Optiva Inc. Reports Fourth Quarter 2024 Financial Results

All amounts are stated in United States dollars unless otherwise indicated

- Revenue of $12.0 million
- Total Contract Value (“TCV”)(1) bookings of $22.5 million
- Gross margin of 59%
- Adjusted EBITDA(1) loss of $1.8 million
- EPS loss of $ 0.76
- $11.1 million of cash

TORONTO, March 25, 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 fourth quarter financial results for the three-month and full-year period ended December 31, 2024.

In the fourth quarter, Optiva was selected by one new customer for a total of five new customers in 2024. Additionally, five existing customers chose Optiva for upgrades, renewals and partnership expansions. These included an upgrade and migration of Optiva Charging Engine to private cloud, as well as an upgrade of Optiva Charging Engine to a cloud-native, 5G-enabled platform with enhanced monetization capabilities. Another customer extended its partnership with Optiva to incorporate Optiva BSS Platform for multiplay services. Furthermore, a customer expanded its existing partnership to implement Optiva’s latest state-of-the-art Application Server.

Additionally, in the fourth quarter, Optiva announced that its BSS platform and charging engine now incorporate agentic AI using advanced generative AI (GenAI) technology powered by Google’s Gemini models. Additionally, Optiva was selected as a nominee for the TM Forum Excellence Awards for Excellence in Data & AI Innovation.

Optiva accomplished many of its business objectives for 2024, including customer retention, increased bookings and successful cloud upgrades and transformations. The market acknowledged these accomplishments, evidenced by a 20% increase in meeting traffic at Mobile World Congress 2025, building on a strong showing in 2024. Both new and existing customers were attracted to Optiva’s demonstrations of agentic AI, API monetization capabilities and MVNO hubs strategy.

“Optiva MNVO Hubs are particularly appealing to MVNEs and larger MVNOs where we can deliver our best-of-suite BSS in a multi-tenant hub environment rapidly at a competitive price. Operators recognize that a fully digital BSS is crucial for achieving the ultra-low operating costs necessary in today’s competitive landscape,” said Robert Stabile, Chief Executive Officer of Optiva.

Optiva’s PIK Toggle Notes mature on July 25, 2025, and the Special Committee of the board has been engaged with key noteholders about refinancing options. In addition, as part of its mandate, the Committee is actively engaged with third parties to assess strategic alternatives to optimize outcomes for the business and our customers.

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

Business Highlights

- TCV of Q4 bookings totaled $22.5 million. For the year ended December 31, 2024, TCV of bookings totaled $66.3 million.
- Omantel, the first and leading provider of integrated telecommunication and ICT services in Oman, and Optiva successfully completed a complex real-time rating and charging transformation project. Over 200 Omantel products and services across all business lines were migrated and upgraded to Optiva’s convergent charging engine, hosted on Omantel’s private cloud. This enabled innovative use cases for consumers and enterprises powered by GenAI and 5G technologies.
- BH Telecom, the leading telecom operator in Bosnia and Herzegovina, signed a multi-year agreement with Optiva to upgrade Optiva Charging Engine to a cloud-native, 5G-enabled platform with enhanced monetization capabilities. The upgrade will allow BH Telecom to launch new products and services faster using Optiva's cloud-native agility, automation and Optiva Testing Framework. It will also strengthen BH Telecom's market position, empowering it to lead its market in 5G services and deliver on its commitment to enhance service quality and customer experience.
- Afghan Wireless Communication Company (AWCC), Afghanistan’s first and largest wireless communications company, signed a multi-year renewal agreement with Optiva. The agreement includes expanding Optiva software to a cloud platform, which will increase AWCC's capacity to support the growing demand for its services.
- A newly established greenfield telecommunications operator in sub-Saharan Africa has selected Optiva to deliver a comprehensive end-to-end digital BSS stack. The partnership will enable the operator to effectively deploy its new 5G network and launch its services to the market.

- On February 12, 2025, subsequent to quarter-end, 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's agentic AI-powered BSS will enable operators to achieve measurably improved outcomes by enhancing operational efficiency, cost savings, customer experience and business productivity. The agentic AI platform is already being used in digital BSS transformations by Optiva customers in the Middle East and the Americas.

- On February 14, 2025, subsequent to quarter-end, Optiva was selected as a nominee 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 February 20, 2025, subsequent to quarter-end, 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, the cloud-native, open-architecture service creation platform featuring Optiva's Open API framework. The advancement will enhance BT Group's ability to grow cutting-edge services and create new revenue opportunities.

Fourth Quarter 2024 Financial Results Highlights:

Q4 Fiscal 2024 Highlights *($ US Millions, except per share information)* *(Unaudited)*	**Three Months Ended December 31,** **2024**	 **2023**	**Twelve Months Ended December 31,** **2024**	 **2023**
Revenue	12.0	12.0	47.1	47.5
Net Income (Loss)	(4.7)	(4.0)	(19.7)	(12.3)
Earnings (Loss) Per Share	($0.75)	($0.65)	($3.17)	($1.98)
Adjusted EBITDA[1]	(1.8)	(1.8)	(6.4)	(1.9)
Cash from (used in) operating activities	(2.1)	(0.9)	0.4	(3.2)
Total cash, including restricted cash	11.1	20.4	11.1	20.4

- Revenue for Q4'24 was $12.0 million. On a year-over-year basis, the change by revenue type included a $0.4 million increase in support and subscription revenue and a $0.4 million decrease in software and services revenue. The increase in support and subscription in the period mainly relates to the support revenue from new customers in the Americas. The year-over-year decrease in software and services revenue reflects fewer software implementations in the period.

- Gross margin for Q4’24 was 59% compared to 63% during the same period in 2023. The decline in gross margin is primarily attributable to 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.

- General and administrative expenses (“G&A”) decreased to $2.7 million compared to $3.1 million during the same period in 2023. The decrease is mainly due to lower share-based compensation. Excluding the share-based compensation, amortization and depreciation, G&A expenses remained the same at $3.0 million or 25% of total revenue for the three months ended December 31, 2024 and 2023.

- Adjusted Earnings before interest, taxes, depreciation and amortization ("EBITDA")[1] for Q4 remained the same at a loss of $1.8 million as compared to loss of $1.8 million during the same period in 2023.

- Net loss for Q4 was $4.7 million compared to a net loss of $4.0 million during the same period in 2023. The net loss for the three months ended December 31, 2024, was higher mainly due to the foreign exchange loss during the period compared to a gain last year.

- The Company ended the fourth quarter with a cash balance of $11.1 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 December 31,		Year ended December 31,	
	2024	2023	2024	2023
Net Income (loss) for the period	$ (4,690)	$ (4,009)	$ (19,677)	$ (12,255)
Add back / (subtract):				
Depreciation of computer equipment	130	175	587	657
Amortization of intangible assets	–	–	–	361
Finance income	(111)	(283)	(571)	(599)
Finance costs	2,958	2,860	11,504	10,050
Income tax expense (recovery)	(143)	(128)	794	1,968
Foreign exchange loss (gain)	101	(566)	392	77
Share-based compensation	(226)	150	373	(1,660)
Loss on disposal of computer equipment	192	–	192	–
EBITDA	$ (1,789)	$ (1,801)	$ (6,406)	$ (1,401)
Other income	–	–	–	(498)
Adjusted EBITDA	$ (1,789)	$ (1,801)	$ (6,406)	$ (1,899)

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 December 31, 2024, and to note 2 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 $94.8 million as at December 31, 2024 (December 31, 2023 – working capital of $27.8 million), reflecting the reclassification of 9.75% secured PIK toggle debentures due July 20, 2025 (the “Debentures”), from non-current to current liabilities. The Debentures in the amount of $103.5 million as of December 31, 2024, have a maturity date of July 20, 2025. Based on the cash balance as of December 31, 2024 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 that is in active discussions with key Debenture holders regarding refinancing options. 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 March 25, 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 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.

Consolidated Statements of Financial Position
(Expressed in thousands of U.S. dollars)
As at December 31, 2024 and December 31, 2023

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	$10,217	$19,642
Trade accounts and other receivables	7,229	7,504
Unbilled revenue	9,292	14,362
Prepaid expenses	1,994	2,185
Income taxes receivable	346	3,633
Other assets	1,034	480
Total current assets	30,112	47,806
Restricted cash	843	793
Computer equipment	571	963
Deferred income taxes	475	383
Other assets	2,712	1,371
Long-term unbilled revenue	384	727
Pension and other long-term employment benefit plans	2,773	-
Goodwill	32,271	32,271
Total assets	$ 70,141	$ 84,314
Liabilities and Shareholders' Equity (Deficit)		
Current liabilities:		
Trade payables	$ 1,940	$ 2,256
Accrued liabilities	14,229	11,919
Income taxes payable	3,367	4,299
Deferred revenue	2,688	1,555
Debentures	102,701	-
Total current liabilities	124,925	20,029
Deferred revenue	64	206
Other liabilities	1,768	1,702
Pension and other long-term employment benefit plans	-	132
Debentures	-	101,348
Deferred income taxes	126	185
Total liabilities	126,883	123,602
Shareholders' equity (deficit):		
Share capital	270,746	270,610
Contributed surplus	15,309	15,117
Deficit	(348,562)	(328,885)
Accumulated other comprehensive income	5,765	3,870
Total shareholders' equity (deficit)	(56,742)	(39,288)
Total liabilities and shareholders' equity (deficit)	$ 70,141	$ 84,314

OPTIVA INC.

Consolidated Statements of Comprehensive Income (Loss)
(Expressed in thousands of U.S. dollars, except per share and share amounts)
Years ended December 31, 2024 and December 31, 2023

	2024	2023
Revenue:		
Support and subscription	$ 30,422	$ 31,306
Software licenses, services and other	16,659	16,200
	47,081	47,506
Cost of revenue	19,830	16,892
Gross profit	27,251	30,614
Operating expenses:		
Sales and marketing	9,512	10,347
General and administrative	9,903	7,765
Research and development	15,394	13,759
	34,809	31,871
Loss from operations	(7,558)	(1,257)
Foreign exchange loss	(392)	(77)
Other Income	-	498
Finance income	571	599
Finance costs	(11,504)	(10,050)
Loss before income taxes	(18,883)	(10,287)
Income tax expense (recovery):		
Current	956	2,223
Deferred	(162)	(255)
	794	1,968
Loss for the year	(19,677)	(12,255)
Other comprehensive income (loss):		
Items that will not be reclassified to net income:		
Actuarial gain (loss) on pension and non-pension post-employment benefit plans, net of income tax expense of nil (2023 - nil)	1,895	(179)
Total comprehensive loss	$ (17,782)	$ (12,434)
Net loss per common share:		
Basic	$ (3.17)	$ (1.98)
Diluted	(3.17)	(1.98)
Weighted average number of common shares (thousands):		
Basic	6,205	6,179
Diluted	6,205	6,179

OPTIVA INC.

Consolidated Statements of Cash Flows
(Expressed in thousands of U.S. dollars)
Years ended December 31, 2024 and December 31, 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Net loss for the year	$ (19,677)	$ (12,255)
Adjustments for:		
Depreciation of computer equipment	587	657
Amortization of intangible assets	-	361
Finance income	(571)	(599)
Finance costs	11,504	10,050
Pensions	(994)	(793)
Income tax expense	794	1,968
Unrealized foreign exchange (gain) / loss	(691)	220
Share-based compensation	373	(1,660)
Loss on disposal of computer equipment	192	-
Change in non-cash operating working capital	7,393	575
	(1,090)	(1,476)
Interest paid	(28)	(11)
Interest received	505	438
Income taxes received (paid)	1,028	(2,198)
	415	(3,247)
Financing activities:		
Issuance of debentures	-	13,500
Transaction costs on debentures	-	(776)
Interest paid on debentures	(10,104)	(8,775)
	(10,104)	3,949
Investing activities:		
Purchase of computer equipment	(378)	(395)
Decrease (increase) in restricted cash	(50)	1,155
	(428)	760
Effect of foreign exchange rate changes on cash and cash equivalents	692	(206)
Increase (decrease) in cash and cash equivalents	(9,425)	1,256
Cash and cash equivalents, beginning of year	19,642	18,386
Cash and cash equivalents, end of year	$ 10,217	$ 19,642