

An aerial night photograph of a coastline, likely in the Arctic or Antarctic region, showing snow-covered land and dark water. The sky is a deep blue with many stars. Overlaid on the image are several semi-transparent red circles of various sizes, some of which contain a textured, wavy pattern. The text 'Q3 REPORT 2025' is in the bottom left corner.

Q3 REPORT 2025

Q3 REPORT 2025

THIRD QUARTER HIGHLIGHTS

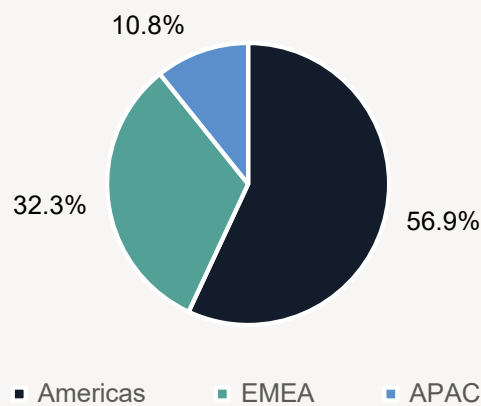
- Revenue of USD 19.0 million, an increase of 46.2% in Q3 2025 vs Q3 2024
- Gross margin of 49.5% compared to 47.4% same period 2024
- EBITDA of USD 2.4 (1.1) million
- Operating profit (EBIT) of USD 1.6 (0.5) million, equivalent to an operating margin of 8.5% (3.8%)
- Profit & loss for the period amounted to USD 1.4 (0.5) million
- All time high revenues in quarter, continued strong underlying demand in market
- US leading the way, with strong growth in all business areas
- Strong EBITDA, including cost from uplisting of USD 735k. Excluding these non-recurring costs, the EBITDA would have been 16.5% in the quarter (13.2% 9M)

Amounts in USD 1,000	2025 Q3	2024 Q3	Change	2025 9M	2024 9M	Change
	Jul - Sep	Jul - Sep		Jan - Sep	Jan - Sep	
Revenue	19 000	12 994	46.2%	52 027	38 634	34.7%
Gross profit	9 413	6 158	52.9%	25 279	18 453	37.0%
Gross margin	49.5%	47.4%	2.1 p.p	48.6%	47.8%	0.8 p.p
EBITDA	2 389	1 073	122.7%	6 161	3 145	95.9%
EBITDA margin	12.6%	8.3%	4.3 p.p	11.8%	8.1%	3.7 p.p
Operating profit (EBIT)	1 610	498	223.2%	4 030	1 468	174.5%
Operating margin (EBIT margin)	8.5%	3.8%	4.6 p.p	7.7%	3.8%	3.9 p.p
Profit & loss for the period	1 374	537	155.9%	1 879	1 778	5.7%
Basic earnings per share NOK	0.139	0.058	138.9%	0.188	0.190	-0.8%
Diluted earnings per share NOK	0.139	0.058	138.9%	0.188	0.190	-0.7%
Basic earnings per share USD	0.014	0.005	155.9%	0.019	0.018	5.3%
Diluted earnings per share USD	0.014	0.005	155.9%	0.019	0.018	5.4%
Operating cash flow	-425	5 605		1 719	6 174	
Employees (FTEs)	134	124	10	132	120	11

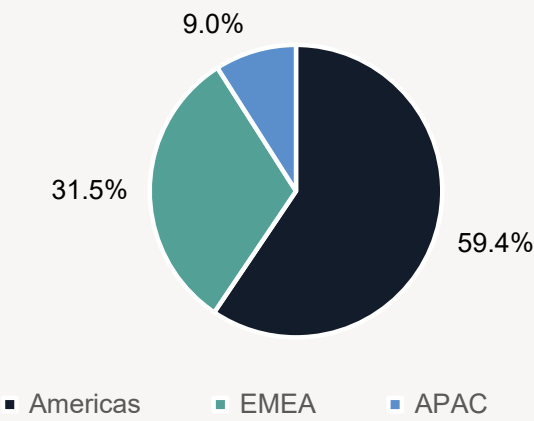
Q3 REPORT 2025

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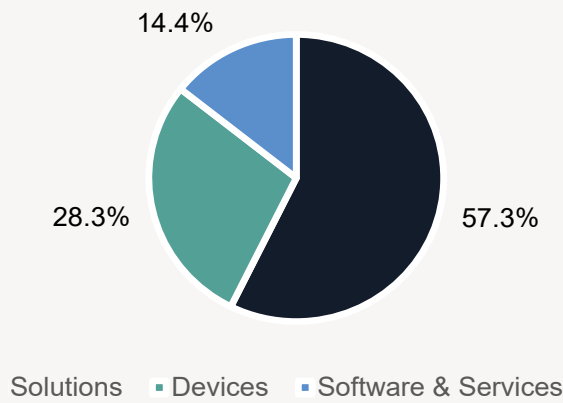
GEOGRAPHICAL SPLIT Q3 2025



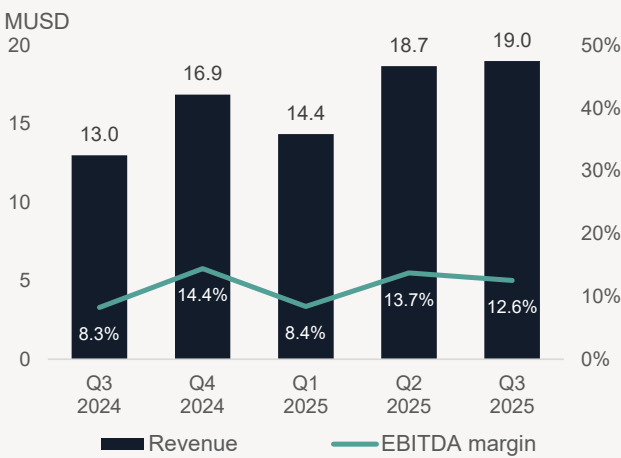
GEOGRAPHICAL SPLIT 9M 2025



BUSINESS AREA SPLIT Q3 2025



REVENUE & EBITDA LAST FIVE QUARTERS



CEO COMMENTS

Smartoptics continues to deliver strong results aligned with our long-term growth strategy, and I am proud of the team's dedication and agility in navigating a fast-evolving market. Our growth demonstrates that our business model is strong, scales and wins market share in a changing industry landscape, increasingly driven by AI infrastructure investments.

In Q3 2025, we achieved an all time high revenue of USD 19.0 million, a 46 percent year-on-year increase. This performance not only surpasses our Q2 results but also represents our second consecutive quarter of record-high revenue.

Our scalable business model is driving improved profitability. Gross margin for the quarter reached 49.5 percent, up from 47.4 percent in the same period last year. Despite non-recurring costs related to our uplisting to Euronext Oslo Børs, we delivered an EBITDA margin of 12.6 percent, up from 8.3 percent in the third quarter last year. Excluding these costs, our EBITDA margin stood at 16.5 percent, the highest since Q4 2023. Our reported EBIT margin was 8.5 percent, up from 3.8 percent year on year.

This momentum reflects continued investment appetite across our customer segments, particularly related to data centers, where the strong demand is related to the rapid adoption of AI technologies. We are proud to have secured orders from leading neo-scalers and large operators across EMEA and the US, validating our strategic focus on building a competitive offering for larger accounts. We believe that we are in an early phase of network modernization, required to support emerging AI infrastructure demands. Our open, cost-efficient and software-defined optical solutions suites this emerging market well.

We are seeing strong growth in all product areas in the company. This growth is strategic, and mainly driven by our range of high performance new-generation products launched in 2024 and 2025. Having said that, we are pleased to see that our investments in product area Optical Devices are driving momentum.

Following our Q2 2025 update, we reaffirm our ambition to increase our market share in key markets with two to three times. Our confidence is grounded in the strength of our flexible, best-in-class solutions, our attractive modern software suite, growing traction among large accounts, and our agility as a mid-sized industry challenger.



Magnus Grenfeldt, CEO Smartoptics Group AS

Looking ahead, we remain committed to four key growth drivers:

- Strengthening capabilities to serve large accounts, including major operators and hyperscalers
- Expanding into emerging markets
- Harnessing software automation and AI to boost efficiency and unlock new revenue streams
- Disciplined exploration of strategic M&A opportunities to accelerate scale

In the third quarter, we uplisted Smartoptics to the main board of Euronext Oslo Børs. This was a milestone for Smartoptics, bringing increased visibility, deeper liquidity, and access to a broader international investor base.

Wrapping up, we would like to reiterate our positive business momentum and our goal for the 2026-2030 period of growing our market share with two to three times in relevant markets with an EBIT margin in the range of 13-16 percent, backed by our scalable model, increasing operational leverage, and prudent capital discipline.

For further information, please contact:

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FINANCIAL REVIEW

Q3 2025

REVENUE

Revenue increased by 46.2% in Q3 2025 to USD 19.0 million compared to USD 13.0 million in Q3 2024, mainly related to strong Solutions and Devices sales in the Americas.

Revenue in Americas increased by 88.5% to USD 10.8 (5.7) million. Revenue in EMEA was flat to USD 6.1 (6.2) million. In APAC, revenue increased by 85.5% to USD 2.0 (1.1) million.

Revenue split by business area for the quarter was Solutions 57.3% (56.1%), Devices 28.3% (28.5%) and Software & Services 14.4% (15.4%).

GROSS PROFIT

Gross profit in Q3 2025 amounted to USD 9.4 (6.2) million, resulting in a gross margin of 49.5% (47.4%).

OPERATING EXPENSES

Employee benefit expenses amounted to USD 5.0 (4.0) million in Q3 2025. The average number of employees (FTE) increased from 124 to 134 during the same period. The increase was primarily due to new hires, inflation, and movements in the USD exchange rate.

Other operating expenses amounted to USD 2.2 (1.3) million, including non-recurring costs of USD 0.7 million related to the company's uplisting to Euronext Oslo Børs on August 28, 2025.

EBITDA AND OPERATING PROFIT

EBITDA amounted to USD 2.4 (1.1) million in Q3 2025, corresponding to an EBITDA margin of 12.6% (8.3%). The improvement compared to last year was mainly driven by higher revenue volumes and an improved gross margin.

Operating profit amounted to USD 1.6 (0.5) million, representing an operating margin of 8.5% (3.8%). Both the EBITDA margin and the operating margin were negatively affected by 3.9 percentage points due to non-recurring costs related to the uplisting to Euronext Oslo Børs in the quarter.

NET FINANCIAL ITEMS

Interest payments and foreign exchange gains/-losses are the main components of Net financial items.

The group has a natural hedge in having both Revenue and Direct cost of sales to a very large extent in USD.

CASH FLOW

Operating cash flow amounted to USD -0.4 (5.6) million in Q3 2025, mainly reflecting an increase in inventory and other working capital movements.

Net cash flow for the quarter was USD -1.5 (3.7) million, resulting in a closing cash balance of USD 1.7 million at the end of the period.

BORROWINGS

The Group has two loans from Innovasjon Norge totaling USD 0.5 million. The loans are repaid on a quarterly basis and will be fully repaid by Q3 2026.

In addition, the Group has a credit facility with Nordea amounting to NOK 75 million (USD 7.4 million) and a current loan of USD 0.1 million scheduled to be fully repaid by Q2 2026. As of September 30, 2025, the credit facility with Nordea was not utilized.

CURRENCY

The Group experienced increased foreign exchange volatility during the past year. The impact was mainly reflected in employee benefit expenses.

The Group's market is largely USD-denominated, as both component purchases and product sales are predominantly conducted in USD, while more than half of employee benefit expenses and other operating expenses are incurred in SEK. This currency mix exposes the Group to fluctuations primarily between USD and SEK.

OUTLOOK

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

DIVIDEND POLICY

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

FINANCIAL STATEMENTS

CONSOLIDATED PROFIT AND LOSS STATEMENT

Consolidated statement of profit or loss		2025 Q3	2024 Q3	2025 9M	2024 9M
Amounts in USD 1.000	Notes	Jul - Sep	Jul - Sep	Jan - Sep	Jan - Sep
Revenue from contracts with customers	1,2	19 000	12 968	52 026	38 607
Other operating income		-	26	0	27
Total revenue and other operating income	1,2	19 000	12 994	52 027	38 634
Direct cost of sales		- 9 586	- 6 835	- 26 748	- 20 180
Employee benefit expenses		- 4 823	- 3 772	- 14 503	- 11 911
Other operating expenses		- 2 202	- 1 314	- 4 615	- 3 397
Total operating expenses		- 16 611	- 11 921	- 45 865	- 35 488
Depreciation	7	- 619	- 495	- 1 728	- 1 437
Amortization of intangible assets	7	- 160	- 80	- 403	- 240
Total depreciation and amortization	7	- 778	- 575	- 2 132	- 1 677
Operating profit/(loss)		1 610	498	4 030	1 468
Financial income	4	29	1	163	3
Financial expenses	4	48	-72	-173	-242
Net foreign exchange gains (losses)	4	73	311	-1 510	1 185
Net financial items	4	150	240	-1 520	946
Profit/(loss) before income tax		1 761	738	2 509	2 414
Income tax		-386	-201	-631	-636
Profit/(loss) for the period		1 374	537	1 879	1 778

Earnings per share in USD					
Basic earnings per share		0.014	0.005	0.019	0.018
Diluted earnings per share		0.014	0.005	0.019	0.018
Weighted average number of shares					
Basic		98 045 518	98 045 518	98 045 518	97 471 055
Diluted		98 045 518	98 045 518	98 045 518	97 819 563

Consolidated statement of comprehensive income					
Profit/(loss) for the year		1 374	537	1 879	1 778
Other comprehensive income:					
<i>Items that might be subsequently reclassified to profit or loss:</i>					
Exchange differences on translation of foreign operations		-108	-176	-137	-159
<i>Item that are not reclassified to profit or loss:</i>					
Exchange differences on translation to another presentation currency		363	401	3 486	-1 381
Total comprehensive income for the year		1 629	762	5 228	238
Total comprehensive income is attributable to:					
Owners of the parent company		1 629	762	5 228	238

CONSOLIDATED STATEMENT FINANCIAL POSITION

Consolidated statement of financial position		30.09.2025	31.12.2024	30.09.2024
Amounts in USD 1.000	Notes			
Assets				
Non-current assets				
Intangible assets	3,7	2 791	1 914	1 607
Property, plant and equipment	6,7	3 627	3 006	3 534
Right-of-use assets		809	1 205	1 500
Deferred tax assets		1 590	955	1 032
Total non-current assets		8 818	7 080	7 673
Current assets				
Inventories		20 025	12 615	14 559
Trade receivable		19 025	19 864	14 740
Other current assets		1 218	1 374	1 316
Cash and cash equivalents		1 660	7 972	8 963
Total current assets		41 928	41 826	39 579
Total assets		50 746	48 906	47 253
Equity and liabilities				
Equity				
Share capital		196	173	187
Share premium		14 914	13 121	14 182
Other paid in capital		-	-	-
Foreign currency translation reserves		156	294	253
Retained earnings		12 755	14 866	13 324
Total equity		28 023	28 454	27 944
Non-current liabilities				
Lease liabilities (non-current portion)		295	277	784
Contract liabilities (non-current portion)	2	5 360	4 939	4 251
Borrowings (non-current portion)		-	539	436
Total non-current liabilities		5 655	5 755	5 471
Current liabilities				
Lease liabilities (current portion)		567	730	789
Trade payable		6 011	5 048	4 167
Contract liabilities (current portion)	2	5 770	4 030	3 242
Tax payable		627	1 118	1 127
Public duties payable (VAT, Tax)		950	1 057	1 762
Other current liabilities		3 144	2 713	2 751
Total current liabilities		17 068	14 697	13 838
Total liabilities		22 723	20 451	19 309
Total equity and liabilities		50 746	48 906	47 253

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity	Share capital	Share premium	Other paid in capital	Translation difference reserves	Retained earnings	Total equity
Amounts in USD 1.000						
Equity at 1 January 2024	189	12 404	20	411	17 023	30 048
Profit/(loss) for the period					1 778	1 778
Exchange differences on translation of foreign operation				-159		-159
Exchange differences on translation to another presentation currency	-6	-327	0		-1 046	-1 379
Total comprehensive income/(loss) for the period	-6	-327	0	-159	732	239
Issuance of ordinary shares	3	2 104				2 107
Reclassification			-20		20	0
Dividend					-4 449	-4 449
Equity at 30 September 2024	187	14 182	0	251	13 325	27 945
Equity at 1 January 2025	173	13 121		294	14 867	28 454
Profit/(loss) for the period					1 879	1 879
Exchange differences on translation of foreign operation				-137		-137
Exchange differences on translation to another presentation currency	24	1 793			1 669	3 486
Total comprehensive income/(loss) for the period	24	1 793		-137	3 548	5 228
Dividend					-5 660	-5 660
Equity at 30 September 2025	196	14 914		157	12 755	28 023

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



CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement		2025 Q3	2024 Q3	2025 9M	2024 9M
Amounts in USD 1.000	Notes	Jul - Sep	Jul - Sep	Jan - Sep	Jan - Sep
Cash flows from operating activities					
Profit/(loss) before income tax		1 761	738	2 509	2 414
<i>Adjustments for:</i>					
Taxes paid		-162	-	-1 140	-
Depreciation and amortization	7	778	575	2 132	1 677
Net interest expense		30	-	10	-
Change in inventory		-3 248	68	-7 411	-361
Change in trade receivable		798	2 500	839	2 213
Change in contract liabilities (deferred revenue)		448	686	2 160	930
Change in trade payable		-1 697	1 127	963	-316
Change in other current assets and other liabilities	5	838	-89	1 492	-382
Interest received		29	-	163	-
Net cash from operating activities		-425	5 605	1 719	6 174
Cash flows from investing activities					
Payment for property, plant and equipment		-484	-768	-1 246	-1 645
Payment for development cost	7	-193	-708	-654	-1 116
Payment for other intangible assets		-32	-	-330	-
Net cash from investing activities		-707	-1 476	-2 228	-2 761
Cash flows from financing activities					
Proceeds from issuance of ordinary shares		-	-	-	2 107
Dividend		-	-	-5 660	-4 449
Repayment of borrowing		-39	-145	-314	-400
Paid interest		-59	-57	-173	-191
Repayments of lease liabilities		-237	-194	-691	-592
Net cash from financing activities		-336	-395	-6 838	-3 525
Net increase/(decrease) in cash and cash equivalents		-1 467	3 734	-7 347	-112
Cash and cash equivalents beginning of period		3 064	5 089	7 972	9 321
Effects of exchange rate changes on cash and cash equivalents		62	140	1 033	-248
Cash and cash equivalents end of period		1 659	8 963	1 659	8 963

SHARE INFORMATION

TABLE OF THE 20 LARGEST SHAREHOLDERS AS 30TH OF SEPTEMBER 2025

#	Shareholders	Holding	Stake
1	Coretech AS	31 783 599	32.42 %
2	Kløvingen AS	15 850 429	16.17 %
3	K-Spar Industrier AS	6 500 000	6.63 %
4	Handelsbanken Fonder	3 295 000	3.36 %
5	Janus Henderson Investors	2 857 666	2.91 %
6	DNB Asset Management	2 837 500	2.89 %
7	Altitude Capital AS	2 700 000	2.75 %
8	Avanza Bank AB	2 553 851	2.60 %
9	Danske Invest	2 377 354	2.42 %
10	Nordnet Bank AB	2 166 815	2.21 %
11	Magnus Grenfeldt	1 857 489	1.89 %
12	Toluma Norden AS	1 851 929	1.89 %
13	Mirabaud Asset Management	1 637 955	1.67 %
14	Swedbank Robur Fonder	1 516 532	1.55 %
15	Schroders	1 402 462	1.43 %
16	John Even Øveraasen	1 100 000	1.12 %
17	Rasmussengruppen AS	1 050 000	1.07 %
18	Varner AS	963 391	0.98 %
19	AS Clipper	963 391	0.98 %
20	First Fondene	826 422	0.84 %
	Others	11 953 733	12.19 %
Total number of shares		98 045 518	100.00 %

NOTES

GENERAL

These interim condensed consolidated financial statements for the period ended 30 September 2025, have been prepared in accordance with IAS 34 Interim Financial Reporting and are unaudited. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for 2024, prepared in accordance with International Financial Reporting Standards (IFRS). The same accounting principles and methods of calculation have been applied as in the financial statements for 2024 for the Group.

Smartoptics Group ASA' consolidated financial statements as at 31 December 2024 were approved at the Board of Directors' meeting on 10 April 2025. The Group's condensed consolidated financial statements as at 30 September 2025 were approved at the Board of Directors' meeting on 28 October 2025.

EXCHANGE RATES

The interim financial statements are consolidated in NOK and translated to the presentation currency USD. For the Profit and Loss statement the monthly average exchange rate published by Norges Bank is used. For the balance sheet, the monthly ending exchange rate is used.

NOTE 1 - REVENUE SPLIT

Revenue split by geography	Q3 2025	Q3 2024
Amounts in USD 1,000		
Americas	10 818	5 739
EMEA	6 138	6 152
APAC	2 044	1 102
Total	19 000	12 993

Revenue split by Business Area	Q3 2025	Q3 2024
Amounts in USD 1,000		
Solutions	10 891	7 287
Devices	5 382	3 707
Software & Services	2 727	2 000
Total	19 000	12 993

NOTE 2 - DEFERRED REVENUE

Service revenues are invoiced in advance and covers a contract period of typically 3 months to 6 years. The service revenue is recognized during the contract period. "Current Deferred Revenue" will be recognized within the next 12 months.

Deferred Revenue	Sep 30. 2025	Sep 30. 2024
Amounts in USD 1,000		
Contract Liabilities (Current)	5 770	3 242
Contract Liabilities (Non-current)	5 360	4 251
Total Contract Liabilities	11 130	7 493

NOTE 3 – RESEARCH AND DEVELOPMENT

Expenditures on development activities are capitalized if certain conditions are fulfilled. Capitalized development includes costs directly attributable to development of the intangible asset, such as personnel expenses and consultancy services. Otherwise, such expenses are expensed as and when incurred. The intangible assets are amortized over 5 years.

Smartoptics has been approved government grants for two development projects during 2025. The grant is recognized in the Profit and Loss statement as a reduction of payroll cost or as a reduction of capitalized development cost depending on the underlying accounting treatment of the cost that the grant is intended to cover.

NOTE 4 – FINANCIAL ITEMS

Currency effects come from the cash position, which is made of NOK, SEK and USD, Trade Receivables and Trade Payable which is predominantly in USD.

NOTE 5 – OTHER WORKING CAPITAL CHANGES

Other working capital changes relates to pre-payments of certain components, inventory and pay-out of variable compensation related to Q2 2025.

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT SPLIT

Property, plant and equipment	Sep 30. 2025	Sep 30. 2024	Change
Amounts in USD 1,000			
R&D equipment	2 146	1 483	663
Production equipment	224	235	-11
Office & warehouse furniture and fixtures	458	842	-384
Demo pool equipment	799	974	-176
Total	3 626	3 534	92

NOTES

NOTE 7 – DEPRECIATION AND AMORTIZATION SPLIT

Fixed assets are depreciated over a period of 3 to 5 years. There is no goodwill in the group.

Depreciation and amortization	Q3 2025	Q3 2024
Amounts in USD 1,000		
Property, plant and equipment	410	318
Product development	160	80
Right of use assets / leasing	209	177
Total	778	575

NOTE 8 – SIGNIFICANT EVENTS DURING THE PERIOD

Smartoptics has signed a new lease agreement for office space in Kista amounting to 68 MSEK during a term of seven (7) years. The agreement is conditional upon the landlord completing the premises according to the company's specifications. In accordance with IFRS 16, future lease obligations will be recognized on the balance sheet from the date the premises are made available to the company, which is expected to occur in 2026.



ALTERNATE PERFORMANCE MEASURES (APM'S)

GROSS PROFIT

Total revenue and other operating income deducted with direct cost of sales

Amounts in USD 1,000	2025 Q3	2024 Q3	2025 9M	2024 9M
Total revenue and other operating income	19 000	12 994	52 027	38 634
Direct cost of sales	9 586	6 835	26 748	20 180
Gross profit	9 413	6 159	25 279	18 454

GROSS MARGIN

Gross profit divided by total revenue and other operating income

Amounts in USD 1,000	2025 Q3	2024 Q3	2025 9M	2024 9M
Total revenue and other operating income	19 000	12 994	52 027	38 634
Gross profit	9 413	6 159	25 279	18 454
Gross margin	49.5 %	47.4 %	48.6 %	47.8 %

EBITDA

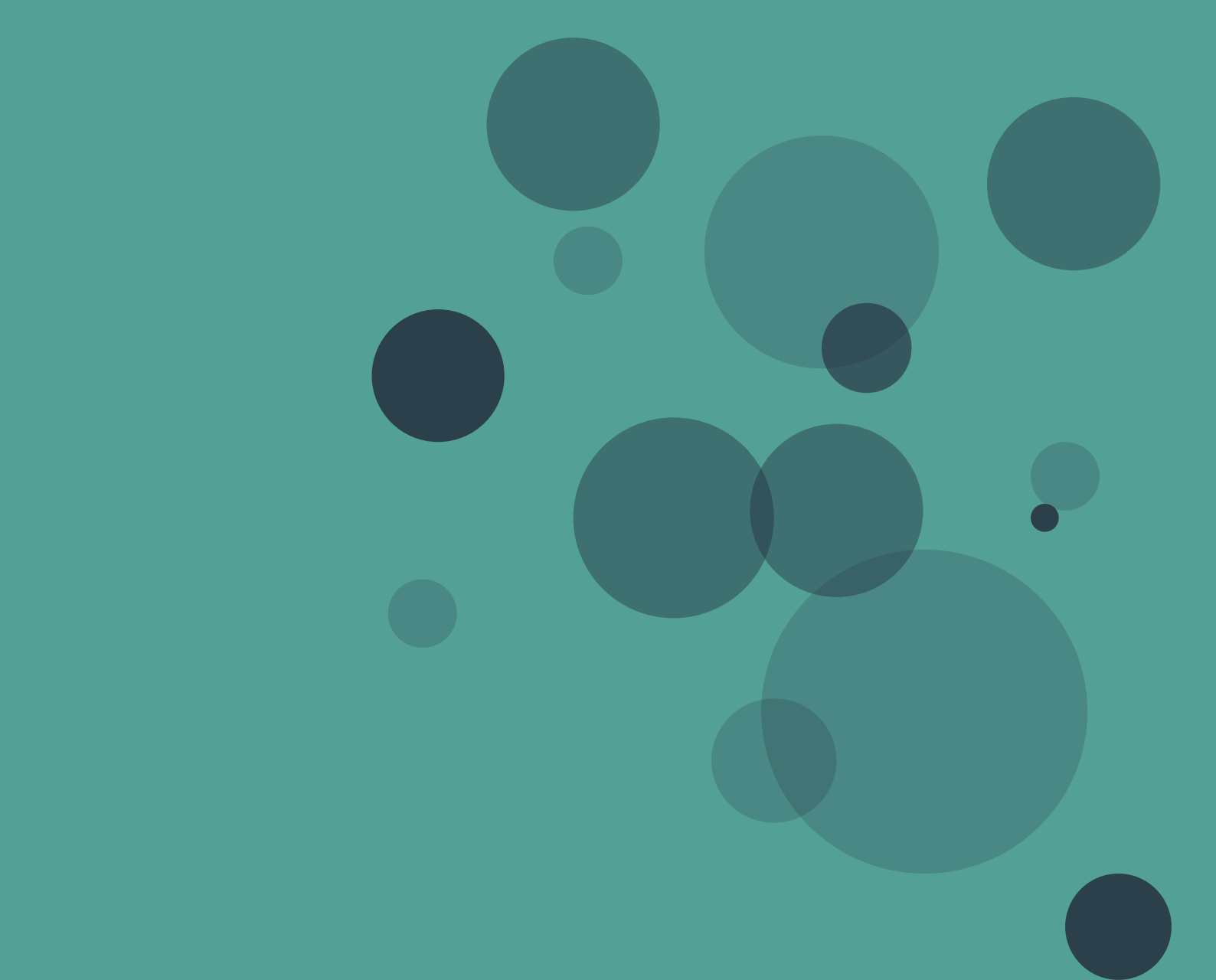
Operating profit/(loss) adjusted for total depreciation and amortization

Amounts in USD 1,000	2025 Q3	2024 Q3	2025 9M	2024 9M
Operating profit/(loss)	1 610	498	4 030	1 468
Total depreciation and amortization	778	575	2 132	1 677
EBITDA	2 389	1 073	6 161	3 146

EBITDA MARGIN

EBITDA divided by total revenue and other operating income

Amounts in USD 1,000	2025 Q3	2024 Q3	2025 9M	2024 9M
EBITDA	2 389	1 073	6 161	3 146
Total revenue and other operating income	19 000	12 994	52 027	38 634
EBITDA margin	12.6 %	8.3 %	11.8 %	8.1 %



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