Xplora Quarterly Report 2025

Quarter 1 January 1st - March 31st


Xplora's mission is to support families at every stage of life.

Contents

About Xplora

Xplora creates technology that helps families stay connected and safe. The company design smart devices and services that give each age group — young children, teenagers, or seniors — the right level of freedom and support as they grow. Xplora's products help families manage screen time, build healthy digital habits, and stay in touch across generations.

Founded in Norway, Xplora pioneered the kids' smartwatch market in Europe, combining secure communication with services that promote physical activity and digital balance. Today, the product portfolio has grown to include youth phones and solutions for the senior market, expanding the company's mission to support families at every stage of life. This positions Xplora as a leading European platform for family-centric services. As of 2025, Xplora reports financial performance across two operating segments: Kids & Youth and Senior. Headquartered in Oslo, the company operates in key European markets and the United States.

The Xplora ecosystem is powered by the Xplora Guardian app, which gives families intuitive tools to manage safety, access, and communication across devices. In parallel, Xplora's SaaS and MVNO operations provide scalable mobile subscription and service management across B2C and B2B markets, currently active in nine countries.

Xplora remains committed to empower families to navigate the digital world safely, gradually, and on their own terms.

Q1 FAST FACTS

Total revenue
NOK 339m

Service revenue
NOK 80m

MVNO
In 9 markets

206 FTE

The Quarter at a Glance

MESSAGE FROM THE CEO

Q1 2025 marks the first quarter where we include our new business in the senior market following the successful acquisition of Doro AB ("Doro"), now reported as the senior segment. This is a transformative strategic acquisition that adds significant scale, enhances profitability, and opens new growth avenues for Xplora. Together with our partnership with HMD in the youth market, this broadens the strategic scope of the business and supports our long-term growth ambitions.

Our top priority remains to grow our subscription base towards one million subscriptions over the coming years. Our entry into the youth and senior markets strengthens our platform and supports this goal. At the same time, we remain committed to profitable growth through consistent improvements in our financial performance.

The Doro-acquisition has had a profound impact on our financials, contributing to a year-over-year revenue increase of 188% to NOK 339m in the first quarter of 2025. Reported EBITDA more than quadrupled from NOK 4m to NOK 18m, including one-off costs of NOK 11m directly related to the acquisition. Excluding these one-offs, adjusted EBITDA was significantly stronger at NOK 29m. The quarter also included other one-off effects, including clearance of older inventory, to ensure a clearer financial path going forward.

Service revenue and subscription growth remain key drivers of our long-term strategy. In the first quarter, total recurring service revenue grew by 27% year-over-year to NOK 80m, supported by a 41% increase in the number of subscriptions to 358k, up 103k from the same period last year.

We expect the growth to continue in the Kids & Youth segment, supported by upcoming new smartwatch launches and the launch of the first smartphone, Fusion X1, in partnership with HMD. Starting from the second quarter of 2025 we will also begin supplying Xplora mobile subscriptions and services to Doro customers. Doro has recently launched a range of new feature phones and is preparing for launch of a series of smartphones. Realizing only a modest penetration of Doro's customer base will have a significant positive impact on our financials going forward.

Organic growth, combined with our strategic positioning in new customer markets, has given us a solid financial base to further pursue our goals. In this turbulent financial market, we signed a EUR 82m long-term loan facility with Nordea at attractive terms in the first quarter, which significantly improves our funding structure. In addition, the majority of our loan and cashflow were hedged at favourable rates in the quarter, ensuring financial stability.

With a proven growth strategy, a robust recurring revenue base, and a strong cash balance, we have never been better positioned to realise our ambitions and continue to create value for our shareholders.

Sten Kirkbak

Q1 25 HIGHLIGHTS

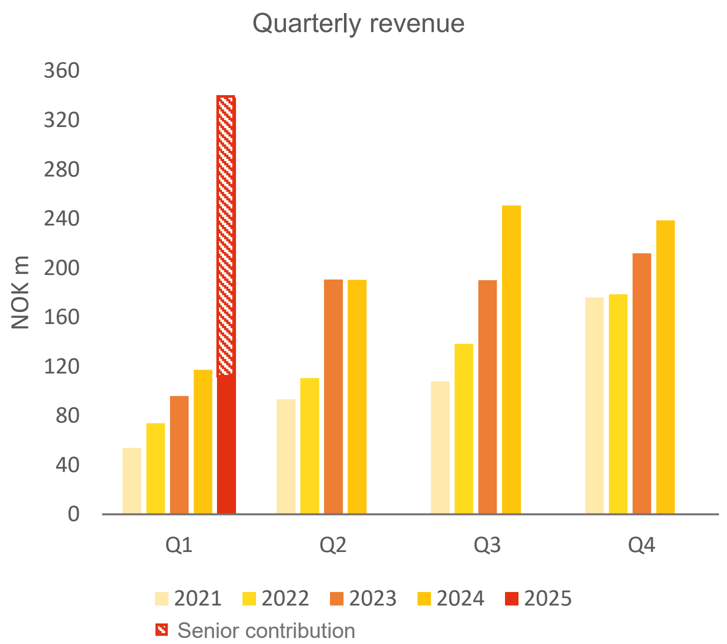
- Group revenues +188% y/y to NOK 338.7m
- Recurring service revenues +27% y/y to NOK 79.7m, translating to an ARR of NOK 318.7m
- 358k subscriptions, up 41% y/y, of which 255k are mobile subscriptions, 20k are B2B subscriptions, 6k are service fee subscriptions and 77k are premium service subscriptions
- Gross profit +182% y/y to NOK 190.5m
- Positive EBITDA of NOK 17.6m
- NOK 544.8m in cash and cash equivalents, up NOK 235.1m since the previous quarter end

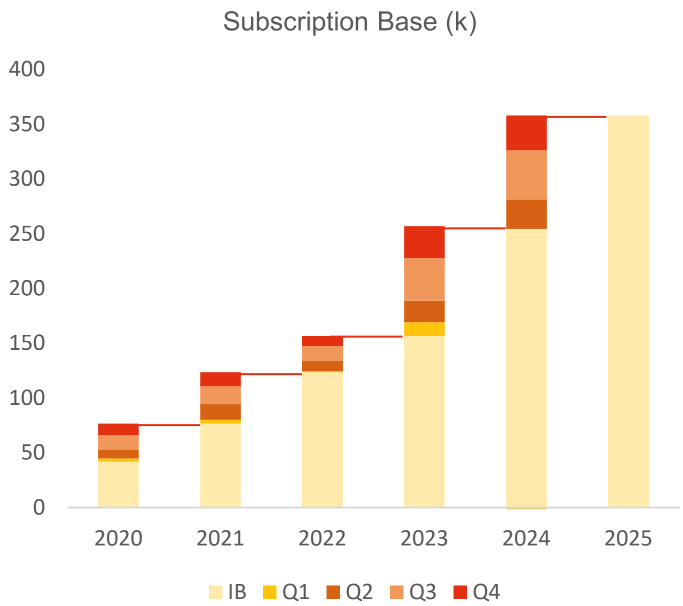
KEY FIGURES

NOK millions (IFRS*)	Q1 2025	Q1 2024	FY 2024
Device revenue	259	55	517
Service revenue	80	63	281
Total revenue	339	117	797
Growth y/y	*188%*	*22%*	*16%*
Gross profit	191	68	390
Gross margin	*56%*	*58%*	*49%*
EBITDA	18	4	71
Subscriptions (k)	358	255	358
ARR	319	251	308
Shares outstanding (million)	45	44	44

Quarterly figures are unaudited.

**As of Q1 25, Xplora reports under IFRS, with Doro AB being reported as part of the Group for the first time. Please refer to note 12 for further details on the transition.*





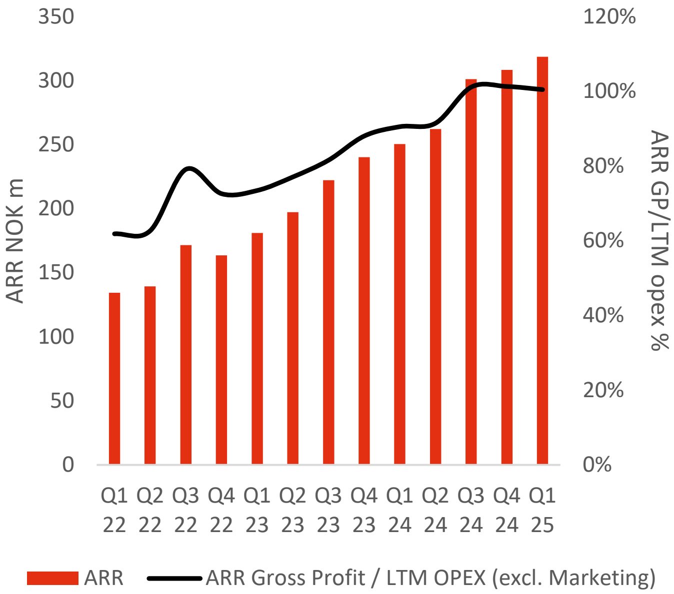
Q1 2025 Strategic and Operational Review

Xplora is working to realize its high-value growth strategy with an ambition of reaching one million subscriptions. To enable this growth, the company is expanding its portfolio of products and services, broadening its customer reach. The strategic partnership with Human Mobile Device (HMD) extends the scope beyond the kid's smartwatch market to include youth smartphones, increasing the average customer lifetime value. The acquisition of Doro AB further broadens the customer reach to the senior market, enabling a significant growth opportunity in the years to come.

BUILDING A GLOBAL SUBSCRIPTION BASE

Xplora exited the quarter with an ARR of NOK 318.7m, up from NOK 250.6m in Q1 24.

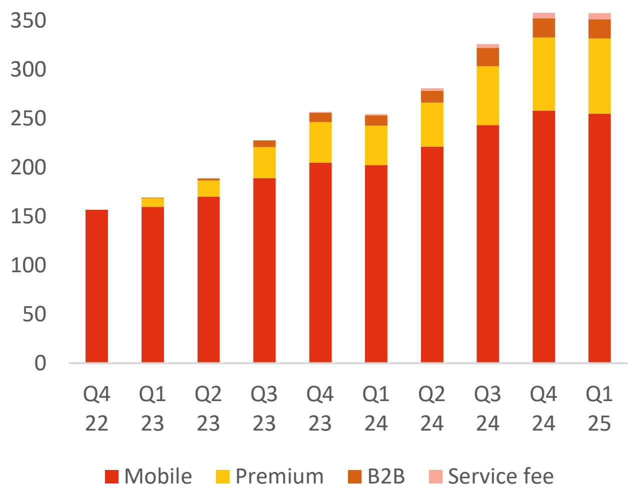
ARR (NOK m)



Thanks to the positive development in service revenues within the Kids & Youth segment in recent years, a growing share of the operating expenses is now covered by a high margin, recurring revenue stream. We see a slight decline in Q1 25 due to one-off costs related to the Doro acquisition. Excluding these, the trend would have continued upward.

Comparing ARR gross profit to LTM operating expenses (opex) in the Kids & Youth segment where we generate service revenues, ARR now covers 77% of total opex, up from 68% in Q1 24. This comparison excludes operating expenses from segments that do not generate service revenues, ensuring an accurate reflection of the contribution from our service-driven operations. Furthermore, excluding the marketing expenses in the same subsidiaries, which is for the most part linked to device sales, the ARR gross profit equals 100% of LTM opex excluding marketing. In addition, if we exclude opex relating to the Doro acquisition the ratio increase to 104%. The result has been increased robustness for Xplora, a trend Xplora seeks to continue in the Senior segment.

Total subscription base (Subscriptions 1,000)

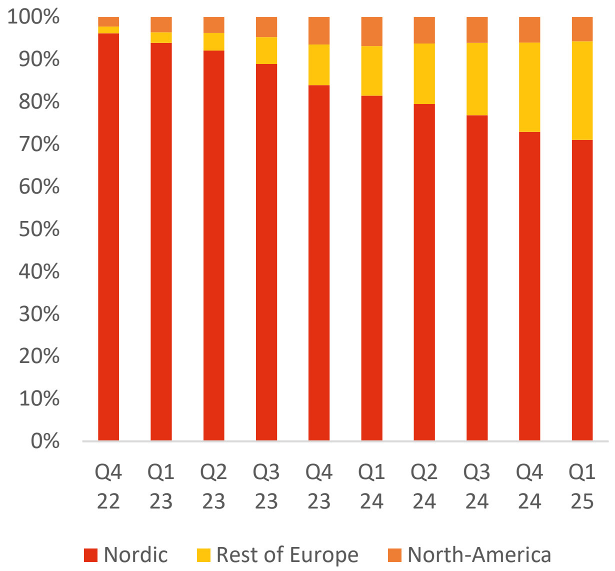


The total subscription base ended at 358k, an increase of 41% or 103k y/y from 255k in Q1 24. The total subscription base is comprised of 255k mobile subscriptions, 20k B2B service revenue subscriptions, 6k service fee subscriptions and 77k premium service subscriptions.

The current subscription base is exclusively based on the Kids market within the Kids & Youth segment, with initial sales in the Youth market beginning in Q2 25 under the partnership with HMD. The company is also in the process of implementing its subscription-based model in the Senior segment following the acquisition of Doro AB, which historically has based its business model on device sales only.

Xplora operates as an MVNO in Norway, France, Spain, UK, Denmark, Sweden, Finland, Germany and the US, with the US MVNO setup having been completed in Q4 24.

Distribution of the mobile subscription base
(Subscriptions 1,000)



In the Nordics, Xplora had a total of 181k mobile subscriptions at the end of Q1 25, equivalent to 10% growth y/y. Outside the Nordics, Xplora had 74k mobile subscriptions at the end of Q1 25. This was an increase of 97% y/y from 38k in Q1 24 and up 6% q/q from 70k in Q4 24. The two largest markets outside the Nordics were Germany with 41k subscriptions and the US with 15k. Germany remains the strongest growth driver for the fifth quarter in a row, adding 4k mobile subscriptions q/q and 26k y/y. This corresponds to 169% growth y/y. UK subscriptions almost doubled y/y from 5k in Q1 24 to 9k in Q1 25, and Spain grew by 172% y/y from 3k in Q1 24 to 8k in Q1 25.

HMD FUSION X1 LAUNCH

Xplora and HMD launched their first smartphone for teens during the first quarter; the HMD Fusion X1. The strategic partnership announced between Xplora and HMD in October 2024 is aimed at accelerating Xplora's entry into the youth phone market, supporting the company's goal of reaching one million subscriptions.

The HMD Fusion X1 is designed to meet growing concerns around teens digital habits and provides a safer smartphone experience with built-in parental controls, screen time management, and online safety features. This marks a significant step forward in empowering families to take control of their digital lives and promoting healthier technology use among teenagers.

DORO AB ACQUISITION

On January 13, 2025, Xplora announced the outcome of the public offer to the shareholders of Doro and resolved to complete the offer of Doro, marking a key milestone in the company's growth strategy. To finance the acquisition, Xplora secured an acquisition loan of SEK 890m. This acquisition loan fully financed the transaction but was refinanced through a long-term loan agreement with Nordea, signed on 31 March 2025. The new facility provides improved terms, supports long-term financing flexibility, and replaces existing long-term interest-bearing debt.

Following the transaction, Doro issued a notice for an Extra Ordinary General Meeting, scheduled for February 28, 2025, in Stockholm. Xplora, as the largest shareholder in Doro AB, voted for the change of the Doro Board, including changes to its composition and adjustments to board remuneration.

Xplora and Doro signed an agreement enabling pre-instalments of Xplora SIM-cards on Doro phones starting in the second quarter 2025. Xplora holds per 31 March, 2025, an 89.6% control of Doro AB.

Xplora Technologies Group Financials

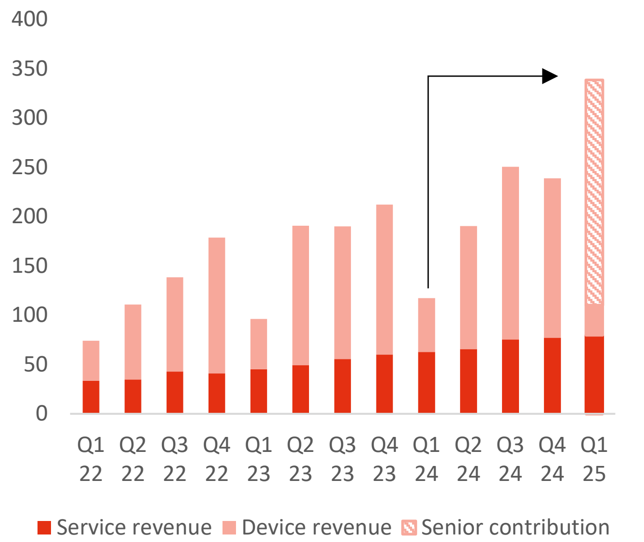
Q1 25 marks a transformational quarter for Xplora, reflecting the expansion into the kids, youth, and senior markets with a broader, service-led international business model. Group revenues grew 188% to NOK 338.7m in Q1 25, driven by the acquisition of Doro AB ("Doro") and continued operational progress. EBITDA amounted to NOK 17.6m, including one-off costs of NOK 10.9m related to the Doro acquisition. Excluding these, adjusted EBITDA was NOK 28.5m. Subscriptions and service revenue remains the key performance indicators for the company. With a 103k y/y increase in total subscriptions, service revenue grew by 27% y/y to NOK 79.7m. Markets outside of the Nordics contributed 20% of the total service revenue, up from 12% in Q1 24, underscoring the growing reach of service offerings into Xplora's key markets.

Q1 25 PROFIT & LOSS

As of Q1 25, Xplora reports under IFRS, with Doro AB being reported as part of the Group for the first time. Doro is reported as the Senior segment. Please refer to note 12 for further details on the transition.

In Q1 25 Xplora's group revenue came in at NOK 338.7m, up 188% y/y from NOK 117.4m in Q1 24. Excluding the contribution from the senior segment, revenues were up 1% y/y to NOK 118.1m. Recurring service revenue grew 27% y/y from NOK 62.7m in Q1 24, to NOK 79.7m in Q1 25, coming from a 103k y/y increase in total subscriptions. Device revenue grew 373% y/y to NOK 259.0m.

Revenue Xplora Co. – Devices vs services (NOKm)

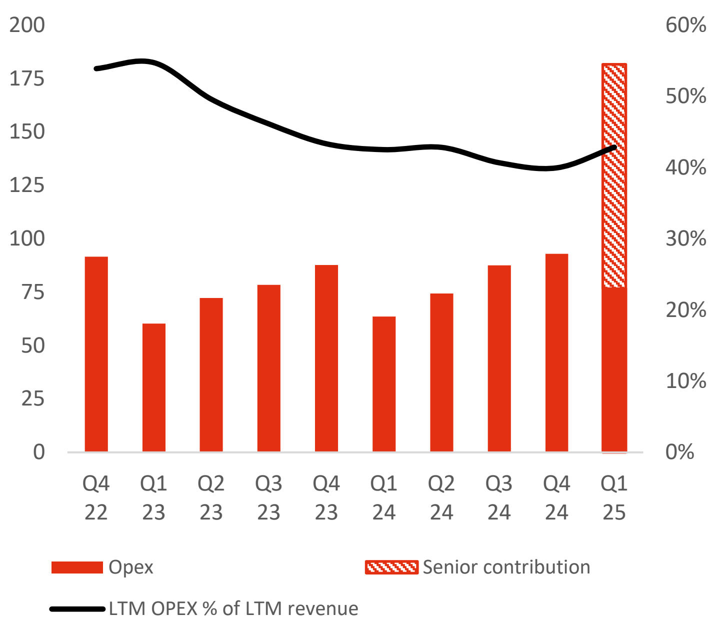


Gross profit ended at NOK 190.5m in Q1 25, yielding a gross margin of 56%. This was an improvement from NOK 67.6m and a gross margin of 58% in Q1 24. Excluding the senior segment contribution, gross profit would have been NOK 76.6m in Q1 25, with a margin of 65%. Gross margin per revenue line in Q1 25 was 48% for device revenue and 84% for service revenue. The gross margin reported excludes marketing, selling and distribution costs.

Gross margin from device sales is exposed to the current EUR/USD exchange rate.

Total operating costs came in at NOK 172.9m in Q1 25 and NOK 83.6m without the senior segment contribution. This compares to NOK 63.7m in Q1 24. Group opex excludes NOK 15.7m from the reported opex in the senior segment relating to transaction costs incurred before the transaction date. LTM Operating costs as a percentage of LTM sales were 42% in Q1 25, slightly down from 43% in Q1 24. Excluding one-off transaction costs, the ratio equaled 40%, a significant improvement compared to Q1 in previous years. Employee expenses ended at NOK 67.2m in Q1 25, including NOK 1.5m in share-based compensation. This is compared to Employee expenses of NOK 27.1m in Q1 24. Marketing expenses were NOK 32.9m in Q1 25, up from NOK 11.1m in Q1 24. Other operating costs were NOK 72.8m in Q1 25, up from NOK 25.5m in Q1 24. At the end of Q1 25, Xplora had 206 full-time equivalents (FTE), up from 107 FTE in Q1 24.

Operating expenses (NOKm)



EBITDA ended at NOK 17.6m in Q1 25, an increase of 351% from NOK 3.9m in Q1 24. Excluding the contribution from the senior segment, EBITDA was negative NOK 7.0m. Furthermore, by excluding the one-off transaction costs, the total group adjusted EBITDA was NOK 28.5m in Q1 25, while it was positive NOK 4.0m for the Kids & Youth segment.

Depreciation and amortization was NOK 24.2m, up from NOK 10.6m in Q1 24. As such, group EBIT ended at negative NOK 6.6m. In Q1 25, net finance expenses amounted to NOK 76.7m, yielding a loss before tax of negative NOK 83.4m in Q1 25. This is compared to net finance expenses of NOK 4.6m and EBIT of negative NOK 11.4m in Q1 24. The increase in finance expenses is primarily due to one off funding fees related to the acquisition of Doro AB, including bank and arrangement fees. Establishing this financing has secured a robust and flexible long-term financing structure. Additionally, there is a currency adjustment related to the initial SEK-denominated loan.

BALANCE SHEET

Total assets increased to NOK 1,935.4m at the end of Q1 25, from NOK 606.1m at the end of Q4 24. The increase was largely due to the acquisition of Doro AB.

Inventories ended at NOK 242.3m, up from NOK 80.9m in Q4 24. Excluding the inventory contribution from the Senior segment, inventories were NOK 76.6m exiting Q1 25. Both segments, Kids & Youth and Senior, reduced their inventories q/q. Current receivables increased from NOK 75.5m in Q4 24, to NOK 222.4m in Q1 25.

Cash and cash equivalents increased by NOK 309.7m q/q from NOK 235.1m in Q4 24, to NOK 544.8m in Q1 25. Excluding the cash contribution from the Senior segment, cash and cash equivalents increased, ending at NOK 302.1m in Q1 25.

Consolidated equity was NOK 366.4m, including minority shareholder equity at NOK 90.4m. This compared to an equity of NOK 352.4m in Q4 24, and the minority shareholders' equity was zero.

Total non-current assets ended at NOK 926.0m in Q1 25, compared to NOK 214.6m in Q4 24. Excluding the senior effects, total non-current assets would have been NOK 206.9m. The largest components of non-current assets were intangible assets at NOK 818.9m in Q1 25, up from NOK 175.9m in Q4 24. Intangible assets include goodwill at NOK 450.7m, and Trademarks and trade names at NOK 284.0m.

Total liabilities to financial institutions was NOK 982.4m at the end of Q1 25, up from NOK 89.6m in Q4 24. NOK 935.5m of this is long-term debt mostly relating to the financing of the Doro AB acquisition. Other long-term liabilities amounted to NOK 103.8m at the end of Q1 25, including NOK 56.6m in deferred tax liability from the PPA. Other current liabilities ended at NOK 482.9m and NOK 143.9m excluding the contribution from the Senior segment. This compares to NOK 157.6m in Q4 24.

CASH FLOW

Net cash flow from operating activities was negative NOK 75.4m in Q1 25, compared to negative NOK 45.9m in Q1 24. The biggest impact came from the negative profit before tax which was highly impacted by transaction costs and banking fees in relation to the Doro acquisition. Changes in working capital gave a negative cash effect of NOK 16.2m in Q1 25. In Q1 24 changes in working capital gave a negative cash effect of NOK 45.9m.

Cash from investing activities amounted to negative NOK 500.3m in Q1 25, mainly consisting of the investment in Doro AB shares equal to NOK 484.1m. The remaining NOK 16.2m is investments in intangible and tangible assets. This compares to negative NOK 3.3m in Q1 24.

Cash flow from financing activities was positive NOK 885.5m in Q1 25, including a NOK 929.3m increase in long-term debt to finance the Doro Acquisition. In Q1 24, cash flow from financing activities was positive NOK 31.4m.

In total, net change in cash was positive NOK 309.7m during Q1 25, compared to negative NOK 17.8m in Q1 24. Xplora ended the quarter with a cash balance of positive NOK 544.8m, up 355% y/y compared to NOK 119.6m at the end of Q1 24.

SEGMENT – KIDS & YOUTH

Revenue, gross profit, and EBITDA

Amount in NOK millions	Q1 2025	Q1 2024	Change %
Revenue	118.1	117.4	1%
Gross Profit	76.6	67.6	13%
Operating expenses *	83.6	63.7	31%
EBITDA	-7.0	3.9	-278%
EBITDA margin	*-6%*	*3%*	

**Including NOK 10.9m in one-off transaction costs relating to the Doro AB acquisition in Q1 25*

The Kids & Youth segment continued to show strength in its core service offerings with a 103k increase in subscription base y/y. This resulted in service revenue growing 27% y/y, reaching NOK 79.7m in Q1 25. Activation rates in line with quarterly expectations indicate solid underlying consumer demand.

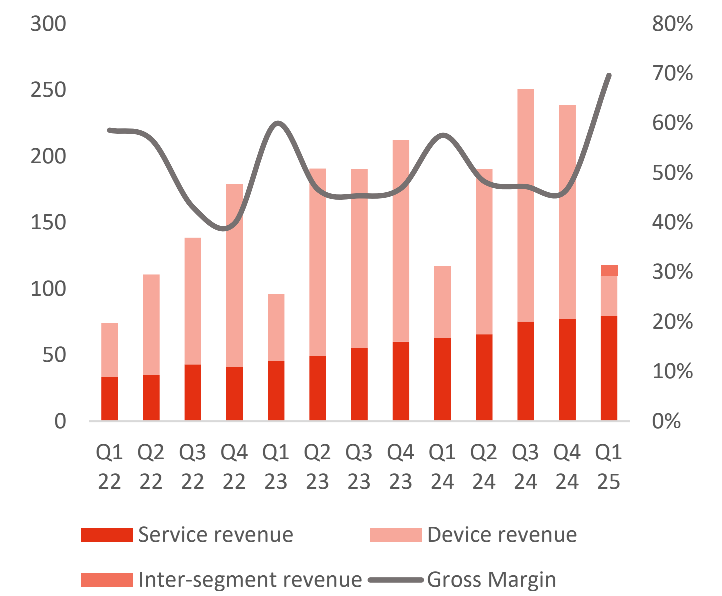
Total revenues were slightly up by 1% y/y, including NOK 8.0m in inter-company revenue for the setup of the connectivity solution for the Senior segment.

The increase in high-margin service revenue increased the gross profit 13% y/y, ending at NOK 76.6 m in Q1 25 compared to NOK 67.6m in Q1 24.

Total operating expenses grew 31%, ending at NOK 83.6m.

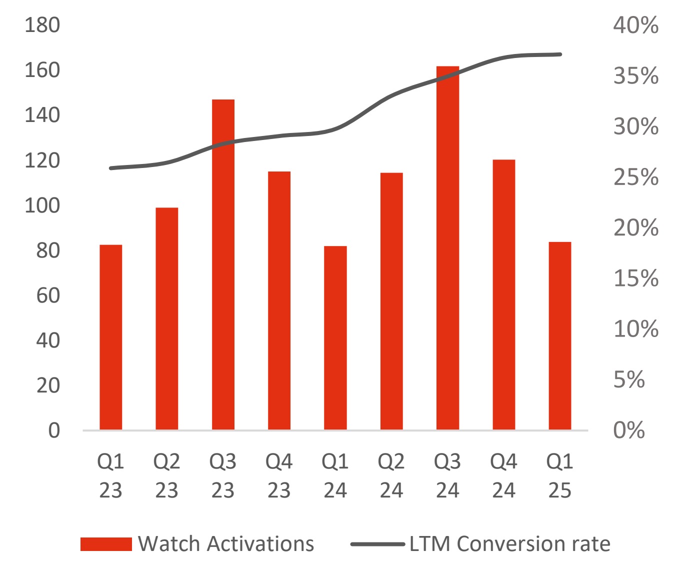
Segment EBITDA ended at negative NOK 7.0m in Q1 25, down from NOK 3.9m in Q1 24, reflecting the timing of revenues and non-recurring costs during the quarter. Adjusted for one-off transaction costs EBITDA came in at NOK 4.0m in Q1 25, same as in Q1 24.

Quarterly revenue (NOKm) **– Device vs. Services**



- Service revenue was up 27% y/y coming from growing subscription base
- The Kids & Youth segment had 358k subscriptions at the end of Q1 25, up 41% y/y. Comprised of 255k mobile subscriptions, 77k premium, 20k B2B subscriptions and 6k service fee subscriptions
- Gross Margin equaled 65% vs. 58% in Q1 24, boosted by higher share of service revenues in Q1 25

Watch activations (k)



- Watch activations is the number of watches that are activated for the first time by an end user and is Xplora's best measure on sales to consumers (sell-out)
- Q1 is historically the slowest quarter, and as such Q1 25 is in line with Xplora expectations. Q1 25 saw 84k new watch activations, up from 82k in Q1 24
- LTM Conversion rate is up to 37% from 30% in Q1 24, meaning more of the activated watches are activated with a Xplora subscription

SEGMENT – SENIOR

Revenue, gross profit, and EBITDA

Amount in NOK millions	Q1 2025	Q1 2024	Change %
Revenue	228.5	197.0	16%
Gross Profit	121.9	82.7	47%
Operating expenses	89.3	70.7	26%
EBITDA	32.6	12.0	171%
EBITDA margin	*14%*	*6%*	

From Q1 25 Xplora reports on the Senior segment. Historical figures reported by Doro are included in the segment report, for an easier comparison and overview of historical development in the figures.

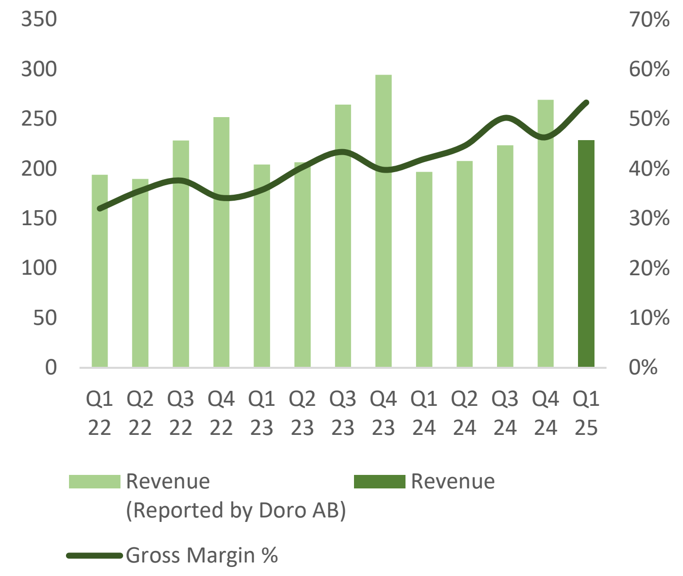
Revenue in Q1 25 was NOK 228.5m, up 16% from the previous year. The new Feature phones series, a product line that meets the requirements of the latest sustainability directives, continued to boost sales in Q1 25.

Gross profit increased 47% y/y to NOK 121.9m in Q1 25. The increase partially comes from a one-off provision release, resulting in lower COGS in Q1 25.

Total operating expenses increased by 26% y/y to NOK 89.3m in Q1 25. NOK 15.7m were excluded compared to Doro AB reported figures relating to transaction cost in Q1 occurred before the transaction date.

EBITDA ended at NOK 32.6m for the senior segment in Q1 25. This is an increase of 171% compared to Q1 24 reported by Doro AB.

Senior quarterly revenue (NOKm)



- Gross margin equal to 53% in Q1 25. This compares to 42% in Q1 24 reported by Doro

Senior Subscription base (k)

Xplora will begin to offer mobile subscriptions and services for the senior customer base in the second quarter of 2025. A huge value creation opportunity lies in developing the recurring revenue base for the Senior segment.

Outlook

Xplora has expanded its strategic scope with the acquisition of Doro AB in the Senior segment and the partnership with HMD in the Kids & Youth segment and is now addressing a significantly larger market with a broad product and services offering. These strategic initiatives add scale and profitability and support Xplora's growth journey towards its ambition to reach one million subscriptions.

The Doro-acquisition is transformative both financially and strategically and was the main driver for the 188% year-on-year revenue increase to NOK 339m in the first quarter. The collaboration on sales, marketing and operations was kicked off in the first quarter, to begin exploiting the growth avenues that Doro opens into new markets. One of the main value creation opportunities lie in developing the recurring revenue base, and the company will begin to offer Xplora mobile subscriptions and services across Doro's customer base in the second quarter of 2025. This marks a shift in the business strategy for Doro, which historically has focused only on device sales. Doro successfully launched a new line of feature phones in Q1 25 and will launch a new smart phone line in Q2 25.

Within the Kids & Youth segment, Xplora and HMD kicked off its partnership in Q1 25 with the launch of the HMD Fusion X1 smartphone at the World Mobile Congress in Barcelona in March. The phone will become available in the market during the second quarter. Tagged as 'the ultimate first smartphone', it offers teenagers and their parents a modern smartphone with advanced cameras, enhanced security, real-time and historical location data, safe zones, safe messaging service and apps and screentime controls.

The entry into the youth market adds momentum to the Kids & Youth segment, where Xplora maintains its long-term ambition for 15% annual growth.

Xplora has established a strategic roadmap to grow profitably while realising its ambition to build a base of one million subscriptions over the next four years. As a part of this, the company in Q1 2025 secured financing of the business plan through a long-term loan facility that strengthened both the funding structure and liquidity position at favourable terms.


Xplora creates technology that helps families stay connected and safe.

Xplora Technologies Group
INCOME STATEMENT

NOK '1000	Note	Q1 2025	Q1 2024	FY 2024
Revenue	3	338,707	117,418	797,148
Cost of goods sold, and services provided	3	148,160	49,849	407,589
Gross Profit	3	**190,547**	**67,570**	**389,559**
Employee expenses	3, 4	67,220	27,126	128,107
Marketing expenses	3	32,902	11,080	65,493
Other operating expenses	3, 5	72,817	25,464	125,000
EBITDA	3	**17,608**	**3,900**	**70,959**
Depreciation and amortization	3	24,243	10,643	44,262
Operating profit / EBIT	3	**- 6,635**	**- 6,743**	**26,697**
Finance (income)/expenses - net	6	76,729	4,639	14,062
Profit (loss) before income tax		**- 83,364**	**- 11,382**	**12,635**
Income tax		29	262	4,240
Net profit (loss)		**- 83,394**	**- 11,644**	**8,395**
Net profit (loss) for the year is attributable to:				
Owners of parent company (Xplora Technologies AS)		- 84,670	-11,644	8,395
Non-controlling interest		1,276	0	0
Earnings per share:				
Basic earnings per share		- 1.87	-0.27	0.19
Diluted earnings per share		- 1.87	-0.27	0.18

Quarterly figures are unaudited.

STATEMENT OF COMPREHENSIVE INCOME

NOK '1000	Note	Q1 2025	Q1 2024	FY 2024
Net profit (loss)		- 83,394	-11,382	12,635
Other comprehensive income (net of tax)				
Items that may be reclassified to profit or loss:				
Foreign currency translation differences		8,494	5,439	8,909
Effects from cash flow hedges		-3,051	0	0
Tax on items that may be reclassified to profit or loss		631	0	0
Total comprehensive income for the year		**-77,319**	**-6,205**	**17,304**
Total comprehensive income for the year is attributable to:				
Owners of parent company (Xplora Technologies AS)		-79,796	-6,205	17,304
Non-controlling interest		2,477	0	0

Quarterly figures are unaudited.

Xplora Technologies Group
STATEMENT OF FINANCIAL POSITION

NOK '1000	Note	31.3.25	31.12.24	31.3.24	1.1.24
Intangible assets	7	818,881	175,937	174,329	175,211
Property, plant and equipment		26,488	14,017	17,687	18,743
Financial assets		46,078	0	0	0
Deferred tax asset		28,004	13,031	14,074	13,891
Other non-current assets		6,527	11,590	26,002	32,256
Total non-current assets		**925,978**	**214,576**	**232,092**	**240,101**
Inventories		242,314	80,944	104,848	107,998
Current receivables		222,356	75,493	110,517	77,018
Cash and cash equivalents		544,793	235,067	119,624	137,433
Total current assets	3	**1,009,463**	**391,504**	**334,989**	**322,449**
Total assets		**1,935,440**	**606,080**	**567,081**	**562,550**
Equity (excluding minority share)		275,889	352,433	322,982	327,354
Minority shareholders' equity		90,433	0	0	0
Total equity		**366,323**	**352,433**	**322,982**	**327,354**
Long-term liabilities to financial institutions	10	935,537	6,250	12,500	14,583
Other long-term liabilities		103,814	6,435	11,054	12,666
Total non-current liabilities		**1,039,350**	**12,685**	**23,554**	**27,249**
Current liabilities to financial institutions	10	46,844	83,317	90,695	55,303
Other current liabilities		482,923	157,644	129,849	152,644
Total current liabilities		**529,767**	**240,961**	**220,545**	**207,947**
Total liabilities	3	**1,569,117**	**253,646**	**244,099**	**235,196**
Total equity and liabilities		**1,935,440**	**606,080**	**567,081**	**562,550**

Quarterly figures are unaudited.

Xplora Technologies Group

STATEMENT OF CHANGES IN EQUITY

NOK '1000	Share capital	Share premium	Shares to be issued	Currency translation differences	Other equity	Non-controlling interest	Total equity
Balance at 1 January 2024	167	306,581	17,500		3,106	0	327,354
Net profit (loss)	0	0	0	0	-11,644	0	-11,644
Other comprehensive income	0	0	0	5,438	0	0	5,438
Total comprehensive income for the period	**0**	**0**	**0**	**5,438**	**-11,644**	**0**	**-6,206**
Transactions with the owners of the company							
Issue of share capital net of transaction costs and tax	10	17,490	-17,500	0	0	0	0
Share-based program	0	0	0	0	1,834	0	1,834
	10	**17,490**	**-17,500**	**0**	**1,834**	**0**	**1,834**
Balance at 31 March 2024	**177**	**324,071**	**0**	**5,438**	**-6,704**	**0**	**322,981**
Balance at 1 January 2025	177	324,071	0	8,908	19,277	0	352,433
Net profit (loss)					-84,681	1,287	-83,394
Other comprehensive income				4,874		1,200	6,075
Total comprehensive income for the period	**0**	**0**	**0**	**4,874**	**-84,681**	**2,488**	**-77,319**
Transactions with the owners of the company							
Issue of share capital net of transaction costs and tax	2	3,191	0	0	0	0	3,193
Non-controlling interests on acquisition of subsidiary	0	0	0	0	0	93,901	93,901
Transactions with non-controlling interest	0	0	0	0	-79	-6,165	-6,244
Share-based program	0	0	0	0	359	0	359
	2	**3,191**	**0**	**0**	**279**	**87,736**	**91,208**
Balance at 31 March 2025	**178**	**327,263**	**0**	**13,783**	**-65,125**	**90,223**	**366,322**

Quarterly figures are unaudited.

Xplora Technologies Group

STATEMENT OF CASH FLOWS

NOK '1000	Note	Q1 2025	Q1 2024	FY 2024
Profit (loss) before tax		-83,364	-11,382	12,635
Depreciation and amortization		24,140	10,643	44,262
Change in working capital (incl changes in provision)		-16,153	-45,162	47,641
Net cash flow from operating activities		**-75,378**	**-45,901**	**104,538**
Investments in intangible and tangible assets		-16,199	-3,301	-18,483
Investment in shares		-484,147	0	0
Net cash flow from investing activities		**-500,346**	**-3,301**	**-18,483**
Change in debt		892,813	33,309	19,681
Sale/ repurchase of own shares		3,193	0	0
Other financing activities		-10,556	-1,916	-8,103
Net cash flow from financing activities		**885,450**	**31,393**	**11,578**
Net change in cash and cash equivalents		**309,726**	**-17,809**	**97,634**
Cash and cash equivalents at start of period		235,067	137,433	137,433
Cash and cash equivalents at end of period		**544,793**	**119,624**	**235,067**

Quarterly figures are unaudited.

NOTES

NOTE 1 CORPORATE INFORMATION

Xplora Technologies AS is a Norwegian public limited liability company listed on Euronext Growth Oslo under the ticker XPLRA. The company's head office is located at Nedre Slottsgate 8, 0157 Oslo, Norway. Xplora is an information technology group that develops and offers wearable smart devices, mobile subscriptions, and value-added services through its premium subscription.

The interim consolidated financial statements of Xplora Technologies AS and its subsidiaries (the "Group" or "Xplora") for the three months ending 31 March 2025 were approved for publication by the Board of Directors on 22 May 2025.

NOTE 2 BASIS OF PREPARATION AND TRANSITION TO IFRS

The annual financial statements for the year ending 31 December 2025 will be the first the Group prepares in accordance with IFRS® Accounting Standards (IFRS) as adopted by the European Union (EU). Accordingly, the Group has prepared its interim consolidated financial statements for the three months ended 31 March 2025 in accordance with IAS 34 Interim Financial Reporting.

These interim financial statements do not include all the information and disclosures required in the annual financial statements. For periods up to and including the year ended 31 December 2024, the Group prepared its financial statements in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway (N-GAAP). The effect of the transition to IFRS is explained in note 12.

Accounting policies applied under IFRS are presented either in the relevant notes or in the separate accounting policy note presented as part of the transition section, note 12.3.1.

The group's operations are subject to seasonal fluctuations, with sales and subscription growth typically concentrated in the second, third and fourth quarters. These seasonal effects may also impact inventory levels, working capital, and cash flows. However, the group does not consider its operations to be highly seasonal in accordance with IAS 34.

The interim consolidated financial statements are unaudited.

NOTE 3 SEGMENTS

Following the acquisition of Doro AB ("Doro") on 13 January 2025, the Group is organized into two operating and reportable segments: Kids & Youth and Senior.

The Kids & Youth segment includes the operation previously reported under Xplora, covering the development and sale of wearable smart devices, mobile subscriptions, and value-added services offered through its premium subscription model, primarily for children, youth and families.

The Senior segment includes the operation of Doro, which combines the development and sale of senior-adapted phones, mobile phones and other technical products, and applications designed for senior users.

Following the acquisition, the Group will introduce mobile subscription services to the Senior Segment as part of its ongoing integration strategy. This is expected to complement Doro's product offering and create revenue synergies across the Group. The impact of this change will be reflected in the segment reporting as the mobile subscription business is operationally implemented.

Each operating segment currently maintains its own support function, including logistic, supply chain, and customer service, based on existing organizational setup. These functions are included within the respective segment results and are not reported separately.

No operating segments have been aggregated to form the above reportable operating segments. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker, which comprises the CEO and Board of Directors of Xplora Technologies AS. The segment structure reflects the legal organization of the Xplora Group prior to the acquisition of Doro and the existing structure of Doro Group.

SEGMENT PROFIT AND LOSS, ASSETS AND LIABILITIES

Segment profit and loss includes all income and expenses directly attributed to the operating segments, while segment assets and liabilities include all assets and liabilities directly attributed to the operating segments. The 'Other/ Eliminations' column includes adjustments as part of the PPA and eliminations of intercompany transactions.

Profit and loss (1 January – 31 March 2025)

NOK '1000	Kids & Youth	Senior	Other/ Eliminations	Group
Sale of devices	30,443	228,585	0	**259,028**
Sale of services	79,678	0	0	**79,678**
Inter-segment revenue	8,000	0	-8,000	**0**
Cost of goods sold, and services provided	41,477	106,683	0	148,160
Gross Profit	**76,645**	**121,902**	**-8,000**	**190,547**
Payroll expenses	31,735	35,485	0	67,220
Marketing expenses	11,037	21,865	0	32,902
Other operating expenses	40,823	31,994*	0	72,817
EBITDA	**-6,951**	**32,559**	**-8,000**	**17,608**
Depreciation and amortization	11,793	12,451	104	24,243
Operating profit / EBIT	**-18,744**	**20,212**	**-7,896**	**-6,635**

* NOK 15.7m was excluded compared to Doro AB's reported figures, relating to transaction costs for financial advisory services incurred in Q1 before the transaction date.

Assets and liabilities (31 March 2025)

NOK '1000	Kids & Youth	Senior	Other/ Eliminations	Group
Segment assets	1,393,008	958,166	-415,734	1,935,440
Segment liabilities	1,130,558	387,982	50,577	1,569,117

Profit and loss (1 January – 31 March 2024)

NOK '1000	Kids & Youth	Senior	Other/ Eliminations	Group
Sale of devices	54,766	0	0	**54,766**
Sale of services	62,652	0	0	**62,652**
Inter-segment revenue	0	0	0	**0**
Cost of goods sold, and services provided	49,849	0	0	49,849
Gross Profit	**67,570**	**0**	**0**	**67,570**
Payroll expenses	27,126	0	0	27,126
Marketing expenses	11,080	0	0	11,080
Other operating expenses	25,464	0	0	25,464
EBITDA	**3,900**	**0**	**0**	**3,900**
Depreciation and amortization	10,643	**0**	**0**	10,643
Operating profit / EBIT	**-6,743**	**0**	**0**	**-6,743**

Assets and liabilities (31 March 2024)

NOK '1000	Kids & Youth	Senior	Other/ Eliminations	Group
Segment assets	567,081	0	0	567,081
Segment liabilities	244,099	0	0	244,099

Revenue by geographical areas (Group)

NOK '1000	Q1 25	Q1 24
Nordic	125,231	67,143
Rest of Europe	208,813	45,784
Other	4,663	4,492
Total revenues	**338,707**	**117,418**

Revenue is attributed to individual countries or groups of countries based on the customer's country of domicile

NOTE 4 PAYROLL EXPENSES

NOK '1000	Q1 2025	Q1 2024	FY 2024
Salaries/Wages	45,466	20,152	85,817
Share-based compensation	1,542	1,729	11,754
Sales commissions and bonus accruals	0	0	8,124
Social security fees	14,486	4,015	15,552
Pension expenses	3,655	898	4,576
Other benefits	2,072	331	2,283
Total	**67,220**	**27,126**	**128,107**

Quarterly figures are unaudited.

NOTE 5 OTHER OPERATING EXPENSES

NOK '1000	Q1 2025	Q1 2024	FY 2024
Selling & distribution Costs	10,239	5,289	31,953
Engineering, trademarks & patents	780	740	3,075
Consultants, legal & other external services	31,846	11,584	49,113
Office expenses	4,054	4,301	16,260
Travel & subsistence	1,702	719	3,459
One-off transaction costs	10,908	0	7,144
Other operating Costs	13,288	2,832	13,996
Total	**72,817**	**25,464**	**125,001**

Quarterly figures are unaudited.

NOTE 6 FINANCE (INCOME)/EXPENSES - NET

NOK '1000	Q1 2025	Q1 2024	FY 2024
Finance expenses relating to Doro Acquisition			
Bank and loan administration fees	31,881	0	0
Interests on acquisition loan	12,347	0	0
Currency impact on the acquisition loan	25,315	0	0
Other finance (income)/expenses - net	7,185	4,639	14,062
Total finance (income)/expenses - net	**76,729**	**4,639**	**14,062**

NOTE 7 INTANGIBLE ASSETS AND GOODWILL

Goodwill

NOK '1000	Note	2025	2024
Accumulated costs as of 1 January		138,167	138,167
Acquisitions of business		309,897	0
Accumulated impairment losses		0	0
Translation differences		2,624	0
Closing net carrying value as of 31 March		**450,688**	**138,167**
Allocated to segment:			
Kids & Youth		138,167	138,167
Senior		312,521	0

Other Intangible Assets

Period end 31 March 2025

NOK '1000	Note	Trade name	Customer contracts/ relations	Capitalized development	Total
Accumulated cost					
As of 1 January 2025		0	73,740	84,972	**158,712**
Additions		0	0	14,501	**14,501**
Derecognition		0	0	-10,905	**-10,905**
Acquisitions of business		274,539	0	44,841	**319,380**
Translation differences		9,501	0	1,432	**10,933**
Closing accumulated cost		**284,040**	**73,740**	**134,841**	**492,621**
Accumulated depreciation					
As of 1 January 2025		0	-69,131	-47,202	**-116,333**
Amortisation charge		0	-4,609	-14,503	**-19,112**
Derecognition		0	0	10,998	**10,998**
Translation differences		0	0	19	**19**
Closing accumulated amortization		**0**	**-73,740**	**-50,688**	**-124,428**
Closing net carrying value		**284,040**	**0**	**84,153**	**368,193**
Useful life		Indefinite	4 years	1-4 years	
Amortisation plan			Linear	Linear	

Period end 31 March 2024

NOK '1000	Note	Trade name	Customer contracts/ relations	Capitalized development	Total
Accumulated cost					
As of 1 January 2024			73,740	65,983	**139,723**
Additions			0	3,165	**3,165**
Closing accumulated cost		**0**	**73,740**	**69,148**	**142,888**

Accumulated depreciation				
As of 1 January 2024		-50,696	-28,938	**-79,634**
Amortisation charge		-4,609	-4,048	**-8,657**
Closing accumulated amortization	**0**	**-55,305**	**-32,986**	**-88,291**
Closing net carrying value	**0**	**18,435**	**36,162**	**54,597**
Useful life		4 years	4 years	
Amortisation plan		Linear	Linear	

NOTE 8 BUSINESS COMBINATIONS

Business combinations completed in 2025

On 13 January 2025, the Group obtained control of Doro AB by acquiring 88.32 % of the company's shares. The acquisition of Doro AB represents a transformational milestone in the Group's development. With its strong sales of feature phones and smartphones for seniors, Doro provides a robust platform for expanding Xplora's service model into a new and growing market segment. By integrating Xplora's mobile subscription offerings and services into Doro's devices, the Group sees significant potential to drive growth in recurring revenues within the senior segment.

In line with the public offer made to the shareholders of Doro AB on 26 September 2024, the Group paid SEK 34 in cash per share. As such, the total consideration equaled SEK 736.6 m or NOK 749.0 m, as part of the initial acquisition.

The assets and liabilities recognized as a result of the acquisition are as follows:

NOK '1000	Note	Fair value
Assets		
Property, plant, and equipment		1,627
Right-of-use assets		13,829
Intangible assets		319,380
Other non-current receivables		44,536
Inventories		168,384
Trade and other receivables		155,470
Other current assets		12,100
Derivative financial assets		3,966
Cash and cash equivalents		264,879
Total assets		**984,171**
Liabilities		
Employee benefit obligations		-3,457
Deferred tax liabilities		-44,916
Lease liabilities		-13,829
Trade and other payables		-219,835
Current tax liability		-5,694
Other liabilities		-86,937
Provisions		-75,651
Derivative financial liabilities		-813
Total liabilities		**-451,132**
Net identifiable assets and liabilities at fair value		**533,039**
Non-controlling interests		-93,901
Goodwill		309,897
Purchase consideration transferred		**749,036**

The consideration consists of	
Cash consideration	749,036
Total consideration	**749,036**

The goodwill is attributable to the workforce and the expected synergies arising from the expansion of the Group's business model and mobile subscription services into Doro's market segment. Goodwill is not deductible for tax purposes. Transaction costs related to the acquisition of NOK 7.1m are expensed in 2024 and NOK 10.9m in 2025.

The fair value of acquired trade receivables is NOK 142.4 m. The gross contractual amount for trade receivables due is NOK 148.4m, with a loss allowance of NOK 6.0m recognized on acquisition.

The Group recognizes non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the acquisition of Doro AB, the Group elected to recognize the non-controlling interests at fair value.

The acquired business contributed revenue of NOK 228.6m and net profit of NOK 12.3m to the Group in Q1 2025. For practical purposes, the acquired business has been consolidated from 1 January 2025, and accordingly, the Group's pro forma revenue and profit for Q1 2025 are the same as the figures reported in the Q1 2025 income statement. NOK 15.7m was excluded compared to Doro AB's reported figures, relating to transaction costs for financial advisory services incurred in Q1 before the transaction date.

NOTE 9 SHARE CAPITAL AND SHAREHOLDER INFORMATION

Share capital	No. of shares	Share par value	Book value
Ordinary shares	44,612,786	0.004	178,451.14

SHAREHOLDERS AS OF 31.03.2025

Shareholder	Shares	Ownership	Voting rights interest
Passesta AS	5,969,056	13.4%	13.4%
Harmonium Invest AS	2,689,911	6.0%	6.0%
Eden AS	2,240,125	5.0%	5.0%
Vinterstua AS	2,167,123	4.9%	4.9%
S. Munkhaugen AS	1,991,325	4.5%	4.5%
MP Pensjon PK	1,907,165	4.3%	4.3%
MK Capital AS	1,320,325	3.0%	3.0%
Fougner Invest AS	1,138,111	2.6%	2.6%
Kirkbak Holding AS	1,108,606	2.5%	2.5%
Esmar AS	1,092,576	2.4%	2.4%
Commerzbank Aktiengesellschaft	1,056,019	2.4%	2.4%
Camelback Holding AS	1,014,617	2.3%	2.3%
Nordnet Livsforsikring AS	928,154	2.1%	2.1%
Arepo AS	914,762	2.1%	2.1%
Torsen Tankers & Towers AS	896,460	2.0%	2.0%
Skattum Invest AS	886,312	2.0%	2.0%
Sparebank 1 Markets AS	777,122	1.7%	1.7%
Hering AS	675,362	1.5%	1.5%
Cosimo AS	600,000	1.3%	1.3%
Tucan Holding AS	554,042	1.2%	1.2%
Top 20 Shareholders	**29,927,173**	**67.1%**	**67.7%**
Other	14,685,613	32.9%	
Total Shares Outstanding	**44,612,786**	**100.0%**	

Shares held by Board members and Management

Name	Role	Shareholder	No of shares	Ownership
Tore Engebretsen	Chairman	Passesta AS	5,969,056	100%*
Harald Fredrik Hodne Ulltveit-Moe	Director	Harmonium Invest AS	2,689,911	100%
Bjørn Christian Eide	Director	Esmar AS	1,092,576	45%
Kari Bech-Moen	Director	M-Effective Holding AS	6,000	100%
Ingrid Elvira Leisner	Director	Duo Jag AS	25,000	50%
Sten Kirkbak	CEO	MK Capital AS	1,320,325	50%
Sten Kirkbak	CEO	Kirkbak Holding AS	1,108,606	100%
Sten Kirkbak	CEO	EF Investigo Holding AS	402,100	16.70%
Other management	-	Private	260,646	100%

*Refers to A-shares, which carry 100% of the voting rights. 100% of the ownership is held by Tore Engebretsen and related parties.

Options and rights outstanding
There are a total of 2 293 833 options as of 31 March 2025.

On January 3, 2025, Xplora granted 324,675 share options to CEO Sten Kirkbak, bringing his total to 550,000 options. The exercise price is NOK 31.30 per share, with a vesting period of three years and an expiration after six years. The total outstanding share options remain within the 7.5% limit of total shares.

On March 14, 2025, Xplora announced the completion of a share capital increase, registered with the Norwegian Register of Business Enterprises. The increase follows the issuance of new shares in connection with the exercise of employee share options, as announced on March 4, 2025. A total of 456,167 new shares were issued, each with a par value of NOK 0.004 and carrying one vote. Following the registration, the new share capital of the Company is NOK 178,451.15, divided into 44,612,787 shares.

NOTE 10 BORROWINGS

NOK '1000	31.3.25	31.3.24	31.12.24
Loan facility	931,370	0	0
Innovation Norway loan	4,167	14,583	6,250
Supply chain financing facility	46,844	55,303	83,317
Total liabilities to financial institutions	**982,381**	**69,886**	**89,567**

A long-term loan facility of EUR 82m was secured at favorable terms (EURIBOR plus margin) with a 4-year duration. Up to 75% of the EURIBOR-linked interest has been hedged. The facility secures long-term financing structure and strengthens liquidity. The acquisition loan was settled at the end of Q1 25 following the refinancing.

NOTE 11 POST QUARTER EVENTS

On April 4, 2025, Xplora announced that the company expects minimal effects from the recently announced increase in US import tariffs. Xplora's business is largely concentrated in Europe and the Nordics, with limited exposure to US device sales and strong recurring revenues not impacted by tariffs. The recent weakening of the USD against EUR and NOK/SEK has also contributed positively to gross margins. The recently acquired Doro AB does not report revenues in the US market and is therefore not affected by the new tariffs.

On May 13, 2025, Xplora announced that the parties, Xplora and freenet DLS Gmbh, have entered into an extended agreement to the existing partnership. Under new terms, effective from May 12, 2025, freenet will include Xplora's premium services as a mandatory service to all new 12- and 24-month mobile subscription contracts sold in combination with Xplora smartwatches. The smartwatches are sold in combination with freenet's mobile subscription plans through Mediamark, Germany's leading electronic retailer. Under the extended agreement, end users will get full access to Xplora's premium activity service. The upgrade is expected to positively impact Xplora's high margin service revenue and improve customer engagement.

NOTE 12.0 IFRS TRANSITION OVERVIEW

Descriptions of accounting policies are generally included within the relevant notes to the interim consolidated financial statements. The most significant changes to the financial statements resulting from the change in accounting policies following the transition to IFRS are described below.

Transaction costs in business combinations are expensed as incurred under IFRS. Under N-GAAP, such costs were included in the purchase consideration. Transaction costs of NOK 10.9m were recognized as other operating expenses in Q1 2025 (Q1 2024: NOK 0.0m).

Certain arrangements with customers involving market support were, under N-GAAP, presented as marketing expenses when the related costs were incurred. Under IFRS, such arrangements are treated as variable consideration related to the sale of devices and are therefore recognized as a reduction in revenue at the time of the sale.

Accounting for leases under IFRS requires the recognition of right-of-use assets and lease liabilities in the statement of financial position. Lease payments that were previously recognized as other operating expenses under N-GAAP are replaced by depreciation of the right-of-use assets and interest expense on the lease liabilities. The net effect on profit or loss for the period is not significant. However, the impact on EBITDA, compared to N-GAAP, reflects a slight increase in both Q1 2025 and the corresponding period in 2024.

NOTE 12.1 TRANSITION TO IFRS

The financial statements for the year ended 31 December 2025 will be the first the group prepares in accordance with IFRS. For periods up to and including the year ended 31 December 2024, the group prepared its financial statements in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway (N-GAAP).

Accordingly, the Group has prepared interim financial statements that comply with IFRS, together with comparative information for 2024. In preparing these financial statements, the group's opening statement of financial position was prepared as of 1 January 2024, the group's date of transition to IFRS. This note explains the principal adjustments made by the group in restating its N-GAAP financial statements, including the statement of financial position as of 1 January 2024 and the income statement for the year ended 31 December 2024.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of specific IFRS requirements. The Group has applied the following exemptions:

IFRS 3 Business Combinations have not been applied retrospectively to acquisitions of subsidiaries that qualify as businesses under IFRS and occurred before 1 January 2024. By applying this exemption, the N-GAAP carrying amounts of assets and liabilities required to be recognized under IFRS are treated as their deemed cost at the acquisition date. Subsequent to the acquisition date, these assets and liabilities are measured in accordance with IFRS. Assets and liabilities that do not qualify for recognition under IFRS are excluded from the opening IFRS statement of financial position. The Group did not recognize any additional assets or liabilities that had not been recognized under N-GAAP, nor did it derecognize any previously recognized amounts as a result of applying IFRS recognition criteria.

IFRS 1 also requires that the N-GAAP carrying amount of goodwill be used in the opening IFRS statement of financial position, except for any adjustments arising from impairment testing or from the recognition or derecognition of identifiable intangible assets. In accordance with IFRS 1, the Group tested goodwill for impairment at the date of transition to IFRS and determined that no impairment was required as of 1 January 2024.

The group has not applied IAS 21 The Effects of Changes in Foreign Exchange Rates retrospectively to fair value adjustments and goodwill arising from business combinations that occurred before the date of transition to IFRS. These fair value adjustments and goodwill are treated as assets and liabilities of the parent, rather than as assets and liabilities of the acquiree.

As a result, these assets and liabilities are either already expressed in the functional currency of the parent or are non-monetary foreign currency items, and therefore no further translation differences arise.

The group has elected to measure property, plant, and equipment at fair value at the date of transition to IFRS and to use that fair value as deemed cost. The carrying amount under N-GAAP is considered a reasonable approximation of fair value and has therefore been used as the deemed cost at the transition date.

The Group assessed all contracts existing as of 1 January 2024 to determine whether they contain a lease, based on the conditions in place at the date of transition.

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2024. Right-of-use assets were measured at an amount equal to the corresponding lease liabilities. Lease payments related to leases with terms ending within 12 months of the transition date have been recognized as an expense, either on a straight-line basis over the lease term or using another systematic basis. The Group has also elected to apply the use of hindsight, for example, in determining the lease term when contracts contain options to extend or terminate the lease.

Cumulative currency translation differences for all foreign operations are deemed to be zero as of 1 January 2024.

Estimates

The estimates made as of 1 January 2024 and 31 December 2024 are consistent with those made for the same dates under N-GAAP, with the exception of estimates related to lease liabilities and the fair value of derivatives, for which N-GAAP did not require estimation. The estimates used by the group to present these amounts in accordance with IFRS reflect the conditions existing at 1 January 2024, the date of transition to IFRS, and at 31 December 2024. An exception applies to the determination of the lease term, where the group has elected to apply hindsight for contracts that include options to extend or terminate the lease.

Reconciliation of equity as of 1 January 2024 (date of transition to IFRS)

NOK '1000	Note	N-GAAP	Reconciliation of equity as of 1 January 2024 (date of transition to IFRS)	IFRS
ASSETS				
Non-current assets				
Property, plant, and equipment		1,456	0	1,456
Right-of-use assets	A	0	17,287	17,287
Intangible assets	B	68,838	-8,750	60,088
Goodwill		138,167	0	138,167
Financial lease receivables	A	0	2,635	2,635
Other receivables		6,577	0	6,577
Deferred tax assets	B,D,G	10,947	2,944	13,891
Total non-current assets		**225,985**	**14,117**	**240,102**
Current assets				
Inventories		107,998	0	107,998
Trade and other receivables		38,760	0	38,760
Other current assets		36,672	0	36,672
Financial lease receivables	A	0	1,586	1,586
Cash and cash equivalents		137,433	0	137,433
Total current assets		**320,863**	**1,586**	**322,449**
TOTAL ASSETS		**546,848**	**15,703**	**562,551**

NOK '1000	Note	N-GAAP	Reconciliation of equity as of 1 January 2024 (date of transition to IFRS)	IFRS
EQUITY AND LIABILITIES				
Equity				
Share capital		167	0	167
Share premium		317,021	0	317,021
Other paid-in capital	B,D,G	20,606	-10,440	10,166
Other equity		0	0	0
Total equity		**337,793**	**-10,440**	**327,354**
Non-current liabilities				
Borrowings		14,583	0	14,583
Lease liabilities	A	0	12,666	12,666
Total non-current liabilities		**14,583**	**12,666**	**27,249**

Current liabilities				
Trade and other payables		89,515	0	89,515
Borrowings		55,303	0	55,303
Lease liabilities	A	0	8,842	8,842
Other liabilities		38,595	0	38,595
Provisions	D	11,059	4,634	15,693
Total current liabilities		**194,471**	**13,476**	**207,948**
Total liabilities		**209,055**	**26,142**	**235,197**
TOTAL EQUITY AND LIABILITIES		**546,848**	**15,703**	**562,551**

Reconciliation of equity as of 31 December 2024

NOK '1000	**Note**	**N-GAAP**	**Reconciliation of equity as of 31 December 2024 (date of transition to IFRS)**	**IFRS**
ASSETS				
Non-current assets				
Property, plant, and equipment		951	0	951
Right-of-use assets	A	0	13,066	13,066
Intangible assets	B	48,742	-6,363	42,379
Goodwill	E	119,110	19,058	138,167
Financial lease receivables	A	0	1,239	1,239
Other receivables		5,742	0	5,742
Deferred tax assets	A,B,C,D,G	10,738	2,293	13,031
Total non-current assets		**185,283**	**29,292**	**214,576**
Current assets				
Inventories		80,944	0	80,944
Trade and other receivables		43,932	0	43,932
Other current assets	F	32,698	-4,219	28,479
Financial lease receivables	A	0	1,586	1,586
Derivative financial assets	C	0	1,496	1,496
Cash and cash equivalents		235,067	0	235,067
Total current assets		**392,641**	**-1,137**	**391,504**
TOTAL ASSETS		**577,924**	**28,156**	**606,080**

NOK '1000	**Note**	**N-GAAP**	**Reconciliation of equity as of 31 December 2024 (date of transition to IFRS)**	**IFRS**
EQUITY AND LIABILITIES				
Equity				
Share capital		177	0	177
Share premium	A,B,C,D,E,F,G,H	345,358	-5,115	340,243
Other paid-in capital		3,106	0	3,106
Other equity	H	0	8,908	8,908
Total equity		**348,640**	**3,793**	**352,434**

Non-current liabilities				
Borrowings		6,250	0	6,250
Lease liabilities	A	0	6,435	6,435
Total non-current liabilities		**6,250**	**6,435**	**12,685**
Current liabilities				
Trade and other payables	F	83,004	2,925	85,930
Borrowings		83,317	0	83,317
Lease liabilities	A	0	9,948	9,948
Other liabilities		42,467	0	42,467
Provisions	D	14,246	5,054	19,300
Total current liabilities		**223,034**	**17,927**	**240,961**
Total liabilities		**229,284**	**24,362**	**253,646**
TOTAL EQUITY AND LIABILITIES		**577,924**	**28,156**	**606,080**

Reconciliation of total comprehensive income for the year ended 31 December 2024

NOK '1000	**Note**	**N-GAAP**	**Reclassification and re-measurements**	**IFRS**
Revenue	D	813,327	-16,179	797,148
Cost of goods sold, and services provided		-407,589	0	-407,589
Gross Profit		**405,738**	**-16,179**	**389,559**
Employee expenses		-128,107	0	-128,107
Marketing expenses	D	-81,252	15,759	-65,493
Other operating expenses	A,B,F	-124,521	-480	-125,001
EBITDA		**71,859**	**-900**	**70,958**
Depreciation and amortization	A,B,E	-59,698	15,435	-44,263
Operating profit / EBIT		**12,161**	**14,535**	**26,696**
Financial income	A,C	2,735	1,728	4,462
Finance expenses	A	-17,273	-1,252	-18,524
Profit (loss) before income tax		**-2,377**	**15,011**	**12,634**
Income tax	A,B,C,D,G	-3,560	-680	-4,240
Net profit (loss)		**-5,937**	**14,332**	**8,394**
Other comprehensive income (net of tax) **Items that may be reclassified to profit or loss:**				
Foreign currency translation differences	H	0	8,908	8,908
Total comprehensive income for the year		**-5,937**		**17,302**

Notes to the reconciliation of equity as of 1 January 2024 and 31 December 2024 and total comprehensive income for the year ended 31 December 2024.

A: Leasing

Under N-GAAP, leases are classified as either finance leases or operating leases. Operating lease payments are recognized as operating expenses in the statement of profit or loss on a straight-line basis over the lease term. Under IFRS, lessees apply a single recognition and measurement approach for all leases—except for short-term leases and leases of low-value assets—recognizing both a lease liability for the obligation to make lease payments and a right-of-use asset representing the right to use the underlying asset. At the date of transition to IFRS, the group applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition. Right-of-use assets were measured at an amount equal to the corresponding lease liabilities.

The group subleases part of its leased office space under a back-to-back agreement. Under N-GAAP, this sublease is classified as an operating lease, and the lease payments received are presented as a reduction in other operating expenses. Under IFRS, the sublease is classified as a finance lease. The portion of the right-of-use asset that is subject to the sublease is derecognized and a finance lease receivable is recognized. Interest income on the finance lease receivable is recognized in the statement of profit or loss over the lease term.

As a result, the group recognized lease liabilities of NOK 21,5 m (31 December 2024: NOK 16,4 m) and right-of-use assets of NOK 17,3 m (31 December 2024: NOK 13,1 m) at the date of transition to IFRS. The difference between lease liabilities and right-of-use assets at transition is due to the sublease classified as a finance lease. A finance lease receivable of NOK 4,2 m was recognized (31 December 2024: NOK 2,8 m).

In 2024, the group recognized lease payments of NOK 9,7 m and lease payments received under the sublease agreement of NOK 1,6 m as operating expenses in the N-GAAP financial statements. These amounts have been adjusted in the IFRS financial statements. Under IFRS, an amount of NOK 7,6 m is recognized as depreciation of right-of-use assets, and NOK 1,3 m is recognized as interest expense on lease liabilities. In addition, NOK 0,2 m is recognized as interest income on the finance lease receivable. The resulting adjustment to income tax expense is NOK 0,1 m.

B: Capitalized development

Under N-GAAP, NOK 8,7 m (31 December 2024: NOK 6,4 m) of expenses incurred in connection with the configuration and customization of SaaS and similar arrangements—where the Group did not control the underlying assets—were capitalized as intangible assets. Under IFRS, these expenses do not qualify for recognition as intangible assets and are instead recognized as operating expenses in the period in which they are incurred.

During 2024, expenses amounting to NOK 1,4 m were capitalized under N-GAAP, and amortization of the accumulated capitalized expenses amounted to NOK 3,9 m. Under IFRS, the capitalized amount is recognized as an operating expense in the statement of profit or loss, and the amortization is reversed (adjusted to zero).

C: Financial derivatives at fair value

The fair value of forward foreign exchange contracts and foreign exchange put option contracts is recognized under IFRS, but was not recognized under N-GAAP. Under N-GAAP, these contracts were designated as hedging instruments. Under IFRS, hedge accounting may only be applied if specific qualifying criteria are met. As these criteria were not met at the date of transition to IFRS, hedge accounting is not applied in the IFRS financial statements.

At the date of transition to IFRS, the fair value of the forward foreign exchange contracts and foreign exchange put option contracts was zero (31 December 2024: NOK 1,5 m). During 2024, the effect of these contracts was NOK 0,7 m, recognized as financial income under N-GAAP. Under IFRS, a net gain/loss of NOK 2,2 m on these contracts is recognized as financial income.

D: Revenue recognition

Under N-GAAP, certain arrangements with customers involving market support are presented as marketing expenses when the related costs are incurred. Under IFRS, such arrangements are treated as variable consideration related to the sale of devices and are therefore recognized as a reduction in revenue at the time of the sale.

At the date of transition to IFRS, the accumulated provision for market support was estimated at NOK 4,6 m. During 2024, a total of NOK 16,1 m in market support was deducted from revenue in accordance with IFRS, while NOK 15,7 m was recognized as marketing expenses under N-GAAP and adjusted in the IFRS financial statements. The net effect on EBITDA in 2024 was a negative NOK 0,4 m, and the provision for market support increased by the same amount to NOK 5,1 m as of 31 December 2024.

E: Goodwill amortization

Under N-GAAP, goodwill is amortized on a straight-line basis over 10 years. Under IFRS, goodwill is not amortized but is instead subject to annual impairment testing. In 2024, goodwill amortization of NOK 19,1 m was recognized under N-GAAP. These amortizations are reversed under IFRS, resulting in an increase in goodwill of NOK 19,1 m as of 31 December 2024, compared to the N-GAAP financial statements.

F: Transactions costs in business combinations

Transaction costs in business combinations are expensed as incurred under IFRS. Under N-GAAP, such costs were included in the purchase consideration. In connection with the Doro acquisition, certain transaction-related costs incurred in 2024 were recognized as prepaid expenses in the N-GAAP balance sheet as of 31 December 2024. In the IFRS financial statements, these costs - totaling NOK 7,1 m - are recognized as other operating expenses.

G: Income tax expenses and deferred tax

The various transitional adjustments resulted in changes to temporary differences, and the Group is required to recognize the related deferred tax effects. These deferred tax adjustments are recognized in accordance with the underlying transaction—typically in either other equity or profit or loss, depending on the nature of the original adjustment.

H: Exchange differences on translation of foreign operations

Exchange differences arising on the translation of a foreign entity are recognized in other comprehensive income (OCI) under IFRS. In 2024, under N-GAAP, translation differences were recognized directly in equity (share premium). As part of the transition to IFRS, cumulative currency translation differences for all foreign operations are deemed to be zero as of 1 January 2024. From that date onward, exchange differences are accumulated in a separate reserve.

Cash flow

Under N-GAAP, leases are classified as either finance leases or operating leases. Cash flows arising from operating lease payments are classified as operating activities in the statement of cash flows. Under IFRS, lessees generally apply a single recognition and measurement approach for all leases and recognize lease liabilities. Cash flows related to the principal portion of lease payments are classified as financing activities. Payments received under the sublease agreement, which is classified as a finance lease under IFRS, were classified as operating activities in the statement of cash flows under N-GAAP. Under IFRS, these cash flows are classified as financing activities.

As a result, for the year ended 31 December 2024, cash outflows from operating activities decreased by NOK 8.1 m, while cash outflows from financing activities increased by the same amount.

NOTE 12.2 QUARTERLY FINANCIAL FIGURES FOR 2024

The table below presents the Group's total comprehensive income for each quarter of 2024 and on a year-to-date basis, along with the statement of financial position as of the last day of each quarter, prepared in accordance with IFRS.

Total comprehensive income

NOK '1000	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Revenue	117,418	190,394	250,644	238,691
Cost of goods sold, and services provided	-49,849	-98,469	-132,273	-126,999
Gross Profit	**67,570**	**91,926**	**118,370**	**111,693**
Employee expenses	-27,126	-30,596	-38,261	-32,124
Marketing expenses	-11,080	-16,951	-8,124	-19,338
Other operating expenses	-25,464	-26,869	-31,217	-41,451
EBITDA	**3,900**	**17,510**	**30,768**	**18,781**
Depreciation and amortization	-10,643	-10,884	-11,591	-11,145
Operating profit / EBIT	**-6,743**	**6,626**	**19,177**	**7,635**
Finance (income)/expenses - net	-4,639	-3,898	-3,126	-2,398
Profit (loss) before income tax	**-11,382**	**2,728**	**16,051**	**5,237**
Income tax	-262	82	486	-4,545
Net profit (loss)	**-11,644**	**2,810**	**16,537**	**691**

Quarterly figures are unaudited.

NOK '1000	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Net profit (loss)				
Other comprehensive income (net of tax)				
Items that may be reclassified to profit or loss:				
Foreign currency translation differences	5,439	-954	2,954	1,469
Total comprehensive income for the year	**-6,205**	**1,856**	**19,491**	**2,161**

Quarterly figures are unaudited.

NOK '1000	1.1-30.6.24	1.1-30.9.24	1.1-31.12.24
Revenue	307,813	558,457	797,148
Cost of goods sold, and services provided	-148,317	-280,591	-407,589
Gross Profit	**159,495**	**277,866**	**389,559**
Employee expenses	-57,722	-95,983	-128,107
Marketing expenses	-28,031	-46,155	-65,493
Other operating expenses	-52,332	-83,550	-125,001
EBITDA	**21,410**	**52,178**	**70,958**
Depreciation and amortization	-21,527	-33,117	-44,263
Operating profit / EBIT	**-117**	**19,061**	**26,696**
Finance (income)/expenses - net	-8,537	-11,663	-14,062
Profit (loss) before income tax	**-8,654**	**7,397**	**12,634**
Income tax	-181	305	-4,240
Net profit (loss)	**-8,834**	**7,703**	**8,394**

Quarterly figures are unaudited.

NOK '1000	1.1-30.6.24	1.1-30.9.24	1.1-31.12.24
Net profit (loss)			
Other comprehensive income (net of tax)			
Items that may be reclassified to profit or loss:			
Foreign currency translation differences	4,485	7,439	8,908
Total comprehensive income for the year	**-4,349**	**15,142**	**17,302**

Quarterly figures are unaudited.

Statement of financial position

NOK '1000	31.3.24	30.6.24	30.9.24	31.12.24
Property, plant, and equipment	1,410	1,211	1,137	951
Right-of-use assets	16,277	14,339	13,424	13,066
Intangible assets	54,597	49,819	46,835	42,379
Goodwill	138,167	138,167	138,167	138,167
Financial lease receivables	2,295	1,949	1,597	1,239
Other receivables	5,272	5,378	5,359	5,742
Deferred tax assets	14,074	13,981	14,858	13,031
Total non-current assets	**232,092**	**224,844**	**221,377**	**214,576**
Inventories	104,848	103,719	80,103	80,944
Trade and other receivables	32,541	42,413	41,540	43,932
Other current assets	76,390	60,593	64,232	28,479
Financial lease receivables	1,586	1,586	1,586	1,586
Derivative financial assets	0	244	0	1,496
Cash and cash equivalents	119,624	126,341	176,715	235,067
Total current assets	**334,989**	**334,895**	**364,176**	**391,504**
Total assets	**567,081**	**559,740**	**585,552**	**606,080**
Total equity	**322,982**	**326,999**	**348,545**	**352,434**
Borrowings	12,500	10,417	8,333	6,250
Lease liabilities	11,054	9,071	7,936	6,435
Total non-current liabilities	**23,554**	**19,487**	**16,269**	**12,685**
Trade and other payables	76,368	88,278	98,761	85,930
Borrowings	90,695	68,474	57,316	83,317
Lease liabilities	9,281	9,121	9,466	9,948
Derivative financial liabilities	0	0	931	0
Other liabilities	31,579	33,662	37,768	42,467
Provisions	12,620	13,717	16,495	19,300
Total current liabilities	**220,545**	**213,253**	**220,738**	**240,961**
Total liabilities	**244,099**	**232,740**	**237,007**	**253,646**
Total equity and liabilities	**567,081**	**559,740**	**585,552**	**606,080**

Quarterly figures are unaudited.

Quarterly reconciliation of total comprehensive income and equity

The tables below present a reconciliation of equity under N-GAAP to equity under IFRS at each interim reporting date in 2024. Additionally, a reconciliation of profit or loss for each interim period in 2024 (both quarterly and year-to-date) to the corresponding total comprehensive income under IFRS is provided.

NOK '1000	Note	31.3.24	30.6.24	30.9.24	31.12.24
Equity under N-GAAP	A	327,725	327,262	345,772	348,640
Leasing	B	-138	-247	-619	-382
Capitalized development	C	-6,135	-5,751	-5,424	-4,963
Financial derivatives at fair value	D	0	190	-726	1,167
Revenue recognition	E	-3,234	-3,984	-4,751	-3,942
Goodwill amortization	F	4,764	9,529	14,293	19,058
Transactions costs in business combinations	G	0	0	0	-7,144
Equity under IFRS		**322,982**	**326,999**	**348,545**	**352,434**

NOK '1000	Note	31.3.24	30.6.24	30.9.24	31.12.24
Profit or loss for the period under N-GAAP		-17,343	-1,668	13,496	-423
Leasing	A	-176	-143	-471	306
Capitalized development	B	885	492	419	709
Financial derivatives at fair value	C	0	244	-1,175	2,427
Revenue recognition	D	488	-961	-983	1,036
Goodwill amortization	E	4,764	4,764	4,764	4,764
Transactions costs in business combinations	F	0	0	0	-7,144
Income tax expenses and deferred tax	G	-262	82	486	-985
Profit or loss for the period under IFRS		**-11,644**	**2,810**	**16,537**	**692**
Exchange differences on translation of foreign operations	H	5,439	-954	2,954	1,469
Total comprehensive income for the period (IFRS)		**-6,205**	**1,856**	**19,491**	**2,161**

NOK '1000	Note	1.1-30.6.24	1.1-30.9.24	1.1-31.12.24
Profit or loss for the period under N-GAAP		-19,011	-5,515	-5,937
Leasing	A	-318	-789	-483
Capitalized development	B	1,377	1,796	2,505
Financial derivatives at fair value	C	244	-931	1,496
Revenue recognition	D	-473	-1,456	-420
Goodwill amortization	E	9,529	14,293	19,058
Transactions costs in business combinations	F	0	0	-7,144
Income tax expenses and deferred tax	G	-181	305	-680
Profit or loss for the period under IFRS		**-8,834**	**7,703**	**8,394**
Exchange differences on translation of foreign operations	H	4,485	7,439	8,908
Total comprehensive income for the period (IFRS)		**-4,349**	**15,142**	**17,302**

NOTE 12.3 ADDITIONAL INFORMATION REGARDING THE TRANSITION TO IFRS

The section below provides supplementary information related to the Group's transition from N-GAAP to IFRS, including a description of significant accounting policies applied that are not disclosed elsewhere, as well as detailed information on lease accounting.

NOTE 12.3.1 ACCOUNTING POLICIES AND CRITICAL JUDGMENT

ACCOUNTING POLICIES - REVENUE

Revenue from contracts with customers comprises revenue from the sale of devices and related services. The services offered include mobile subscription plans, and other services. The Group's products and services are distributed through online channels, a broad retail network, and telecom partners.

Revenue is recognized when the Group satisfies the performance obligation in the contract, either at a point in time or over time. The amount of revenue recognized reflects the consideration to which the Group expects to be entitled in exchange for the transfer of goods or services to the customer.

Sale of devices

Revenue from the sale of devices is recognized at the point in time when control is transferred to the customer, which typically occurs when the goods are handed over to the transport carrier.

Determining the transaction price

Contracts with wholesalers and mobile operators may include various discounts and bonuses. The transaction price is estimated using the expected value method, based on accumulated experience with these arrangements.

Marketing contributions and other amounts payable to customers that do not represent consideration for distinct goods or services provided by the customer to the Group are accounted for as sales incentives. These are treated as variable consideration and reduce the transaction price. The reduction in revenue is recognized at the same time as the related device sale, with the amount estimated based on historical experience and current expectations.

Revenue is only recognized to the extent that it is highly probable that a significant reversal of the recognized amount will not occur.

Refund liabilities

Revenue is presented net of expected refunds on consumer sales that include a right of return. The estimate for returns is determined using the expected value method, based on historical experience.

Warranty claims on devices sold

The Group's obligation to repair or replace defective products under standard warranty terms is recognized as a provision. The estimate is based on historical data related to service and warranty repairs, and the related cost is presented within other operating expenses.

Mobile subscriptions

Revenue from mobile subscriptions is recognized over time. Subscription revenue that consists of fixed payments for a defined period—such as a monthly subscription fee—is recognized on a straight-line basis over the subscription period.

Other services

Other services include Xplora premium services, which provide users with broader access to the Xplora Activity Platform, as well as B2B service revenue and service fees charged to customers who have opted for an alternative mobile subscription provider. Revenue from these services is recognized over time, in line with the period in which the services are provided.

Payment terms

Payment terms vary depending on the sales channel. For online sales, including the Group's own webshop and third-party platforms, payment is generally received upfront at the time of purchase. For certain distributors and invoicing arrangements, payment is facilitated through financing partners. Sales through retail and B2B partners follow agreed contractual terms, typically within defined credit periods.

Critical judgements and significant accounting estimates

Discounts, marketing contributions, and returns are estimated and deducted from revenue at the time of sale. These estimates are based on assumptions about future outcomes and may differ from the actual results. Revenue is recognized only to the extent that it is highly probable that a significant reversal of the recognized amount will not occur.

The expense related to warranty claims is estimated at the time of sale based on the Group's historical experience.

ACCOUNTING POLICIES – INTANGIBLE ASSETS AND GOODWILL

Goodwill

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests, and any previously held equity interest, over the net fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination. A CGU to which goodwill is allocated cannot be larger than an operating segment. The Group has allocated goodwill to its operating segments for impairment testing purposes.

Identifiable intangible assets acquired in business combinations

Acquired intangible assets comprise customer contracts/customer relationships and trade names. Intangible assets acquired as part of a business combination are recognized at their fair value at the acquisition date and are subsequently amortized on a straight-line basis over their estimated useful lives.

Capitalized development

Capitalized development costs relate to the development of new products and services, including technology platforms and applications that support the Group's commercial offerings. Expenses related to development activities are capitalized as intangible assets when it is highly probable that the projects will generate future economic benefits for the Group and the associated costs can be measured reliably. Capitalized development costs are recognized at cost, less accumulated amortization and any impairment losses, and are amortized on a straight-line basis over the estimated useful life of the asset.

Critical judgements and significant accounting estimates

The group tests goodwill for impairment on an annual basis and tests were performed as of 31 December 2023 and 31 December 2024. For these tests the recoverable amount of the cash-generating units (CGUs) was determined based on value in use calculations. The calculations require the use of assumptions and estimates related to future cash flows and discount rate. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future net cash-inflows and the growth rate use for extrapolation purposes.

The useful lives of customer contracts/customer relationships, trade names, and capitalized development are based on management's best estimates. The useful life of customer contracts/customer relationships was four years and ended during Q1 2025. Capitalized development expenses relate to the development of new products and the platforms used by the Group to generate revenue. The estimated useful life of capitalized development is four years, while the useful life of the Doro trade name is estimated to be indefinite. A significant change in the estimated useful lives of these assets could have a material impact on profit or loss.

ACCOUNTING POLICIES – BUSINESS COMBINATIONS

The acquisition method of accounting is applied to all business combinations. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred to the former owners of the acquired business, any equity interests issued by the Group, the fair value of any contingent consideration arrangements, and the fair value of any pre-existing equity interests in the subsidiary.

Identifiable assets acquired and liabilities assumed in a business combination are, with limited exceptions, measured at their fair value at the acquisition date. The Group recognizes non-controlling interests in the acquired entity on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Categories of financial instruments in the balance sheet

Accounting for acquisitions requires the use of significant judgement and estimates, particularly in the identification and valuation of intangible assets such as customer contracts/customer relationships and trademarks. Incorrect identification or inaccurate valuation of intangible assets may lead to material misstatements in the allocation of the purchase price, affecting the amounts recognized as goodwill, amortization, and future impairment charges.

NOTE 12.3.2 FINANCIAL INSTRUMENTS

Accounting policies

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets include trade and other receivables, a hybrid loan, finance lease receivables, and cash and bank balances. Financial assets are classified based on the Group's business model for managing the assets and the contractual characteristics of the cash flows.

Financial assets measured at fair value through profit and loss

Financial assets at fair value through profit or loss are carried at fair value in the statement of financial position, with net changes in fair value recognized in the statement of profit or loss. The hybrid loan is classified as measured at fair value through profit or loss. The loan is a debt instrument with fixed or determinable payments that are not quoted in an active market.

Financial assets measured at amortized cost

Financial assets measured at amortized cost are non-derivative financial assets with contractual cash flows that consist solely of payments of principal and interest on the outstanding nominal amount, and that are held with the objective of collecting the contractual cash flows. Except for the hybrid loan, all of the Group's financial assets are classified as measured at amortized cost.

Financial liabilities

Financial liabilities at amortized cost are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. The Group's financial liabilities - comprising borrowings, lease liabilities and trade and other payables - are classified as measured at amortized cost. These liabilities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. They are presented as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, in which case they are classified as non-current liabilities.

Derivatives and hedging

The Group enters into currency forward contracts and currency option contracts, which are initially recognized at fair value on the date the contracts are entered into and subsequently remeasured to fair value at the end of each reporting period.

At inception, the Group designates derivative contracts as either hedges of highly probable forecast transactions or firm commitments (cash flow hedges), or derivative financial instruments that do not qualify for hedge accounting.

For derivatives that do not meet the hedge accounting criteria, changes in fair value are recognized directly in profit or loss.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within equity. The ineffective portion of the gain or loss is recognized immediately in profit or loss. In the case of currency options, the time value of the option is excluded from the hedge designation, and only the intrinsic value is designated as the hedging instrument. Changes in the time value of the option are recognized in the cost of hedging reserve within other comprehensive income (OCI).

The cumulative gain or loss on a derivative that is deferred in equity is reclassified to profit or loss - classified as revenue or expense - in the same period in which the hedged item affects the income statement. When the hedged item results in the recognition of a non-financial asset (such as inventory), the deferred hedging gains or losses, as well as the deferred time value of any related option contracts, are included in the initial cost of the asset. These deferred amounts are ultimately recognized in profit or loss when the hedged item impacts the income statement—for example, through cost of goods sold.

When a hedging instrument expires, is sold or terminated, or when the hedge no longer qualifies for hedge accounting, any cumulative gain or loss and deferred costs of hedging recognized in equity at that time remain in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset, such as inventory. If the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging previously recognized in equity are immediately reclassified to profit or loss.

Fair value measurement

The Group measures financial instruments, such as derivatives, at fair value at each balance sheet date. Valuation techniques are applied that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities measured or disclosed at fair value in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2 Valuation techniques with inputs that are observable, either directly or indirectly
Level 3 Valuation techniques with significant unobservable inputs

The Group's derivatives measured at fair value are classified within level 2 of the fair value hierarchy, while other financial instruments measured at fair value are classified within level 3.

NOTE 12.3.3 LEASES

Accounting policies

The Group leases various offices, office equipment, office machines, and vehicles across the countries in which it operates. From the point in time the Group obtains the right to control the use of the leased asset, a right-of-use asset is recognized, measured at an amount equal to the corresponding lease liability. At the same time, a lease liability is recognized, measured at the present value of lease payments over the lease term.

Lease term

The lease term is the non-cancellable period of a lease, together with periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. Extension and termination options are included in a number of the Group's leases. The Group assesses each lease on an ongoing basis to determine whether significant events or changes in circumstances within its control have occurred that could affect its assessment of whether it is reasonably certain to exercise, or not exercise, such options. If such an event or change in circumstances occurs, the Group reassesses the lease term and recognizes any resulting adjustments to the lease liability and right-of-use asset accordingly.

Measurement

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to these components based on their relative stand-alone prices, or on estimated stand-alone prices when observable prices are not available. The non-lease components are presented as other operating expenses in the income statement.

The net present value of lease liabilities is based on the future fixed lease payments and variable lease payments that are linked to an index or rate, initially measured using the index or rate in effect at the commencement date. The Group is exposed to potential future increases in variable lease payments resulting from changes in the applicable index or rate. When such adjustments take effect, the lease liability is reassessed, and any change is recognized as an adjustment to the corresponding right-of-use asset.

Interest rate

As the interest rate implicit in the lease is rarely readily determinable, the Group uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is determined on a lease-by-lease basis. To determine the incremental borrowing rate, the Group applies a build-up approach, starting with a risk-free interest rate relevant to the specific country and lease term. This rate is then adjusted for credit risk and lease-specific factors, such as the type and nature of the leased asset.

Exemptions

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as other operating expenses in the income statement. Short-term leases are defined as leases with a lease term of 12 months or less and no purchase option. Low-value assets are defined as assets with a value below NOK 50k.

Subleases

For certain leased office spaces, the Group subleases separate areas to entities outside the Group. Subleases are classified as either finance leases or operating leases with reference to the right-of-use asset, not the underlying asset. A sublease is classified as a finance lease when a clearly identifiable part of the office space (in substance, a separate office unit) is subleased for the entire remaining term of the head lease. All other subleases are classified as operating leases.

For finance leases, the corresponding right-of-use asset is derecognized, and a finance lease receivable is recognized. Lease payments received reduce the finance lease receivable, and interest income on the receivable is recognized as financial income in the income statement.

Critical judgements and significant accounting estimates

The Group has applied judgement in assessing whether it is likely to exercise options to extend or terminate a lease. All factors that create an economic incentive to exercise options, such as the market conditions that impact the price, the entity's demand for office space, contractual incentives and penalties, are considered.

Right-of-use assets

In the tables below, other assets include machinery, equipment, and vehicles, while buildings comprise office space.

Period end 31 March 2025

NOK '1000	Note	Other assets	Buildings	Total
As of 1 January 2025		1,708	19,017	**20,726**
Additions		54	734	**788**
Derecognition		-23	-204	**-227**
Divestment				
Acquisitions of business	8	1,353	12,480	**13,832**
Translation differences		-51	-456	**-507**
Closing accumulated cost		**3,041**	**31,571**	**34,612**

Accumulated depreciation				
As of 1 January 2025		-944	-6,716	**-7,659**
Depreciation charge		-438	-3,777	**-4,216**
Derecognition		42	374	**415**
Divestment		0	0	**0**
Translation differences		16	48	**64**
Closing accumulated depreciation		**-1,325**	**-10,071**	**-11,396**
Closing net carrying value		**1,716**	**21,500**	**23,216**
Weighted average remaining lease term		1,7 years	1,6 years	

Period end 31 March 2024

NOK '1000	Note	Other assets	Buildings	Total
As of 1 January 2024	12.1	1,515	15,772	**17,287**
Additions		0	494	**494**
Derecognition				
Divestment				
Acquisitions of business				
Translation differences		44	274	**318**
Closing accumulated cost		**1,559**	**16,541**	**18,099**
Accumulated depreciation				
As of 1 January 2024	12.1	0	0	**0**
Depreciation charge		-226	-1,579	**-1,804**
Derecognition				
Divestment				
Translation differences		-4	-13	**-18**
Closing accumulated depreciation		**-230**	**-1,592**	**-1,822**
Closing net carrying value		**1,329**	**14,948**	**16,277**
Weighted average remaining lease term		1,9 years	2,5 years	

Lease liabilities

Changes in lease liabilities

NOK '1000	Note	1.1-31.3 2025	1.1-31.3 2024
As of 1 January	12.1	16,383	21,508
Business combinations	8	13,841	0
Additions		973	494
Lease payments		-4,787	-2,323
Interest expense on the lease liability		346	354
Translation differences		-386	302
Closing lease liabilities		**26,369**	**20,336**
Non-current lease liabilities		10,698	11,054
Current lease liabilities		15,672	9,281

Undiscounted lease liabilities and maturity of cash outflows

NOK '1000	Note	1.1-31.3 2025	1.1-31.3 2024
Less than 1 year		16,183	9,553
1-2 years		8,683	8,755
2-3 years		1,300	3,627
3-4 years		606	0
4-5 years		379	0
More than 5 years		341	0
Total undiscounted lease liabilities		**27,493**	**21,935**

Finance lease receivable

Changes in finance lease receivables

NOK '1000	Note	1.1-31.3 2025	1.1-31.3 2024
As of 1 January	12.1	2,825	4,221
Business combinations		0	0
Additions		0	0
Lease payments received		-407	-407
Interest income on the lease receivable		42	67
Closing finance lease receivables		**2,460**	**3,881**
Non-current finance lease receivables		875	2,295
Current finance lease receivables		1,586	1,586

Undiscounted lease receivables and maturity of cash inflows

NOK '1000	Note	1.1-31.3 2025	1.1-31.3 2024
Less than 1 year		1,627	1,627
1-2 years		949	1,627
2-3 years		0	949
3-4 years		0	0
4-5 years		0	0
More than 5 years		0	0
Total undiscounted finance lease receivables		**2,576**	**4,204**

FORWARD LOOKING STATEMENTS

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DEFINITIONS

Activation = A new activation refers to a watch that is turned on for the first time by an end-user. This metric only captures the initial watch activation, regardless of connection to an Xplora subscription plan.

ARR = Annual Recurring Revenue. Calculated as quarterly service revenue multiplied by four.

ARPU = Average revenue per user. Calculated by dividing revenue from mobile and premium services, by the number of mobile subscriptions.

ASP = Average selling price. Calculated by dividing device revenue by the number of units sold.

CAGR = Compounded annual growth rate

COGS = Cost of goods sold

EBITDA = Earnings before Interests, Tax, Depreciation, Amortization and Impairment losses

Freemium model = Business model offering basic features for free, with advanced features available for purchase

IoT = Internet of Things

LTM = Last twelve months

LTV = Life Time Value

MDA = Master distribution agreement

MVNO = Mobile virtual network operator

SaaS = Software as a service

Subscription = Subscriptions include mobile subscription plans, premium services, B2B revenue sharing, and service fees. The number of subscriptions reflects active, paid plans.

TTM = Trailing twelve month, a term to describe the past 12 consecutive months

4Q rolling = Means the consecutive twelve-month period before a specified date