factors*" when considering an investment in the Company.

The date of this Prospectus is 27 August 2025

Manager:



DNB Carnegie, a part of DNB Bank ASA

## IMPORTANT NOTICE

This Prospectus has been prepared by the Company in connection with the Listing of the Shares on Oslo Børs. The Company has engaged DNB Carnegie, a part of DNB Bank ASA, as Manager in connection with the Listing.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The information contained herein is current as at the date hereof and is subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Shares on Oslo Børs, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group or in connection with the Listing or the Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company, the Manager or by any of their affiliates, representatives or advisors.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, subscribe or sell any of the securities described herein, and no Shares, beneficial interests or other securities are being offered or sold in any jurisdiction pursuant to this Prospectus. Neither this Prospectus nor any advertisement or any other material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about, and to observe, any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 13 "*Transfer restrictions*".

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its content is prohibited.

In making an investment decision, prospective investors must rely on their own examination, analysis of, and enquiry into, the Group, including the merits and risks involved. None of the Company, the Manager nor any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

All sections of the Prospectus should be read in context with the information included in Section 4 "*General information*". Investing in the Shares involves certain risks. See Section 2 "*Risk factors*". For definitions of certain other terms used throughout this Prospectus, see Section 15 "*Definitions and glossary*".

In the ordinary course of their businesses, the Manager and certain of their respective affiliates have engaged and may continue to engage, in investment and commercial banking transactions with the Company and its subsidiaries.

This Prospectus shall be governed by, and construed in accordance with, Norwegian law. The courts of Norway, with Oslo City Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Prospectus.

## ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the senior management of the Company (the "**Management**") are not residents of the United States. Further, most of the Company's assets and the assets of the Board Members and members of Management are located outside the United States. As a result, it may be impossible or difficult for investors in the United States to effect service of process upon the Company, the Board Members and members of Management in the United States or to enforce against the Company or those persons judgments obtained in U.S. courts, whether predicated upon civil liability provisions of the federal securities laws or other laws of the United States.

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or the Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway.

Similar restrictions may apply in other jurisdictions.

#### **AVAILABLE INFORMATION**

The securities described herein have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "**U.S. Securities Act**"), or with any securities authority of any state of the United States. Accordingly, the securities described herein may not be offered, pledged, sold, resold, granted, delivered, allotted, taken up, or otherwise transferred, as applicable, in the United States, except in transactions that are exempt from, or in transactions not subject to, registration under the U.S. Securities Act and in compliance with any applicable state securities laws.

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## 1 SUMMARY

### INTRODUCTION

<i>Warning.....</i>	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
<i>Securities.....</i>	The Company has one class of shares in issue. The Shares are registered in book-entry form with the VPS and have ISIN NO0011012502.
<i>Issuer.....</i>	The Company's legal and commercial name is Smartoptics Group ASA. The Company's registered office is located at c/o Smartoptics AS, Brynsalléen 2, 0667 Oslo, Norway and the Company's main telephone number is +47 21 41 74 00. The Company's website can be found at <a href="http://www.smartoptics.com">www.smartoptics.com</a> . The content of the Company's website is not incorporated by reference into, nor does it otherwise form part of, this Prospectus. The Company's contact details are as follows; e-mail: <a href="mailto:info@smartoptics.com">info@smartoptics.com</a> or telephone: (+47) 21 41 74 00.
<i>Competent authority.....</i>	The Financial Supervisory Authority of Norway (Nw.: <i>Finanstilsynet</i> ), with registration number 840 747 972 and registered address at Revierstredet 3, 0151 Oslo, Norway, and telephone number +47 22 93 98 00 has reviewed and, on 27 August 2025, approved this Prospectus.

### KEY INFORMATION ON THE ISSUER

#### Who is the issuer of the securities?

<i>Corporate information.....</i>	The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company was incorporated in Norway on 31 August 1990, its registration number in the Norwegian Register of Business Enterprises is 858 905 192 and its Legal Entity Identifier (LEI) is 6488IGA378IE710UU959.
<i>Principal activities.....</i>	Smartoptics provides innovative optical networking solutions and devices for the new era of open networking. The Group's focus is on solving network challenges and increasing the customers efficiency by having an open network approach. This allows customers to break unwanted vendor lock ins, remain flexible and reduce costs. Smartoptics' products are based on in-house developed hardware and software, enhanced through associated services.

*Major shareholders.....* Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. The following table sets forth shareholders owning 5% or more of the shares in the Company as of 25 August 2025.

Table – Overview of major shareholders			
#	Shareholders	Number of Shares	Percentage
1	Coretech AS	31,783,599	32.42%
2	Kløvningen AS	15,850,429	16.17%
3	K-Spar Industrier AS	13,076,422	13.34%

*Key managing directors.....* The Company's Management consists of 7 individuals. The names of the members of the Management and their respective positions are presented in the below table.

Table – Overview of Management	
Name	Position
Magnus Grenfeldt	CEO
Stefan Karlsson	CFO
Kent Lidström	CTO
Per Burman	CMO
Ronald Hübsch	VP of Supply Chain
Björn Andersson	SVP Business area optical devices
Andreas Persson	Director of R&D

*Statutory auditor.....* The Company's auditor is PricewaterhouseCoopers AS ("**PwC**"), with registration number 987 009 713 and business address at Dronning Eufemias gate 71, 0194 Oslo, Norway.

### What is the key financial information regarding the issuer?

Table – Selected data from consolidated income statements				
(Amounts in USD thousand)	Six-month period ended 30 June		Year ended 31 December	
	2025 <sup>(1)</sup>	2024 <sup>(1)</sup>	2024	2023
Total revenue and other operating income	33,027	25,640	55,508	58,504
Revenue growth	28.8%	-17.5%	-5.1%	2.0%
Gross margin <sup>(2)</sup>	48.0%	48.0%	48.1%	50.0%
EBITDA <sup>(2)</sup>	3,773	2,072	5,582	10,799
EBITDA margin <sup>(2)</sup>	11.4%	8.1%	10.1%	18.5%
Operating profit/(loss)	2,420	970	3,289	8,942
Profit & loss for the period	504	1,241	4,042	7,471

<sup>(1)</sup> Unaudited

<sup>(2)</sup> Unaudited APMs

Table – Selected data from consolidated statements of financial position				
(Amounts in USD thousand)	As at 30 June		As at 31 December	
	2025 <sup>(1)</sup>	2024 <sup>(1)</sup>	2024	2023
Total assets	49,941	44,858	48,906	49,010
Total equity	26,394	27,182	28,453	30,048

<sup>(1)</sup> Unaudited

Table – Selected data from consolidated cash flow statement				
(Amounts in USD thousand)	As at 30 June		As at 31 December	
	2025 <sup>(1)</sup>	2024 <sup>(1)</sup>	2024	2023
Net cash flow from operating activities	2,144	569	6,387	11,853
Net cash flows from investing activities	-1,521	-1,285	-2,768	-2,484
Net cash flow from financing activities	-6,502	-3,130	-3,886	-5,526

<sup>(1)</sup> Unaudited

### What are the key risks that are specific to the issuer?

#### Material risk factors.....

- The Group may not be able to successfully implement its strategies
- There is a risk that the Group may fail to secure or maintain large customer accounts
- Failure by the Group to expand its addressable market may negatively impact the Group
- The Group's strategy to enter South America and Asia-Pacific could fail, and could potentially result in credit losses and increased working capital requirements
- Changes in the U.S. trade policy, including tariffs, could increase costs, disrupt supply chains, delay deliveries, and reduce competitiveness for the Group
- Disruption or quality shortfall from third-party partners can severely impact the Group
- Innovation by competitors could result in the Group's products becoming less attractive
- Any circumstances that publicly damage the Group's goodwill or reputation could have a material adverse effect on the Group
- Failure or inadequacy in the Group's IT systems could have a material adverse effect on the Group
- The Group may be vulnerable to cyber-attacks, security breaches, and similar events
- The Group's business within the business area optical devices may be challenged by third parties
- Corporation tax, trade, environmental laws and regulations in the regions where the Group and its customers, or potential customers, operate, may pose regulatory and operational challenges
- Failure by the Group comply with applicable laws, regulations, standards, permits and other requirements could have a material adverse effect on the Group
- The Group is subject to fluctuations in the exchange rates, which may impact cash flows and financial results

## KEY INFORMATION ON THE SECURITIES

### What are the main features of the securities?

<i>Type, class and ISIN.....</i>	All of the Shares are ordinary shares in the Company and have been created under the Norwegian Public Limited Companies Act. The Shares are registered in book-entry form with the VPS and have ISIN NO0011012502.
<i>Currency, par value and number of securities.....</i>	The Shares will be traded in NOK on Oslo Børs. As of the date of this Prospectus, the Company's share capital is NOK 1,960,910.36 divided into 98,045,518 Shares, each with a nominal value of NOK 0.02.
<i>Rights attached to the securities.....</i>	The Company has one class of shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all shares in that class provide equal rights in the Company, including the right to dividends. Each of the Shares carries one vote.
<i>Transfer restrictions.....</i>	The Shares are freely transferable. The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Shares. Share transfers are not subject to approval by the Board of Directors.
<i>Dividend and dividend policy.....</i>	The Board of Directors will seek a stable to growing dividend. When proposing a dividend for a financial year, the Board of Directors will consider, inter alia, Smartoptics' financial position, one-off item impacts, growth trajectory, investment plans, flexibility, financial targets and covenants.

### Where will the securities be traded?

The Shares have been admitted to trading on Euronext Growth Oslo (formerly Merkur Market), a multilateral trading facility operated by Oslo Børs, since 3 June 2021 under the ticker code 'SMOP' and with ISIN NO0011012502. On 21 August 2025, the Company applied for the Shares to be admitted to trading and listing on Oslo Børs. The Company's listing application was approved by Oslo Børs on 26 August 2025. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of Oslo Børs. Trading in the Shares on Oslo Børs is expected to commence on or about 28 August 2025, under the ticker code 'SMOP'. The Company has not applied for admission to trading of the Shares on any other stock exchange, regulated market or multilateral trading facility (MTF).

### What are the key risks that are specific to the securities?

<i>Material risk factors.....</i>	<ul style="list-style-type: none"> <li>• Future issuances of shares may dilute the holdings of shareholders and could materially affect the price of the Shares</li> </ul>
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## KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET

### Under which conditions and timetable can I invest in this security?

<i>Admission to trading</i>	Trading in the Shares on Oslo Børs is expected to commence on or about 28 August 2025, under the ticker code 'SMOP'.
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### Why is this prospectus being produced?

<i>Reasons for the Listing.....</i>	This Prospectus is being prepared in connection with the Listing of the Shares on Oslo Børs.
<i>Conflicts of interest</i>	As far as the Company is aware, there are no material conflicts of interest pertaining to the Listing.

## 2 RISK FACTORS

*An investment in the Company and the Shares involves inherent risk. Investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes. The risks and uncertainties described in this Section 2 "Risk factors" are the material known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Company and the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.*

*The risk factors included in this Section 2 "Risk factors" are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative effect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Shares.*

### 2.1 Risks related to the business of the Group and the industry in which it operates

#### 2.1.1 *The Group may not be able to successfully implement its strategies*

The Group has implemented strategic initiatives, such as the Group's large account strategy as described in Section 6.5 "Business strategy", and the Group's targeted and strategic product development as also described in Section 6.5. The implementation of the Group's strategic initiatives is associated with substantial costs. For example, expenses related to product development account for approximately 20-30 percent of the Group's total employee benefit expenses and other operating expenses. The strategies involve a multitude of complexities such as hardware and software quality, market fit, attractiveness and stability. This requires precise coordination across the organization and with external stakeholders such as resellers and potential customers. Among these initiatives, the large account strategy carries the most significant risk due to its reliance on securing and retaining a limited number of high-value customers. This type of customer engagement typically requires extended sales cycles, and more demanding performance expectations, which increase the likelihood of implementation difficulties or commercial failure. In contrast, while product development initiatives also carry execution risks, such risks tend to be more distributed and manageable across a broader portfolio of offerings. There is a risk that the Group may not be able to fully realize its strategic objectives within the anticipated timeline, if at all, in which case this could negatively affect the Group's prospects. Specifically, failure to successfully enter into new large accounts or losing existing ones - due to issues such as poor product quality, unmet expectations, or intense competition - could have a particularly detrimental impact. Furthermore, actual costs associated with these initiatives might exceed initial expectations due to unforeseen challenges, such as hardware or software challenges, which in turn could lead to increased costs and potentially divert the focus of management. The anticipated benefits from implementing these strategies may also fail to materialize as expected, either due to market shifts, competitor actions, or internal execution difficulties. Any material delays, implementation failures, or unexpected cost increases might adversely affect the Group's operational efficiency, financial stability, cash flows, and overall future prospects.

#### 2.1.2 *Risks associated with attracting and maintaining large customer accounts*

Historically, the Group has predominantly generated revenue from smaller enterprise accounts, tier 2 and tier 3 data center operators, and regional or metropolitan network providers. For example, for the financial year 2024, approximately 47% of the Group's revenue was generated from smaller enterprise accounts. However, as further described in Section 6.5 "Business strategy", the Group has made a strategic shift towards attracting larger, national, or global-scale network service providers. This shift demands substantial investments, not only in developing products specifically tailored to such significant customers but also in meeting increasingly stringent operational, quality assurance, security, and compliance standards required by such customers.



Despite these efforts, there is, however, a significant risk that the Group might fail to secure or sustainably maintain these larger accounts. This could result from intensified competition, challenges in innovation, customer dissatisfaction, or strategic misalignment with client needs. If unsuccessful, the Group's large account strategy could severely limit growth opportunities, negatively impact profitability, reduce revenue predictability, and potentially erode investor confidence and market valuation with respect to the Group.

Additionally, large customer accounts frequently demand more complex delivery models, including comprehensive turn-key projects and milestone-based payment structures. Failure to adequately meet project milestones or performance criteria may lead to delayed or reduced payments and, in some instances, significant credit losses. This could adversely impact the Group's liquidity and overall financial performance.

### *2.1.3 Risks related to the expansion of the addressable market*

A crucial element of the Group's ongoing strategy is leveraging substantial R&D investments to continually broaden its addressable market through innovative product developments and diversified applications, as further described in Section 6.5 "*Business strategy*". Historically, the Group has successfully expanded its offerings beyond initial point-to-point datacenter communication into areas like 5G and broadband backhaul, metropolitan area networks, and regional transport networks.

Future market expansion success, however, carries notable risks. The main risks are associated with misjudgements or failure to understand new requirements put on the Group by customers of more advanced solutions. Other risks include unexpected competition, such as suppliers expanding in the value chain to become competitors to the Group. Accurate anticipation of market trends, customer demands, and technological shifts is essential. A failure to precisely identify and respond to these evolving market needs can lead to the development of non-competitive products. Should the Group develop and potentially seek to market products which are not competitive, this would result in unnecessary costs for the Group and could negatively affect the Group's cash flows, revenue, reputation and competitive position (e.g. due to a decrease in the perceived attractiveness of the Group's products and services), and as such have a material adverse effect on the Group on its way to the communicated financial aspirations.

### *2.1.4 Risks of geographic expansion and associated payment issues*

Historically, the Group's primary revenues have come from North America and Europe. For example, for the financial year 2024, approximately 91% of the Group's revenue came from these regions. However, the Group's strategic objective of entering new markets in regions such as South America and Asia-Pacific (as further described in Section 6.5 "*Business strategy*") brings additional layers of complexity and risk. These regions are characterized by distinct competitive landscapes, notably with established market players like Huawei and ZTE, which possess entrenched local relationships and competitive cost structures.

To penetrate these markets successfully, the Group may face pressure to offer significantly discounted pricing or more favorable payment terms to customers, potentially increasing financial vulnerability. Such aggressive market entry strategies could increase the Group's credit risk exposure, especially if customers are unable to meet their payment obligations, resulting in possible credit losses and increased working capital requirements, which in turn could have a material adverse effect on the Group.

Moreover, operating in new international markets can introduce risks associated with political instability, asset security, regulatory unpredictability, and potential intellectual property issues. Such uncertainties might further strain the Group's financial resources, complicate operational management, and challenge overall strategic effectiveness.

### *2.1.5 Exposure to U.S. tariff and U.S. trade policy*

As a company with significant revenue derived from North America, both the Company and the Group are particularly exposed to changes in U.S. trade policy, including the imposition of tariffs and import restrictions. The U.S. government has, in recent years, implemented various tariffs on goods. Recent changes in U.S. trade policy, particularly the introduction of new tariffs on various goods, including certain telecom components (HTS code 8517.62.0090), have begun to affect production and cost dynamics, and some of the Group's products which are made in China are now subject to import duties of 37.5 percent (as per May 14 2025). About 6 percent of the Group's invoicing is subject to such tariffs. The remaining products are dependent on success in negotiations between the US

government and EU, Malaysia, Thailand and Taiwan before the end of the 90 days tariff pause from the US government. Future tariff increases or expanded restrictions on telecom-related components could lead to higher costs for the Group's products or require supply chain reconfiguration. In certain scenarios, this may erode profit margins, delay product delivery, or necessitate increased prices, which could make the Group less competitive in the U.S. market.

Furthermore, trade tensions and shifting bilateral relationships may lead to greater scrutiny of foreign-sourced technologies or components used in the Group's products. This may result in regulatory hurdles, additional compliance requirements, or procurement preferences for domestically produced alternatives by U.S. customers. Any significant escalation in trade barriers or geopolitical friction affecting the sourcing, importation, or sale of the Group's products in the U.S., could have a material adverse effect on the Group's financial performance and market position.

#### *2.1.6 Risks related to third parties*

The Group depends significantly on technology partners, component suppliers, and service providers for crucial aspects of product development and service delivery. For example, certain critical components such as high-speed transceivers are sourced from sole or limited source suppliers. Any disruption or quality shortfall from these third-party partners can severely impact operational efficiency, product quality, and market competitiveness. Specific risks include market consolidation among suppliers or competitors, potentially restricting the Group's access to vital technologies. For example, the acquisition of a key semiconductor manufacturer by a competitor may limit access to proprietary technologies or favorable supply terms. Such scenarios could force costly product redesigns or the adoption of alternative suppliers, delaying time-to-market and increasing operational costs. Strategic shifts among component suppliers could similarly place the Group at a competitive disadvantage, impacting cost efficiency, product innovation, and reliability.

Supplier reliability or availability may also be abruptly impacted by geopolitical events or supply chain disruptions, which could, in turn, create significant operational uncertainty and financial strain for the Group, and as such have a material adverse effect on the Group.

#### *2.1.7 Competitors' innovation may result in the Group's products becoming less attractive in the market*

The global optical networking industry in which the Group competes is highly specialized, with competition driven by rapid innovations in areas such as 400G/800G coherent optics, open line systems, and IP-over-DWDM integration. Market players continually race to deliver higher capacity, lower latency, and energy-efficient solutions, making speed-to-market and interoperability with router platforms critical success factors. Competitors with greater financial resources, larger research and development teams, or more extensive marketing capabilities pose ongoing threats to the Group. Competitor innovation could result in new, groundbreaking products that significantly outperform or undercut the Group's offerings (for example, development of new high-speed, cost-effective pluggable optics). Technological exclusivity obtained by competitors, whether through unique intellectual property or strategic partnerships, could diminish the Group's market position and competitive advantage. Additionally, market consolidations or the emergence of agile new entrants could amplify competitive pressures, further challenging the Group's ability to maintain market share and profitability.

#### *2.1.8 The Group is dependent on goodwill, reputation and on maintaining good relationships with customers, partners, suppliers and employees*

As further described in section 6.5 "Business strategy", the Group is, inter alia, focusing on growth among large network operators, national and global communication service providers, and on geographic expansion into the Latin America and Asia-Pacific regions. As such, the Group is particularly dependent on goodwill, reputation and maintaining good relationships with customers, partners, suppliers and employees. Negative publicity related to the Group and its products could, regardless of its truthfulness, adversely affect the Group's reputation and goodwill. Negative reputational publicity may arise from a broad variety of causes, including incidents and occurrences outside the Group's control. In addition, negative publicity could cause any customers of the Group to purchase products from the Group's competitors, and thus decrease the demand for the Group's products.

Related to the Group's goodwill and reputation is also its ability to maintain the highest possible quality in the products delivered to the market. The Group's products and solutions are used in business-critical applications such as, for example, telecommunications infrastructure, internet providers and data centers and must therefore perform at very

high levels of availability (very limited network down time is acceptable for customers). Potential quality issues can be related to software quality or hardware quality. With respect to hardware quality, the Group must also avoid introducing systematic errors in the products (as a result of malfunctioning components or printed circuit board level design flaws). Software related quality problems may lead to long and cumbersome trouble shooting exercises resulting in both increased cost and delay in new products as a result of resources being tied up in maintenance efforts. Systematic hardware problems may lead to costly replacement programs. As such, quality issues with respect to the Group's products and solutions, should they occur, could have a material adverse effect on the Group's business, financial position, results of operations, cash flows, growth opportunities and/or prospects.

#### *2.1.9 Failure in the Group's information technology systems may have an adverse impact on its operations*

The Group, as many other businesses, increasingly relies on IT systems and is exposed to the risk of failure or inadequacy in these systems, related processes and/or interfaces. The Group's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports the business of the Group. As the Group, inter alia, produces products in house and also provides technical support and maintenance to customers (as further described in section 6.3 "*Business operations*"), the Group is particularly exposed to the risk of failure, inadequacy, interruption or security failure of those systems, as such incidents could disrupt or otherwise harm the Group's operations and lead to unforeseen expenses and have a material adverse effect on the Group's results of operations.

#### *2.1.10 The Group is exposed to the risk of cyber crime*

Due to its reliance on digital solutions and interfaces, in particular in connection with the production of products and the technical support and maintenance provided to its customers, the Group is exposed to the risk of cyber crime in the form of, for example, Trojan attacks, phishing and denial of service attacks. The nature of cyber crime is continually evolving. The Group relies in part on commercially available systems, software, tools and monitoring to provide security for processing, transmission and storage of confidential information. Despite the security measures in place, the Group's facilities and systems, and those of its third-party service providers, may be vulnerable to cyber-attacks, security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming or human errors which exposes the Group to cyber crime and/or other similar events.

Moreover the Group's products are used in mission critical network applications such as backup and data transfer for financial institutions, defense and critical infrastructure applications and hospital networks. Security flaws in the Group's software could be exploited by cyber criminals or organisations with malicious intent, resulting in catastrophic events among the Group's customers, such as disruption of service. This could result in loss of reputation and revenue, and in the event of gross negligence, penalties and law suits.

#### *2.1.11 The Group's business within the business area optical devices may be challenged by third parties*

One important part of the Group's business area optical devices (see Section 6.4.5 "Optical Devices") is the resale of optical transceivers to the third-party market. The Group offers cost-efficient alternatives to original equipment manufacturer ("**OEM**") components, used to populate empty ports in a wide range of data communications switches, routers, access devices, and similar equipment. The vast majority of the optical devices business area's revenue is derived from these transceiver sales, making it a core driver of profitability for this segment. The Group has developed a proprietary and continuously expanding database containing the coding and programming required for compatibility with third-party systems. New codes are developed regularly based on testing, and in-field experience. However, this well-established business model may be challenged by OEMs introducing more advanced component authentication, license-based access models, or proprietary interfaces. If such practices become widespread, they could limit the viability of third-party solutions for newer systems, potentially leading to declining revenue in the optical devices business area.

#### *2.1.12 Risks related to catastrophic events*

The Group's operational model contains certain critical single points of failure, most notably its specialized in-house production facilities, which are instrumental for assembling and testing optical networking products. These facilities, located in Norway and Sweden, rely on complex processes, specialized equipment, and proprietary configurations that are difficult to replicate on short notice, meaning that downtime in the facilities could incapacitate the Group's production capabilities for an extended period, which in turn could result in significantly reduced sales for the Group

and as such have a material adverse effect on the Group. Such downtime could occur as a result of catastrophic events, and most notably fire, which the Group believes represents a realistic and material risk.

#### *2.1.13 Insurance risk*

The Group may not be able to maintain adequate insurance in the future at rates the Group's management considers reasonable or be able to obtain insurance against certain risks. Moreover, the Group's insurance coverage is subject to certain significant deductibles and levels of self-insurance, does not cover all types of losses and, in some situations, may not provide full coverage for losses or liabilities resulting from the Group's operations. In addition, the Group may experience increased costs related to insurance. Insurers may not continue to offer the type and level of coverage that the Group currently maintains, and its costs may increase substantially as a result of increased premiums, potentially to the point where coverage is not available on economically manageable terms. Should liability limits be increased via legislative or regulatory action, it is possible that the Group may not be able to insure certain activities to a desirable level. If liability limits are increased and/or the insurance market becomes more restricted, the Group's business, financial condition and results of operations could be materially adversely affected.

## **2.2 Risks related to laws and regulations**

### *2.2.1 Risks related to international operations*

The Group's business model is impacted by corporation tax, trade, environmental laws and regulations in the regions where the Group and its customers, or potential customers, operate. Additionally, the introduction of any laws and regulations that would restrict the use of certain chemicals in manufacturing or components, limitations on the availability of electronic components or the imposition of more stringent environmental and eco-design requirements – particularly under EU legislation such as the Eco-design for Sustainable Products Regulation, REACH, and RoHS – may pose regulatory and operational challenges. Moreover, the changes of tariffs and trade restrictions, as well as uncertainties in international trade policy, can increase the cost of goods sold, disrupt supply chains, or affect global demand, thereby negatively impacting the Group's operations, revenue and strategic planning.

While such developments could increase compliance obligations and affect product design, sourcing strategies or market access, the Group actively monitors regulatory trends and works to align processes and product development with evolving standards in order to mitigate potential disruption. For example, the Group retains and may seek permits to enable lab and engineering activities, including R&D efforts within component testing, chemical material analysis, and compliance validation for eco-design and substance use under EU and international regulations. If the Group fails to obtain the necessary permits and approvals that it requires to operate its business, it may have a material adverse effect on the Group's business, operations and financial results.

### *2.2.2 Risks relating to laws, regulations and requirements*

The Group's products, and specifically all hardware products, such as the DCP-family and the Group's optical devices are subject to governmental laws, regulations, standards, permits and other requirements in the various jurisdictions in which the Group operates, including regulations relating to quality, health and safety. For example, the Group is subject to EU directive 2014/35/EU (Low Voltage Directive) and EU directives 2011/65/EU and 2015/863/EU (on the restriction of the use of certain hazardous substances in electrical and electronic equipment). The Group may not be able to comply with such laws, regulations, standards, permits, and other requirements at all times. It is expected that the Group in the future will be subject to new laws and regulations, including more stringent environmental regulations, extended producer responsibility ("EPR") obligations, and mandatory reporting requirements relating to product lifecycle and carbon emissions. The Group cannot predict the future costs of complying with applicable regulations, standards and permits as these develop. Adoption of new laws, regulations or public requirements that impose more stringent requirements concerning the safety aspects of the Group's products could result in increase of compliance expenditure, suspension of production, product recalls or claims from third parties, which in each case could have a material adverse effect on the Group's business, financial position, results of operations, cash flows and/or prospects.

## **2.3 Risks related to financial matters**

### *2.3.1 The Group is subject to fluctuations in the exchange rates, which may impact cash flows and financial results*

The value of the Group's revenue and costs denominated in foreign currencies is affected by fluctuations in exchange rates and changes in exchange control regulations. Almost all of the Group's revenue is generated in USD, while a significant share of its operational expenses, primarily related to manufacturing and personnel, are denominated in SEK and NOK. The majority of the cost of goods sold is denominated in USD.

As such, the Group is particularly exposed to movements in the USD/SEK exchange rate and USD/NOK exchange rate. The Company does not currently employ hedging strategies to mitigate currency risk. Consequently, adverse shifts in the USD/SEK and USD/NOK rate can materially impact the Group's EBITDA, and overall profitability. In periods of USD weakening against SEK and NOK, the Group's cost base effectively rises in relative terms, reducing earnings and cash flow. Given the Group's currency exposure and lack of financial hedging, exchange rate fluctuations remain a key risk to financial performance.

## **2.4 Risks related to the Shares and the Listing**

### *2.4.1 Future issuances of shares may dilute the holdings of shareholders and could materially affect the price of the Shares*

The Company has previously completed a NOK 250 million private placement, along with issuances of new shares in connection with the exercise of employee options, as announced, inter alia, on and 14 March 2024 and 10 May 2024. The Company may also, in the future, decide to issue new shares in order to finance investments, in connection with unanticipated liabilities or expenses or for any other purposes. Any such share issue could reduce the proportionate ownership and voting interests of holders of Shares, as well as the earnings per Share and the net asset value per Share, and could also have a material adverse effect on the market price of the Shares. Depending on the structure of any such future share issue, certain existing shareholders may not have the ability to purchase additional equity securities.

### *2.4.2 There may not be an active and liquid market for the Shares and the Share price could fluctuate significantly*

An investment in the Shares is associated with a high degree of risk and the price of the Shares may not develop favorably. The Shares have not been listed on a regulated market prior to the Listing. There can be no certainty that an active and liquid trading market for the Shares will develop or be sustained following the Listing. If such market fails to develop or be sustained, it could have a negative impact on the price of the Shares. Investors may not be able to sell their shares quickly, at the market price or at all if there is no active trading in the Shares.

The share prices of companies admitted to trading on Oslo Børs can be highly volatile and the trading volume and price of the Shares could fluctuate significantly. Some of the factors that could negatively affect the Share price or result in fluctuations in the price or trading volume of the Shares include, for example, changes in the Company's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the Company's strategy, as well as the evaluation of the related risks, changes in general economic conditions or the equities markets generally, changes in the industries in which the Company operates, changes in shareholders and other factors. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate due to factors that have little or nothing to do with the Company, and such fluctuations may materially affect the price of the Shares.

### *2.4.3 Shareholders outside of Norway are subject to exchange rate risk*

All the Shares are priced in Norwegian Kroner (NOK), the lawful currency of Norway, and any future payments of dividends on the Shares or other distributions from the Company will be denominated in NOK. Accordingly, any investor outside Norway is subject to adverse movements in NOK against their local currency, as the foreign currency equivalent of any dividends paid on the Shares or price received in connection with any sale of the Shares could be materially impacted upon by adverse currency movements.

*2.4.4 Pre-emptive rights to subscribe for Shares in additional issuances could be unavailable to U.S. or other shareholders*

Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders, existing shareholders have pre-emptive rights to participate based on their existing ownership of Shares in the issuance of any new Shares for cash consideration. Shareholders in the United States or other foreign jurisdictions, however, could be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S. Securities Act (or other, local registration requirements) is in effect in respect of such rights and Shares or an exemption from the registration requirements under the U.S. Securities Act (or other similar exemptions in other jurisdictions) is available. The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and Shares. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be diluted.

### **3 RESPONSIBILITY FOR THE PROSPECTUS**

This Prospectus has been prepared in connection with the Listing of the Company's Shares on Oslo Børs as described herein.

The Board of Directors of Smartoptics Group ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that to the best of their knowledge, the information contained in the Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

27 August 2025

#### **The Board of Directors of Smartoptics Group ASA**

Thomas Ramm  
*(Chair)*

Karl Andreas Thedeen  
*(Board member)*

Sara Christina Petersdotter Heiner  
Asplund  
*(Board member)*

## 4 GENERAL INFORMATION

### 4.1 Important investor information

#### 4.1.1 Approval of the Prospectus

This Prospectus has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129 (the EU Prospectus Regulation). The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation (EU) 2017/1129 (the EU Prospectus Regulation), and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. The Prospectus has been drawn up as a simplified prospectus in accordance with Article 14 of the EU Prospectus Regulation.

#### 4.1.2 Other important investor information

This Prospectus serves as a listing prospectus only. This Prospectus does not contain any offer, or invitation to purchase, subscribe or sell any of the securities described herein, and no shares, beneficial interests or other securities are being offered or sold in any jurisdiction pursuant to this Prospectus.

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Shares on Oslo Børs, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus shall under any circumstance imply that there has not been any change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

The Company has furnished the information in this Prospectus. The Manager make no representation or warranty, express or implied, as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is or shall be relied upon, as a promise or representation in this respect, whether as to the past or the future. The Manager disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this Prospectus or any such statement.

No person is authorized to give information or to make any representation concerning the Group or in connection with the Listing other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company or by any of its affiliates, representatives or advisers.

Neither the Company nor the Manager, or any of their affiliates, representatives or advisers is making any representation, express or implied, to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

Investing in the Shares involves a high degree of risk. See Section 2 "*Risk factors*".

Capitalised terms contained in this Prospectus shall have the meanings ascribed to them in Section 15 "*Definitions and glossary*", save where the context indicates otherwise.

### 4.2 Presentation of financial and other information

#### 4.2.1 Financial information

The Company has prepared audited annual consolidated financial statements for the financial years ended 31 December 2024, with comparable figures for the financial year ended 31 December 2023, in accordance with the International Financial Reporting Standards ("**IFRS**") as adopted by the EU (the "**Annual Financial Statements**"),



attached hereto as Appendix 2. The Annual Financial Statements have been audited by PricewaterhouseCoopers AS ("**PwC**").

Further, the Company has prepared interim consolidated financial statements for the six-month period ended 30 June 2025, with comparable figures for the six-month period ended 30 June 2024, in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU ("**IAS 34**"), attached hereto as Appendix 3 (the "**Interim Financial Statements**"). The Interim Financial Statements have been subject to a review by PwC in accordance with ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

Other than set out above, PwC has not audited, reviewed or produced any report or any other information provided in the Prospectus.

The Annual Financial Statements and the Interim Financial Statements are together referred to as the "**Financial Information**".

#### 4.2.2 *Currency presentation*

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway, all references to "**EUR**" are to euro; the single currency of member states of the EU participating in the European Monetary Union having adopted the euro as its lawful currency, and all references to "**USD**" are to the lawful currency of the United States.

#### 4.2.3 *Rounding*

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

#### 4.2.4 *Alternative performance measures (APMs)*

In order to enhance investors' understanding of the Group's performance, the Group presents certain measures and ratios in this Prospectus that might be considered as alternative performance measures ("**APM**") as defined by the European Securities and Markets Authority ("**ESMA**") in the ESMA Guidelines on Alternative Performance Measures 2015/1057.

An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in IFRS. The Group uses APMs to measure operating performance and is of the view that the APMs provide investors relevant and specific operating figures which may enhance their understanding of the Group's performance.

The APMs presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and investors should not consider such measures to be alternatives to: (a) revenue or profit/loss for the period, as a measure of the Group's operating performance, or (b) any other measures of performance under generally accepted accounting principles. The APMs presented herein may not be indicative of the Group's historical operating results, nor are measures meant to be predictive of the Group's future results. The Group believes that the APMs presented herein are commonly reported by companies in the markets in which it operates and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation, amortization and impairment, which can vary significantly depending upon measures, business practice or external and non-operating factors. Accordingly, the Group discloses the APMs presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies across periods. Since companies may present APMs differently, the Group's presentation of these APMs may not be comparable to similarly titled measures used by other companies.

The following terms are used by the Group in the definition of APMs in this Prospectus:

- **Gross profit:**
  - Means total revenue and other operating income deducted with direct cost of sales.

- This APM provides insight into the core profitability by measuring revenue after direct cost of sales and is used to assess operational efficiency.
- The gross profit level sets limits for the dimensioning of the number of employees and other operational cost. In the Company's opinion, the gross profit measurement provides investors with a clear view of how efficiently the Company manages production costs before considering overhead, taxes, or financing expenses.
- Monitoring direct costs is also crucial for Smartoptics when negotiating with sub-suppliers and may support decisions regarding the introduction of new suppliers - factors that can significantly affect margins and future profitability.
- **Gross margin:**
  - Means gross profit divided by total revenue and other operating income.
  - This APM illustrates the proportion of revenue retained after direct cost of sales, and is a useful indicator of the Group's cost control and pricing effectiveness over time.
  - A stable or improving gross margin indicates strong control over production or sourcing costs and/or successful pricing power. The Company considers this to be valuable information for investors, as it reflects Smartoptics' ability to maintain profitability under changing market conditions and is often a sign of competitive advantage or strong demand.
- **EBITDA:**
  - Means operating profit/(loss) adjusted for total depreciation and amortization.
  - This APM reflects the underlying operating performance by excluding the effects of non-cash depreciation and amortization, and is a good measure for Smartoptics to evaluate its cash-generating ability.
  - EBITDA is widely used by investors as it provides a clearer picture of the company's operational performance by removing accounting-related adjustments. It facilitates comparisons between companies with different capital investment strategies and helps evaluate the core profitability and potential return on investment before financial structure and tax effects come into play.
- **EBITDA margin:**
  - Means EBITDA divided by total revenue and other operating income.
  - This APM is a useful metric for assessing the Company's operating efficiency over time and also enables meaningful comparisons across companies and industries.
  - A strong or improving EBITDA margin suggests that Smartoptics is efficiently converting its revenue into operating cash flow. Investors view this margin as a proxy for scalable operations and the company's ability to manage its cost base. It also enhances the comparability of performance across different businesses, especially in capital-intensive industries.

The below table shows the APMs on a reconciled basis. Unless otherwise indicated, the below figures have been extracted from the Financial Information.

Reconciliation of the APMs (unaudited)				
(Amounts in USD thousand)	Six-month period ended 30 June		Year ended 31 December	
	2025 <sup>(1)</sup>	2024 <sup>(1)</sup>	2024 <sup>(1)</sup>	2023 <sup>(1)</sup>
Total revenue and other operating income	33,027	25,640	55,508	58,504
Direct cost of sales	-17,161	-13,345	-28,784	-29,234
<b>Gross profit</b>	<b>15,866</b>	<b>12,295</b>	<b>26,724</b>	<b>29,270</b>
Total revenue and other operating income	33,027	25,640	55,508	58,504
Gross profit	15,866	12,293	26,724	29,270
<b>Gross margin</b>	<b>48.0%</b>	<b>48.0%</b>	<b>48.1%</b>	<b>50.0%</b>
Operating profit/(loss)	2,420	970	3,289	8,940
Total depreciation and amortization	1,353	1,102	2,293	1,859
<b>EBITDA</b>	<b>3,773</b>	<b>2,072</b>	<b>5,582</b>	<b>10,799</b>

EBITDA	3,773	2,072	5,582	10,799
Total revenue and other operating income	33,027	25,640	55,508	58,504
<b>EBITDA margin</b>	<b>11.4%</b>	<b>8.1%</b>	<b>10.1%</b>	<b>18.5%</b>

(1) Unaudited

### 4.3 Third party information

In this Prospectus, the Group has used industry and market data from independent industry publications and market research as set out in footnotes to Section 6 "*Business of the Group*" and other publicly available information. While the Group has compiled, extracted and reproduced industry and market data from external sources, the Group has not independently verified the correctness of such data. Unless otherwise indicated, such information contained in the Prospectus related to markets, market sizes, market shares and market positions are the views of the Group, informed by multiple sources, including market studies, annual financial statements and other presentations published by listed companies operating within the same industry as the Group does or may do in the future.

The Group confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Group is aware and is able to ascertain from information published by these third party providers, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Group does not intend, and does not assume any obligations to update industry or market data set forth in the Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Group has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently unpredictable and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

The Group cautions prospective investors not to place undue reliance on the above mentioned data. Unless otherwise indicated in the Prospectus, any statements regarding the Group's competitive position are based on the Company's own assessment and knowledge of the market in which it operates.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "*Risk factors*" and elsewhere in this Prospectus.

### 4.4 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and anticipated financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" and, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They appear, among other areas, in the following sections in this Prospectus; Section 2 "*Risk factors*", Section 6 "*Business of the Group*" and Section 8 "*Financial and other information*" and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Group operates, may differ materially from those made in, or suggested by, the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements.

The risks that could affect the Group's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 "*Risk factors*".

The information contained in this Prospectus, including the information set out under Section 2 "*Risk factors*", identifies additional factors that could affect the Group's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all sections of this Prospectus and, in particular, Section 2 "*Risk factors*" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Group.

These forward-looking statements speak only as at the date on which they are made. The Group undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Group or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

## 5 DIVIDENDS AND DIVIDEND POLICY

### 5.1 Dividend policy

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will comply with the legal restrictions set out in the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (the "**Norwegian Public Limited Liability Companies Act**") (see Section 5.2 "*Legal constraints on the distribution of dividends*") and take into account the Company's capital requirements, including capital expenditure requirements, the Company's financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Liability Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

The proposal to pay a dividend in any year is, in addition to the legal restrictions set out in Section 5.2 "*Legal constraints on the distribution of dividends*", further subject to any restrictions in the Company's borrowing arrangements or other contractual arrangements in place at the time. Under the covenants of the Group's credit facility agreement with Nordea, the Group is required to maintain a consolidated equity of at least NOK 45 million. In addition, any dividend distribution exceeding 50% of the profit for the period is subject to prior approval by Nordea (such approval having been granted for the dividend distribution for the financial year ended 31 December 2024, as set out below).

Further, the tax legislation of an investor's Member State and of the Company's country of incorporation (Norway) may have an impact on the income received from the Shares, see Section 12 "*Taxation*".

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

For the financial year ended 31 December 2024, the Company has distributed a dividend of NOK 0.60 per Share.

### 5.2 Legal constraints on the distribution of dividends

Dividends may be paid in cash, or in some instances as dividends in kind. The Norwegian Public Limited Liability Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Liability Companies Act provides that the Company may distribute dividends to the extent that the Company's net assets following the distribution are sufficient to cover (i) the Company's share capital, (ii) the Company's reserve for valuation variances and (iii) the Company's reserve for unrealised gains. Any receivables of the Company which are secured through a pledge over the Company's Shares and the aggregate amount of credit and security which, pursuant to Sections 8-7 through to 8-10 of the Norwegian Public Limited Liability Companies Act fall within the limits of distributable equity are to be deducted from the distributable amount.
- The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the previous financial year, provided, however, that the registered share capital as at the date of the resolution to distribute dividends shall be applied. Following approval of the annual accounts for the last financial year, the General Meeting may also authorise the Board of Directors to declare dividends on the basis of the Company's annual accounts.
- Dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date no older than six months before the date of the General Meeting's resolution.
- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound in light of the risk and scope of the Company's business.

Pursuant to the Norwegian Public Limited Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the general meeting of shareholders when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian public limited liability company will normally be entitled to dividends from

the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Public Limited Liability Companies Act does not provide any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 12 "*Taxation*".

### **5.3 Manner of dividend payments**

Any future payments of dividends on the shares will be made in the currency of the bank account of the relevant shareholder registered with the VPS and will be paid to the shareholders through the VPS. Shareholders registered in the VPS who have not supplied the VPS with details of their bank account, will not receive payment of dividends unless they register their bank account details with DNB Bank ASA (address: DNB Bank ASA, DNB Carnegie Issuer Services, Dronning Eufemias gate 30, 0021 Oslo, Norway) as the Company's VPS registrar (the "**VPS Registrar**"), and transfer fees may apply for payments made in such manner. The exchange rate(s) that is applied when determining any future payments of dividends to the relevant shareholder's currency will be the exchange rate of the relevant bank on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar.

## 6 BUSINESS OF THE GROUP

### 6.1 Introduction to Smartoptics

Smartoptics provides innovative optical networking solutions and devices for the new era of open networking. The Group's focus is on solving network challenges and increasing the customers efficiency by having an open network approach. This allows customers to break unwanted vendor lock ins, remain flexible and reduce costs. Smartoptics' products are based on in-house developed hardware and software, enhanced through associated services.

The Group's customer base includes thousands of enterprises, governments, cloud providers, Internet exchanges as well as cable and telecom operators. Smartoptics partners with leading technology and network solution providers and upholds certifications and approvals from major switching and storage solution providers such as Brocade, Cisco, IBM and Dell. Smartoptics has a global reach through the sales force and more than 150 business partners including distributors, original equipment manufacturers ("**OEMs**") and value added resellers ("**VARs**").

**The Group has three main product categories:** Solutions, Devices and Software & Services.

Solutions comprises software and hardware systems which enable transport of data over optical fibers in networks and between data centers.

Smartoptics' product offering is designed to address the specific needs of the metro and regional optical networking market, where the primary requirements are cost-efficiency, scalability, and simplified operations. This segment sits between long-haul backbone networks and local access networks and is characterized by rapidly growing data volumes driven by cloud connectivity, video, and enterprise applications.

The Group targets three main customer categories:

- Enterprises, including large private organizations, universities, hospitals, and government agencies, which typically require secure and high-capacity point-to-point connectivity between datacenters and campus sites.
- Internet content providers ("ICPs"), such as cloud and social media platforms, which demand high-throughput, low-latency interconnects between data centers and edge locations to ensure optimal content delivery performance.
- Communication service providers ("CSPs"), including regional and alternative telecom operators, which deploy Smartoptics' open line systems and transceivers to extend or upgrade their transport infrastructure without the complexity or cost of traditional vendor-locked solutions.

Smartoptics' open, pluggable, and software-defined approach is particularly well-suited to these customers' needs for flexibility, ease of integration, and high performance in modern disaggregated network environments.

Devices consists of passive optical multiplexers, transceivers (optical interfaces for routers, switches and base-stations for example) and various accessories. Optical transceivers are complete pluggable optical interfaces for any host system, ranging from simple fiber to the home termination points to high end routers, switches and base stations. Smartoptics offers a complete portfolio that can be used in a wide range of host systems. Smartoptics offers optical transceivers capable of transmitting and receiving from 100 Mbit/s to 800 Gbit/s.

Software & Services consists of software support agreements, technical support, advance product replacement and extended warranty. Software & Services is usually sold together with Solutions.

The Group's key markets are as follows:

- **North America and Latin America**
  - North America and Latin America represent Smartoptics' largest market by revenue, contributing with 25.9 MUSD in 2024.
  - Despite slight revenue fluctuations, the market remains central to the Company's strategic growth and innovation initiatives, driven by strong customer relationships and mature infrastructure deployments.

- Latin America ("**LATAM**"): This market is an increasingly significant contributor for the Group, with rising qualified leads and strategic customer engagements. The market is recognized for future growth opportunities due to increasing demand for advanced optical networking solutions.
- **Europe, Middle East, and Africa ("EMEA")**
  - EMEA is a core market for the Group, with historically significant contributions, and in 2024 the market contributed with 24.7 MUSD of revenue to the Group.
  - The market experienced challenges in 2024 but showed signs of recovery, particularly in the second half of the year, indicating strong future potential in the view of the Group.
- **Asia-Pacific ("APAC"):**
  - APAC has demonstrated robust growth for the Group, with an 18% revenue increase in 2024. The growth in 2024 was driven by expanding market presence, strategic partnerships, and new customer acquisitions. In 2024 the total revenue for the Group in APAC was 4.9 MUSD.

Overall, Smartoptics maintains a balanced approach by solidifying its position in mature markets like North America and EMEA, while strategically investing in the high-growth potential of emerging regions such as APAC and LATAM.

Smartoptics Group ASA is the parent company of the Group. The Company operates as a holding company, and all operational activities are conducted in the subsidiaries. The following table sets out information about the Company and its directly and indirectly owned subsidiaries:

Company	Country of incorporation	Holding (in %)	Comment
Smartoptics Group ASA	Norway	-	Parent company of the Group
Smartoptics AS	Norway	100%	Shares owned directly by Smartoptics Group ASA
Smartoptics Sverige AB	Sweden	100%	Shares owned by Smartoptics AS
Smartoptics U.S. Corp.	United States of America	100%	Shares owned by Smartoptics AS

## 6.2 Competitive strengths

Smartoptics has established itself as a challenger in the optical networking industry, leveraging several key competitive strengths:

### 1. Favorable Market Positioning

The optical systems market has undergone significant consolidation, with many mid-sized vendors being acquired by larger entities. This consolidation has created a gap, particularly in serving Tier 2 operators and enterprise customers requiring mid-range capacity and reach solutions. Smartoptics has strategically positioned itself to fill this void with its innovative systems platform and strong brand recognition.

### 2. Innovative and Flexible Product Offerings

Smartoptics offers a unique range of products tailored for metro and regional applications, including data center interconnects, metro/regional networks, and backhaul for broadband and 5G. The Company's technology roadmap is set to expand its addressable market by introducing new applications, customer categories, and a holistic software platform.

### 3. Experienced Management Team

The Company's leadership comprises seasoned professionals with backgrounds in renowned firms like Ericsson, Transmode and Infinera. This depth of experience has been instrumental in driving Smartoptics' growth, evidenced



by an average revenue growth rate of 12.4% from 2020 to 2024, outpacing the overall Metro wavelength division multiplexing ("**WDM**") optical networking market. This performance was primarily driven by the Group's successful expansion of market share within its target segments. Through a combination of new customer acquisitions, increased share of wallet among existing customers, and continued geographic expansion, the Group was able to grow faster than the underlying market. Its differentiated product strategy, focusing on open, disaggregated solutions for the metro and regional space, resonated well with enterprises, internet content providers, and communication service providers seeking cost-effective and flexible alternatives to traditional vendor-locked systems. The growth over the past eight years is solely organic.

#### 4. Commitment to Open Networking

Smartoptics advocates for open optical networking solutions, allowing seamless integration with various vendors and systems. This open approach provides clients with flexibility and cost-efficiency, distinguishing Smartoptics from competitors that offer proprietary, closed systems.

#### 5. Strategic Partnerships and Market Expansion

The Company has successfully forged partnerships, such as the collaboration with US technology solutions provider WIN Technology. Additionally, Smartoptics is expanding into new geographies, including the Asia-Pacific and Latin American regions, contributing to its growth trajectory.

In summary, Smartoptics' competitive strengths lie in its strategic market positioning, innovative product portfolio, experienced leadership, commitment to open networking, solid financial performance demonstrated by the Group's ability to consistently grow its market share while maintaining profitability, and proactive market expansion efforts.

### 6.3 Business operations

Smartoptics' business operations span the entire value chain of optical networking, from development and manufacturing to global sales, technical support, and operational management.

#### *Product development and R&D*

The Group is an innovator in the field of open optical networking, with a strategic focus on Layer 1 transport platforms, flexible optical line systems, and integrated software solutions for orchestration and network planning. The Group's research and development activities are primarily conducted in Scandinavia, where it leverages a strong engineering heritage and access to highly skilled talent in optical and network systems design.

The Group's R&D strategy is centered on the development of modular and interoperable solutions that are fully aligned with open standards. This approach enables customers to design and operate disaggregated networks with greater architectural freedom, scalability, and reduced dependence on single-vendor ecosystems. By prioritizing openness and interoperability, the Group supports service providers and enterprises in modernizing their network infrastructures while maintaining long-term cost efficiency and agility. Expenses related to product development account for approximately 20-30 percent of the Group's total employee benefit expenses and other operating expenses.

For further details on the Group's product portfolio and technical capabilities, please refer to Section 6.4 "*Products*".

#### *Sales and marketing*

As described in Section 6.1 "*Introduction to Smartoptics*", the Group maintains a global sales presence, with its own regional organizations in North America and EMEA that focus on customer acquisition, partner enablement, and revenue growth. Sales efforts are supported by a hybrid go-to-market model combining direct sales and a growing partner ecosystem, including system integrators, resellers, and technology alliances. The Group's marketing activities are strategically designed to drive awareness, generate qualified leads, and support long-term brand positioning within the optical networking space. Core initiatives focus on product education, and multi-channel demand generation. Smartoptics employs a modern inbound marketing approach that includes the development of high-value content such as whitepapers, case studies, webinars, and solution guides to attract and engage prospective customers. These efforts are supported by a strong focus on search engine optimization, ensuring the Group's digital assets rank competitively for relevant industry keywords and customer queries. Digital campaigns are continuously

executed across owned, earned, and paid channels, including social media, email marketing, and online advertising. These are complemented by targeted account-based marketing tactics to engage key enterprise and telecom decision-makers. Offline, the Group maintains a visible and consistent presence at industry trade shows, conferences, and partner-led events, using these platforms to showcase innovation, strengthen relationships, and build trust with prospects and existing customers alike. Together, these activities form an integrated marketing strategy that supports pipeline growth, accelerates sales, and reinforces the Group's role as a trusted innovator in open optical networking.

#### *Production and supply chain*

The Group handles in-house production of its Solutions portfolio, which involves assembling optical components on PCBAs, fine-tuning their performance, completing final mechanical assembly, and conducting rigorous product testing. For optical devices, in-house activities include programming firmware, product labeling, and individual device testing to ensure full compatibility with customer environments. All in-house production is based out of Scandinavia. The Group leverages outsourced partners for volume manufacturing of PCBs, mechanical housing, and select optics to maintain flexibility and cost efficiency at scale. Supply chain management is optimized for quality, lead time, and resilience, with component sourcing from world-leading optical suppliers and logistics tailored to global customer deliveries.

#### *Technical support and services*

As further detailed in Section 6.4.6 "*Software and Services*", Smartoptics delivers comprehensive post-sales support designed to ensure the long-term reliability, performance, and optimization of deployed systems. The Group offers a full spectrum of technical assistance, including remote troubleshooting and tailored professional services, all provided directly by its in-house engineering team - none of the support functions are outsourced.

Smartoptics' support organization works in close partnership with customers throughout the entire lifecycle of a deployment. This includes the collaborative design of network architectures, hands-on guidance during implementation, and expert-led optimization of configurations to maximize return on investment.

In high-priority or complex network rollouts, Smartoptics provides proactive service engagements - ensuring seamless integration, operational continuity, and customer confidence. The use of internal resources exclusively reinforces the Group's commitment to quality, responsiveness, and technical excellence across every customer interaction.

#### *Financial and operational management*

The Company maintains a strong focus on profitability and capital efficiency through an integrated approach to financial management. By carefully managing its cost base while scaling operations in line with revenue growth, the Company implements value-based pricing strategies, disciplined budget control, and continuous process improvement across departments. Through regular evaluation of its operational model, Smartoptics enhances responsiveness, eliminate inefficiencies, and builds a foundation for sustainable future growth.

### **6.3.1 Customers**

#### **6.3.1.1 The ever-growing demand for bandwidth**

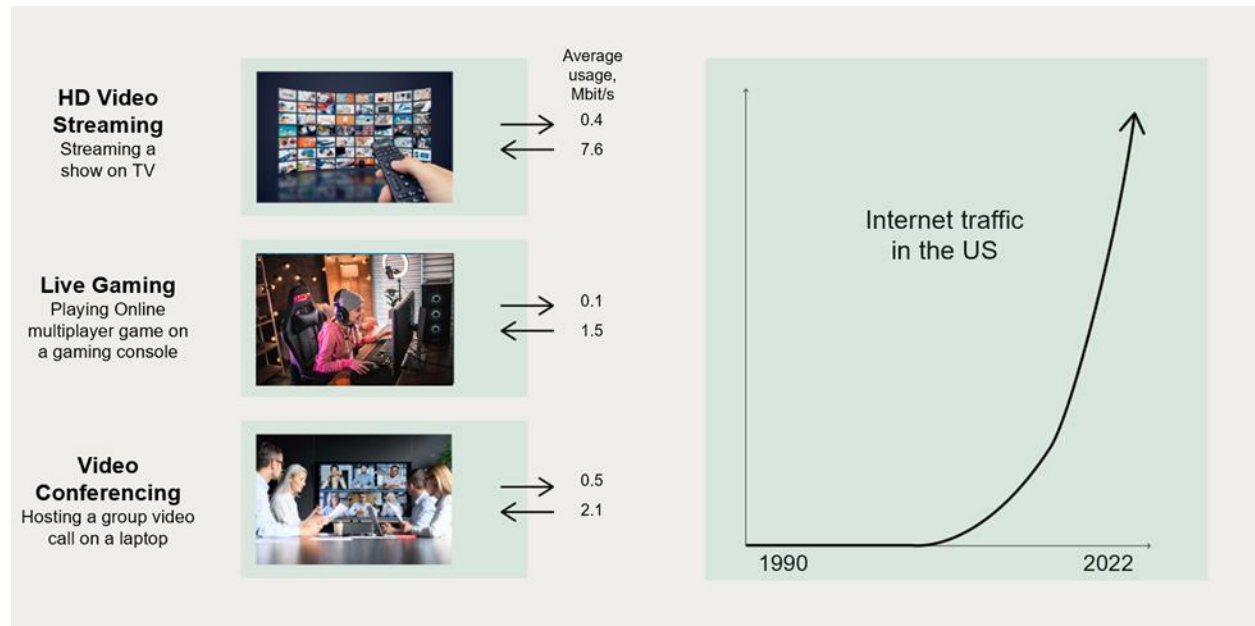
Communications are a central element of our lives, both in a professional and private sense. We scroll among unlimited streams of video content on the TV, we play computer games with our friends, and we participate in video conferences with colleagues on other continents. Where telecommunications once meant just telephony, today streaming services, Internet access, data sharing, and video communications have become mainstream applications, making up the vast majority of all the information transported over the electronic web spanning the Earth. At the same time, artificial intelligence ("**AI**") is revolutionizing the way we interact with digital communications. AI-powered algorithms enhance video quality in real-time, personalize content recommendations, making our interactions with the digital world more seamless and efficient. As AI continues to evolve, the Company expects that it will further shape the future of telecommunications, enabling smarter, faster, and more adaptive communication networks.

The traffic growth in communication networks has been significant. And this is expected to continue. Technological innovation and mass production have gradually reduced the cost of each transported bit. And a lower bandwidth cost

spurs the innovation of even more bandwidth hungry applications. The shift towards higher capacity communications networks is in a positive feedback loop and it will roll on for a long time, in the view of the Company.

This trend is the driving force behind the global demand for the high capacity, optical transport solutions provided by Smartoptics. Hence the Smartoptics' customers are found among the cable and telecom operators, cloud service providers, Internet exchanges, governmental agencies and enterprises striving to keep up with their users' need for more bandwidth.

Figure: Internet traffic and example of drivers



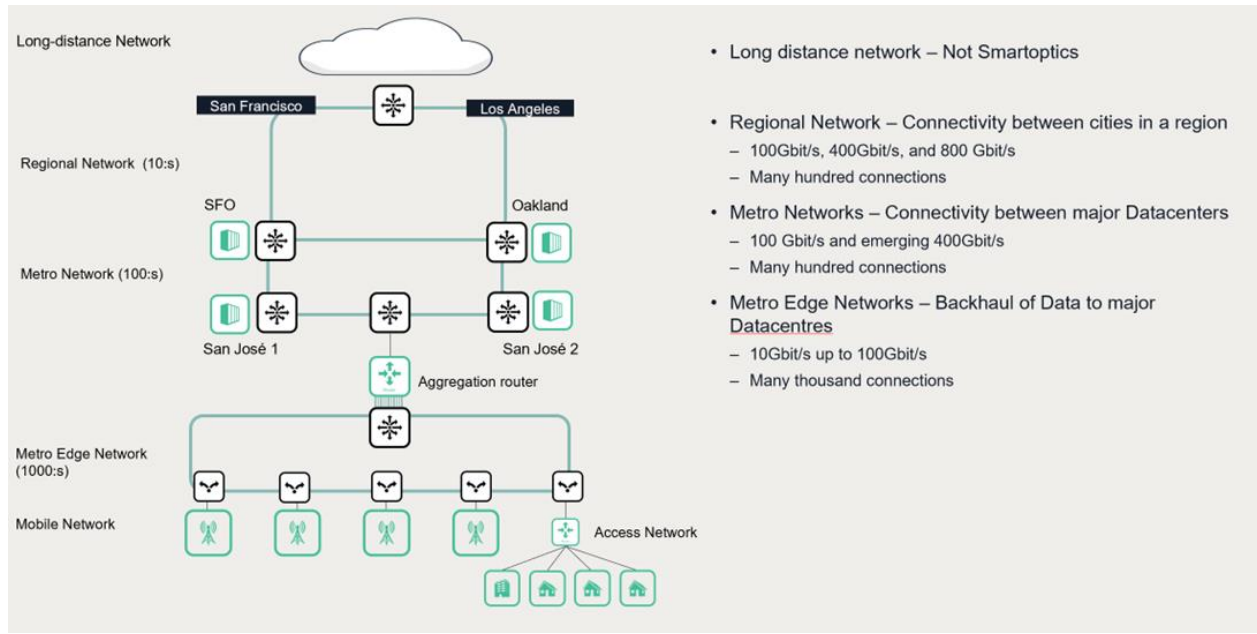
### 6.3.2 Customer types

#### 6.3.2.1 Communication service providers

Public networks, operated by cable and telecom providers, are among the biggest communication networks in terms of user base. These operators offer bandwidth capacity and related services to their customers. Their users range from large numbers of consumers with broadband access to enterprises active in time-critical businesses such as e-commerce or media streaming, putting great demands not only on fast but also on fail-safe connections. These communication service providers ("**CSPs**") form Smartoptics' largest addressable market segment and use Smartoptics products to build cost efficient optical networks interconnecting the CSP's major points of presence and providing network access for the CSP's users.

The CSP's networks typically have a hierarchical structure where traffic from many users is aggregated and then transported over common long-distance connections.

Figure: Example of CSP's network structure



The hierarchical structure of the CSPs' networks offers multiple opportunities for the deployment of Smartoptics open line systems, transponder, and muxponder products: At the regional level, which interconnects cities, 100G, 400G, and 800G dense wavelength division multiplexing ("**DWDM**") line systems with DCP-R reconfigurable optical add-drop multiplexers ("**ROADM**") from Smartoptics are in strong demand when building ring and mesh shaped networks. Within cities, i.e., at the metro level, additional DWDM rings at 100G and 400G built with ROADMs from Smartoptics are used to meet the demand for further distribution of the CSP's bandwidth. And to reach the thousands of CSP users, access and edge networks using Smartoptics 10G and 100G open line systems with transponders/muxponders as demarcation devices are deployed.

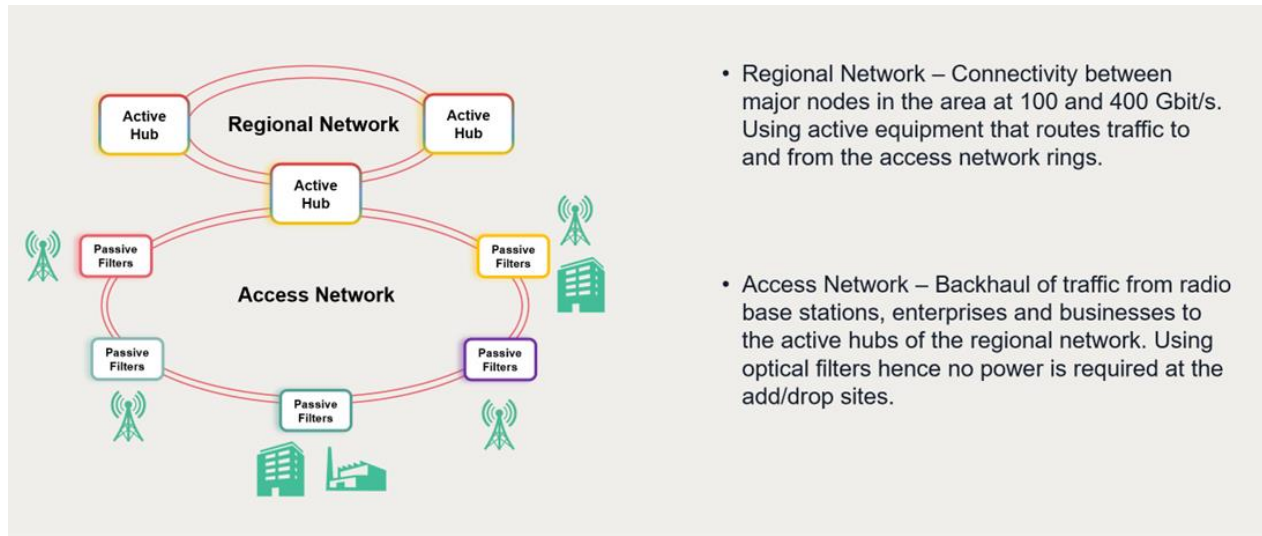
The CSPs have a recurring demand for more bandwidth between their points of presence, as well as significant expansion needs when building backhaul networks for e.g., 5G and broadband access. A recent trend is that CSPs increasingly invest in IP over DWDM solutions with open line systems, which is an excellent match for the new ROADM and open line system offerings based on the dynamic connectivity platform ("**DCP**") from Smartoptics. Thanks to the open interfaces ("**APIs**") of the Smartoptics' products and by using the SoSmart Software Suite from Smartoptics, the CSP may also create a complete and simple to use "point-and-click" management solution for his optical network. Or alternatively, the Smartoptics' IP over DWDM solutions can be integrated with the existing management and provisioning systems already in place. Hence, the IP over DWDM solutions from Smartoptics offer the CSP both a lower cost and simpler management than traditional optical transport systems.

#### 6.3.2.2 Rural communication and broadband service providers

A special type of communication service provider is the rural service provider, serving less densely populated areas and remote regions of a country. The rural service providers often play a crucial role in the digitalization policies of a country and in the strive to bring an equal set of digital services to all citizens.

In the initial deployment phases, the rural service provider can seldom afford to use the powerful optical transport solutions that have been designed primarily for the "tier 1" types of networks in a metropolitan area. Rather, the rural service provider requires solutions that have a low entry cost, are simple to operate, but also have the potential to be upgraded to higher capacities when the need arises. Hence, the rural optical network becomes an excellent application for Smartoptics' IP over DWDM architecture which allows for an efficient mix of active/passive solutions for broadband backhaul combined with a regional network consisting of upgradable, easily manageable, open line systems using ROADMs and long reach optics.

Figure: Example of rural communication and broadband service providers network

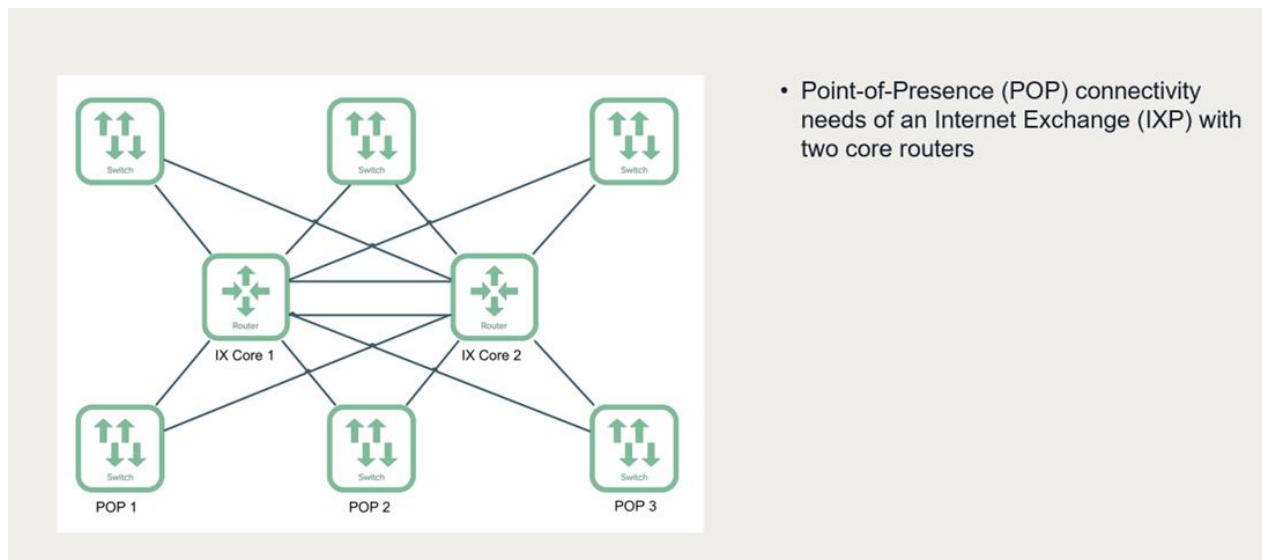


### 6.3.2.3 Internet content providers and internet exchanges

An Internet content provider ("**ICP**") is an organization that creates information, entertainment, or other content for online delivery over the Internet. ICPs deploy high-capacity optical networks within their data centers and for back up between datacenters. Some of the larger ICPs also maintain their own international optical transport network to reduce their media distribution costs.

Internet exchanges ("**IXPs**") are peering points for Internet traffic, allowing participant Internet service providers ("**ISPs**") to exchange data for their respective networks. An IXP organization typically operates several such exchange points in one or more countries as well as points of presence ("**POP**") in relevant data centers, all interconnected by a dedicated optical transport network.

Figure: Point-of-presence (POP) – connectivity needs an Internet Exchange (IXP) with two core routers.



The ever-growing demand for bandwidth drives ICPs and IXPs to request bandwidth at a very attractive cost per bit, when interconnecting their sites. A preferred way of achieving this is to deploy IP over DWDM solutions from Smartoptics, removing transponders and decreasing the overall cost of the transport layer. When even higher capacities are required or if the switches only have low speed ports, using e.g., the Smartoptics DCP-404 muxponder paired with 400G transceivers is an excellent alternative. This muxponder can run four 100G links over 400G, using

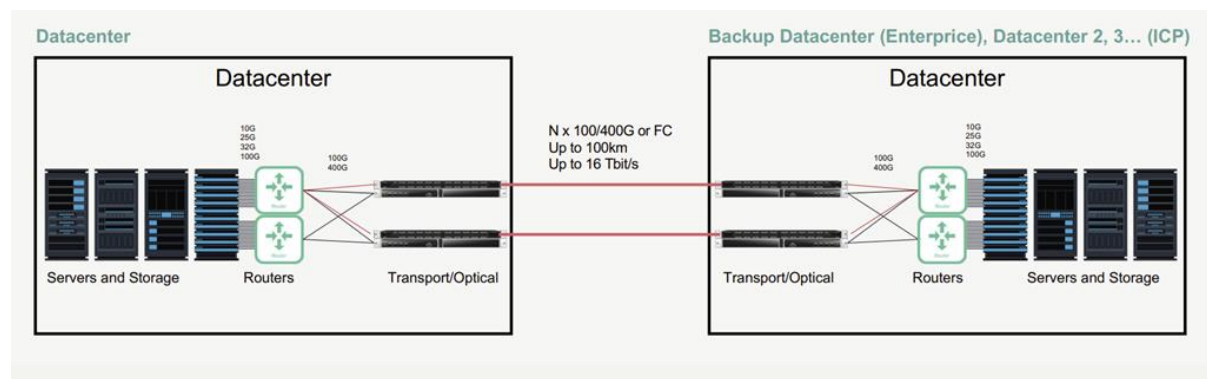
only one fiber pair instead of four, in a compact and efficient form factor. By simply adding more DCP-404s into a single rack unit, it is even possible to expand capacity by up to a factor of four.

Smartoptics innovative and fully open DCP platform simplifies all types of IP over DWDM deployments by reducing cost and automating network configuration. An IP over DWDM architecture further has the advantage of leveraging technology advances more rapidly than traditional systems, thereby facilitating a continuous update of the DWDM connections from 100G to 400G and beyond.

#### 6.3.2.4 Enterprise and government data centers

Like ICPs and IXPs, enterprises and government agencies use Smartoptics' products to boost the bandwidth transported over optical fibers when interconnecting their data centers. With IP over DWDM solutions offered by Smartoptics it is possible to transport up to 26 Terabit/s over one fiber pair, and to mix and match Ethernet traffic with e.g., storage specific protocols like Fibre Channel. The unprecedented software automation offered by the DCP platform allows the customers to use this advanced technology with very limited in-house competence in how networks are installed, commissioned, and operated.

Figure: Example of enterprise data center network



Enterprise and government projects are typically smaller than CSP and IXP projects but often result in recurring revenues over several years. Normally network utilization grows and transport capacity may have to be upgraded by 10 – 50% in the years following the initial deployment. And since there is typically 4-5 years between new technology cycles, a complete re-investment in the optical network often occurs after about 5 years.

#### 6.3.3 Sales channels

Smartoptics has a direct sales force throughout Europe and in the US. Together with a large network of sales partners in the form of value-added resellers, distributors and OEMs, Smartoptics is covering many markets and has a cost-efficient access to the global market.

The network of sales partners is a valuable asset for Smartoptics. The network has been developed over ~15 years and is continuously improved with new partners added every year.

The direct business is primarily related to the CSP segment, where procurement of Smartoptics products is handled directly by the customers. As the business with the CSP segment has grown, the share of direct business has also grown.

The VARs are datacom, telecom and IT-system integrators of various sizes. These companies design solutions in close cooperation with Smartoptics and the end customer, solutions which sometimes include several products and several vendors, while at other times just Smartoptics products.

Distributors are similar to value-added resellers but are usually larger and have a broader offering to a larger customer base. They are also less involved in the design of the solutions for the end customers.

OEMs (distributor/partner) are companies that market and sell the products from Smartoptics under their own name or where the Smartoptics products are a part of an OEM-branded solution.

## 6.4 Products

Smartoptics product offering can be summarized in the following categories:

### 1. Open line systems

An open line system consist of optical technology required to ensure high reach and capacity of optical fibers in networks. Necessary functions such as amplification, power balancing, wavelength switching, dispersion compensation etc. are included in an open line system. Smartoptics offers open line systems for a wide range of applications and topologies

### 2. Layer 1 Transport products

Within this category a wide range of products for increasing the performance, multiplexing and other features such as forward error correction and encryption are included. Each product offers its unique capabilities in terms of bit-rate and ports

### 3. Optical devices

Smartoptics offers a complete portfolio of Optical Transceivers, filters and accessories. Over the past years, the Company has delivered 250-300 000 optical transceivers to a wide range of end customers, used in a multitude of applications. The product offering consist of thousands of part numbers with different capabilities (bit-rate, reach and wavelength)

### 4. Network orchestration, management and planning software

The SoSmart is a software suite that is used in all stages of deploying a network. The software has three main uses:

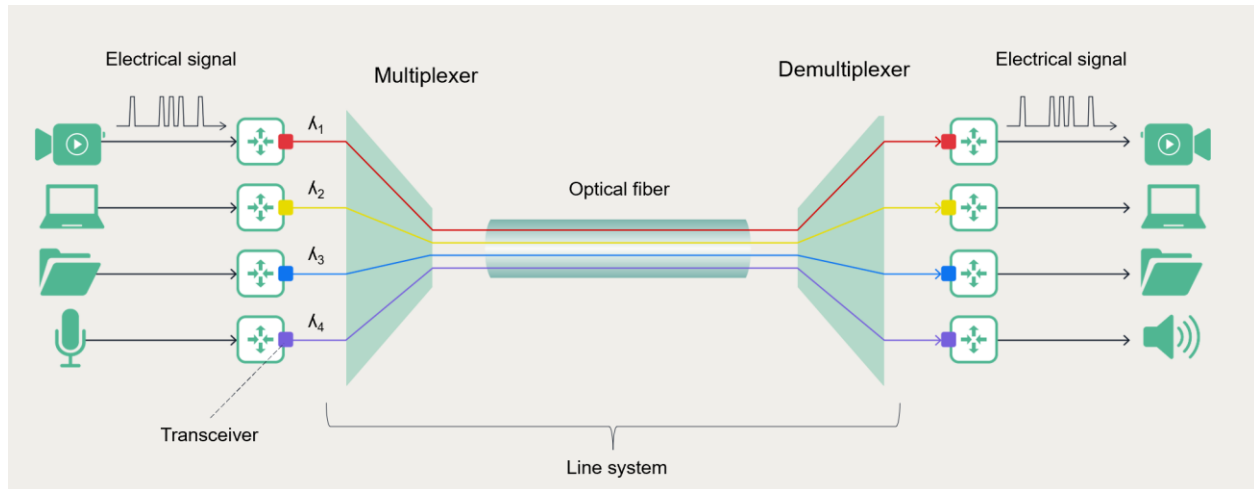
- The SoSmart Planner is used to design, model and simulate a network and its performance before deployment, or during operation to plan for expansion
- The SoSmart Manager is used during operation of the network to manage alarms, events, inventory, configuration etc.
- The SoSmart Controller is used to provision bandwidth in a networking using an advanced path computation engine

#### 6.4.1 Dense wavelength division multiplexing

Smartoptics offers products for high-performance and scalable optical transport solutions over optical fibers. The fundamental technology underlying the products is called wavelength division multiplexing and Smartoptics is primarily utilizing a form of this technology referred to as dense wavelength division multiplexing or DWDM.

In DWDM, data carried by separate electrical signals is transformed into light pulses of different colors. These colored signals can then be sent over an optical fiber and retrieved at the receiving end by picking up each individual incoming color separately. The colors are combined into the light stream to be transported by the fiber using a device called a multiplexer and then, at the other end of the fiber, the light stream is separated into individual wavelengths again by use of a demultiplexer, so that they can be sent to the correct receiver. The optical fiber with multiplexers, demultiplexers, and strategically placed optical amplifiers, is often referred to as a line system, while the conversion between the electrical and optical signals is performed by pluggable transceivers.

Figure: Illustration of function of an open line system

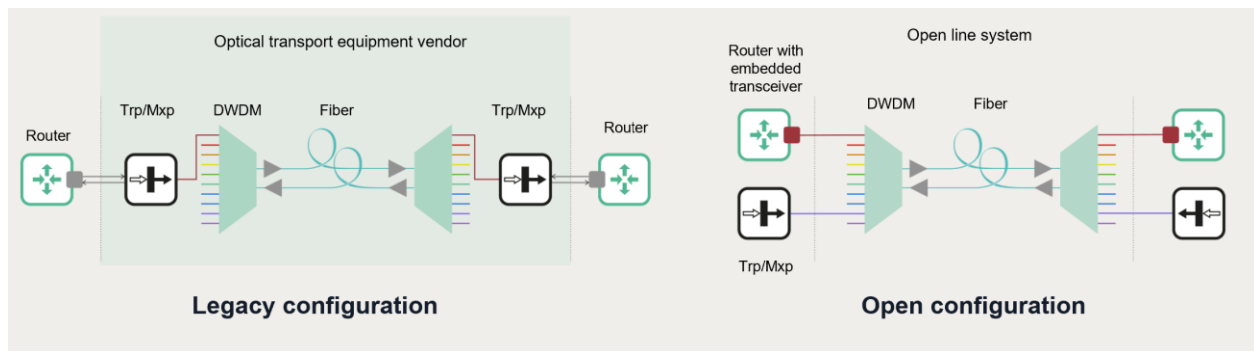


Thanks to the wavelength multiplexing the customer gets access not to one, but to many independent, two-way communication channels, even with just one fiber pair deployed between the sites. This allows enterprises, for example, to build corporate communication networks for video conferences, data communications and server back-up, all using the same fiber infrastructure. Similarly, a telecom operator can leverage the same fiber network for both telephony, Internet services and high-speed data center interconnect ("**DCI**") solutions services, without having to deploy costly separate long distance fiber cables.

#### 6.4.2 IP over DWDM with Open Line Systems

Until recently, all optical transport networks were built using dedicated, monolithic, optical transport systems originating from the telco world. However, an open architectural approach is now increasingly applied to optical networking, using IP over DWDM, i.e., pluggable optics in standard IP routers and switches, and open line systems including everything needed for the DWDM channels to be carried over longer distances (amplifiers, dispersion compensation, ROADMs etc.). A new breed of disaggregated network solutions has emerged, relying upon standardized hardware with embedded WDM capabilities and with the option of being steered from the same software defined networking ("**SDN**") controllers as other parts of the network.

Figure: Open line system versus legacy configuration



IP over DWDM solutions are critical for enterprises and cloud providers seeking cost-effective, high-capacity data center interconnect (DCI) and for communication service providers (CSPs) for metro edge and metro/regional networks. The building practices, use of pluggable optics, SDN etc. originating from the enterprise data centers have laid the foundation for a new generation of optical networks, reaping the rewards of breakthroughs in DWDM and transceiver technology. The Smartoptics' products are designed for this new era in optical communications.

#### 6.4.3 Product portfolio

Smartoptics' product portfolio comprises Optical Solutions, Optical Devices and Software & Services.



#### 6.4.3.1 *Optical solutions based on the Dynamic Connectivity Platform (DCP)*

To meet the diverse requirements of IP over DWDM with active and open line systems, Smartoptics has designed the dynamic connectivity platform ("**DCP**") as a multipurpose base, supporting the optical networking needs of both operators and enterprises. The DCP platform uses an open architecture supporting pluggable transceivers, open line systems, and SDN control, resulting in a superior price/performance when compared to legacy solutions.

The DCP platform can be used in all types of IP over DWDM optical networks, may they be simple point-to-point links or advanced, ROADM-based, ring and mesh networks. To fit the varying needs of IP over DWDM, the DCP platform comes in several flavors: The DCP-M, the DCP-R, and the DCP-F open line system families, and a comprehensive portfolio of transponders and muxponders.

The DCP platform is designed for scalable deployments, from small-scale enterprises to large-scale service provider networks and to cater for use in special situations. Management of all DCP platform products can be done using the SoSmart software suite from Smartoptics.

#### 6.4.3.2 *The DCP open line system families*

An open line system may be anything from a set of passive optical filters and a fiber to a complex, meshed ROADM network with multiple active elements. To meet the diverse requirements of active open line systems, Smartoptics has introduced three families of DCP products:

##### *The DCP-M family*

For automated provisioning with minimal manual intervention of point-to-point links with multiple traffic formats at speeds up to 800G, optimized for cost-efficiency and high bandwidth capacity. The DCP-M family comprises six models for either 8, 32, or 40 channels, dedicated for either 100G DWDM PAM4, 400ZR, 800G, or for applications with any mix of PAM4, NRZ and coherent 100/400G channels. The DCP-M products have a fixed form factor chassis, and each model is designed for a particular use case.

##### *The DCP-R family*

For any type of ring and mesh shaped ROADM network with multiple traffic formats, focusing on service reliability and wavelength manageability. The DCP-R products enable advanced topologies with up to 34 degrees (fiber directions) and support of a mixture of modulation formats such as 400ZR OIF, 800G, NRZ, and coherent wavelengths. The DCP-R products also have a fixed form factor chassis, and each model is designed for a particular application.

##### *The DCP-F family*

For configuration of all types of open line systems with a set of versatile, active, optical units that can be used on their own or extend the functionality of the DCP-M and DCP-R families as well as being used in active/passive optical ring applications. The DCP-F units have a uniquely high level of flexibility based on a building box concept with flexible optical modules that fit into a DCP-2 chassis.



The DCP-M/DCP-R chassis (top) and the DCP-2 chassis with a DCP-F-A22 amplifier and a DCP-F-R22 micro ROADM (bottom)

#### 6.4.3.3 The DCP Transponders and Muxponders

For use cases where a stand-alone transponder or muxponder adds value, Smartoptics has introduced a separate family of DCP-2 based transponders and muxponders. Using a transponder, a short range electrical or optical signal from a switch or router can be converted to a long range DWDM signal for transport over an open line system. The transponder/muxponder may also perform encryption of the optical signal and optical channel quality monitoring.

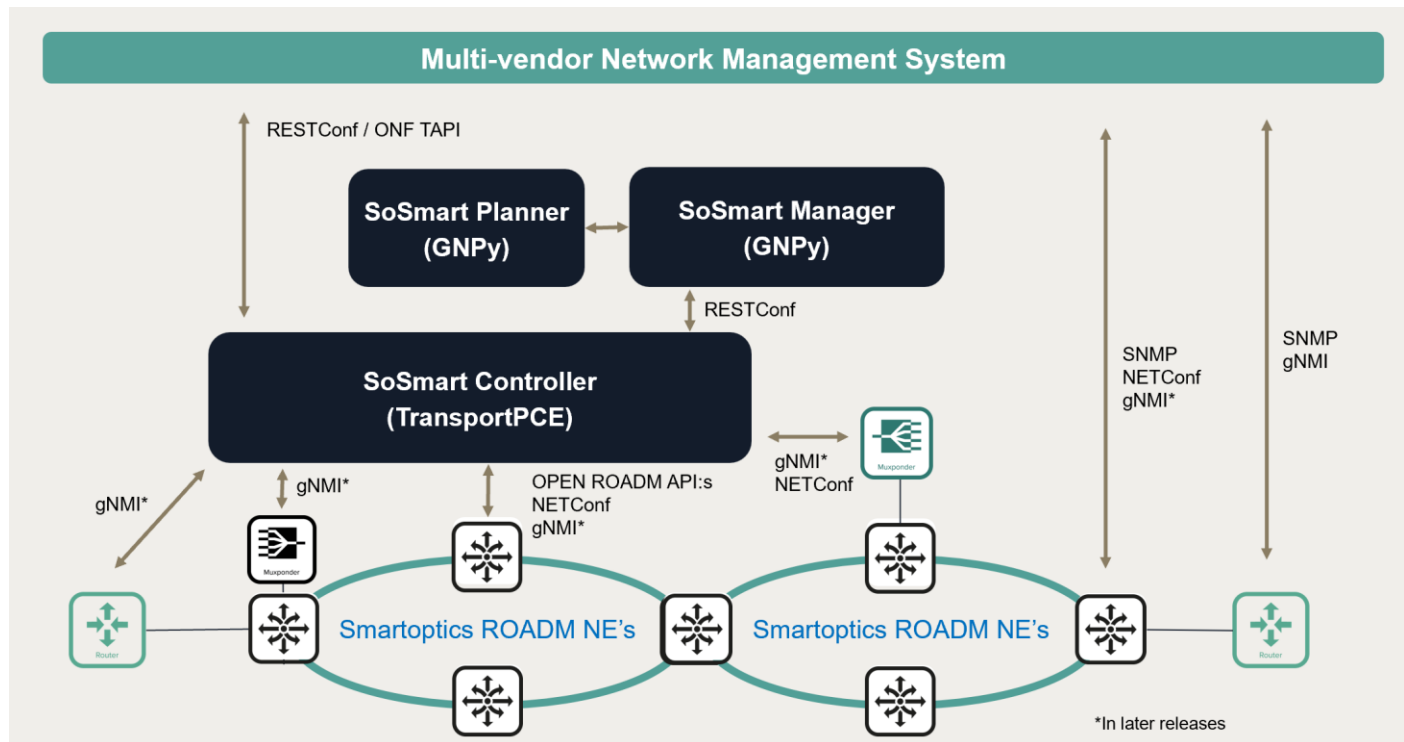
The DCP-108, DCP-1203, and the DCP-1610 transponders are typically used to adapt switches and routers that do not accept pluggable CWDM/DWDM transceivers to use an open IP over DWDM line system. These products also often act as a demarcation device between a service provider's network and his subscribers.

The DCP-110 muxponder offers a cost-effective way of aggregating up to ten 10 GbE signals into one 100G channel to be transported over a DWDM line system. Similarly, the DCP-404 muxponder enables the multiplexing of four 100GbE signals into one 400G channel for the most bandwidth efficient utilization of the available fiber infrastructure.

#### 6.4.4 The SoSmart Software Suite

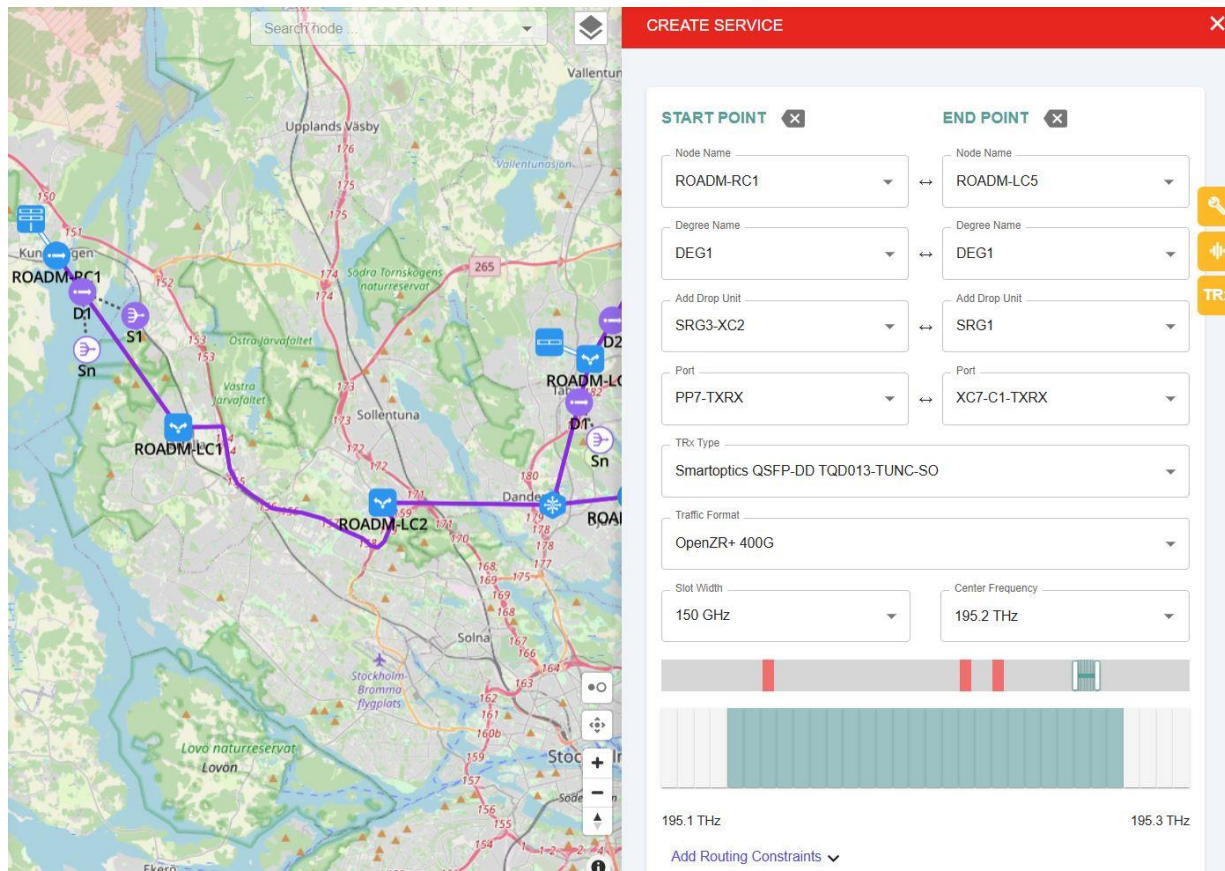
SoSmart is a modular software suite for SDN-based management of Smartoptics' products in an open, multi-layer and multi-vendor optical networking environment. The management suite features a cloud-native software architecture with open APIs for seamless integration that enable a high level of management flexibility, modularity, and multiple integration possibilities with other systems and products.

Using the graphical user interface of the suite's SoSmart Manager, a network operator can dynamically provision capacity, monitor performance, and track down problems in the underlying physical optical network. Alternatively, the SoSmart suite acts as an adaptation layer between the network elements from Smartoptics and higher-level multi-vendor network management systems and orchestrators.



The Smartoptics SoSmart Software Suite for open network management includes the following building blocks:

**SoSmart Manager** – The SoSmart Manager is the interface between the physical optical network and the staff operating the network, and hence the graphical user interface ("**GUI**") plays a crucial role for the efficiency of network provisioning and management. The SoSmart Manager GUI is designed to be straight forward and intuitive to use. Navigation is easy with menus to the left and the workspace to the right of the display. Graphical representations and selectable menu alternatives are used wherever possible.



Optical layer path calculations and wavelength service creation between network nodes as well as Layer 1 transport service creation between Smartoptics transponders are easily done by simple point and click actions. Just select a port in the node where the optical channel shall start and a port in another node where it shall end, give the service a name and you are done. The SoSmart Manager will automatically calculate the path and estimate its performance.

The SoSmart Manager also provides alarm lists and alarm logs to simplify fault-finding and troubleshooting as well as performance monitoring. Furthermore, the SoSmart Manager includes the necessary functions for an efficient administration of the optical network including an up-to-date inventory of the deployed network elements, and keeping track of e.g., mandatory software/firmware upgrades and necessary node element back-up files.

**SoSmart Controller** – The SoSmart Controller controls the network elements in the optical network enabling the configuration of settings and provisioning of services according to requests coming from the SoSmart Manager GUI and/or from higher-level management systems. The SoSmart Controller is based on the open-source transport path computation element ("**TransportPCE**") software and uses the non-proprietary NetConf and Open ROADM protocols to control the network elements. The communication links to the individual network elements are typically implemented over a secure and dedicated IP-network ("**DCN**") reaching each optical network node.

**SoSmart Planner** – The SoSmart Planner is an optical planning and simulation tool with the same GUI as the SoSmart Manager and using the open-source module GNPY for path simulations. The SoSmart Planner with GNPY is fully capable of doing both advanced OSNR simulations as well as advanced GSNR simulations where non-linear effects are taken into consideration.

The SoSmart Software Suite interworks seamlessly with the DCP network elements, each of them having data models based on Yang and supporting the Open ROADM APIs, which are made accessible via the NetConf protocol. This open approach has two important advantages: The DCP network elements may be directly controlled by other SDN controllers supporting the Open ROADM API and NetConf, and the SoSmart Software Suite can be extended to also control other optical network elements with relevant open APIs.

#### 6.4.5 Optical Devices

Smartoptics offers a comprehensive portfolio of high-end, high quality optical transceivers used for electrical/optical conversion in e.g. routers, switches, and radio base stations. The Smartoptics transceivers support all types of storage, data, voice, and video traffic, regardless of whether it comes to linking rack-to-rack, bottom-to-top of rack, data center-to-data center, or network-to-network with optical fiber.

Building on its system and networking expertise, Smartoptics expertise ensures the availability of the latest transceiver technology at the best price.

Depending on data rates and switch/router interfaces, Smartoptics transceivers come in several different variations and form factors:

Smartoptics' QSFP-DD transceivers offers the flexibility to both run 400G links and low-cost 100G links. QSFP-DD transceivers (DD = Double Density) have become the most popular form factor for 400G due to their size and efficiency compared to competing solutions in OSFP or CFP2 formats. The demand for 400G connectivity is driven by the tremendous requirement for high bandwidth in metro-/regional networks and cloud high-speed data center interconnect (DCI) solutions.

QSFP28 transceivers are designed for high capacity 100G Ethernet. Smartoptics' pluggable QSFP28 transceivers are a popular choice for data center interconnect (DCI). The QSFP28 transceivers can also be combined with the DCP suite of open line systems and ROADMs, and with modular transponders and muxponders to improve flexibility in metro, regional, and long-haul applications.

32G FC SFP28 transceivers are preferred for mission-critical storage area network ("**SAN**") applications. The Smartoptics SFP28 transceivers have been tested and approved for use with Cisco routers and switches. The certified solutions offer Cisco users a new approach to cost-effective data center connectivity for their Fibre Channel networking. Smartoptics is also end-to-end tested and approved by Brocade. Not just transceivers or multiplexers, but systems that allow intelligent long-distance connectivity based on IP over DWDM principles without the need for stand-alone DWDM platforms. SFP28 transceivers are not only used for 32G Fibre Channel but also for 25G Ethernet. This is advantageous for break-out applications, as when four SFP28 transceivers running 25G Ethernet can be aggregated into one QSFP28 100G Ethernet plug.

SFP+ transceivers are focused on storage area network protocols ranging from 1G up to 16G while also supporting other protocols such as Ethernet. SFP+ offers the versatility to be used in everything from Ethernet-based networks and broadband networks to SAN applications. QSFP+ transceivers are designed for running 40G Ethernet. One of the advantages of Smartoptics QSFP+ transceivers is that they can be used for cost-effective break-out applications, aggregating four 10G SFP+ signals into one QSFP+ 40G Ethernet plug.

SFP transceivers, finally, come in 100M and 1G Ethernet. Smartoptics SFP modules are used for Fast Ethernet, Gigabit Ethernet, BiDi, SDH Sonet, and in 4/5G mobile networks.



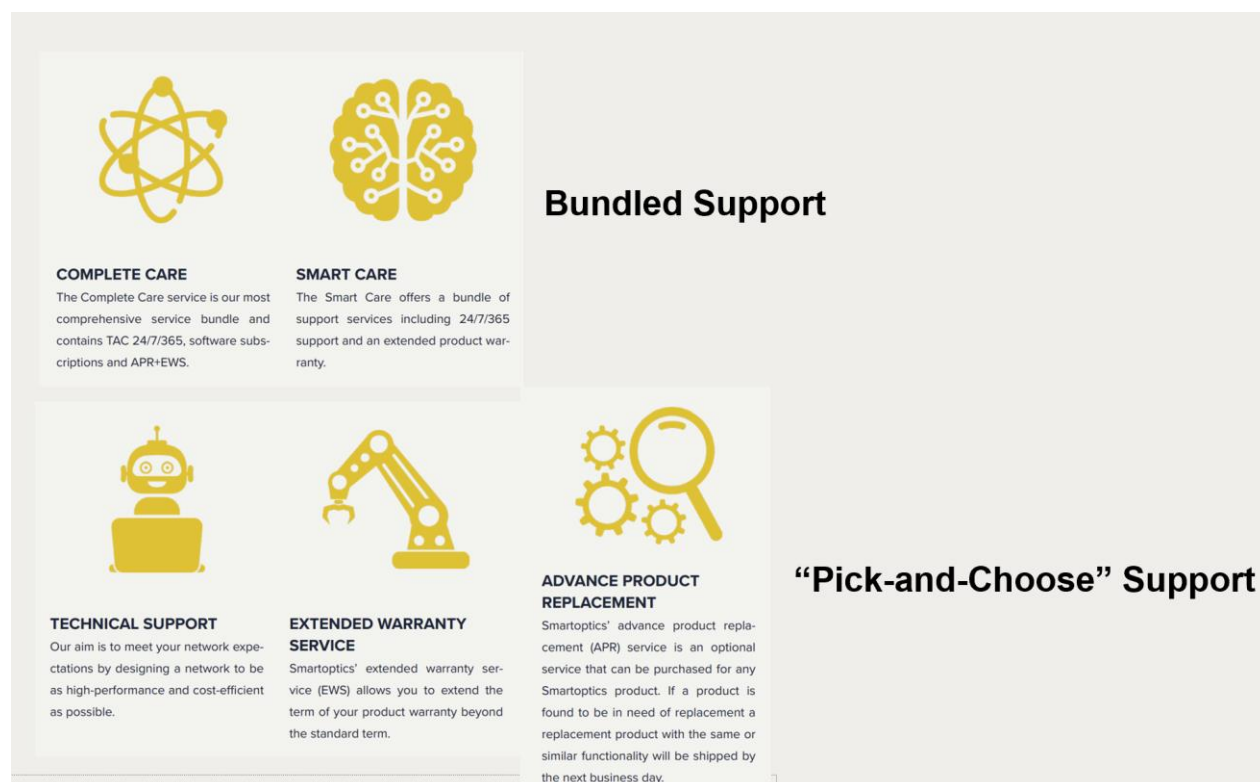
In addition to the transceivers, Smartoptics offers a complete portfolio of passive WDM multiplexors, OADMs, and cables, where applications span from high-speed data center interconnect (DCI) solutions to pure access network deployments for operators. The Smartoptics H-Series is a high density, cost-effective platform for passive optical

layer nodes such as CWDM and DWDM multiplexers/demultiplexers and optical add drop multiplexers ("**OADM**s"). The H-Series is ideal when implementing fully passive optical layer solutions transparent to any data rate and service type. All Smartoptics units can be housed in case hardened outdoor modules and used outdoors. The range of passive CWDM/DWDM multiplexers and OADM modules allow up to 16 CWDM and 80 DWDM channels to be connected simultaneously over a dark fiber network. These passive components are completely protocol transparent and suit applications including 1/10/100/400/800 Gbit/s Ethernet, SDH/SONET, 16/32 Gbit/s Fibre Channel/FICON, FTTx, and CATV.

Through the optical devices portfolio Smartoptics enable enterprises and service providers to leverage advances in pluggable optics in innovative ways, such as deploying IP over DWDM networks, lowering the cost, and creating better scalability for network owners.

#### 6.4.6 *Software and Services*

Smartoptics provides a wide range of services to its customers, mainly delivered by own inhouse resources. From network design, via staging and installation support to after sales support, Smartoptics ensures that the customer gets the most out of his network. The offering includes predefined support service bundles, where the customer can choose a complete set including software update subscriptions with technical support 24/7, advance product replacement, and extended warranty. Alternatively, the customer may pick and choose the individual support services of his interest.



Sales of advanced and complete optical networks to communication service providers and large IXPs do not only depend on the products themselves but also on the support that can be delivered by the vendor when the network has been deployed. Smartoptics therefore has a dedicated support team handling trouble tickets from all around the globe, 24 hours a day, every day of the year. Response times and customer satisfaction are measured continuously, and over 90% of our customers report that they are highly satisfied with the support they receive.

Professional services also play an important role in the Smartoptics growth strategy. The increasing number of customers signing up for Smartoptics' professional services is an important source of recurring revenue for the Company. By introducing service bundles such as Complete Care and Smart Care, choosing an adequate service level has been simplified for the customer, resulting in a rapidly growing number of service contracts. The ultimate objective

is that every network deal shall be accompanied by a professional service contract extending customer relations and providing continued income.

#### 6.4.7 *New products*

The Group launched its first 800G transponder on 1 April 2025, the product is planned to be made available for customers during Q3. The dual 400G/800G transponder is designed to maximize the potential of 800ZR technology for flexible and cost-efficient network scaling.

The DCP-802 is designed for three use cases:

- 1:1 transponder mode: Convert 800G, 400G or 100G gray signals to coherent DWDM
- Get more out of switches and routers with 800G breakout: Extend the life of 100G/400G ports with increased capacity or break out 800G ports into multiple lower-rate links for broader compatibility
- Enable signal hand-off with performance monitoring: Use the transponder's demarcation point to measure performance before handing off the signal to another system

The dual 400G/800G transponder features two client ports supporting a flexible range of QSFP-DD transceiver types. On the line side, it supports coherent DWDM 400G and 800G modulation formats, with optional Layer 1 encryption for easily securing data in transit.

To optimize capacity and reach for specific network needs, the transponder supports programmable line rates from 100G to 800G in small increments. These flexible data rates are made possible with cutting-edge technologies such as dynamically adjusting modulation and constellation shaping.

## 6.5 **Business strategy**

### 6.5.1 *Large account strategy*

The Group's large account strategy is focusing on growth among large network operators – national and global communication service providers – to anchor its revenue base in substantial, recurring streams. This large account strategy is underpinned by targeted product development: The Company's advanced reconfigurable optical add-drop multiplexers systems, high speed transponders and the SoSmart software suite are designed to meet the complex needs of major carriers and data center operators. Recent wins reinforce this approach – for example, USA regional operator WIN.

In pursuing the large account strategy, Smartoptics expects several key benefits:

- **Recurring Revenue & Visibility:** Contracts with big service providers often span multiple years and include software subscriptions and services. As the Group's customer base expands, it enjoys a growing stream of recurring software and services revenue and ample upsell opportunities
- **Long-Term Partnerships:** Engaging national carriers and large cloud providers translates into durable relationships. Smartoptics emphasizes continuous development of these accounts, aligning roadmaps with customer needs and ensuring its solutions evolve alongside the customers' networks. This fosters multi-year partnerships that not only secure repeat business but also reinforce Smartoptics' reputation and influence in the industry

### 6.5.2 *Geographic Expansion*

Historically, the bulk of revenues has come from North America and Europe. Now, the Company is continuing its expansion into Latin America and Asia-Pacific, regions where it had limited activity in the past. Effect has been seen of this strategy since 2023, when the Group expanded its presence in the Latin American market with multiple customer wins. The Asia-Pacific region emerged as a growth arena for the Group, posting a notable 48% increase in revenue in 2024 compared to 2023. By establishing footholds in these new territories, Smartoptics is unlocking new addressable markets and broadening its customer base.

Key aspects of the geographic expansion strategy include:



- Risk Mitigation: By growing in South America and Asia, the Company reduces reliance on any region, making its overall growth profile more resilient to economic or industry-specific downturns in one area
- New Market Opportunities: Entering underpenetrated markets opens new revenue streams. Many countries in Latin America and Asia are investing heavily in network infrastructure and upgrading to higher-bandwidth optical systems
- Global Market Positioning: A broader geographic footprint elevates Smartoptics' stature as a global player in optical networking. The Company's presence in Asia-Pacific and South America positions it to ride secular trends like cloud data center expansion, telecom fiber upgrades, and 5G/backbone builds in emerging economies. This not only drives near-term growth but also cements Smartoptics' long-term positioning in high-growth regions fueling the next wave of internet infrastructure development

## 6.6 Property, plant and equipment

As of 31 December 2024, the Group's property, plant, and equipment totaled USD 3,006 thousands. This amount included USD 1,432 thousands in R&D equipment, USD 228 thousands in production equipment, USD 552 thousands in office and warehouse fixtures, and USD 794 thousands in demo pool equipment. The R&D equipment primarily consists of test and laboratory equipment used by the Group in the development process.

## 6.7 Infrastructure and IT systems

The Company operates a hybrid IT environment with an on-premises Active Directory synchronized with Azure AD, providing centralized identity and access management. All users authenticate through Microsoft 365 with mandatory multi-factor authentication ("MFA"). The Company's ERP system, Sage X3, is used across most core functions of the Company, including operations, finance, customer service, and sales. It is integrated with the Company's identity platform to ensure consistent access control and user management.

The network is secured using Fortinet firewalls, and all endpoints are protected by CrowdStrike antivirus. Backups are performed regularly and tested between the Company's two office locations to verify data recovery procedures. User provisioning and offboarding follow standardized internal processes.

## 6.8 Legal proceedings

Neither the Company nor any member of the Group, is or has been, during the course of the preceding 12 months, involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

## 6.9 Material contracts

Neither the Company nor any other member of the Group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, neither the Company nor any other member of the Group has entered into any other contract outside the ordinary course of business that contains any provision under which any member of the Group has any obligation or entitlement that is material to the Group as the date of this Prospectus.



## 7 CAPITALISATION AND INDEBTEDNESS

### 7.1 Introduction

This Section 7 "Capitalisation and indebtedness" provides information about the Group's unaudited consolidated capitalisation and net financial indebtedness on an actual basis as at 30 June 2025.

### 7.2 Capitalisation

The following table sets forth information about the Group's unaudited consolidated capitalisation:

	<b>As at 30 June 2025 <sup>(1)</sup></b>
<i>In USD thousand</i>	
<b>Total current debt (including current portion of non-current debt) <sup>(2)</sup></b>	<b>12,455</b>
Guaranteed.....	-
Secured <sup>(4)</sup> .....	413
Unguaranteed / unsecured.....	12,042
<b>Total non-current debt (excluding current portion of non-current debt) <sup>(3)</sup>:</b>	<b>411</b>
Guaranteed.....	-
Secured <sup>(4)</sup> .....	170
Unguaranteed/unsecured.....	241
<b>Shareholder equity</b>	<b>25,890</b>
Share capital.....	194
Legal reserve(s).....	-
Other reserves <sup>(5)</sup> .....	25,696
<b>Total <sup>(5)</sup> .....</b>	<b>38,756</b>
<sup>(1)</sup> Unaudited <sup>(2)</sup> Total current liabilities deducted for non-cash items (Contract liabilities (current portion)) <sup>(3)</sup> Total non-current liabilities deducted for non-cash items (Contract liabilities (non-current portion)) <sup>(4)</sup> Collateral for the secured debt are fixed assets, inventory and accounts receivable <sup>(5)</sup> Excluding profit for the period of USD 504k related to first six months 2025	

### 7.3 Net financial indebtedness

The following table set forth information about the Group's unaudited consolidated net financial indebtedness:

	<b>As at 30 June 2025 <sup>(1)</sup></b>
<i>In USD thousand</i>	

		<b>As at 30 June 2025 <sup>(1)</sup></b>
<i>In USD thousand</i>		
(A)	Cash <sup>(2)</sup> .....	2,956
(B)	Cash equivalents.....	-
(C)	Other current financial assets <sup>(3)</sup> .....	108
<b>(D)</b>	<b>Liquidity (A)+(B)+(C).....</b>	<b>3,064</b>
	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt).....	12,042
(E)	Current portion of non-current financial debt.....	413
<b>(G)</b>	<b>Current financial ineptness<sup>(4)</sup> (E)+(F).....</b>	<b>12,455</b>
<b>(H)</b>	<b>Net current financial indebtedness (G)-(D).....</b>	<b>9,391</b>
	Non-current financial debt (excluding current portion and debt instruments).....	411
(I)	Debt instruments.....	-
(J)	Non-current trade and other payables.....	-
<b>(L)</b>	<b>Non-current financial indebtedness<sup>(5)</sup> (I)+(J)+(K).....</b>	<b>411</b>
<b>(M)</b>	<b>Total financial indebtedness (H)+(L).....</b>	<b>9,802</b>

(1) Unaudited

(2) Cash includes USD 43k held in a restricted account, which is legally restricted for payment of withheld payroll taxes and is not available for other corporate purposes

(3) Other current financial assets includes USD 108k held in a restricted account, which is legally restricted for an office lease contract and is not available for other corporate purposes

(4) Total current liabilities (trade payable, lease liabilities (current portion), tax payable, public duties payable & other current liabilities), deducted for non-cash items (Contract liabilities (current portion))

(5) Total non-current liabilities deducted for non-cash items (Contract liabilities (non-current portion))

## 7.4 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

## 7.5 Contingent and indirect indebtedness

As of 30 June 2025 and as of the date of the Prospectus, the Group did not have any contingent or indirect indebtedness.

## 8 FINANCIAL AND OTHER INFORMATION

### 8.1 Introduction and basis for preparation

For an overview of presentation of financial information in this Prospectus, see Section 4.2 "Presentation of financial and other information".

The following selected financial information has been extracted from, should be read in connection with, and is qualified in its entirety by reference to the Financial Information attached to this Prospectus.

The selected data set out in sections 8.1 to 8.6 includes financial information for the following periods, and has been extracted from the sources set out below:

- The financial years ended 31 December 2024 and 2023 (extracted from the Annual Financial Statements attached as Appendix 2); and
- the six-month periods ended 30 June 2025 and 2024 (extracted from the Interim Financial Statements attached as Appendix 3)

### 8.2 Summary of accounting policies and principles

For information regarding accounting policies and principles, see note 2 of the Annual Financial Statements for the financial year ended 31 December 2024, attached hereto as Appendix 2.

### 8.3 Data from consolidated income statements and statements of comprehensive income

The table below provides selected data pertaining to the Company's consolidated income statements for the periods indicated.

Table – Selected data from consolidated income statements				
	Six-month period ended 30 June		Year ended 31 December	
(Amounts in USD thousand)	2025 <sup>(1)</sup>	2024 <sup>(1)</sup>	2024	2023
<b>Revenue</b>				
Revenue from contracts with customers	33,027	25,640	55,394	58,474
Other operating income	0	1	114	30
<b>Total revenue and other operating income</b>	<b>33,027</b>	<b>25,640</b>	<b>55,508</b>	<b>58,504</b>
<b>Operating expenses</b>				
Direct cost of sales	-17,161	-13,345	-28,784	-29,234
Employee benefit expenses	-9,680	-8,139	-14,795	-14,140
Other operating expenses	-2,413	-2,083	-6,347	-4,329
<b>Total operating expenses</b>	<b>-29,254</b>	<b>-23,567</b>	<b>-49,926</b>	<b>-47,703</b>
Amortization of intangible assets	-244	-161	-318	-283
Depreciation	-1,109	-942	-1,975	-1,576
<b>Total depreciation and amortization</b>	<b>-1,353</b>	<b>-1,103</b>	<b>-2,293</b>	<b>-1,859</b>
<b>Operating profit/(loss)</b>	<b>2,420</b>	<b>970</b>	<b>3,289</b>	<b>8,942</b>
Financial income	134	2	315	252
Financial expenses	-114	-170	-310	-241
Net foreign exchange gains (losses)	-1,691	873	2,084	638
<b>Net financial items</b>	<b>-1,671</b>	<b>706</b>	<b>2,090</b>	<b>648</b>
<b>Profit/(loss) before income tax</b>	<b>749</b>	<b>1,676</b>	<b>5,379</b>	<b>9,590</b>

Income tax	-245	-435	-1,337	-2,119
<b>Profit/(loss) for the period</b>	<b>504</b>	<b>1,241</b>	<b>4,042</b>	<b>7,471</b>

<sup>(1)</sup> Unaudited

The table below provides selected data pertaining to the Company's consolidated statements of comprehensive income for the periods indicated.

<b>Table – Selected data from consolidated statements of comprehensive income</b>				
<i>(Amounts in USD thousand)</i>	<b>Six-month period ended 30 June</b>		<b>Year ended 31 December</b>	
	<b>2025 <sup>(1)</sup></b>	<b>2024 <sup>(1)</sup></b>	<b>2024</b>	<b>2023</b>
Profit / (loss) for the period	504	1,241	4,042	7,471
<b>Other comprehensive income:</b>				
Items that might be subsequently reclassified to profit or loss				
Exchange differences on translation of foreign operations	-28	17	-117	223
Items that are not reclassified to profit or loss				
Exchange differences on translation to another presentation currency	3,123	-1,781	-3,179	-734
Total comprehensive income for the period	3,599	-524	746	6,960

<sup>(1)</sup> Unaudited

## 8.4 Data from consolidated statements of financial position

The table below provides selected data on assets pertaining to the Company's consolidated statements of financial position for the periods indicated.

Table – Selected data from consolidated statements of financial position – Assets				
(Amounts in USD thousand)	As at 30 June		As at 31 December	
	2025 <sup>(1)</sup>	2024 <sup>(1)</sup>	2024	2023
<b>ASSETS <sup>(2)</sup></b>				
<b>NON-CURRENT ASSETS</b>				
Intangible assets	2,695	1,433	1,914	1,342
Property, plant and equipment	3,521	2,969	3,006	2,796
Right-of-use assets	1,006	1,545	1,205	1,912
Deferred tax assets	1,573	1,018	955	1,066
<b>Total non-current assets</b>	<b>8,795</b>	<b>6,965</b>	<b>7,080</b>	<b>7,116</b>
<b>CURRENT ASSETS</b>				
Inventories	16,777	14,627	12,615	14,198
Trade receivable	19,824	17,241	19,864	16,953
Other current assets	1,481	935	1,374	1,420
Cash and cash equivalents	3,064	5,089	7,972	9,321
<b>Total current assets</b>	<b>41,146</b>	<b>37,893</b>	<b>41,826</b>	<b>41,893</b>
<b>Total assets</b>	<b>49,941</b>	<b>44,858</b>	<b>48,906</b>	<b>49,010</b>

<sup>(1)</sup> Unaudited

The table below provides selected data on equity and liabilities pertaining to the Company's consolidated statements of financial position for the periods indicated.

Table – Selected data from consolidated statements of financial position – Equity and liabilities				
(Amounts in USD thousand)	As at 30 June		As at 31 December	
	2025 <sup>(1)</sup>	2024 <sup>(1)</sup>	2024	2023
<b>EQUITY</b>				
Share capital	194	184	173	189
Share premium	14,752	13,992	13,121	12,404
Other paid in capital	-	20	-	20
Foreign currency translation reserves	265	428	294	411
Retained earnings	11,183	12,557	14,866	17,023
<b>Total equity</b>	<b>26,394</b>	<b>27,182</b>	<b>28,453</b>	<b>30,048</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Lease liabilities (non-current portion)	349	909	539	1,271
Contract liabilities (non-current portion)	4,971	3,666	4,939	3,430
Borrowings (non-current portion)	62	589	277	883
<b>Total non-current liabilities</b>	<b>5,383</b>	<b>5,165</b>	<b>5,755</b>	<b>5,583</b>
<b>Current liabilities</b>				
Lease liabilities (current portion)	718	707	730	716

Trade payable	7,708	3,040	5,048	4,483
Contract liabilities (current portion)	5,710	3,140	4,030	3,133
Tax payable	248	1,198	1,118	1,424
Public duties payable (VAT, Tax)	372	1,443	1,057	947
Other current liabilities	3,408	2,982	2,714	2,676
<b>Total current liabilities</b>	<b>18,164</b>	<b>12,511</b>	<b>14,697</b>	<b>13,378</b>
<b>Total liabilities</b>	<b>23,547</b>	<b>17,676</b>	<b>20,452</b>	<b>18,962</b>
<b>Total equity and liabilities</b>	<b>49,941</b>	<b>44,858</b>	<b>48,906</b>	<b>49,010</b>

<sup>(1)</sup> Unaudited

## 8.5 Data from consolidated cash flow statements

The table below provides selected data pertaining to the Company's consolidated cash flows statements for the periods indicated.

Table – Data from consolidated cash flow statements				
	Six-month period ended 30 June		Year ended 31 December	
(Amounts in USD thousand)	2025 <sup>(1)</sup>	2024 <sup>(1)</sup>	2024	2023
<b>Profit/ (loss) before income tax</b>	<b>749</b>	<b>1,676</b>	<b>5,379</b>	<b>9,590</b>
Taxes paid	-977	-	-1,214	-
Depreciation and amortization	1,353	1,102	2,293	1,859
Net interest expense	-20	-	-9	-11
Change in inventory	-4,162	-429	1,584	1,225
Change in trade receivable	41	-288	-2,911	-1,038
Change in contract liabilities (deferred revenues)	1,712	244	2,407	2,447
Change in trade payable	2,660	-1,443	565	-1348
Changes in other current assets and other liabilities	654	-293	-2,020	-1,123
Interest received	134	-	315	252
<b>Net cash inflow from operating activities</b>	<b>2,144</b>	<b>569</b>	<b>6,387</b>	<b>11,853</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Payment for property, plant, and equipment	-762	-877	-1,729	-1,760
Payment for development cost	-461	-407	-1,039	-724
Payment for other intangible assets	-298	-	-	-
<b>Net cash (outflow) from investing activities</b>	<b>-1,521</b>	<b>-1,285</b>	<b>-2,768</b>	<b>-2,484</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issuance of ordinary shares	-	2,107	2,107	-
Repurchase of warrants	-	-	-	-127
Dividend paid out	-5,660	-4,449	-4,449	-4,391
Proceeds from new borrowings	-	-	-	556
Repayment of borrowing	-275	-255	-514	-608
Paid interest	-114	-135	-306	-241
Repayment of lease liabilities	-454	-399	-723	-715
<b>Net cash inflow from financing activities</b>	<b>-6,502</b>	<b>-3,130</b>	<b>-3,886</b>	<b>-5,526</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>-5,880</b>	<b>-3,846</b>	<b>-267</b>	<b>3,842</b>
Cash and cash equivalents beginning of period	7,972	9,321	9,321	5,660
Effects of exchange rate changes on cash and cash equivalents	971	-387	-1,082	-181
<b>Cash and cash equivalents end of period</b>	<b>3,065</b>	<b>5,089</b>	<b>7,972</b>	<b>9,321</b>

<sup>(1)</sup> Unaudited

## 8.6 Data from statements of changes in equity

The table below provides selected data pertaining to the Company's statements of changes in equity for the periods indicated.

Table – Selected data from statements of changes in equity						
	Issued capital	Share premium	Other paid-in capital	Foreign currency translation reserves	Retained earnings	Total equity
<i>(Amounts in USD thousand)</i>						
<b>As at 1 January 2023</b>	<b>195</b>	<b>12,801</b>	<b>152</b>	<b>188</b>	<b>14,269</b>	<b>27,606</b>
Profit/loss for the period	-	-	-	-	7,471	7,471
Other comprehensive income:						
Exchange differences on translation of foreign operations	-	-	-	223	-	223
Exchange differences on translation to another presentation currency	-6	-397	-5	-	-326	-734
<b>Total comprehensive income/loss for the period</b>	<b>-6</b>	<b>-397</b>	<b>-5</b>	<b>223</b>	<b>7,145</b>	<b>6,960</b>
Repurchase of warrants	-	-	-127	-	-	-127
Dividend	-	-	-	-	-4,391	-4,391
<b>At 31 December 2023</b>	<b>189</b>	<b>12,404</b>	<b>20</b>	<b>411</b>	<b>17,023</b>	<b>30,048</b>
<b>As at 1 January 2024</b>	<b>189</b>	<b>12,404</b>	<b>20</b>	<b>411</b>	<b>17,023</b>	<b>30,048</b>
Profit/loss for the period	-	-	-	-	4,042	4,042
Other comprehensive income:						
Exchange differences on translation of foreign operations	-	-	-	-117	-	-117
Exchange differences on translation to another presentation currency	-20	-1,388	-	-	-1,771	-3,179
<b>Total comprehensive income/loss for the period</b>	<b>-20</b>	<b>-1,388</b>	<b>0</b>	<b>-117</b>	<b>2,272</b>	<b>746</b>
Reclassification	-	-	-20	-	20	-
Issuance of ordinary shares	3	2,104	-	-	-	2,107
Dividend	-	-	-	-	-4,449	-4,449
<b>At 31 December 2024</b>	<b>173</b>	<b>13,121</b>	<b>0</b>	<b>294</b>	<b>14,865</b>	<b>28,453</b>
<b>As at 1 January 2024</b>	<b>189</b>	<b>12,404</b>	<b>20</b>	<b>411</b>	<b>17,023</b>	<b>30,048</b>
Profit/loss for the period	-	-	-	-	1,241	1,241
Other comprehensive income:						
Exchange differences on translation of foreign operations	-	-	-	17	-	17
Exchange differences on translation to another presentation currency	-8	-516	-1	-	-1,256	-1,781
<b>Total comprehensive income/loss for the period</b>	<b>-8</b>	<b>-516</b>	<b>-1</b>	<b>17</b>	<b>-15</b>	<b>-524</b>
Issuance of ordinary shares	3	2,104	-	-	-	2,107
Dividend	-	-	-	-	-4,449	-4,449
<b>As at 30 June 2024 (unaudited)</b>	<b>194</b>	<b>13,992</b>	<b>20</b>	<b>428</b>	<b>12,558</b>	<b>27,182</b>
<b>As at 1 January 2025</b>	<b>173</b>	<b>13,121</b>	<b>0</b>	<b>294</b>	<b>14,865</b>	<b>28,453</b>
Profit/loss for the period	-	-	-	-	504	504
Other comprehensive income:						
Exchange differences on translation of foreign operations	-	-	-	-28	-	-28
Exchange differences on translation to another presentation currency	21	1,631	-	-	1,471	3,123
<b>Total comprehensive income/loss for the period</b>	<b>21</b>	<b>1,631</b>	<b>-</b>	<b>-28</b>	<b>1,975</b>	<b>3,599</b>
Dividend	-	-	-	-	-5,660	-5,660
<b>As at 30 June 2025 (unaudited)</b>	<b>194</b>	<b>14,752</b>	<b>0</b>	<b>265</b>	<b>11,183</b>	<b>26,394</b>



**8.7 Investments**

The Group has not made any material investments since 30 June 2025, nor does it have any material investments in progress or made firm commitments for such investments.

**8.8 Related party transactions**

The Company has not carried out any related party transactions since 30 June 2025.

**8.9 Trend information**

Recent changes in U.S. trade policy, particularly the introduction of new tariffs on a range of goods, including certain telecom components, have started to influence production and cost dynamics. The Group's supply chain is diversified and the impact of tariffs from products sourced in China delivered to the U.S market, with the current U.S tariff level, is minor in relation to the Group's total revenue. To mitigate potential impact, the Group is using supplier diversification strategies to optimize costs. At this stage, the Group continues to assess whether adjustments will be necessary in the coming quarters, particularly if tariff pressures persist.

The Company experiences a seasonality trend in its sales. A larger portion of annual revenue is typically generated in the fourth quarter, driven by increased customer demand and seasonal purchasing patterns. Conversely, the first quarter tends to reflect lower sales volumes, consistent with industry trends and customer buying behavior following the year-end period. This seasonality is a normal aspect of the Group's business and is considered in its planning, inventory, and resource allocation strategies.

For the period 2026-2030, the Group has a target to increase the market share within relevant markets by two to three times. With the scalable business model and further efficiency improvements, the Group targets an EBIT margin in the range of 13-16 percent.

**8.10 Significant changes**

No significant changes have occurred in the Group's financial performance or to its financial position since 30 June 2025 and to the date of this Prospectus.

## 9 ORGANIZATION, BOARD OF DIRECTORS AND MANAGEMENT

### 9.1 Introduction

The Company's highest decision-making authority is the general meeting of shareholders. All shareholders in the Company are entitled to attend or be presented by proxy and vote at general meetings of the Company and to table draft resolutions for items to be included on the agenda for a general meeting.

The overall management of the Company is vested in the Company's Board of Directors and the management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organization, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's chief executive officer (the "CEO"), is responsible for keeping the Company's accounts in accordance with prevailing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner.

### 9.2 Board of directors

#### 9.2.1 Overview

The Company's Articles of Association provide that the Board of Directors shall consist of from 3 to 5 board members. The below table sets forth information of the Board of Directors as of the date of this Prospectus.

Table 5 – Overview of the members of the Company's Board of Directors	
Name	Position
Thomas Ramm	Chair
Karl Andreas Thedeen	Board Member
Sara Christina Petersdotter Heiner Asplund	Board Member
Einar Caspersen	Deputy Board Member

The Company's registered office at c/o Smartoptics AS, Brynsalléen 2, 0667 Oslo, Norway, serves as the business address for the members of the Board of Directors in relation to their positions in the Company.

#### 9.2.2 Brief biographies of the Board of Directors

The following sets out a brief introduction to each of the members of the Company's Board of Directors:

#### Thomas Ramm – Chair of the Board

Thomas Ramm is the Chair of the Board of Directors and co-founder of Smartoptics Group AS. His experience with Smartoptics Group AS, and other companies, gives him a depth of insight into everything from operational processes to commercial and technical knowhow. Ramm is the owner of Coretech AS and serves as Chair of the board of directors of Etain AS and Apini AS. He holds a Bachelor of Information Technology from EDB Høyskolen in Oslo, Norway.

Directorships and senior management positions	
Current directorships and senior management positions	Etain AS (Chair and CEO), Apini AS (Chair), Coretech AS (Chair and CEO)
Previous directorships and senior management positions last five years	None

#### Karl Andreas Thedéen – Board member

Karl Thedéen is CEO of Studsvik AB, and also serves as board member of Net Insight AB and Outpost24. He holds an MSc. in Systems Engineering from the Royal Institute of Technology, and brings extensive experience from the telecommunications industry where he has been the CEO of Transmode AB and held senior management positions in Ericsson.

Directorships and senior management positions	
Current directorships and senior management positions	Extrem Borr och Sågteknik SP AB (Chair), Blågul Spinnaker MidCo III AB (Chair), Net Insight AB (Board Member), Tant Grön konsult AB (Board Member and Deputy CEO), Studsvik AB (CEO)
Previous directorships and senior management positions last five years	Specops Software Holding AB (Chair), Outpost 24 Development AB (Chair), Blågul Spinnaker Intressenter AB (Board Member), Semcon Aktiebolag (Board Member), Cavena Image Products Aktiebolag (Board Member), Specoptions AB (Deputy Board Member), Edgeware AB (CEO)

### Sara Christina Petersdotter Heiner Asplund – Board member

Sara Heiner Asplund is an accomplished finance professional with extensive experience in leadership roles, including current positions as Board Member at Smartoptics and Director of Finance and Accounting at Etraveli Group. With a strong background in financial management, Sara has served as Chief Financial Officer at Ideal of Sweden and Svea Solar and held the role of Finance Director and CFO at Plantasjen. Additional board experience includes Outpost24. Sara is the owner of Heiner Asplund Consulting AB since 2017. She holds a Master of Science in Industrial Engineering & Management from Royal Institute of Technology Stockholm.

Directorships and senior management positions	
Current directorships and senior management positions	Marco Polo Travel AS (Board Member), Heiner Asplund Consulting AB (Board Member, CEO, owner), Etraveli Group (Senior Director Finance, Accounting & Tax)
Previous directorships and senior management positions last five years	Outpost24 Holding AB (Board Member, Chair Audit Committee), Danderyd Basket (Board Member), Ideal of Sweden (CFO), Svea Solar (CFO), Plantasjen Group (CFO/Finance Director)

### Einar Caspersen – Deputy Board member

Einar Caspersen is a lawyer and partner at the Norwegian law firm Schjødt, where he specialises in corporate, M&A/private equity and real estate transactions. He is continuously ranked as a leading Norwegian practitioner within the aforementioned fields. Caspersen is cand. jur. from the University of Oslo and is admitted to the Supreme Court of Norway. He has experience from serving as board member of several companies.

Directorships and senior management positions	
Current directorships and senior management positions	Midas Eiendom AS (Board Member), Havinvest AS (Chair), Sjøinvest Holding AS (Chair), Goar Holding AS (Chair), Berger Terminal Holding II AS (Deputy Board Member), Jaco Invest AS (Board Member), Advokatfirmaet Schjødt AS (Board Member and Partner), Vestby Handelsinvest AS (Board Member), Solplassen Holding AS (Chair), Oro Stokkamyr AS (Board Member), Oro Stokkamyrveien 5-11 AS (Board Member), Group of Leading Dentists Holding AS (Chair), Bukta AS (Board Member), Sentrumsparkering Ks (Board Member), Sjøgård AS (Chair), Kløvningen AS (Chair), Sjøeinar AS (Chair and Manager), Partrederiet Tessa Pg Da (Board Member), Lipscore International AS (Board Member)
Previous directorships and senior management positions last five years	Tivian Holding AS (Board member), Atlas Partners AS (Chair), C-Medical Group AS (Chair and Board Member), Casperla AS (Chair and Board member), Colosseumklinikken Datter AS (Chair), Group of Leading Dentists AS (Chair), Ocnn 2 AS (Chair), Sjøfar AS (Chair), Fyrstikktoget Utvikling AS (Board Member), Midas Group AS (Board Member), QuestBack AS (Board Member)

## 9.3 Management

### 9.3.1 Overview

The management of the Company consists of 7 individuals. Please find details regarding the Company's management, as of the date of this Prospectus, in the table below:

<b>Table 6 – Overview of the members of the Company's management</b>	
<b>Name</b>	<b>Position</b>
Magnus Grenfeldt	CEO
Stefan Karlsson	CFO
Kent Lidström	CTO
Per Burman	CMO
Ronald Hübsch	VP of Supply Chain
Björn Andersson	SVP Business area optical devices
Andreas Persson	Director of R&D

The Company's registered office at c/o Smartoptics AS, Brynsalléen 2, 0667 Oslo, Norway, serves as business address for the members of the Management in relation to their positions in the Company.

### 9.3.2 Brief biographies of the Management

The following sets out a brief introduction to each of the members of the Company's Management:

#### Magnus Grenfeldt – CEO

Magnus has over 20 years of experience from the optical networking industry and has held several management, sales and business development positions at Transmode, Infinera, ADVA Optical Networking, Sycamore Networks and Ericsson. He holds a Master of Science degree in Materials Physics from Uppsala University.

<b>Directorships and senior management positions outside the Group</b>	
Current directorships and senior management positions	Stockholm W Networks AB (Chair), Smartoptics Group AB (CEO), Smartoptics Group US Corp (CEO)
Previous directorships and senior management positions last five years	None

#### Stefan Karlsson – CFO

Prior to joining Smartoptics, he held the position as Director of Finance and Accounting at Trustly since November 2020. Previously, he was the Director of Finance at Infinera. His background also includes positions in financial controlling and accounting at Transmode, PacketFront, Powerwave Technologies, Allgon and IconMedialab, as well as a tenure as an auditor at PwC. He holds a Bachelor degree in Business and Economics from Stockholm University and has studied Business Administration at the University of Macau.

<b>Directorships and senior management positions</b>	
Current directorships and senior management positions	Addera Balans AB (Board Member), Smartoptics US Corp (Board Member)
Previous directorships and senior management positions last five years	Infinera AB (Director of Finance Infinera Metro BG)

#### Kent Lidström – CTO

Kent has more than 20 years of experience from telecom industry. He has held various positions at Transmode and Infinera, including a 4-year assignment in the USA where he worked as the director of sales engineering. Prior to this Kent held several positions at Ericsson. Kent holds a Bachelor of Science degree in Engineering, Mechanical Engineering from the Royal Institute of Technology (KTH).

<b>Directorships and senior management positions outside the Group</b>	
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Current directorships and senior management positions	None
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Previous directorships and senior management positions last five years	None
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### Per Burman – CMO

Per has more than 15 years of experience from the optical networking industry. In the past, Per has held several sales and management positions at Tilgin, Transmode and Infinera. He holds a Master of Science degree in Engineering from the Royal Institute of Technology.

#### Directorships and senior management positions outside the Group

Current directorships and senior management positions	Libura AB (Deputy Board Member)
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Previous directorships and senior management positions last five years	None
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### Ronald Hübsch – VP of Supply Chain

Ronald has more than 20 years of experience from the optical telecommunication industry. He has held several positions in procurement, sales and production engineering at Coriant, Infinera, Nokia Siemens Networks, Siemens and Taclink. He holds a Diplom-Ingenieur degree in Electrical Engineering from Technical University, Berlin.

#### Directorships and senior management positions outside the Group

Current directorships and senior management positions	None
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Previous directorships and senior management positions last five years	None
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### Björn Andersson – SVP Business area optical devices

Björn has over 25 years of experience in the optical networking industry. Prior to joining Smartoptics, he has held several product, sales, management and business development positions at Infinera, Transmode, Lumentis, Ericsson and Sycamore Networks. Including multiyear expat assignments in Italy and USA. He holds a Bachelor of Science in Software/Electronic Engineering, specializing in Data communication and Distributed Systems.

#### Directorships and senior management positions outside the Group

Current directorships and senior management positions	None
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Previous directorships and senior management positions last five years	Infinera AB (Board Member and Managing Director), Infinera SVP Channels
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### Andreas Persson – Director of R&D

Andreas has over 15 years of experience in R&D management, with 10 of those years focused on the telecom and IT infrastructure industry. Prior to joining Smartoptics, he held key roles at Transmode/Infinera between 2009 and 2017, and at PacketFront from 2017 to 2019. He brings deep technical expertise combined with leadership experience in developing and delivering innovative infrastructure solutions. Andreas holds a Master of Science degree in Engineering Physics from the Royal Institute of Technology and a Master of Business Administration from Blekinge Institute of Technology.

#### Directorships and senior management positions outside the Group

Current directorships and senior management positions	None
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Previous directorships and senior management positions last five years    None

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#### **9.4 Nomination committee**

Section 8 of the Company's Articles of Association provides for a nomination committee, which is elected by the general meeting. The nomination committee shall present proposals to the general meeting regarding (i) election of the chair of the board, board members and any deputy members to the board and (ii) election of members of the nomination committee. The nomination committee shall also present proposals to the general meeting for remuneration of the board and the nomination committee.

The members of the nomination committee are Thomas Ramm (Chair) and Einar Caspersen (member), with effect from the time of Listing of the Company's Shares on Euronext Oslo Børs.

#### **9.5 Audit committee**

The Company has established an audit committee composed of Thomas Ramm (Chair) and Sara Heiner Asplund (member), with effect from the time of Listing of the Company's Shares on Euronext Oslo Børs. The composition of the audit committee fulfils the requirements for qualifications and competence in accounting and auditing under the Norwegian Public Limited Liability Companies Act.

The function of the audit committee is to prepare matters to be considered by the Board of Directors and to support the Board of Directors in the exercise of its management and supervisory responsibilities relating to financial reporting, statutory audit and internal control.

The audit committee shall report and make recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

#### **9.6 Remuneration committee**

The Company has established a remuneration committee consisting of Thomas Ramm (Chair) and Karl Thedéen (member), with effect from the time of Listing of the Company's Shares on Euronext Oslo Børs.

The purpose of the remuneration committee is to evaluate and propose the compensation of the Company's CEO and other members of the executive management team and issue an annual remuneration report on the compensation of the members of Management and the Board of Directors, which shall be voted on at the Company's annual general meetings and to suggest amendments to the Company's remuneration policy.

#### **9.7 Conflict of interests**

During the last five years preceding the date of this Prospectus, none of the Board Members or the members of the Management has, or had, as applicable:

- any convictions in relation to fraudulent offences;
- been involved in any bankruptcies, receiverships, liquidations or companies put into administration where he/she has acted as a member of the administrative, management or supervisory body of a company, nor as partner, founder or senior manager of a company; or
- received any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), nor been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of affairs of any issuer.

There are currently no actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Management or the Board of Directors, including any family relationships between such persons.

There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any member of the Company's Management or Board of Directors was selected.

## 9.8 Regulatory disclosures

The Company is subject to disclosure requirements under the Norwegian Securities Trading Act, including the requirements set out in Regulation (EU) No 596/2014 on market abuse (MAR). Below is a summary of certain disclosures made by the Company under its ticker code "SMOP" on [www.newsweb.no](http://www.newsweb.no) in the 12 months prior to the date of this Prospectus:

### Financial information:

Date	Title	Description
14 July 2025	Smartoptics Group AS (SMOP) - Q2 2025 financial results	Release of Q2 2025 financial results
25 June 2025	Financial calendar	Changed date for Q3 report to October 29
9 May 2025	Financial calendar	Extraordinary general meeting 23 May 2025 added in the presentation of dates for publication of financial results in 2025
8 May 2025	Smartoptics Group AS (SMOP) - Q1 2025 financial results	Release of Q1 2025 financial results
11 April 2025	Smartoptics Group AS (SMOP) releases Annual report 2024	Release of annual report for 2024
13 February 2025	Smartoptics Group AS (SMOP) - Q4 2024 financial results	Release of Q4 2024 financial results
17 December 2024	Financial calendar	Presentation of dates for publication of financial results in 2025
23 October 2024	Smartoptics Group AS (SMOP) - Q3 2024 financial results	Release of Q3 2024 financial results
15 July 2024	Smartoptics Group AS (SMOP) - Q2 2024 financial results	Release of Q2 2024 financial results

### Other disclosures:

Date	Title	Description
26 August 2025	Smartoptics Group ASA (SMOP) uplists to the Oslo Børs main market	Announcement of Smartoptics Group ASA's approval for uplisting to Oslo Børs main market
20 August 2025	Smartoptics Group ASA – Conversion to public limited liability company registered	Announcement of registered conversion to public limited liability company (ASA)
11 July 2025	REMINDER: Smartoptics Group AS: Invitation to presentation of second quarter results 2025	Reminder of the invitation to the quarterly release presentation
7 July 2025	Smartoptics Group AS: Invitation to presentation of second quarter results 2025	Invitation to the quarterly release presentation

26 June 2025	Smartoptics Achieves EcoVadis Gold and Accelerates Sustainability Initiatives	Release of Smartoptics' 2024 Sustainability Report
23 May 2025	Smartoptics Group AS (SMOP) – Extraordinary general meeting held	Publication of the minutes from the 2025 Extraordinary General Meeting
21 May 2025	Netomnia scales 800G-ready ROADM network across UK with Smartoptics	Announcement of Netomnia's deployment of a Smartoptics ROADM-based core network
15 May 2025	Smartoptics Group AS: Mandatory notification of trade	Notification of transaction conducted by a primary insider of the Company
9 May 2025	Notice of Extraordinary General Meeting (SMOP)	Publication of the notice for the Extraordinary General Meeting 23 May 2025
9 May 2025	Smartoptics Group AS (SMOP) – Ex. dividend NOK 0.60 today	Notification of the ex. dividend date
8 May 2025	Smartoptics Group AS (SMOP) – Annual General Meeting held	Publication of the minutes from the 2025 Annual General Meeting
5 May 2025	REMINDER: Smartoptics Group AS: Invitation to presentation of first quarter results 2025	Reminder of the invitation to the quarterly release presentation
30 April 2025	Smartoptics Group AS: Invitation to presentation of first quarter results 2025	Invitation to the quarterly release presentation
24 April 2025	Key information relating to the cash dividend for 2024 to be paid by Smartoptics Group AS (SMOP)	Notification of the details of the cash dividend for 2024
24 April 2025	Notice of Annual General Meeting (SMOP)	Publication of the notice to the 2025 Annual General Meeting
1 April 2025	Smartoptics launches the dual DCP-802 transponder for scalable 800G networking	Announcement of the launch of the new DCP-802 transponder
20 March 2025	Digital Edge meets rapidly growing Indonesian connectivity demands with Smartoptics	Announcement of partnership with Digital Edge and Indonet
20 February 2025	AirFaster lights up challenging coastal network with Smartoptics	Announcement of AirFaster Telecomunicaciones deploying Smartoptics open line systems for a 600 km network
11 February 2025	REMINDER: Smartoptics Group AS: Invitation to presentation of fourth quarter results 2024	Reminder of the invitation to the quarterly release presentation
6 February 2025	Smartoptics Group AS: Invitation to presentation of fourth quarter results 2024	Invitation to the quarterly release presentation



30 January 2025	NextLight simplifies management of high-speed network with Smartoptics	Announcement of NexLight's upgrade with a Smartoptics solution
12 December 2024	Smartoptics Expands Offering to Regional Optical Networks with New Amplifiers: DCP-F-VG and DCP-F-RA	Announcement of the launch of amplifiers
5 December 2024	Eurotransplant switches to Smartoptics to secure mission-critical workloads	Announcement of Eurotransplant's switch to a Smartoptics solution
20 November 2024	SG.GS selects Smartoptics for 400G metro services in Singapore, scalable to 800G and beyond	Announcement of SG.GS' upgrade with advanced technology from Smartoptics
7 November 2024	Smartoptics Group AS: Mandatory notification of trade	Notification of transaction conducted by a primary insider of the Company
23 October 2024	Smartoptics enters long-term partnership with US technology solutions provider WIN Technology	Announcement of a long-term partnership with WIN Technology
21 October 2024	REMINDER: Smartoptics Group AS: Invitation to presentation of third quarter results 2024	Reminder of the invitation to the quarterly release presentation
16 October 2024	Smartoptics Group AS: Invitation to presentation of third quarter results 2024	Invitation to the quarterly release presentation
5 September 2024	ASOM-Net reduces TCO with Smartoptics 400G disaggregated networking	Announcement of ASOM-Net choosing Smartoptics for 400G disaggregated optical networking
9 July 2024	Smartoptics Releases Sustainability Report and Achieves ISO 45001 Certification	Publication of the Company's latest Sustainability Report
8 July 2024	Smartoptics Group AS: Invitation to presentation of second quarter results 2024	Invitation to the quarterly release presentation
3 July 2024	Commsworld increases competitiveness in UK market with Smartoptics 400G solutions	Announcement of Commsworld choosing Smartoptics ROADMs for its upgrade
19 June 2024	Smartoptics Group AS: Mandatory notification of trade	Notification of transaction conducted by someone closely associated with a primary insider of the Company

## 10 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARES

*This section includes a summary of certain information relating to the Company's shares and certain shareholder matters, including summaries of certain provisions of applicable law in effect as of the date of this Prospectus. The mentioned summaries do not purport to be complete and are qualified in their entirety by the Company's Articles of Association and Norwegian law.*

### 10.1 Company corporate information

The Company's legal and commercial name is Smartoptics Group ASA. The Company is a public limited liability company organized and existing under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (the "**Norwegian Public Companies Act**"). The Company's registration number in the Norwegian Register of Business Enterprises is 858 905 192 and its Legal Entity Identifier (LEI) is 6488IGA378IE710UU959. The Company was incorporated in Norway on 31 August 1990.

The Shares have been created under the laws of Norway and are registered in book-entry form with the Norwegian Central Securities Depository (the "**VPS**") under the ISIN NO0011012502. All the outstanding Shares are validly issued and fully paid. The Company's register of shareholders in the VPS is administrated by the VPS Registrar, being DNB Bank ASA (address: DNB Bank ASA, DNB Carnegie Issuer Services, Dronning Eufemias gate 30, N-0021 Oslo, Norway).

The Company's registered office is located at c/o Smartoptics AS, Brynsalléen 2, 0667 Oslo, Norway and the Company's main telephone number is +47 21 41 74 00. The Company's website can be found at [www.smartoptics.com](http://www.smartoptics.com). The content of the Company's website is not incorporated by reference into, or otherwise form part of, this Prospectus. The Company's contact details are as follows: e-mail: [info@smartoptics.com](mailto:info@smartoptics.com) or telephone: +47 21 41 74 00.

### 10.2 Legal structure

The Company is the parent company and administrative body of the Group. The parent company operates as a holding company, and all operational activities are conducted in the subsidiaries.

An overview of the Company's subsidiaries is set out below:

Company	Country of incorporation	Holding (in %)	Comment
Smartoptics Group ASA	Norway	-	Parent company
Smartoptics AS	Norway	100%	Shares owned directly by Smartoptics Group ASA
Smartoptics Sverige AB	Sweden	100%	Shares owned by Smartoptics AS
Smartoptics U.S. Corp.	United States of America	100%	Shares owned by Smartoptics AS

### 10.3 Share capital

As of the date of this Prospectus, the Company's share capital is NOK 1,960,910.36 divided on 98,045,518 Shares, each with a par value of NOK 0.02. All Shares are of the same class.

The Company has only one class of Shares. Accordingly, each Share carries one vote and all Shares carry equal rights in all respects, including rights to dividends. All Shares are freely transferable, meaning that a transfer of Shares is not subject to the consent of the Board of Directors or rights of first refusal.

The Shares are registered with ISIN NO0011012502.

As at the date of this Prospectus, the Company does not hold any treasury shares.

## 10.4 Admission to trading and Listing

The Shares have been admitted to trading on Euronext Growth Oslo (formerly Merkur Market), a multilateral trading facility operated by Oslo Børs, since 3 June 2021 under the ticker code 'SMOP' and with ISIN NO0011012502. On 21 August 2025, the Company applied for the Shares to be admitted to trading and listing on Oslo Børs. The Company's listing application was approved by Oslo Børs on 26 August 2025. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through the facilities of Oslo Børs. Trading in the Shares on Oslo Børs is expected to commence on or about 28 August 2025, under the ticker code 'SMOP'.

Other than above, the Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

## 10.5 Major shareholders

As of 25 August 2025, the Company had 569 registered shareholders in the VPS. An overview of shareholders holding 5% or more of the Shares of the Company as of 25 August 2025 is set out below:

#	Shareholders	Number of Shares	Percentage
1	Coretech AS	31,783,599	32.42%
2	Kløvingen AS	15,850,429	16.17%
3	K-Spar Industrier AS	13,076,422	13.34%

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. As at the date of this Prospectus, no shareholder other than those listed above holds 5% or more of the Shares of the Company.

There are no differences in voting rights between the shareholders.

Other than set out above, the Company is not aware of any persons or entities who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

No particular measures are initiated to ensure that control is not abused by large shareholders. Minority shareholders are protected from abuse by relevant regulations in inter alia the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Act. See Sections 10.10.2 *"Certain aspects of Norwegian corporate law"* for further information.

The shares have not been subject to any public takeover bids.

## 10.6 Board authorizations

The annual general meeting of the Company held on 8 May 2025 granted the board an authorization to increase the Company's share capital with up to NOK 392,182.07 in one or more share capital increases through the issuance of new shares. The shareholders' preferential rights pursuant to section 10-4 of the Norwegian Private Limited Liability Companies Act may be set aside. The authorization covers share capital increases against contribution in cash, as well as share capital increases against contribution in kind and with special subscription terms, and also covers mergers and demergers. The authorization may only be used to raise additional capital for future investments or for general corporate purposes, or to issue shares in connection with incentive programs, acquisitions, mergers, demergers or other transactions. The authorization is valid until the annual general meeting in 2026, however so that it expires at the latest on 30 June 2026.

Further, the annual general meeting of the Company held on 8 May 2025 granted the board an authorization to acquire treasury shares on behalf of the Company, with an aggregate nominal value of up to NOK 196,091.04. The purchase price per share shall be minimum NOK 1 and maximum NOK 100. The board may otherwise freely determine the method of acquisition and disposal of shares. The authorization is valid until the annual general meeting in 2026, however so that it expires at the latest on 30 June 2026.

## 10.7 Financial instruments

The Company has not issued any convertible securities, exchangeable securities or securities with warrants which are outstanding as of the date of this Prospectus.

## 10.8 Shareholder rights

The Company has one class of Shares on issue, and in accordance with the Norwegian Public Limited Liability Companies Act, all Shares in that class provide equal rights in the Company, including the rights to dividends. Each of the Company's Shares carries one vote. The rights attaching to the Shares are described in Section 10.10 *"The articles of association and certain aspects of Norwegian law"*.

## 10.9 Transferability of Shares

The Shares are freely transferable pursuant to the Company's articles of association, meaning that a transfer of Shares is not subject to the consent of the Board of Directors or rights of first refusal. Pursuant to the Company's articles of association, the Company's Shares shall be registered in the VPS. For more information, see Section 10.10 *"The Articles of Association and certain aspects of Norwegian corporate law"*.

## 10.10 The Articles of Association and certain aspects of Norwegian corporate law

### 10.10.1 Articles of Association

Below is a summary of certain of the provisions of the Company's Articles of Association, which are attached to this Prospectus as Appendix 1.

#### 10.10.1.1 Company name

Pursuant to section 1 of the Articles of Association, the Company's name is Smartoptics Group ASA. The Company is a public limited liability company.

#### 10.10.1.2 Objective of the Company

Pursuant to section 2 of the Articles of Association, the Company's objective is production, trade and consultancy and activities related thereto, and participation in other businesses through ownership or otherwise.

#### 10.10.1.3 Share capital and par value

Pursuant to section 4 of the Articles of Association, the Company's share capital is NOK 1,960,910.36 divided on 98,045,518 Shares, each with a par value of NOK 0.02. The Shares shall be registered in the VPS.

#### 10.10.1.4 The Board of Directors

Pursuant to section 6 of the Articles of Association, the Company's Board shall consist of from 3 to 5 Board Members.

#### 10.10.1.5 Signatory right

Pursuant to section 6 of the Articles of Association, two members of the Board, acting together, have the authority to sign on behalf of the Company. The board of directors may grant power of procuration.

#### 10.10.1.6 Restrictions on transfer of Shares

Pursuant to section 5 of the Articles of Association, the shares of the Company are freely transferable. The acquisition of shares in the Company is not conditional on the board's consent. Shareholders do not have a pre-emptive right to transfer shares in the Company.

#### 10.10.1.7 General meetings

Pursuant to section 7 of the Articles of Association, the Company's general meeting decides on the following matters:

(i) Approval of the annual financial statements, including the allocation of profit or coverage of loss.

(ii) Approval of the consolidated financial statements; and other matters that, pursuant to law or the Articles of Association, are to be addressed by the general meeting.

#### *10.10.1.8 Documents for the general meeting*

Pursuant to section 7 of the Articles of Association, when documents pertaining to matters which shall be handled at a general meeting have been made available for the shareholders on the company's website, the statutory requirement that the documents shall be distributed to the shareholders, does not apply. This is also applicable to documents which according to statutory law shall be included in or attached to the notice of the general meeting. A shareholder may nonetheless demand to be sent such documents. The Company's communication with shareholders may always take place electronically.

#### *10.10.1.9 Participation at the general meeting*

Pursuant to section 7 of the Articles of Association, shareholders that wish to participate at the general meeting, must notify the company of this in advance. Such notification must be received by the company within a deadline determined by the board of directors and set out in the notice of the general meeting, and which may not expire earlier than two business days prior to the general meeting.

The Board of Directors may determine that the shareholders shall be able to cast their votes in writing, including by electronic means, during a period preceding the general meeting. The Board may determine guidelines for such advance voting. For such voting, a satisfactory method shall be used to authenticate the sender.

### *10.10.2 Certain aspects of Norwegian corporate law*

#### *10.10.2.1 General meeting of shareholders*

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held on or prior to 30 June of each year. Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than 21 days before the annual general meeting of a Norwegian public limited liability company listed on a stock exchange or a regulated market shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at their own discretion. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS as of the date of the general meeting, or who have otherwise reported and documented ownership to Shares, are entitled to participate at general meetings.

Apart from the annual general meeting, extraordinary general meetings of shareholders may be held if the Board of Directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of a Norwegian public limited liability company may with a majority of at least two-thirds of the aggregate number of votes cast, as well as at least two-thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a 14 days' notice period until the next annual general meeting, provided that the Company has procedures in place allowing shareholders to vote electronically. This has currently not been resolved by the Company's general meeting of shareholders.

Each of the Company's shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorize an increase or reduction in the share capital, to authorize an issuance of

convertible loans or warrants by the Company or to authorize the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association.

In general, only a shareholder registered in the VPS is entitled to vote for such Shares. Beneficial owners of the Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares. In the Company's view, a nominee may not meet or vote for Shares registered on a nominee account ("**NOM-account**"). A shareholder must, in order to be eligible to register, meet and vote for such Shares at the general meeting, transfer the Shares from such NOM-account to an account in the shareholder's name. Such registration must appear from a transcript from the VPS at the latest at the date of the general meeting.

There are no quorum requirements that apply to the general meetings.

#### *10.10.2.2 Additional issuances and preferential rights*

If the Company issues any new Shares, including bonus share issues, the Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution in a general meeting passed by the same vote required to amend the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The general meeting may, by the same vote as is required for amending the Articles of Association, authorize the Board of Directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorization may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorization is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the Company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company.

#### *10.10.2.3 Minority rights*

Norwegian law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the general meeting declared invalid on the grounds that it unreasonably favors certain

shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Board of Directors convene an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

#### *10.10.2.4 Rights of redemption and repurchase of Shares*

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorization to do so by a general meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorization by the General Meeting of the Company cannot be granted for a period exceeding 24 months.

#### *10.10.2.5 Shareholder vote on certain reorganisations*

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the general meeting of the shareholders passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the Articles of Association stipulate that, made available to the shareholders on the Company's website, at least one month prior to the general meeting to pass upon the matter.

#### *10.10.2.6 Liability of board members*

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Members of the Board of Directors may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the general meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the general meeting of the Company's shareholders passing upon the matter. If a resolution to discharge the Board Members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Board Members from liability or not to pursue claims against the Board Members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

#### *10.10.2.7 Civil proceedings against the Company in jurisdictions other than Norway*

Furthermore, investors shall note that they may be unable to recover losses in civil proceedings in jurisdictions other than Norway. The Company is a public limited liability company organized under the laws of Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in courts outside of Norway, or to enforce judgments on such persons or the Company in other jurisdictions.

#### *10.10.2.8 Indemnification of board members*

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for its Board Members against certain liabilities that they may incur in their capacity as such.

#### *10.10.2.9 Distribution of assets on liquidation*

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the general meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.



## 11 SECURITIES TRADING IN NORWAY

*Set out below is a summary of certain aspects of securities trading in Norway. The summary is based on the rules and regulations in force in Norway as at the date of this Prospectus, which may be subject to changes occurring after such date. This summary does not purport to be a comprehensive description of securities trading in Norway. Investors who wish to clarify aspects of securities trading in Norway should consult with and rely upon their own advisors.*

### 11.1 Introduction

Oslo Børs was established in 1819 and offers the only regulated markets for securities trading in Norway. Oslo Børs ASA is wholly owned by Oslo Børs VPS Holding ASA which was acquired by Euronext on 18 June 2019. Euronext owns seven regulated markets across Europe, including Amsterdam, Brussels, Dublin, Lisbon, London, Oslo and Paris.

### 11.2 Market value of shares on Oslo Børs

The market value of all shares on Oslo Børs, including the Shares following the Listing, may fluctuate significantly, which could cause investors to lose a significant part of their investment. The market value of listed shares could fluctuate significantly in response to a number of factors beyond the respective issuer's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the respective issuer or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the issuer, its products and services or its competitors, lawsuits against the issuer, unforeseen liabilities, changes in management, changes to the regulatory environment in which the issuer operates or general market conditions.

Furthermore, future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares. Any issuer, including the Company, may in the future decide to offer additional shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes, including for refinancing purposes. There are no assurances that any of the issuers on Oslo Børs will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If a listed company raises additional funds by issuing additional equity securities, the holdings and voting interests of existing shareholders could be diluted, and thereby affect share price.

### 11.3 Trading and settlement

As of the date of this Prospectus, trading of equities on Oslo Børs is carried out in the electronic trading system Euronext Optiq®, Euronext's developed multi-market trading platform.

Official regular trading for equities on Oslo Børs takes place between 09:00 hours (Oslo time) and 16:20 hours (Oslo time) each trading day, with pre-trade period between 07:15 hours (Oslo time) and 09:00 hours (Oslo time), closing auction from 16:20 hours (Oslo time) to 16:25 hours (Oslo time) and a post-trade period from 16:25 hours (Oslo time) to 16:30 hours (Oslo time). Reporting of after exchange trades can be done until 18:00 hours (Oslo time).

The settlement period for trading on Oslo Børs is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock

Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

#### **11.4 Information, control and surveillance**

Under Norwegian law, Oslo Børs is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of Oslo Børs monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. Oslo Børs may levy fines on companies violating these requirements.

#### **11.5 The VPS and transfer of shares**

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralized securities register. It is a computerized book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being the Central Bank of Norway), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the Company's Articles of Association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

#### **11.6 Shareholder register – Norwegian law**

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. Beneficial owners of shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such shares unless their ownership is re-registered in their names with the VPS prior to any general meeting of shareholders. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA.

An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners. There is no assurance that beneficial owners of Shares will receive notices of any General Meetings in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. For more information on nominee accounts, see Section 10.10.2 *"Certain aspects of Norwegian corporate law"* under the subheading *"Voting rights – amendments to the articles of association"*.

### **11.7 Foreign investment in shares listed in Norway**

Foreign investors may trade shares listed on Oslo Børs through any broker that is a member of Oslo Børs, whether Norwegian or foreign. Foreign investors are, however, to note that the rights of holders of listed shares of companies incorporated in Norway are governed by Norwegian law and by the respective company's articles of association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by a listed company in respect of wrongful acts committed against such company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against such company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions. For more information, see Section 10.10.2 *"Certain aspects of Norwegian corporate law"*.

### **11.8 Disclosure obligations**

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify Oslo Børs and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

### **11.9 Insider trading**

According to Norwegian law, subscription for, purchase, sale, exchange or other acquisitions or disposals of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Article 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (i.e. the market abuse regulation) and as implemented into Norwegian law by Section 3-1 of the Norwegian Securities Trading Act of 29 June 2007 No. 75. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

### **11.10 Mandatory offer requirement**

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Norwegian FSA decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (or provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Norwegian FSA and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Norwegian FSA before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered. The settlement must be guaranteed by a financial institution authorised to provide such guarantees in Norway.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Norwegian FSA may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Norwegian FSA may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

#### **11.11 Compulsory acquisition**

Pursuant to the Norwegian Public Limited Liability Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorized to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Liability Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

#### **11.12 Foreign exchange controls**

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

## 12 TAXATION

### 12.1 Norwegian taxation

*The summary regarding Norwegian taxation set out below is based on the laws in force in Norway as of the date of this Prospectus, which may be subject to any changes in law, administrative practice or interpretation occurring after such date. Such changes could possibly be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of Shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (under domestic tax law or tax treaties) should specifically consult with and rely upon their own tax advisers with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.*

*As will be evident from the description, the taxation will differ depending on whether the shareholder is a limited liability company or a natural person.*

*Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.*

*The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdiction in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.*

#### 12.1.1 Taxation of dividends

##### Norwegian Personal Shareholders

Dividends received by shareholders who are natural persons resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable as ordinary income currently at a rate of 22% (for 2025), to the extent the dividends exceed a statutory tax-free allowance (Nw: *skjermingsfradrag*). With effect from the fiscal year 2025 the taxable amount is multiplied by a factor of 1.72, resulting in an effective tax rate of 37.84% (22% x 1.72).

The tax-free allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk-free interest rate based on the effective rate of interest on treasury bills (Nw.: *statskasseveksler*) with three months' maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year. The risk-free interest rate is published in January in the year following the income year. The risk-free interest rate for 2024 was 3.9%.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated tax-free allowance related to the year of the transfer when determining the taxable amount in the year of transfer. Any part of the calculated tax-free allowance one year that exceeds the dividend distributed on a share ("**excess allowance**") may be carried forward and set off against future dividends received on, or gains upon realization, of the same share.

Norwegian Personal Shareholders may hold the shares through a Norwegian share saving account (Nw. *Aksjesparekonto*). Dividends received on shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 37.84%, cf. the description above concerning taxation of dividends.

The tax-free allowance is, when investing through share saving accounts, calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account.

##### Norwegian Corporate Shareholders

Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are largely exempt from tax on dividends distributed from the Company,

pursuant to the Norwegian participation exemption method (Nw: *fritaksmetoden*). However, unless the Norwegian Corporate Shareholder holds more than 90% of the shares and the voting rights of the company, 3% of the dividend income distributed to the Norwegian Corporate Shareholder is taxable as ordinary income at a rate of 22% (for 2025), resulting in an effective tax rate of 0.66% (22% x 3%). For Norwegian Corporate Shareholders that are considered to be 'financial institutions' under the Norwegian financial activity tax (e.g. banks and holding companies), the effective rate of taxation for dividends is 0.75%.

#### *Non-Norwegian Personal Shareholders*

Dividends distributed to shareholders who are natural persons not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please see "*Taxation of dividends – Norwegian Personal Shareholders*" above). However, the tax-free allowance deduction does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder carries out business activities in or managed from Norway and the shares are, in effect connected to such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have been imposed with a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted, if certain documentation requirements are met. Non-Norwegian Personal Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

Non-Norwegian Personal Shareholders, who are resident in an EEA country may hold the Shares through a Norwegian share saving account (Nw. Aksjesparekonto) to the same extent as Norwegian shareholders. Please refer to Section 12.1.1 "*Norwegian Personal Shareholders*" above for a description of taxation of shares held on a share saving account.

#### *Non-Norwegian Corporate Shareholders*

Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempted from Norwegian withholding tax, provided that the shareholder is the beneficial owner of the shares and is considered to be "*genuinely established and performs genuine economic activity*" in the relevant EEA jurisdiction for Norwegian tax purposes.

If a Non-Norwegian Corporate Shareholder carries out business activities in or managed from Norway and the shares are, in effect, connected to such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty, may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Non-Norwegian Corporate Shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption method.

All Non-Norwegian Corporate Shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian

tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. In addition, certain other documentation requirements must be met, and the relevant documentation must be provided to either the nominee or the account operator registered with VPS. Non-Norwegian Corporate Shareholders should consult their own advisers regarding the possibility of effectively obtaining a reduced withholding tax rate pursuant to either an applicable tax treaty or the participation exemption method.

#### *12.1.2 Taxation of capital gains on realization of shares*

##### *Norwegian Personal Shareholders*

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is currently taxable at a rate of 22%. However, with effect from the fiscal year 2025, the taxable capital gain (after the tax-free allowance reduction, cf. below) or tax deductible loss shall be adjusted by a factor of 1.72, resulting in a marginal effective tax rate of 37.84%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realization of the share. Norwegian Personal Shareholders are entitled to deduct a statutory tax-free allowance from any capital gain, provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 12.1.1 "*Taxation of dividends*" above for a description of the calculation of the tax-free allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realization of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Gains derived upon the realization of shares held through a share saving account will be exempt from immediate Norwegian taxation and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 37.84% (for 2025). (Please see "*Taxation of dividends – Norwegian Personal Shareholders*" above for more information regarding share saving accounts).

##### *Norwegian Corporate Shareholders*

Norwegian Corporate Shareholders are generally exempt from tax on capital gains derived from the realization of shares, pursuant to the Norwegian participation exemption. Correspondingly, losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purposes.

##### *Non-Norwegian Personal Shareholders*

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the shares held by the Non-Norwegian Personal Shareholder are, in effect, connected to business activities carried out in or managed from Norway, or the shares are held by a Non-Norwegian Personal Shareholders who has been a resident of Norway for tax purposes with unsettled/postponed exit tax calculated on the shares at the time of cessation of Norwegian tax residency.

Please refer to Section 12.1.1 "*Non-Norwegian Personal Shareholders*" above for a description of the availability of a Norwegian share saving account for Non-Norwegian Personal Shareholders. Please refer to Section 12.1.2 for a description of the taxation of dividends on Shares held on a share saving account.

##### *Non-Norwegian Corporate Shareholders*

Capital gains derived from the sale or other realization of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway unless the shares held by the Non-Norwegian Corporate Shareholder are, in effect, connected with business activities carried out in or managed from Norway.



### *12.1.3 Net wealth tax*

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. With effect from the fiscal year 2025, the marginal net wealth tax rate is 1% of the tax assessment value of total net assets exceeding NOK 1.76 million (NOK 3.52 million jointly for married couples), increased to 1.1% of the tax assessment value of total net assets exceeding NOK 20.7 million. The value for assessment purposes for listed shares is, with effect from the fiscal year 2025, equal to 80% of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant financial year).

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders may, however, be liable for Norwegian net wealth tax if the shareholding is, in effect, connected to business activities carried out in or managed from Norway.

### *12.1.4 VAT and transfer taxes*

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

### *12.1.5 Inheritance tax*

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

## 13 TRANSFER RESTRICTIONS

### 13.1 General

The Shares may, in certain jurisdictions, be subject to restrictions on transferability and resale and may not be transferred or sold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risk of the investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Receipt of this Prospectus shall not constitute an offer for Shares and this Prospectus is for information only and should not be copied or redistributed. Accordingly, if an existing shareholder receives a copy of this Prospectus, the existing shareholder should not distribute or send the same, or transfer the Shares to any person in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If an existing shareholder forwards this Prospectus into any such territories (whether under a contractual or obligation or otherwise), the existing shareholder should direct the recipient's attention to the contents of this Section 13 "*Transfer restrictions*".

The Shares may not be transferred or delivered, directly or indirectly, in or into, any jurisdiction in which it would not be permissible to transfer the Shares and this Prospectus shall not be accessed by any person in any jurisdiction it would not be permissible to transfer the Shares.

The information in this Section 13 "*Transfer restrictions*" is intended as a general guide only. If any recipient is in any doubt of any of the contents of these restrictions, or whether any of these restrictions apply to that recipient, the recipient should obtain independent professional advice without delay.

### 13.2 Transfer restrictions

#### 13.2.1 United States

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Regulation S shall have the same meaning when used in this section.

Each purchaser of the Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and subject to certain exceptions, may not be offered or sold within the United States.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Shares was located outside the United States at the time the buy order for the Shares was originated and continues to be located outside the United States and has not purchased the Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Shares or any economic interest therein to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Shares pursuant to Regulation S described in this Prospectus.

- The Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognise any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above restrictions.
- If the purchaser is acquiring any of the Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements in behalf of each such account.
- The purchaser acknowledges that the Company, the Manager and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

### *13.2.2 European Economic Area*

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Manager and the Company that:

- a) it is a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation; and
- b) in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Shares acquired by it in an offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Company has been given to the offer or resale; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of an offering and the Shares to be offered, so as to enable an investor to decide to acquire any Shares.

## **14 ADDITIONAL INFORMATION**

### **14.1 Independent auditor**

The Company's independent auditor is PwC, with registration number 987 009 713 and business address at Dronning Eufemias gate 71, 0106 Oslo, Norway. PwC is a member of The Norwegian Institute of Public Accountants (Nw.: *Den Norske Revisorforening*). PwC has been the Company's auditor throughout the period covered by the financial information included in this Prospectus.

### **14.2 Advisors**

DNB Carnegie, a part of DNB Bank ASA (address: Dronning Eufemias gate 30, 0191 Oslo, Norway) functions as the Company's financial advisor in connection with the Listing (the "**Manager**").

Advokatfirmaet Schjødt AS (address: Tordenskiolds gate 12, N-0160 Oslo, Norway) functions as the Company's Norwegian legal counsel.

### **14.3 Documents on display**

Copies of the following documents will be available for inspection at the Company's offices at c/o Smartoptics AS, Brynsalléen 2, 0667 Oslo, Norway for a period of twelve months from the date of this Prospectus:

the up to date memorandum, the Company's certificate of incorporation and the up to date Articles of Association;

all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus; and

this Prospectus.

The documents are also available at the Company's website [www.smartoptics.com](http://www.smartoptics.com). The content of the Company's website is not incorporated by reference into, or otherwise form part of, this Prospectus.

## 15 DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

Defined term	Meaning
<b>5G</b>	Fifth generation of cellular network technology
<b>AI</b>	Artificial intelligence
<b>Annual Financial Statements</b>	The Company's audited annual consolidated financial statements for the financial years ended 31 December 2024, with comparable figures for the financial year ended 31 December 2023
<b>Anti-Money Laundering Legislation</b>	Applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 No. 23 and the Norwegian Money Laundering Act of 14 September 2018 No. 1324
<b>APAC</b>	Asia-Pacific
<b>APIs</b>	Open interfaces
<b>APM</b>	Alternative Performance Measures
<b>Articles of Association</b>	The articles of association of the Company
<b>Board Members</b>	The members of the Board of Directors
<b>Board or Board of Directors</b>	The board of directors of the Company
<b>CEO</b>	The Company's chief executive officer
<b>CEST</b>	Central European Summer Time
<b>CFO</b>	The Company's chief financial officer
<b>CFP2</b>	C form-factor pluggable 2
<b>CMO</b>	The Company's chief marketing officer
<b>Company or Smartoptics</b>	Smartoptics Group ASA
<b>CSPs</b>	Communication service providers
<b>CTO</b>	The Company's chief technology officer
<b>DCI</b>	Data center interconnect
<b>DCN</b>	Dedicated IP-network
<b>DCP</b>	Dynamic connectivity platform
<b>DWDM</b>	Dense wavelength division multiplexing
<b>EBIT</b>	Consolidated operating profit
<b>EBITDA</b>	Operating profit before interest, taxes, depreciation and amortization
<b>EEA</b>	The European Economic Area
<b>EMEA</b>	Europe, Middle East and Africa
<b>EPR</b>	Extended producer responsibility
<b>ESMA</b>	European Securities and Markets Authority
<b>EU</b>	The European Union
<b>EU Prospectus Regulation</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market
<b>EUR</b>	Euro, the official common currency of the EU
<b>Euronext Growth Oslo</b>	A multilateral trading facility operated by Oslo Børs ASA
<b>Excess allowance</b>	Shall have the meaning prescribed to it in Section 12.1.1
<b>Financial Information</b>	The Annual Financial Statements and the Interim Financial Statements taken together.
<b>Forward-looking statements</b>	All statements other than historic facts or present facts, typically indicated by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," and similar
<b>GDPR</b>	The General Data Protection Regulation
<b>General Meeting</b>	The Company's general meeting of shareholders
<b>Group</b>	The Company together with its subsidiaries

<b>GUI</b>	Graphical user interface
<b>IAS 34</b>	International Accounting Standard 34, IAS 34 Interim Financial Reporting
<b>ICP</b>	Internet content provider
<b>IFRS</b>	International Financial Reporting Standards as adopted by the EU
<b>Interim Financial Statements</b>	The Company's consolidated financial statements for the six-month period ended 30 June 2025, with comparable figures for the six-month period ended 30 June 2024
<b>IP</b>	Internet protocol address
<b>ISIN</b>	International Securities Identification Number
<b>ISPs</b>	Internet service providers
<b>IXPs</b>	Internet exchanges
<b>LATAM</b>	Latin America
<b>LEI</b>	Legal Entity Identifier
<b>Listing</b>	The listing of the Company's shares on Euronext Oslo Børs
<b>Management</b>	The senior management of the Company
<b>Manager</b>	DNB Carnegie, a part of DNB Bank ASA
<b>MFA</b>	Multi-factor authentication
<b>MTF</b>	Multilateral trading facility
<b>NCI</b>	National Client Identifier
<b>NOK</b>	Norwegian Kroner, the lawful currency of Norway
<b>NOM-account</b>	Nominee account
<b>Non-Norwegian Corporate Shareholders</b>	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes
<b>Non-Norwegian Personal Shareholders</b>	Shareholders who are natural persons not resident in Norway for tax purposes
<b>Non-resident or foreign shareholders</b>	Shareholders who are not resident in Norway for tax purposes
<b>Norwegian Corporate Shareholders</b>	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes
<b>Norwegian FSA</b>	The Financial Supervisory Authority of Norway (Nw.: <i>Finanstilsynet</i> )
<b>Norwegian Personal Shareholders</b>	Shareholders who are natural persons resident in Norway for tax purposes
<b>Norwegian Public Limited Liability Companies Act, or Norwegian Public Companies Act</b>	The Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45
<b>Norwegian Securities Trading Act</b>	Securities Trading Act of 29 June 2007 no. 75 (Nw.: <i>Verdipapirhandelloven</i> )
<b>OADM</b>	Optical add drop multiplexers
<b>OEMs</b>	Original equipment manufacturer
<b>OSFP</b>	Octal small form factor pluggable
<b>Oslo Børs or Oslo Stock Exchange</b>	Euronext Oslo Børs, a stock exchange operated by Oslo Børs ASA
<b>PCBA</b>	Printed circuit board assemblies
<b>POP</b>	Points of presence
<b>Prospectus</b>	This prospectus dated 27 August 2025
<b>PwC</b>	PricewaterhouseCoopers AS
<b>QSFP-DD</b>	Quad small form-factor pluggable – double density
<b>R&amp;D</b>	Research and development
<b>Regulation S</b>	Regulation S the U.S. Securities Act
<b>Resident or Norwegian shareholders</b>	Shareholders who are resident in Norway for tax purposes
<b>ROADM</b>	Reconfigurable optical add drop multiplexers
<b>SAN</b>	Storage area network

<b>SDN</b>	Software defined networking
<b>Shares</b>	The Company's shares, each with a par value of NOK 0.02
<b>"SMOP"</b>	The Company's ticker code on Oslo Børs
<b>SVP</b>	Senior Vice President
<b>TransportPCE</b>	Transport path computation element
<b>USD</b>	U.S. dollar, the lawful currency of the United States
<b>U.S. Securities Act</b>	The U.S. Securities Act of 1933
<b>U.S. Exchange Act</b>	The U.S. Securities Exchange Act of 1934
<b>VARs</b>	Value added reseller
<b>VP</b>	Vice President
<b>VPS</b>	Euronext Securities Oslo, also referred to as the Norwegian Central Securities Depository (Nw.: <i>Verdipapirsentralen</i> )
<b>VPS Registrar</b>	DNB Bank ASA
<b>WDM</b>	Wavelength division multiplexing

**APPENDIX 1:**

Articles of Association



# SMARTOPTICS GROUP ASA

## VEDTEKTER

### § 1 Navn

Selskapets navn er Smartoptics Group ASA. Selskapet er et allmennaksjeselskap.

### § 2 Formål

Selskapets formål er produksjon, handel og konsulentvirksomhet og virksomhet i tilknytning til dette, samt deltakelse i andre virksomheter gjennom eierskap eller på annen måte.

### § 3 Forretningskontor

Selskapets forretningskontor er i Oslo.

### § 4 Aksjekapital

Selskapets aksjekapital er NOK 1 960 910,36 fordelt på 98 045 518 aksjer, hver pålydende NOK 0,02.

Aksjene i selskapet skal være registrert i Euronext VPS, drevet av Verdipapirsentralen ASA.

### § 5 Overdragelse av aksjer

Aksjene i selskapet er fritt omsettelige. Overdragelse av aksjer er ikke gjenstand for krav om styresamtykke eller forkjøpsrett for aksjeeiere.

### § 6 Styret

Selskapets styre består av minst tre og høyst fem styremedlemmer, hvorav to i fellesskap tegner selskapet. Styret kan meddele prokura.

### § 7 Generalforsamling

Selskapets generalforsamling fatter beslutning i følgende saker:

- (i) Fastsettelse av årsoppgjør, herunder anvendelse av årsoverskudd eller dekning av tap.
- (ii) Fastsettelse av konsernårsoppgjør; og andre saker som i henhold til lov eller vedtekter skal behandles av generalforsamlingen.

Når dokumenter som gjelder saker som skal behandles på generalforsamlingen, er gjort tilgjengelige for aksjeeierne på selskapets internetsider, gjelder ikke lovens krav om at dokumentene skal sendes til aksjeeierne. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen. En aksjeeier kan likevel kreve å få tilsendt slike dokumenter. Selskapets kommunikasjon med aksjeeiere kan alltid finne sted elektronisk.

Aksjeeiere som vil delta på generalforsamlingen, må gi selskapet melding om dette på forhånd. Slik melding må være mottatt av selskapet innen en frist som fastsettes av styret og angis i innkallingen, og som ikke kan utløpe tidligere enn to virkedager før generalforsamlingen.

Styret kan bestemme at aksjonærene skal kunne avgi sine stemmer skriftlig, herunder ved bruk av elektronisk kommunikasjon, i en periode før generalforsamlingen. Styret kan fastsette nærmere

retningslinjer for slik forhåndsstemming. For slik stemmegivning skal det benyttes en betryggende metode for å autentisere avsenderen.

## § 8 Valgkomité

Selskapet skal ha en valgkomité, som velges av generalforsamlingen. Valgkomitéen fremmer forslag til generalforsamlingen om (i) valg av styrets leder, styremedlemmer og eventuelle varamedlemmer til styret, og (ii) valg av medlemmer til valgkomitéen. Valgkomitéen fremmer videre forslag til generalforsamlingen om honorar til styret og valgkomitéen.

Generalforsamlingen fastsetter instruks for valgkomitéen og fastsetter honoraret til valgkomitéens medlemmer.

Vedtatt 23. mai 2025

# SMARTOPTICS GROUP ASA

## ARTICLES OF ASSOCIATION<sup>1</sup>

### § 1 Name

The company's name is Smartoptics Group ASA. The company is a public limited liability company.

### § 2 Purpose

The purpose of the company is production, trade and consultancy activities and activities related thereto, as well as participation in other businesses through ownership or otherwise.

### § 3 Registered office

The company's registered office is in Oslo.

### § 4 Share capital

The company's share capital is NOK 1,960,910.36 divided on 98,045,518 shares, each with a nominal value of NOK 0.02.

The shares in the company shall be registered with Euronext VPS, operated by Verdipapirsentralen ASA.

### § 5 Transfer of shares

The shares in the company are freely transferable. Transfer of shares is not subject to requirements for board consent or pre-emption rights for shareholders.

### § 6 Board of directors

The company's board of directors consists of from three to five board members, of which two jointly can sign on behalf of the company. The board may grant power of procuration.

### § 7 General meeting

The company's general meeting decides on the following matters:

- (i) Approval of annual accounts, including use of annual profit or coverage of loss.
- (ii) Approval of consolidated annual accounts; and other matters that according to law or the articles of association shall be dealt with by the general meeting.

When documents pertaining to matters to be dealt with at the general meeting have been made available to shareholders on the company's website, the requirement that the documents shall be sent to shareholders does not apply. This also applies to documents that pursuant law shall be included in or attached to the notice of the general meeting. A shareholder may nevertheless require that such documents are sent to it. The company's communication with shareholders may always take place electronically.

Shareholders who wish to participate at the general meeting must give the company advance notice of this. Such notice must be received by the company within a deadline set by the board and stated in the notice, and which cannot expire earlier than two business days before the general meeting.

The board may decide that shareholders shall be able to cast their votes in writing, including by using electronic communication, during a period before the general meeting. The board may determine guidelines for such advance voting. For such voting, a secure method for authenticating the sender shall

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<sup>1</sup> Unofficial office translation. In case of discrepancy, the Norwegian original version shall prevail.

be used.

#### § 8 Nomination committee

The company shall have a nomination committee, which is elected by the general meeting. The nomination committee submits proposals to the general meeting regarding (i) election of the chair of the board, board members and any deputy members to the board, and (ii) election of members to the nomination committee. The nomination committee further submits proposals to the general meeting regarding remuneration to the board and the nomination committee.

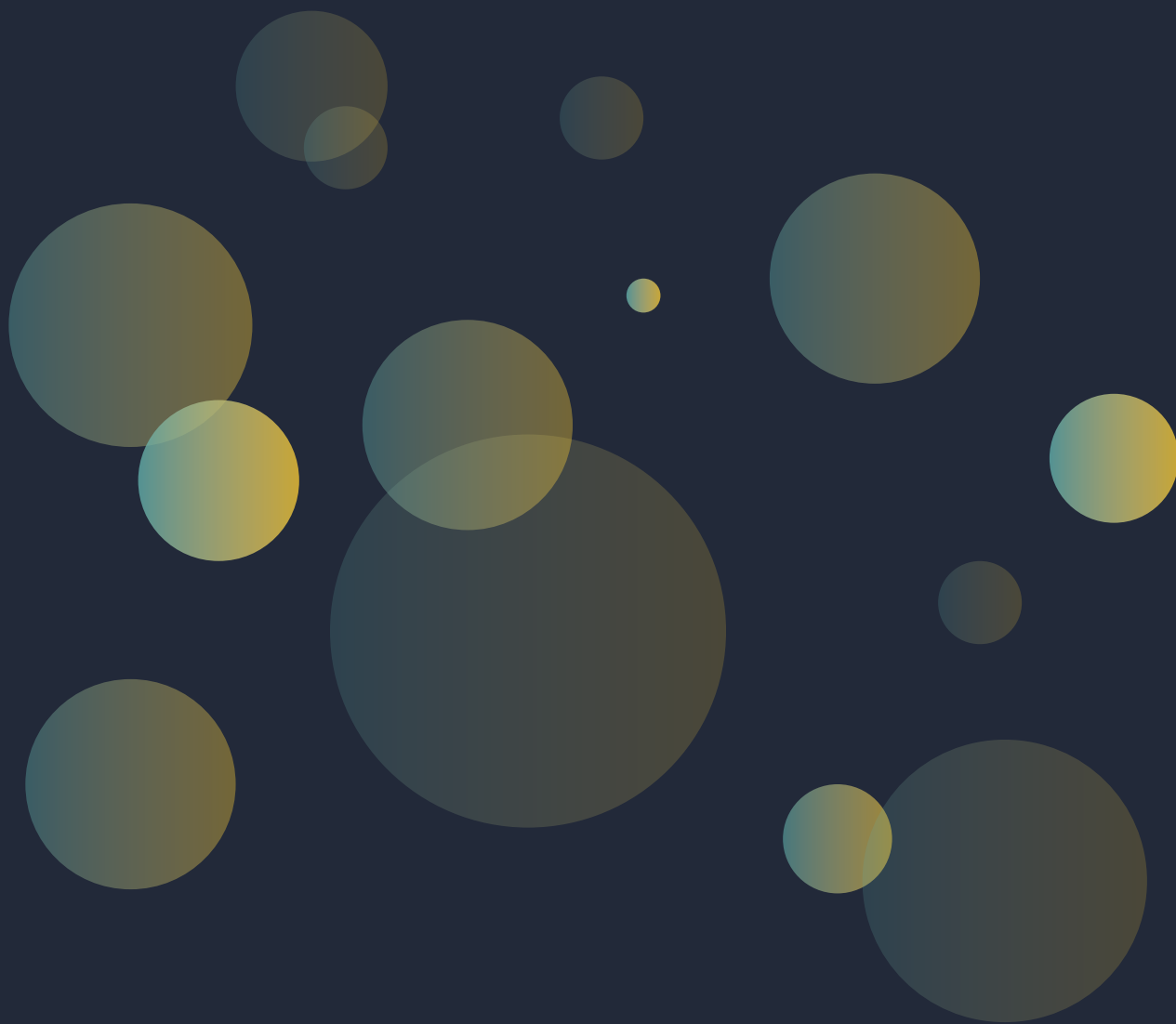
The general meeting determines instructions for the nomination committee and determines the remuneration to the members of the nomination committee.

Adopted on 23 May 2025

**APPENDIX 2:**

Annual financial statements for the year ended 31 December 2024

smartoptics



**ANNUAL  
REPORT  
2024**

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# SMARTOPTICS

## EXPANDING YOUR NETWORK HORIZONS

Smartoptics provides innovative optical networking solutions for a new era of open networking. We focus on solving network challenges and increasing the competitiveness of our customers. Our customer base includes cable and telecom operators, cloud providers, Internet exchanges, governments and thousands of enterprises.

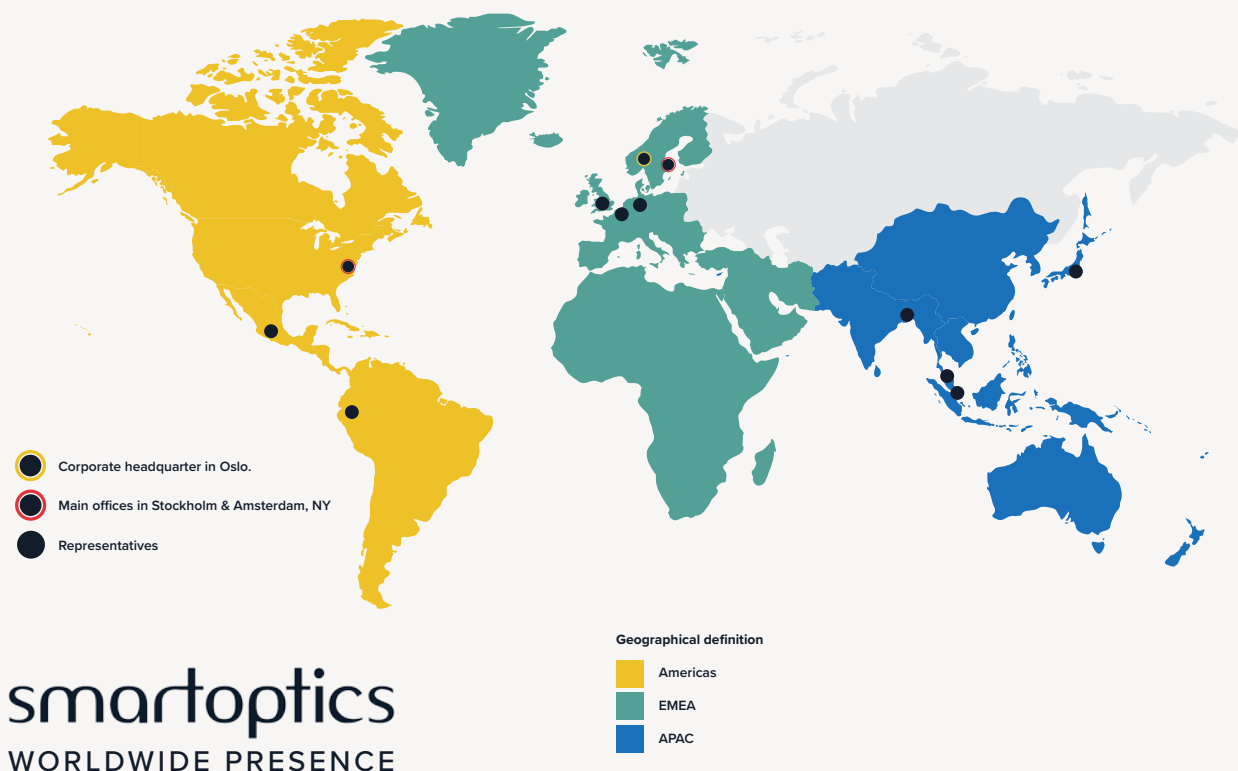
At Smartoptics, we leverage modern software design principles and expand network horizons by taking an open approach in everything we do. This empowers our customers to break free from unwanted vendor lock-in, remain flexible and minimize costs.

Our solutions based on open networking standards and protocols are used in metro and regional network

applications as well as in metro access networks. The products we deliver are based on in-house developed hardware and software and enhanced by associated services.

Smartoptics is a Scandinavian company founded in 2006. We partner with leading technology and network solution providers and hold numerous certifications and approvals from major switching and storage solution providers such as Brocade, Cisco and Dell. We have a global reach through our salesforce and more than 100 business partners including distributors, OEMs and VARs.

As a challenger, we take pride in our open approach, smart design principles and ambitious customer service.



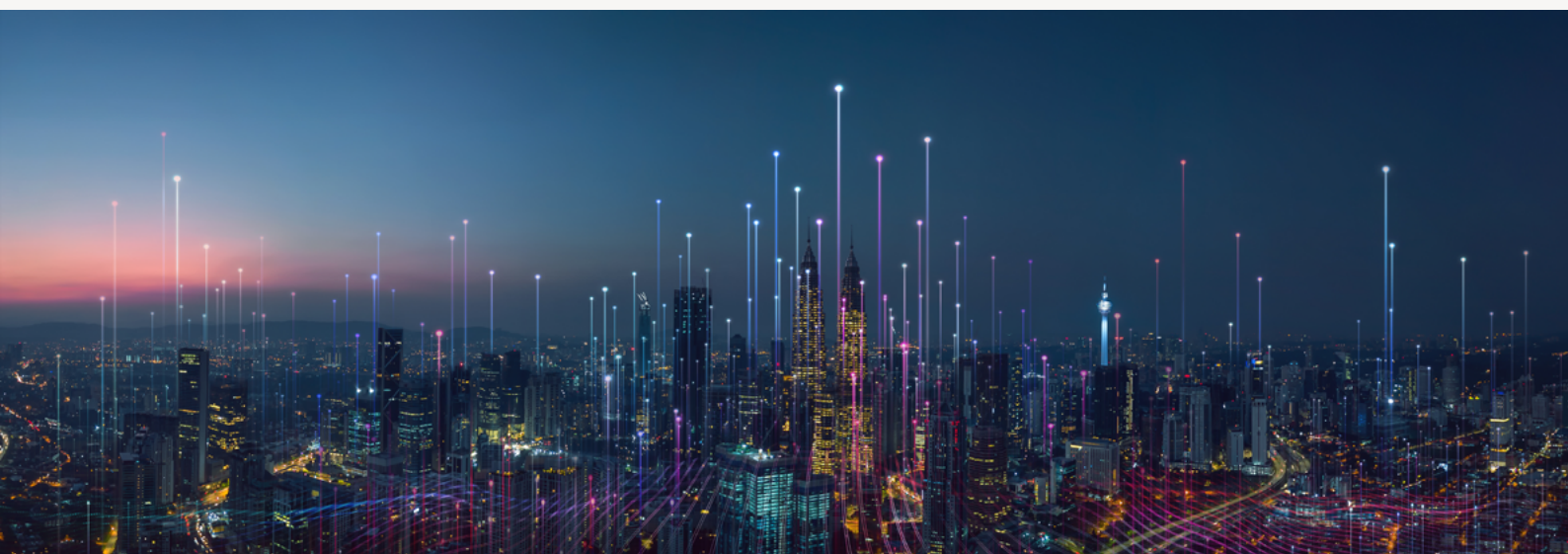


# 2024 IN BRIEF

## HIGHLIGHTS

- Revenue of USD 55.5 million compared to USD 58.5 million in the same period 2023
- Gross margin of 48.1% compared to 50.0% same period 2023
- EBITDA of USD 5.6 (10.8) million, equivalent to an EBITDA margin of 10.1% (18.5%)
- Operating profit (EBIT) of USD 3.3 (8.9) million, equivalent to an operating margin of 5.9% (15.3%)
- 2024 product releases strengthens our product offering in a material way, increasing the addressable market, into the regional segment
- In 2024, Smartoptics won several significant customer accounts and secured a long-term partnership with WIN Technology, a major US regional operator, to modernize and expand their network across multiple states.

Amounts in USD thousands	2024	2023	Change
Revenue	55 508	58 504	-5.1%
Gross profit	26 724	29 270	-8.7%
Gross margin	48.1%	50.0%	-1.9 p.p
Operating cost	-21 142	-18 469	14.5 %
EBITDA	5 582	10 801	-48.3 %
EBITDA margin	10.1 %	18.5 %	-8.4 p.p
Operating profit	3 289	8 942	-63.2 %
Operating margin	5.9 %	15.3 %	-9.4 p.p
Profit & loss for the year	4 042	7 471	-45.9 %
Basic earnings per share	0.041	0.078	
FTEs	123	107	



# MESSAGE FROM THE CEO

Writing this letter early April 2025, 2024 feels like a long time ago. This is in many ways a symbol of the world we live in now. Never before have changes been thrown at us faster than now, and we all have to adapt to a different kind of normal.

Having said that, in Smartoptics we are more optimistic about our outlook than earlier. We ended 2024 on a very strong note, with 22 percent revenue growth in the fourth quarter, and a significant uptick in profitability. With this, an exceptional period of four consecutive quarters soft market and revenue decline came to an end.

Our belief in the long-term potential of our industry is unwavering. The growing demand for bandwidth will continue. It is driven by more and more video streaming, live gaming, videoconferencing, cloud computing, and AI. Smartoptics is perfectly positioned in this space, as we have an edge within IP-over-DWDM, which is expected to be the winning technology, growing significantly faster than the total market in the years to come.

As a relatively small player in the global context, Smartoptics has an attractive niche, being able to compete efficiently for contracts from small- and medium-sized network operators and enterprises. We have an efficient and flexible customer approach, and our unique technology is modular and based on open standards. During 2024, we successfully launched a range of new products, not only offering better general performance, but also making us significantly more relevant for larger networks and customers. These efforts immediately paid off, as we entered into partnerships with large US regional network operators.

Despite slow growth during parts of 2023 and 2024, we continued to invest in the future. Not only in our product portfolio, but also in our go-to-market model and our organization for long-term growth. We maintained high gross margins throughout 2024, and as growth picks up, we expect operating margins to develop positively.

Attracting talent is a key success factor, and with our development team located in Stockholm, we are in the middle of one of the world's few cluster for fiber-optics. I am happy to report that we have been able to continue to recruit state of the art competence even in 2024.



Magnus Grenfeldt, CEO Smartoptics Group AS

Looking ahead, we believe uncertainty in some markets is reduced. The willingness to invest has to a large extent returned among our customers. There are no signs of slowdown in the underlying market drivers. At the same time, we won't be immune to the consequences of geopolitical turmoil, and the USA is an important market to us. We monitor the development in the international trade regimes and are mapping out how we can avoid negative implications. At this point, we consider Smartoptics to be relatively well positioned with Solutions production in the EU. As far as we know, no player in the market is yet producing in the USA.

In closing, I thank our customers, partners, and shareholders for their cooperation and support in 2024.

Also, a special thanks to all my brilliant colleagues at Smartoptics for their dedication in a hectic and challenging year. I look forward to continuing the Smartoptics journey together with the whole team.

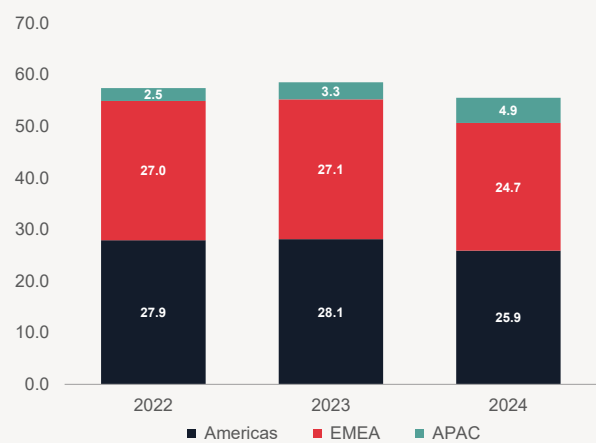
For further information, please contact:

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Phone: +46 733 668 877  
E-mail: [magnus.grenfeldt@smartoptics.com](mailto:magnus.grenfeldt@smartoptics.com)

Stefan Karlsson, CFO  
Phone: +46 766 344 504  
E-mail: [stefan.karlsson@smartoptics.com](mailto:stefan.karlsson@smartoptics.com)

# BUSINESS OVERVIEW

## REVENUE BY GEOGRAPHY

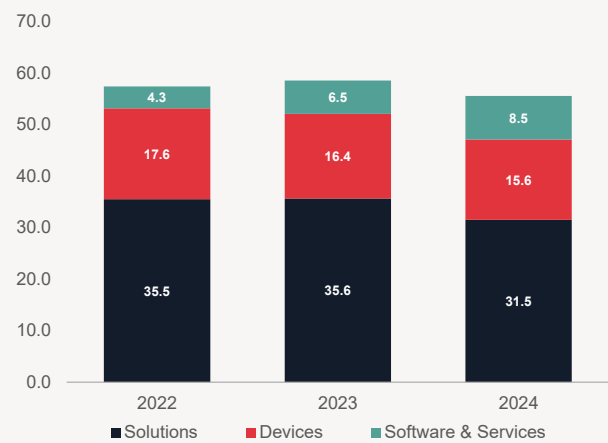


The Americas region remained a significant market for Smartoptics, the company secured new customer accounts throughout the year – for example, a major partnership with WIN Technology in the US – that have the potential to contribute to revenue in 2025 and beyond. These wins showcase the growth opportunity in regional U.S. networks and position the Americas for an uptick as market conditions improve.

The EMEA region demonstrated a strong comeback in the fourth quarter of 2024, with Q4 revenue increasing by about 59% compared to the same period in 2023, underscoring EMEA's importance to Smartoptics' overall performance.

The Asia-Pacific region continued its positive trajectory, achieving more than thirty percent revenue growth in 2024 compared to 2023. Notably, Q4 2024 revenue in APAC grew by ~54% year-on-year, underscoring the expanding demand for Smartoptics' solutions in the region. This growth builds on a rising trend of network upgrades in APAC markets.

## REVENUE BY BUSINESS AREA



Smartoptics' offerings are categorized into three main business areas:

**Solutions:** This business area includes the DCP-R, DCP-F, and DCP-M families, along with transponders, muxponders, and associated transceivers. In Q4 2024, Solutions revenue grew by 22% compared to Q4 2023, driven by high market activity and an attractive product offering 2024,

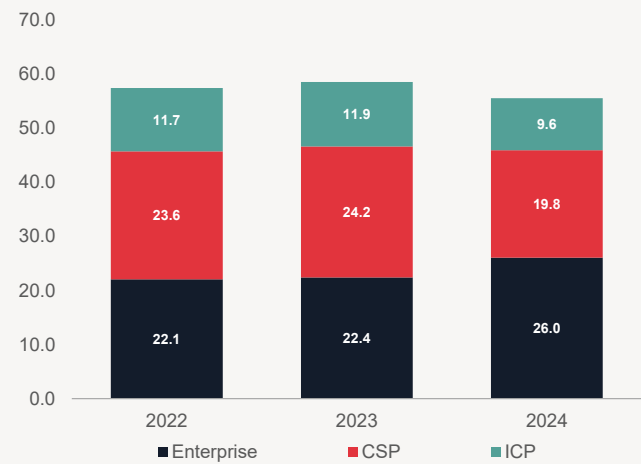
**Optical Devices:** Comprising transceivers, passive filters, and accessories sold independently of the Solutions offering. This business area experienced double digit revenue increase in Q4 2024 compared to the same period in 2023, reflecting steady demand for optical components.

**Software & Services:** Closely linked to Solutions deployments, this business area offers software licenses, support, and other services that complement the hardware. Software & Services revenue saw a 44% increase in 2024 compared to 2023, indicating a growing installed base and the continuous addition of new products and software offerings.

Smartoptics continues to innovate and adapt its product portfolio to meet evolving market demands, which strengthens its position in the optical networking industry. In 2024, the company expanded its Solutions offering to address Regional network applications, introducing a new 34-port ROADM (Reconfigurable Optical Add-Drop Multiplexer) and a pair of advanced optical amplifiers. These product releases materially expand Smartoptics' addressable market by making its offerings more relevant for larger networks and regional use cases. Such innovations

ensure that Smartoptics can serve a broader range of customer needs while remaining competitive against larger incumbents.

REVENUE BY CUSTOMER TYPE



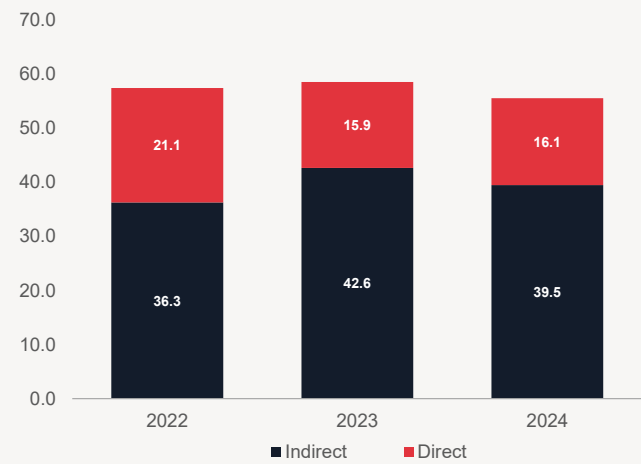
Smartoptics customers are divided into three market segments: Communication Service Providers (CSPs), Internet Content Providers (ICPs), and Enterprises.

CSPs range from national telecom operators with a broad portfolio of services to smaller rural communication and broadband service providers. This segment also includes wholesale operators with enterprise and bulk optical transport service focus. In addition, the segment contains Cable TV MSOs (Multi System Operators) and providers of broadband services to consumers via fiber. Smartoptics has specifically been targeting more business with the CSPs by introducing the DCP-M, DCP-F, and DCP-R product families, which are attractive also for larger CSPs.

ICPs are Internet content, public cloud computing, or neutral co-location providers.

Enterprises include medium and large enterprises that purchase equipment directly from a manufacturer or reseller to support connectivity for their non-telecom core businesses; Equipment resold by other service providers for managed services is not included. Typical customers are found within Banking, Government, Utilities, and Education. The Enterprise segment grew by 15.4% between 2023 and 2024 and is providing a good customer base to build upon. Smartoptics has traditionally focused on the Enterprise market, while our new products focus on the CSP and ICP segments.

REVENUE BY CHANNEL



Smartoptics has a direct sales force throughout Europe, the US, Mexico and Asia. Together with a large network of sales partners in the form of value-added resellers, distributors, and OEMs, Smartoptics covers many markets and has a cost-efficient access to the global market.

The network of sales partners is a valuable asset for Smartoptics. The network has been developed over some 15 years and is continuously improved with new partners added every year.

The direct business is primarily associated with the CSP segment, where customers procure Smartoptics products directly. As the CSP segment has decreased, the share of direct business has also declined slightly

The Value-Added Resellers are datacom, telecom, and IT-system integrators of various sizes. These companies design solutions in close cooperation with Smartoptics and the end customer, solutions which sometimes include several products and several vendors, while at other times just Smartoptics products.

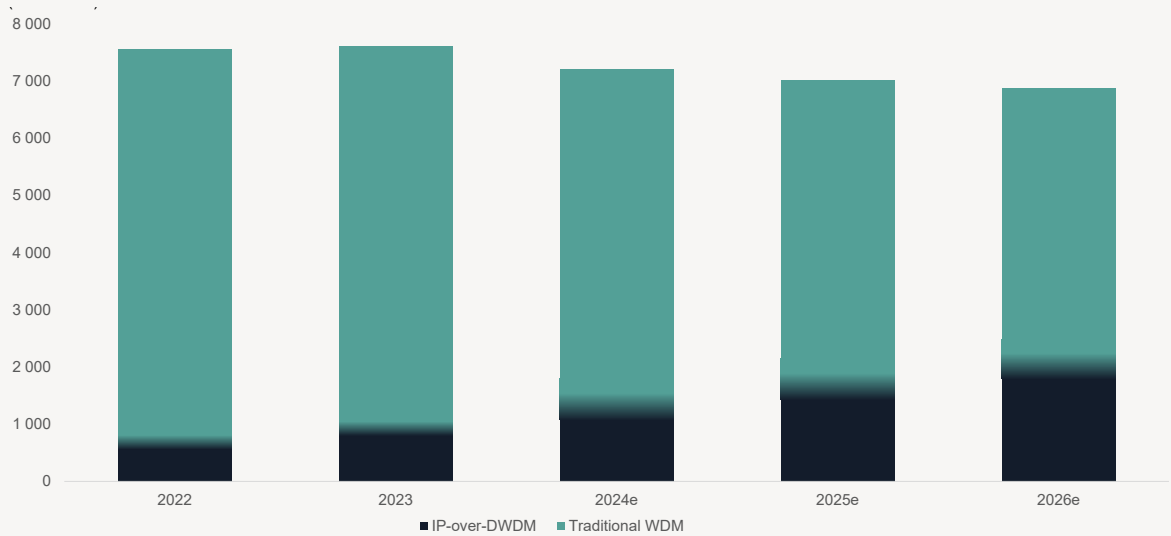
Distributors are similar to Value-Added Resellers but are usually larger and have a broader offering to a larger customer base. They are also less involved in the design of the solutions for the end customers.

OEMs (distributor/partner) are companies that market and sell the products from Smartoptics under their own name or where the Smartoptics products are a part of an OEM-branded solution.

The revenue split is an estimate by categorizing customers. A new categorization was made in 2022, covering all shown years.



MARKET DEVELOPMENT



The total optical WDM equipment market was valued at approximately USD 14 billion globally in 2024 and is expected to stay relatively flat the coming three years. The global metro WDM market makes up about half of this total.

In recent years, the optical market has shifted towards using equipment with the WDM optics deployed directly into the routers and switches, a technology known as IP-over-DWDM. This architecture has become a more viable option with recent advancements in transceiver form factors, cost levels, and performance.

Smartoptics specializes in developing products for metro and regional applications, which involve networks within cities or between nearby cities. These products are designed using open and disaggregated principles, meaning they can interoperate with a variety of other vendors' products and function well in a mixed vendor ecosystem. Disaggregation also allows for multiple vendors to deliver different aspects of the network solution, resulting in high-

her performance at a lower cost point, as well as the ability to continuously upgrade step by step.

The global metro WDM market, excluding China, including IP-over-DWDM solutions, was worth just shy of USD 6 billion, in 2023 and the IP-over-DWDM segment is expected to grow rapidly in the coming years due to its cost efficiency, making the IP-over-DWDM share increases substantially.

Overall, Smartoptics is well-positioned to capitalize on this growing trend towards IP-over-DWDM solutions, as our products are designed to be interoperable and cost-effective, making them an attractive option for customers looking to upgrade their metro networks.

The market analysis is based on research by Signal.AI and on Smartoptics estimates



# CUSTOMERS

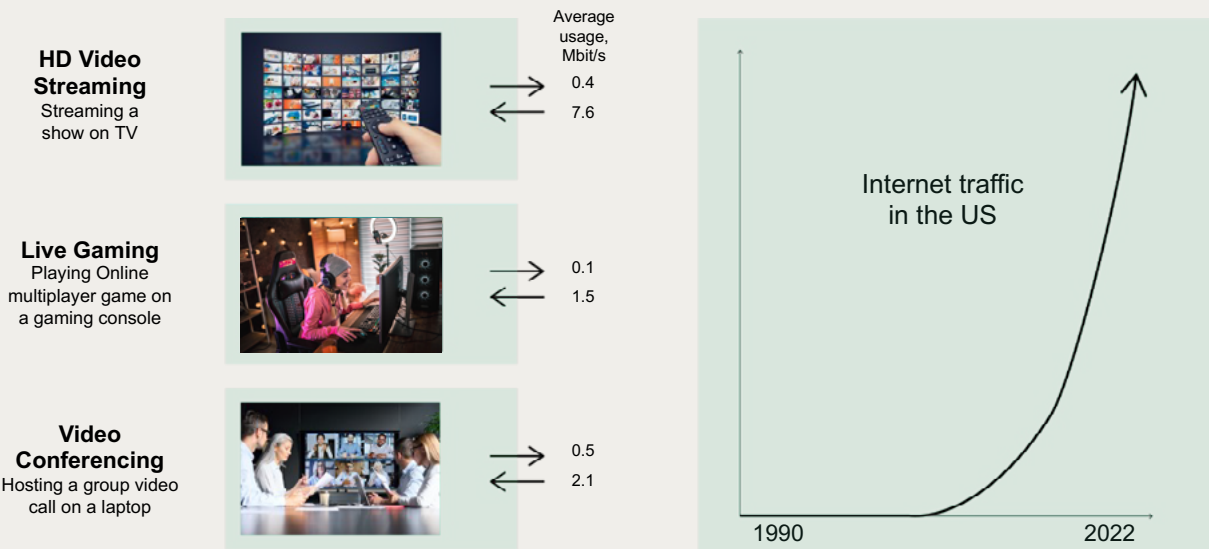
## THE EVER-GROWING DEMAND FOR BANDWIDTH

Communications are a central element of our lives, both in a professional and private sense. We scroll among unlimited streams of video content on the TV, we play computer games with our friends, and we participate in video conferences with colleagues on other continents. Where telecommunications once meant just telephony, today streaming services, Internet access, data sharing, and video communications have become mainstream applications, making up the vast majority of all the information transported over the electronic web spanning the Earth. At the same time, artificial intelligence (AI) is revolutionizing the way we interact with digital communications. AI-powered algorithms enhance video quality in real-time, personalize content recommendations, making our interactions with the digital world more seamless and efficient. As AI continues to evolve, it will further shape the future of telecommunications, enabling smarter, faster, and more adaptive communication networks.

The traffic growth in communication networks has been significant. And this will continue. Technological innovation and mass production have gradually reduced the cost of each transported bit. And a lower bandwidth cost spurs the innovation of even more bandwidth hungry applications. The shift towards higher capacity communications networks is in a positive feedback loop and it will roll on for a long time.

This trend is the driving force behind the global demand for the high capacity, optical transport solutions provided by Smartoptics. Hence the Smartoptics' customers are found among the cable and telecom operators, cloud service providers, Internet exchanges, governmental agencies and enterprises striving to keep up with their users' never-ending need for more bandwidth.

## The Ever-Growing Demand for Bandwidth



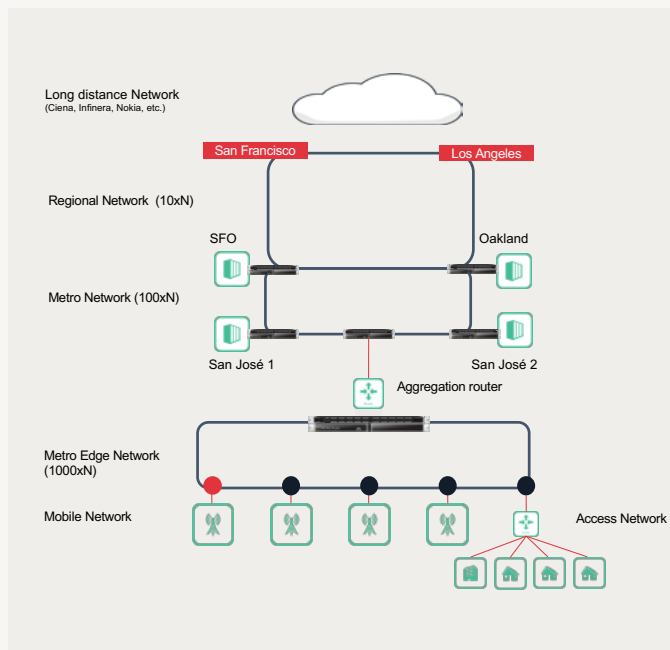
## CUSTOMER TYPES

### COMMUNICATION SERVICE PROVIDERS

Public networks, operated by cable and telecom providers, are among the biggest communication networks in terms of user base. These operators offer bandwidth capacity and related services to their customers. Their users range from large numbers of consumers with broadband access to enterprises active in time-critical businesses such as e-commerce or media streaming, putting great demands not only on fast but also on fail-safe connections. These Communication Service Providers (CSPs) form Smartop-

tics' largest addressable market segment and use Smartoptics products to build cost efficient optical networks interconnecting the CSP's major points of presence and providing network access for the CSP's users.

The CSP's networks typically have a hierarchical structure where traffic from many users is aggregated and then transported over common long-distance connections.



- **Regional Network** - Connectivity between cities in a region. 100Gbit/s and 400Gbit/s. Several hundred connections
- **Metro Networks** - Connectivity between major Datacenters. 100Gbit/s and emerging 400Gbit/s. Several hundred connections
- **Metro Edge Networks** - Backhaul of Data to major Datacenters. 10Gbit/s up to 100Gbit/s. Several thousand connections

The hierarchical structure of the CSPs' networks offers multiple opportunities for the deployment of Smartoptics open line systems, transponder, and muxponder products: At the regional level, which interconnects cities, 100G, 400G, and 800G DWDM line systems with DCP-R ROADMs from Smartoptics are in strong demand when building ring and mesh shaped networks. Within cities, i.e., at the metro level, additional DWDM rings at 100G and 400G built with ROADMs from Smartoptics are used to meet the demand for further distribution of the CSP's bandwidth. And to reach the thousands of CSP users, access and edge networks using Smartoptics 10G and 100G open line systems with transponders/muxponders as demarcation devices are deployed.

The CSPs have a recurring demand for more bandwidth between their points of presence, as well as significant expansion needs when building backhaul networks for

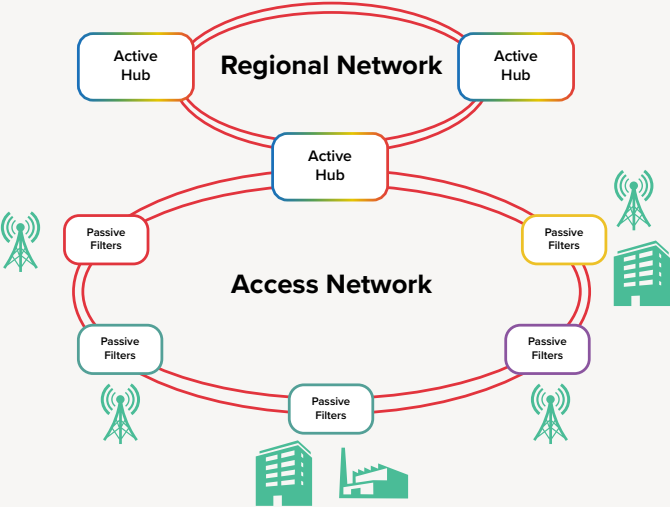
e.g., 5G and broadband access. A recent trend is that CSPs increasingly invest in IP over DWDM solutions with open line systems, which is an excellent match for the new ROADM and open line system offerings based on the Dynamic Connectivity Platform (DCP) from Smartoptics. Thanks to the open interfaces (APIs) of the Smartoptics' products and by using the SoSmart Software Suite from Smartoptics, the CSP may also create a complete and simple to use "point-and-click" management solution for his optical network. Or alternatively, the Smartoptics' IP over DWDM solutions can be integrated with the existing management and provisioning systems already in place. Hence, the IP over DWDM solutions from Smartoptics offer the CSP both a lower cost and simpler management than traditional optical transport systems.

RURAL COMMUNICATION AND BROADBAND SERVICE PROVIDERS

A special type of Communication Service Provider is the rural service provider, serving less densely populated areas and remote regions of a country. The rural service providers often play a crucial role in the digitalization policies of a country and in the strive to bring an equal set of digital services to all citizens.

In the initial deployment phases, the rural service provider can seldom afford to use the powerful optical transport

solutions that have been designed primarily for the “tier 1” types of networks in a metropolitan area. Rather, the rural service provider requires solutions that have a low entry cost, are simple to operate, but also have the potential to be upgraded to higher capacities when the need arises. Hence, the rural optical network becomes an excellent application for Smartoptics’ IP over DWDM architecture which allows for an efficient mix of active/passive solutions for broadband backhaul combined with a regional network consisting of upgradable, easily manageable, open line systems using ROADMs and long reach optics.



- **Regional Network** - Connectivity between major nodes in the area at 100 and 400 Gbit/s. Using active equipment that routes traffic to and from the access network rings.
- **Access Network** - Backhaul of traffic from radio base stations, enterprises and businesses to the active hubs of the regional network. Using optical filters hence no power is required at the add/drop sites.





INTERNET CONTENT PROVIDERS AND INTERNET EXCHANGES

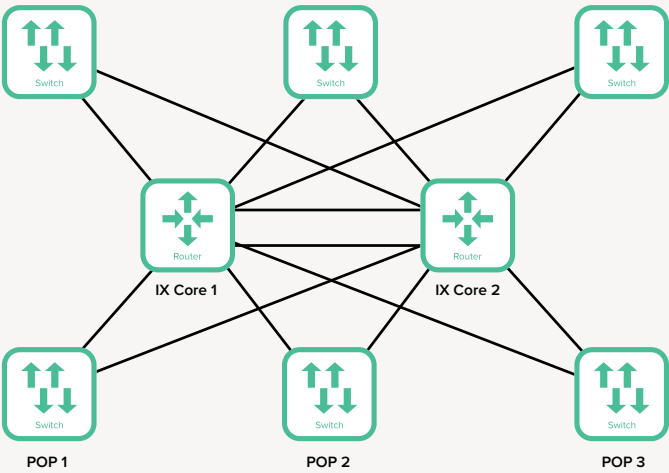
An Internet Content Provider (ICP) is an organization that creates information, entertainment, or other content for online delivery over the Internet. ICPs deploy high-capacity optical networks within their data centers and for back up between datacenters. Some of the larger ICPs also maintain their own international optical transport network to reduce their media distribution costs.

Internet Exchanges (IXPs) are peering points for Internet traffic, allowing participant Internet Service Providers (ISPs) to exchange data for their respective networks. An IXP organization typically operates several such exchange points in one or more countries as well as Points of Presence (POP) in relevant data centers, all interconnected by a dedicated optical transport network

The ever-growing demand for bandwidth drives ICPs and IXPs to request bandwidth at a very attractive cost per bit,

when interconnecting their sites. A preferred way of achieving this is to deploy IP over DWDM solutions from Smartoptics, removing transponders and decreasing the overall cost of the transport layer. When even higher capacities are required or if the switches only have low speed ports, using e.g., the Smartoptics DCP-404 muxponder paired with 400G transceivers is an excellent alternative. This muxponder can run four 100G links over 400G, using only one fiber pair instead of four, in a compact and efficient form factor. By simply adding more DCP-404s into a single rack unit, it is even possible to expand capacity by up to a factor of four.

Smartoptics innovative and fully open DCP platform simplifies all types of IP over DWDM deployments by reducing cost and automating network configuration. An IP over DWDM architecture further has the advantage of leveraging technology advances more rapidly than traditional systems, thereby facilitating a continuous update of the DWDM connections from 100G to 400G and beyond.



- Point-of-Presence (POP) - connectivity needs an Internet Exchange (IXP) with two core routers.

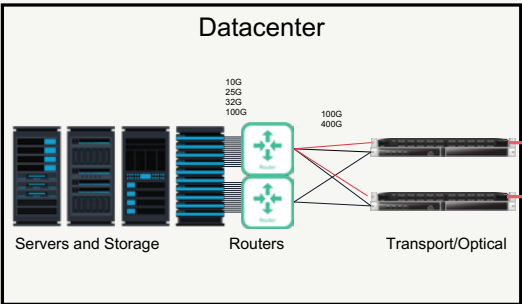


ENTERPRISE AND GOVERNMENT DATA CENTERS

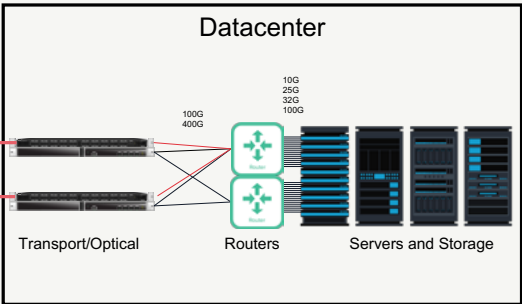
Like ICPs and IXPs, enterprises and government agencies use Smartoptics’ products to boost the bandwidth transported over optical fibers when interconnecting their data centers. With IP over DWDM solutions offered by Smartoptics it is possible to transport up to 26 Terabit/s over one fiber pair, and to mix and match Ethernet traffic with e.g., storage specific protocols like Fibre Channel. The unprecedented software automation offered by the DCP platform allows the customers to use this advanced technology with very limited in-house competence in how networks are installed, commissioned, and operated.

Enterprise and government projects are typically smaller than CSP and IXP projects but often result in recurring revenues over several years. Normally network utilization grows and transport capacity may have to be upgraded by 10 – 50% in the years following the initial deployment. And since there is typically 4-5 years between new technology cycles, a complete re-investment in the optical network often occurs after about 5 years.

Datacenter



Backup Datacenter (Enterprise), Datacenter 2, 3... (ICP)



# PRODUCTS

## OVERVIEW PORTFOLIO

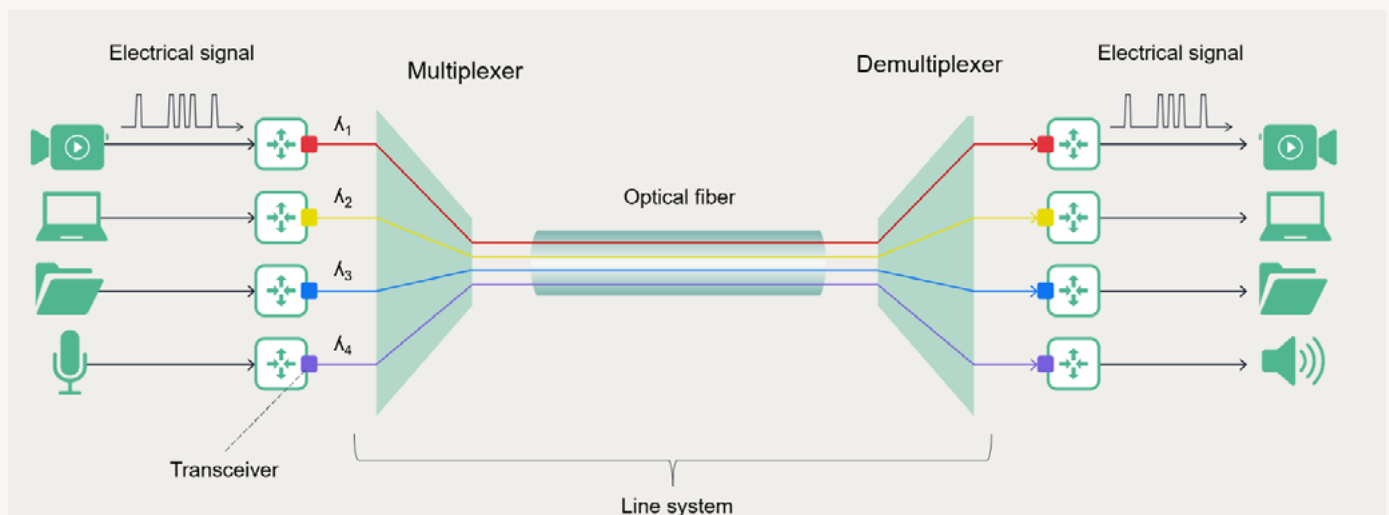
### DENSE WAVELENGTH DIVISION MULTIPLEXING - DWDM

Smartoptics offers products for high-performance and scalable optical transport solutions over optical fibers. The fundamental technology underlying the products is called Wavelength Division Multiplexing (WDM) and Smartoptics is primarily utilizing a form of this technology referred to as Dense Wavelength Division Multiplexing or DWDM.

In DWDM, data carried by separate electrical signals is transformed into light pulses of different colors. These colored signals can then be sent over an optical fiber and retrieved at the receiving end by picking up each individual incoming color separately. The colors are combined into the light stream to be transported by the fiber using a device called a multiplexer and then, at the other end

of the fiber, the light stream is separated into individual wavelengths again by use of a demultiplexer, so that they can be sent to the correct receiver. The optical fiber with multiplexers, demultiplexers, and strategically placed optical amplifiers, is often referred to as a line system, while the conversion between the electrical and optical signals is performed by pluggable transceivers.

Thanks to the wavelength multiplexing the customer gets access not to one, but to many independent, two-way communication channels, even with just one fiber pair deployed between the sites. This allows enterprises, for example, to build corporate communication networks for video conferences, data communications and server back-up, all using the same fiber infrastructure. Similarly, a telecom operator can leverage the same fiber network for both telephony, Internet services and high-speed data center interconnect (DCI) solutions services, without having to deploy costly separate long distance fiber cables.

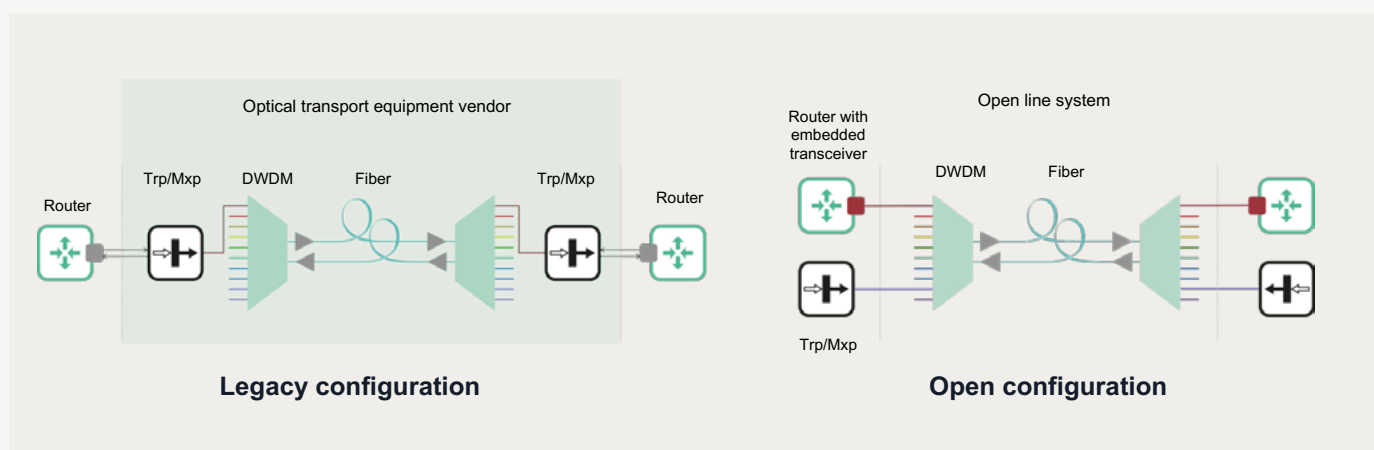


Illustrations of function of an Open Line System

## IP OVER DWDM WITH OPEN LINE SYSTEMS

Until recently, all optical transport networks were built using dedicated, monolithic, optical transport systems originating from the telco world. However, an open architectural approach is now increasingly applied to optical networking, using IP over DWDM, i.e., pluggable optics in standard IP routers and switches, and open line systems including everything needed for the DWDM channels to be carried over longer distances (amplifiers, dispersion compensation, ROADMs etc.). A new breed of disaggregated network solutions has emerged, relying upon standardized hardware with embedded WDM capabilities and with the option of being steered from the same Software Defined Networking (SDN) controllers as other parts of the network.

IP over DWDM solutions are critical for enterprises and cloud providers seeking cost-effective, high-capacity Data Center Interconnect (DCI) and for Communication Service Providers (CSPs) for metro edge and metro/ regional networks. The building practices, use of pluggable optics, SDN etc. originating from the enterprise data centers have laid the foundation for a new generation of optical networks, reaping the rewards of breakthroughs in DWDM and transceiver technology. The Smartoptics' products are designed for this new era in optical communications.





## PRODUCT PORTFOLIO

Smartoptics' product portfolio comprises Optical Solutions, Optical Devices and Software & Services.

### OPTICAL SOLUTIONS BASED ON THE DYNAMIC CONNECTIVITY PLATFORM (DCP)

To meet the diverse requirements of IP over DWDM with active and open line systems, Smartoptics has designed the Dynamic Connectivity Platform (DCP) as a multipurpose base, supporting the optical networking needs of both operators and enterprises. The DCP platform uses an open architecture supporting pluggable transceivers, open line systems, and SDN control, resulting in a superior price/performance when compared to legacy solutions.

The DCP platform can be used in all types of IP over DWDM optical networks, may they be simple point-to-point links or advanced, ROADM-based, ring and mesh networks. To fit the varying needs of IP over DWDM, the DCP platform comes in several flavors: The DCP-M, the DCP-R, and the DCP-F open line system families, and a comprehensive portfolio of transponders and muxponders.

The DCP platform is designed for scalable deployments, from small-scale enterprises to large-scale service provider networks and to cater for use in special situations. Management of all DCP platform products can be done using the SoSmart software suite from Smartoptics.

### THE DCP OPEN LINE SYSTEM FAMILIES

An open line system may be anything from a set of passive optical filters and a fiber to a complex, meshed ROADM network with multiple active elements. To meet the diverse requirements of active open line systems, Smartoptics has introduced three families of DCP products:

#### THE DCP-M FAMILY

For automated provisioning with minimal manual intervention of point-to-point links with multiple traffic formats at speeds up to 800G, optimized for cost-efficiency and high bandwidth capacity. The DCP-M family comprises six models for either 8, 32, or 40 channels, dedicated for either 100G DWDM PAM4, 400ZR, 800G, or for applications with any mix of PAM4, NRZ and coherent 100/400G channels. The DCP-M products have a fixed form factor chassis, and each model is designed for a particular use case.

#### THE DCP-R FAMILY

For any type of ring and mesh shaped ROADM network with multiple traffic formats, focusing on service reliability and wavelength manageability. The DCP-R products enable advanced topologies with up to 34 degrees (fiber directions) and support of a mixture of modulation formats such as 400ZR OIF, 800G, NRZ, and coherent wavelengths. The DCP-R products also have a fixed form factor chassis, and each model is designed for a particular application.



The DCP-M/DCP-R chassis (top) and the DCP-2 chassis with a DCP-F-A22 amplifier and a DCP-F-R22 micro ROADM (bottom)

### THE DCP-F FAMILY

For configuration of all types of open line systems with a set of versatile, active, optical units that can be used on their own or extend the functionality of the DCP-M and DCP-R families as well as being used in active/passive optical ring applications. The DCP-F units have a uniquely high level of flexibility based on a building box concept with flexible optical modules that fit into a DCP-2 chassis.

### THE DCP TRANSPONDERS AND MUXPONDERS

For use cases where a stand-alone transponder or muxponder adds value, Smartoptics has introduced a separate family of DCP-2 based transponders and muxponders. Using a transponder, a short range electrical or op-

tical signal from a switch or router can be converted to a long range DWDM signal for transport over an open line system. The transponder/muxponder may also perform encryption of the optical signal and optical channel quality monitoring.

The DCP-108, DCP-1203, and the DCP-1610 transponders are typically used to adapt switches and routers that do not accept pluggable CWDM/DWDM transceivers to use an open IP over DWDM line system. These products also often act as a demarcation device between a service provider's network and his subscribers.



DCP-108



DCP-1203



DCP-1610



DCP-404



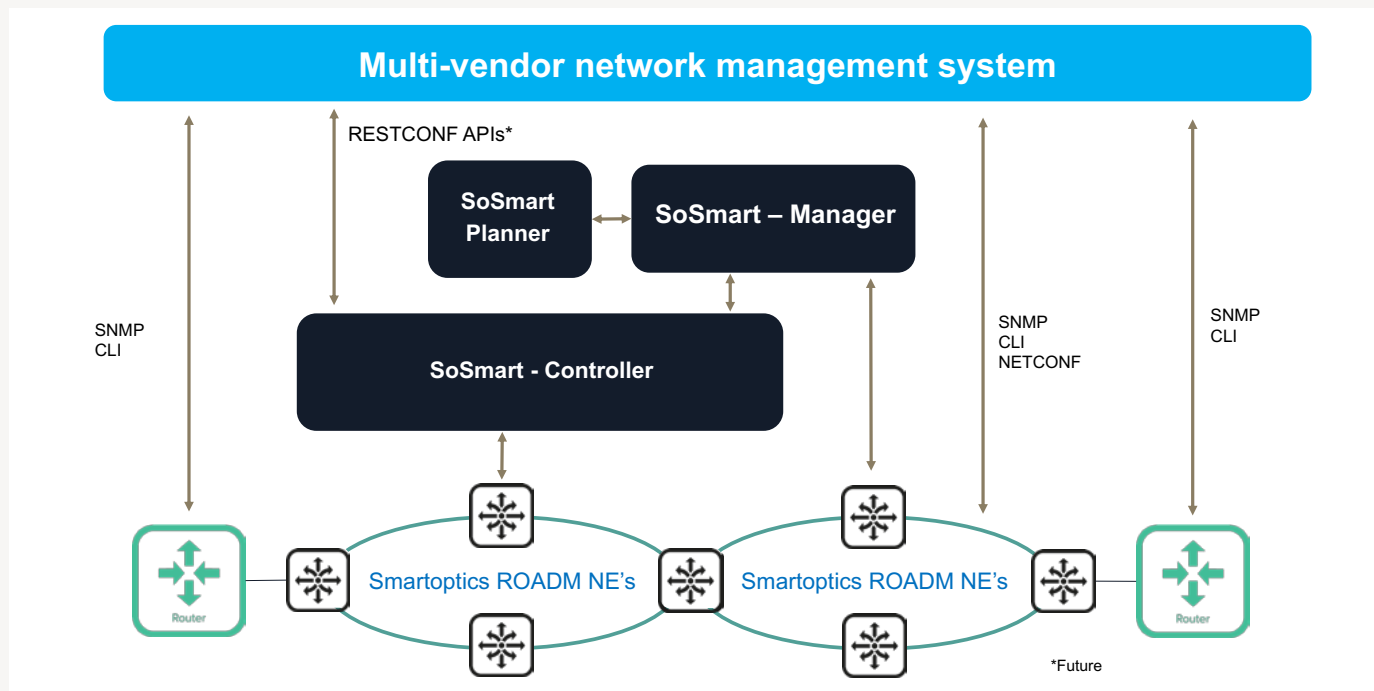
DCP-110

*The Smartoptics DCP transponders and muxponders.*

The DCP-110 muxponder offers a cost-effective way of aggregating up to ten 10 GbE signals into one 100G channel to be transported over a DWDM line system. Similarly, the DCP-404 muxponder enables the multiplexing of four 100GbE signals into one 400G channel for the most bandwidth efficient utilization of the available fiber infrastructure.

### THE SOSMART SOFTWARE SUITE

SoSmart is a modular software suite for SDN-based management of Smartoptics' products in an open, multi-layer and multi-vendor optical networking environment. The management suite features a cloud-native software architecture with open APIs for seamless integration that enable a high level of management flexibility, modularity, and multiple integration possibilities with other systems and products.



Using the graphical user interface of the suite's SoSmart Manager, a network operator can dynamically provision capacity, monitor performance, and track down problems in the underlying physical optical network. Alternatively, the SoSmart suite acts as an adaptation layer between the network elements from Smartoptics and higher-level multi-vendor network management systems and orchestrators.

The Smartoptics SoSmart Software Suite for open network management includes the following building blocks:

#### SOSMART MANAGER

The SoSmart Manager is the interface between the physical optical network and the staff operating the network, and hence the graphical user interface (GUI) plays a crucial role for the efficiency of network provisioning and management. The SoSmart Manager GUI is designed to be straight forward and intuitive to use. Navigation is easy with menus to the left and the workspace to the right of the display. Graphical representations and selectable menu alternatives are used wherever possible.

Optical layer path calculations and wavelength service creation between network nodes as well as Layer 1 transport service creation between Smartoptics transponders are easily done by simple point and click actions. Just select a port in the node where the optical channel shall start and a port in another node where it shall end, give the service a name and you are done. The SoSmart Manager will automatically calculate the path and estimate its performance.

The SoSmart Manager also provides alarm lists and alarm logs to simplify fault-finding and troubleshooting as well as performance monitoring. Furthermore, the SoSmart Manager includes the necessary functions for an efficient administration of the optical network including an up-to-date inventory of the deployed network elements, and keeping track of e.g., mandatory software/firmware upgrades and necessary node element back-up files.

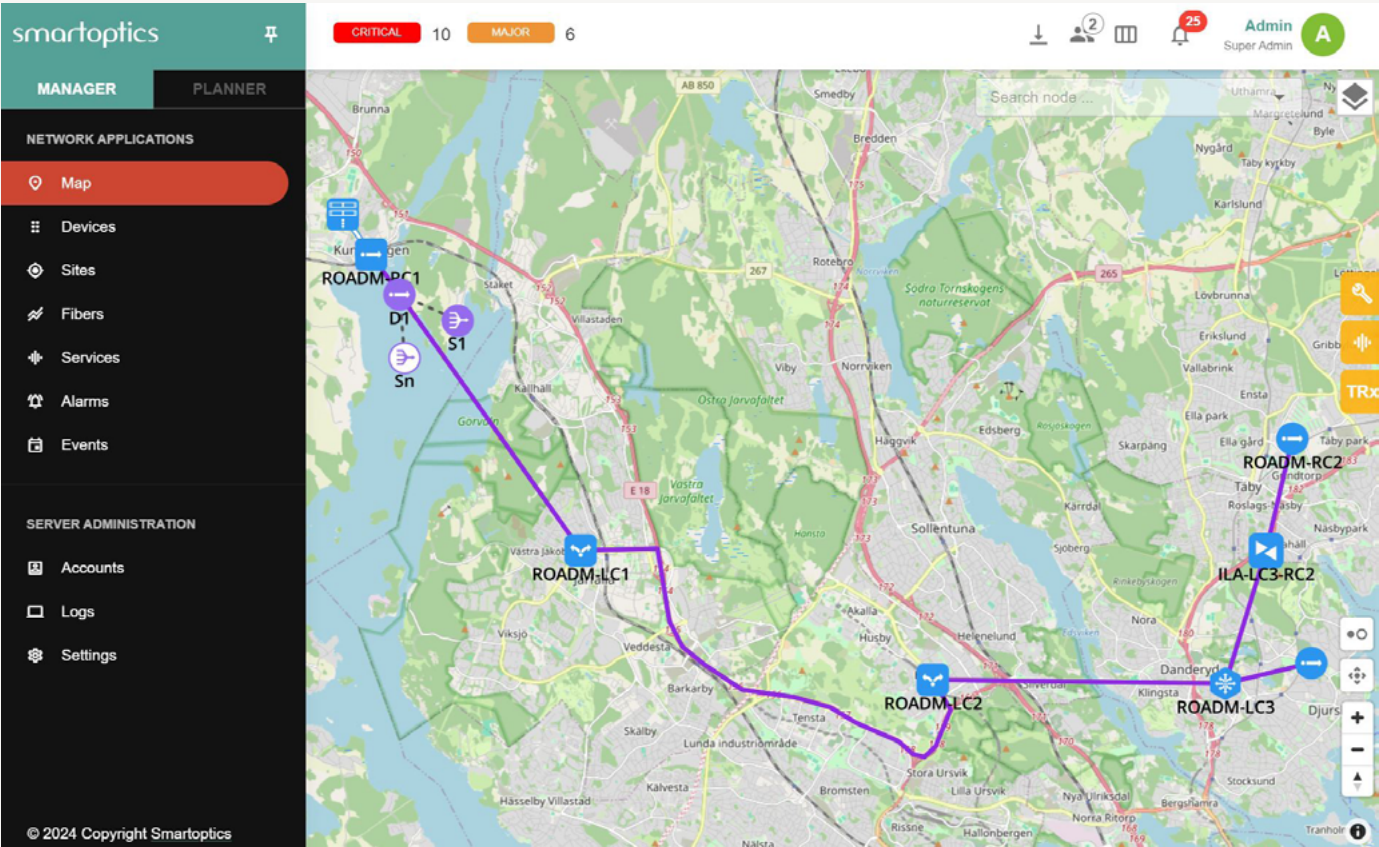
SOSMART CONTROLLER

The SoSmart Controller controls the network elements in the optical network enabling the configuration of settings and provisioning of services according to requests coming from the SoSmart Manager GUI and/or from higher-level management systems. The SoSmart Controller is based on the open-source Transport Path Computation Element (TransportPCE) software and uses the non-proprietary NetConf and Open ROADM protocols to control the network elements. The communication links to the individual network elements are typically implemented over a secure and dedicated IP-network (DCN) reaching each optical network node.

SOSMART PLANNER

The SoSmart Planner is an optical planning and simulation tool with the same GUI as the SoSmart Manager and using the open-source module GNPy for path simulations. The SoSmart Planner with GNPy is fully capable of doing both advanced OSNR simulations as well as advanced GSNR simulations where non-linear effects are taken into consideration.

The SoSmart Software Suite interworks seamlessly with the DCP network elements, each of them having data models based on Yang and supporting the Open ROADM APIs, which are made accessible via the NetConf protocol.



The image shows an example network in the SoSmart Manager, a part of the SoSmart Software Suite.



This open approach has two important advantages: The DCP network elements may be directly controlled by other SDN controllers supporting the Open ROAD API and NetConf, and the SoSmart Software Suite can be extended to also control other optical network elements with relevant open APIs.

### OPTICAL DEVICES

Smartoptics offers a comprehensive portfolio of high-end, high quality optical transceivers used for electrical/optical conversion in e.g. routers, switches, and radio base stations. The Smartoptics transceivers support all types of storage, data, voice, and video traffic, regardless of whether it comes to linking rack-to-rack, bottom-to-top of rack, data center-to-data center, or network-to-network with optical fiber.

Building on its system and networking expertise, Smartoptics expertise ensures the availability of the latest transceiver technology at the best price.

Smartoptics 32G, 16G and 8G Fibre Channel transceiver families have been uniquely approved by Cisco for use with its MDS platform. The certified solutions offer Cisco

users a new approach to cost-efficient data center connectivity through IP over DWDM networking. Smartoptics is also the only vendor whose complete end-to-end solutions are layer 1 tested by Brocade. Not just transceivers or multiplexers, but systems that allow intelligent long-distance connectivity based on IP over DWDM principles without the need for stand-alone DWDM platforms.

In addition to the transceivers Smartoptics offers a complete portfolio of passive WDM multiplexors, OADM, and cables, where applications span from data center interconnect to pure access network deployments for operators. Smartoptics passive multiplexers and OADM are designed for the best possible performance levels. That translates into low losses and even greater distances for transmission. All Smartoptics units can be housed in case hardened outdoor modules and used outdoors. The range of passive CWDM/DWDM multiplexers and OADM modules allow up to 16 CWDM and 80 DWDM channels to be connected simultaneously over a dark fiber network. These passive components are completely protocol transparent and suit applications including 400/100/10/1G Ethernet, SDH/SONET, 32/16/8/4/2/1G Fibre Channel/FICON, FTTx and CATV.



QSFP-DD transceiver



SFP-DD 100GE transceiver



OSFP 400G transceiver



QSFP28 transceiver



H-Chassi-1RU

## PRODUCTS

Through the optical devices portfolio Smartoptics enable enterprises and service providers to leverage advances in pluggable optics in innovative ways, such as deploying IP over DWDM networks, lowering the cost, and creating better scalability for network owners.

### PROFESSIONAL SERVICES

Smartoptics provides a wide range of services to its customers, mainly delivered by own inhouse resources. From network design, via staging and installation support to after sales support, Smartoptics ensures that the customer gets the most out of his network. The offering includes pre-defined support service bundles, where the customer can choose a complete set including software update subscriptions with technical support 24/7, advance product replacement, and extended warranty. Alternatively, the customer may pick and choose the individual support services of his interest.

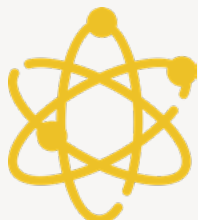
Sales of advanced and complete optical networks to Communication Service Providers and large IXPs does

not only depend on the products themselves but also on the support that can be delivered by the vendor when the network has been deployed. Smartoptics therefore has a dedicated support team handling trouble tickets from all around the globe, 24 hours a day, every day of the year. Response times and customer satisfaction are measured continuously, and we are very pleased that over 90% of our customers state that they are extremely satisfied with the support they receive.

Professional services also play an important role in the Smartoptics growth strategy. The increasing number of customers signing up for Smartoptics' professional services is an important source of recurring revenue for the company. By introducing service bundles such as Complete Care and Smart Care, choosing an adequate service level has been simplified for the customer, resulting in a rapidly growing number of service contracts. The ultimate objective is that every network deal shall be accompanied by a professional service contract extending the customer relation and providing continued income.

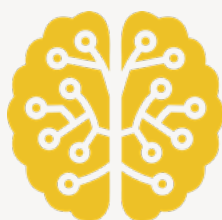


### PROFESSIONAL SERVICES FROM SMARTOPTICS



#### COMPLETE CARE

The Complete Care service is our most comprehensive service bundle and contains TAC 24/7/365, software subscriptions and APR+EWS.



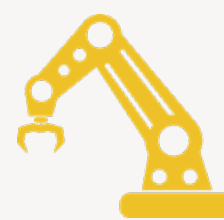
#### SMART CARE

The Smart Care offers a bundle of support services including 24/7/365 support and an extended product warranty.



#### TECHNICAL SUPPORT

Our aim is to meet your network expectations by designing a network to be as high-performance and cost-efficient as possible.



#### EXTENDED WARRANTY SERVICE

Smartoptics' extended warranty service (EWS) allows you to extend the term of your product warranty beyond the standard term.



#### ADVANCE PRODUCT REPLACEMENT

Smartoptics' advance product replacement (APR) service is an optional service that can be purchased for any Smartoptics product. If a product is found to be in need of replacement a replacement product with the same or similar functionality will be shipped by the next business day.



#### NETWORK DESIGN SERVICES

We offer a complimentary optical network design service. This includes a bill of materials (BOM) to match the future-proof fiber and network requirements of every individual network task as well as recommendations for spare parts.



#### STAGING AND INSTALLATION SUPPORT

Our pre-staging service encompasses building up and testing the network in our lab. This ensures the network is fully operational prior to shipping and saves valuable time during the installation period.



#### TRAINING AND EDUCATION

Smartoptics offers training programs for everything from xWDM basics to our product portfolio and how to design and implement an optimized network to meet your current and ongoing capacity requirements.

# BOARD OF DIRECTORS



**THOMAS RAMM**  
**CHAIRMAN OF THE BOARD**

**BORN**

1964

**BOARD MEMBER SINCE**

2013

**OTHER CURRENT ASSIGNMENTS**

Chairman of the Board of Ignis AS, Chairman of the Board of Etain AS, Chairman of the Board of Apini AS, Owner of Coretech AS

**EDUCATION**

Bachelor of Information Technology from EDB høyskolen in Oslo, Norway

**HOLDINGS IN SMARTOPTICS GROUP**

31 783 599 shares, as of December 31, 2024



**SARA HEINER ASPLUND**  
**BOARD MEMBER**

**BORN**

1976

**BOARD MEMBER SINCE**

2022

**OTHER CURRENT ASSIGNMENTS**

Director of Finance & Accounting at Etraveli Group

**EDUCATION**

MSc. in Industrial Engineering and Management from the Royal Institute of Technology

**HOLDINGS IN SMARTOPTICS GROUP**

7 339 shares, as of December 31, 2024

# BOARD OF DIRECTORS



**EINAR CASPERSEN**  
**BOARD MEMBER**

**BORN**  
1968

**BOARD MEMBER SINCE**  
2022

**OTHER CURRENT ASSIGNMENTS**  
Lawyer Advokatfirmaet Schjødt

**EDUCATION**  
Cand Jur, Law from University of Oslo

**HOLDINGS IN SMARTOPTICS GROUP**  
15 850 429 shares, as of December 31, 2024



**KARL THEDÉEN**  
**BOARD MEMBER**

**BORN**  
1963

**BOARD MEMBER SINCE**  
2019

**OTHER CURRENT ASSIGNMENTS**  
CEO Studsvik AB, Board member of Net Insight AB

**EDUCATION**  
MSc. in Systems Engineering from the Royal Institute of Technology

**HOLDINGS IN SMARTOPTICS GROUP**  
463 078 shares, as of December 31, 2024



# THE MANAGEMENT TEAM



**MAGNUS GRENFELDT**  
**CHIEF EXECUTIVE OFFICER**

## BORN

1969

## EXPERIENCE

Has held several management, sales and business development positions at Transmode, Infinera, ADVA Optical Networking, Sycamore Networks and Ericsson.

## EDUCATION

MSc. Materials Physics from Uppsala University

## JOINED SMARTOPTICS

2016

## HOLDINGS IN SMARTOPTICS GROUP

1 857 489 shares as of December 31, 2024



**STEFAN KARLSSON**  
**CHIEF FINANCIAL OFFICER**

## BORN

1970

## EXPERIENCE

Prior to joining Smartoptics, he held the position as Director of Finance and Accounting at Trustly since November 2020. Previously, he was the Director of Finance at Infinera. His background also includes positions in financial controlling and accounting at Transmode, PacketFront, Powerwave Technologies, Allgon and IconMedialab, as well as a tenure as an auditor at PWC.

## EDUCATION

Bachelor degree in Business and Economics from Stockholm University and has studied Business Administration at the University of Macau.

## JOINED SMARTOPTICS

2024

## HOLDINGS IN SMARTOPTICS GROUP

5 000 shares as of December 31, 2024



**KENT LIDSTRÖM**  
**CHIEF TECHNOLOGY OFFICER**

**BORN**

1969

**EXPERIENCE**

Has held various positions at Transmode and Infinera including a 4-year assignment in the USA where he worked as the director of sales engineering. Prior to this Kent held several positions at Ericsson.

**EDUCATION**

BSc. In Engineering from the Royal Institute of Technology

**JOINED SMARTOPTICS**

2018

**HOLDINGS IN SMARTOPTICS GROUP**

280 762 shares as of December 31, 2024



**BJÖRN ANDERSSON**  
**SVP BUSINESS AREA**  
**OPTICAL DEVICES**

**BORN**

1971

**EXPERIENCE**

Over 25 years of experience in the optical networking industry. Prior to joining Smartoptics, he has held several product, sales, management and business development positions at Infinera, Transmode, Lumentis, Ericsson and Sycamore Networks. Including multiyear expat assignments in Italy and USA.

**EDUCATION**

Bachelor of science in Software/Electronic Engineering. Specializing in Data communication and Distributed Systems.

**JOINED SMARTOPTICS**

2024

**HOLDINGS IN SMARTOPTICS GROUP**

8 000 shares, as of December 31, 2024



**RONALD HÜBSCH**  
**VP OF SUPPLY CHAIN**

**BORN**  
1973

**EXPERIENCE**

More than 20 years of experience from the optical telecommunication industry. He has held several positions in procurement, sales and production engineering at Coriant, Infinera, Nokia Siemens Networks, Siemens and Taclink.

**EDUCATION**

Dipl.-Ing. Electrical Engineering - RF Technology and Photonics from Technical University, Berlin

**JOINED SMARTOPTICS**

2021

**HOLDINGS IN SMARTOPTICS GROUP**

5 500 shares as of December 31, 2024

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**PER BURMAN**  
**CHIEF MARKETING OFFICER**

**BORN**  
1976

**EXPERIENCE**

Per has held several sales and management positions at Tilgin, Transmode and Infinera.

**EDUCATION**

MSc. In Engineering from the Royal Institute of Technology

**JOINED SMARTOPTICS**

2017

**HOLDINGS IN SMARTOPTICS GROUP**

280 075 shares as of December 31, 2024



# BOARD OF DIRECTORS REPORT

## THE SMARTOPTICS GROUP

Smartoptics Group AS is the holding company of the Smartoptics group of companies (the group). The group consists of Smartoptics Group AS and three subsidiaries (Smartoptics AS, Smartoptics Sverige AB and Smartoptics US Corp).

Smartoptics is a Scandinavian company that provides innovative optical networking solutions and devices for the new era of open networking.

The group's focus is on solving network challenges and increasing the customers efficiency by having an open network approach. This allows customers to break unwanted vendor lock ins, remain flexible and reduce costs. Smartoptics products are based on in-house developed hardware and software, enhanced through associated services.

The customer base includes thousands of enterprises, governments, cloud providers, Internet exchanges as well as cable and telecom operators.

Smartoptics partners with leading technology and network solution providers and upholds numerous certifications and approvals from major switching and storage solution providers such as Brocade, Cisco, and Dell. Smartoptics has a global reach through the sales force and more than 100 business partners including distributors, OEMs and VARs.

## OPERATIONAL OVERVIEW

### PRODUCTS

The Smartoptics group has three main product categories.

Solutions comprises software and hardware systems which enable transport of data over optical fibers in networks and between data centers. Smartoptics' product offering is designed to target the metro and regional market. Target customers may be enterprises, Internet content providers or communication service providers.

Devices consists of passive optical multiplexers, transceivers (optical interfaces for routers, switches and base-stations for example) and various accessories. Optical tran-

sceivers are complete pluggable optical interfaces for any host system, ranging from simple fiber to the home termination points to high end routers, switches and base stations. Smartoptics offers a complete portfolio that can be used in a wide range of host systems. Smartoptics offers optical transceivers capable of transmitting and receiving from 100 Mbit/s to 400 Gbit/s.

Software & Services consists of technical support, advanced product replacement, extended warranty and software upgrades. Software & Services is usually sold together with the other types of products.

### LOCATIONS

The employees of the group are located in Norway, Sweden, United Kingdom, Germany, Poland, the Netherlands and the United States. Smartoptics Group AS operates from Brynsalléen 2, 0667 Oslo.

## FINANCIAL REVIEW

### FINANCIAL RESULTS OF 2024

The Smartoptics group's revenues amounted to USD 55.5 (58.5) million in 2024, a decrease of 5.1% from 2023. The decrease is mainly related to challenging market conditions. Despite the weaker market, Software & Services business area grew by 11.1%.

Gross profit amounted to USD 26.7 (29.3) million, corresponding to a gross margin of 48.1%, compared to 50.0% in the previous year. The gross margin remains high and stable, exceeding the company's long-term target

Operating expenses amounted to USD 49.9 (47.7) million, reflecting an increase driven by the growth of the organization. At year-end 2024, Smartoptics group had 132 employees, up from 115 the previous year. Net employee benefit expenses amount to 26.7% of total revenue compared to 24.2% last year. Stronger USD against SEK and NOK partly offset the rise in operating expenses.

Operating profit was USD 3.3 (8.9) million, with an operating margin of 5.9% compared to 15.3% last year. The development is primarily driven by a dip in revenue, a slightly lower gross margin, and continued strategic investments in product development and market expansion to support long-term growth.

Amortization amounted to USD 0.3 million, unchanged from the previous year. It primarily relates to capitalized development, as well as other intangible assets such as software systems. Capitalized development additions for the year amounted to USD 0.8 (0.5) million.

Depreciation amounted to USD 2.0 (1.6) million and is primarily related to production equipment and lab instruments used for development and office equipment and right-of-use assets.

Net financial items were USD 2.1 (0.6) million, of which interest cost accounted for USD -0.3 (-0.2) million, interest income amounted to USD 0.3 (0.3) million and net foreign exchange gains USD 2.1 (0.6) million.

Profit/(loss) for the year was USD 4.0 (7.5) million.

The parent company operates as a holding company, and all operational activities are conducted in the subsidiaries. The net income for the parent company was NOK 58.9 (USD 5.2) million.

### FINANCIAL POSITION AND CASH FLOW

Total non-current assets amounted to USD 7.1 (7.1) million at the end of 2024. This mainly consists of right-of-use assets of USD 1.2 (1.9) million, property, plant and equipment of USD 3.0 (2.8) million, capitalized development of USD 1.6 (1.2) million as well as deferred tax assets of USD 1.0 (1.1) million.

Total current assets amounted to USD 41.8 (41.9) million at the end of 2024. Current assets consist predominantly of inventory, trade receivables and cash. Cash position was USD 8.0 (9.3) million at year end.

The group had a total equity of USD 28.5 (30.0) million, corresponding to an equity ratio of 58.2% (61.3)% at the end of the year.

Total liabilities amounted to USD 20.5 (19.0) million at the end of the year. Current liabilities were USD 14.7 (13.4) million and non-current liabilities was USD 5.8 (5.6) million. The group had USD 0.8 (1.4) million in interest bearing debt. Current liabilities consist of mainly trade payables of USD 5.0 (4.5) million and deferred revenue of USD 4.0 (3.1) million. Deferred revenue relates to pre-paid service business, where revenue recognition is made as the performance obligation of the service is fulfilled and the deferred revenue is transformed to revenue.

Operating cash flow was positive, USD 6.4 (11.9) million. This was driven by overall profitable business.

## RISK FACTORS

### COMMERCIAL RISK

Smartoptics operates in a highly competitive market. Key success factors include product performance, network architecture, solution design capabilities, adherence to industry standards, pricing, and the ability to deliver on time. Increased competition in certain segments may affect Smartoptics competitive position and attractiveness to customers.

### GEOPOLITICAL RISK

Smartoptics rely on a global supply chain with suppliers located in Europe, North America and Asia. Escalating geopolitical tensions, particularly between major global powers, could pose risks to supply chain stability and operational continuity.

### CUSTOMER CREDIT RISK

Customer credit risk is actively managed and continuously monitored. All customers are subject to credit evaluations, or the use of prepayment. Historically, the Group has experienced very low levels of bad debt, and credit risk is expected to remain minimal going forward.

### LIQUIDITY RISK

The Group's financial position is strong with USD 8.0 million in cash at the end of the year. In addition, the Group has an undrawn bank credit facility of USD 6.6 million, providing ample liquidity.

### INTEREST RATE RISK

As of year-end 2024, total borrowings amounted to USD 0.8 million. The Group has two loans with Innovasjon Norge and one with Nordea Financing, all denominated in NOK and set to be fully repaid by 2026. There are no other interest-bearing liabilities.

### EXCHANGE RATE RISK

Smartoptics' customer base is primarily located in Europe, the USA, and Canada. The vast majority of commercial contracts—with both customers and suppliers—are denominated in USD. However, operating expenses, particularly salaries, are paid in local currencies such as SEK, NOK, USD, EUR, and GBP. Consequently, currency fluctuations may impact profitability through changes in operating costs.

### DEPENDENCY ON KEY PERSONNEL

Employees are among Smartoptics' most critical assets. Their expertise, experience, and professional networks are not easily replaced. As the Group continues to grow, Smartoptics is increasingly recognized as an attractive employer, enhancing its ability to recruit top talent across various markets. Employee turnover has remained consistently low in recent years.

## WORKING ENVIRONMENT AND EMPLOYEES

At the end of the financial year, the group employed 132 employees and the parent company has 2 employees. Of the 132 employees in the group 28 were women and 104 were men. For the parent company both employees are men. The board of directors consists of four persons, where of one female. There were no injuries or accidents during the financial year. Sick leave rates has been low.

## ENVIRONMENT, SOCIAL & GOVERNANCE

### SOCIAL RESPONSIBILITY

At Smartoptics, we are committed to upholding human rights, fair labor practices, and workplace safety, ensuring ethical treatment for both our employees and workers throughout our value chain. We adhere to the United Nations Convention on Human Rights and actively work to ensure that all individuals within our operations and supply chain receive fair wages, safe working conditions, and transparent employment terms. We maintain a zero-tolerance policy toward forced labor, child labor, and workplace discrimination, and we respect the right to freedom of association and collective bargaining.

Our commitment to health and safety is reinforced through compliance with the ISO 45001:2023 standard, ensuring a robust occupational health and safety management system. We conduct regular HSE (Health, Safety, and Environment) audits, covering emergency preparedness, fire safety, ergonomic assessments, and psychosocial well-being. Findings from these audits drive continuous improvements to safeguard a safe and supportive work environment for all employees. Beyond our own operations, we extend our social responsibility to our suppliers and partners, requiring them to comply with ethical labor standards. We actively assess working conditions throughout the value chain, ensuring that all individuals are treated with dignity and respect.

Customer satisfaction remains a top priority at Smartoptics. As part of our ISO 9001-certified quality management system, we maintain a customer-centric approach, ensuring that our products and services meet high-quality standards. Through continuous customer feedback and satisfaction monitoring, we strive to improve our offerings and strengthen long-term relationships with our stakeholders.

By fostering a safe, inclusive, and ethical workplace, both internally and across our supply chain, Smartoptics reinforces its commitment to responsible business practices,

supporting sustainable growth and stakeholder trust.

### ENVIRONMENTAL RESPONSIBILITY

We are committed to reducing our environmental footprint through responsible waste management and compliance with regulations such as the WEEE Directive (2012/19/EU). Our membership in Norwegian Grønt Punkt supports packaging recycling, and we work with specialized partners to manage chemical and electrical waste responsibly. Our products comply with RoHS and REACH standards, ensuring environmentally safe materials and manufacturing processes.

This year, we have made significant progress in reducing greenhouse gas (GHG) emissions, particularly in Scope 2 emissions, through improved energy efficiency and transitioning to low-carbon electricity sources. Additionally, we conducted biodiversity and water risk assessments, identifying key areas for environmental improvement and strengthening our commitment to sustainable resource management.

As part of our commitment to continuous environmental improvement, Smartoptics is ISO 14001-certified, ensuring that our environmental management system aligns with global best practices. This certification reflects our structured approach to reducing environmental impact, improving resource efficiency, and ensuring compliance with environmental regulations.

Our emissions reduction efforts contribute to aligning with the Paris Agreement's climate goals, supporting a transition toward a low-carbon economy.

### CORPORATE GOVERNANCE

At Smartoptics, strong corporate governance and ethical business practices are fundamental to our sustainability strategy. We operate with transparency, accountability, and regulatory compliance to ensure long-term resilience and stakeholder trust.

In accordance with the Norwegian Transparency Act, we conduct due diligence assessments based on OECD guidelines, ensuring responsible business conduct throughout our supply chain. Our sustainability report inspired by the CSRD directive and ESRS standard, will be published by 30.06.2025 at [www.smartoptics.com](http://www.smartoptics.com), where previous years' report also is available, demonstrating our commitment to transparency and responsible corporate practices.

We enforce responsible sourcing policies, ensuring that all suppliers comply with ethical labor and environmental standards. In line with the Responsible Minerals Assurance Process (RMAP), and that our suppliers comply with

The Conflict Mineral Act.

Smartoptics also upholds strong risk management and compliance frameworks to address evolving regulations, environmental laws, and ethical sourcing requirements. To maintain governance excellence, we conduct internal and external audits, ensuring alignment with global standards. By integrating robust governance, ethical sourcing, and compliance measures, Smartoptics strengthens its corporate responsibility, contributing to a sustainable and resilient future.

### PROTECTION OF INFORMATION AND MAINTENANCE OF CONFIDENTIALITY

The safeguarding of sensitive information is paramount to our operations and is integral to maintaining the trust of our stakeholders. Throughout the year, we have invested in robust measures to ensure the security and confidentiality of our data across all facets of our business. We have also prioritized the cultivation of a culture of confidentiality and discretion among our employees. Through training programs and regular communication, we emphasize the importance of handling sensitive information with the utmost care and integrity.

### RAISING CONCERNS AND COMPLIANCE WHISTLEBLOWING FUNCTION

Smartoptics recognizes that employees may feel uncomfortable raising an issue directly with the person involved. Therefore, we have a whistleblower function, which guarantees anonymity and the option to receive feedback if desired. Whistleblowers are protected and every report is handled with confidentiality.

Our whistleblowing system ensures that employees can report any concerns they have without fear of retribution or retaliation. We take every report seriously and investigate them thoroughly to ensure that any issues are addressed and resolved promptly. Smartoptics is committed to creating a safe and ethical work environment for all employees, and our whistleblower function is an essential part of achieving this goal.

### CERTIFICATIONS

We are ISO 45001:2023, ISO 14001:2015 and ISO 9001:2015 certified and the management system is continuously updated to ensure that we follow laws, regulations and risk management.

Our products are RoHS/REACH compliant as well as CE, UL/ETL, and TÜV Rheinland Certified. We are actively developing our products with a target to comply with NEBS level 3.

For all waste, we have engaged a recycle and disposal company in order to comply with the WEEE-regulation from the European Commission.

### GREAT PLACE TO WORK

Our employees are our biggest asset and we want to offer a workplace where they can make an impact. That is why we conduct an employee survey annually. After the second year in a row, we have received the Great Place certificate, which is a great honor.

## INSURANCE FOR BOARD MEMBERS

The group maintains liability insurance for the members of the board against liabilities that may arise from the performance of normal duties as board members. The limit of liability is NOK 10 million for each claim and per year.

## GOING CONCERN

The Board of Directors and the management confirm that the going concern assumption has been applied in preparing the annual accounts and that this assumption is realistic. The group has enjoyed a strong revenue growth over the past five years and has seen a steadily increasing profitability during the same period. The group's equity position and business momentum cater for favorable development over the coming years.

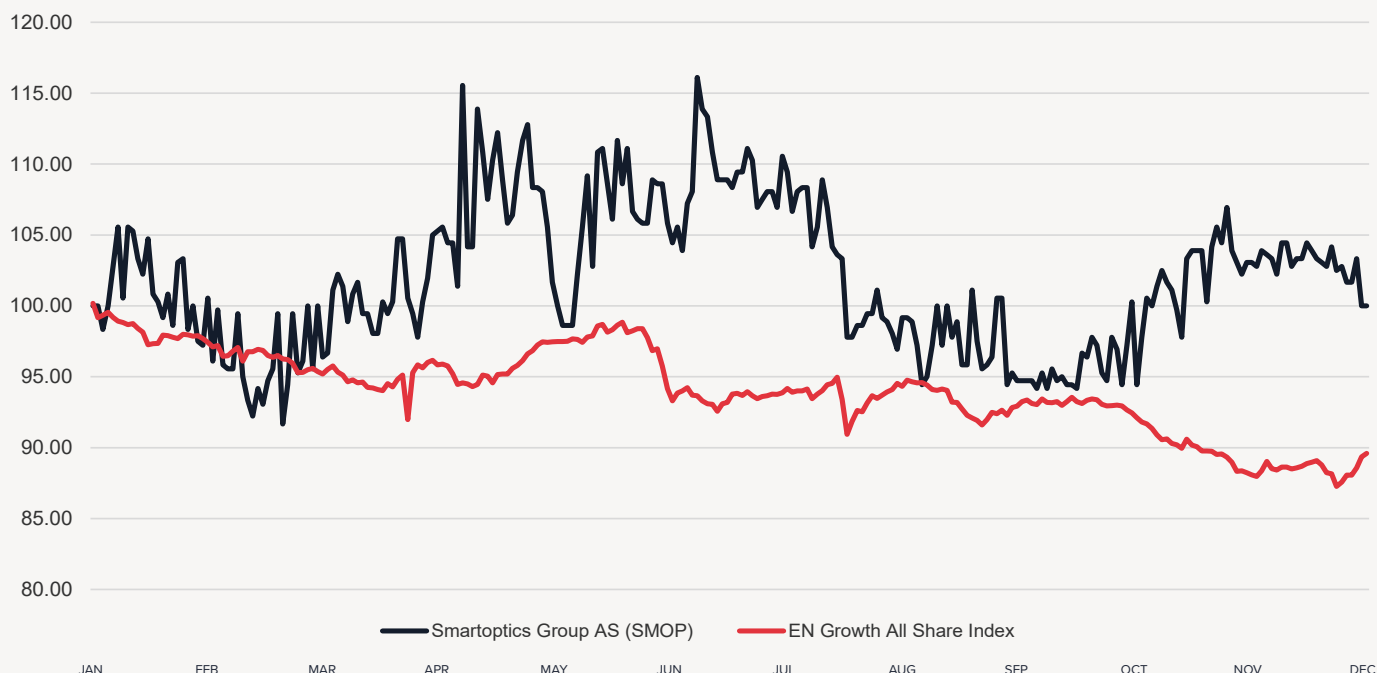
## ALLOCATION OF NET INCOME

The Board of Directors has proposed to allocate the net income of NOK 58.9 million to dividend, equal to NOK 0.6 per share.

## OUTLOOK

The outlook for Smartoptics over the coming years is favorable, given the market situation, with adoption of open and disaggregated practices, as well as Smartoptics ability to develop new products and solutions, and addressing the customers needs. The ambition to reach USD 100 million in revenue by 2025/2026 remains firm, assuming that market conditions are unchanged.

## THE SMARTOPTICS SHARE INDEXED DEVELOPMENT



At the end of 2024 Smartoptics Group AS had 98 045 518 shares issued. During 2024 there were two capital increases, issuing 1 758 925 new shares. Smartoptics Group AS was listed on Euronext Growth on June 3rd 2021, having the ticker SMOP. Listing price was 10.38 NOK.

Closing price for the Smartoptics share on Dec 30th 2023 was 18.05 NOK.  
Closing price for the Smartoptics share on Dec 30th 2024 was 18.00 NOK.

The Smartoptics share is a part of Euronext Growth Allshare index. This index declined by 11.81% during 2024. The Smartoptics share price declined by 0.3% during 2024.

10 April 2025  
Oslo, Norway

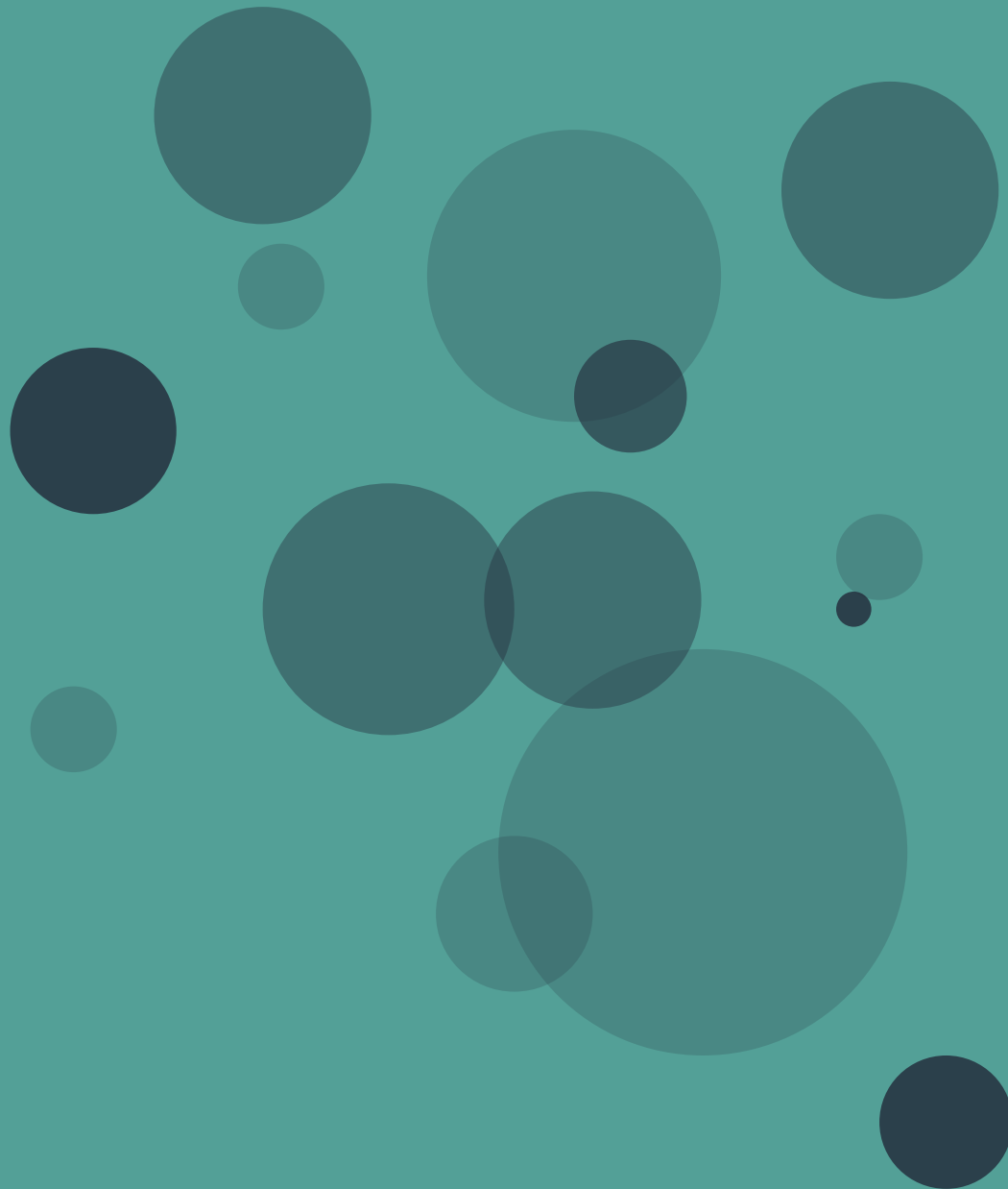
Thomas Ramm  
Chairman of the Board

Sara Heiner Asplund  
Board member

Einar Caspersen  
Board member

Karl Thedéen  
Board member

Magnus Grenfeldt  
Chief Executive Officer



# FINANCIAL STATEMENTS

smartoptics

# FINANCIAL STATEMENTS FOR THE GROUP

Consolidated statement of profit or loss		2024	2023
Amounts in USD 1.000	Notes		
Revenue from contracts with customers	3	55 394	58 474
Other operating income	3	114	30
<b>Total revenue and other operating income</b>		<b>55 508</b>	<b>58 504</b>
Direct cost of sales	21	-28 784	-29 234
Employee benefit expenses	4	-14 795	-14 140
Other operating expenses	5	-6 347	-4 329
<b>Total operating expenses</b>		<b>-49 926</b>	<b>-47 703</b>
Amortization of intangible assets	9	-318	-283
Depreciation	10, 11	-1 975	-1 576
<b>Total depreciation and amortization</b>		<b>-2 293</b>	<b>-1 859</b>
<b>Operating profit/(loss)</b>		<b>3 289</b>	<b>8 942</b>
Financial income	6	315	252
Financial expenses	6	-310	-241
Net foreign exchange gains (losses)	6	2 084	638
<b>Net financial items</b>		<b>2 090</b>	<b>648</b>
<b>Profit/(loss) before income tax</b>		<b>5 379</b>	<b>9 590</b>
Income tax	7	-1 337	-2 119
<b>Profit/(loss) for the year</b>		<b>4 042</b>	<b>7 471</b>

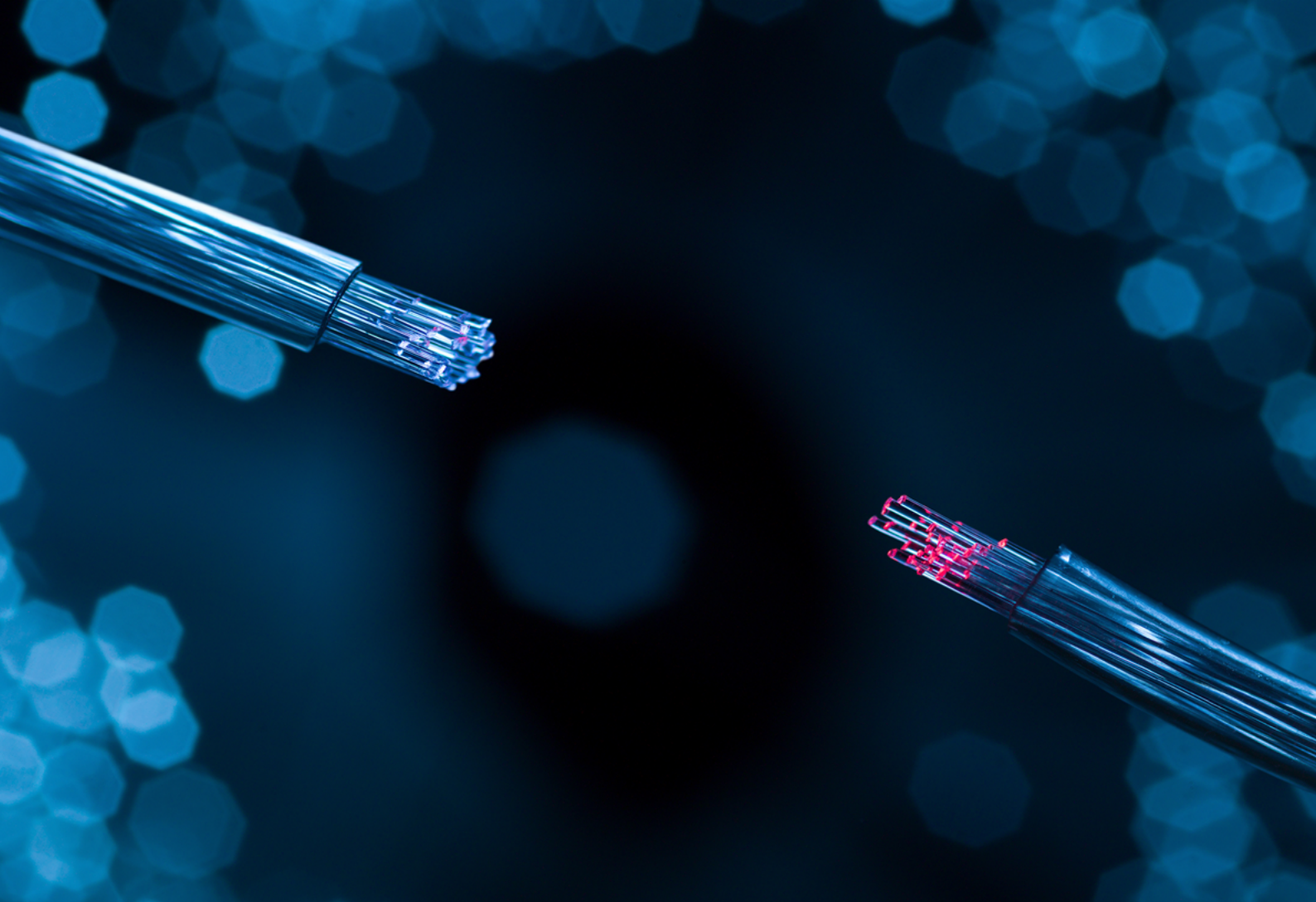
Earnings per share in USD			
Basic earnings per share	8	0.041	0.078
Diluted earnings per share	8	0.041	0.077

Consolidated statement of comprehensive income			
Profit/(loss) for the year		4 042	7 471
Other comprehensive income:			
<i>Items that might be subsequently reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		-117	223
<i>Item that are not reclassified to profit or loss:</i>			
Exchange differences on translation to another presentation currency		-3 179	-734
<b>Total comprehensive income for the year</b>		<b>746</b>	<b>6 960</b>
Total comprehensive income is attributable to:			
Owners of the parent company		746	6 960



Consolidated statement of financial position		31/12/2024	31/12/2023
Amounts in USD 1.000	Notes		
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	9	1 914	1 342
Property, plant and equipment	10	3 006	2 796
Right-of-use assets	11	1 205	1 912
Deferred tax assets	7	955	1 066
<b>Total non-current assets</b>		<b>7 080</b>	<b>7 116</b>
<b>Current assets</b>			
Inventories	21	12 615	14 198
Trade receivable	14	19 864	16 953
Other current assets	13	1 374	1 420
Cash and cash equivalents	15	7 972	9 321
<b>Total current assets</b>		<b>41 826</b>	<b>41 893</b>
<b>Total assets</b>		<b>48 906</b>	<b>49 010</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	16	173	189
Share premium	16	13 121	12 404
Other paid in capital	8	-	20
Foreign currency translation reserves		294	411
Retained earnings		14 866	17 023
<b>Total equity</b>		<b>28 453</b>	<b>30 048</b>
<b>Non-current liabilities</b>			
Lease liabilities (non-current portion)	11, 17, 20	539	1 271
Contract liabilities (non-current portion)	3	4 939	3 430
Borrowings (non-current portion)	13, 17, 20	277	883
<b>Total non-current liabilities</b>		<b>5 755</b>	<b>5 583</b>
<b>Current liabilities</b>			
Lease liabilities (current portion)	11, 17, 20	730	716
Trade payable	20	5 048	4 483
Contract liabilities (current portion)	3	4 030	3 133
Tax Payable	7	1 118	1 424
Public duties payable (VAT, Tax)	7	1 057	947
Other current liabilities	17, 19	2 714	2 676
<b>Total current liabilities</b>		<b>14 697</b>	<b>13 378</b>
<b>Total liabilities</b>		<b>20 452</b>	<b>18 962</b>
<b>Total equity and liabilities</b>		<b>48 906</b>	<b>49 010</b>





10 April 2025  
Oslo, Norway

Thomas Ramm  
Chairman of the Board

Sara Heiner Asplund  
Board member

Einar Caspersen  
Board member

Karl Thedéen  
Board member

Magnus Grenfeldt  
Chief Executive Officer

Consolidated statement of changes in equity							
	Note	Share capital	Share premium	Other paid in capital	Translation difference reserves	Retained earnings	Total equity
Amounts in USD 1.000							
<b>Equity at 1 January 2023</b>		<b>195</b>	<b>12 801</b>	<b>152</b>	<b>188</b>	<b>14 269</b>	<b>27 605</b>
Profit/loss for the year		-	-	-	-	7 471	7 471
Other comprehensive income:							
Exchange differences on translation of foreign operations		-	-	-	223	-	223
Exchange differences on translation to another presentation currency*		-6	-397	-5	-	-326	-734
<b>Total comprehensive income/loss for the year</b>		<b>-6</b>	<b>-397</b>	<b>-5</b>	<b>223</b>	<b>7 145</b>	<b>6 960</b>
Repurchase of warrants				-127			-127
Dividend	16					-4 391	-4 391
<b>Equity at 31 December 2023</b>		<b>189</b>	<b>12 404</b>	<b>20</b>	<b>411</b>	<b>17 023</b>	<b>30 048</b>
Profit/loss for the year		-	-	-	-	4 042	4 042
Other comprehensive income:							
Exchange differences on translation of foreign operations		-	-	-	-117	-	-117
Exchange differences on translation to another presentation currency*		-20	-1 388	-	-	-1 771	-3 179
<b>Total comprehensive income/loss for the year</b>		<b>-20</b>	<b>-1 388</b>	<b>-</b>	<b>-117</b>	<b>2 272</b>	<b>746</b>
Reclassification		-	-	-20	-	20	-
Issuance of ordinary shares		3	2 104	-	-	-	2 107
Dividend	16	-	-			-4 449	-4 449
<b>Equity at 31 December 2024</b>		<b>173</b>	<b>13 121</b>	<b>-</b>	<b>294</b>	<b>14 865</b>	<b>28 453</b>

\*The currency translation differences arising from the translation to the presentation currency is not included as a translation differences reserves, but presented as part of the different categories of the equity. These translation differences cannot be recycled through profit and loss.

Consolidated cash flow statement		2024	2023
Amounts in USD 1.000		Notes	
Cash flows from operating activities			
Profit/(loss) before income tax		5 379	9 590
Adjustments for:			
Taxes paid		-1 214	-
Depreciation and amortization	9, 10	2 293	1 859
Net Interest expense	6	-9	-11
Change in inventory	21	1 584	1 225
Change in trade receivable	14	-2 911	-1 038
Change in contract liabilities (deferred revenue)	3	2 407	2 447
Change in trade payable	19	565	-1 348
Change in other current assets and other liabilities	13, 19	-2 020	-1 123
Interest received	6	315	252
Net cash inflow from operating activities		6 387	11 853
Cash flows from investing activities			
Payment for property, plant and equipment	10	-1 729	-1 760
Payment for development cost	9	-1 039	-724
Net cash (outflow) from investing activities		-2 768	-2 484
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	16	2 107	-
Repurchase of warrants	8	-	-127
Dividend paid out	16	-4 449	-4 391
Proceeds from new borrowings	17	-	556
Repayment of borrowing	17	-514	-608
Paid interest	17	-306	-241
Repayments of lease liabilities	17	-723	-715
Net cash inflow from financing activities		-3 886	-5 526
Net increase/(decrease) in cash and cash equivalents		-267	3 842
Cash and cash equivalents as of 1 January		9 321	5 660
Effects of exchange rate changes on cash and cash equivalents		-1 082	-181
Cash and cash equivalents as of 31 December		7 972	9 321

# NOTES

## NOTES FOR SMARTOPTICS CONSOLIDATED ACCOUNTS

### NOTE 1 - GENERAL INFORMATION

Smartoptics Group AS, the holding company of the Smartoptics Group (the Group), is a limited liability company incorporated and domiciled in Norway, with its head office in Brynsalléen 2, 0667 Oslo. The Company is listed on Euronext Growth in Oslo, Norway and has the ticker "SMOP".

Smartoptics provides innovative optical networking solutions and devices for the new era of open networking. The group focuses on solving network challenges and increasing the customers efficiency. Smartoptics customer base includes thousands of enterprises, governments, cloud providers, Internet exchanges as well as cable and telecom operators.

Smartoptics leverages modern software design principles and enables customers increased flexibility by having an open network design approach. This allows the customers the freedom to remain flexible and reduce costs. The products are based on in-house developed hardware and software, enhanced through associated services.

These consolidated financial statements have been approved for issuance by the Board of Directors on 10th April 2025.

### NOTE 2 - GENERAL ACCOUNTING PRINCIPLES

The general accounting policies applied in the preparation of these consolidated financial statements are set out below. Specific accounting principles are described in the relevant notes.

#### BASIS OF PREPARATION

The consolidated financial statements have been prepared and presented in accordance with IFRS® Accounting Standards, as adopted by the EU, and the additional requirements of the Norwegian Accounting Act.

The consolidated financial statements are presented in United States Dollar (USD), and are rounded to the nearest thousand unless otherwise indicated. As a result of rounding adjustments, amounts and percentages may not add up to the total.

The financial statements are prepared on a going concern basis and are prepared on a historical cost basis

#### FOREIGN CURRENCY

##### FUNCTIONAL CURRENCY, PRESENTATION CURRENCY AND CONSOLIDATION

The Group's presentation currency is USD. As of December 2022, Smartoptics Group has adopted USD as its presentation currency due to the significant portion of revenue and expenses denominated in USD, which has the primary influence on the Group's operating results. The functional currency of the parent company is NOK, reflecting the currency in which financing activities (such as loans) and administrative expenses are primarily conducted.

For consolidation purposes, subsidiaries with a functional currency different from the parent company are first translated into NOK. The consolidated figures are then translated into the presentation currency (USD) using the exchange rate prevailing at the balance sheet date. Income statement items are translated at average exchange rates that approximate the rates at the dates of the respective transactions. All exchange differences are recognized in other comprehensive income/(loss) as translation differences that might be recycled to profit or loss on disposal or partial disposal of the net investment. Smartoptics has chosen to use closing rate for transactions directly to equity (share capital, share premium and other paid in capital). The currency translation difference arising from the translation to the presentation currency is not included as a translation difference reserve, but presented as part of the different categories of the equity. These translation differences cannot be recycled through profit and loss.

##### TRANSACTIONS IN FOREIGN CURRENCY

Foreign currency transactions are translated into the functional currency using the exchange rates at the transaction date. Monetary balances in foreign currencies are translated into the functional currency at the exchange rates on the date of the balance sheet. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies are generally recognized in the consolidated statement of profit or loss.

#### ACCOUNTING STANDARDS ADOPTED IN 2024

During 2024 there have been revisions by IASB to the financial reporting requirements in IAS 1, IAS 7, IFRS 7 and IFRS 16. None of the amendments are applicable for Smartoptics Group.

## PRINCIPLES OF CONSOLIDATION

### SUBSIDIARIES

Subsidiaries are all entities (including structured entities) when the Group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to influence those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is obtained and deconsolidated from the date control is lost.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated in full. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. If a subsidiary applies different accounting policies, adjustments are made to align its reporting with the Group's accounting principles.

When the Group loses control of a subsidiary, it derecognizes the subsidiary's assets, liabilities, and any associated non-controlling interests. Amounts previously recognized in other comprehensive income related to that subsidiary are reclassified to profit or loss or transferred directly to retained earnings, as appropriate.

### CLASSIFICATION OF CURRENT AND NON-CURRENT ITEMS

Assets are classified as current when they are expected to be realized, sold, or consumed in the Group's normal operating cycle, or are expected to be realized within 12 months after the reporting period. All other assets are classified as non-current.

Liabilities are classified as current if they are expected to be settled within the Group's normal operating cycle, are due within 12 months of the reporting date, or if the Group does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date. All other liabilities are classified as non-current.

### SEGMENTS

Smartoptics has only one operating segment in accordance with IFRS 8 Operating segments. The Group operates as a single business unit, where products from all categories—Solutions, Devices, and Software & Services—are marketed and sold together, targeting the same customers through shared distribution channels. While internal financial reporting is organized by product group and geographic region, this does not result in the identification of additional reportable segments for external reporting purposes, as the internal resource allocation is conducted at the group level, without specific allocations to different product groups or geographic regions.

## ESTIMATES AND ASSUMPTIONS

Management has used estimates and assumptions that have affected assets, liabilities, revenues, expenses and information on potential liabilities. Future events may lead to these estimates being changed. Estimates and their underlying assumptions are reviewed on a regular basis and are based on best estimates and historical experience. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period. If the revision impacts both current and future periods, the effect is recognized accordingly in both.

### INFORMATION ABOUT MAJOR CUSTOMERS

One of Smartoptics' customers represented 18% of the revenue for 2024. In comparison, the same customers represented 17% percent of total revenue 2023.

### JUDGEMENTS

In preparing the financial statements, management has made certain significant assessments involving the application of accounting principles based on critical judgment. Material exercise of judgment and estimates relates mainly:

### CAPITALIZATION OF DEVELOPMENT COSTS

A limited amount of development costs is capitalized to the extent that a future financial benefit can be identified, development of an identifiable intangible asset and the expenses can be measured reliably. The assessment includes judgment of for example the technical feasibility of completing the product, the ability to sell the product and the generation of future economic benefits. Smartoptics has a documented product development process, which identifies development projects that can be included in the capitalization. If the criteria are not fulfilled the costs are expensed when incurred. Capitalized development costs are amortized on a straight-line basis over its economic life. Research costs are expensed on an ongoing basis.

## NOTE 3 - REVENUE

Revenue is accounted for in accordance with IFRS 15 Revenue from contract with customers. IFRS 15 requires an entity to identify the contract and the individual performance obligations, determine the transaction price, allocate the transaction price to the individual performance obligations and recognize revenue when or as performance obligations are satisfied. A performance obligation is satisfied when or as the customer obtains control of the goods or services delivered.



At Smartoptics performance obligations arise from the type of product. Each type of product has a related performance obligation. The different types of products are divided into Solutions, devices and software & services.

Services provided by Smartoptics are purchased separately or with products sold by the company. Purchase of services can occur at the same time as purchase of goods or at a later stage. Deferred revenue from the sale of services is recognized in the income statement based on the duration of the contract period.

The group sells software and service contracts with a contract period from 3 months to 6 years. For contracts that are invoiced prior to the contract period, the consideration is booked as contract liability on the balance sheet and recognized as revenue over the contract period. Software and services include items that are invoiced as a one time fee and where the revenue is recognized at the point of sale, like software license fees, installation fees and licenses upgrades.

Revenue information	2024	2023
Amounts in USD 1.000		
Solutions	31 492	35 584
Devices	15 560	16 432
Software & Services	8 455	6 488
<b>Total revenue from contracts with customers</b>	<b>55 508</b>	<b>58 504</b>

Timing of revenue recognition	2024	2023
Amounts in USD 1.000		
Solutions products transferred at a point in time	31 492	35 584
Device products transferred at a point in time	15 560	16 432
Software & Services transferred at a point in time	5 539	4 012
Software & Services transferred over time	2 916	2 475
<b>Total revenue from contracts with customers</b>	<b>55 508</b>	<b>58 504</b>

Geographic split of revenues	2024	2023
Amounts in USD 1.000		
EMEA	24 710	27 096
Americas	25 903	28 101
APAC	4 895	3 306
<b>Total revenue from contracts with customers</b>	<b>55 508</b>	<b>58 504</b>

Contract assets and contract liabilities	31/12/2024	31/12/2023
Amounts in USD 1.000		
Contract liabilities (deferred revenue) - current	4 030	3 133
Contract liabilities (deferred revenue) - non-current	4 939	3 430
<b>Total</b>	<b>8 969</b>	<b>6 563</b>

Contract assets and contract liabilities	2024	2023
<b>Contract liabilities at 1 January</b>	<b>6 563</b>	<b>4 116</b>
New contract liabilities	7 265	5 369
Revenue recognized in current year	-4 349	-2 893
Exchange differences	-509	-28
<b>Contract liabilities at 31 December</b>	<b>8 969</b>	<b>6 563</b>

**NOTE 4 - EMPLOYEE BENEFIT EXPENSES****PENSION PLANS**

The Group has a defined contribution plan for some of its employees. The Group's payments are recognized in the profit or loss as an employee benefit expenses for the year to which the contribution applies.

Employee benefit expenses	2024	2023
Amounts in USD 1.000		
Wages and salaries	10 134	10 403
Social security tax	2 748	2 448
Pension costs	1 167	881
Other benefits	746	408
<b>Total</b>	<b>14 795</b>	<b>14 140</b>
<b>Average full-time equivalents</b>	<b>123</b>	<b>107</b>

**PENSIONS**

The Group's Norwegian entities are obligated to follow the stipulations in the Norwegian Mandatory Occupational Pensions Act. The Group's pension scheme adheres to the requirements, as set in the Act.

Management compensation	2024				2023			
	Wages	Pension	Bonus	Other benefits	Wages	Pension	Bonus	Other benefits
Magnus Grenfeldt, CEO	317	53	-	4	211	49	31	9
Stefan Karlsson, CFO*	141	40	-	-	-	-	-	-
Kent Lidström, CTO	141	42	-	7	132	27	27	8
Per Burman, CMO	122	49	-	-	117	21	24	1
Björn Andersson, SVP BA Devices*	23	5	-	-	-	-	-	-
Ronald Hübsch, VP of Supply chain*	25	-	-	-	-	-	-	-
Carina Osmund, COO*	128	39	-	-	123	24	20	1
Mikael Haag, CFO*	-	-	-	-	142	30	24	1
<b>Total management compensation</b>	<b>898</b>	<b>228</b>	<b>-</b>	<b>11</b>	<b>725</b>	<b>151</b>	<b>127</b>	<b>20</b>

Board of Directors	Director fee 2024	Director fee 2023
Thomas Ramm, Chairman	45	47
Karl Thedéen, Board Member	22	24
Sara H. Asplund, Board Member	22	24
Einar Caspersen, Board Member	22	24
<b>Total</b>	<b>112</b>	<b>118</b>

**MANAGEMENT COMPENSATION**

The CEO is paid through the subsidiary Smartoptics Sverige AB. The Group has not given loans or securities to the CEO, the Board of Directors or any other related parties.

The bonus to the CEO related to 2023 was SEK 330 000. The other key management received a bonus related to 2023 of SEK 1 014 994. Bonus for 2024 to the CEO was SEK 0 and to other key management SEK 0.

\*Stefan Karlsson entered the management group on 1st February 2024

\*Björn Andersson entered the management group on 4th November 2024

\*Ronald Hübsch entered the management group on 4th November 2024

\*Carina Osmund exited the management group on 4th November 2024

\*Mikael Haag exited the management group on 20th November 2023

Warrants held by key management	2024	2023
Magnus Grenfeldt	-	867 031
Kent Lidström	-	325 136
Per Burman	-	216 758
Total held by key management	-	1 408 925
Warrants held by other employees	-	350 000
Total warrants outstanding	-	1 758 925

All of the outstanding warrants per 31.12.2023 have been exercised during March and May 2024. The group does not have any outstanding warrants at the end of the year 2024.

## NOTE 5 - OTHER OPERATING EXPENSES

Other operating expenses consists of the following	2024	2023
Amounts in USD 1.000		
Facilities	268	276
Travel expenses	824	839
Marketing and representation	919	1 211
Other R&D and certification cost	553	409
IT	915	653
Consultant expenses	1 361	-
Other operating expenses	1 507	941
<b>Total other operating expenses</b>	<b>6 347</b>	<b>4 329</b>

Specification of auditors' fees	2024	2023
Amounts in USD 1.000		
Statutory audit	103	111
Other non-assurance services	13	9
Tax advisory services	4	11
<b>Total</b>	<b>120</b>	<b>131</b>

## NOTE 6 - FINANCIAL ITEMS

Financial income and expenses	2024	2023
Amounts in USD 1.000		
Interest income from bank deposits	315	252
Net gain/loss on foreign exchange	2 084	638
<b>Financial income</b>	<b>2 400</b>	<b>890</b>
Interest expense on borrowings	- 240	- 153
Interest on lease liabilities	- 66	- 88
Other financial expenses	- 4	-
<b>Financial expenses</b>	<b>- 310</b>	<b>- 241</b>
<b>Net financial items</b>	<b>2 090</b>	<b>648</b>



**NOTE 7 - TAX**

Income tax expenses consist of taxes payable and changes to deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are calculated based on temporary differences between the carrying amount of assets and liabilities in the financial statement and their tax basis, together with tax losses carried forward at the balance sheet date. Deferred tax assets and liabilities are calculated based on the tax rates and tax legislation that are expected to apply when the assets are realized or the liabilities are settled, based on the tax rates and tax legis-

lation that have been enacted or substantially enacted on the balance sheet date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available, against which the assets can be utilized. Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity. The entities included in the consolidated financial statements are subject to income tax in the countries where they are domiciled.

Specification of income tax expense	2024	2023
Income tax payable	1 398	1 777
Change in allocated tax last year	50	83
Deferred tax income	-111	258
<b>Total income tax expense</b>	<b>1 337</b>	<b>2 119</b>

Specification of deferred tax balances	31/12/2024	31/12/2023
<b>Temporary differences</b>		
Property, plant and equipment	-250	-215
Inventory	-350	-390
Accounts receivable	-112	
Deferred revenue	-5 638	-4 279
Other temporary differences	1 975	-10
Gain/loss deferral account	36	50
<b>Net temporary differences</b>	<b>-4 339</b>	<b>-4 844</b>
Tax losses carried forward	-	-
Non-recognized deferred tax assets	-	-
Basis for calculating deferred tax assets	4 339	-4 844
<b>Carrying value deferred tax assets</b>	<b>955</b>	<b>1 066</b>

Reconciliation of effective tax rate:	2024	2023
Net income/(loss) before tax	5 379	9 590
Expected income tax assessed at the Norwegian income tax rate for the Parent company, 22 %	1 183	2 236
Difference in tax rate for foreign profit	92	58
Adjusted for the tax effect of the following items:	-	-
Permanent differences	(72)	-123
Other	134	-52
<b>Income tax expense (income)</b>	<b>1 337</b>	<b>2 119</b>
Effective tax rate	24.8%	22.1%

**NOTE 8 - EARNINGS PER SHARE (EPS)**

The calculation of basic earnings per share is based on the profit attributable to ordinary shares using the weighted average number of ordinary shares outstanding during the year after the deduction of the average number of treasury shares held over the period.

The calculation of diluted earnings per share is consistent with the calculation of the basic earnings per share, but at the same time gives effect to all dilutive potential ordinary shares that were outstanding during the period, by adjusting the profit/loss and the weighted average number of shares outstanding for the effects of all dilutive potential shares, for example:

The profit or loss for the period attributable to ordinary shares is adjusted for changes in profit or loss that would result from the conversion of the dilutive potential ordinary shares.

The weighted average number of ordinary shares is increased by the weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares.

The calculations of earnings per share attributable to the ordinary equity holders of Smartoptics Group AS are based on the following net profit/(loss) and share data:

Earnings per share	2024	2023
Basic earnings per share	0.041	0.078
Diluted earnings per share	0.041	0.077
Profit/(loss) for the year:		
used for calculating basic earnings per share	4 042 285	7 471 028
used for calculating diluted earnings per share	4 042 285	7 471 028
Weighted average number of shares used as the denominator in calculating basic earnings per share	97 599 464	96 286 593
Weighted average number of shares outstanding for diluted earnings per share*)	97 876 052	97 087 312
*As of 31.12.2024 the company has zero dilutive shares.		

**NOTE 9 - INTANGIBLE ASSETS**

Intangible assets acquired separately that have a finite useful life are carried at cost less accumulated amortization and any impairment charges. Amortization is calculated on a straight-line basis over the assets' expected useful life and adjusted for any impairment charges. The intangible assets are amortized over 5 years.

**INTERNALLY GENERATED INTANGIBLE ASSETS**

Expenditures on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, are recognized in profit or loss as incurred.

Expenditures on development activities are capitalized, if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future

economic benefits;

- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Capitalized development include costs directly attributable to development of the intangible, such as personnel expenses and consultancy services. Otherwise, such expenses are expensed as and when incurred.

**SKATTEFUNN**

Smartoptics received SkatteFUNN grants for the DCP-RO-ADM, AI-driven operational system and 800G Muxponder projects totalling NOK 3.9 million (USD 0.4 million). The SkatteFUNN grant is recognized in the Profit and Loss statement as a reduction of payroll cost or as a reduction of capitalized development cost depending of the underlying accounting treatment of the cost that the grant is intended to cover.

<b>Intangible assets</b>			
Amounts in USD 1,000	Capitalized development	Other intangible assets	Total
<b>Cost</b>			
<b>Cost at 1 January 2023</b>	<b>2 517</b>	<b>-</b>	<b>2 517</b>
Additions	597	127	724
Translation difference	-78	-	-78
<b>Cost at 31 December 2023</b>	<b>3 036</b>	<b>127</b>	<b>3 163</b>
Additions	772	267	1 039
Translation difference	-316	-15	-330
<b>Cost at 31 December 2024</b>	<b>3 492</b>	<b>379</b>	<b>3 871</b>
<b>Amortization and impairment</b>			
<b>Accumulated at 1 January 2023</b>	<b>1 576</b>	<b>-</b>	<b>1 576</b>
Amortization for the year	267	16	283
Translation difference	-39	1	-38
<b>Accumulated at 31 December 2023</b>	<b>1 804</b>	<b>17</b>	<b>1 821</b>
Amortization for the year	318	25	343
Translation difference	-205	-3	-207
<b>Accumulated at 31 December 2024</b>	<b>1 917</b>	<b>40</b>	<b>1 957</b>
<b>Carrying amount at 31 December 2023</b>	<b>1 232</b>	<b>110</b>	<b>1 342</b>
<b>Carrying amount at 31 December 2024</b>	<b>1 575</b>	<b>339</b>	<b>1 914</b>

**NOTE 10 - PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are stated at historical cost, less accumulated depreciation and any impairment charges. Depreciation is calculated on a straight-line basis over the assets' expected useful life and adjusted for any impairment charges. Ordinary repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in operating profit. Major assets with different expected useful lives are reported as separate components.

Property, plant and equipment are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount.

The difference between the asset's carrying amount and its recoverable amount is recognized in the income statement as an impairment loss. Property, plant and equipment that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The assets are depreciated over 3 to 5 years.

Property, plant and equipment		
Amounts in USD 1,000	Equipment and movables	Total
<b>Cost at 1 January 2023</b>	<b>3 805</b>	<b>3 805</b>
Additions	1 760	1 760
Translation difference	169	169
<b>Cost at 31 December 2023</b>	<b>5 734</b>	<b>5 734</b>
Additions	1 729	1 729
Translation difference	-625	-625
<b>Cost at 31 December 2024</b>	<b>6 838</b>	<b>6 838</b>
<b>Depreciations and impairment</b>		
<b>Accumulated at 1 January 2023</b>	<b>2 019</b>	<b>2 019</b>
Depreciations for the year	843	843
Impairment	-	-
Translation difference	76	76
<b>Accumulated at 31 December 2023</b>	<b>2 938</b>	<b>2 938</b>
Depreciations for the year	1 230	1 230
Impairment	-	-
Translation difference	-335	-335
<b>Accumulated at 31 December 2024</b>	<b>3 832</b>	<b>3 832</b>
<b>Carrying amount at 31 December 2023</b>	<b>2 796</b>	<b>2 796</b>
<b>Carrying amount at 31 December 2024</b>	<b>3 006</b>	<b>3 006</b>

## NOTE 11 - LEASING

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. The lease agreements do not impose any covenants.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the group under residual value guarantees
- The exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

### DESCRIPTION

Smartoptics has lease agreements with primarily fixed payments, with the exception of office leases, where lease payments are regulated annually based on a consumer price index.

The office leases in Sweden and Norway have lease term of 60 months. R&D equipment and leasing of cars have lease terms of 36 months. Smartoptics have short-term leases for coffee machines and inventory space, which is expensed in the profit and loss statement according to IFRS 16.5. Average incremental borrowing rate is set to 8%.

Leasing	31/12/2024	31/12/2023
Amounts in USD 1,000		
Buildings	1 135	1 743
Other	69	169
<b>Total right-of-use assets</b>	<b>1 205</b>	<b>1 912</b>

Useful life	5 years	5 years
Depreciation method	Straight-line	Straight-line

**Lease liabilities**

Amounts in USD 1,000		
Current	730	716
Non-Current	539	1 271
<b>Total lease liability</b>	<b>1 269</b>	<b>1 986</b>

**Amounts recognized in the statement of profit or loss**

Depreciation of right of use asset	722	735
Interest expense	66	88
Expenses relating to short-term leases	20	9
Expenses relating to leases of low-value	49	43

Reconciliation of lease arising from financing activities	2024	2023
Opening balance 1 January	1 986	2 433
Cash flow	-789	-803
New leases	180	266
Translation differences	-108	90
<b>Closing balance 31 December</b>	<b>1 269</b>	<b>1 986</b>

Maturity table schedule for lease liabilities Amounts in USD 1,000 - 31.12.2024	Due within 1 year	Due within 2 years	Due within 3 years	Due within 4 years	Due within 5 years
Leasing liabilities	808	371	218	-	-

Maturity table schedule for lease liabilities Amounts in USD 1,000 - 31.12.2023	Due within 1 year	Due within 2 years	Due within 3 years	Due within 4 years	Due within 5 years
Leasing liabilities	778	748	262	221	-

**NOTE 12 - SUBSIDIARIES**

Investment in subsidiaries	Year of acquisition/ incorporation	Registered office	Voting share	Ownership share
Smartoptics AS	2010/2004	Norway	100%	100%
Smartoptics Sverige AB	2011/2004	Sweden	100%	100%
Smartoptics U.S Corp.	2014/2014	United States	100%	100%

## NOTE 13 - FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial instrument is a contract that gives rise to both a financial asset for one entity and a financial liability or equity instrument for another entity. Financial instruments are generally recognized as soon as the group becomes a party to the terms of the financial instrument.

### FINANCIAL ASSETS

Financial assets represent a contractual right by the Group to receive cash or another financial asset in the future. Financial assets include cash and cash equivalents, accounts receivable and withheld cash receivable. On initial recognition, a financial asset is measured at fair value, and classified for subsequent measurement at amortized cost; at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVTPL). Classification depends on the business model and, for some instruments, the entity's choice. Financial assets are derecognized when the rights to receive cash from the asset have expired or when the Group transferred the asset.

### FINANCIAL LIABILITIES

Financial liabilities represent a contractual obligation by the Group deliver cash in the future and are classified as either current or non-current. Financial liabilities includes interest bearing loans, accounts payable and other financial liabilities. Financial liabilities are initially recognized at fair value, including transaction costs directly attributable to the transaction, and are subsequently measured at

amortized cost. Financial liabilities are derecognized when the obligation is discharged through payment or when the Group is legally released from the primary responsibility for the liability.

The specification given below relates to financial statement line items containing financial instruments. Information is classified and measured in accordance with IFRS 9. Financial assets, classified as current and noncurrent, represent the maximum exposure the Group has towards credit risk as at the reporting date. All financial assets and financial liabilities at amortized cost in the table have a carrying amount that approximates fair value at the balance sheet date.

### LOANS AND CREDIT FACILITY

The Group has two non-current loans from Innovasjon Norge, one obtained in 2019 and one obtained in 2020. The loans are repaid on a quarterly basis and will be fully repaid in 2026 Q3. The total loan amount at the end of 2024 was NOK 6.9 (USD 0.6) million. The loans has a variable interest rate which at the end of the year was 7.70% and 7.95%. The financial covenant for these loans is that the group must maintain a minimum equity of 20% in relation to the total capital of the group. The group also has a credit facility with Nordea of NOK 75 million (USD 6.6 million) and a non-current loan of USD 0.4 million scheduled to be fully repaid by 2026 Q2. As of December 31st 2024, NOK 0 of the credit line from Nordea was utilized

Financial instruments	31/12/2024	31/12/2023
Amounts in USD 1,000		
<b>Financial assets at amortized cost</b>		
Trade receivable	19 864	16 953
Other financial assets	-	-
Cash and cash equivalents	7 972	9 321
<b>Total</b>	<b>27 837</b>	<b>26 274</b>
<b>Financial liabilities</b>		
Liabilities at amortized cost		
Trade payable	5 048	4 483
Borrowings	777	1 441
Bank overdraft facility	-	-
<b>Total</b>	<b>5 825</b>	<b>5 924</b>

The group's exposure to various risks associated with the financial instruments is discussed in note 20 Financial Risk and Capital Management. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

**NOTE 14 - TRADE AND OTHER RECEIVABLES**

Trade receivables are initially measured at fair value. Trade receivables are non-interest bearing and trading terms range from 30 to 90 days and therefore classified as current. The receivables are subsequently measured at amortized cost using the effective interest method, if the amortization effect is material, less loss allowance.

Due to the short-term nature of the trade receivables, their carrying amount is considered to be the same as the transaction price.

**LOSS ALLOWANCE AND RISK EXPOSURE**

Historically Smartoptics has had negligible credit losses on trade receivables. Smartoptics applies the simplified approach, which means that we recognize lifetime expected credit loss according to IFRS 9. The trade receivable are categorized into risk levels and aging bucket to set an expected loss rate based on the probability of default.

Trade receivable	31/12/2024	31/12/2023
Amounts in USD 1,000		
Trade receivable	20 078	16 953
Loss allowance	-213	-
<b>Total</b>	<b>19 864</b>	<b>16 953</b>

**NOTE 15 - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include bank deposits. Cash and cash equivalents in foreign currencies are translated at closing rate. The cash flow statement is presented using the indirect method

Cash and cash equivalents	31/12/2024	31/12/2023
Amounts in USD 1,000		
Bank deposits	7 972	9 321
<b>Total cash and cash equivalents</b>	<b>7 972</b>	<b>9 321</b>

Amounts in USD 1,000		
Restricted cash included in the above:		
Withholding tax in relation to employee benefits	52	53



**NOTE 16 - SHARE CAPITAL AND SHAREHOLDER INFORMATION**

The company has 98 045 518 ordinary shares with a par value of 0.02 NOK.

**DIVIDEND**

A dividend of NOK 0.60 per share has been proposed by the Board of Directors, totalling NOK 58 827 311.

Share capital	Number of ordinary shares	Share capital
<b>1 January 2023</b>	<b>96 286 593</b>	<b>195</b>
Issued during the year	-	-
Currency translation differences	-	(6)
<b>31 December 2023</b>	<b>96 286 593</b>	<b>189</b>
Issued during the year	1 758 925	35
Currency translation differences	-	(51)
<b>31 December 2024</b>	<b>98 045 518</b>	<b>173</b>

#	Shareholders	Holding	Stake
1	Coretech AS	31 783 599	32.42 %
2	Kløvingen AS	15 850 429	16.17 %
3	K-Spar Industrier AS	13 076 422	13.34 %
4	Janus Henderson Investors	4 141 429	4.22 %
5	Handelsbanken Fonder	3 295 000	3.36 %
6	Danske Invest	2 942 164	3.00 %
7	Altitude Capital AS	2 700 000	2.75 %
8	Avanza Bank AB	2 166 440	2.21 %
9	Nordnet Bank AB	2 085 693	2.13 %
10	Magnus Grenfeldt	1 857 489	1.89 %
11	Swedbank Robur Fonder	1 811 800	1.85 %
12	Mirabaud Asset Management	1 543 354	1.57 %
13	John Even Øveraasen	1 505 000	1.54 %
14	Schroders	1 200 000	1.22 %
15	Rasmussengruppen AS	1 100 000	1.12 %
16	Toluma Norden AS	1 000 000	1.02 %
17	AS Clipper	963 391	0.98 %
18	Varner AS	963 391	0.98 %
19	Ålandsbanken Fonder	876 631	0.89 %
20	Karl Thedéen	493 078	0.50 %
	Others	6 690 208	6.82 %
<b>Total number of shares</b>		<b>98 045 518</b>	<b>100.00 %</b>

**NOTE 17 - PLEDGED ASSETS AND CHANGES IN FINANCIAL LIABILITIES**

The Group has two non-current loans from Innovasjon Norge, one obtained in 2019 and one obtained in 2020. The loans are repaid on a quarterly basis and will be fully repaid in 2026 Q3. The group also has a non-current loan from Nordea Financing of USD 0.2 million scheduled to be fully repaid by 2026 Q2.

Pledged assets	31/12/2024	31/12/2023
<b>Amounts in USD 1,000</b>		
Trade receivable	10 234	6 771
Inventory	4 925	5 964
Property, plant and equipment	441	613
<b>Total pledged assets</b>	<b>15 600</b>	<b>13 349</b>

Non-current and current liabilities at 31 December 2023	Bank credit facility	Borrowings	Lease liabilities	Total
<b>Amounts in USD 1,000</b>				
Non-current liabilities	-	883	1 271	2 154
Current liabilities	-	558	716	1 274
<b>Total</b>	<b>-</b>	<b>1 441</b>	<b>1 986</b>	<b>3 428</b>

Reconciliation of changes from financing cash flow 2023	Bank credit facility	Borrowings	Lease liabilities	Total
<b>Amounts in USD 1,000</b>				
<b>Balance at 01/01/2023</b>	<b>-</b>	<b>1 543</b>	<b>2 433</b>	<b>3 977</b>
Changes from financing cash flows				
Repayment of borrowings	-	-608	-715	-1 323
Proceed from borrowings	-	556	-	556
Interest paid	-	-153	-88	-241
<b>Total changes from financing cash flows</b>	<b>-</b>	<b>-205</b>	<b>-803</b>	<b>-1 008</b>

<b>Non-cash changes</b>				
Interest expense using effective interest method	-	153	88	241
Effect of changes in foreign exchange rates		-50	1	-49
New finance lease	-	-	266	266
<b>Total non-cash changes</b>	<b>-</b>	<b>103</b>	<b>356</b>	<b>459</b>
<b>Balance 31/12/2023</b>	<b>-</b>	<b>1 441</b>	<b>1 986</b>	<b>3 428</b>

Non-current and current liabilities at 31 December 2024	Bank credit facility	Borrowings	Lease liabilities	Total
<b>Amounts in USD 1,000</b>				
Non-current liabilities	-	277	539	816
Current liabilities	-	500	730	1 230
<b>Total</b>	<b>-</b>	<b>777</b>	<b>1 269</b>	<b>2 046</b>

Reconciliation of changes from financing cash flows 2024	Bank credit facility	Borrowings	Lease liabilities	Total
Amounts in USD 1,000				
Balance at 01/01/2024	-	1 441	1 986	3 427
Changes from financing cash flows				
Repayment of borrowings	-	-514	-723	-1 237
Proceed from borrowings	-	-	-	-
Interest paid	-	-240	-66	-306
Total changes from financing cash flows	-	-754	-789	-1 544
Non-cash changes				
Interest expense using effective interest method	-	240	66	306
Effect of changes in foreign exchange rates	-	-150	-174	-324
New finance lease	-	-	180	180
Total non-cash changes	-	90	72	163
Balance 31/12/2024	-	777	1 269	2 046

## NOTE 18 - RELATED PARTIES

### SUBSIDIARIES

Balances and transactions between the Company and its subsidiaries, which are related parties to the Company, have been eliminated on consolidation, and are not disclosed in this note.

Number of shares held by the key management and BoD on 31 Dec 2024				
Related party	Holding	Stake	Warrants	Ownership description
Coretech AS	31 783 599	33.01 %	-	Chairperson of Board, Thomas Ramm
Kløvingen AS	15 850 429	16.46 %	-	Board member, Einar Caspersen
Karl Thedéen	493 078	0.51 %	-	Board member
Sara Heiner Asplund	7 339	0.01 %	-	Board member
Magnus Grenfeldt	1 857 489	1.93 %	-	CEO
Kent Lidström	280 075	0.29 %	-	CTO
Per Burman	280 075	0.29 %	-	CMO
Stefan Karlsson	5 000	0.01 %	-	CFO
Ronald Hubsch	5 500	0.01 %	-	VP of Supply Chain
Björn Andersson	8 000	0.01 %	-	SVP Devices

Transactions with related parties				
Related party	Relationship	Transaction type	2024	2023
Coretech AS	Company owned by Chairperson	Travel expenses	9	23
Etain AS	Company owned by Chairman	Expense for software	6	-
Total			15	23

**NOTE 19 - OTHER CURRENT LIABILITIES**

	31/12/2024	31/12/2023
<b>Amounts in USD 1,000</b>		
Current portion of interest bearing debt	500	558
Accrued expenses	2 214	2 118
<b>Total</b>	<b>2 714</b>	<b>2 676</b>

**NOTE 20 - FINANCIAL RISK**

The Group's risk management is predominantly controlled by the Finance department under policies approved by the Board of directors. The Finance department identifies, evaluates, and handles financial risks in close co-operation with the group's operating units.

The Group is mainly exposed to the following risks: market risk (foreign exchange risk and interest risk), credit risk and liquidity risk.

**FOREIGN EXCHANGE RISK (MARKET RISK)**

The group is exposed to currency risks both for its transaction exposure and translation exposure. The Group has subsidiaries in Norway, Sweden and the United States. The foreign currency risk relates primarily to when the Swedish and the Norwegian entities have transactions in USD. Since most of the commercial contracts with customers and suppliers are based in USD, the foreign exchange risk is kept to a minimum, as this natural hedge reduces the exposure to exchange rate fluctuations. In the legal entities with a functional currency that is not USD, profit and loss effect will occur in accounts receivable, accounts payable and bank account holdings. Fluctuations in currency exchange rates, particularly exchange rates between USD against NOK and SEK, have an impact on the Group's result of operations mainly related to payroll expenses and other operating expenses. The Group does not currently hedge currency exposure with the use of financial instruments.

The table is a sensitivity analysis of foreign currency exposure on the balance sheet in the group companies' with functional currencies in NOK or SEK and the impact on the profit and loss statement.

<b>Profit before tax</b>	<b>31/12/2024</b>
NOK exchange rate +/- 10%	+/-1 067
SEK exchange rate +/- 10%	+/-86

**INTEREST RATE RISK (MARKET RISK)**

The interest rate risk arises from long-term borrowings with variable rates, which expose an entity to cash flow interest rate risk. The Group's borrowings and receivables

are carried at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

During 2024, the Group's borrowings are denominated in NOK with a corresponding interest in NOK. The borrowings comprise of loans with variable rates (as described in note 17 Borrowings and securities/pledges) and no hedging instruments are currently being used. Management is comparing the interest rate on debts on a regular basis in relation to its effects on profitability.

**CREDIT RISK**

Credit risk is the loss that the Group would suffer if a counterparty fails to perform its financial obligations. Should a counterparty fail to honor its obligations under its agreements with the entity, this could impair the group's liquidity and cause losses, which in turn could have an adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

The Group is exposed to credit risk from its operating activities. The credit risk primarily relates to its trade receivables.

The Group has established procedures for credit evaluation of new customers and the risk that customers do not have the financial means to meet their obligations is considered low. Outstanding customer receivables are monitored on a regular basis and any overdue receivables are followed up closely internally. Overall, the group has experienced limited losses from trade receivables.

**LIQUIDITY RISK**

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group's objective is to maintain sufficient cash and availability of funding through an adequate amount of credit facilities to meet obligations when due.

Smartoptics' management monitors forecasts of the group's liquidity reserve, and cash and cash equivalents based on expected cash flows. The Group keeps track of the liquidity requirements to ensure that there is suffi-

ent cash to meet operational needs. Recurring revenues are invoiced in advance. In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

As of 31 December 2024, cash and cash equivalents amounted to USD 8.0 million.

The group had a bank credit facility with a limit of NOK 75 million (USD 6.6 million), as of 31 December 2024 NOK 0 (USD 0) of this credit facility was utilized.

## CAPITAL RISK MANAGEMENT

The Group defines capital as equity, including other reserves. The Group's main objective when managing capital is to ensure the ability of the Group to continue as a going concern and to meet all requirements imposed by external financing agreements in the form of covenants.

Considering all available information about the future of Smartoptics' operations, the management concludes that it is appropriate to assume the Group's ability to continue as a going concern. There are no circumstances that would cast any doubts on this conclusion as of the reporting period.

Maturity table schedule financial obligations 31.12.2024	Carrying amount	Contractual cash flow	Due 1-12 months	Due 1-2 years	Due 2+ years
Borrowings	777	831	545	286	-
Lease liabilities	1 269	1 397	808	371	218
Trade payable	5 048	5 048	5 048	-	-
<b>Total</b>	<b>7 094</b>	<b>7 275</b>	<b>6 401</b>	<b>657</b>	<b>218</b>
Maturity table schedule financial obligations 31.12.2023	Carrying amount	Contractual cash flow	Due 1-12 months	Due 1-2 years	Due 2+ years
Borrowings	1 441	1 576	640	612	325
Lease liabilities	1 986	2 009	778	748	483
Trade payable	4 483	4 483	4 483	-	-
<b>Total</b>	<b>7 910</b>	<b>8 067</b>	<b>5 900</b>	<b>1 359</b>	<b>808</b>

## NOTE 21 - INVENTORY

Smartoptics uses weighted average calculations when measuring acquisition costs and the value of the inventory. Work in progress (WIP) is the value of products that are in production. It might take 2-12 weeks until the product is finished. Smartoptics recognize the costs of goods sold when the finished goods and systems are ready to be shipped to the customer. Inventory items are written down if their net realizable value is expected to be lower than the recorded book value.

Inventor & Direct cost of sales	2024	2023
Amounts in USD 1,000		
Purchased materials	30 096	30 206
Changes in inventory	-1 584	-1 225
Write-down inventory	271	253
<b>Direct cost of sales</b>	<b>28 784</b>	<b>29 234</b>
Work in progress	194	167
Finished goods	12 420	14 031
<b>Total inventory</b>	<b>12 615</b>	<b>14 198</b>

## NOTE 22 - EVENTS AFTER THE REPORTING PERIOD

There are no significant events affecting the group after the reporting period.

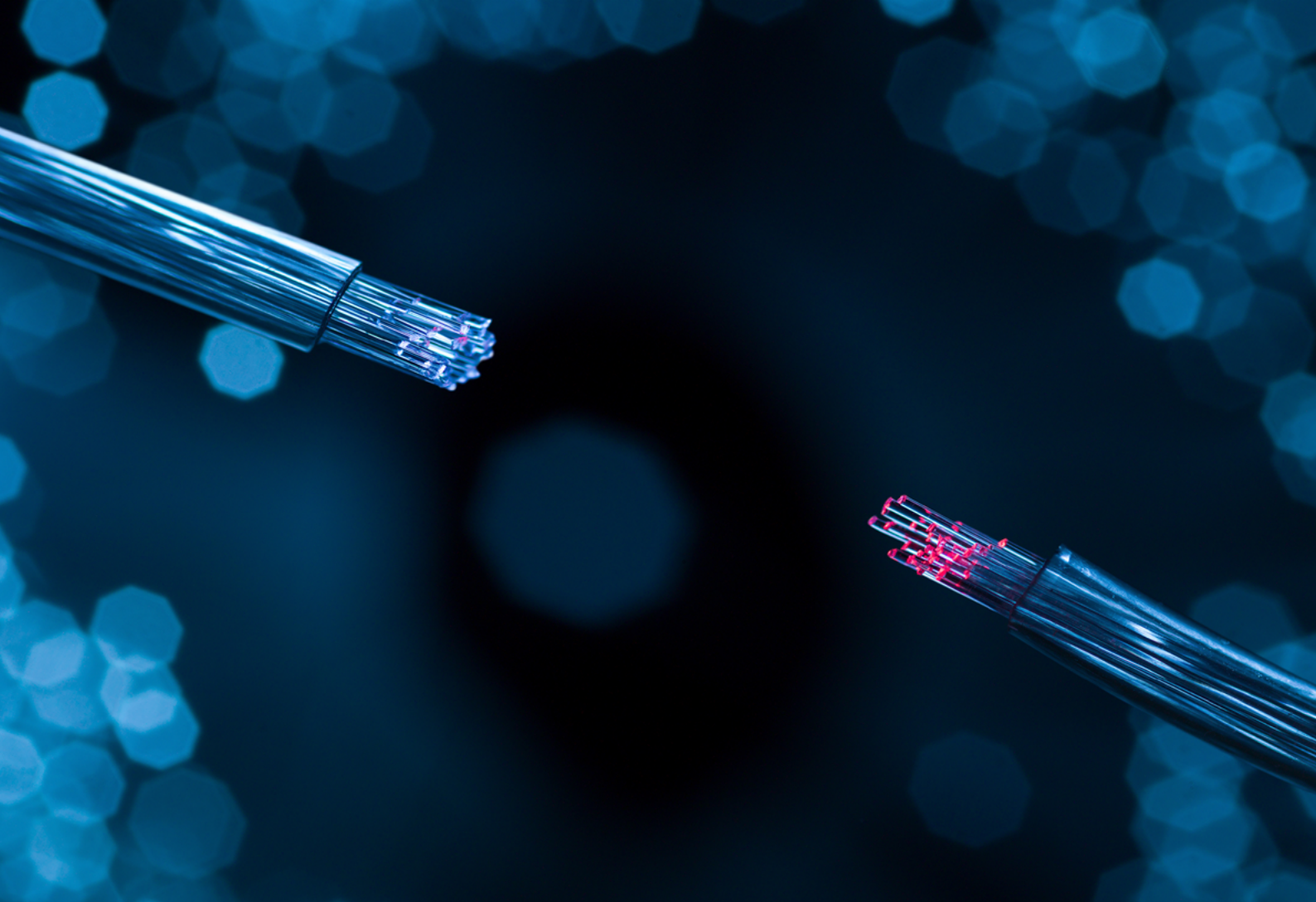
# FINANCIAL STATEMENTS FOR THE PARENT COMPANY

## SMARTOPTICS GROUP AS

Statement of profit or loss		2024	2023
Amounts in NOK 1.000		Notes	
<b>Total revenue and operating income</b>		-	-
<b>Operating expenses</b>			
Payroll expenses	2	10 956	8 548
Other operating expenses	3	2 192	957
<b>Operating expenses</b>		<b>13 148</b>	<b>9 505</b>
<b>Operating Profit</b>		<b>-13 148</b>	<b>-9 505</b>
<b>Financial income and expenses</b>			
Intercompany interest income	4	7 000	3 700
Interest income	5	11	-
Interest expense		-	-556
Group contributions	5	64 964	38 258
<b>Net financial income and expenses</b>		<b>71 975</b>	<b>41 402</b>
<b>Profit before tax</b>		<b>58 827</b>	<b>31 897</b>
Tax	6	22	-6 139
<b>Net profit/loss for the year</b>		<b>58 850</b>	<b>25 758</b>
<b>Allocated as follows:</b>			
Transferred from other equity		-	-22 385
Dividend	7	58 850	48 143
<b>Total allocation</b>		<b>58 850</b>	<b>25 758</b>

Balance sheet 31.12		2024	2023
Amounts in NOK 1.000	Notes		
Assets			
Deferred tax assets	6	1 350	-
Investment in subsidiaries	8	42 782	42 782
Total non-current assets		44 132	42 782
Current assets			
Receivable			
Receivable to related companies	4	246 691	204 727
Other receivable		1 075	625
Total receivable		247 766	205 352
Cash and cash equivalents	9	11 057	987
Total current assets		258 823	206 339
Total Assets		301 605	249 120
Equity and liabilities			
Equity			
Share capital	7, 10,	1 961	1 926
Share premium reserve	7	148 911	126 133
Other paid-up equity	7	-	1 501
Other equity	7	52 457	51 521
Total equity		203 329	181 080
Liabilities			
Current liabilities			
Accounts payable		7	-
Tax liability		93	116
Other current liabilities	4, 7	98 176	67 925
Total liabilities		98 276	68 041
Total equity and liabilities		301 605	249 120





10 April 2025  
Oslo, Norway

Thomas Ramm  
Chairman of the Board

Sara Heiner Asplund  
Board member

Einar Caspersen  
Board member

Karl Thedéen  
Board member

Magnus Grenfeldt  
Chief Executive Officer



Cash flow statement		2024	2023
Amounts in NOK 1.000	Notes		
<b>Cash flow from operational activities</b>			
Profit before tax		58 827	31 897
Net interest expense	5	-7 011	
Group contribution	5	-64 964	
Change in accounts payable		7	-
Change in other items related to operating activities	3,5	19 139	-34 220
<b>Net cash flow from operating activities</b>		<b>5 988</b>	<b>-2 323</b>
<b>Cash flow from investing activities</b>			
Repayment of intercompany loans	4	30 000	31 000
<b>Net cash flow from investing activities</b>		<b>30 000</b>	<b>31 000</b>
<b>Cash flow from financing activities</b>			
Issuing new shares	8,9	22 813	-
Interest paid	5	-11	
Payment of dividend	8	-48 730	-48 143
<b>Net cash flow from financing activities</b>		<b>-25 928</b>	<b>-48 143</b>
<b>Cash and cash equivalents at 1 January</b>		<b>987</b>	<b>20 454</b>
Net cash flow		10 070	-19 467
<b>Cash and cash equivalents at 31 December</b>		<b>11 057</b>	<b>987</b>

# NOTES FOR THE PARENT COMPANY

## SMARTOPTICS GROUP AS

### NOTE 1 – ACCOUNTING PRINCIPLES

Smartoptics Group AS is a Norwegian company. The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.

The Financial Statements are prepared on the basis of going concern.

#### INTEREST INCOME

Interest income are recognized in the income statement when they are earned.

#### FOREIGN CURRENCY

Monetary items, receivables and liabilities in the balance sheet denominated in other currencies than NOK are recorded at the year end exchange rates.

#### TAXES

The tax expense in the income statement consists of tax payable for the period and changes in deferred tax. Deferred tax and deferred tax assets are calculated at 22% based on the temporary differences which exist between accounting and tax values, and any tax loss carried forward at the end of the financial year.

Temporary differences which are reversed or may be reversed in the same period, have been offset and are presented net. Deferred tax assets regarding net tax-reducing differences that have not been offset and deferred tax asset regarding tax losses carrying forward, are recognized on the balance sheet to the extent that the tax benefit is assumed to be utilized through future taxable profit.

Deferred tax and deferred tax assets that can be capitalized are presented net on the balance sheet.

Tax reduction by intra-group contributions given and tax on intra-group contributions received, reported as a reduction of cost or directly against equity, are recognized directly towards tax on the balance sheet.

Deferred tax/deferred tax assets are calculated at nominal value.

### CLASSIFICATION AND ASSESSMENT OF BALANCE SHEET ITEMS

Current assets and current liabilities normally consists of items that are due within one year after the balance sheet day, plus items related to the inventory cycle. Other items are classified as fixed assets/long-term liabilities.

Current assets are valued at the lowest value off acquisition cost and fair value. Current liabilities are recognized at their nominal value at the time.

#### RECEIVABLES

Accounts receivable and other current receivables are recorded on the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of an individual assessment. For the remaining receivables, a general provision is estimated based on the expected loss.

#### SUBSIDIARIES

Subsidiaries are valued according to the cost method in the company accounts. The investment has been assessed at acquisition cost for the shares unless impairment has been necessary. Impairment to fair value has been effectuated when impairment is not expected to be temporary and when it's considered necessary according to good accounting practice. Impairments are reversed when the basis for write-downs is no longer present.

Dividends, group contributions and other distributions are recognized as financial income in the same year as it is allocated in the giver's accounts. If the dividend/group contribution exceeds the share of earnings earned after the acquisition date, the excess part represent repayment of invested capital, and the distributions are deducted from the value of the investment in the balance sheet of the parent company.

#### PENSIONS

For defined contribution plans, the company pay contributions to an insurance company. The company has no further payment obligation after the deposits have been paid. Deposits are classified as salary and personnel costs. Any prepaid deposits are capitalized as assets (pension funds) in case that the deposit can be refunded or reduce future payments.

**USE OF ESTIMATES**

The Management have used estimates and assumptions which has an impact on the income statement and the valuation of assets and liabilities, as well as uncertain assets and liabilities on the balance sheet date during the preparation of the annual accounts in accordance with generally accepted accounting principles.

**CASH FLOW STATEMENT**

The cash flow statement is based on the indirect method. Cash and cash equivalents includes cash, bank deposits and other short-term liquid investments

**NOTE 2 - PAYROLL EXPENSES**

The company has not given loans or security to the CEO, the board or other related parties. The CEO is remunerated from the subsidiary Smartoptics Sverige AB. The company is not required to provide an occupational pension scheme. The company had on average 2 employees in 2024 and 2 employees in 2023.

Amounts in NOK 1000	2024	2023
Wages and salaries	7 226	5 795
Social security tax	2 620	1 895
Pension costs	1 109	858
<b>Total</b>	<b>10 956</b>	<b>8 548</b>

Management compensation	2024				2023			
	Wages	Pension	Bonus	Other benefits	Wages	Pension	Bonus	Other benefits
CEO - Magnus Grenfeldt	3 408	567	-	44	2 233	522	328	97
CFO - Stefan Karlsson*	1 511	432	-	-	-	-	-	-
CFO - Mikael Haag*	-	-	-	-	1 495	314	248	8
<b>Total management compensation</b>	<b>4 919</b>	<b>999</b>	<b>-</b>	<b>44</b>	<b>3 728</b>	<b>836</b>	<b>577</b>	<b>104</b>

Board of Directors	Director fee 2024	Director fee 2023
Thomas Ramm, Chairperson	488	500
Karl Thedéen, Board Memeber	238	250
Sara H. Asplund, Board Memeber	238	250
Einar Caspersen, Board Member	238	250

\*Stefan Karlsson entered the management group on 1st February 2024

\*Mikael Haag exited the management group on 20th November 2023

**NOTE 3 - OPERATIONAL EXPENSES**

Remuneration to the auditors	2024	2023
Statutory audit	623	577
Other non-audit services	48	92
Tax advisory services	40	37
<b>Total remuneration to the auditors</b>	<b>711</b>	<b>706</b>

**NOTE 4 - INTERCOMPANY TRANSACTIONS AND BALANCES**

Related party transactions	2024	2023
Interest income on loan to group companies	7 000	3 700
Interest income on loan to related parties	-	-

Receivable to group companies and repated parties	2024	2023
Receivable to group companies	246 691	204 727

Payable to group companies and repated parties	2024	2023
Payable to group companies	29 834	19 782

**NOTE 5 - FINANCIAL ITEMS**

Financial Income	2024	2023
Other interest income	11	
Interest income from group companies	7 000	3 700
Group contributions from group companies	64 964	38 258
<b>Total financial income</b>	<b>71 976</b>	<b>41 958</b>

Financial Expenses	2024	2023
Interest expense	-	-556
<b>Total financial income</b>	<b>-</b>	<b>-556</b>

## NOTE 6 - TAXES

Remuneration to the auditors	2024	2023
<b>Calculation of deferred tax</b>		
Net temporary differences	-	508
Tax loss carried forward	406	-
Basis for deferred tax / deferred tax asset in the balance sheet	406	508
Deferred tax / deferred tax asset	89	112
Deferred tax / deferred tax asset not recognized in the balance sheet	-	-
Deferred tax / deferred tax asset in the balance sheet	89	112
<b>Basis for income tax expense, change in deferred tax / deferred tax asset</b>		
Result before tax	58 827	31 897
Permanent differences	-58 929	-
Basis for income tax expense	-102	31 897
Change in temporary differences	102	127
Change in tax loss carried forward	-	-32 024
<b>Taxable income (basis for payable taxes in the balance sheet)</b>	<b>-</b>	<b>-</b>
<b>Components of the income tax expense</b>		
Sum payable tax	-	-
Change in Deferred tax / deferred tax asset	-22	7 017
<b>Tax expense</b>	<b>-22</b>	<b>6 139</b>
<b>Reconciliation of the tax expense</b>		
Result before tax expense	58 827	31 897
Calculated tax	12 942	7 017
Tax expense	-22	6 139
Difference	-12 964	878
<b>The differences consist of:</b>		
22% of permanent differences	-12 964	-
Other differences	-	-878
<b>Sum explained differences</b>	<b>-12 964</b>	<b>-878</b>

## NOTE 7 - EQUITY

NOK 1000	Share capital	Share premium reserve	Other paid in capital	Other equity	Total equity
<b>Equity as of 01/01/2024</b>	<b>1 926</b>	<b>126 133</b>	<b>208</b>	<b>52 813</b>	<b>181 080</b>
Capital increase	35	22 778	-	-	22 813
Dividend	-	-	-	-59 414	-59 414
Warrants	-	-	-208	208	-
Net profit	-	-	-	58 850	58 850
<b>Equity as of 31/12/2024</b>	<b>1 961</b>	<b>148 911</b>	<b>-</b>	<b>52 457</b>	<b>203 329</b>

Dividend of NOK 0.6 per share is proposed by the Board of Directors. Total of NOK 58 827 311

## NOTE 8 - SUBSIDIARIES

Company	Office	Ownership	Voting share
Smartoptics AS	Oslo, Norway	100%	100%

In addition to Smartoptics AS owned by Smartoptics Group AS there are two additional subsidiaries wholly owned by Smartoptics AS

Company	Office	Ownership	Voting share
Smartoptics Sverige AB	Stockholm, Sweden	100%	100%
Smartoptics US Corp	New York, United States	100%	100%

## NOTE 9 - CASH AND CASH EQUIVALENTS

NOK 1 000	2024	2023
Bank deposits	11 057	987
<b>Total cash and cash equivalents</b>	<b>11 057</b>	<b>987</b>

## NOTE 10 - SHARE CAPITAL AND SHAREHOLDER INFORMATION

	Number of shares	Nominal value	Total carrying amount
Ordinary shares	98 045 518	0.02	1 960 910

	Number of shares
<b>Shares at 31 December 2022</b>	<b>96 286 593</b>
Issued during 2023	-
<b>Shares at 31 December 2023</b>	<b>96 286 593</b>
Issued during 2024	1 758 925
<b>Shares at 31 December 2024</b>	<b>98 045 518</b>

#	Shareholders	Holding	Stake
1	Coretech AS	31 783 599	32.42 %
2	Kløvingen AS	15 850 429	16.17 %
3	K-Spar Industrier AS	13 076 422	13.34 %
4	Janus Henderson Investors	4 141 429	4.22 %
5	Handelsbanken Fonder	3 295 000	3.36 %
6	Danske Invest	2 942 164	3.00 %
7	Altitude Capital AS	2 700 000	2.75 %
8	Avanza Bank AB	2 166 440	2.21 %
9	Nordnet Bank AB	2 085 693	2.13 %
10	Magnus Grenfeldt	1 857 489	1.89 %
11	Swedbank Robur Fonder	1 811 800	1.85 %
12	Mirabaud Asset Management	1 543 354	1.57 %
13	John Even Øveraasen	1 505 000	1.54 %
14	Schroders	1 200 000	1.22 %
15	Rasmussengruppen AS	1 100 000	1.12 %
16	Toluma Norden AS	1 000 000	1.02 %
17	AS Clipper	963 391	0.98 %
18	Varner AS	963 391	0.98 %
19	Ålandsbanken Fonder	876 631	0.89 %
20	Karl Thedéen	493 078	0.50 %
	Others	6 690 208	6.82 %
<b>Total number of shares</b>		<b>98 045 518</b>	<b>100.00 %</b>

## NOTE 11 - EVENTS AFTER THE REPORTING PERIOD

There are no significant events affecting the group after the reporting period.



To the General Meeting of Smartoptics Group AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of Smartoptics Group AS, which comprise:

- the financial statements of the parent company Smartoptics Group AS (the Company), which comprise the balance sheet as at 31 December 2024, the statement of profit or loss and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Smartoptics Group AS and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.





Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 10 April 2025

**PricewaterhouseCoopers AS**

Øystein Blåka Sandvik

State Authorised Public Accountant

(This document is signed electronically)

## Auditor's report

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### Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Sandvik, Øystein Blåka	BANKID	2025-04-10 18:36

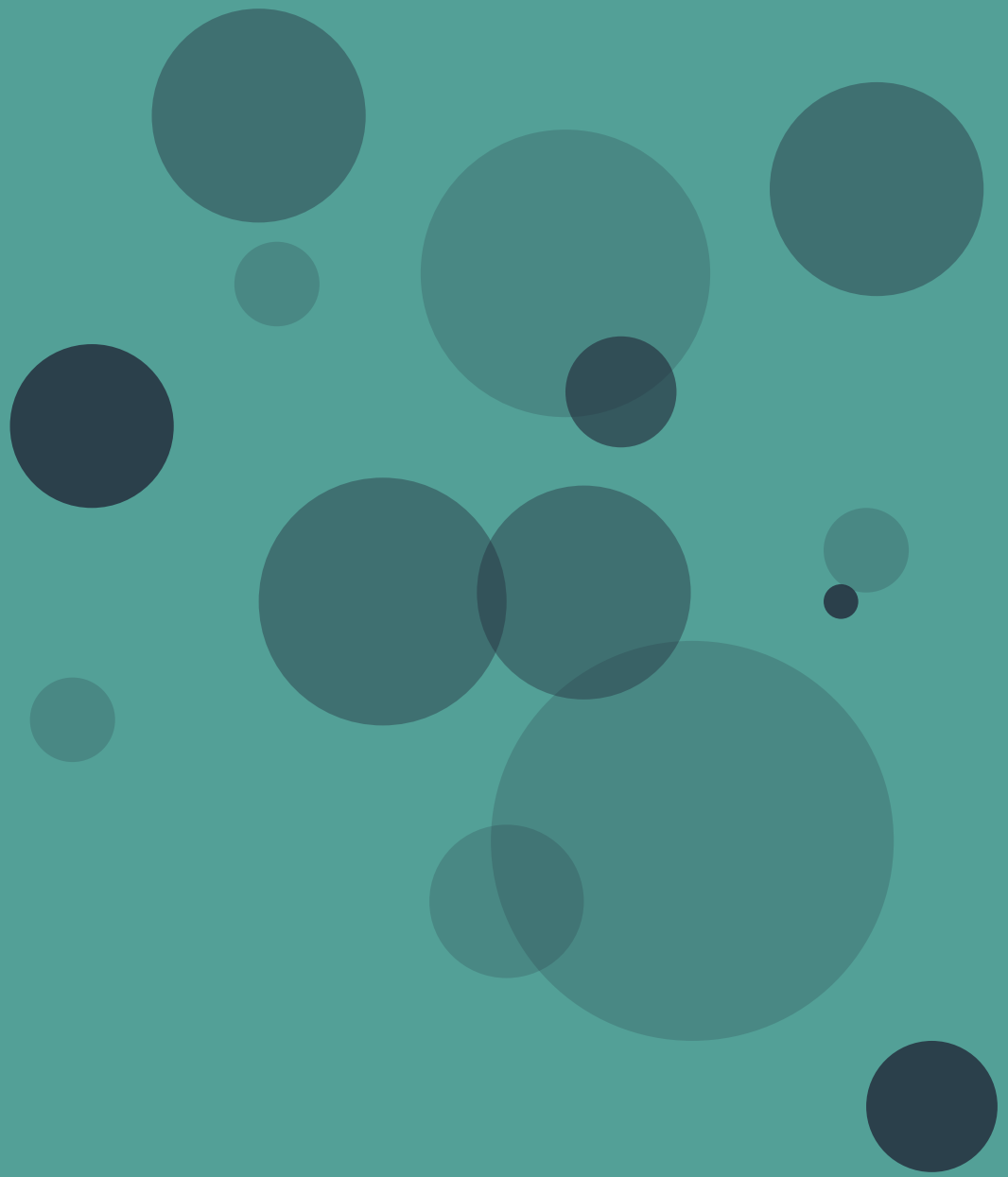


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**APPENDIX 3:**

Interim financial statements for the six-month period ended 30 June 2025



# Q2 & HALF YEAR REPORT 2025

# Q2 REPORT 2025

## SECOND QUARTER HIGHLIGHTS

- Revenue of USD 18.7 million, an increase of 43.7% in Q2 2025 vs Q2 2024
- Gross margin of 48.6% compared to 47.3% same period 2024
- EBITDA of USD 2.6 (1.0) million
- Operating profit (EBIT) of USD 1.8 (0.5) million, equivalent to an operating margin of 9.8% (3.6%)
- Profit & loss for the period amounted to USD 0.4 (0.1) million
- Strongest quarter ever and record high order booking, surpassing previous two strong quarters
- US leading the way, with strong growth in business areas Solutions and Software & Services
- Strong rebound in EBIT and EBITDA margin, despite negative impact by tariffs

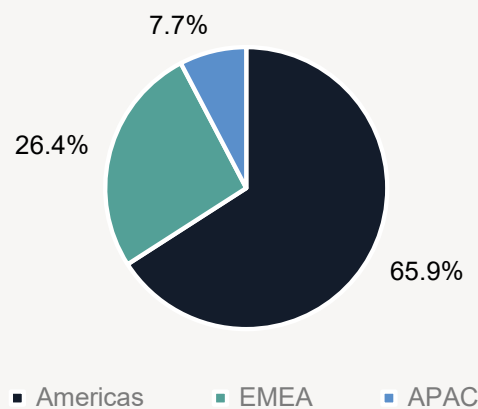
Amounts in USD 1,000	2025 Q2	2024 Q2	Change	2025 6M	2024 6M	Change
	Apr - Jun	Apr - Jun		Jan - Jun	Jan - Jun	
Revenue	18 672	12 991	43.7%	33 027	25 640	28.8%
Gross profit	9 080	6 148	47.7%	15 866	12 295	29.0%
Gross margin	48.6%	47.3%	1.3 p.p	48.0%	48.0%	0.0 p.p
EBITDA	2 565	1 010	153.9%	3 773	2 072	82.1%
EBITDA margin	13.7%	7.8%	7.0 p.p	11.4%	8.1%	3.9 p.p
Operating profit (EBIT)	1 829	466	292.6%	2 420	970	149.4%
Operating margin (EBIT margin)	9.8%	3.6%	7.2 p.p	7.3%	3.8%	4.1 p.p
Profit & loss for the period	440	121	264.8%	504	1 241	-59.4%
Basic earnings per share NOK	0.039	0.011	245.4%	0.050	0.132	-62.3%
Diluted earnings per share NOK	0.039	0.011	245.4%	0.050	0.132	-62.3%
Basic earnings per share USD	0.004	0.001	263.9%	0.005	0.013	-59.6%
Diluted earnings per share USD	0.004	0.001	263.9%	0.005	0.013	-59.5%
Operating cash flow	-547	-1 883		2 144	569	
Employees (FTEs)	132	119	13	131	119	12



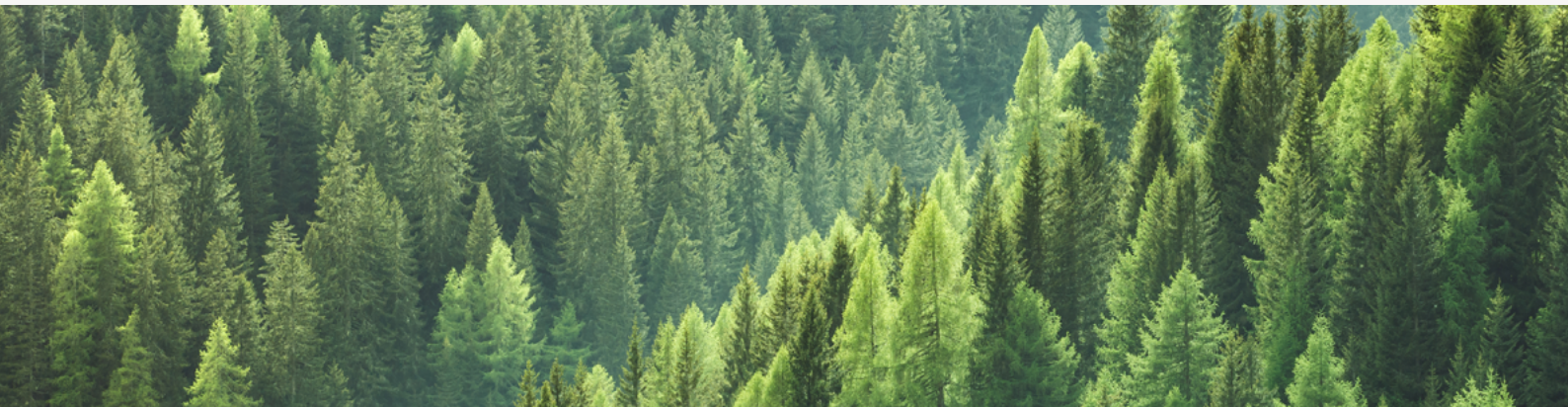
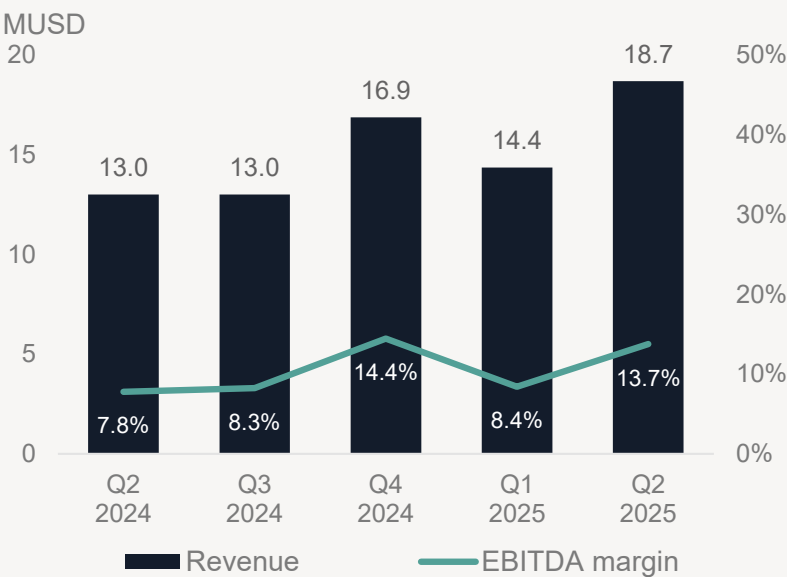
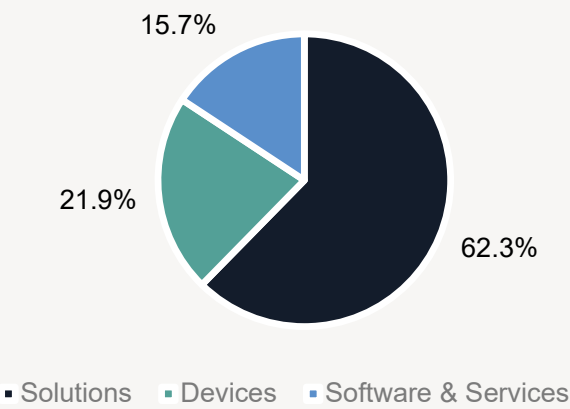
# Q2 REPORT 2025

## CONTINUED

GEOGRAPHICAL SPLIT Q2 2025



BUSINESS AREA SPLIT Q2 2025



# CEO COMMENTS

With the first half of 2025 behind us, I'm pleased to report that Smartoptics continues to deliver consistently on our strategic growth agenda. Revenues of USD 18.7 million in Q2 mark a 44 percent year-on-year increase – our second consecutive quarter of record-high revenue.

While quarterly revenue can fluctuate due to the nature of our business model, three consecutive quarters of double-digit growth clearly demonstrate an underlying positive trend. This momentum is further supported by strong order intake over the same period, confirming solid demand and visibility.

During 2024, we introduced several new-generation products with substantial performance gains, positioning us as an even more relevant partner for large-scale operators and customers with demanding capacity requirements. In Q2, we were selected for data center interconnect deployments by a U.S.-based customer, a subsidiary of a global hyperscaler. This milestone is a strategic proof point that we can compete at the highest tier of the market.

Across our key markets, we see improving market conditions – reflected in robust revenue growth, high customer activity, and a strengthening order book. We have a scalable business model, growing backlog, and strong commercial momentum. The opportunities are there to support our communicated target of USD 100 million in revenue by 2025/26. The temporary slowdown in late 2023 and early 2024 pushed the curve out by roughly one year.

That said, we are now shifting focus to longer-term ambitions beyond the original IPO-era target.

As we look to 2026–2030, we are committed to sustaining strong revenue growth with expanding operating margins and proven capital efficiency. Our business model is inherently scalable, and our track record of profitability – even during volatile periods – gives us a solid platform for long-term value creation. We see significant operating leverage ahead, and with continued execution, we expect this to translate into higher margins and cash flow over time.

Our ambition is to multiply our market share two to three times in relevant markets – a target grounded in both the strong demand trends we see and our



Magnus Grenfeldt, CEO Smartoptics Group AS

growing commercial relevance. The combination of best-in-class solutions, large account traction, and our agility as a mid-sized challenger positions us to win share quickly, particularly as the shift toward open and disaggregated networks accelerates.

In addition to expanding our core markets and product categories, we have identified four key growth drivers:

- Deepening capabilities to serve large accounts, including major operators and hyperscalers
- Expanding presence in emerging markets
- Leveraging software automation and AI to drive efficiency and new revenue
- Evaluating M&A opportunities to accelerate scale

With this framework, we remain focused on delivering long-term value. We believe our scalable model, increasing operational leverage, and prudent capital discipline will support an EBIT margin in the range of 13-16 percent.

For further information, please contact:

Magnus Grenfeldt, CEO  
Phone: +46 733 668 877  
E-mail: [magnus.grenfeldt@smartoptics.com](mailto:magnus.grenfeldt@smartoptics.com)



# FINANCIAL REVIEW

## Q2 2025

### REVENUE

Revenue increased by 43.7% in Q2 2025 to USD 18.7 million compared to USD 13.0 million in Q2 2024, mainly related to strong Solutions sales in Americas. Revenue in Americas increased by 79.5% to USD 12.3 (6.9) million. Revenue in EMEA increased by 6.2% to USD 4.9 (4.6) million. In APAC, revenue decreased by 3.9% to USD 1.4 (1.5) million.

Revenue split by business area for the quarter was Solutions 62.3% (56.9%), Devices 21.9% (29.4%) and Software & Services 15.7% (13.7%).

### GROSS PROFIT

Gross profit in Q2 2025 amounted to USD 9.1 (6.1) million and resulted in a gross margin of 48.6% compared to 47.3% the same period last year.

### OPERATING EXPENSES

Employee benefit expenses amounted to USD 5.2 (4.1) million in Q2 2025 and employees (FTE) grew from 119 to 132 during the same period. The cost increase is due to new employees, the annual salary adjustment and the development of the USD exchange rate. Other operating expenses increased to USD 1.4 (1.1) million.

### EBITDA AND OPERATING PROFIT

EBITDA in Q2 2025 was USD 2.6 (1.0) million and the EBITDA margin was 13.7% compared to 7.8% in Q2 2024.

Operating profit was USD 1.8 (0.5) million and the operating margin was 9.8% compared to 3.6% the same period 2024.

### NET FINANCIAL ITEMS

Interest payments and foreign exchange gains/-losses are the main components of Net financial items.

The group has a natural hedge in having both Revenue and Direct cost of sales to a very large extent in USD.

### CASH FLOW

The operating cash flow was USD -0.5 (-1.9) million for Q2 2025. The net cash flow for the quarter was USD -7.2 (-6.6) million, resulting in an closing balance of USD 3.1 million for the quarter.

### NON-CURRENT LIABILITIES

There are two loans from Innovasjon Norge of combined USD 0.5 million. The loans are repaid on a quarterly basis and will be fully repaid by Q3 2026. The group also has a credit facility with Nordea of NOK 75 million (USD 7.4 million) and a non-current loan of USD 0.1 million scheduled to be fully repaid by Q2 2026. As of June 30th 2025, the credit line from Nordea was not utilized.

### CURRENCY

The Group has experienced increased foreign exchange volatility. The impact on the quarter is mainly related to employee benefit expenses and net financial items. It's important to note that our market is heavily dominated by USD transactions. We predominantly purchase components and sell our products in USD, while more than half of our OPEX in 2024 was in SEK.

### OUTLOOK

For the period 2026-2030, the Group has a target to increase the market share within relevant markets by two to three times. With the scalable business model and further efficiency improvements, the Group target an EBIT margin in the range of 13-16 percent.

### DIVIDEND POLICY

When proposing a dividend for a financial year, the Board of Directors will seek a stable to growing dividend, and consider Smartoptics' financial position, one-off item impacts, growth trajectory, investment plans, flexibility, financial targets and covenants.

# FINANCIAL STATEMENTS

## CONSOLIDATED PROFIT AND LOSS STATEMENT

Consolidated statement of profit or loss		2025 Q2	2024 Q2	2025 6M	2024 6M
Amounts in USD 1.000	Notes	Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun
Revenue from contracts with customers	1,2	18 672	12 991	33 027	25 640
Other operating income		-	-	0	1
<b>Total revenue and other operating income</b>	1,2	<b>18 672</b>	<b>12 991</b>	<b>33 027</b>	<b>25 640</b>
Direct cost of sales		- 9 592	- 6 843	- 17 161	- 13 345
Employee benefit expenses		- 5 164	- 4 076	- 9 680	- 8 139
Other operating expenses		- 1 351	- 1 062	- 2 413	- 2 083
<b>Total operating expenses</b>		<b>- 16 106</b>	<b>- 11 981</b>	<b>- 29 254</b>	<b>- 23 567</b>
Depreciation	7	- 610	- 465	- 1 109	- 942
Amortization of intangible assets	7	- 126	- 79	- 244	- 161
<b>Total depreciation and amortization</b>	7	<b>- 736</b>	<b>- 544</b>	<b>1 353</b>	<b>1 103</b>
<b>Operating profit/(loss)</b>		<b>1 829</b>	<b>466</b>	<b>2 420</b>	<b>970</b>
Financial income	4	52	0	134	2
Financial expenses	4	-617	-69	-114	-170
Net foreign exchange gains (losses)	4	-638	-187	-1 691	873
<b>Net financial items</b>	4	<b>-1 204</b>	<b>-256</b>	<b>-1 671</b>	<b>706</b>
<b>Profit/(loss) before income tax</b>		<b>625</b>	<b>210</b>	<b>749</b>	<b>1 676</b>
Income tax		-185	-89	-245	-435
<b>Profit/(loss) for the period</b>		<b>440</b>	<b>121</b>	<b>504</b>	<b>1 241</b>

Earnings per share in USD					
Basic earnings per share		0.004	0.001	0.005	0.013
Diluted earnings per share		0.004	0.001	0.005	0.013
Weighted average number of shares					
Basic		98 045 518	97 794 244	98 045 518	97 142 790
Diluted		98 045 518	97 794 244	98 045 518	97 706 585

Consolidated statement of comprehensive income					
Profit/(loss) for the year		440	121	504	1 241
Other comprehensive income:					
<i>Items that might be subsequently reclassified to profit or loss:</i>					
Exchange differences on translation of foreign operations		12	-13	-28	17
<i>Item that are not reclassified to profit or loss:</i>					
Exchange differences on translation to another presentation currency		942	-	3 123	-1 781
<b>Total comprehensive income for the year</b>		<b>1 394</b>	<b>107</b>	<b>3 599</b>	<b>-524</b>
Total comprehensive income is attributable to:					
Owners of the parent company		1 394	107	3 599	1241

# CONSOLIDATED STATEMENT FINANCIAL POSITION

Consolidated statement of financial position		30.06.2025	31.12.2024	30.06.2024
Amounts in USD 1.000	Notes			
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	3,7	2 695	1 914	1 433
Property, plant and equipment	6,7	3 521	3 006	2 969
Right-of-use assets		1 006	1 205	1 545
Deferred tax assets		1 573	955	1 018
<b>Total non-current assets</b>		<b>8 795</b>	<b>7 080</b>	<b>6 965</b>
<b>Current assets</b>				
Inventories		16 777	12 615	14 627
Trade receivable		19 824	19 864	17 092
Other current assets		1 481	1 374	1 084
Cash and cash equivalents		3 064	7 972	5 089
<b>Total current assets</b>		<b>41 146</b>	<b>41 826</b>	<b>37 893</b>
<b>Total assets</b>		<b>49 941</b>	<b>48 906</b>	<b>44 858</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		194	173	184
Share premium		14 752	13 121	13 992
Other paid in capital		-	-	20
Foreign currency translation reserves		265	294	428
Retained earnings		11 183	14 866	12 558
<b>Total equity</b>		<b>26 394</b>	<b>28 454</b>	<b>27 182</b>
<b>Non-current liabilities</b>				
Lease liabilities (non-current portion)		349	277	909
Contract liabilities (non-current portion)	2	4 971	4 939	3 666
Borrowings (non-current portion)		62	539	589
<b>Total non-current liabilities</b>		<b>5 383</b>	<b>5 755</b>	<b>5 165</b>
<b>Current liabilities</b>				
Lease liabilities (current portion)		718	730	707
Trade payable		7 708	5 048	3 040
Contract liabilities (current portion)	2	5 710	4 030	3 140
Tax payable		248	1 118	1 198
Public duties payable (VAT, Tax)		372	1 057	1 443
Other current liabilities		3 408	2 713	2 982
<b>Total current liabilities</b>		<b>18 164</b>	<b>14 697</b>	<b>12 511</b>
<b>Total liabilities</b>		<b>23 547</b>	<b>20 451</b>	<b>17 676</b>
<b>Total equity and liabilities</b>		<b>49 941</b>	<b>48 906</b>	<b>44 858</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity	Share capital	Share premium	Other paid in capital	Translation difference reserves	Retained earnings	Total equity
Amounts in USD 1.000						
<b>Equity at 1 January 2024</b>	<b>189</b>	<b>12 404</b>	<b>20</b>	<b>411</b>	<b>17 023</b>	<b>30 048</b>
Profit/(loss) for the period					1 241	1 241
Exchange differences on translation of foreign operation				17		17
Exchange differences on translation to another presentation currency	-8	-516	-1		-1 256	-1 781
<b>Total comprehensive income/(loss) for the period</b>	<b>-8</b>	<b>-516</b>	<b>-1</b>	<b>17</b>	<b>-15</b>	<b>-524</b>
Issuance of ordinary shares	3	2 104				2 107
Dividend					-4 449	-4 449
<b>Equity at 30 June 2024</b>	<b>184</b>	<b>13 992</b>	<b>20</b>	<b>428</b>	<b>12 558</b>	<b>27 183</b>
<b>Equity at 1 January 2025</b>	<b>173</b>	<b>13 121</b>	<b>-</b>	<b>294</b>	<b>14 867</b>	<b>28 454</b>
Profit/(loss) for the period					504	504
Exchange differences on translation of foreign operation				-28		-28
Exchange differences on translation to another presentation currency	21	1 631			1 471	3 123
<b>Total comprehensive income/(loss) for the period</b>	<b>21</b>	<b>1 631</b>	<b>-</b>	<b>-28</b>	<b>1 975</b>	<b>3 599</b>
Dividend					-5 660	-5 660
<b>Equity at 30 June 2025</b>	<b>194</b>	<b>14 752</b>	<b>-</b>	<b>265</b>	<b>11 183</b>	<b>26 394</b>

\*The currency translation differences arising from the translation to the presentation currency is not included as a translation differences reserves, but presented as part of the different categories of the equity. These translation differences cannot be recycled through profit and loss.



# CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement		2025 Q2	2024 Q2	2025 6M	2024 6M
Amounts in USD 1.000	Notes	Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun
<b>Cash flows from operating activities</b>					
Profit/(loss) before income tax		625	210	749	1 676
Adjustments for:				-	
Taxes paid		-302	-	-977	-
Depreciation and amortization	7	736	544	1 353	1 102
Net interest expense		17	-	-20	-
Change in inventory		-1 895	-1 096	-4 162	-429
Change in trade receivable		-1 451	-1 752	41	-288
Change in contract liabilities (deferred revenue)		524	479	1 712	244
Change in trade payable		844	-1 097	2 660	-1 443
Change in other current assets and other liabilities	5	303	828	654	-293
Interest received		52	-	134	-
<b>Net cash from operating activities</b>		<b>-547</b>	<b>-1 883</b>	<b>2 144</b>	<b>569</b>
<b>Cash flows from investing activities</b>					
Payment for property, plant and equipment		-243	-355	-762	-877
Payment for development cost	7	-205	-295	-461	-407
Payment for other intangible assets		-64	-	-298	-
<b>Net cash from investing activities</b>		<b>-512</b>	<b>-650</b>	<b>-1 521</b>	<b>-1 285</b>
<b>Cash flows from financing activities</b>					
Proceeds from issuance of ordinary shares		-	702	-	2 107
Dividend		-5 660	-4 449	-5 660	-4 449
Repayment of borrowing		-142	-121	-275	-255
Paid interest		-69	-52	-114	-135
Repayments of lease liabilities		-240	-187	-454	-399
<b>Net cash from financing activities</b>		<b>-6 111</b>	<b>-4 108</b>	<b>-6 502</b>	<b>-3 130</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>-7 170</b>	<b>-6 641</b>	<b>-5 880</b>	<b>-3 846</b>
Cash and cash equivalents beginning of period		9 888	11 488	7 972	9 321
Effects of exchange rate changes on cash and cash equivalents		346	242	971	-387
<b>Cash and cash equivalents end of period</b>		<b>3 065</b>	<b>5 089</b>	<b>3 065</b>	<b>5 089</b>

# SHARE INFORMATION

TABLE OF THE 20 LARGEST SHAREHOLDERS AS 30TH OF JUNE 2025

#	Shareholders	Holding	Stake
1	Coretech AS	31 783 599	32.42 %
2	Kløvingen AS	15 850 429	16.17 %
3	K-Spar Industrier AS	13 076 422	13.34 %
4	Janus Henderson Investors	4 141 429	4.22 %
5	Handelsbanken Fonder	3 295 000	3.36 %
6	Altitude Capital AS	2 700 000	2.75 %
7	Danske Invest	2 377 354	2.42 %
8	Avanza Bank AB	2 331 919	2.38 %
9	Nordnet Bank AB	2 137 507	2.18 %
10	Magnus Grenfeldt	1 857 489	1.89 %
11	Swedbank Robur Fonder	1 811 800	1.85 %
12	Mirabaud Asset Management	1 637 955	1.67 %
13	John Even Øveraasen	1 300 000	1.33 %
14	Schroders	1 300 000	1.33 %
15	Toluma Norden AS	1 185 347	1.21 %
16	AS Clipper	963 391	0.98 %
17	Varner AS	963 391	0.98 %
18	Rasmussengruppen AS	900 000	0.92 %
19	Karl Thedéen	493 078	0.50 %
20	Case Kapitalförvaltning	416 540	0.42 %
	Others	7 522 868	7.67 %
<b>Total number of shares</b>		<b>98 045 518</b>	<b>100.00 %</b>

# NOTES

## GENERAL

These interim condensed consolidated financial statements for the period ended 30 June 2025, have been prepared in accordance with IAS 34 Interim Financial Reporting and are unaudited. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for 2024, prepared in accordance with International Financial Reporting Standards (IFRS). The same accounting principles and methods of calculation have been applied as in the financial statements for 2024 for the Group.

Smartoptics Group AS' consolidated financial statements as at 31 December 2024 were approved at the Board of Directors' meeting on 10 April 2025. The Group's condensed consolidated financial statements as at 30 June 2025 were approved at the Board of Directors' meeting on 13 July 2025.

## EXCHANGE RATES

The interim financial statements are consolidated in NOK and translated to the presentation currency USD. For the Profit and Loss statement the monthly average exchange rate published by Norges Bank is used. For the balance sheet, the monthly ending exchange rate is used.

## NOTE 1 - REVENUE SPLIT

Revenue split by geography	Q2 2025	Q2 2024
Amounts in USD 1,000		
Americas	12 307	6 856
EMEA	4 930	4 642
APAC	1 434	1 493
<b>Total</b>	<b>18 672</b>	<b>12 991</b>

Revenue split by Business Area	Q2 2025	Q2 2024
Amounts in USD 1,000		
Solutions	11 640	7 398
Devices	4 095	3 816
Software & Services	2 936	1 777
<b>Total</b>	<b>18 672</b>	<b>12 991</b>

## NOTE 2 - DEFERRED REVENUE

Service revenues are invoiced in advance and covers a contract period of typically 3 months to 6 years. The service revenue is recognized during the contract period. "Current Deferred Revenue" will be recognized within the next 12 months.

Deferred Revenue	Jun 30. 2025	Jun 30. 2024
Amounts in USD 1,000		
Contract Liabilities (Current)	5 710	3 140
Contract Liabilities (Non-current)	4 971	3 666
<b>Total Contract Liabilities</b>	<b>10 682</b>	<b>6 807</b>

## NOTE 3 – RESEARCH AND DEVELOPMENT

Expenditures on development activities are capitalized if certain conditions are fulfilled. Capitalized development includes costs directly attributable to development of the intangible asset, such as personnel expenses and consultancy services. Otherwise, such expenses are expensed as and when incurred. The intangible assets are amortized over 5 years.

Smartoptics has been approved government grants for two development projects during 2025. The grant is recognized in the Profit and Loss statement as a reduction of payroll cost or as a reduction of capitalized development cost depending on the underlying accounting treatment of the cost that the grant is intended to cover.

## NOTE 4 – FINANCIAL ITEMS

Currency effects come from the cash position, which is made of NOK, SEK and USD, Trade Receivables and Trade Payable which is predominantly in USD.

## NOTE 5 – OTHER WORKING CAPITAL CHANGES

Other working capital changes relates to pre-payments of certain components, inventory and pay-out of variable compensation related to Q1 2025.

## NOTE 6 – PROPERTY, PLANT AND EQUIPMENT SPLIT

Property, plant and equipment	Jun 30. 2025	Jun 30. 2024	Change
Amounts in USD 1,000			
R&D equipment	1 935	1 316	619
Production equipment	233	220	12
Office & warehouse furniture and fixtures	522	653	-131
Demo pool equipment	831	780	52
<b>Total</b>	<b>3 521</b>	<b>2 969</b>	<b>553</b>



# NOTES

## NOTE 7 – DEPRECIATION AND AMORTIZATION SPLIT

Fixed assets are depreciated over a period of 3 to 5 years. There is no goodwill in the group.

Depreciation and amortization	Q2 2025	Q2 2024
Amounts in USD 1,000		
Property, plant and equipment	402	294
Product development	126	79
Right of use assets / leasing	208	171
<b>Total</b>	<b>736</b>	<b>544</b>

## NOTE 8 - SIGNIFICANT EVENTS DURING THE PERIOD

Smartoptics has signed a new lease agreement for office space in Kista amounting to 68 MSEK during a term of seven (7) years. The agreement is conditional upon the landlord completing the premises according to the company's specifications. In accordance with IFRS 16, future lease obligations will be recognized on the balance sheet from the date the premises are made available to the company, which is expected to occur in 2026.





# ALTERNATE PERFORMANCE MEASURES (APM'S)

## GROSS PROFIT

Total revenue and other operating income deducted with direct cost of sales

Amounts in USD 1,000	2025 Q2	2024 Q2	2025 6M	2024 6M
Total revenue and other operating income	18 672	12 991	33 027	25 640
Direct cost of sales	9 592	6 843	17 161	13 345
<b>Gross profit</b>	<b>9 080</b>	<b>6 148</b>	<b>15 866</b>	<b>12 295</b>

## GROSS MARGIN

Gross profit divided by total revenue and other operating income

Amounts in USD 1,000	2025 Q2	2024 Q2	2025 6M	2024 6M
Total revenue and other operating income	18 672	12 991	33 027	25 640
Gross profit	9 080	6 148	15 866	12 295
<b>Gross margin</b>	<b>48.6 %</b>	<b>47.3 %</b>	<b>48.0 %</b>	<b>48.0 %</b>

## EBITDA

Operating profit/(loss) adjusted for total depreciation and amortization

Amounts in USD 1,000	2025 Q2	2024 Q2	2025 6M	2024 6M
Operating profit/(loss)	1 829	466	2 420	970
Total depreciation and amortization	736	544	1 353	1 103
<b>EBITDA</b>	<b>2 565</b>	<b>1 010</b>	<b>3 773</b>	<b>2 073</b>

## EBITDA MARGIN

EBITDA divided by total revenue and other operating income

Amounts in USD 1,000	2025 Q2	2024 Q2	2025 6M	2024 6M
EBITDA	2 565	1 010	3 773	2 073
Total revenue and other operating income	18 672	12 991	33 027	25 640
<b>EBITDA margin</b>	<b>13.7 %</b>	<b>7.8 %</b>	<b>11.4 %</b>	<b>8.1 %</b>



# smartoptics

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smartoptics



To the Shareholders of Smartoptics Group AS

## Report on Review of Interim Financial Information

### Introduction

We have reviewed the accompanying consolidated statement of financial position of Smartoptics Group AS as at 30 June 2025, and the related consolidated profit and loss statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation of this interim financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs), and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Oslo, 13 July 2025

**PricewaterhouseCoopers AS**

Øystein Sandvik  
State Authorised Public Accountant  
(This document is signed electronically)

## Report on Review of Interim Financial Information

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### Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Sandvik, Øystein Blåka	BANKID	2025-07-13 09:14



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