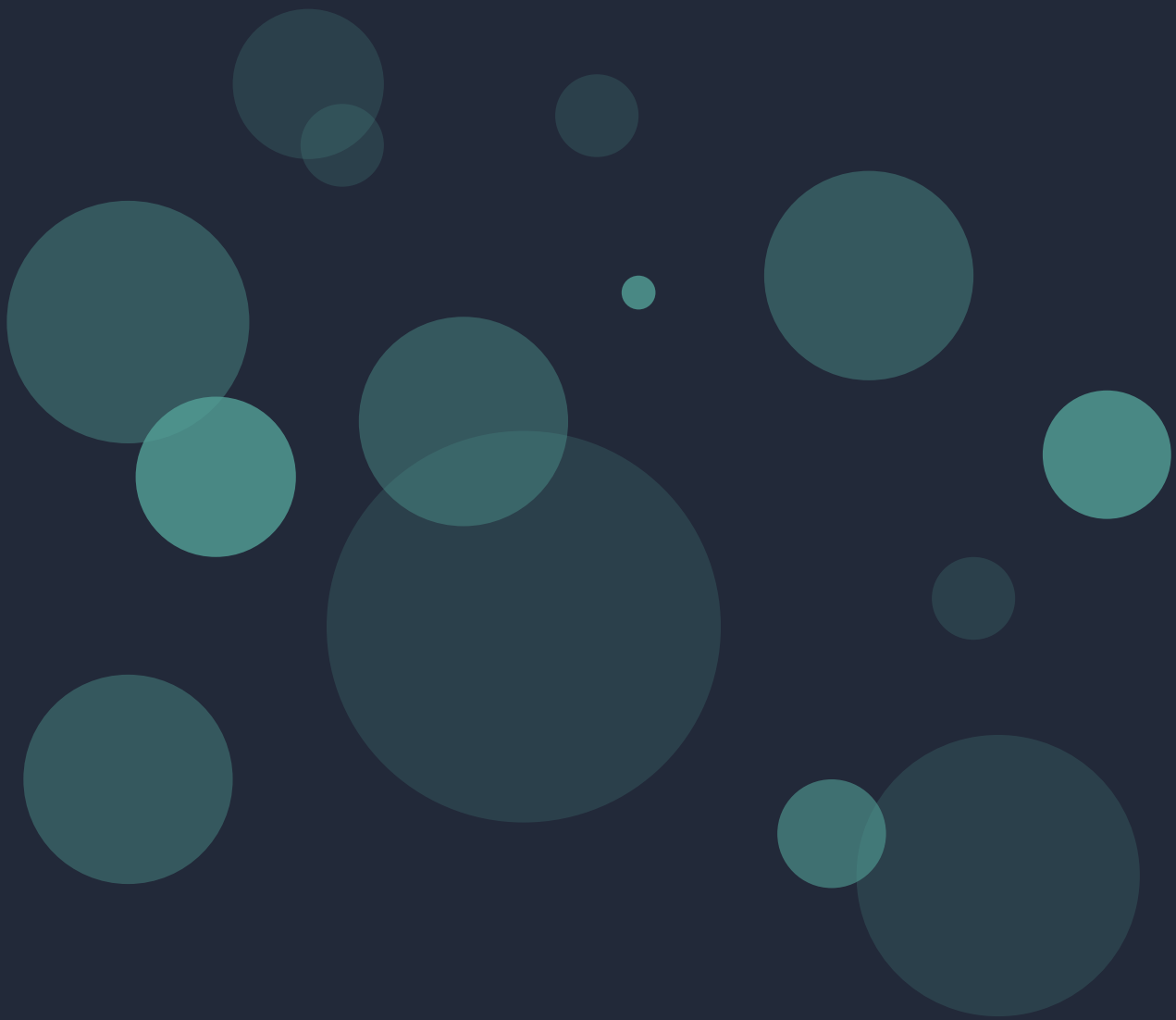


smartoptics



**ANNUAL
REPORT
2025**

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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.

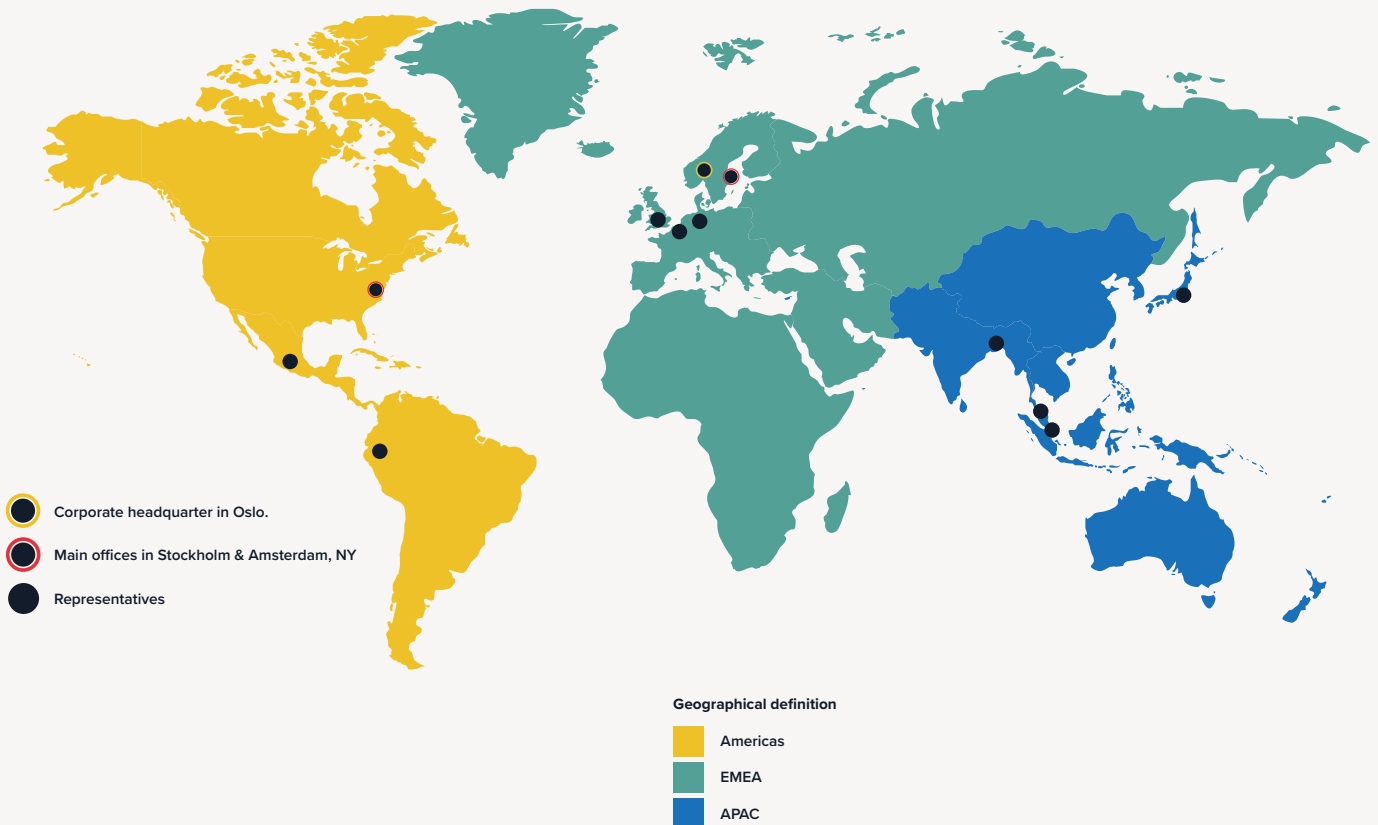
At Smartoptics, we leverage modern software design principles and expand network horizons by taking an open approach in everything we do. This empowers our customers to break free from unwanted vendor lock-in, remain flexible and minimize costs.

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.



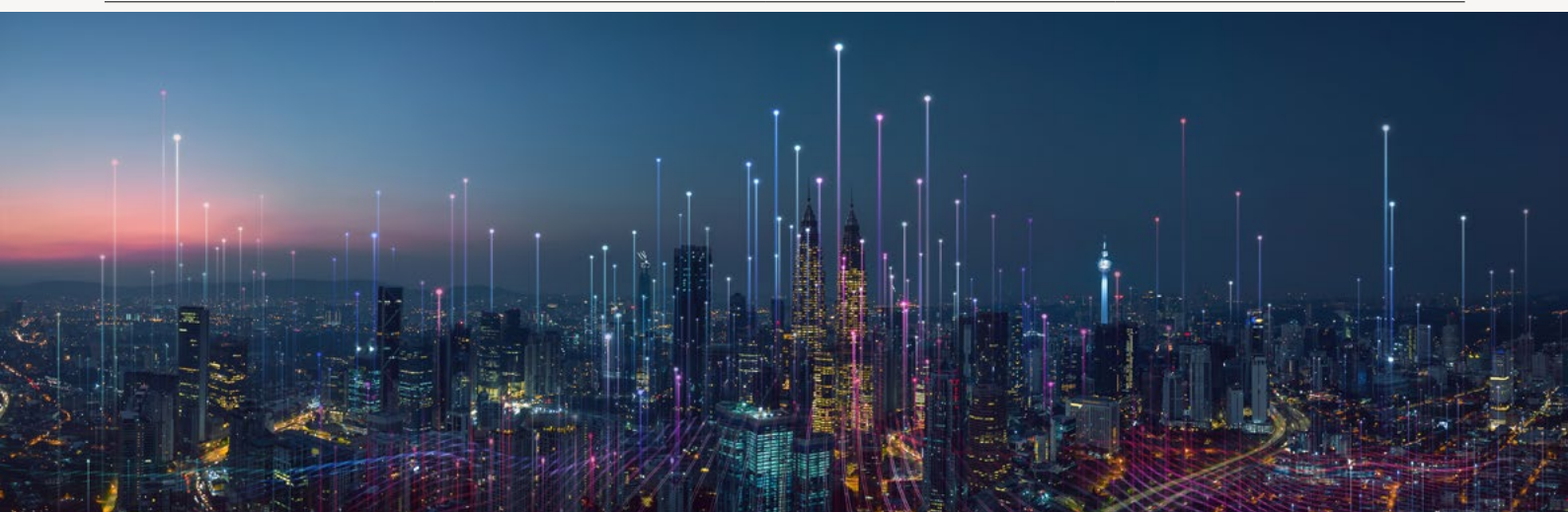
WORLDWIDE PRESENCE

2025 IN BRIEF

HIGHLIGHTS

- Revenue of USD 75.3 million compared to USD 55.5 million in the same period 2024, which corresponds to an increase of revenue by 35.6%
- Gross margin of 47.8% compared to 48.1% same period 2024
- EBITDA of USD 9.7 (5.6) million, equivalent to an EBITDA margin of 12.9% (10.1%)
- Operating profit (EBIT) of USD 6.8 (3.3) million, equivalent to an operating margin of 9.0% (5.9%)
- Smartoptics continued to gain traction with larger customers, including communication service providers, Internet content providers and regional network operators. The large account strategy delivered encouraging results.
- During 2025, Smartoptics successfully uplisted to the main board of Euronext Oslo Børs, strengthening the company's visibility in capital markets and supporting continued international growth.

Amounts in USD thousands	2025	2024	Change
Revenue	75 269	55 508	35.6 %
Gross profit	35 988	26 724	34.7 %
Gross margin	47.8 %	48.1 %	-0.3 p.p
Operating cost	-26 268	-21 142	24.2 %
EBITDA	9 720	5 582	74.1 %
EBITDA margin	12.9 %	10.1 %	2.8 p.p
Operating profit	6 785	3 289	106.3 %
Operating margin	9.0 %	5.9 %	3.1 p.p
Profit & loss for the year	4 684	4 042	15.9 %
Basic earnings per share	0.048	0.041	15.4 %
Operating cash flow	8 498	6 387	
FTEs	134	123	



MESSAGE FROM THE CEO

2025 was a transformative year for Smartoptics. We delivered strong growth, improved profitability, and important strategic milestones, confirming the strength of our business model and our position in a rapidly evolving optical networking market.

For the full year, Smartoptics reported revenue of USD 75.3 million, representing 35.6% growth compared to 2024. Profitability also improved significantly, with EBITDA reaching USD 9.7 million, corresponding to an EBITDA margin of 12.9%, and EBIT of USD 6.8 million, equivalent to an operating margin of 9.0%. Our gross margin remained stable at 47.8%, while operating cash flow was USD 8.5 million, reflecting the scalability of our business model as revenues continue to grow. The total optical transport market reached USD 16.5 billion in 2025 and is expected to grow to USD 23.7 billion by 2029, driven largely by increasing investments in artificial intelligence infrastructure — a structural tailwind that is reshaping demand across our core markets.

The strong performance was driven by increasing demand across our core segments. Investments in data center connectivity, cloud infrastructure, and the rapid expansion of AI-driven workloads are reshaping the optical networking market. Smartoptics' open, flexible and cost-efficient solutions are well aligned with these trends, enabling our customers to scale network capacity while maintaining operational efficiency.

Throughout the year, we continued to gain traction with larger customers, primarily within our two customer segments: Network Operators and Cloud/AI. Our large account strategy showed promising results, while our extensive product portfolio—including optical devices, solutions, and software—keeps strengthening our competitive position. Our approach is based on open networking principles and disaggregated WDM architectures—a philosophy that the market is increasingly recognizing.

A key milestone during 2025 was our successful uplisting to the main board of Euronext Oslo Børs. This step increases our visibility in the capital markets, improves liquidity in the share, and provides access to a broader international investor base. The uplisting reflects both the maturity of the company and our ambition to continue scaling the business in the years ahead.



Geographically, the Americas continued to lead our growth during the year, supported by strong investments in network infrastructure and increasing demand from data center and cloud ecosystems. At the same time, we saw improving momentum across our European markets and continued development in other regions.

Smartoptics operates in a market that is undergoing structural growth. Global data traffic continues to expand rapidly, driven by cloud computing, AI infrastructure, and increasing digitalization across industries. Our focus on open optical networking, combined with a scalable operating model and a growing software offering, positions us well to capture these opportunities.

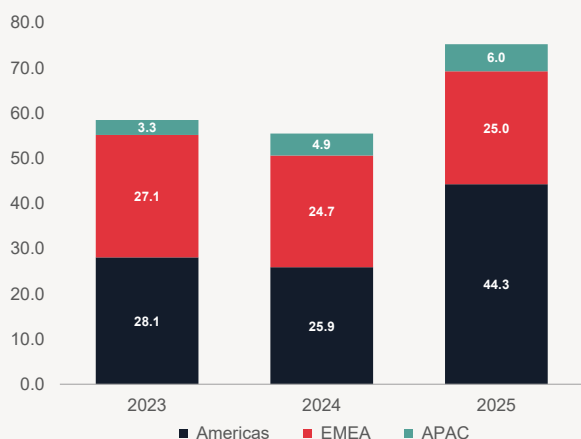
Looking ahead, our priorities remain clear. We will continue to expand our presence among large accounts, strengthen our software capabilities, and invest in product innovation to support larger networks, higher network speeds and more automated optical networks. At the same time, we remain committed to disciplined execution, balancing growth with profitability and strong cash generation.

Finally, I would like to thank our customers, partners, shareholders, and employees for their continued trust and commitment. The achievements of 2025 would not have been possible without the dedication and expertise of the entire Smartoptics team. With strong momentum and a clear strategic direction, we look forward to continuing our growth journey in the years ahead.

For further information, please contact:
Magnus Grenfeldt, CEO

BUSINESS OVERVIEW

REVENUE BY GEOGRAPHY



Revenue is generated globally across the Americas, EMEA and Asia-Pacific, reflecting Smartoptics’ international customer base and global sales organization.

In 2025, the Americas represented the largest share of revenue at approximately 58.8%, followed by EMEA at 33.2% and APAC at 8.0%.

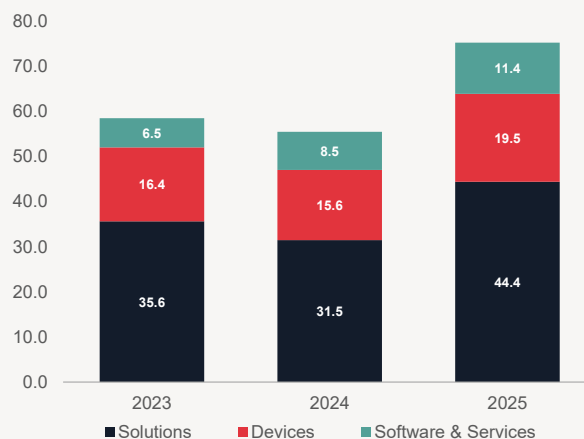
The strong performance in the Americas was primarily driven by increased investments from communication service providers and internet content providers, particularly related to data center interconnect and AI-driven infrastructure deployments.

EMEA continues to represent an important market for Smartoptics, supported by an established partner ecosystem and growing traction among large accounts during the second half of 2025.

Revenue in APAC is typically more project-driven and therefore subject to greater quarter-to-quarter variability.

The geographic revenue mix reflects Smartoptics’ strategic focus on markets with strong demand for metro and regional optical networking infrastructure.

REVENUE BY BUSINESS AREA



Smartoptics’ revenue is generated across three business areas: Solutions, Optical Devices, and Software & Services.

In 2025, Solutions represented approximately 59.0% of revenue, Optical Devices 25.9%, and Software & Services 15.1%.

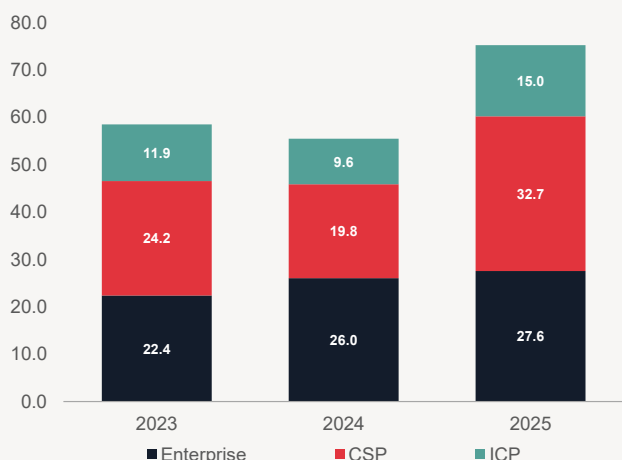
The Solutions segment includes the company’s optical transport systems based on the Dynamic Connectivity Platform (DCP), including open line systems, transponders and muxponders. This segment represents the core of Smartoptics’ business and reflects the company’s focus on system-level optical networking solutions.

Optical Devices includes optical transceivers and passive optical components. The segment delivered strong growth during 2025, including a record quarter in Q4 driven by increased demand across customer segments.

Software & Services includes network management software, technical support and professional services. The segment is closely linked to the installed base of Smartoptics systems and represents an important source of recurring revenue.

The revenue distribution illustrates Smartoptics’ strategy of combining hardware platforms with software and services to deliver complete optical networking solutions.

REVENUE BY CUSTOMER TYPE



Smartoptics total revenue increased from USD 55.5 million in 2024 to USD 75.3 million in 2025, reflecting strong demand for optical transport solutions in metro and regional network environments.

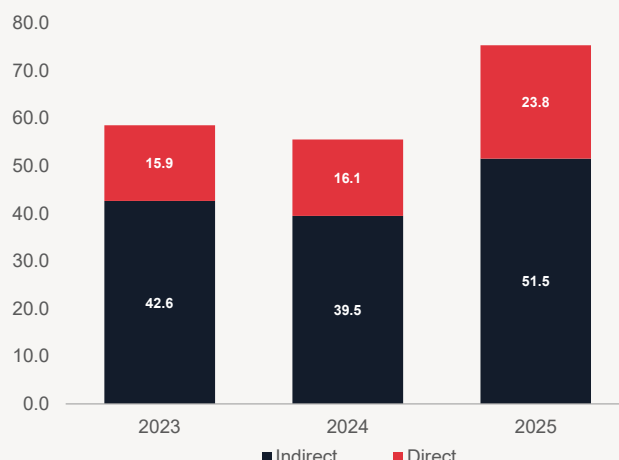
Communication Service Providers (CSPs) represented the largest customer segment in 2025, generating USD 32.7 million in revenue, corresponding to 43.4% of total revenue, compared to USD 19.8 million in 2024. This represents 64.5% year-over-year growth. The increase reflects continued investments by telecom operators in metro and regional optical transport infrastructure to support rapidly growing bandwidth demand.

Revenue from Enterprise customers amounted to USD 27.6 million in 2025, compared to USD 26.0 million in 2024, corresponding to 36.6% of total revenue representing 5.8% year-over-year growth. While enterprise networks remain an important part of the company's business, growth in this segment was more moderate compared to the infrastructure-driven segments.

Revenue from Internet Content Providers and Internet Exchanges (ICPs/IXPs) increased from USD 9.6 million in 2024 to USD 15.0 million in 2025, corresponding to 20.0% of total revenue, representing 56.5% year-over-year growth.

The strong growth in the CSP and ICP segments reflects structural industry trends driven by the expansion of hyperscale data centers, increasing cloud traffic and the rapid growth of artificial intelligence workloads. These trends are driving demand for high-capacity optical transport solutions connecting data centers and network aggregation points, particularly in metro and regional network architectures where the company's solutions are typically deployed.

REVENUE BY CHANNEL



The company's revenue is generated through a combination of indirect partner channels and direct sales.

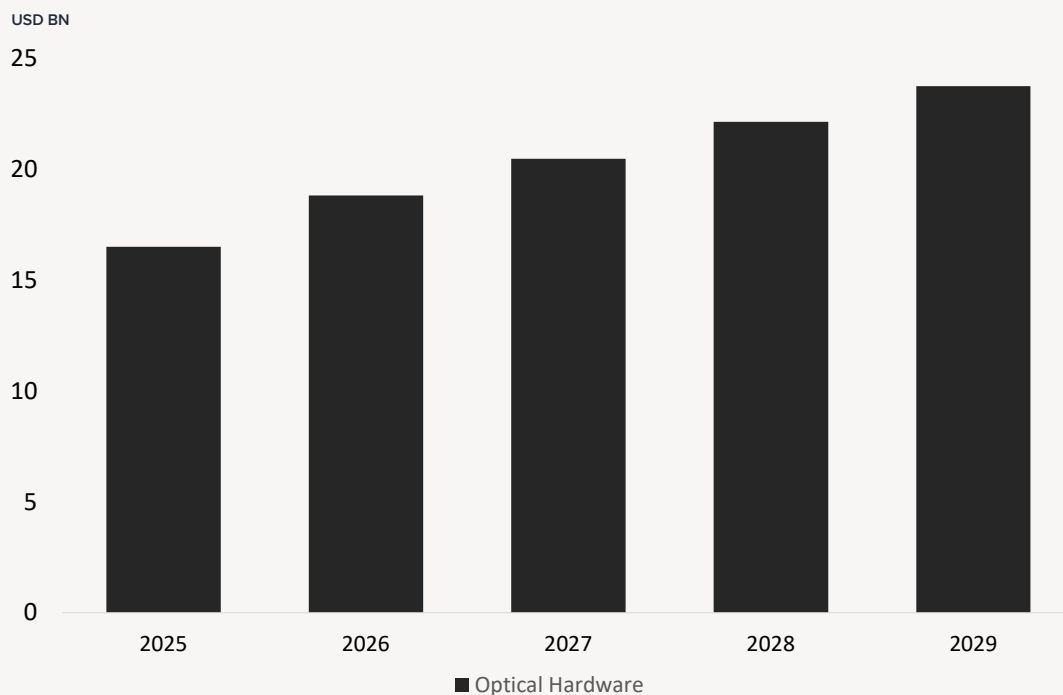
Indirect sales channels represented the majority of revenue, accounting for USD 51.5 million in 2025, compared to USD 39.5 million in 2024, corresponding to 68.4% of total revenue and representing 30.4% year-over-year growth.

Indirect channels include value-added resellers, distributors and system integrators that provide local market coverage, network design expertise and deployment services. The company's partner ecosystem enables efficient market access and scalability across a broad set of geographic markets and customer segments.

Direct sales accounted for USD 23.8 million in 2025, compared to USD 16.1 million in 2024, corresponding to 31.6% of total revenue and representing 47.8% growth year-over-year. Direct engagement typically occurs with larger infrastructure customers, including telecom operators and internet infrastructure providers, where network deployments often involve closer collaboration on architecture and solution design.

The combination of direct and indirect sales channels enables Smartoptics to efficiently reach customers worldwide while maintaining close relationships with key strategic accounts.

MARKET DEVELOPMENT



The total optical transport market amounted to USD 16.5 billion in 2025 and is expected to grow to USD 23.7 billion by 2029. This represents a material increase in expected growth compared to previous estimates, primarily driven by investments related to artificial intelligence infrastructure.

In 2025, Smartoptics primarily addressed the global Metro WDM market, which accounted for approximately 39% of the total optical transport market.

When estimating market share, the company focuses on the metro WDM market in North America and EMEA. Although this is not the only market Smartoptics addresses from a technical or geographic perspective, it serves as a relevant reference market for assessing the company's position. This market is expected to grow at approximately 6.3% annually through 2029.

* SOURCE: SIGNAL.AI DATA: TRANSPORT HARDWARE REPORT (2026-03-09)



CUSTOMERS

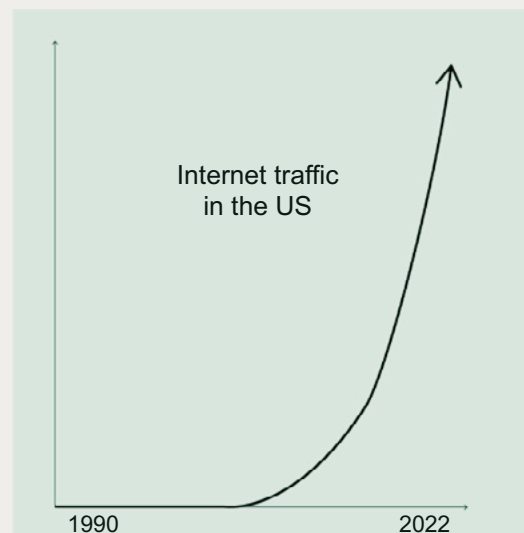
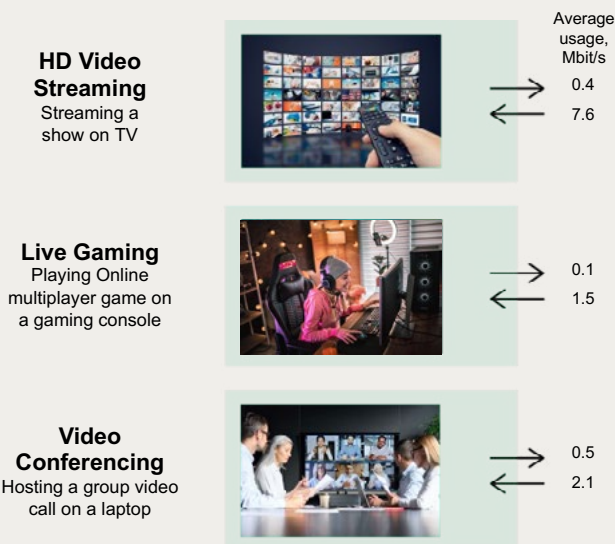
THE EVER-GROWING DEMAND FOR BANDWIDTH

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



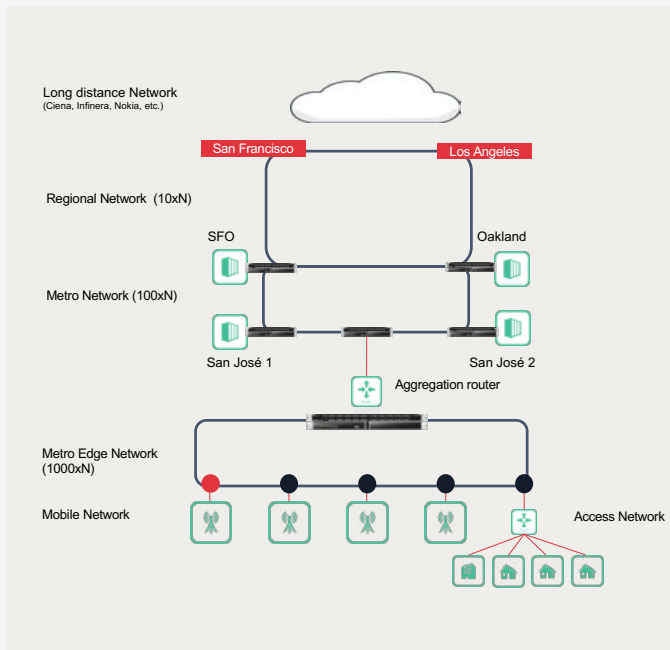
CUSTOMER TYPES

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, 400Gbit/s and 800Gbit/s. Several hundred connections
- **Metro Networks** - Connectivity between major Datacenters. 100Gbit/s, 400Gbit/s and 800Gbit/s. Several hundred connections
- **Metro Edge Networks** - Backhaul of Data to major Datacenters. 10Gbit/s up to 400Gbit/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.

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.

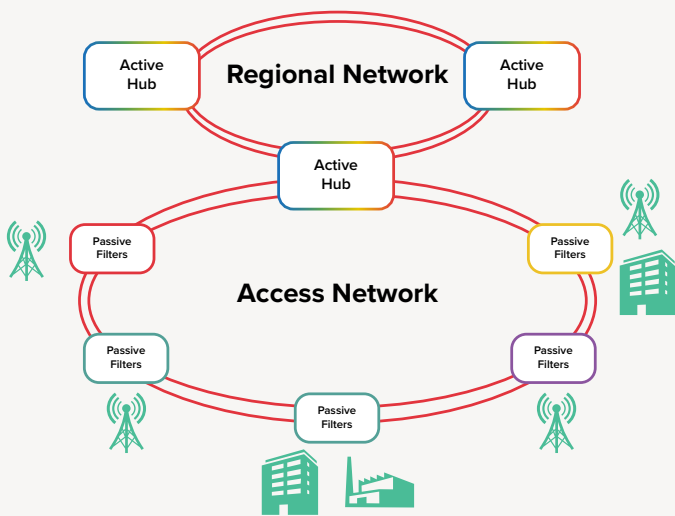
The CSPs have a recurring demand for more bandwidth between their points of presence, as well as significant expansion needs when building backhaul networks for

RURAL COMMUNICATION AND BROADBAND SERVICE PROVIDERS

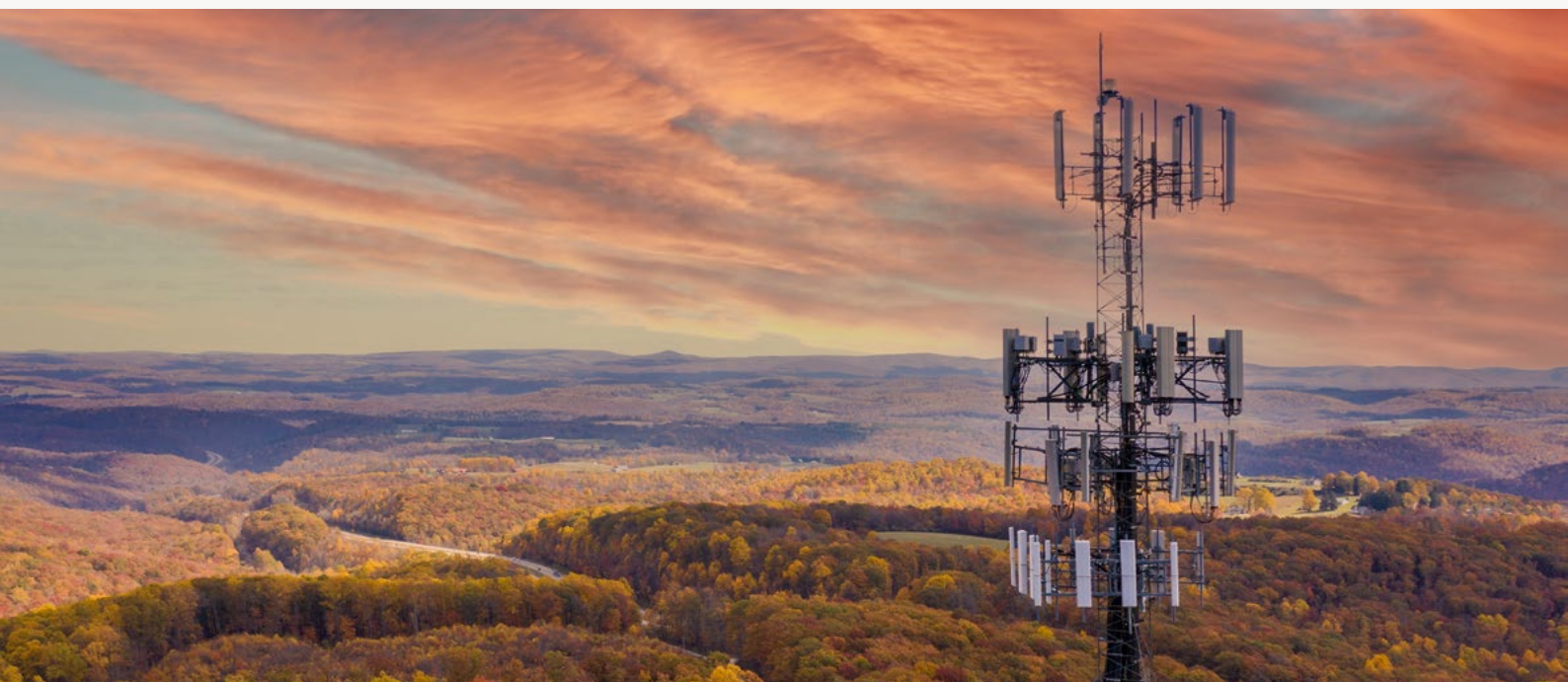
A special type of Communication Service Provider is the rural service provider, serving less densely populated areas and remote regions of a country. The rural service providers often play a crucial role in the digitalization policies of a country and in the strive to bring an equal set of digital services 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. It 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 100Gbit/s, 400Gbit/s and 800Gbit/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

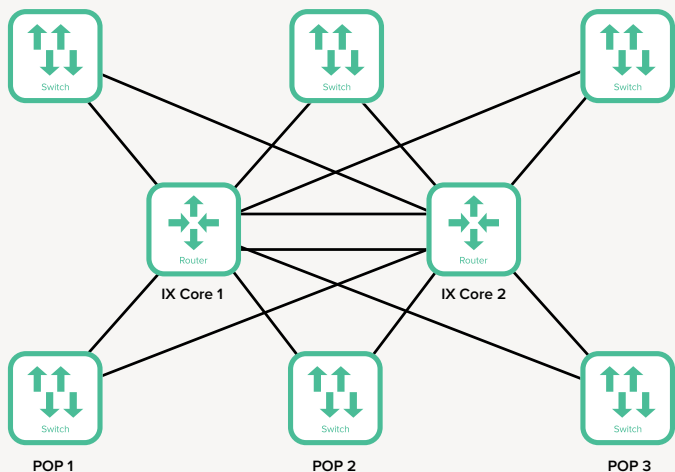
An Internet Content Provider (ICP) is an organization that creates information, entertainment, or other content for online delivery over the Internet. ICPs deploy high-capacity optical networks within their data centers and for back up between datacenters. Some of the larger ICPs also maintain their 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 800G and beyond.



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

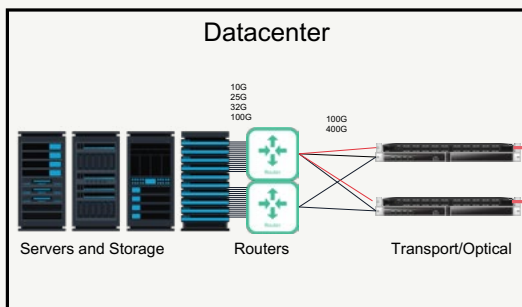


ENTERPRISE AND GOVERNMENT DATA CENTERS

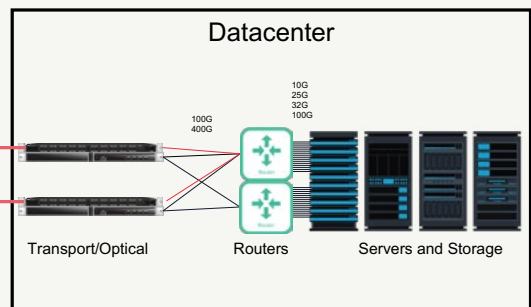
Like ICPs and IXPs, enterprises and government agencies use Smartoptics’ products to boost the bandwidth transported over optical fibers when interconnecting their data centers. With IP over DWDM solutions offered by Smartoptics it is possible to transport up to 26 Terabit/s over one fiber pair, and 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)



N x 100/400G or FC
Up to 100km
Up to 16 Tbit/s



PRODUCTS

OVERVIEW PORTFOLIO

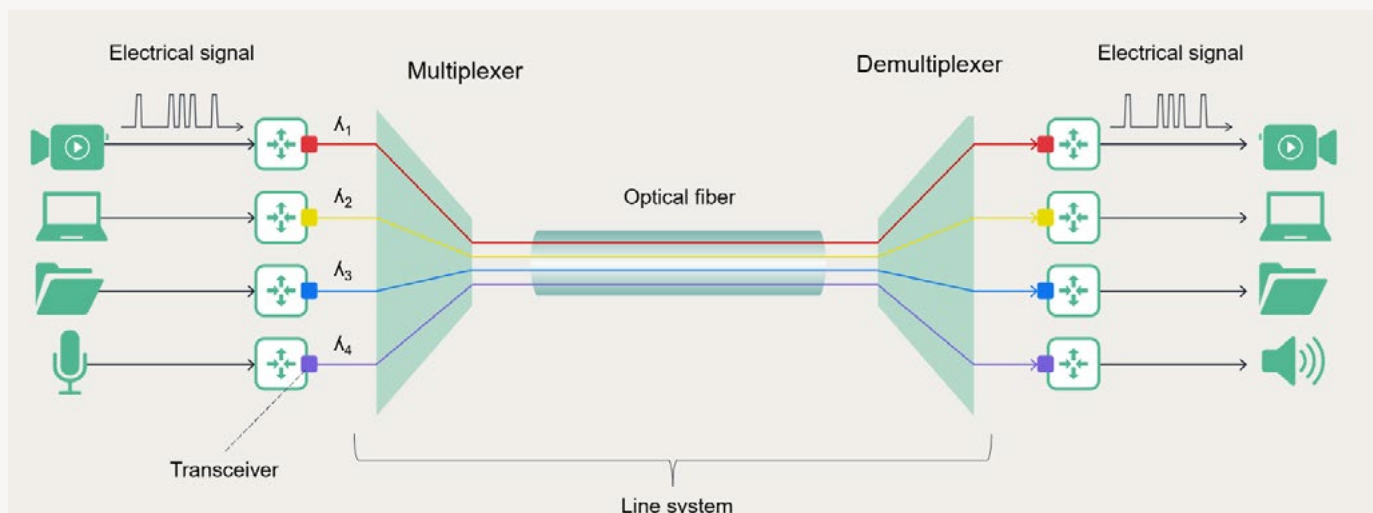
DENSE WAVELENGTH DIVISION MULTIPLEXING - DWDM

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.

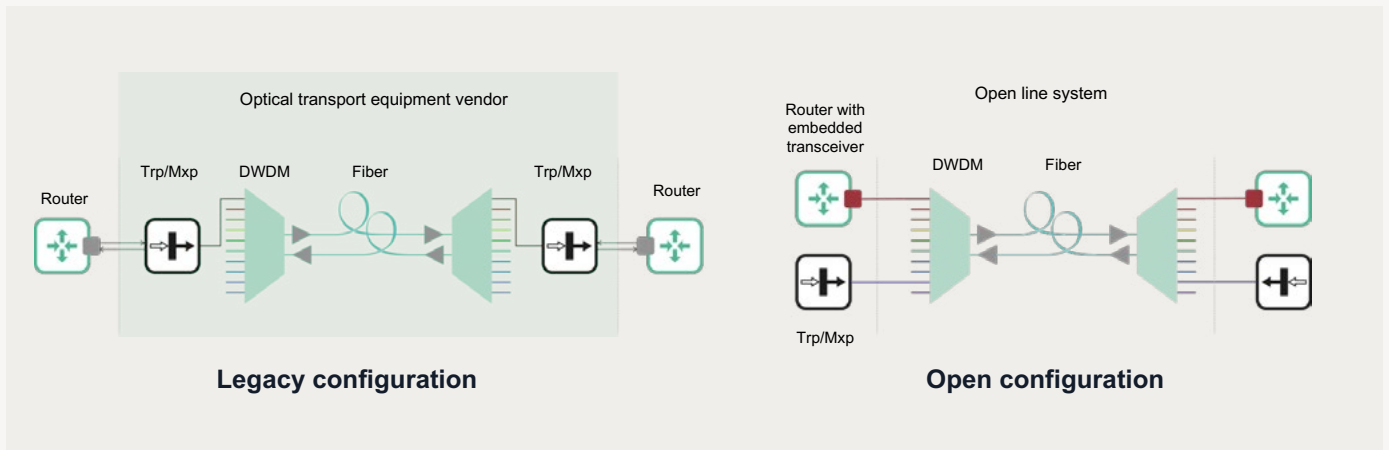


Illustrations of function of an Open Line System

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)

PRODUCTS

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-802, 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



DCP-802

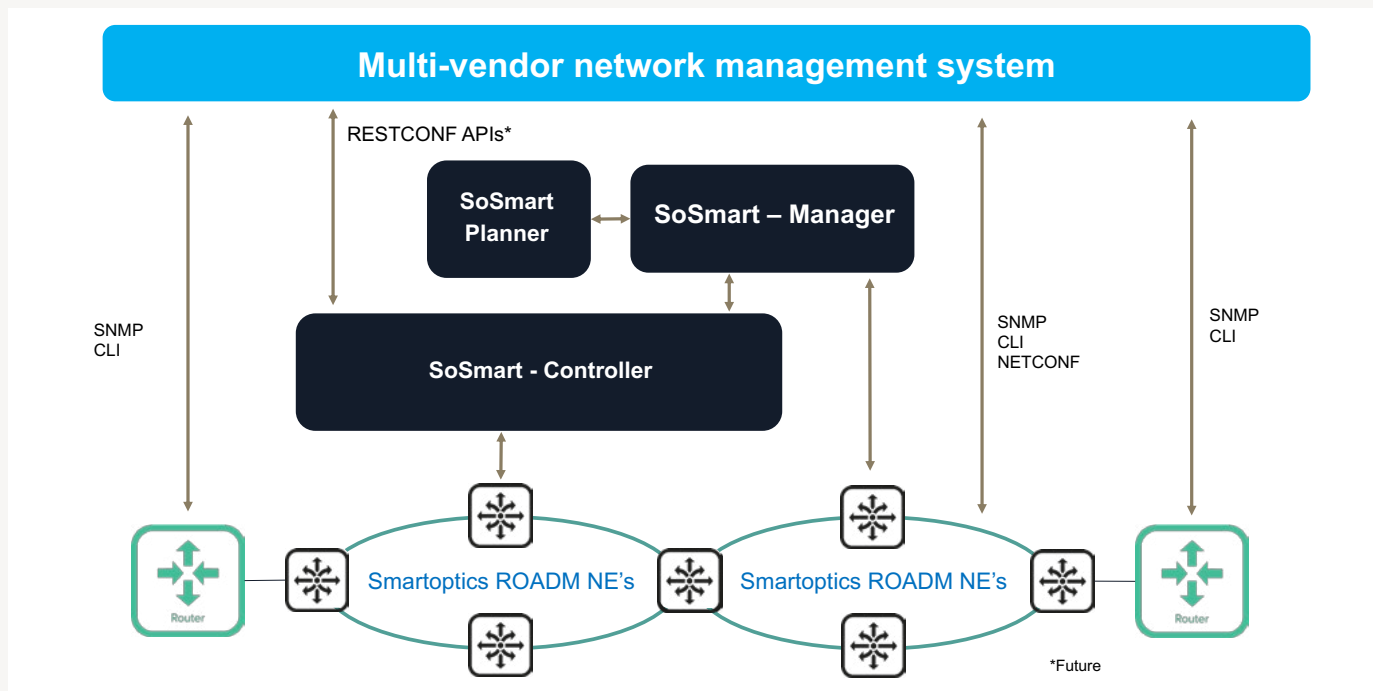
The Smartoptics DCP transponders and muxponders.

PRODUCTS

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.

PRODUCTS

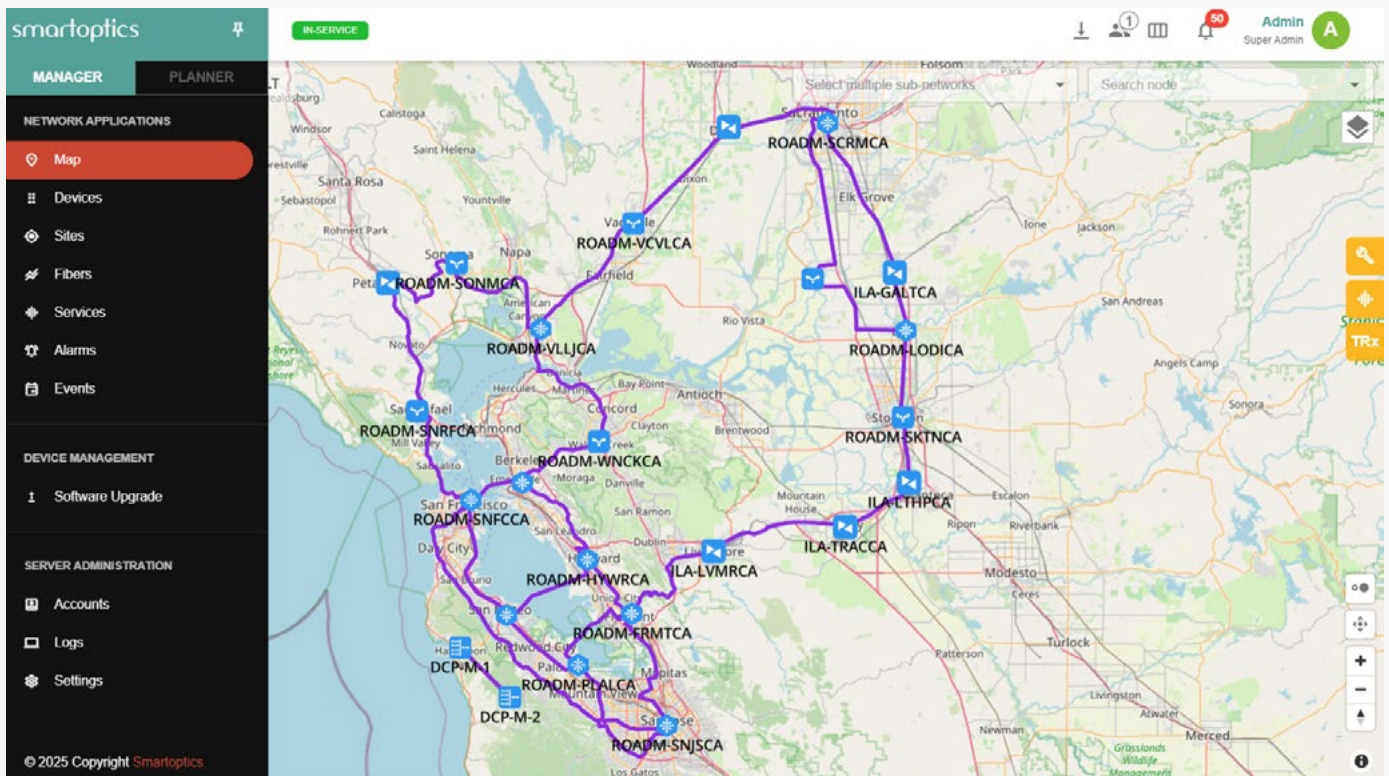
SOSMART CONTROLLER

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.

PRODUCTS

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.

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 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 multiplexers, OADMs, 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 800/400/100/10G 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.

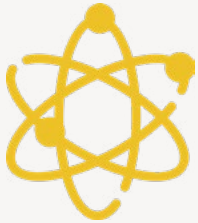
Sales of advanced and complete optical networks to Communication Service Providers and large IXPs does not only depend on the products themselves but also on the support that can be delivered by the vendor when the

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.



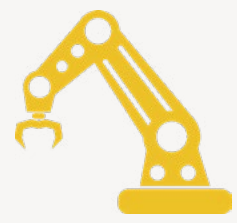
SMART CARE

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.



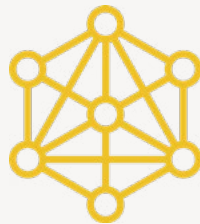
EXTENDED WARRANTY SERVICE

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

Chair of the Board of Etain AS, Chair 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

28 883 599 shares, as of 31 December 2025



SARA HEINER ASPLUND
BOARD MEMBER

BORN
1976

BOARD MEMBER SINCE
2022

OTHER CURRENT ASSIGNMENTS

Director of Finance & Accounting at Etraveli Group

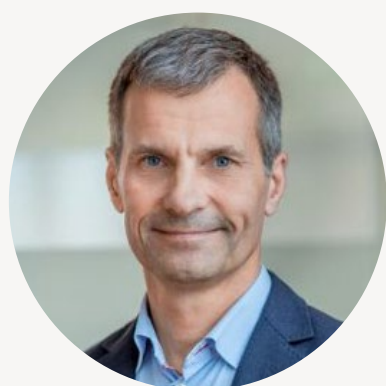
EDUCATION

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

HOLDINGS IN SMARTOPTICS GROUP

7 339 shares, as of 31 December 2025

BOARD OF DIRECTORS



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
493 078 shares, as of 31 December 2025



EINAR CASPERSEN
DEPUTY 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
14 750 429 shares, as of 31 December 2025

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

1 257 489 shares as of 31 December 2025



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 31 December 2025



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

180 075 shares as of 31 December 2025



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 31 December 2025



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 31 December 2025



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
180 075 shares as of 31 December 2025



ANDREAS PERSSON
VP R&D

BORN
1983

EXPERIENCE

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.

EDUCATION

Master of Science degree in Engineering Physics from the Royal Institute of Technology and a Master of Business Administration from Blekinge Institute of Technology.

JOINED SMARTOPTICS
2025

HOLDINGS IN SMARTOPTICS GROUP
15 000 shares as of 31 December 2025

BOARD OF DIRECTORS REPORT

THE SMARTOPTICS GROUP

Smartoptics Group ASA is the holding company of the Smartoptics group of companies (“the group” or “Smartoptics”). The group consists of Smartoptics Group ASA 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 almost 200 business partners including distributors, OEMs and VARs.

OPERATIONAL OVERVIEW

PRODUCTS

Smartoptics 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 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 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 ASA operates from Brynsalléen 2, 0667 Oslo. The Group also has presence in Japan, Mexico and Malaysia.

FINANCIAL REVIEW

FINANCIAL RESULTS OF 2025

Smartoptics revenues amounted to USD 75.3 (55.5) million in 2025, an increase of 35.6% from 2024. The increase is driven by an increasing underlying demand in the market, especially in the Americas.

Revenue in the Americas increased by 70.9% to USD 44.3 (25.9) million. Revenue in EMEA increased by 1.2% to USD 25.0 (24.7) million. In APAC revenue increased by 22.2% to USD 6.0 (4.9) million.

Revenue split by business area for the year was Solutions 59.0% (56.8%), Devices 25.9% (28.0%) and Software & Services 15.1% (15.2%).

Gross profit amounted to USD 36.0 (26.7) million, corresponding to a gross margin of 47.8%, compared to 48.1% in the previous year. The gross margin remains high and stable.

Operating expenses amounted to USD 65.5 (49.9) million, reflecting an increase driven primarily by higher revenues and continued organizational expansion. At year-end 2025, Smartoptics had 143 employees, compared to 132 at the end of the previous year. The increase in operating expenses was also partly attributable to the strengthening of the USD against SEK and NOK. Net employee bene-

fit expenses increased by 27.6% to USD 18.9 (14.8) million and represented 25.1% of total revenue, compared to 26.7% in the prior year.

Operating profit amounted to USD 6.8 (3.3) million, corresponding to an operating margin of 9.0%, compared to 5.9% in the previous year. The improvement was driven by strong revenue growth that exceeded the increase in operating expenses. This development occurred despite continued strategic investments in product development and market expansion, while the gross margin remained stable.

Amortization amounted to USD 0.6 (0.3) million. 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 0.9 (0.8) million.

Depreciation amounted to USD 2.4 (2.0) million and is primarily related to production equipment and lab instruments used for development, office equipment and right-of-use assets.

Net financial items amounted to USD -0.8 (2.1) million. Interest expenses were USD -0.2 (-0.3) million and interest income amounted to USD 0.2 (0.3) million. Net foreign exchange differences totaled USD -0.9 (2.1) million, mainly related to the revaluation of cash, trade receivables and trade payables, and were negatively impacted by the strengthening of the USD against SEK and NOK.

Profit/(loss) for the year was USD 4.7 (4.0) 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 25.3 (USD 2.5) million.

In the 2024 annual report, the Group communicated an ambition to reach USD 100 million in revenue by 2025/2026. The revenue development in 2025 is considered to be in line with this ambition, reflecting continued growth and underlying market demand.

FINANCIAL POSITION AND CASH FLOW

Total non-current assets amounted to USD 9.1 (7.1) million at the end of 2025. This mainly consists of right-of-use assets of USD 0.6 (1.2) million, property, plant and equipment of USD 3.7 (3.0) million, capitalized development of USD 2.2 (1.6) million as well as deferred tax assets of USD 1.9 (1.0) million.

Total current assets amounted to USD 47.0 (41.8) million at the end of 2025. Current assets consist predominantly of inventory, trade receivables and cash. Cash position was USD 7.3 (8.0) million at year end.

The group had a total equity of USD 30.3 (28.5) million, corresponding to an equity ratio of 54.1% (58.2)% at the end of the year.

Total liabilities amounted to USD 25.9 (20.5) million at the end of the year. Current liabilities were USD 19.9 (14.7) million and non-current liabilities was USD 5.9 (5.8) million. The group had USD 0.3 (0.8) million in interest bearing debt. Current liabilities consist of mainly trade payables of USD 5.6 (5.0) million and deferred revenue of USD 7.2 (4.0) 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 8.5 (6.4) 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 7.3 million in cash at the end of the year. In addition, the Group has an undrawn bank credit facility of USD 7.4 million, providing ample liquidity.

INTEREST RATE RISK

As of year-end 2025, total borrowings amounted to USD 0.3 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.

FINANCIAL RISK

Financial risks are monitored continuously, and the Group seeks to limit exposure through customer credit evaluations, maintaining liquidity reserves and credit facilities, and ongoing follow-up of currency and interest rate exposure.

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.

ESG

The Group also considers sustainability and climate-related risks as part of its overall risk management framework, including potential impacts from regulatory developments, supply chain disruptions, and changing customer requirements related to environmental and social standards.

WORKING ENVIRONMENT AND EMPLOYEES

At the end of the financial year, the Group had 143 employees, of whom 115 were men and 28 were women. The parent company had 2 employees, both men. The Board of Directors consists of four members, of whom one is female. No injuries or accidents were reported during the financial year, and the level of sick leave remained low.

The Group promotes equality, diversity and inclusion and has implemented policies covering non-discrimination, equal opportunities, and employee well-being. Employment decisions related to recruitment, promotion, and compensation are based on merit, and grievance

mechanisms are in place to ensure that concerns can be raised confidentially and addressed appropriately.

The Group is committed to providing a safe and inclusive working environment. Operations are supported by a certified occupational health and safety management system (ISO 45001), with regular audits and continuous improvement initiatives. No lost-time injuries were recorded during the year. Gender distribution and diversity metrics are monitored across all organizational levels.

ENVIRONMENT, SOCIAL & GOVERNANCE

Smartoptics integrates sustainability into its strategy, governance, and operational practices to support responsible growth and long-term value creation. As a global provider of optical networking solutions, the company recognizes the importance of balancing technological innovation with environmental responsibility, ethical business conduct, and strong stakeholder relationships.

ENVIRONMENTAL RESPONSIBILITY

Smartoptics works continuously to understand and reduce its environmental footprint across its operations and value chain. The company conducts greenhouse gas (GHG) inventories in accordance with the GHG Protocol and ESRS requirements, covering Scope 1, Scope 2, and Scope 3 emissions.

Operational emissions remain limited. Scope 1 emissions remain at zero, and Scope 2 emissions remain low due to the use of renewable electricity at operational locations in Oslo and Stockholm. The majority of emissions originate from the value chain, particularly from transportation, logistics, and supplier-related activities.

During the reporting year, Smartoptics further improved the quality and transparency of Scope 3 emissions data by strengthening collaboration with logistics partners and improving data collection processes. Key climate-related actions include renewable electricity sourcing, improved emissions tracking, the introduction of Sustainable Aviation Fuel in selected freight operations, and ongoing engagement with suppliers to improve value chain transparency and emissions management.

The company also continues to strengthen circular economy practices. Waste sorting and recycling processes have been improved, resulting in increased recycling rates and reduced residual waste. These measures support the company's efforts to improve resource efficiency and environmental performance.

SOCIAL RESPONSIBILITY

Smartoptics is committed to providing a safe, inclusive, and supportive workplace for all employees. The company maintains a certified occupational health and safety management system under ISO 45001, supporting structured risk management, preventive safety measures, and continuous monitoring of workplace conditions.

Employee well-being and engagement remain important priorities. Smartoptics maintained its Great Place to Work certification during the reporting year and was recognized among Sweden's Top 25 workplaces in the IT sector. These recognitions reflect strong employee trust, engagement, and workplace culture.

Responsible supply chain management also remains a key focus area. Smartoptics applies supplier qualification processes, risk-based assessments, and ongoing engagement with suppliers to ensure alignment with expectations related to labor rights, ethical conduct, and environmental responsibility. Responsible sourcing initiatives also address issues such as conflict minerals and human rights across the supply chain.

Customer satisfaction remains central to Smartoptics' operations. The company maintains structured processes for customer engagement, technical support, and operational coordination throughout the product lifecycle. Customer satisfaction continues to be monitored through regular feedback mechanisms, including annual surveys and Net Promoter Score measurements.

GOVERNANCE AND RESPONSIBLE BUSINESS CONDUCT

Strong governance and ethical business conduct form the foundation of Smartoptics' sustainability approach. The Board of Directors oversees the company's strategic direction, risk management framework, and sustainability performance, while the management team is responsible for implementing sustainability initiatives and integrating ESG considerations into operational decision-making.

Smartoptics operates certified management systems under ISO 9001 for quality management, ISO 14001 for environmental management, and ISO 45001 for occupational health and safety. Recertification was successful during 2025. These systems support structured governance, regulatory compliance, and continuous improvement across the organization.

The company also continues to strengthen its information security framework and has initiated its journey toward ISO 27001 certification to further enhance cybersecurity governance and the protection of company and customer data.

Ethical business conduct is supported by a comprehensive governance framework that includes the Code of

Conduct, anti-corruption and anti-bribery policies, sanctions compliance procedures, and a confidential whistleblowing mechanism. These policies support transparency, accountability, and responsible business behavior across the organization and its value chain.

Smartoptics maintains robust procedures to ensure compliance with international sanctions regulations, export control requirements, and anti-money laundering principles. Where potential risks are identified, escalation procedures and internal review processes are applied to ensure that appropriate actions are taken in line with regulatory requirements and company policies. Through these measures, Smartoptics aims to mitigate compliance risks, maintain adherence to international trade regulations, and ensure that its operations are conducted in accordance with applicable legal and ethical standards.

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 assessment is available on our website at www.smartoptics.com. Our sustainability report inspired by the CSRD directive and ESRS standard, will be published by 30.06.2026 at www.smartoptics.com, where previous years' report also is available, demonstrating our commitment to transparency and responsible corporate practices.

ESG OUTLOOK

Smartoptics continues to strengthen its sustainability governance and reporting in line with the Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards. The company's sustainability strategy is guided by a double materiality assessment that identifies and prioritizes key environmental, social, and governance topics.

Looking ahead, Smartoptics will continue focusing on improving emissions transparency, strengthening supplier engagement, enhancing governance processes, and supporting a safe and inclusive workplace. These efforts support responsible growth while enabling the delivery of reliable connectivity solutions that contribute to digital infrastructure development worldwide.

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 third 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.

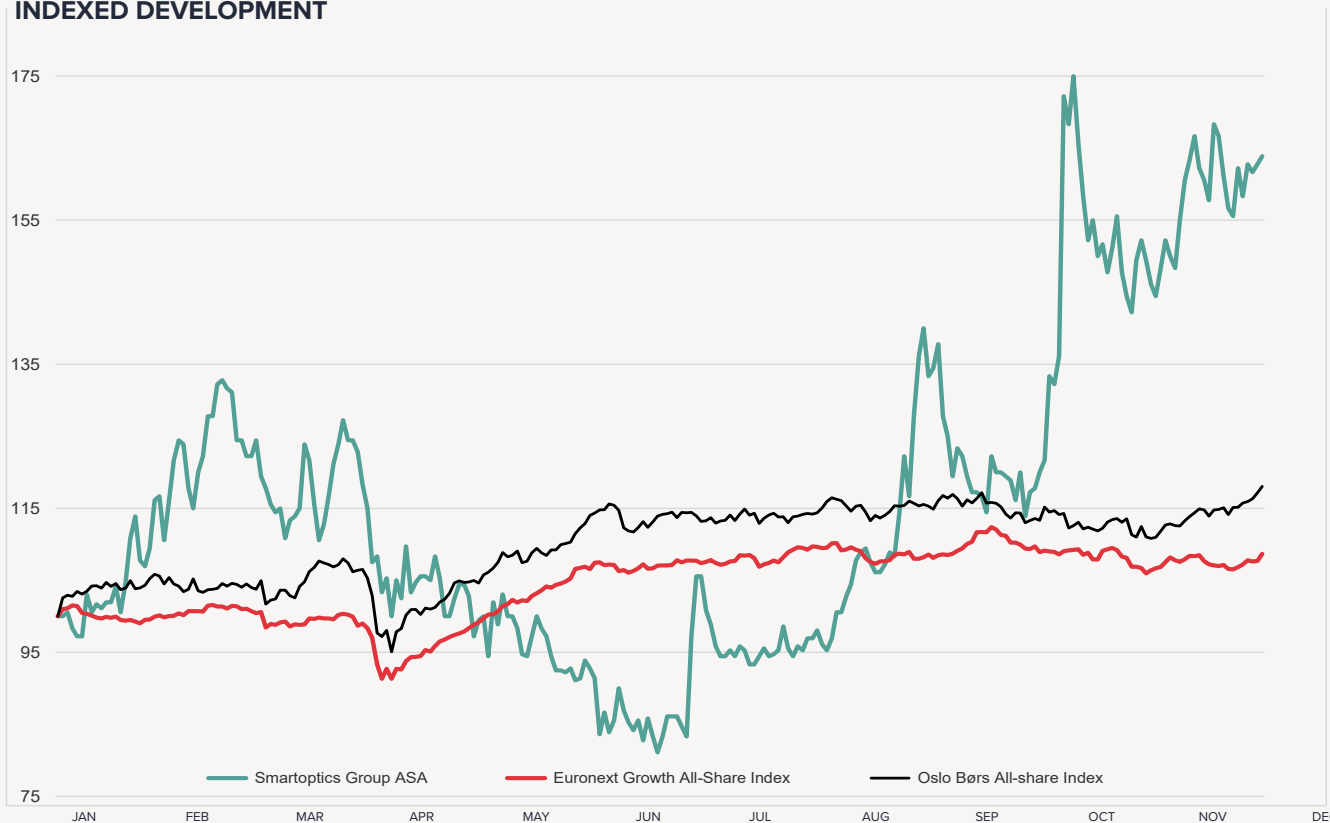
ALLOCATION OF NET INCOME

The Board of Directors has proposed to allocate the net income of NOK 58.8 million to dividend, equal to NOK 0.60 per share.

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 targets an operating margin in the range of 13-16 percent. The Group's outlook is subject to uncertainty related to market conditions, supply chain factors and macroeconomic developments.

THE SMARTOPTICS SHARE INDEXED DEVELOPMENT



At the end of 2025 Smartoptics Group ASA had 98 045 518 shares issued. Smartoptics Group ASA uplisted from Euronext Growth Oslo to Euronext Oslo Børs main market, having the first day of trading 26 August 2025.

Closing price for the Smartoptics share on 30 December 2024 was 18.00 NOK.
Closing price for the Smartoptics share on 30 December 2025 was 29.50 NOK.

The Smartoptics share is a part of Oslo Børs All-share Index. This index increased by 18.03% during 2025. The Smartoptics share price increased by 63.89% during 2025.

9 April 2026
Oslo, Norway

Thomas Ramm
Chairman of the Board

Sara Heiner Asplund
Board member

Karl Thedéen
Board member

Magnus Grenfeldt
Chief Executive Officer

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

The company became subject to the Norwegian Code of Practice for Corporate Governance (NUES) upon listing on Oslo Børs on 28 August 2025. the Oslo Stock Exchange Rulebook II – Issuer Rules, and the Norwegian Accounting Act. The company has implemented governance structures to comply with the Code from that time.

IMPLEMENTATION OF CORPORATE GOVERNANCE

Smartoptics is committed to maintaining high standards of corporate governance to support sustainable value creation and stakeholder trust. The Company aligns its practices with the UN Global Compact principles on human rights, labour, environment and anti-corruption.

DEVIATIONS FROM THE CODE OF PRACTICE

The Company's Corporate Governance Policy is, with one exception, in compliance with NUES. The deviation concerns the composition of the nomination committee, where members of the Board of Directors may serve. This differs from NUES recommendations but is considered appropriate given the Company's ownership structure and the need for relevant competence in the nomination process.

BUSINESS

Smartoptics develops and delivers optical networking solutions. The Board defines the Company's objectives, strategy and risk profile to ensure long-term, sustainable value creation, and reviews these at least annually. More details on Smartoptics' objectives, strategies and risk profiles are presented in the Board of Directors' Report and on the Company's website.

EQUITY AND DIVIDENDS

The Board ensures that the Company maintains a capital structure appropriate to its objectives, strategy and risk profile. The Company aims for a stable to growing dividend, subject to financial performance, investment needs and financial position.

At the annual general meeting held on 8 May 2025, the Board was authorised to increase the share capital and to acquire treasury shares. The authorisations are limited to specific purposes, including financing of investments, acquisitions and incentive programmes, and are valid until the annual general meeting in 2026, however no later than 30 June 2026.

EQUAL TREATMENT OF SHAREHOLDERS

The Company has one class of shares, all carrying equal rights. Shareholders are treated equally, and any deviation from pre-emptive rights is justified and disclosed. Transactions in own shares are conducted on market terms.

SHARES AND NEGOTIABILITY

The shares are freely transferable, with no restrictions beyond those imposed by law.

GENERAL MEETINGS

The general meeting is the Company's highest authority. Notices are distributed at least 21 days in advance and include sufficient information to enable shareholders to assess all matters. Shareholders may participate electronically and vote in advance where applicable. Voting is facilitated on each individual agenda item, including by proxy.

NOMINATION COMMITTEE

The Company has a nomination committee in accordance with its articles of association.

The nomination committee is responsible for proposing candidates for election to the Board of Directors and recommending remuneration for Board members. In its work, the committee considers the Company's needs for competence, capacity, diversity and independence, and engages with shareholders, the Board and management as appropriate.

BOARD OF DIRECTORS

The Board is elected by shareholders and composed to ensure appropriate expertise, capacity, diversity and independence. Members are elected for up to two years and may be re-elected. The Board complies with applicable gender representation requirements, including that at least 40% of each gender is represented. The majority of the Board members are independent of the Company's executive management, material business relationships and significant shareholders.

The Board is responsible for the Company's strategy, oversight and governance. It adopts an annual work plan, regularly reviews performance and development, and conducts an annual self-evaluation. Conflicts of interest must be disclosed.

The Board has established an audit committee and a remuneration committee to support its work.

a continued focus on strategy, financial performance, risk management and key operational matters.

BOARD MEETINGS AND ATTENDANCE

During 2025, the Board of Directors held 9 meetings, with

Board and committee attendance in 2025:

Name	Role	Board meetings	Audit committee	Remuneration committee
Thomas Ramm	Chair of the Board	9/9	1/1	1/1
Sara Heiner Asplund	Board Member	9/9	1/1	-
Karl Thedéen	Board Member	9/9	-	1/1
Einar Caspersen*	Deputy Board Member	3/3	-	-
Einar Caspersen*	Board Member	6/6	-	-

*Einar Caspersen was elected Deputy Board Member at the extraordinary general meeting on the 23 May 2025, with effective date 20 August 2025, prior to this his role was Board Member.

AUDIT COMMITTEE

The audit committee consists of Thomas Ramm and Sara Heiner Asplund.

The Board performs an annual review of key risks and internal control systems.

The audit committee held 1 meeting during 2025 and focused on financial reporting, internal control, risk management and interaction with the external auditor. At least one member has competence in accounting and/or auditing.

REMUNERATION OF THE BOARD

Board remuneration is determined annually by the general meeting and reflects responsibilities, expertise and workload. It is not performance-based, and share options are not granted.

REMUNERATION COMMITTEE

The remuneration committee consists of Thomas Ramm and Karl Thedéen. One meeting was held in the remuneration committee during 2025.

REMUNERATION OF EXECUTIVE PERSONNEL

The Board establishes a remuneration policy for executive management, approved by the general meeting and reviewed at least every four years. Performance-based remuneration is subject to defined limits.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board ensures that the Company has effective systems for risk management and internal control appropriate to its operations. The framework includes control environment, risk assessment, control activities, information and communication, and follow-up.

The Company prepares an annual remuneration report, which is subject to an advisory vote by the general meeting.

The Board of Directors oversees the risk management process. Further information on key risks is provided in the “Risk factors” section of the Board of Directors’ report.

INFORMATION AND COMMUNICATION

The Company emphasises transparent, timely and equal communication with the market. Financial reporting is prepared in accordance with IFRS and published quarterly.

The Company’s internal control over financial reporting includes monthly reporting prepared by the finance team and reviewed by the CEO and the Board. Key balance sheet items are reconciled, and financial results are compared with budgets and forecasts to ensure reliable reporting. The quarterly and annual financial reports are subject to review and approval by the Board.

Authorised spokespersons include the CEO and CFO. The Company maintains procedures to ensure consistent communication, including contingency planning.

TAKE-OVERS

In the event of a takeover bid, the Board will ensure equal treatment of shareholders and that shareholders are provided with sufficient information to assess the offer. The Board will not obstruct takeover bids unless there are valid reasons for doing so.

AUDITOR

PricewaterhouseCoopers AS has served as the Company's external auditor since 2021. The auditor presents to the audit committee an evaluation of risk, internal control, quality of reporting, and the audit plan for the current year, and participates in the Board's review of the annual financial statements.

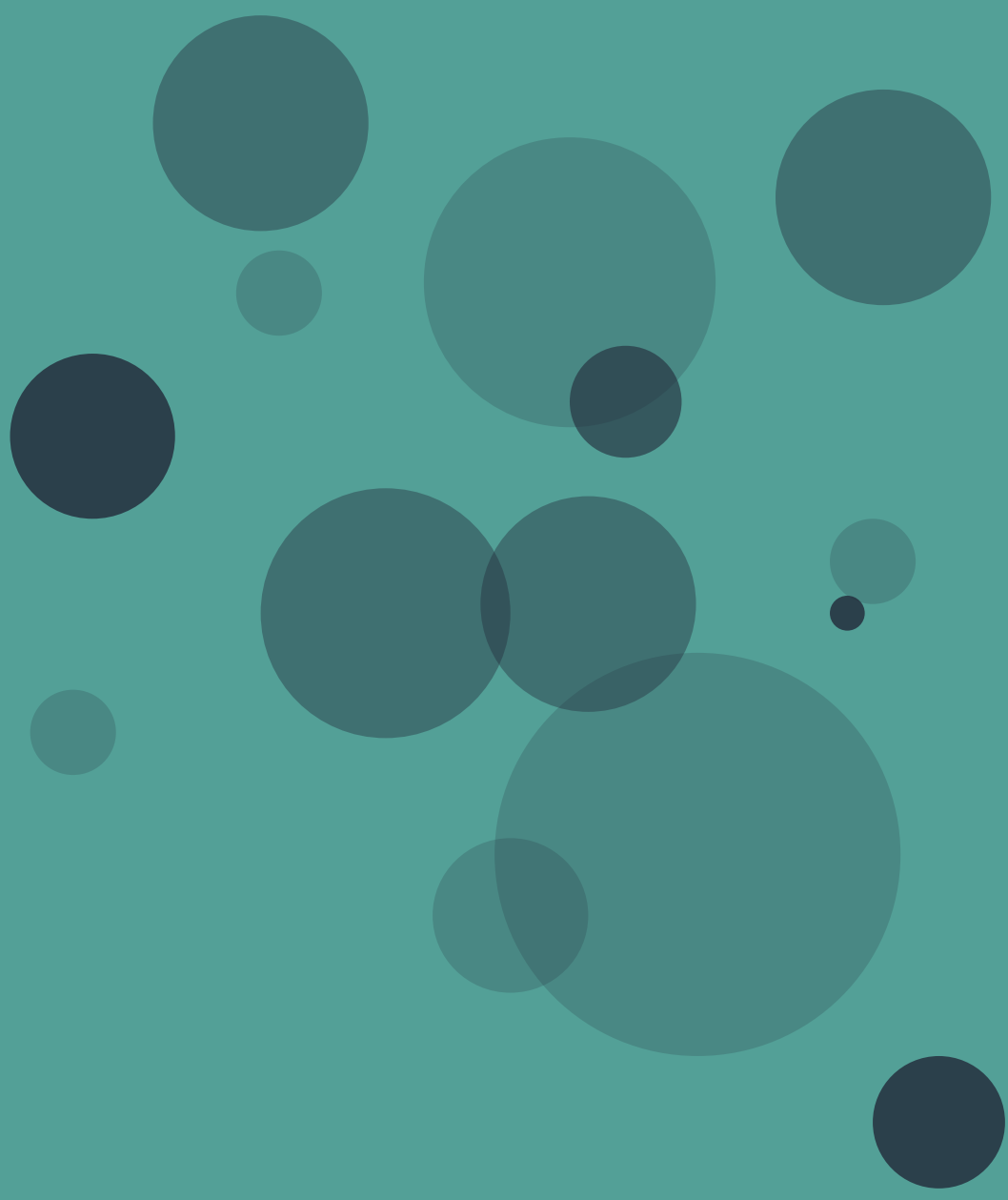
The auditor is independent of the Company. Non-audit services are limited to those naturally related to the audit, such as technical assistance with tax returns and financial reporting. All other services provided by the auditor are subject to approval by the audit committee.

RELATED PARTY TRANSACTIONS

Transactions with related parties are conducted on arm's length terms and in accordance with applicable regulations. Where relevant, such transactions are subject to Board approval and, as a main principle, supported by independent valuation.

INSIDE INFORMATION

The Company has established procedures for handling inside information in accordance with the Market Abuse Regulation (MAR), including insider lists, disclosure obligations and trading restrictions.



FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE GROUP

Consolidated statement of profit or loss		2025	2024
Amounts in USD 1.000	Notes		
Revenue from contracts with customers	3	75 269	55 394
Other operating income	3	0	114
Total revenue and other operating income		75 269	55 508
Direct cost of sales	21	-39 281	-28 784
Employee benefit expenses	4	-18 874	-14 795
Other operating expenses	5	-7 394	-6 347
Total operating expenses		-65 549	-49 926
Amortization of intangible assets	9	-563	-318
Depreciation	10, 11	-2 372	-1 975
Total depreciation and amortization		-2 935	-2 293
Operating profit/(loss)		6 785	3 289
Financial income	6	184	315
Financial expenses	6	-123	-310
Net foreign exchange gains (losses)	6	-853	2 084
Net financial items		-792	2 090
Profit/(loss) before income tax		5 993	5 379
Income tax	7	-1 309	-1 337
Profit/(loss) for the year		4 684	4 042

Earnings per share in USD			
Basic earnings per share	8	0.048	0.041
Diluted earnings per share	8	0.048	0.041

Consolidated statement of comprehensive income			
Profit/(loss) for the year		4 684	4 042
Other comprehensive income:			
<i>Items that might be subsequently reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		-449	-117
<i>Item that are not reclassified to profit or loss:</i>			
Exchange differences on translation to another presentation currency		3 234	-3 179
Total comprehensive income for the year		7 469	746
Total comprehensive income is attributable to:			
Owners of the parent company		7 469	746

Consolidated statement of financial position		31.12.2025	31.12.2024
Amounts in USD 1.000	Notes		
Assets			
Non-current assets			
Intangible assets	9	2 852	1 914
Property, plant and equipment	10	3 720	3 006
Right-of-use assets	11	621	1 205
Deferred tax assets	7	1 883	955
Total non-current assets		9 076	7 080
Current assets			
Inventories	21	18 668	12 615
Trade receivable	14	18 718	19 864
Other current assets	13	2 316	1 374
Cash and cash equivalents	15	7 337	7 972
Total current assets		47 039	41 826
Total assets		56 115	48 906
Equity and liabilities			
Equity			
Share capital	16	195	173
Share premium	16	14 779	13 121
Other paid in capital	8	-	-
Foreign currency translation reserves		-156	294
Retained earnings		15 446	14 866
Total equity		30 264	28 453
Non-current liabilities			
Lease liabilities (non-current portion)	11, 17, 20	251	539
Contract liabilities (non-current portion)	3	5 614	4 939
Borrowings (non-current portion)	13, 17, 20	-	277
Total non-current liabilities		5 865	5 755
Current liabilities			
Lease liabilities (current portion)	11, 17, 20	411	730
Trade payable	20	5 630	5 048
Contract liabilities (current portion)	3	7 160	4 030
Tax Payable	7	1 661	1 118
Public duties payable (VAT, Tax)	7	1 006	1 057
Other current liabilities	17, 19	4 116	2 714
Total current liabilities		19 985	14 697
Total liabilities		25 850	20 452
Total equity and liabilities		56 115	48 906



9 April 2026
Oslo, Norway

Thomas Ramm
Chairman of the Board

Sara Heiner Asplund
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							
Equity at 1 January 2024		189	12 404	20	411	17 023	30 048
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	-	-	-1 770	-3 179
Total comprehensive income/loss for the year		-20	-1 388	-	-117	2 272	746
Reclassification		-	-	-20	-	20	-
Issuance of ordinary shares		3	2 104	-	-	-	2 107
Dividend	16	-	-	-	-	-4 449	-4 449
Equity at 31 December 2024		173	13 121	0	294	14 866	28 453
Profit/loss for the year		-	-	-	-	4 684	4 684
Other comprehensive income:							
Exchange differences on translation of foreign operations		-	-	-	-449	-	-449
Exchange differences on translation to another presentation currency*		22	1 657	0	-	1 555	3 234
Total comprehensive income/loss for the year		22	1 657	0	-449	6 240	7 469
Reclassification		-	-	-	-	-	-
Issuance of ordinary shares		-	-	-	-	-	-
Dividend	16	-	-	-	-	-5 660	-5 660
Equity at 31 December 2025		195	14 779	-	-156	15 446	30 264

*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		2025	2024
Amounts in USD 1.000			
	Notes		
Cash flows from operating activities			
Profit/(loss) before income tax		5 993	5 379
<i>Adjustments for:</i>			
Taxes paid		-1 303	-1 214
Depreciation and amortization	9, 10	2 935	2 293
Net Interest expense	6	53	-9
Change in inventory	21	-6 054	1 584
Change in trade receivable	14	1 146	-2 911
Change in contract liabilities (deferred revenue)	3	3 805	2 407
Change in trade payable	19	582	565
Change in other current assets and other liabilities	13, 19	1 157	-2 020
Interest received	6	184	315
Net cash inflow from operating activities		8 498	6 387
Cash flows from investing activities			
Payment for property, plant and equipment	10	-1 452	-1 729
Payment for development cost	9	-1 267	-1 039
Net cash (outflow) from investing activities		-2 719	-2 768
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	16	-	2 107
Repurchase of warrants	8	-	-
Dividend paid out	16	-5 660	-4 449
Proceeds from new borrowings	17	-	-
Repayment of borrowing	17	-564	-514
Paid interest	17	-237	-306
Repayments of lease liabilities	17	-849	-723
Net cash inflow from financing activities		-7 310	-3 886
Net increase/(decrease) in cash and cash equivalents		-1 530	-267
Cash and cash equivalents as of 1 January		7 972	9 321
Effects of exchange rate changes on cash and cash equivalents		895	-1 082
Cash and cash equivalents as of 31 December		7 337	7 972

NOTES FOR SMARTOPTICS CONSOLIDATED ACCOUNTS

NOTE 1 - GENERAL INFORMATION

Smartoptics Group ASA, 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 was listed on Euronext Growth in Oslo, Norway, until it was uplisted to Euronext in Oslo. First day of trading on the main list was 28 August 2025. Smartoptics 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 9th April 2026.

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.

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 24% of the revenue for 2025. This customer is a reseller. In comparison, the same customers represented 18% percent of total revenue 2024.

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.

NOTES FOR THE GROUP

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 licence upgrades.

Revenue information	2025	2024
Amounts in USD 1.000		
Solutions	44 420	31 492
Devices	19 484	15 560
Software & Services	11 363	8 455
Total revenue from contracts with customers	75 269	55 508

Timing of revenue recognition	2025	2024
Amounts in USD 1.000		
Solutions products transferred at a point in time	44 420	31 492
Device products transferred at a point in time	19 484	15 560
Software & Services transferred at a point in time	8 255	5 539
Software & Services transferred over time	3 108	2 916
Total revenue from contracts with customers	75 269	55 508

Geographic split of revenues	2025	2024
Amounts in USD 1.000		
EMEA	25 011	24 710
Americas	44 274	25 903
APAC	5 984	4 895
Total revenue from contracts with customers	75 269	55 508

Contract assets and contract liabilities	31.12.2025	31.12.2024
Amounts in USD 1.000		
Contract liabilities (deferred revenue) - current	7 160	4 030
Contract liabilities (deferred revenue) - non-current	5 614	4 939
Total	12 775	8 969

Contract assets and contract liabilities	2025	2024
Contract liabilities at 1 January	8 969	6 563
New contract liabilities	10 906	7 265
Revenue recognized in current year	-7 797	-4 349
Exchange differences	698	-509
Contract liabilities at 31 December	12 775	8 969

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	2025	2024
Amounts in USD 1.000		
Wages and salaries	13 160	10 134
Social security tax	3 653	2 748
Pension costs	1 301	1 167
Other benefits	760	746
Total	18 874	14 795
Average full-time equivalents	134	123

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	2025				2024			
	Wages	Pension	Bonus	Other benefits	Wages	Pension	Bonus	Other benefits
Magnus Grenfeldt, CEO	341	58	122	-	317	53	-	4
Stefan Karlsson, CFO*	166	43	52	-	141	40	-	-
Kent Lidström, CTO	150	47	61	8	141	42	-	7
Per Burman, CMO	112	52	42	-	122	49	-	-
Björn Andersson, SVP BA Devices*	159	38	48	38	23	5	-	-
Ronald Hübsch, VP of Supply chain*	153	-	46	-	25	-	-	-
Carina Osmund, COO*	-	-	-	-	128	39	-	-
Andreas Persson, VP of R&D*	84	1	-	-	-	-	-	-
Total management compensation	1 166	239	370	46	898	228	-	11

Board of Directors	Directors' fee 2025	Directors' fee 2024
Thomas Ramm, Chairman	73	45
Karl Thedéen, Board Member	37	22
Sara H. Asplund, Board Member	37	22
Einar Caspersen, Board Member	37	22
Total	183	112

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.

Bonus for 2025 to the CEO was NOK 1 271 000 and to other key management NOK 2 579 000.

*Stefan Karlsson entered the management group on 1 February 2024

*Björn Andersson entered the management group on 4 November 2024

*Ronald Hübsch entered the management group on 4 November 2024

*Carina Osmund exited the management group on 4 November 2024

*Andreas Persson entered the management group on 9 April 2025

NOTE 5 - OTHER OPERATING EXPENSES

Other operating expenses consists of the following	2025	2024
Amounts in USD 1,000		
Facilities	328	268
Travel expenses	951	824
Marketing and representation	877	919
Sales cost	830	-
Other R&D and certification cost	536	553
IT	935	915
Consultant expenses	1 285	1 361
Other operating expenses	1 653	1 507
Total other operating expenses	7 394	6 347

Specification of auditors' fees	2025	2024
Amounts in USD 1,000		
Statutory audit	99	103
Other non-assurance services	17	13
Other attestation services	70	
Tax advisory services	63	4
Total	248	120

NOTE 6 - FINANCIAL ITEMS

Financial income and expenses	2025	2024
Amounts in USD 1,000		
Interest income from bank deposits	184	315
Net gain/loss on foreign exchange	-853	2 084
Financial income	-669	2 400
Interest expense on borrowings	- 195	- 240
Interest on lease liabilities	- 42	- 66
Other financial expenses	113	- 4
Financial expenses	-123	- 310
Net financial items	-792	2 090

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	2025	2024
Income tax payable	1 420	1 398
Change in allocated tax last year	-	50
Deferred tax income	-111	-111
Total income tax expense	1 309	1 337

Specification of deferred tax balances	31.12.2025	31.12.2024
Temporary differences		
Property, plant and equipment	-348	-250
Inventory	-224	-350
Accounts receivable	-151	-112
Deferred revenue	-7 558	-5 638
Other temporary differences	-200	1 975
Gain/loss deferral account	31	36
Net temporary differences	-8 450	-4 339
Tax losses carried forward	-111	-
Non-recognized deferred tax assets	-	-
Basis for calculating deferred tax assets	8 561	4 339
Carrying value deferred tax assets	1 883	955

Reconciliation of effective tax rate:	2025	2024
Net income/(loss) before tax	5 993	5 379
Expected income tax assessed at the Norwegian income tax rate for the Parent company, 22 %	1 319	1 183
Difference in tax rate for foreign profit	35	92
Adjusted for the tax effect of the following items:		
Permanent differences	-2	-72
Other	-43	134
Income tax expense (income)	1 309	1 337
Effective tax rate	21.8%	24.8%

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 ASA are based on the following net profit/(loss) and share data:

Earnings per share	2025	2024
Basic earnings per share	0.048	0.041
Diluted earnings per share	0.048	0.041
Profit/(loss) for the year:		
used for calculating basic earnings per share	4 684 491	4 042 285
used for calculating diluted earnings per share	4 684 491	4 042 285
Weighted average number of shares used as the denominator in calculating basic earnings per share	98 045 518	97 599 464
Weighted average number of shares outstanding for diluted earnings per share*)	98 045 518	97 876 052
*As of 31 December 2025 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 Perplexity, AI-driven operational system and 800G Muxponder projects totalling NOK 2.7 million (USD 0.3 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.

Intangible assets			
Amounts in USD 1,000	Capitalized development	Other intangible assets	Total
Cost			
Cost at 1 January 2024	3 036	127	3 163
Additions	772	267	1 039
Translation difference	-316	-15	-330
Cost at 31 December 2024	3 492	379	3 871
Additions	913	354	1 267
Translation difference	441	58	499
Cost at 31 December 2025	4 847	791	5 638
Amortization and impairment			
Accumulated at 1 January 2024	1 804	17	1 821
Amortization for the year	318	25	343
Translation difference	-205	-3	-207
Accumulated at 31 December 2024	1 917	40	1 957
Amortization for the year	470	91	561
Translation difference	257	12	269
Accumulated at 31 December 2025	2 644	142	2 786
Carrying amount at 31 December 2024	1 575	339	1 914
Carrying amount at 31 December 2025	2 203	649	2 852

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
Cost at 1 January 2024	5 734	5 734
Additions	1 729	1 729
Translation difference	-625	-625
Cost at 31 December 2024	6 838	6 838
Additions	1 452	1 452
Disposals	-315	-315
Translation difference	1 294	1 294
Cost at 31 December 2025	9 269	9 269
Depreciations and impairment		
Accumulated at 1 January 2024	2 938	2 938
Depreciations for the year	1 230	1 230
Impairment	-	-
Translation difference	-335	-335
Accumulated at 31 December 2024	3 832	3 832
Depreciations for the year	1 545	1 545
Disposals	-315	-315
Translation difference	486	486
Accumulated at 31 December 2025	5 549	5 549
Carrying amount at 31 December 2024	3 006	3 006
Carrying amount at 31 December 2025	3 720	3 720

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%.

NOTES FOR THE GROUP

Leasing	31.12.2025	31.12.2024
Amounts in USD 1,000		
Buildings	574	1 135
Other	47	69
Total right-of-use assets	621	1 205

Useful life	5 years	5 years
Depreciation method	Straight-line	Straight-line

Lease liabilities

Amounts in USD 1,000		
Current	411	730
Non-Current	251	539
Total lease liability	662	1 269

Amounts recognized in the statement of profit or loss

Depreciation of right of use asset	818	722
Interest expense	42	66
Expenses relating to short-term leases	20	20
Expenses relating to leases of low-value	44	49

Reconciliation of lease arising from financing activities	2025	2024
Opening balance 1 January	1 269	1 986
Cash flow	-891	-789
New leases	78	180
Translation differences	226	-108
Closing balance 31 December	683	1 269

Maturity table schedule for lease liabilities Amounts in USD 1,000 - 31.12.2025	Due within 1 year	Due within 2 years	Due within 3 years	Due within 4 years	Due within 5 years
Leasing liabilities	699	618	386	378	378

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	-	-

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 2025 was NOK 2.7 (USD 0.3) 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 7.4 million) and a non-current loan of USD 0.1 million scheduled to be fully repaid by 2026 Q2. As of December 31st 2025, NOK 0 of the credit line from Nordea was utilized.

Financial instruments	31.12.2025	31.12.2024
Amounts in USD 1,000		
Financial assets at amortized cost		
Trade receivable	18 718	19 864
Other financial assets	-	-
Cash and cash equivalents	7 337	7 972
Total	26 055	27 837
Financial liabilities		
Liabilities at amortized cost		
Trade payable	5 630	5 048
Borrowings	311	777
Bank overdraft facility	-	-
Total	5 941	5 825

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	31.12.2025	31.12.2024
Amounts in USD 1,000		
Trade receivable	18 948	20 078
Loss allowance	-229	-213
Total	18 718	19 864

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	31.12.2025	31.12.2024
Amounts in USD 1,000		
Bank deposits	7 337	7 972
Total cash and cash equivalents	7 337	7 972

Amounts in USD 1,000		
Restricted cash included in the above:		
Withholding tax in relation to employee benefits	55	52

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
1 January 2024	96 286 593	189
Issued during the year	1 758 925	35
Currency translation differences		(51)
31 December 2024	98 045 518	173
Issued during the year	-	-
Currency translation differences	-	22
31 December 2025	98 045 518	195

#	Shareholders	Holding	Stake
1	Coretech AS	28 883 599	29.46 %
2	Kløvingen AS	14 750 429	15.04 %
3	K-Spar Industrier AS	6 500 000	6.63 %
4	DNB Asset Management	4 852 867	4.95 %
5	Handelsbanken Fonder	3 658 000	3.73 %
6	Janus Henderson Investors	3 583 666	3.66 %
7	Altitude Capital AS	2 700 000	2.75 %
8	Mirabaud Asset Management	2 694 753	2.75 %
9	Avanza Bank AB	2 650 670	2.70 %
10	Nordnet Bank AB	1 930 990	1.97 %
11	Toluma Norden AS	1 713 625	1.75 %
12	Danske Invest	1 466 466	1.50 %
13	Schroders	1 402 462	1.43 %
14	Magnus Grenfeldt	1 257 489	1.28 %
15	Folketrygdefondet	1 138 912	1.16 %
16	Rasmussengruppen AS	1 050 000	1.07 %
17	John Even Øveraasen	1 000 000	1.02 %
18	Varner AS	963 391	0.98 %
19	AS Straen	963 391	0.98 %
20	Anchora Capital AS	950 000	0.97 %
	Others	13 934 808	14.21 %
	Total number of shares	98 045 518	100.00 %

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 0.1 million scheduled to be fully repaid by 2026 Q2.

Pledged assets	31.12.2025	31.12.2024
Amounts in USD 1,000		
Trade receivable	7 636	10 234
Inventory	9 119	4 925
Property, plant and equipment	241	441
Total pledged assets	16 996	15 600

Non-current and current liabilities at 31 December 2024	Bank credit facility	Borrowings	Lease liabilities	Total
Amounts in USD 1,000				
Non-current liabilities	-	277	539	816
Current liabilities	-	500	730	1 230
Total	-	777	1 269	2 046

Reconciliation of changes from financing cash flow 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

Non-current and current liabilities at 31 December 2025	Bank credit facility	Borrowings	Lease liabilities	Total
Amounts in USD 1,000				
Non-current liabilities	-	-	251	251
Current liabilities	-	311	411	722
Total	-	311	662	973

Reconciliation of changes from financing cash flows 2025	Bank credit facility	Borrowings	Lease liabilities	Total
Amounts in USD 1,000				
Balance at 01/01/2025	-	777	1 269	2 046
Changes from financing cash flows				
Repayment of borrowings	-	-564	-849	-1 413
Proceed from borrowings	-	-	-	-
Interest paid	-	-195	-42	-237
Total changes from financing cash flows	-	-759	-891	-1 650
Non-cash changes				
Interest expense using effective interest method	-	195	42	237
Effect of changes in foreign exchange rates	-	98	184	283
New finance lease	-	-	78	78
Total non-cash changes	-	293	305	598
Balance 31/12/2025	-	311	683	994

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 2025				
Related party	Holding	Stake	Warrants	Ownership description
Coretech AS	28 883 599	29.46 %	-	Chairman of Board, Thomas Ramm
Kløvingen AS	14 750 429	15.04 %	-	Deputy Board member, Einar Caspersen
Karl Thedéen	493 078	0.50 %	-	Board member
Sara Heiner Asplund	7 339	0.01 %	-	Board member
Magnus Grenfeldt	1 257 489	1.28 %	-	CEO
Kent Lidström	180 075	0.18 %	-	CTO
Per Burman	180 075	0.18 %	-	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
Andreas Persson	15 000	0.02 %	-	VP R&D

Transactions with related parties				
Related party	Relationship	Transaction type	2025	2024
Coretech AS	Company owned by Chair of the Board	Travel expenses	10	9
Etain AS	Company owned by Chair of the Board	Expense for software	6	6
Advokatfirmaet Schjødt AS*	Company where the Deputy Board member is a partner	Legal services	250	32
Total			265	47

*A deputy board member, who served as a Board member during part of the year, is a partner in Advokatfirmaet Schjødt AS. The deputy board member has not participated in any decisions related to these transactions.

NOTE 19 - OTHER CURRENT LIABILITIES

	31.12.2025	31.12.2024
Amounts in USD 1,000		
Current portion of interest bearing debt	311	500
Accrued expenses	3 805	2 214
Total	4 116	2 714

NOTE 20 - FINANCIAL RISK

The Group's risk management framework is governed by policies approved by the Board of Directors. Executive management is responsible for implementing the framework, while the Finance department identifies, evaluates and manages financial risks in close cooperation with the Group's operating units.

The Group is mainly exposed to the following financial risks: market risk (foreign exchange risk and interest rate risk), credit risk and liquidity risk.

FOREIGN EXCHANGE RISK (MARKET RISK)

The Group is exposed to foreign exchange risk arising from both transaction exposure and translation exposure. The Group operates through subsidiaries in Norway, Sweden and the United States.

Foreign exchange risk primarily arises when the Norwegian and Swedish entities enter into transactions denominated in USD. As most commercial contracts with customers and suppliers are denominated in USD, a natural hedge is created, which reduces the Group's exposure to exchange rate fluctuations.

For entities with a functional currency other than USD, foreign exchange gains or losses may arise from the revaluation of monetary items such as accounts receivable,

accounts payable and bank balances.

Fluctuations in exchange rates, particularly between USD and NOK and USD and SEK, may impact the Group's results of operations, mainly through payroll and other operating expenses incurred in local currencies.

The Group currently does not hedge its foreign currency exposure using financial instruments.

The table below presents a sensitivity analysis of foreign currency exposure in Group companies with NOK or SEK as functional currency and the resulting impact on profit or loss.

Profit before tax	31.12.2025
NOK exchange rate +/- 10%	+/-505
SEK exchange rate +/- 10%	+/-212

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 2025, 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

Interest rate risk arises primarily from the Group's long-term borrowings with variable interest rates, which expose the Group to cash flow interest rate risk. The Group's borrowings and receivables are measured at amortized cost. Borrowings with variable interest rates are contractually repriced at regular intervals and are therefore exposed to the risk of future changes in market interest rates.

During 2025, the Group's borrowings are denominated in NOK and carry interest in NOK. The borrowings consist of loans with variable interest rates (as described in Note 17 Borrowings and securities/pledges), and the Group does not currently use hedging instruments to mitigate interest rate risk.

Management monitors interest rates on the Group's debt on a regular basis and assesses their potential impact on the Group's profitability.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group's objective is to maintain sufficient cash resources and access to funding through adequate credit facilities to meet its obligations when due.

Management monitors forecasts of the Group's liquidity position and cash and cash equivalents based on expected cash flows. The Group manages liquidity risk by maintaining adequate cash reserves, monitoring liquidity requirements to ensure sufficient funds to meet operational needs, and invoicing recurring revenues in advance.

The Group's liquidity management also includes projecting cash flows in major currencies, monitoring balance sheet liquidity ratios against internal and external requirements and maintaining appropriate financing arrangements.

As of 31 December 2025, cash and cash equivalents amounted to USD 7.3 (8.0) million.

The Group had a bank credit facility with a limit of NOK 75 million (USD 7.4 million). As of 31 December 2025, none of this credit facility was utilized.

CAPITAL RISK MANAGEMENT

The Group defines capital as equity, including other reserves. The Group's primary objective in managing capital is to ensure that the Group maintains a strong capital base to support its operations and to continue as a going concern, while also complying with requirements under external financing agreements, including financial covenants.

Based on available information regarding the Group's future operations, management has prepared the financial statements on a going concern basis. As of the reporting date, management is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

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	-	-
Total	7 094	7 275	6 401	657	218

Maturity table schedule financial obligations 31.12.2025	Carrying amount	Contractual cash flow	Due 1-12 months	Due 1-2 years	Due 2+ years
Borrowings	311	322	322	-	-
Lease liabilities	683	1 703	699	618	386
Trade payable	5 630	5 630	5 630	-	-
Total	6 624	7 655	6 651	618	386

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.

Inventory & Direct cost of sales	2025	2024
Amounts in USD 1,000		
Purchased materials	32 650	30 096
Changes in inventory	6 054	-1 584
Write-down inventory	576	271
Direct cost of sales	39 281	28 784
Work in progress	596	194
Finished goods	18 072	12 420
Total inventory	18 668	12 615

NOTE 22 - EVENTS AFTER THE REPORTING PERIOD

There are no significant events affecting the group after the reporting period.

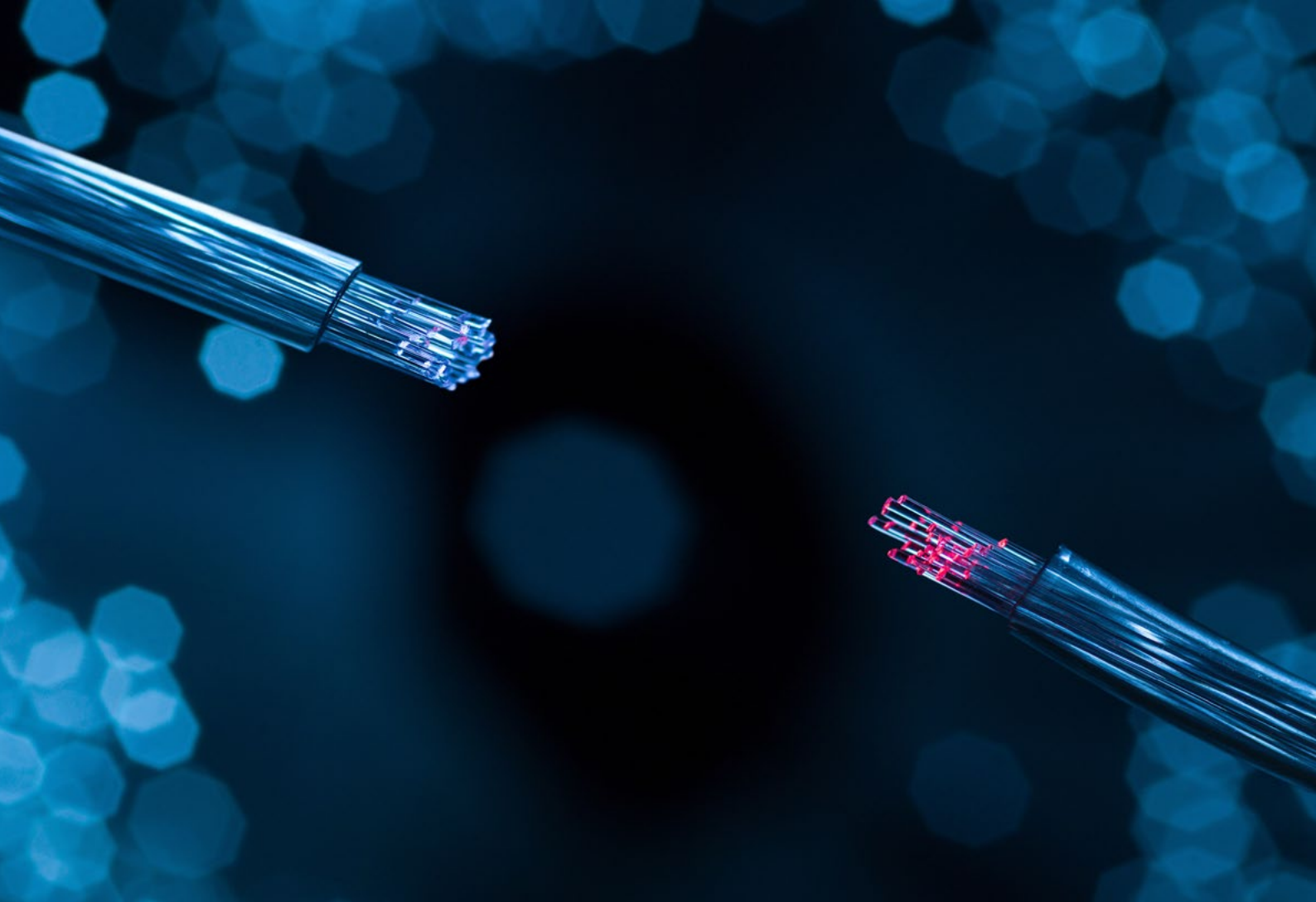
FINANCIAL STATEMENTS FOR THE PARENT COMPANY

SMARTOPTICS GROUP ASA

Statement of profit or loss		2025	2024
Amounts in NOK 1.000			
	Notes		
Total revenue and operating income		-	-
Operating expenses			
Payroll expenses	2	-12 190	-10 956
Other operating expenses	3	-10 067	-2 192
Operating expenses		-22 257	-13 148
Operating Profit		-22 257	-13 148
Financial income and expenses			
Intercompany interest income	4	14 742	7 000
Interest income	5	176	11
Interest expense		-96	-
Foreign exchange gains/(losses)		-2 497	-
Group contributions	5	34 933	64 964
Net financial income and expenses		47 257	71 975
Profit before tax		25 000	58 827
Tax	6	271	22
Net profit/loss for the year		25 271	58 850
Allocated as follows:			
Transferred from other equity		-33 556	-
Dividend	7	58 827	58 850
Total allocation		25 271	58 850

FINANCIAL STATEMENTS FOR THE PARENT COMPANY

Balance sheet 31.12		2025	2024
Amounts in NOK 1.000	Notes		
Assets			
Deferred tax assets	6	182	-
Investment in subsidiaries	8	42 782	42 782
Total non-current assets		42 964	42 782
Current assets			
Receivable			
Receivable to related companies	4	230 730	246 691
Other receivable		955	1 075
Total receivable		231 685	247 766
Cash and cash equivalents	9	51 992	11 057
Total current assets		283 677	258 823
Total Assets		326 640	301 605
Equity and liabilities			
Equity			
Share capital	7, 10	1 961	1 961
Share premium reserve	7	148 911	148 911
Other paid-up equity	7	-	-
Other equity	7	18 901	52 457
Total equity		169 773	203 329
Liabilities			
Current liabilities			
Accounts payable		26	7
Tax liability		-	93
Other current liabilities	4, 7	156 841	98 176
Total liabilities		156 867	98 276
Total equity and liabilities		326 640	301 605



9 April 2026
Oslo, Norway

Thomas Ramm
Chairman of the Board

Sara Heiner Asplund
Board member

Karl Thedéen
Board member

Magnus Grenfeldt
Chief Executive Officer

Cash flow statement		2025	2024
Amounts in NOK 1.000	Notes		
Cash flow from operational activities			
Profit before tax		25 000	58 827
Net interest expense	5	-14 821	-7 011
Group contribution	5	-34 933	-64 964
Change in accounts payable		19	7
Change in other items related to operating activities	3, 5	12 381	19 139
Net cash flow from operating activities		-12 354	5 988
Cash flow from investing activities			
Repayment of intercompany loans	4	65 000	30 000
Net cash flow from investing activities		65 000	30 000
Cash flow from financing activities			
Issuing new shares	8, 9	-	22 813
Interest paid	5	-96	-11
Payment of dividend	8	-58 827	-48 730
Received Intercompany loan	4	47 212	
Net cash flow from financing activities		-11 712	-25 928
Cash and cash equivalents at 1 January			
		11 057	987
Net cash flow		40 934	10 070
Cash and cash equivalents at 31 December		51 991	11 057

NOTES FOR THE PARENT COMPANY

SMARTOPTICS GROUP ASA

NOTE 1 – ACCOUNTING PRINCIPLES

Smartoptics Group ASA 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. The Company was listed on Euronext Growth in Oslo, Norway, until it was uplisted to Euronext in Oslo. First day of trading on the main list was 28 August 2025. Smartoptics has the ticker “SMOP”.

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 2025 and 2 employees in 2024.

Amounts in NOK 1000	2025	2024
Wages and salaries	8 512	7 226
Social security tax	2 577	2 620
Pension costs	1 100	1 109
Total	12 190	10 956

Management compensation Amounts in NOK 1000	2025				2024			
	Wages	Pension	Bonus	Other benefits	Wages	Pension	Bonus	Other benefits
CEO - Magnus Grenfeldt	3 547	603	1 271	-	3 408	567	-	44
CFO - Stefan Karlsson*	1 722	447	536	-	1 511	432	-	-
Total management compensation	5 269	1 050	1 806	-	4 919	999	-	44

Board of Directors	Directors' fee 2025	Directors' fee 2024
Thomas Ramm, Chair of the Board	760	500
Karl Thedéen, Board Member	380	250
Sara H. Asplund, Board Member	380	250
Einar Caspersen, Deputy Board Member	380	250

*Stefan Karlsson entered the management group on 1st February 2024

NOTE 3 - OPERATIONAL EXPENSES

Remuneration to the auditors	2025	2024
Statutory audit	746	623
Other non-audit services	728	48
Tax advisory services	42	40
Other attestation services	83	-
Total remuneration to the auditors	1 600	711

NOTE 4 - INTERCOMPANY TRANSACTIONS AND BALANCES

Related party transactions	2025	2024
Interest income on loan to group companies	14 742	7 000
Interest income on loan to related parties	-	-

Receivable to group companies and related parties	2025	2024
Receivable to group companies	230 730	246 691

Payable to group companies and related parties	2025	2024
Payable to group companies	96 503	29 834

NOTE 5 - FINANCIAL ITEMS

Financial Income	2025	2024
Other interest income	14 742	7 000
Interest income from group companies	176	11
Group contributions from group companies	34 933	64 964
Total financial income	49 851	71 976

Financial Expenses	2025	2024
Interest expense	-2 497	-0
Total financial expenses	-2 497	-0

NOTE 6 - TAXES

Remuneration to the auditors	2025	2024
Calculation of deferred tax		
Net temporary differences	325	-
Tax loss carried forward	-1 153	406
Basis for deferred tax / deferred tax asset in the balance sheet	-828	406
Deferred tax / deferred tax asset	-182	89
Deferred tax / deferred tax asset not recognized in the balance sheet	-	-
Deferred tax / deferred tax asset in the balance sheet	-182	89
Basis for income tax expense, change in deferred tax / deferred tax asset		
Result before tax	25 000	58 827
Permanent differences	-26 234	-58 929
Basis for income tax expense	-1 234	-102
Change in temporary differences	81	102
Change in tax loss carried forward	1 153	-
Taxable income (basis for payable taxes in the balance sheet)	-	-
Components of the income tax expense		
Sum payable tax	-	-
Change in Deferred tax / deferred tax asset	-271	-22
Tax expense	-271	-22
Reconciliation of the tax expense		
Result before tax expense	25 000	58 827
Calculated tax	5 500	12 942
Tax expense	-271	-22
Difference	-5 771	-12 964
The differences consist of:		
22% of permanent differences	-5 771	-12 964
Other differences	-	-
Sum explained differences	-5 771	-12 964

NOTE 7 - EQUITY

NOK 1000	Share capital	Share premium reserve	Other paid in capital	Other equity	Total equity
Equity at 01 January 2025	1 961	148 911	0	52 457	203 329
Dividend	-	-	-	-58 827	-58 827
Net profit	-	-	-	25 271	25 271
Equity at 31 December 2025	1 961	148 911	-	18 901	169 773

Dividend of NOK 0.60 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 ASA 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	2025	2024
Bank deposits	51 992	11 057
Total cash and cash equivalents	51 992	11 057

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
Shares at 31 December 2023	96 286 593
Issued during 2024	1 758 925
Shares at 31 December 2024	98 045 518
Issued during 2025	-
Shares at 31 December 2025	98 045 518

#	Shareholders	Holding	Stake
1	Coretech AS	28 883 599	29.46 %
2	Kløvingen AS	14 750 429	15.04 %
3	K-Spar Industrier AS	6 500 000	6.63 %
4	DNB Asset Management	4 852 867	4.95 %
5	Handelsbanken Fonder	3 658 000	3.73 %
6	Janus Henderson Investors	3 583 666	3.66 %
7	Altitude Capital AS	2 700 000	2.75 %
8	Mirabaud Asset Management	2 694 753	2.75 %
9	Avanza Bank AB	2 650 670	2.70 %
10	Nordnet Bank AB	1 930 990	1.97 %
11	Toluma Norden AS	1 713 625	1.75 %
12	Danske Invest	1 466 466	1.50 %
13	Schroders	1 402 462	1.43 %
14	Magnus Grenfeldt	1 257 489	1.28 %
15	Folketrygdefondet	1 138 912	1.16 %
16	Rasmussengruppen AS	1 050 000	1.07 %
17	John Even Øveraasen	1 000 000	1.02 %
18	Varner AS	963 391	0.98 %
19	AS Straen	963 391	0.98 %
20	Anchora Capital AS	950 000	0.97 %
	Others	13 934 808	14.21 %
	Total number of shares	98 045 518	100.00 %

NOTE 11 - EVENTS AFTER THE REPORTING PERIOD

There are no significant events affecting the group after the reporting period.

RESPONSIBILITY STATEMENT

SMARTOPTICS GROUP ASA

The Chief Executive Officer and the Board of Directors confirm, to the best of our knowledge, that the financial statements including the Board of Directors report for 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS®) as adopted by the EU, and additional Norwegian disclosure requirements pursuant to the Norwegian Accounting Act. This statement give a true and fair view of the parent company and the Group's tangible and intangible assets, liabilities, financial position, results of operations, as well as the principal risks and uncertainties faced by the Group.

9 April 2026
Oslo, Norway



Thomas Ramm
Chairman of the Board



Sara Heiner Asplund
Board member



Karl Thedéen
Board member



Magnus Grenfeldt
Chief Executive Officer



To the General Meeting of Smartoptics Group ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Smartoptics Group ASA, which comprise:

- the financial statements of the parent company Smartoptics Group ASA (the Company), which comprise the balance sheet as at 31 December 2025, 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 ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and 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 2025, 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 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

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) as applicable to audits of financial statements of public interest entities, 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Smartoptics Group ASA for 5 years from the election by the general meeting of the shareholders on 6 October 2021 for the accounting year 2021.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the Key Audit Matter
<p>Revenue recognition - cut off</p> <p>The Smartoptics Group has revenue streams with differing contractual terms and pricing elements. The different types of products are divided into Solutions, Devices and Software & services. Some of the revenue is recognised over time and some of the revenue is recognised at a point in time.</p> <p>We focused on revenue recognition due to the complexity arising in the Group's revenue streams with different contractual terms that may have a significant impact on the timing of revenue recognition.</p> <p>We refer to note 3 to the consolidated financial statements for a description of the Group's accounting policies and recognition of revenue for the year.</p>	<p>We have obtained an understanding of the Group's accounting principles related to revenue recognition for the relevant revenue streams and evaluated whether the accounting principles used by the Group are in compliance with <i>IFRS 15 – Revenue from contracts with customers</i>.</p> <p>We have assessed the design, and tested the operating effectiveness, of relevant internal controls related to cut-off of revenue recognition.</p> <p>For all revenue streams, we have tested a sample of recognised revenue transactions throughout the year and assessed whether the revenue transactions were recorded in the correct period. For a sample of revenue recognised over time, we vouched the underlying contract duration and independently recalculated the portion of revenues to be recognised within the year on a linear basis. In addition, we tested the application of accounting policies for a sample of transactions before and after the balance sheet date.</p> <p>We have evaluated the information provided in note 3 to the consolidated financial statement and found it to be appropriate.</p>

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 appears 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.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Smartoptics Group ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 6488IGA378IE710UU959-2025-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 9 April 2026

PricewaterhouseCoopers AS

Øystein Sandvik

State Authorised Public Accountant

(This document is signed electronically)

Securely signed with Brevio

This document is electronically signed and sealed with Brevio under **eIDAS**, valid in all EU states. Signatures comply with **eIDAS** and **PAdES** standards.

The identities of the signers are listed below:

2026-04-09 13:05:23 UTC+02:00

Øystein Blåka Sandvik

 **bankID**

NO BankID - 9578-5998-4-2128984

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