

Financial Presentation

Q2 2024

July 15, 2024



Q2'24 Challenging market expected to regain momentum in H2

REVENUE

	2024	Change
Q2	13.0 MUSD	-23.5%
6M	25.6 MUSD	-17.5%

Revenue decline vs. strong 2023 mainly caused lack of larger projects, particularly in EMEA

GROSS MARGIN

	2024	2023
Q2	47.3%	49.2%
6M	47.9%	49.9%

Weak macro still impacting investments in industry

Stable high gross margin - above long-term aspirations

EBITDA MARGIN

	2024	2023
Q2	7.8%	18.7%
6M	8.1%	18.6 %

Disciplined and targeted investments for continued growth

Drivers for revenue growth acceleration

Progress on large account strategy

- First pilot order from global cloud operator (presence in >800 datacenters)
- Final rounds of vendor selection from larger accounts in both EMEA and Americas



Very high activity level in several regions

- Second best quarter for our business in APAC
- Continued expansion LATAM markets
- Continued high activity in Americas
- Improvements in EMEA



New product release well received in the market

- 34-degree ROADM and SoSmart 5.0 released in Q2
- Ordered prior to release
- Significantly improves relevance in regional networks
- Larger projects & customers



AI traffic demands additional growth driver

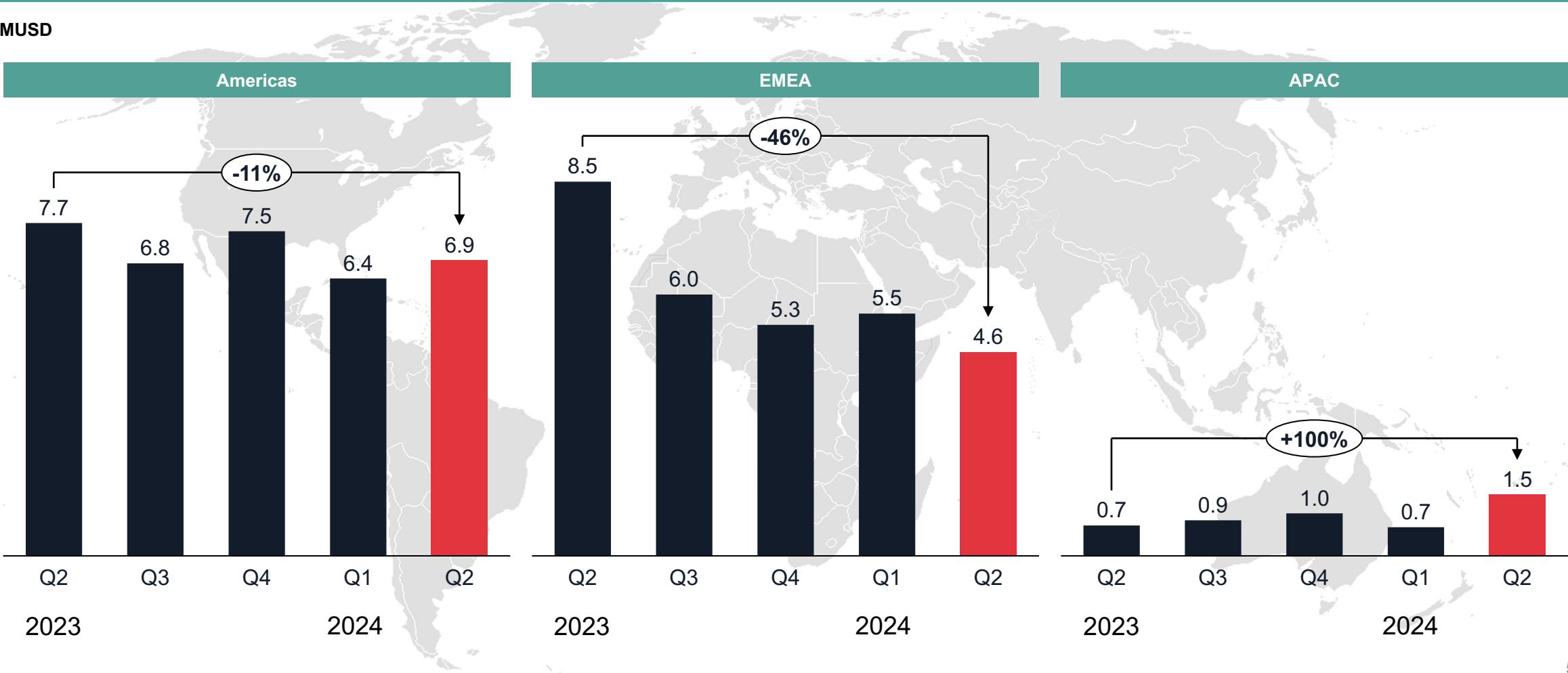
- Expected to drive demand for data center interconnect
- Additional driver to the ever growing demand for bandwidth in WAN networks

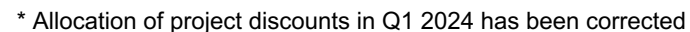


Q2'24 deep dive

Revenue decline compared to a very strong Q2 2023. Sequential growth quarter over quarter driven by solid APAC

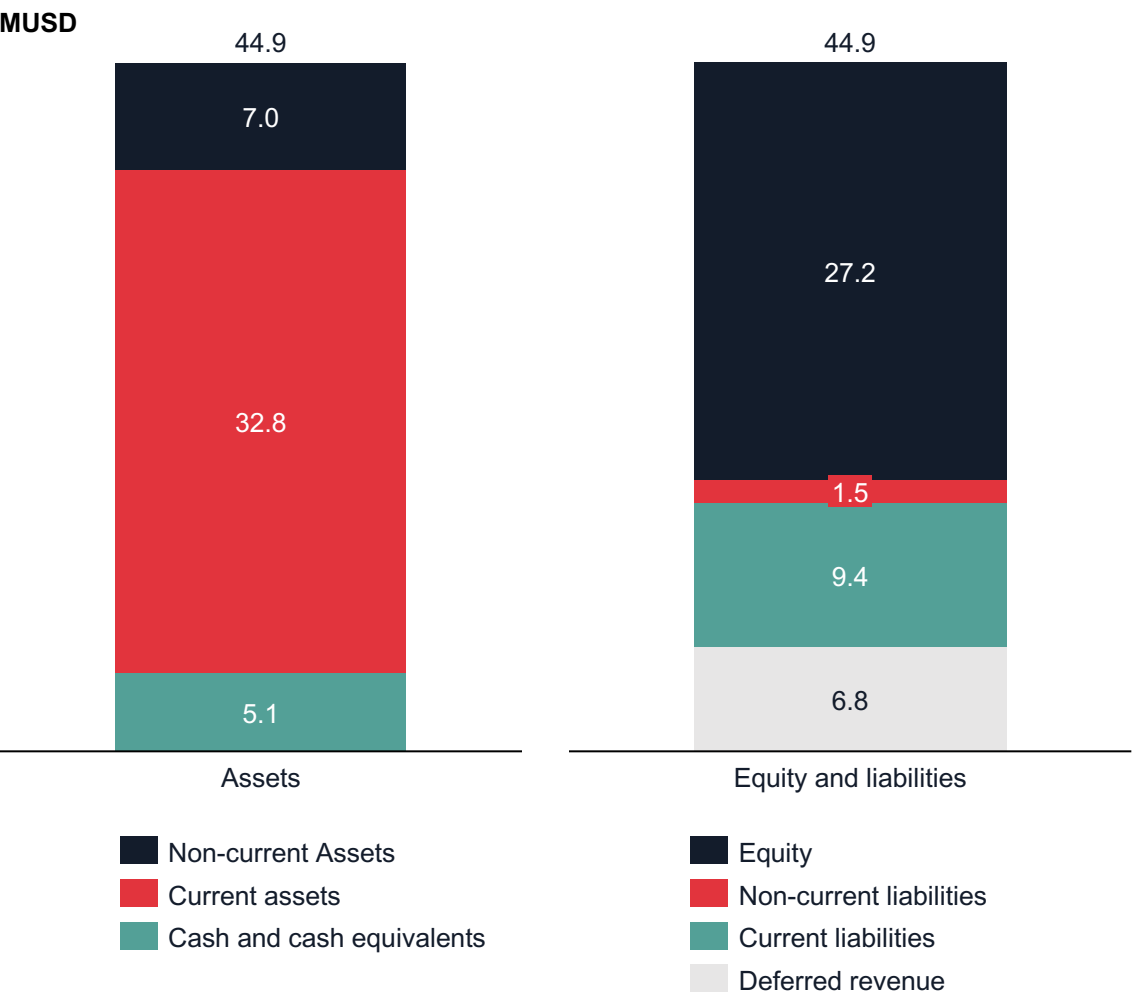
Revenue per region and quarter – Last 5 quarters



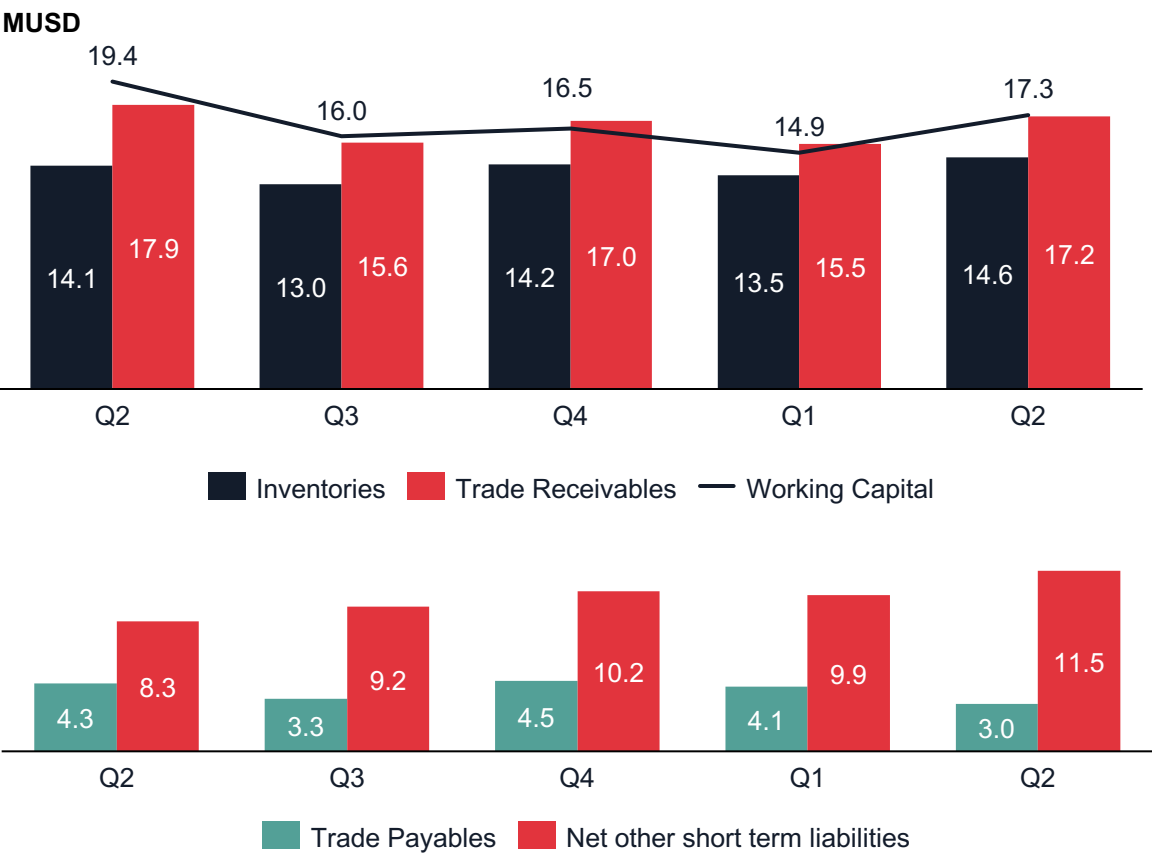
MUSD

Strong financial position

Balance sheet Jun 30, 2024



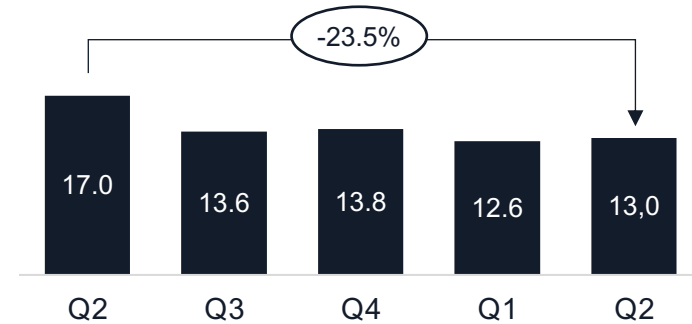
Working capital development past 5 quarters



Summary of Q2 financial performance

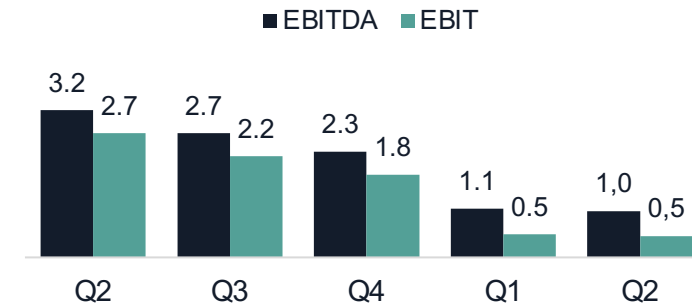
Revenue

MUSD



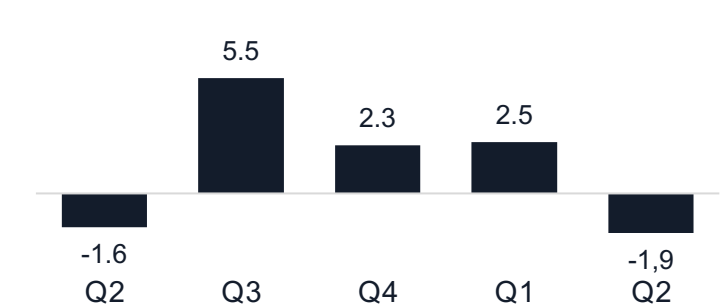
EBITDA & EBIT

MUSD

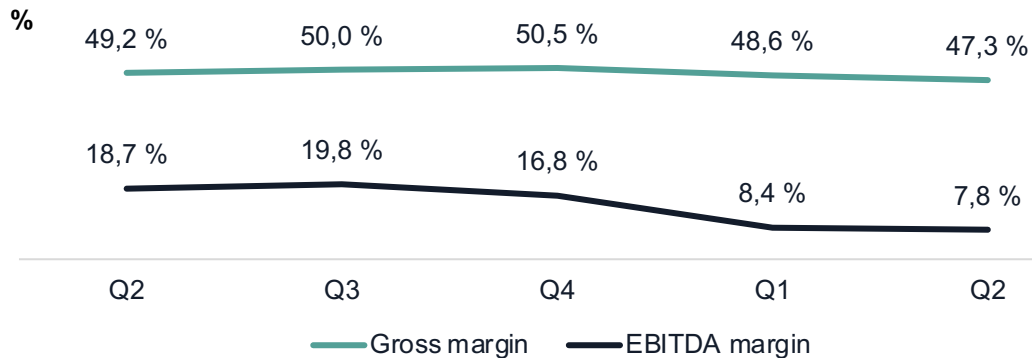


Operating cash flow

MUSD



Gross margin and EBITDA margin



Key takeaways

- Revenue decline 23.5%, compared with strong Q2 2023
- Continued, high gross margin
- Stable OPEX
- Acceptable EBIT
- Slightly lower operating cash flow mainly as a result of lower revenue and increased inventory

Long-term ambitions stay firm

	2024 Q2 RESULTS		LTM RESULTS		2025/2026 ASPIRATIONS
REVENUE	13.0 MUSD		53.1 MUSD		~100 MUSD
GROSS MARGIN	47.3%		49.1%		~45%
EBITDA MARGIN	7.8%		13.4%		~17-20%
EBIT MARGIN	3.6%		9.4%		~13-16%

Profit and Loss Statement

Profit and Loss Statement Q2 2024

Comments

Amounts in USD 1 000	2024 Q2	2023 Q2	2024 YTD	2023 YTD
Total revenue and other operating income	12 991	16 991	25 640	31 070
Direct cost of sales	-6 845	-8 637	-13 347	-15 577
Employee benefit expenses	-4 074	-3 889	-8 137	-7 390
Other operating expenses	-1 062	-1 285	-2 084	-2 320
Total operating expenses	-11 981	-13 810	-23 568	-25 287
Depreciation	-465	-386	-942	-738
Amortization of intangible assets	-79	-66	-161	-135
Total depreciation and amortization	-544	-452	-1 102	-872
Operating profit/(loss)	466	2 728	970	4 910
Financial income	0	2	2	2
Financial expenses	-69	-52	-170	-96
Net foreign exchange gains (losses)	-187	367	873	1 407
Net Finance Items	-256	316	705	1 312
Profit/(loss) before income tax	210	3 045	1 676	6 223
Estimated income tax	-89	-670	-435	-1 369
Profit/(loss) for the year	121	2 375	1 241	4 854
Shares outstanding (Basic)	97 794 244	96 286 593	97 142 790	192 573 186
Shares outstanding (Diluted)	97 794 244	97 415 655	97 706 585	194 665 931
				0
Earnings per share (Basic) USD	0.001	0.025	0.013	0.050
Earnings per share (Diluted) USD	0.001	0.024	0.013	0.050
Earnings per share (Basic) NOK	0.011	0.283	0.132	0.564
Earnings per share (Diluted) NOK	0.011	0.279	0.132	0.558

Cash Flow Statement

Cash Flow Statement Q2 2024

Comments

Amounts in USD 1 000	2024 Q2	2023 Q2	2024 YTD	2023 YTD
Cash flows from operating activities				
Profit/(loss) before income tax	210	3 045	1 676	6 223
Adjustments for				0
Taxes paid	0	0	0	-173
Depreciation and amortization	544	452	1 102	872
Interest	0	103	80	224
Change in inventory	-1 096	1 245	-429	1 300
Change in trade receivable	-1 752	-6 454	-288	-2 034
Change in contract liabilities (deferred revenue)	479	603	244	1 323
Change in trade payable	-1 097	-834	-1 443	-1 491
Change in other current assets and other liabilities	828	273	-376	-2 017
Interest received	0	2	2	2
Net cash inflow from operating activities	-1 883	-1 565	569	4 229
				0
Net cash (outflow) from investing activities	-650	-951	-1 285	-1 343
				0
Net cash inflow from financing activities	-4 108	-4 720	-3 130	-5 011
				0
Net increase/(decrease) in cash and cash equivalents	-6 641	-7 237	-3 846	-2 125
Cash and cash equivalents at the beginning of period	11 488	10 419	9 321	5 660
Effects of exchange rate changes on cash and cash equivalents	242	-264	-387	-617
Cash and cash equivalents at the end of period	5 089	2 917	5 089	2 917

Balance Sheet

Balance Sheet Jun 30, 2024

Amounts in USD 1 000	2024 Q2	2023 Q2
Intangible assets	1 433	1 287
Property, plant and equipment	2 969	2 876
Right of use assets	1 545	1 699
Noncurrent receivables against related party	-	-
Deferred tax assets	1 018	1 002
Total Non Current Assets	6 965	6 864
Inventories	14 627	13 532
Trade receivable	17 241	15 489
Receivables to related party	0	0
Other current assets	935	1 047
Cash and cash equivalents	5 089	11 488
Total Current Assets	37 893	41 556
TOTAL ASSETS	44 858	48 419

Amounts in USD 1 000	2024 Q2	2023 Q2
Share capital	184	180
Share premium	13 992	13 060
Other paid in capital	20	19
Foreign currency translation reserves	428	441
Retained earnings	12 557	17 122
Total Equity	27 182	30 822
Lease liabilities (noncurrent portion)	909	1 075
Contract liabilities (noncurrent deferred revenue)	3 666	3 322
Other noncurrent liabilities	589	699
Total noncurrent liabilities	5 165	5 096
Lease liabilities (current portion)	707	694
Trade payable	3 040	4 137
Contract liabilities (deferred revenue)	3 140	3 006
Current tax liabilities	2 954	2 689
Other current liabilities	2 670	1 975
Total current liabilities	12 511	12 501
Total Liabilities	17 676	17 597
TOTAL EQUITY AND LIABILITIES	44 858	48 419

Thank you