



**Q2 & HALF YEAR
REPORT
2025**

Q2 REPORT 2025

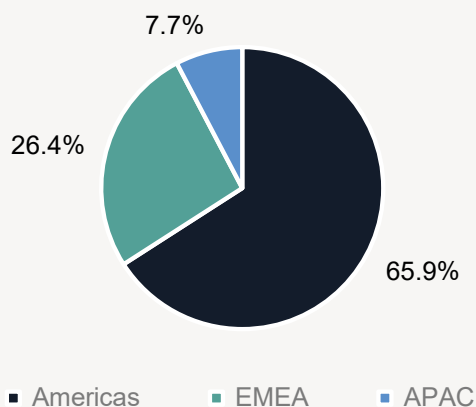
SECOND QUARTER HIGHLIGHTS

- 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

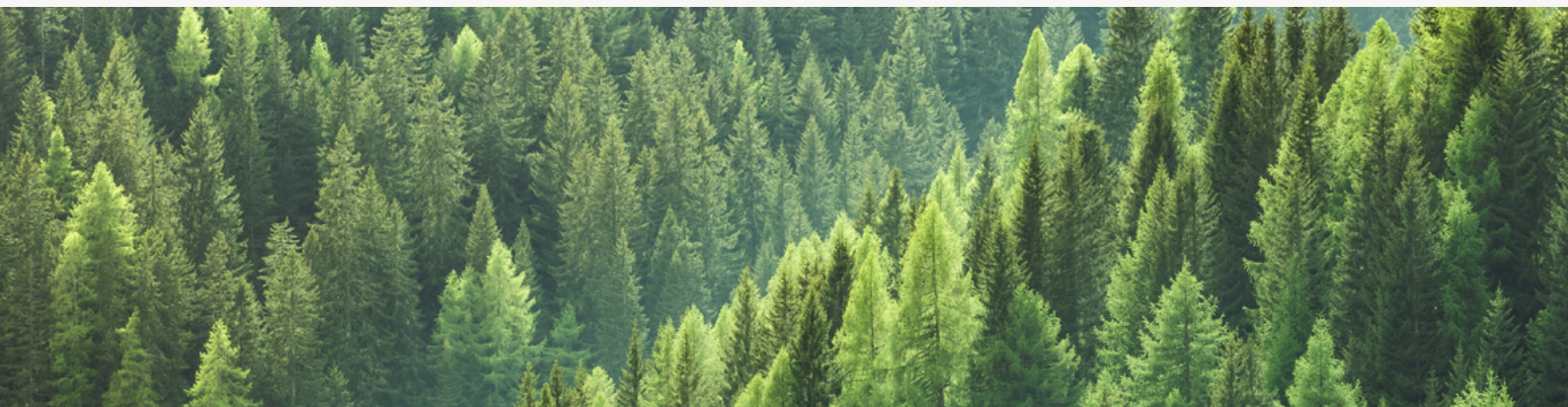
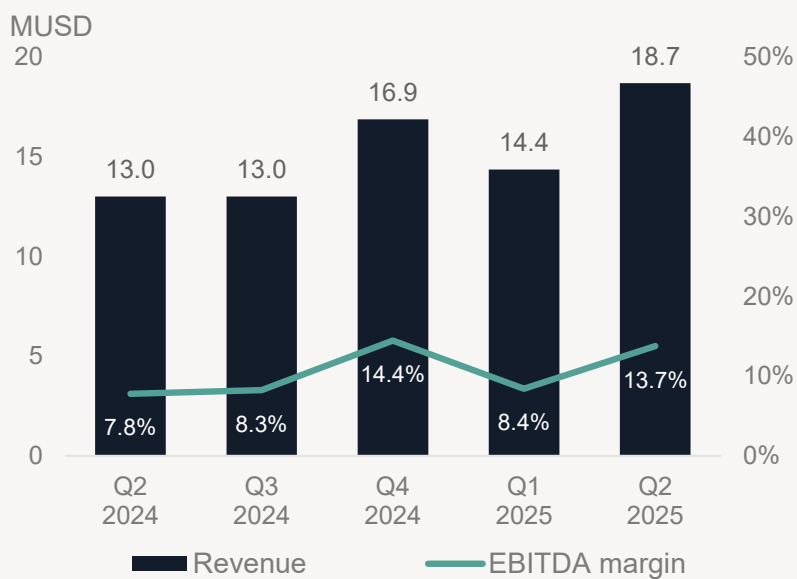
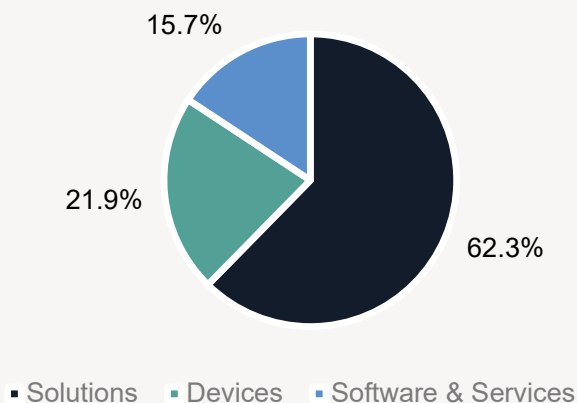
Amounts in USD 1,000	2025 Q2	2024 Q2	Change	2025 6M	2024 6M	Change
	Apr - Jun	Apr - Jun		Jan - Jun	Jan - Jun	
Revenue	18 672	12 991	43.7%	33 027	25 640	28.8%
Gross profit	9 080	6 148	47.7%	15 866	12 295	29.0%
Gross margin	48.6%	47.3%	1.3 p.p	48.0%	48.0%	0.0 p.p
EBITDA	2 565	1 010	153.9%	3 773	2 072	82.1%
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:

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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	
Total revenue and other operating income	1,2	18 672	12 991	33 027	25 640	
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	
Total operating expenses		- 16 106	- 11 981	- 29 254	- 23 567	
Depreciation	7	- 610	- 465	- 1 109	- 942	
Amortization of intangible assets	7	- 126	- 79	- 244	- 161	
Total depreciation and amortization	7	- 736	- 544	1 353	1 103	
Operating profit/(loss)		1 829	466	2 420	970	
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	
Net financial items	4	-1 204	-256	-1 671	706	
Profit/(loss) before income tax		625	210	749	1 676	
Income tax		-185	-89	-245	-435	
Profit/(loss) for the period		440	121	504	1 241	

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
Total comprehensive income for the year		1 394	107	3 599	-524
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			
Assets				
Non-current assets				
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
Total non-current assets		8 795	7 080	6 965
Current assets				
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
Total current assets		41 146	41 826	37 893
Total assets		49 941	48 906	44 858
Equity and liabilities				
Equity				
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
Total equity		26 394	28 454	27 182
Non-current liabilities				
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
Total non-current liabilities		5 383	5 755	5 165
Current liabilities				
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
Total current liabilities		18 164	14 697	12 511
Total liabilities		23 547	20 451	17 676
Total equity and liabilities		49 941	48 906	44 858

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						
Equity at 1 January 2024	189	12 404	20	411	17 023	30 048
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
Total comprehensive income/(loss) for the period	-8	-516	-1	17	-15	-524
Issuance of ordinary shares	3	2 104				2 107
Dividend					-4 449	-4 449
Equity at 30 June 2024	184	13 992	20	428	12 558	27 183
Equity at 1 January 2025	173	13 121	-	294	14 867	28 454
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
Total comprehensive income/(loss) for the period	21	1 631	-	-28	1 975	3 599
Dividend					-5 660	-5 660
Equity at 30 June 2025	194	14 752	-	265	11 183	26 394

*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
Cash flows from operating activities					
Profit/(loss) before income tax		625	210	749	1 676
<i>Adjustments for:</i>					
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	-
Net cash from operating activities		-547	-1 883	2 144	569
Cash flows from investing activities					
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	-
Net cash from investing activities		-512	-650	-1 521	-1 285
Cash flows from financing activities					
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
Net cash from financing activities		-6 111	-4 108	-6 502	-3 130
Net increase/(decrease) in cash and cash equivalents					
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
Cash and cash equivalents end of period		3 065	5 089	3 065	5 089

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 %
	Total number of shares	98 045 518	100.00 %

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
Total	18 672	12 991

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
Total	18 672	12 991

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
Total Contract Liabilities	10 682	6 807

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
Total	3 521	2 969	553

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
Total	736	544

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
Gross profit	9 080	6 148	15 866	12 295

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
Gross margin	48.6 %	47.3 %	48.0 %	48.0 %

EBITDA

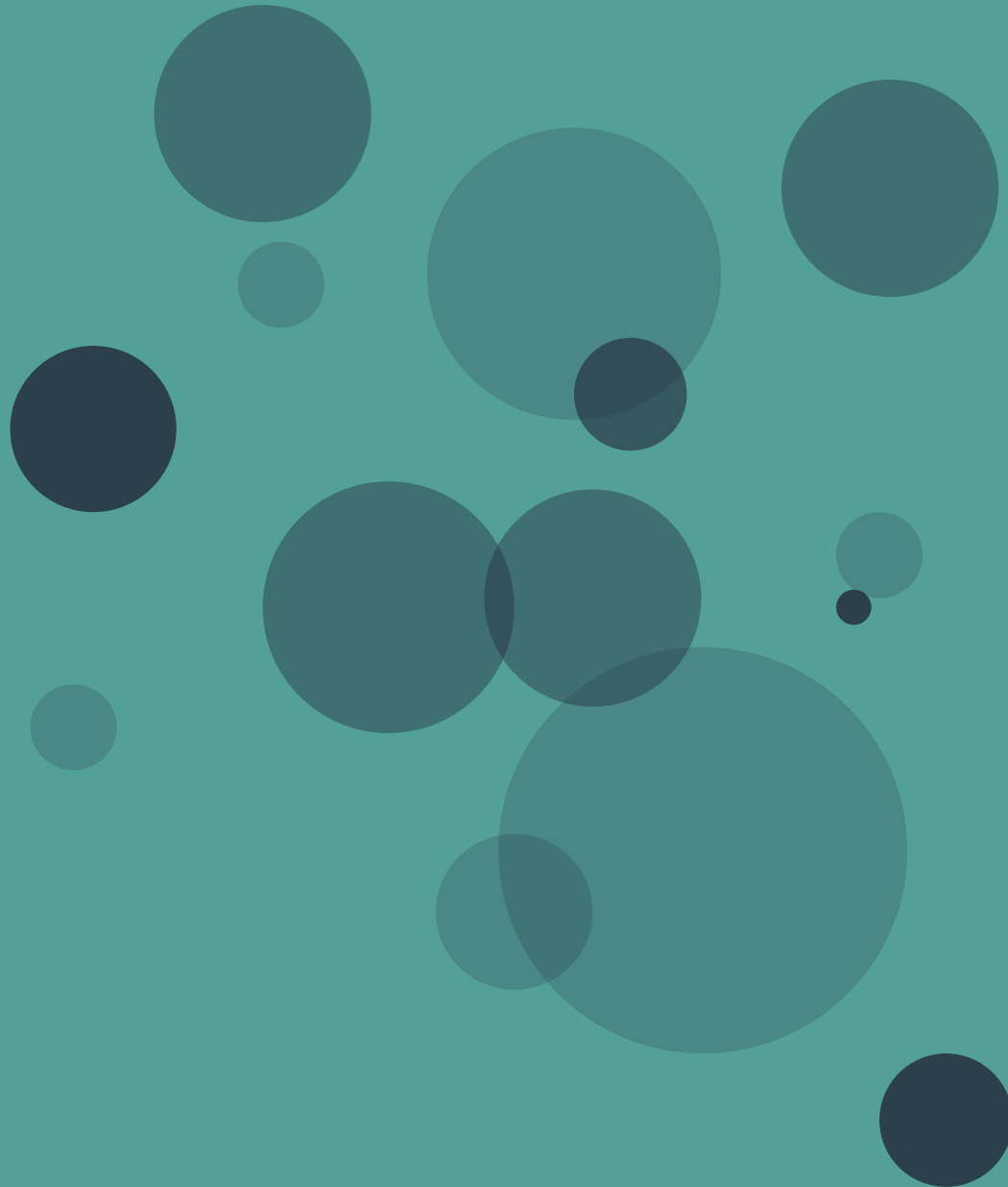
Operating profit/(loss) adjusted for total depreciation and amortization

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
EBITDA	2 565	1 010	3 773	2 073

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
EBITDA margin	13.7 %	7.8 %	11.4 %	8.1 %



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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

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Sandvik, Øystein Blåka	BANKID	2025-07-13 09:14



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