# Optiva Inc. Reports First Quarter 2025 Financial Results

**All amounts are stated in United States dollars unless otherwise indicated**

- Revenue of $11.6 million
- Total Contract Value (“TCV”)[1] bookings of $6.3 million
- Gross margin of 64%
- Adjusted EBITDA[1] of $0.5 million
- EPS loss of $ 0.38
- $8.0 million of cash

TORONTO, May 13, 2025 - Optiva Inc. (“Optiva” or “the Company”) (TSX:OPT), a leader in powering the telecom industry with cloud-native billing, charging and revenue management software on private and public clouds, today released its first quarter financial results for the three-month and full-year period ended March 31, 2025.

During the first quarter, Optiva was selected by three existing customers for upgrades, renewals and partnership expansions. A customer broadened its current partnership to incorporate Optiva’s latest advanced Application Server and leverage Optiva's Open API framework. Additionally, a customer upgraded to a next-generation, full-stack BSS platform, and another selected Optiva for an Intelligent Network (IN) platform upgrade to be deployed with cloud infrastructure and a 5-year support renewal.

Optiva has announced the integration of agentic AI, utilizing advanced generative AI (GenAI) technology powered by Google’s Gemini models, into its BSS and charging solutions. At MWC in Barcelona, Spain, the Company unveiled its AI agents, Amica, Kairos and Sophos, which empower telecom operators with operational efficiency, cost savings and enhanced customer experience. Optiva agentic AI platform is currently being used in digital BSS transformations by customers in the Middle East and the Americas. It has been well received by customers, prospects and industry analysts and recognized with two industry awards: as a finalist for the TM Forum Excellence Awards in the category of Data & AI Innovation, to be announced in June, and winner of the 2025 MVNOs World Awards for AI & Analytics Excellence.

Optiva's outstanding 9.75% Senior Secured PIK Toggle Notes, of which an aggregate principal amount of US$108 million is currently outstanding (the "Secured Notes"), are maturing on July 20, 2025. The Company's Special Committee is actively engaged with strategic third parties, including key holders of the Secured Notes, for purposes of evaluating strategic alternatives to optimize outcomes for the business, our people, and our customers. While Optiva expects that it will conclude the strategic process prior to the maturity of the Secured Notes, Optiva's largest noteholders, representing over 75% of the face value of Secured Notes, have committed to remaining supportive if a strategic transaction has not closed by July 20, 2025. Optiva does not foresee any business disruptions as a result of these discussions, as all stakeholders are committed to seeing the continued support of all of Optiva's new and existing customers.

No agreement providing for any strategic transaction has been reached, and there can be no assurances that any transaction will result from Optiva's process for evaluating strategic alternatives. If Optiva's process for evaluating strategic alternatives results in an agreement regarding a transaction, there can be no assurances that any transaction will be completed or that there will be material consideration given to, or retained by, Optiva's shareholders. Optiva does not undertake any obligation to provide any update with respect to any strategic transaction or any other financial transaction, except as required under applicable laws.

For more information about Optiva, please visit: https://www.optiva.com/investors

**Business Highlights**

- TCV of Q1 bookings totaled $6.3 million. For the trailing twelve months, TCV of bookings totaled $50.9 million.

- BT Group, the UK's leading mobile and fixed telecommunications provider, broadened and strengthened its partnership with Optiva to implement innovative B2B and B2B2X BT network communication services using Optiva's latest state-of-the-art Application Server. Central to the initiative is Optiva Charging Engine, a cloud-native, open-architecture service creation platform that features Optiva's Open API framework. The advancement will enhance BT Group's ability to grow cutting-edge services and create new revenue opportunities.

- Cellular One selected Optiva to upgrade to a next-generation, full-stack BSS platform to better serve customers and capitalize on Cellular One’s network upgrade to 4G LTE. Cellular One is a leading provider of mobile technology and wireless communications services for underserved tribal lands and rural communities in the American Southwest. Optiva has been a trusted partner to Cellular One for 12 years, leveraging technology innovations to drive business growth. Optiva’s cloud-native BSS platform will be deployed on Cellular One's private cloud, guaranteeing faster time to market, monetization and operational flexibility. It will enable Cellular One to quickly expand its revenue streams and accelerate the launch of new business use cases.

- A Tier 1 telecom vendor in the APAC region has selected Optiva to provide a solution for its customer's Intelligent Network (IN) platform. The project marks a significant step forward in modernizing its mission-critical communications infrastructure. The upgrade transitions an existing platform to Optiva’s latest cloud-native release, deployed on the private cloud infrastructure. Optiva will also provide a 5-year support renewal, ensuring long-term reliability and performance. The new solution delivers enhanced speed, scalability and resilience through its in-memory database architecture, which is fully compliant with industry standards, includes a refreshed original equipment manufacturer (OEM) stack and introduces new features tailored to support future needs and innovation plans.

- The Company announced that its Optiva BSS Platform and Optiva Charging Engine now seamlessly incorporate agentic AI using advanced generative AI (GenAI) technology powered by Google’s Gemini models, enabling real-time insights using BigQuery and Looker.

- Optiva was named a finalist, together with customer Omantel, for Excellence in Data & AI Innovation by the TM Forum Excellence Awards. The nomination is for achieving significant business impact through innovative AI and data capabilities applications in implementing agentic AI, large language models (LLMs) and small language models (SLMs) for intelligent telco operations and business growth.

- On May 13, 2025, subsequent to the quarter end, Optiva was named winner for AI & Analytics Excellence by the MVNOs World Awards. The award recognizes solution providers leveraging AI and analytics to enhance MVNO decision-making, streamline operations and create smarter customer insights.

**First Quarter 2025 Financial Results Highlights:**

| **Q1 Fiscal 2025 Highlights** | **Three Months Ended** | |
|---|---|---|
| *($ US Millions, except per share information)* | | **March 31,** |
| *(Unaudited)* | **2025** | **2024** |
| Revenue | 11.6 | 11.7 |
| Net Income (Loss) | (2.3) | (6.0) |
| Earnings (Loss) Per Share | ($0.38) | ($0.98) |
| Adjusted EBITDA[(1)] | 0.5 | (2.3) |
| Cash from (used in) operating activities | (3.1) | (3.4) |
| Total cash, including restricted cash | 8.0 | 12.0 |

- Revenue for Q1'25 was $11.6 million. On a year-over-year basis, the change by revenue type included a $0.2 million increase in support and subscription revenue, $0.2 million decrease in software and services revenue and $0.1 million decrease in third party software and hardware revenue. The increase in support and subscription in the period mainly relates to the support revenue from new customers. The year-over-year decrease in software and services revenue reflects fewer software implementations in the period.

- Gross margin for Q1'25 was 64% compared to 58% during the same period in 2023. The increase in gross margin is primarily attributable to higher revenue from high margin support and subscription revenue and low amount of customizations with lower margins ordered by customers that required fulfillment, compared to the previous period. We expect our gross margins may fluctuate as our cloud-native model and product capabilities are adopted by new and existing customers in the public or private cloud in future periods.

- Adjusted Earnings before interest, taxes, depreciation and amortization ("EBITDA")[1] for Q1 was a gain of $0.5 million as compared to loss of $2.3 million during the same period in 2024.

- Net loss for Q1 was $2.3 million compared to a net loss of $6.0 million during the same period in 2024. The net loss for the three months ended March 31, 2025, was lower mainly due to the lower operations expenses incurred during the period compared to last year. The company's lower operating expenses reflect ongoing efforts to optimize resources in support of our product roadmap, customer service, expanding our customer base, and administrative needs.

- The Company ended the first quarter with a cash balance of $8.0 million (including restricted cash).

(1) EBITDA, Adjusted EBITDA, TCV and adjusted EPS are non-IFRS measures. These measures are defined in the "Non-IFRS Financial Measures" section of this news release.

**Non-IFRS Measures**

“EBITDA" and "Adjusted EBITDA" are not financial measures calculated and presented in accordance with International Financial Reporting Standards (IFRS) and should not be considered in isolation or as a substitute to net income (loss), operating income or any other financial measures of performance calculated and presented in accordance with IFRS, or as an alternative to cash flow from operating activities as a measure of liquidity. The Company defines EBITDA as net income (loss) excluding amounts for depreciation and amortization, other income, finance costs, finance income, income tax expense (recovery), foreign exchange gain (loss) and share-based compensation. The Company defines "Adjusted EBITDA" as EBITDA (as defined above), excluding restructuring costs, one-time provision amounts and other one-time unusual items. The Company believes that Adjusted EBITDA is a metric that investors may find useful in understanding the Company's financial position. The following table provides a reconciliation of Net Income to EBITDA and Adjusted EBITDA (in thousands of U.S. dollars).

| | Three months ended March 31, 2025 | Three months ended March 31, 2024 |
|---|---|---|
| Net income (loss) for the period | $ (2,339) | $ (6,032) |
| Add back / (subtract): | | |
| Depreciation of property and equipment | 113 | 179 |
| Finance income | (88) | (193) |
| Finance costs | 2,906 | 2,829 |
| Income tax expense | 201 | 239 |
| Foreign exchange (gain) loss | (85) | 162 |
| Share-based compensation | (249) | 507 |
| EBITDA and Adjusted EBITDA | $ 459 | $ (2,309) |

TCV is the Total Contract Value of all bookings closed in the period.

## About Optiva

Optiva Inc. is a leader in powering the telecom industry with cloud-native billing, charging and revenue management software on private and public clouds. Its products are delivered globally on the private and public cloud. The Company’s solutions help service providers maximize digital, 5G, IoT and emerging market opportunities to achieve business success. Established in 1999, Optiva Inc. is listed on the Toronto Stock Exchange (TSX: OPT). For more information, visit www.optiva.com.

## Caution Concerning Forward-Looking Statement

Certain statements in this document may constitute "forward-looking" statements that involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this document, such statements use such words as "may," "will," "expect," "continue," "believe," "plan," "intend," "would," "could," "should," "anticipate" and other similar terminology. Forward-looking statements in this document include statements regarding the Company's "qualified pipeline", the TCV of the qualified pipeline and the Company's expectations regarding future revenues.

We draw your attention to the "Risks and Uncertainties" section of the Company's management's discussion and analysis for the quarter ended March 31,2025, and to note 1 of our consolidated financial statements which indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company had a working capital deficit (current assets less current liabilities) of $98.6 million as at March 31, 2025 (December 31, 2024 – working capital deficit of $94.8 million), reflecting inclusion of the 9.75% secured PIK toggle debentures due July 20, 2025 (the “Debentures”) as a current liability. The Debentures in the amount of $108.6 million as of March 31, 2025, have a maturity date of July 20, 2025.  Based on the cash balance as of March 31, 2025 and the forecasted cash flows from operations to the Debentures maturity date on July 20, 2025, the Company expects to have insufficient cash to meet its obligations upon maturity of the Debentures in July 2025. The Company’s board of directors has formed a Special Committee which is actively engaged with strategic third parties, including key holders of the Secured Notes, for purposes of evaluating strategic alternatives to optimize outcomes for the business, our people, and our customers.  The Company’s ability to continue its operations is dependent upon its ability to refinance this debt or implement other financial alternatives, including other sources of financing through debt or equity, however there is no assurance that this will be successful. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

These statements are forward-looking as they are based on our current expectations, as at May 13, 2025, about our business and the markets we operate in and on various estimates and assumptions. Our actual results could materially differ from our expectations if known or unknown risks affect our business or if our estimates or assumptions turn out to be inaccurate. As a result, there is no assurance that any forward-looking statements will materialize. Risks that could cause our results to differ materially from our current expectations include the risk that the Company will not secure contracts with customers that are included in its qualified pipeline, the risk that existing customers may decrease their spend with the Company and other risks that are discussed in the Company's most recent Annual Information Form, available on SEDAR at www.sedar.com and Optiva's website at https://www.optiva.com/investors/. Other unknown or unpredictable factors or underlying assumptions subsequently proving to be incorrect could cause actual results to differ materially from those in the forward-looking statements. Optiva does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based, except as required by law.

For additional information, please contact:

**Media Contact:**
Misann Ellmaker
media@optiva.com

**Investor Relations:**
investors-relations@optiva.com

# OPTIVA INC.

Condensed Consolidated Interim Statements of Financial Position
(Expressed in thousands of U.S. dollars)
(Unaudited)

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 6,547 | $ 10,217 |
| Trade accounts and other receivables | 6,358 | 7,229 |
| Unbilled revenue | 10,090 | 9,292 |
| Prepaid expenses | 1,916 | 1,994 |
| Income taxes receivable | 332 | 346 |
| Other assets | 1,050 | 1,034 |
| Total current assets | 26,293 | 30,112 |
| Restricted cash | 1,476 | 843 |
| Property and equipment | 459 | 571 |
| Deferred income taxes | 453 | 475 |
| Other Assets | 2,651 | 2,712 |
| Long-term unbilled revenue | 309 | 384 |
| Pension and other long-term employment benefit plans | 3,386 | 2,773 |
| Goodwill | 32,271 | 32,271 |
| Total assets | $ 67,298 | $ 70,141 |
| **Liabilities and Shareholders' Equity (Deficit)** | | |
| Current liabilities: | | |
| Trade payables | $ 1,686 | $ 1,940 |
| Accrued liabilities | 10,607 | 14,229 |
| Income taxes payable | 1,620 | 3,367 |
| Deferred revenue | 2,918 | 2,688 |
| Debentures | 108,126 | 102,701 |
| Total current liabilities | 124,957 | 124,925 |
| Deferred revenue | 70 | 64 |
| Other liabilities | 1,359 | 1,768 |
| Deferred income taxes | 81 | 126 |
| Total liabilities | 126,467 | 126,883 |
| Shareholders' equity (deficit): | | |
| Share capital | 270,746 | 270,746 |
| Contributed surplus | 15,221 | 15,309 |
| Deficit | (350,901) | (348,562) |
| Accumulated other comprehensive income (loss) | 5,765 | 5,765 |
| Total shareholders' equity (deficit) | (59,169) | (56,742) |
| Total liabilities and shareholders' equity (deficit) | $ 67,298 | $ 70,141 |

# OPTIVA INC.

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)
(Expressed in thousands U.S. dollars, except per share and share amounts)
(Unaudited)

| | Three months ended March 31, 2025 | Three months ended March 31, 2024 |
|---|---|---|
| Revenue: | | |
| Support and subscription | $ 7,500 | $ 7,330 |
| Software licenses, services and other | 4,092 | 4,374 |
| | 11,592 | 11,704 |
| Cost of revenue | 4,127 | 4,888 |
| Gross profit | 7,465 | 6,816 |
| Operating expenses: | | |
| Sales and marketing | 1,924 | 2,756 |
| General and administrative | 1,675 | 3,017 |
| Research and development | 3,271 | 4,038 |
| | 6,870 | 9,811 |
| Income (loss) from operations | 595 | (2,995) |
| Foreign exchange gain (loss) | 85 | (162) |
| Finance income | 88 | 193 |
| Finance costs | (2,906) | (2,829) |
| Loss before income taxes | (2,138) | (5,793) |
| Income tax expense (recovery) (note 6): | | |
| Current | 226 | 294 |
| Deferred | (25) | (55) |
| | 201 | 239 |
| Total net loss and comprehensive loss | $ (2,339) | $ (6,032) |
| Net Loss per common share: | | |
| Basic | $ (0.38) | $ (0.98) |
| Diluted | (0.38) | (0.98) |
| Weighted average number of common shares (thousands): | | |
| Basic | 6,213 | 6,180 |
| Diluted | 6,213 | 6,180 |

# OPTIVA INC.

Condensed Consolidated Interim Statements of Cash Flows
(Expressed in thousands of U.S. dollars)
(Unaudited)

| | Three months ended March 31, 2025 | Three months ended March 31, 2024 |
|---|---|---|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Income (loss) for the period | $ (2,339) | $ (6,032) |
| Adjustments for: | | |
| Depreciation of property and equipment | 113 | 179 |
| Finance income | (88) | (193) |
| Finance costs | 2,906 | 2,829 |
| Pension | (447) | (87) |
| Income tax expense | 201 | 239 |
| Unrealized foreign exchange (gain) / loss | (165) | (314) |
| Share-based compensation | (249) | 507 |
| Change in non-cash operating working capital | (974) | (300) |
| | (1,042) | (3,172) |
| Interest paid | – | – |
| Interest received | 88 | 172 |
| Income taxes paid | (2,115) | (436) |
| | (3,069) | (3,436) |
| Financing activities: | | |
| Interest paid on debentures | – | (5,086) |
| | – | (5,086) |
| Investing activities: | | |
| Purchase of property and equipment | – | (200) |
| Decrease (increase) in restricted cash | (632) | 9 |
| | (632) | (191) |
| Effect of foreign exchange rate changes on cash and cash equivalents | 31 | 314 |
| Decrease in cash and cash equivalents | (3,670) | (8,399) |
| Cash and cash equivalents, beginning of period | 10,217 | 19,642 |
| Cash and cash equivalents, end of period | $ 6,547 | $ 11,243 |