



Q2 REPORT 2026

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SECOND QUARTER HIGHLIGHTS

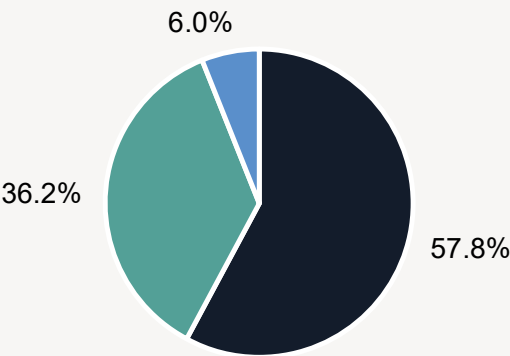
- Revenue of USD 28.9 million, an increase of 54.6% in Q2 2026 vs Q2 2025
- Gross margin of 46.1% (48.6%)
- EBITDA of USD 4.5 (2.6) million equivalent to an EBITDA margin of 15.5% (13.7%), driven by strong revenue growth
- Operating profit (EBIT) of USD 3.6 (1.8) million, equivalent to an operating margin (EBIT margin) of 12.5% (9.8%)
- Operating cash flow of USD 0.9 (-0.5) million despite a strategic inventory build-up of USD 2.9 million to support future growth and customer deliveries
- Strong momentum and progress in large account strategy in a market growing significantly faster than previously expected
- Strong growth in Europe with more than doubled revenue to USD 10.4 million. Growth increasingly broad-based across underlying bandwidth demand, with a growing contribution from indirect hyperscale and AI data center business

Amounts in USD 1,000	2026 Q2	2025 Q2	Change	2026 6M	2025 6M	Change
	Apr - Jun	Apr - Jun		Jan - Jun	Jan - Jun	
Total Revenue	28 862	18 672	54.6%	51 775	33 027	56.8%
Gross Profit	13 296	9 080	46.4%	24 330	15 866	53.3%
Gross margin %	46.1%	48.6%	-2.6 p.p	47.0%	48.0%	-1.0 p.p
EBITDA	4 469	2 565	74.2%	7 145	3 773	89.4%
EBITDA %	15.5%	13.7%	1.7 p.p	13.8%	11.4%	2.4 p.p
Operating Profit (EBIT)	3 615	1 829	97.7%	5 425	2 420	124.2%
Operating Margin % (EBIT margin)	12.5%	9.8%	2.7 p.p	10.5%	7.3%	3.2 p.p
Net profit after tax	2 782	440	532.2%	3 017	504	498.1%
Basic earnings per share NOK	0.272	0.039	595.8%	0.295	0.050	492.4%
Diluted earnings per share NOK	0.272	0.039	595.8%	0.295	0.050	492.4%
Basic earnings per share USD	0.028	0.004	532.2%	0.031	0.005	498.1%
Diluted earnings per share USD	0.028	0.004	532.2%	0.031	0.005	498.1%
Operating cash flow	856	-547		3 090	2 144	
Full Time Equivalents (FTEs)	160	132	27	156	131	26

Q2 REPORT 2026

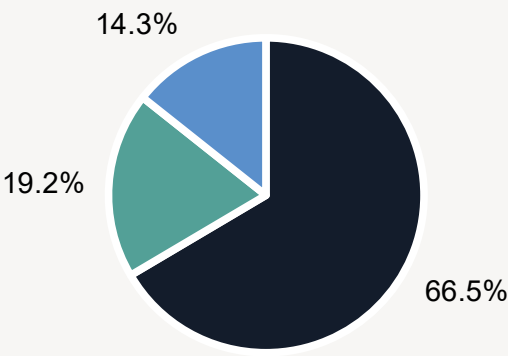
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GEOGRAPHICAL SPLIT Q2 2026

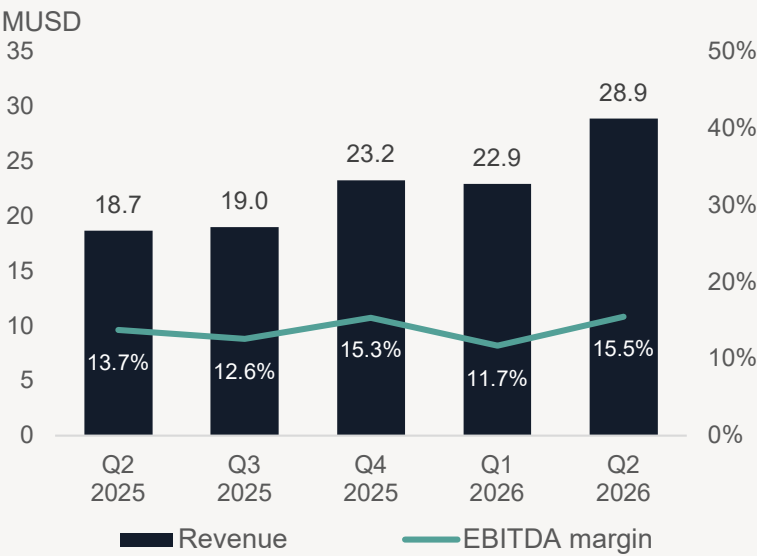


■ Americas ■ EMEA ■ APAC

BUSINESS AREA SPLIT Q2 2026



■ Solutions ■ Devices ■ Software & Services



CEO COMMENTS

We delivered yet another all-time high quarterly result, with revenue growing approximately 55 percent year-on-year while maintaining an EBITDA margin of 15.5 percent while continuing to invest in growth initiatives. The performance reflects increasing customer activity across our key markets, large account wins, growing adoption of our solutions, and continued progress against our strategy to expand Smartoptics' role in next-generation optical networks.

The underlying market environment remains highly supportive. Demand for optical networking infrastructure continues to be driven by sustained growth in global data traffic and accelerating investments in AI infrastructure. As AI workloads become increasingly distributed and data-intensive, networks require greater capacity, longer reach and higher level of automation. Optical transport networks are becoming an even more critical part of the digital infrastructure stack.

Over the past several years, we have invested systematically in strengthening our technology platform and expanding our product portfolio. These investments have broadened the markets we can serve and increased the range of customer applications we can address. As a result, we are increasingly participating in opportunities that require higher capacity, longer reach and more advanced software capabilities. In particular, our expanded capabilities now extend beyond our historical metro focus into long-haul WDM applications — a shift that materially broadens our addressable market.

This development creates a significantly larger opportunity for Smartoptics. Historically, our business has been centred around the metro optical networking market, representing an addressable market of approximately USD 5 billion. Today, our technology roadmap and investment programme provide a clear path towards addressing a substantially larger opportunity of approximately USD 11.5 billion across both metro and long-haul WDM applications, supported by growing demand for AI-ready network infrastructure and higher-capacity optical transport solutions. Industry forecasts indicate that this combined addressable market could reach approximately USD 14 billion by 2029.

Importantly, our confidence in this opportunity is not based solely on market growth. Over the past sever-



al years, Smartoptics has consistently outperformed the underlying market and steadily strengthened its position within our core segments. This trend has continued into 2026, supported by strong customer demand, increasing traction with larger accounts and growing adoption of our solutions in both existing and new applications. While we remain a relatively small player in a large market, our proven ability to gain market share gives us confidence in both our strategy and our long-term growth potential.

To support our growth ambitions, we continue to prioritize supply chain resilience and product availability over short-term working capital optimization. This has resulted in higher inventory levels during the quarter, while operating cash flow remained positive. We believe this positions Smartoptics to better serve customers, capture new business opportunities and support sustainable long-term growth.

The significant expansion of our addressable market reinforces our commitment to continued investment. We are further strengthening our portfolio through investments in higher-capacity solutions, longer-reach applications, software and automation capabilities that increase our relevance across a broader set of customer opportunities. As the optical networking market evolves, we believe these investments position Smartoptics to extend its track record of market share gains and compete for an increasing share of a substantially larger market opportunity.

CEO COMMENTS CONTINUED

Customer demand continues to move in our favour, with network operators increasingly seeking open, interoperable architectures that provide greater flexibility, faster innovation cycles and lower total cost of ownership. This aligns closely with Smartoptics' value proposition and supports opportunities across both existing and new customer segments, including AI infrastructure, data centre interconnect and higher-capacity optical transport networks.

As we continue to build our position in this larger market opportunity, growth remains our primary focus. We see meaningful opportunities to increase our market presence through continued investments and disciplined execution. At the same time, we see substantial long-term operating leverage in the business model. Over time, higher scale, an increasingly attractive product and customer mix, and a growing contribution from software and automation solutions are expected to support improved profitability and cash generation.

Against this backdrop, we are introducing updated financial aspirations for the next stage of Smartoptics' development. We see the potential to grow revenue to USD 300 to well above 400 million over time, corresponding to average annual growth exceeding 25 percent from 2026, while targeting an EBIT margin above 16 percent in the second half of the planning period, with additional upside potential as the busi-

ness reaches greater scale. These ambitions reflect the combination of a significantly larger addressable market, a proven ability to gain market share, and continued disciplined investments to strengthen our position in attractive segments of the optical networking market.

While market conditions and quarterly performance may fluctuate, our long-term direction is clear. The investments we have made over recent years have significantly expanded our opportunity and the investments we continue to make are intended to position Smartoptics for the next phase of growth. We believe the combination of a substantially larger addressable market, a differentiated technology platform and strong structural growth drivers provides a compelling foundation for long-term value creation for customers, employees and shareholders.

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FINANCIAL REVIEW

Q2 2026

REVENUE

Revenue increased by 54.6% in Q2 2026 to USD 28.9 million compared to USD 18.7 million in Q2 2025, mainly related to strong Solutions sales in the Americas and EMEA.

Revenue in the Americas increased by 35.6% to USD 16.7 (12.3) million. Revenue in EMEA increased by 111.7% to USD 10.4 (4.9) million. In APAC, revenue increased by 21.2% to USD 1.7 (1.4) million.

Revenue split by business area for the quarter was Solutions 66.5% (62.3%), Devices 19.2% (21.9%) and Software & Services 14.3% (15.7%).

GROSS PROFIT

Mainly driven by revenue increase, gross profit grew by 46.4% to USD 13.3 (9.1) million, corresponding to a gross margin of 46.1% (48.6%).

OPERATING EXPENSES

Employee benefit expenses amounted to USD 6.7 (5.2) million in Q2 2026. The average number of employees (FTE) increased from 132 to 160 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 (1.4) million.

EBITDA AND OPERATING PROFIT

EBITDA amounted to USD 4.5 (2.6) million in Q2 2026, corresponding to an EBITDA margin of 15.5% (13.7%). The improvement compared to last year was driven by higher revenue, supported by a reduced OPEX share of revenue.

Operating profit amounted to USD 3.6 (1.8) million, representing an operating margin of 12.5% (9.8%).

NET FINANCIAL ITEMS

Foreign exchange gains/-losses are the main components of Net financial items.

The group benefits from a natural hedge, as both revenue and direct cost of sales are largely USD-denominated

CASH FLOW

Operating cash flow amounted to USD 0.9 (-0.5) million in Q2 2026, supported by the strong operating profit despite

a deliberate increase in working capital. The increase mainly reflected higher inventory levels to strengthen product availability and support future customer deliveries.

Net cash flow for the quarter amounted to USD -7.1 (-7.2) million, resulting in a closing cash balance of USD 2.1 million at the end of the period. The net cash flow primarily reflected the increase in working capital and the dividend payment of USD 6.3 million.

BORROWINGS

The Group has a loan from Innovasjon Norge totaling USD 0.1 million. The loan is 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 7.6 million). As of June 30, 2026, 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

The Group targets revenue growth to USD 300 million to well above USD 400 million over time, corresponding to an average annual growth rate exceeding 25 percent from 2026. The Group further targets an EBIT margin above 16 percent in the second half of the planning period, with potential for further margin expansion as the business continues to scale. These ambitions are supported by a larger addressable market, continued market share gains, and disciplined investments in growth.

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 items, growth trajectory, investment plans, flexibility, financial targets and covenants.

FINANCIAL STATEMENTS

CONSOLIDATED PROFIT AND LOSS STATEMENT

Consolidated statement of profit or loss		2026 Q2	2025 Q2	2026 6M	2025 6M
Amounts in USD 1.000	Notes	Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun
Revenue from contracts with customers	1,2	28 862	18 672	51 775	33 027
Other operating income		-	-	-	0
Total revenue and other operating income	1,2	28 862	18 672	51 775	33 027
Direct cost of sales		- 15 566	- 9 592	- 27 445	- 17 161
Employee benefit expenses		- 6 660	- 5 164	- 13 336	- 9 680
Other operating expenses		- 2 167	- 1 351	- 3 850	- 2 413
Total operating expenses		- 24 393	- 16 106	- 44 630	- 29 254
Depreciation	7	- 643	- 610	- 1 306	- 1 109
Amortization of intangible assets	7	- 210	- 126	- 413	- 244
Total depreciation and amortization	7	- 853	- 736	- 1 720	- 1 353
Operating profit/(loss)		3 615	1 829	5 425	2 420
Financial income	4	87	52	75	134
Financial expenses	4	-585	-69	-597	-114
Net foreign exchange gains (losses)	4	502	-1 187	-795	-1 691
Net financial items	4	4	-1 204	-1 317	-1 671
Profit/(loss) before income tax		3 619	625	4 108	749
Income tax		-837	-185	-1 091	-245
Profit/(loss) for the period		2 782	440	3 017	504

Earnings per share in USD				
Basic earnings per share	0.028	0.004	0.031	0.005
Diluted earnings per share	0.028	0.004	0.031	0.005
Weighted average number of shares				
Basic	98 045 518	98 045 518	98 045 518	98 045 518
Diluted	98 045 518	98 045 518	98 045 518	98 045 518

Consolidated statement of comprehensive income				
Profit/(loss) for the period	2 782	440	3 017	504
Other comprehensive income:				
<i>Items that might be subsequently reclassified to profit or loss:</i>				
Exchange differences on translation of foreign operations	-63	12	27	-28
<i>Items that are not reclassified to profit or loss:</i>				
Exchange differences on translation to another presentation currency	-138	942	919	3 123
Total comprehensive income for the period	2 581	1 394	3 963	3 599
Total comprehensive income is attributable to:				
Owners of the parent company	2 581	1 394	3 963	3 599

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated statement of financial position		30.06.2026	31.12.2025	30.06.2025
Amounts in USD 1.000		Notes		
Assets				
Non-current assets				
Intangible assets	3,7	3 048	2 852	2 695
Property, plant and equipment	6,7	3 982	3 720	3 521
Right-of-use assets	8	6 132	621	1 006
Deferred tax assets		1 925	1 883	1 573
Total non-current assets		15 088	9 076	8 795
Current assets				
Inventories		21 325	18 668	16 777
Trade receivable		26 396	18 718	19 824
Other current assets		1 664	2 315	1 481
Cash and cash equivalents		2 140	7 337	3 064
Total current assets		51 525	47 039	41 146
Total assets		66 613	56 114	49 941
Equity and liabilities				
Equity				
Share capital		198	195	194
Share premium		15 006	14 779	14 752
Other paid in capital		-	-	-
Foreign currency translation reserves		- 129	-156	265
Retained earnings		12 845	15 446	11 183
Total equity		27 919	30 264	26 394
Non-current liabilities				
Lease liabilities (non-current portion)	8	5 268	251	349
Contract liabilities (non-current portion)	2	6 547	5 614	4 971
Borrowings (non-current portion)		-	-	62
Total non-current liabilities		11 815	5 865	5 383
Current liabilities				
Lease liabilities (current portion)	8	889	411	718
Trade payable		12 657	5 630	7 708
Contract liabilities (current portion)	2	6 733	7 160	5 710
Tax payable		1 999	1 661	248
Public duties payable (VAT, Tax)		671	1 006	372
Other current liabilities		3 928	4 116	3 408
Total current liabilities		26 879	19 985	18 164
Total liabilities		38 694	25 850	23 547
Total equity and liabilities		66 613	56 114	49 941

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						
Balance at 1 January 2025	173	13 121	0	293	14 867	28 454
Profit/(loss) for the period					504	504
Exchange differences on translation of foreign operation				-28		-28
Exchange differences on translation to another presentation currency	21	1 631	0		1 471	3 123
Total comprehensive income/(loss) for the period	21	1 631	0	-28	1 975	3 599
Dividend					-5 660	-5 660
Balance at 30 June 2025	194	14 752	0	265	11 183	26 394
Balance at 1 January 2026	195	14 779	0	-156	15 446	30 264
Profit/(loss) for the period					3 017	3 017
Exchange differences on translation of foreign operation				27		27
Exchange differences on translation to another presentation currency	3	227	0		690	919
Total comprehensive income/(loss) for the period	3	227	0	27	3 706	3 963
Dividend					-6 307	-6 307
Balance at 30 June 2026	198	15 006	0	-129	12 845	27 919

*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		2026 Q2	2025 Q2	2026 6M	2025 6M
Amounts in USD 1.000	Notes	Apr - Jun	Apr - Jun	Jan - Jun	Jan - Jun
Cash flows from operating activities					
Profit/(loss) before income tax		3 619	625	4 108	749
<i>Adjustments for:</i>					
Taxes paid		-100	-302	-918	-977
Depreciation and amortization	7	853	736	1 720	1 353
Net interest expense		-9	17	16	-20
Change in inventory		-2 929	-1 895	-2 657	-4 162
Change in trade receivable		-7 325	-1 451	-7 678	41
Change in contract liabilities (deferred revenue)		-273	524	506	1 712
Change in trade payable		6 949	844	7 027	2 660
Change in other current assets and other liabilities	5	-16	303	892	654
Interest received		87	52	75	134
Net cash from operating activities		856	-547	3 090	2 144
Cash flows from investing activities					
Payment for property, plant and equipment		-782	-243	-1 490	-762
Payment for development cost	7	-318	-205	-578	-461
Payment for other intangible assets			-64		-298
Net cash from investing activities		-1 100	-512	-2 068	-1 521
Cash flows from financing activities					
Dividend paid out		-6 307	-5 660	-6 307	-5 660
Repayment of borrowing		-237	-142	-462	-275
Paid interest		-78	-69	-91	-114
Repayments of lease liabilities		-207	-240	-463	-454
Net cash from financing activities		-6 829	-6 111	-7 324	-6 502
Net increase/(decrease) in cash and cash equivalents		-7 073	-7 170	-6 302	-5 880
Cash and cash equivalents beginning of period		8 398	9 888	7 337	7 972
Effects of exchange rate changes on cash and cash equivalents		814	346	1 105	971
Cash and cash equivalents end of period		2 140	3 065	2 140	3 065

SHARE INFORMATION

TABLE OF THE 20 LARGEST SHAREHOLDERS AS OF 30TH JUNE 2026

#	Shareholders	Holding	Stake
1	Coretech AS	28 883 599	29.46 %
2	Kløvingen AS	14 750 429	15.04 %
3	K-Spar Industrier AS	4 850 000	4.95 %
4	DNB Asset Management	4 599 272	4.69 %
5	Handelsbanken Fonder	3 420 191	3.49 %
6	Janus Henderson Investors	3 312 052	3.38 %
7	Avanza Bank AB	2 557 282	2.61 %
8	Altitude Capital AS	2 375 675	2.42 %
9	Mirabaud Asset Management	2 181 730	2.23 %
10	Nordnet Bank AB	1 907 263	1.95 %
11	Schroders	1 400 000	1.43 %
12	Toluma Norden AS	1 391 659	1.42 %
13	Magnus Grenfeldt	1 257 489	1.28 %
14	Aperture Investors LLC	1 187 573	1.21 %
15	Varner AS	963 391	0.98 %
16	AS Straen	963 391	0.98 %
17	Danske Invest	834 614	0.85 %
18	John Even Øveraasen	750 000	0.76 %
19	Folketrygdefondet	655 996	0.67 %
20	Fidelity Investments (FMR)	545 700	0.56 %
	Other	19 258 212	19.64 %
Total number of shares		98 045 518	100.00 %

NOTES

GENERAL

These interim condensed consolidated financial statements for the period ended 30 June 2026, 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 2025, 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 2025 for the Group.

Smartoptics Group ASA's consolidated financial statements as at 31 December 2025 were approved at the Board of Directors' meeting on 9 April 2026. The Group's condensed consolidated financial statements as at 30 June 2026 were approved at the Board of Directors' meeting on 12 July 2026.

EXCHANGE RATES

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

NOTE 1 - REVENUE SPLIT

Revenue split by geography	Q2 2026	Q2 2025
Amounts in USD 1,000		
Americas	16 685	12 307
EMEA	10 438	4 930
APAC	1 739	1 434
Total	28 862	18 672

Revenue split by Business Area	Q2 2026	Q2 2025
Amounts in USD 1,000		
Solutions	19 193	11 640
Devices	5 539	4 095
Software & Services	4 130	2 936
Total	28 862	18 672

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	30 Jun 2026	30 Jun 2025
Amounts in USD 1,000		
Contract Liabilities (Current)	6 733	5 710
Contract Liabilities (Non-current)	6 547	4 971
Total Contract Liabilities	13 281	10 682

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 one development project during 2026. The grant is recognized in the Profit and Loss statement as a reduction of payroll cost or as a reduction of capitalized development cost depending on the underlying accounting treatment of the cost that the grant is intended to cover.

NOTE 4 – FINANCIAL ITEMS

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

NOTE 5 – OTHER WORKING CAPITAL CHANGES

Other working capital changes relates to pre-payments of certain components, inventory and pay-out of variable compensation related to Q1 2026.

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT SPLIT

Property, plant and equipment	30 Jun 2026	30 Jun 2025	Change
Amounts in USD 1,000			
R&D equipment	2 179	1 935	244
Production equipment	519	233	286
Office & warehouse furniture and fixtures	760	522	238
Demo pool equipment	524	831	-308
Total	3 982	3 521	461

NOTE 7 – DEPRECIATION AND AMORTIZATION SPLIT

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

Depreciation and amortization	Q2 2026	Q2 2025
Amounts in USD 1,000		
Property, plant and equipment	442	402
Product development	210	126
Right of use assets / leasing	202	208
Total	853	736

NOTE 8 – RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

During the quarter, a new seven-year lease for office premises in Kista commenced. The total lease payments over the lease term amount to approximately MSEK 68. In accordance with IFRS 16, the lease has been recognized in the balance sheet as a right-of-use asset and a corresponding lease liability. Upon initial recognition, both the right-of-use asset and the lease liability amounted to MUSD 5.7.



ALTERNATE PERFORMANCE MEASURES (APM'S)

GROSS PROFIT

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

Amounts in USD 1,000	2026 Q2	2025 Q2	2026 6M	2025 6M
Total revenue and other operating income	28 862	18 672	51 775	33 027
Direct cost of sales	15 566	9 592	27 445	17 161
Gross profit	13 296	9 080	24 330	15 866

GROSS MARGIN

Gross profit divided by total revenue and other operating income

Amounts in USD 1,000	2026 Q2	2025 Q2	2026 6M	2025 6M
Total revenue and other operating income	28 862	18 672	51 775	33 027
Gross profit	13 296	9 080	24 330	15 866
Gross margin	46.1 %	48.6 %	47.0 %	48.0 %

EBITDA

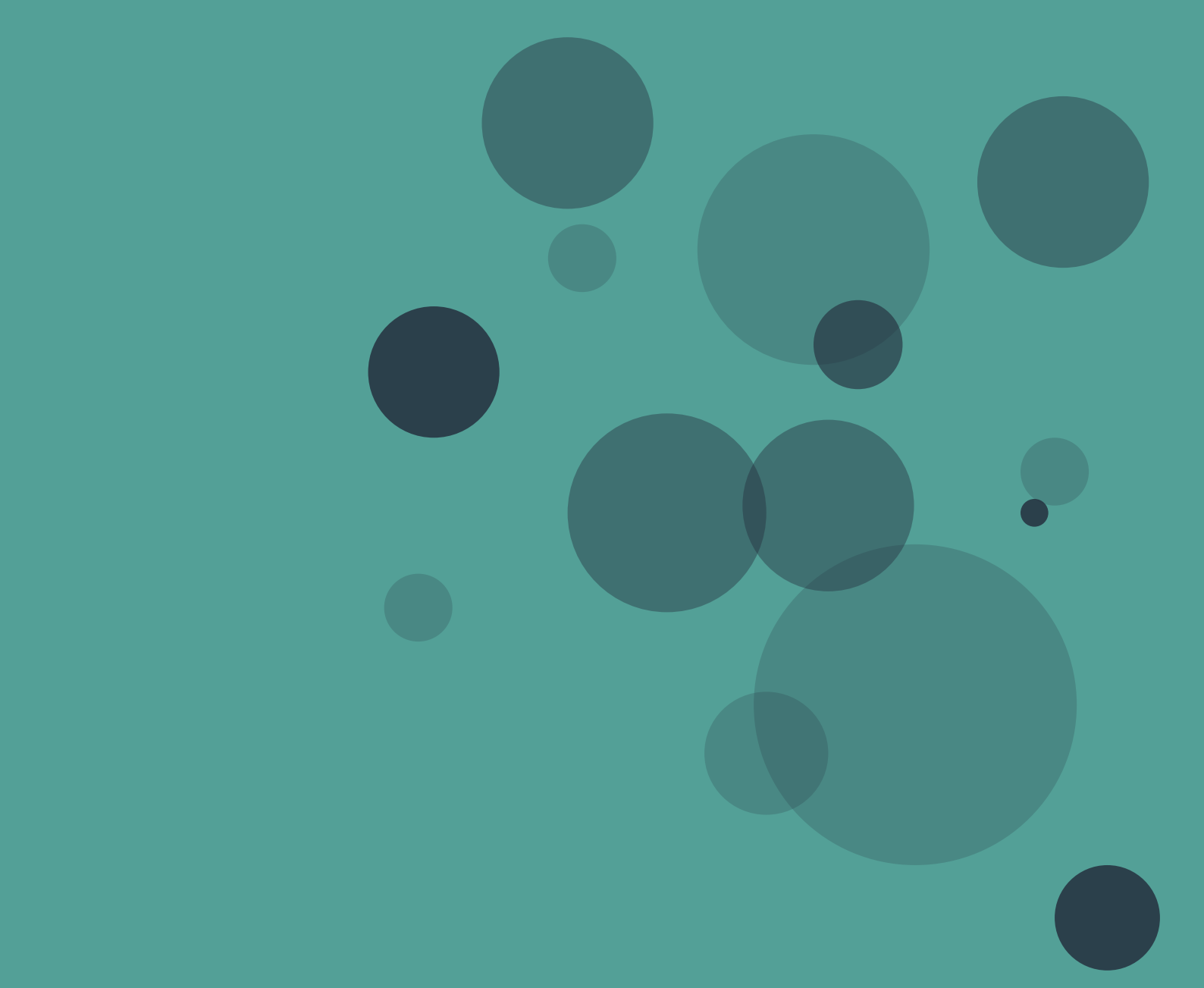
Operating profit/(loss) adjusted for total depreciation and amortization

Amounts in USD 1,000	2026 Q2	2025 Q2	2026 6M	2025 6M
Operating profit/(loss)	3 615	1 829	5 425	2 420
Total depreciation and amortization	853	736	1 720	1 353
EBITDA	4 469	2 565	7 145	3 773

EBITDA MARGIN

EBITDA divided by total revenue and other operating income

Amounts in USD 1,000	2026 Q2	2025 Q2	2026 6M	2025 6M
EBITDA	4 469	2 565	7 145	3 773
Total revenue and other operating income	28 862	18 672	51 775	33 027
EBITDA margin	15.5 %	13.7 %	13.8 %	11.4 %



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