



Disclaimer

The presentation (the “**Presentation**”) has been produced by Xplora Technologies AS (the “**Company**”) for information purposes only and does not in itself constitute, and should not be construed as, an offer to sell or a solicitation of an offer to buy any securities of the Company in any jurisdiction. The distribution of this Presentation may be restricted by law in certain jurisdictions, and the recipient should inform itself about, and observe, any such restriction. Any failure to comply with such restrictions may constitute a violation of the laws of any such jurisdiction.

This Presentation includes and is based, inter alia, on forward-looking information and contains statements regarding the future in connection with the Company’s growth initiatives, profit figures, outlook, strategies and objectives. All forward-looking information and statements in this presentation are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industry in which the Company operates. These expectations, estimates and projections are generally identifiable by statements containing words such as “expects”, “believes”, “estimates” or similar expressions. Important factors may lead to actual profits, results and developments deviating substantially from what has been expressed or implied in such statements. Although the Company believes that its expectations and the Presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the Presentation.

The Company is making no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the Presentation, and neither the Company nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use.

This Presentation speaks as at the date set out on herein and will not be updated. The following slides should also be read and considered in connection with the information given orally during the Presentation.

This Presentation is subject to Norwegian law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of Norwegian courts.



Q3

Xplora Quarterly Report 2024
Quarter 3 | July 1 - September 30





Xplora team presenting/QA today



Sten Kirkbak
CEO

25 years experience from telecom, consumer and technology industry. Honored multiple patents and awards within the wearable industry, including the first certified and commercially launched kids smartwatch product in EU/US.



Knut Stålen
CFO

30 years experience from global scale-ups within the software and technology industry. Degree in finance and marketing from BI, and has served as CFO in several publicly listed technology companies.



Kjetil Fennefoss
COO

MSc. in Business Administration from University of Mannheim, Germany. Ex. MBA from LSE, London UK. 25+ yrs. in international telco. business before Xplora (Telenor, VEON, Millicom), incl. C-level positions from sales, distribution and customer operations



Q3 Agenda

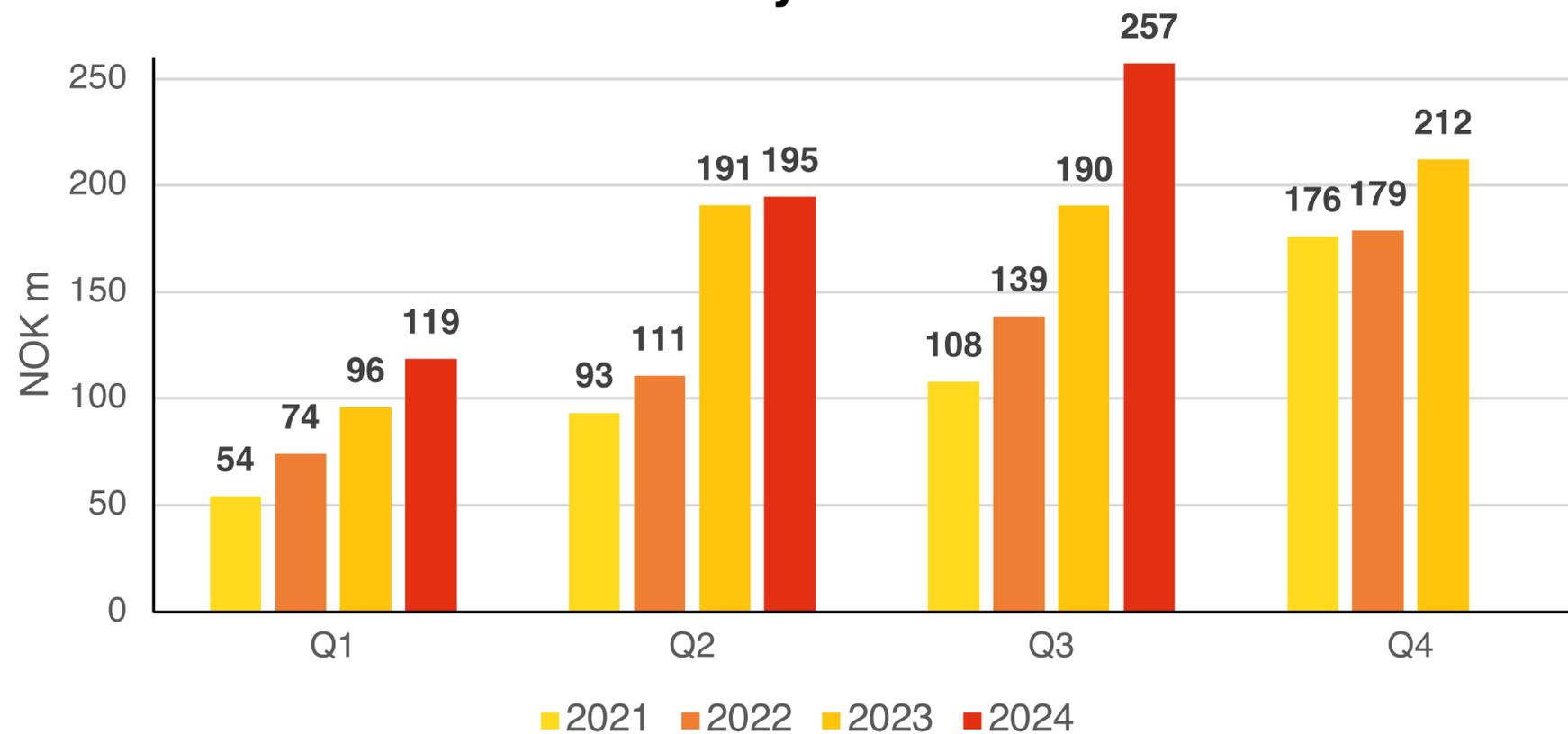
1. Q3 Highlights
2. Financial update
3. Operational update
4. Post Quarter events
5. Outlook
6. Q&A





All-time high in revenue and profitability

Quarterly Revenue



This quarter stands out as our greatest to date, with record highs in both revenue and profitability.

«Our cash position at the end of the quarter is also one of the highest in our history, ending at NOK 177m.»



Q3 24 at a glance

Group revenues

NOK 257m
+35% y/y

Recurring services

NOK 75 m
+36% y/y

Subscriptions

326K (243+83K)
+44% y/y

Gross profit

NOK 125m
+45% y/y

Reported EBITDA

NOK 30m

Cash balance

NOK 177m



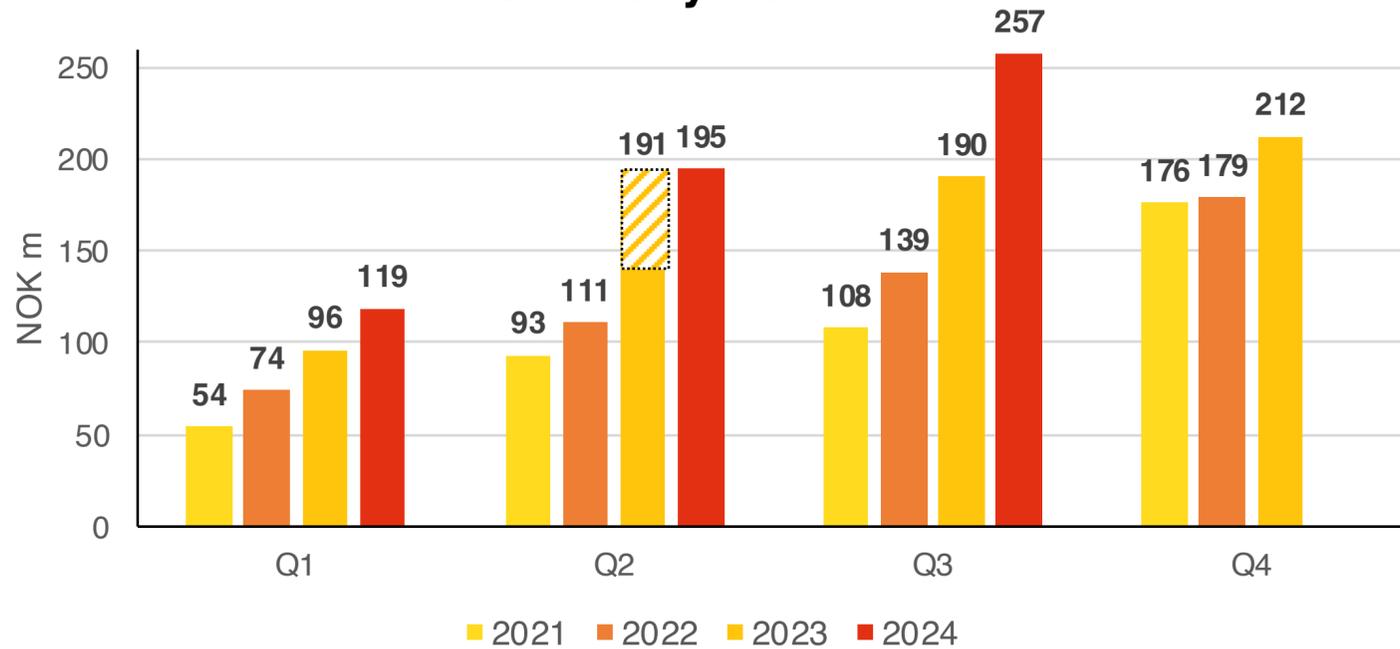
Financial update

Knut Stålen
CFO



Total revenue growth in Q3 24 of 35%

Quarterly Revenue



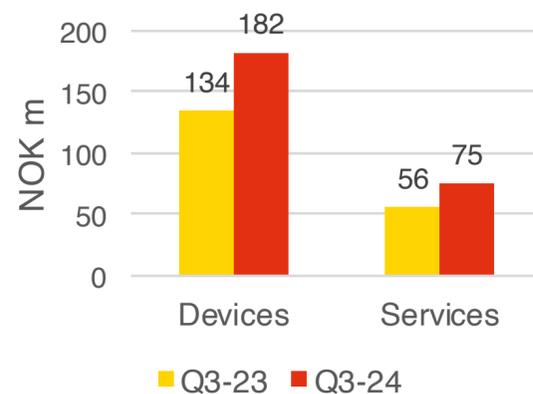
Increased device revenue from NOK 134m in Q3 23 to NOK 182m Q3 24 (NOK 48m, or +36%)

Device gross margin – increased to 34%

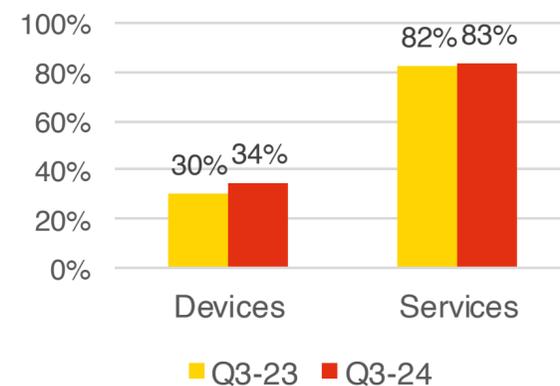
Increased service revenue from NOK 56m in Q3 23 to NOK 75m in Q3 24 (ARR NOK 301m)

Service gross margin – on same levels as last seven quarters (83%)

Revenues



Gross Margin





Q3 24 Profit & Loss

- Overall gross margin of 49% in Q3 24 (45% in Q3 23)
- Increase in total gross profit to NOK 125m in Q3 24 compared to NOK 86m in Q3 23 (+NOK 39m)
- Operating expenses of NOK 95m in Q3 24 compared to NOK 78m in Q3 23 (+NOK 17m)
- Increase in payroll expenses in Q3 24 of NOK 4m vs. Q3 23
 - Non-cash, share-based compensation NOK 4m (NOK 4m)
 - Sales commissions and bonus accruals NOK 5m (NOK 4m)
- Marketing and other operating expenses in Q3 24 increased due to higher activity levels compared Q3 23.
 - Marketing costs as % of devices revenues and total revenues follow the same percentages in these quarters
- Positive EBITDA in Q3 24 of NOK 30m

NOK mill	Q3 2024	Q3 2023	FY 2023
Device revenue	182	134	477
Service revenue	75	56	210
Other revenue	0	1	2
Total Revenue	257	190	689
Cost of sales	132	104	357
Gross Profit	125	86	332
Gross Margin	49%	45%	48%
Payroll expenses	38	34	113
Marketing expenses	24	17	72
Other operating expenses	33	28	113
EBITDA	30	8	34
EBITDA margin	12%	4%	5%
Depreciation and amortisation	6	5	18
Adjusted operating profit/EBIT	25	3	15
Amortization of XM acquisition	9	9	38
Operating profit / EBIT	15	-6	-23
Finance (income)/expenses - net	2	4	7
Profit (loss) before tax	13	-10	-30

Figures are unaudited



Q3 24 Balance Sheet

- Goodwill and customer contracts from the Xplora Mobile acquisition are amortized NOK 9m in Q3 24. Customer contracts is fully amortized in Q1 25
- Inventory is lower compared to previous quarters, but still supports the anticipated high demand in Q4 24
- The reduction of debt to credit institutions of NOK 11m relates to both prepaid goods not received (other receivables) and already received goods

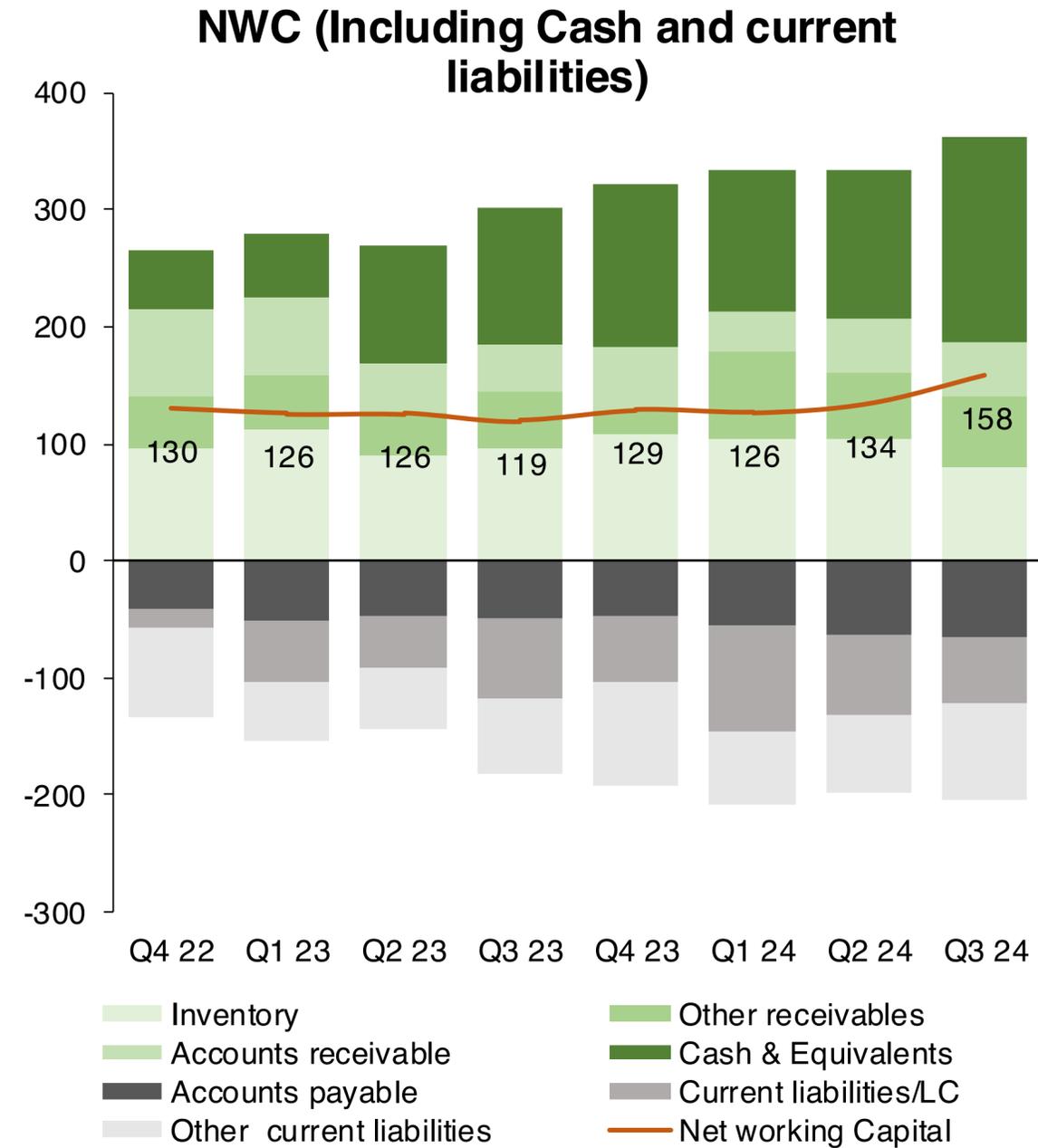
NOKm	Q3 2024	Q2 2024	Q3 2023
Fixed Assets	1	1	2
Goodwill	124	129	144
Customer Contracts	9	14	28
Intangible Assets	45	43	45
Deferred Tax Assets	12	11	1
Other long-term receivables	5	5	5
Total Non-current assets	196	204	224
Accounts receivable	42	42	33
Inventories	80	104	97
Other receivables	64	61	56
Cash & equivalents	177	126	117
Total Current assets	363	333	302
Total Assets	558	537	525
Total Equity	346	327	326
Other long-term debt	8	10	17
Total long-term debt	8	10	17
Short-term debt to credit institutions	57	68	69
Accounts payable	65	63	49
Other current liabilities	82	67	65
Total Short-term debt	204	199	182
Total Equity and debt	558	537	525

Figures are unaudited



Q3 24 Balance Sheet

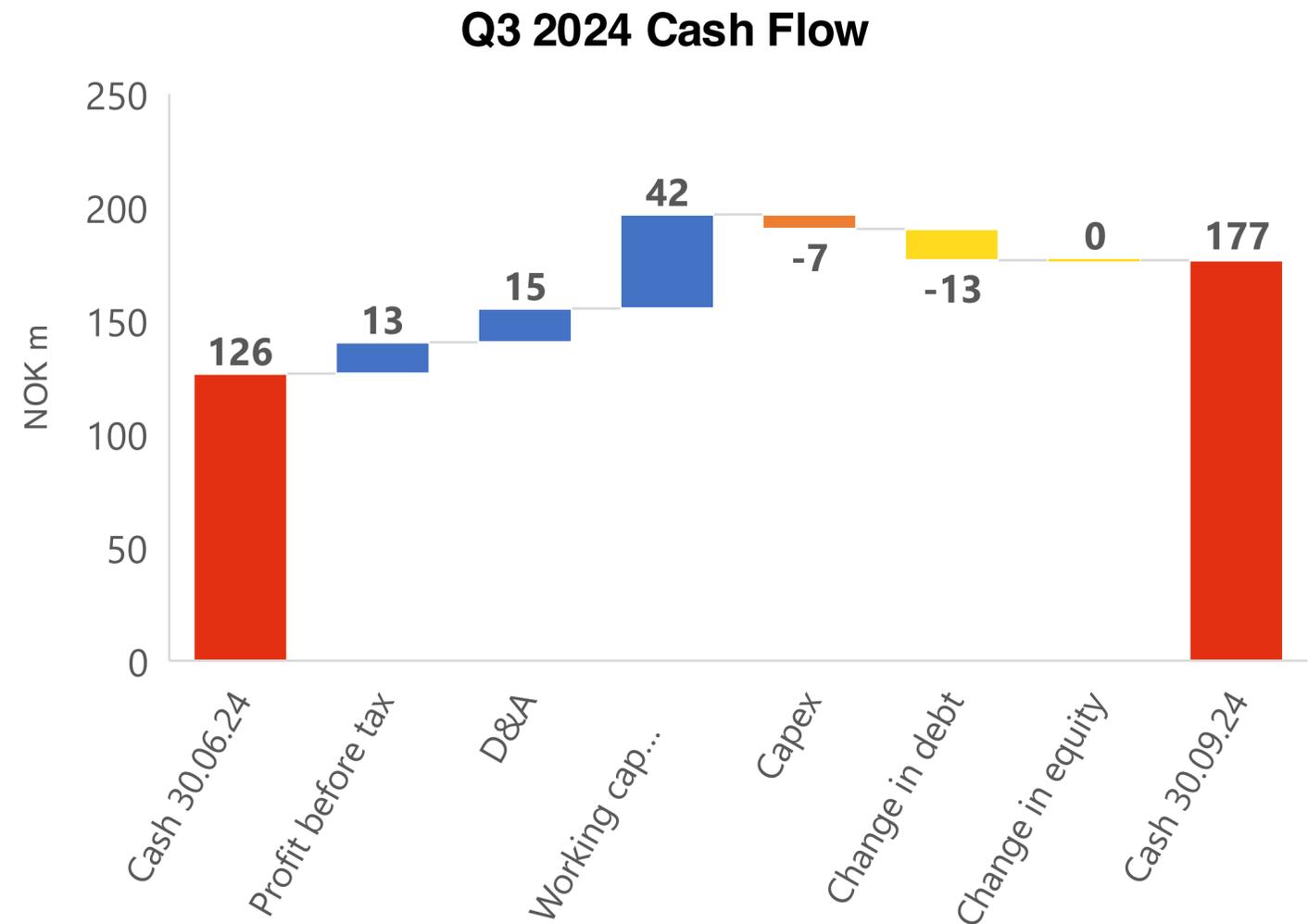
- Net working capital of NOK 158m in Q3 24 (NOK 134m in Q2 24)
- Q3 24 NOK 177m in cash and cash equivalents, compared to NOK 117m in Q3 23 (+NOK 60m)





Q3 24 Cash Flow

- Started the quarter with NOK 126m in cash and cash equivalents
- Capex of NOK 7m in Q3 24, compared to NOK 6m in Q3 23
 - YTD-24 capex of NOK 15m (17m in YTD 23)
- Change in debt
 - Supply chain financing from NOK 68m in Q2 24 to NOK 57m in Q3 24 (NOK -11m)
 - Downpayment of the Innovation Norway loan (NOK -2m)
- Cash flow from operating activities at NOK 70m in Q3 24
 - NOK 58m YTD 24
- Exiting Q3 24 with NOK 177m in cash and cash equivalents, compared to NOK 116m in Q3 23



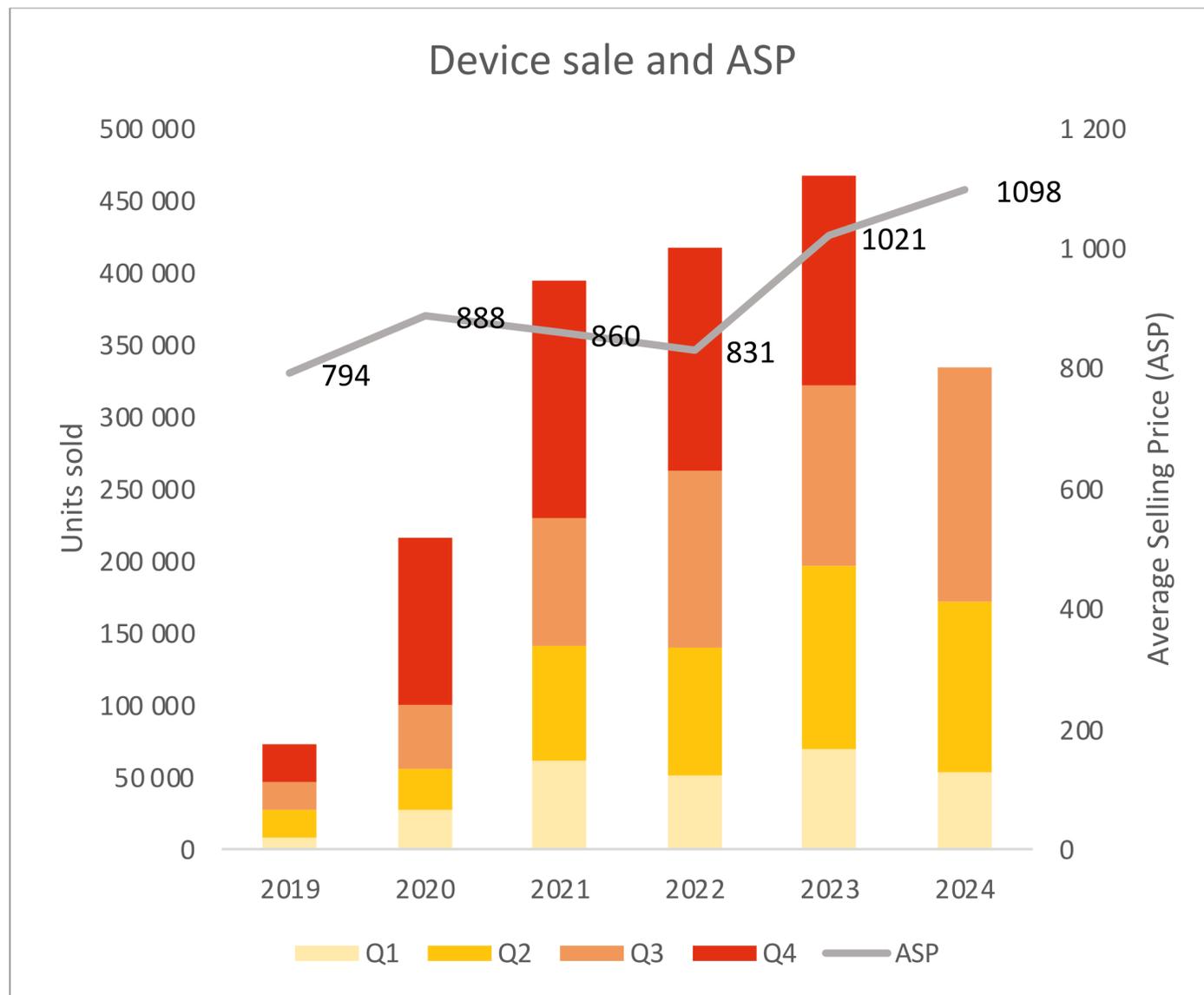


Operational update

Kjetil Fennefoss
COO



Smartwatch unit sales: +30% YoY



Units sales:

- Q3 24: 163k, highest number ever
- Q3 23: 125k
- +30% YoY overall growth
 - DACH region: +44% to 90k
 - US: +50% to 5k
- First delivery of Let's GO, 10k units
- Pre-requisite for services growth

Average Sales Price (ASP):

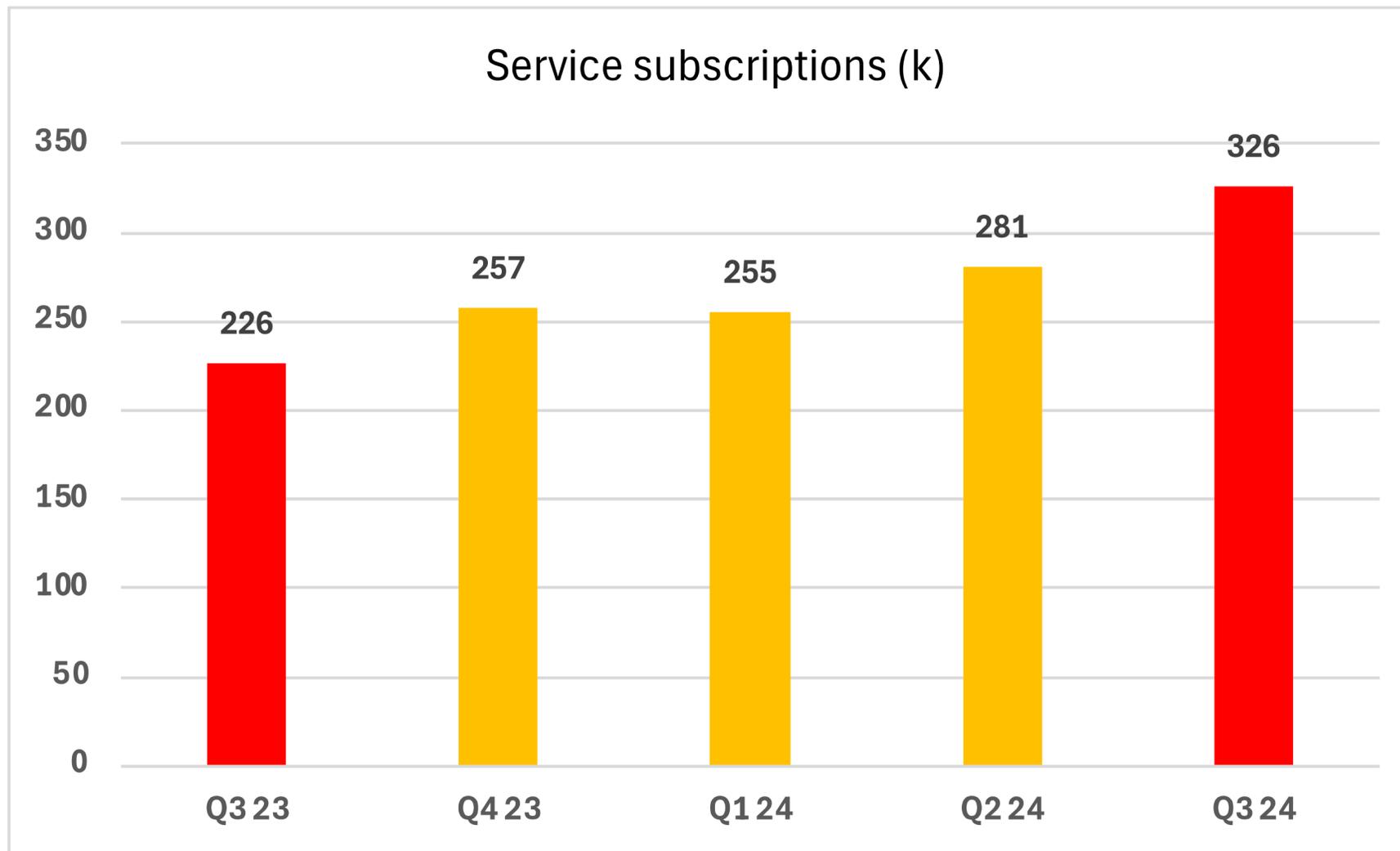
- YTD Q3 24: NOK 1,098
- YTD Q3 23: NOK 1,021
- Full effect of price increase on XGO3 and X6Play in DACH region





Services Subscription base: +44% YoY

100k growth in Services Subscriptions base YoY:



Mobile subscriptions: **243k**

- MVNO in 9 markets
- Single service with highest ARPU
- 54k YoY growth

Premium - Activity platform: **60k**

- Value Added Service
- Bundled with mobile subscriptions or
- Stand-alone sales in the Xplora app.

Service revenue from telcos: **19k**

- When telcos include their SIM
- Nordics and USA
- Break-through in Germany - Freenet

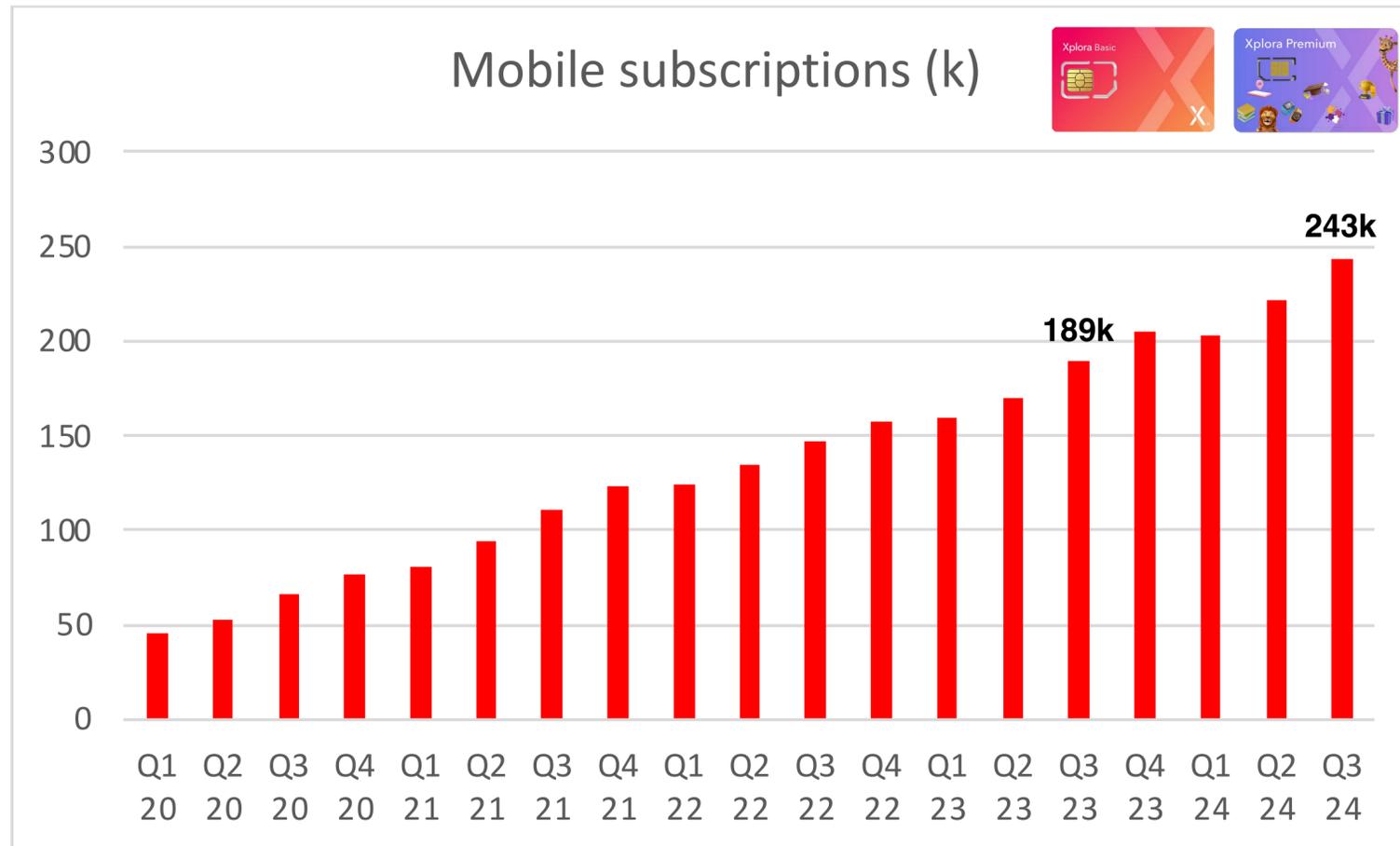
Service-fee: **4k**

- For customers who want to use another SIM card than Xplora's
- NOK 99.- per month
- Objective: Take Xplora SIM share to "100 percent", NOK 15m effect



Mobile subscription base: +29% YoY

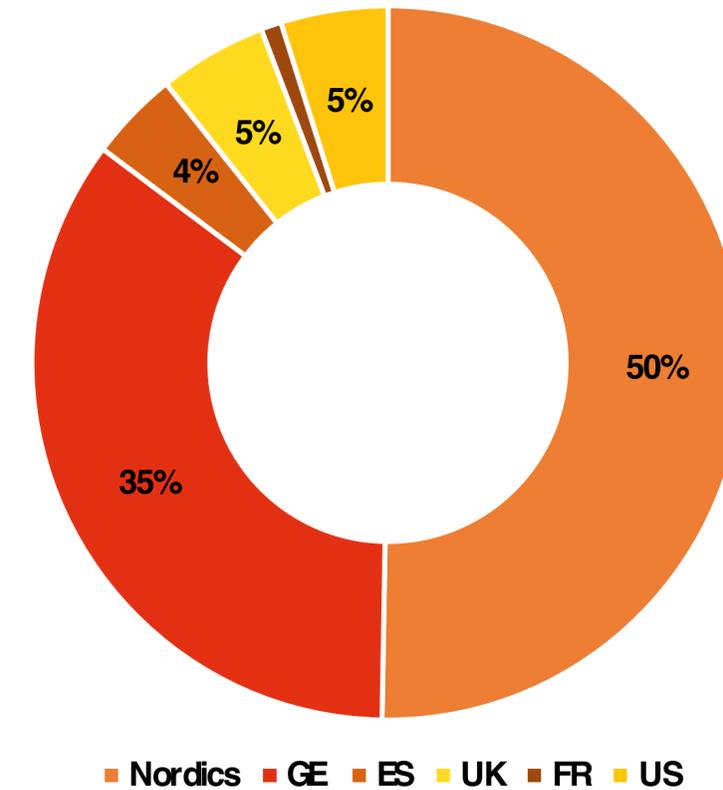
54k YoY growth in mobile subscriber base:



54k YoY subscription growth:

- Q3 '24: 243k
- Q3 '23: 189k
- 29% Q3 YoY

Q3: Strongest net growth ever within one quarter

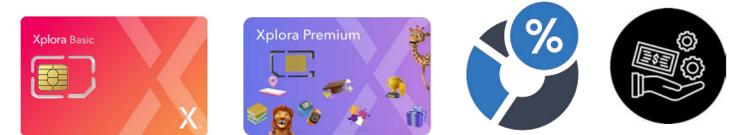


- 22k net growth within one quarter
- Share of net growth:
 - Nordics: 50%
 - Germany: 35%

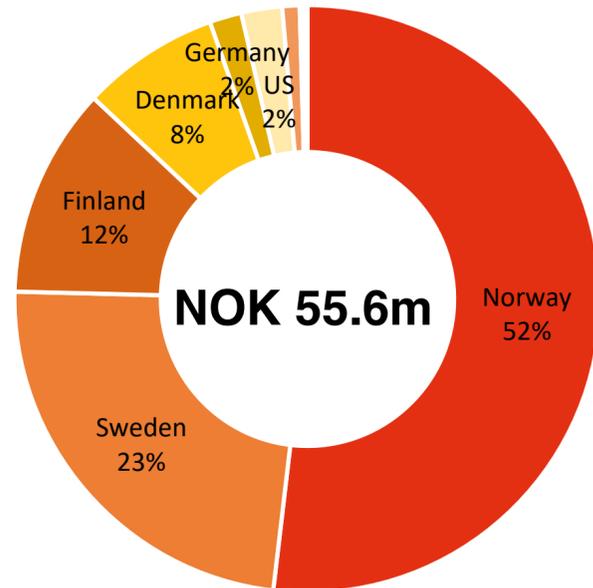


Subscription Service revenue: +36% YoY

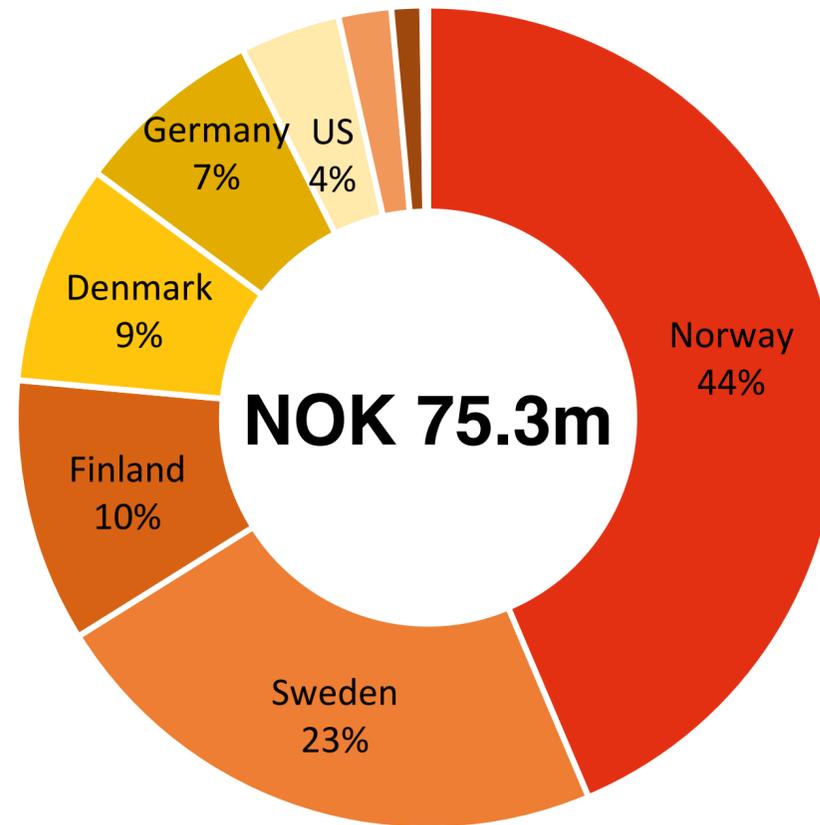
Q3 2024



Q3 2023



■ Norway
 ■ Sweden
 ■ Finland
 ■ Denmark
 ■ Germany
■ US
 ■ UK
 ■ Spain
 ■ France
 ■ Norway

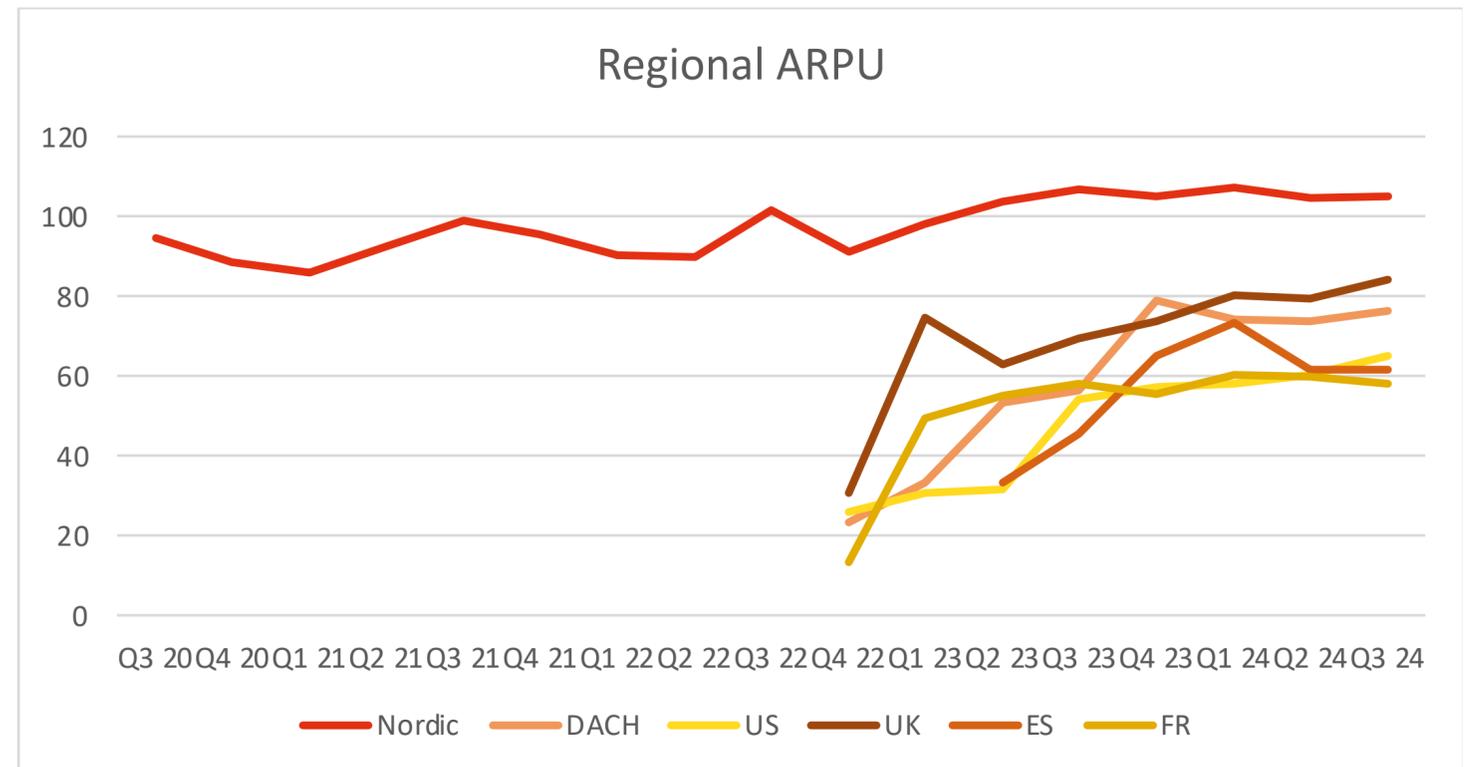
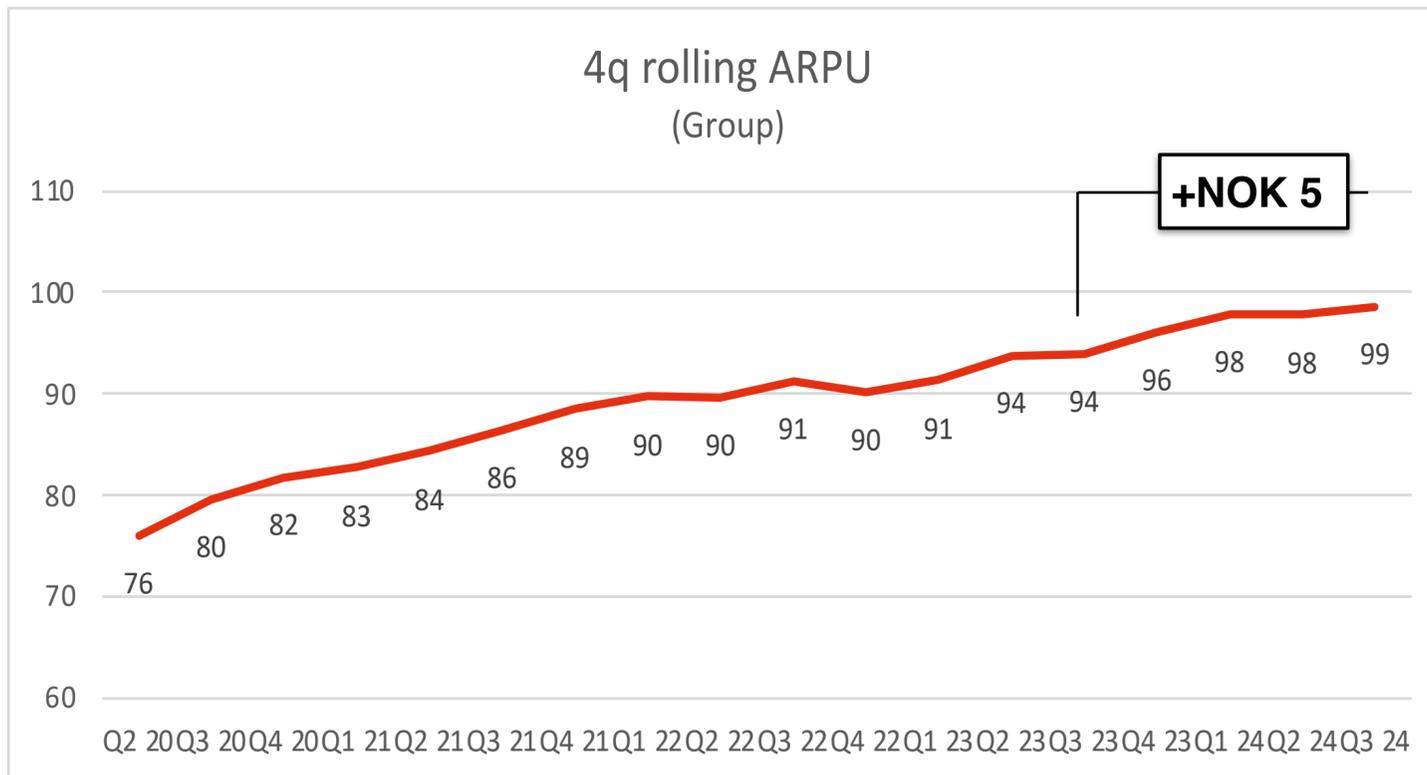


■ Norway
 ■ Sweden
 ■ Finland
 ■ Denmark
 ■ Germany
■ US
 ■ UK
 ■ Spain
 ■ France
 ■ Norway

- From NOK 55.6m to **NOK 75.3m**
- 36% growth YoY
- Annual Recurring Revenue from NOK 222m to **NOK 301m**
- Less dependent on Nordics
- Germany: from 2% to 7% share
- USA: from 2% to 4% share
- UK: 2%



4q-rolling ARPU increase: NOK 5 YoY



NOK 5.00 ARPU increase gives NOK 15m incremental revenue

- Tariff increases
- Annual Consumer price index adjustment
- Premium service + NOK 25.-
- Churn effect – new subscribers on higher priced tariffs

ARPU varies in different countries

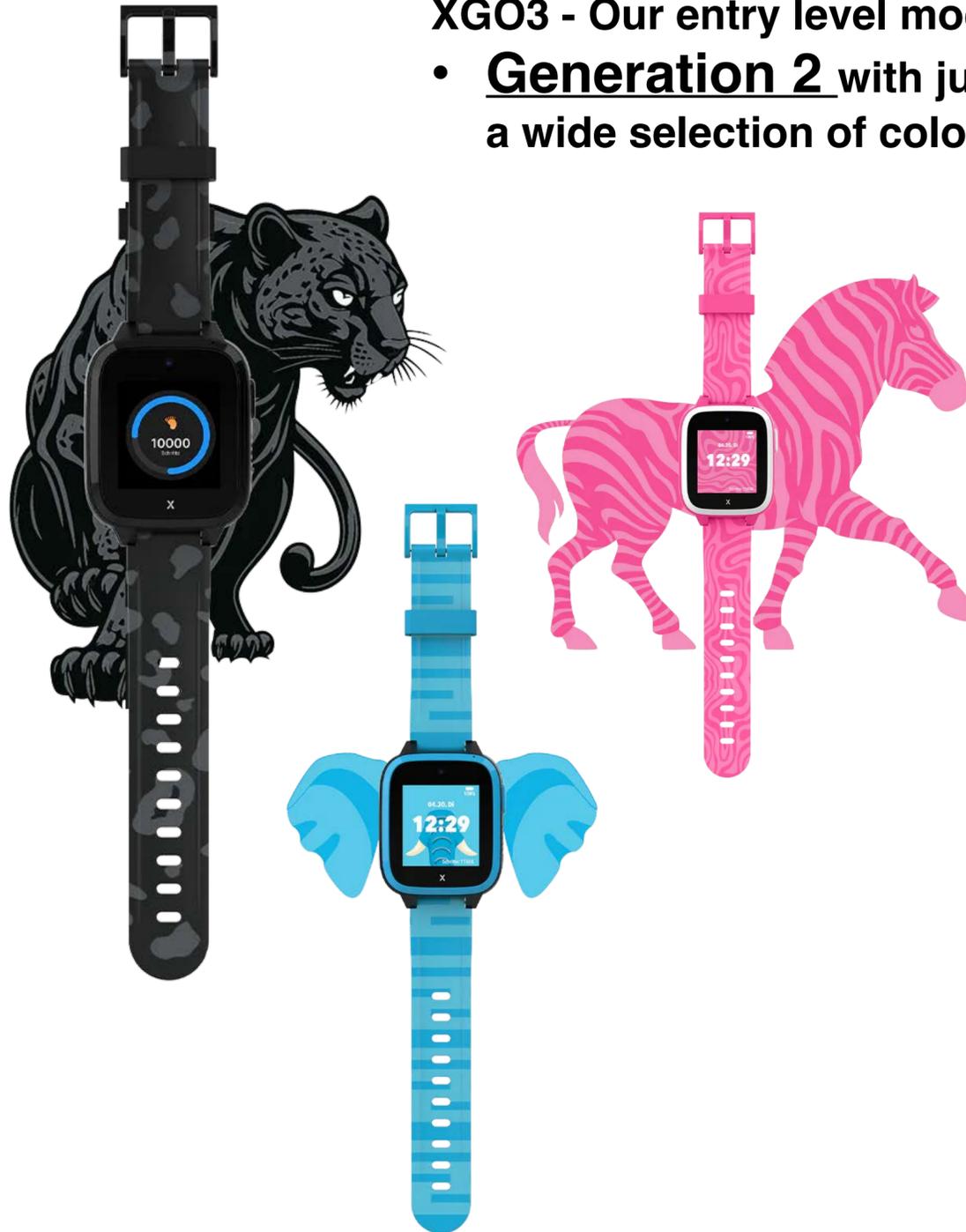
- Nordics
 - Prices in general higher
- DE/GB/ES/FR/USA:
 - Price range from EUR 4.75 to USD 16.99
 - ARPU increase after initial promotion periods



Operational highlights in Q3

XG03 - Our entry level model:

- **Generation 2** with jungle theme and a wide selection of colorful wristbands

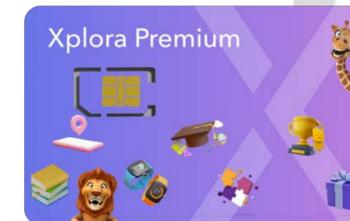


Let's Go + Premium service:

- **10,000 Let's Go in August**
- **30,000 by December**

Xplora Activity Platform:

- **60,000 Premium subscriptions**
- **New content every month**





Post Quarter Events

Sten Kirkbak
CEO



Post Quarter Events

- Doro/Seniors

PRESS RELEASE

Offer document approved - Xplora Technologies AS publishes offer document regarding the recommended public offer to the shareholders of DORO AB

17 OCT 2024 08:30 CEST

SUBSCRIBE

ISSUER
XPLORA TECHNOLOGIES AS

- AT&T/MVNO

Xplora.

Home / Investor / Xplora Technologies and AT&T Collaborate to Make



Oct 29, 2024 - Nicole Delahanty

Xplora Technologies and AT&T Collaborate to Make Award-Winning Kids Smartwatch Available This Holiday Season

- HMD/Youth phones

17:31 4G

HMD and Xplora Technologies colla...

HMD News
19,349 subscribers

+ Subscribe



HMD and Xplora Technologies collaborate to create new solutions to help families achieve the balanced relationship with technology they're calling out

HMD 88,204 followers

+ Follow

October 30, 2024



The road ahead

Sten Kirkbak
CEO



Introducing an Accelerated Growth Strategy

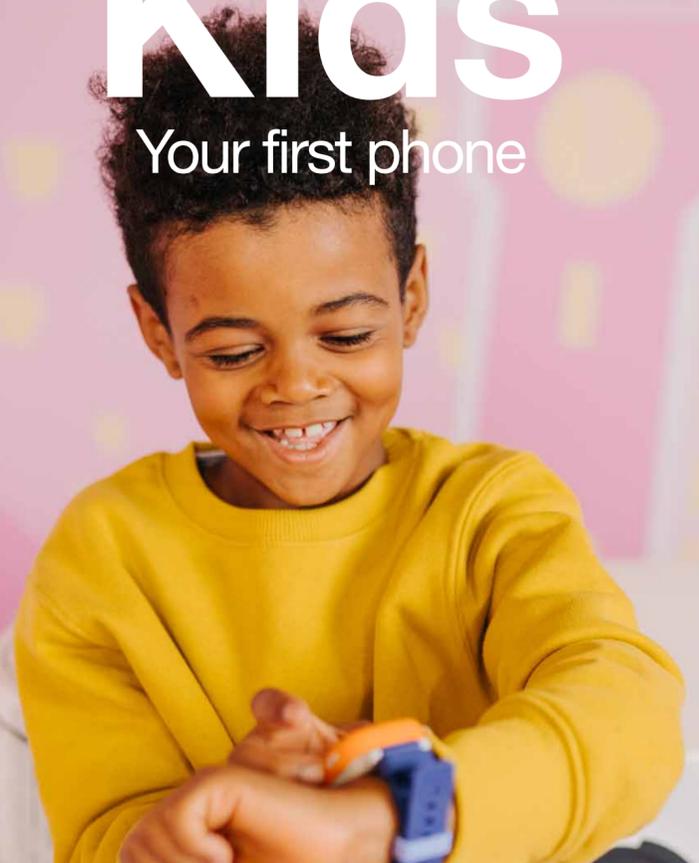
1 million subscriptions

Leveraging our unique market position



Kids

Your first phone



Youth

Addressing churn & societal problem



Senior

Safe and active senior years



From our CMD in June



✓ Kids market (ages 4-10):

- Demonstrated strong profitability and service growth
- We will focus on SIM conversion & increased ARPU/LTV (Life Time Value)

✓ Youth market (ages 10-15):

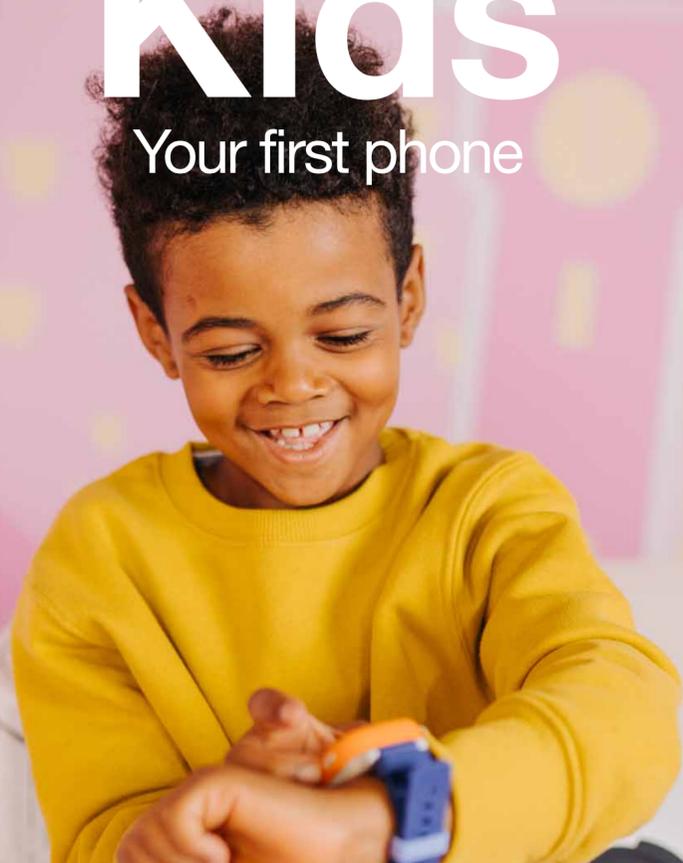
- Strategic partnership (HMD) enables fast entry into high-demand category
- Boosting LTV by retaining churners and expanding distribution channels

✓ Senior market (ages 65+):

- Announced fully financed strategic acquisition of Doro
- Key priority: Integrate SIM into Doro's 1.5 million annual phone sales

Kids

Your first phone



Youth

Addressing churn & societal problem



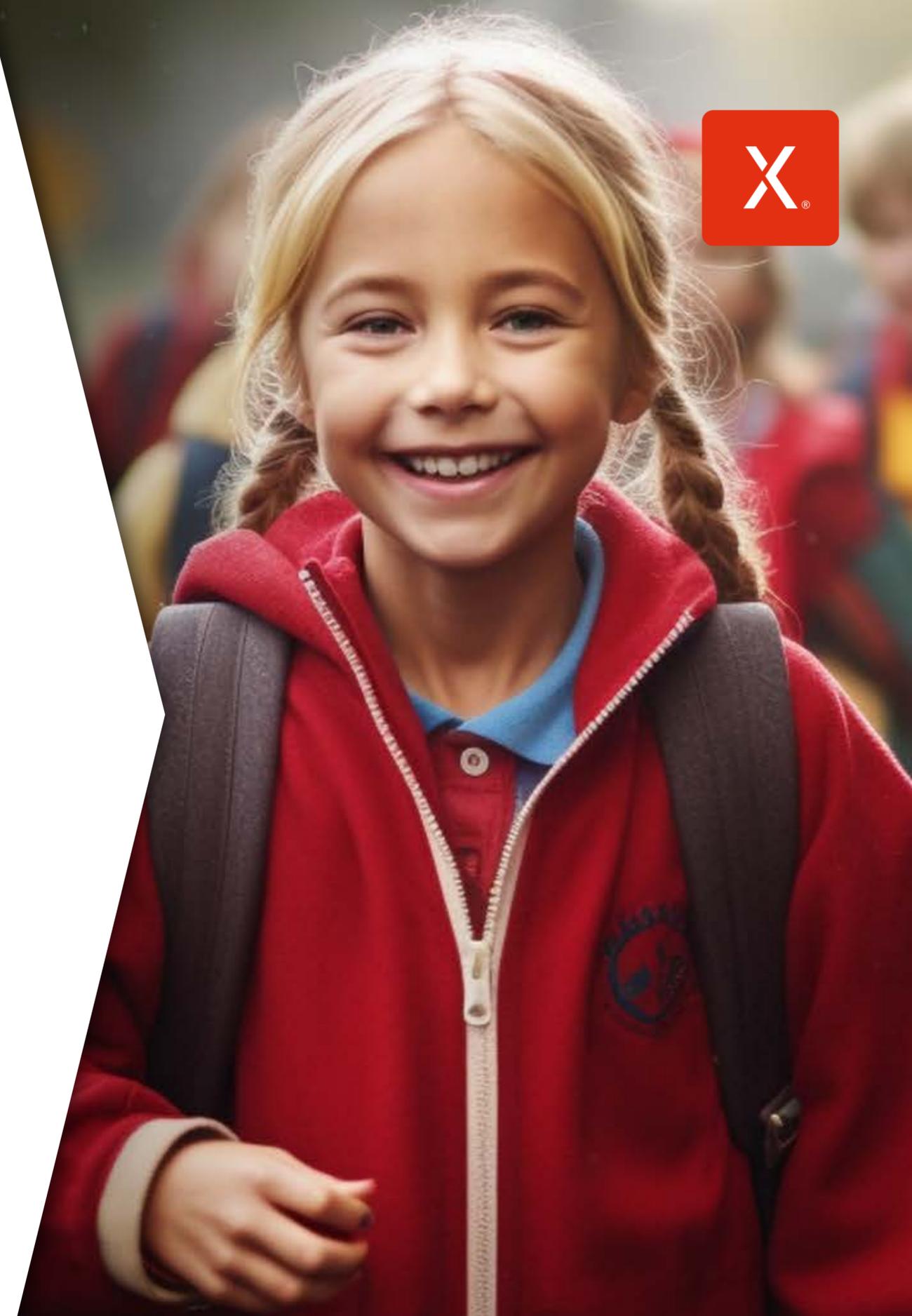
Senior

Safe and active senior years



Outlook

- Similar 15% CAGR growth expectation for kids industry in 2024 (Revenue level). As in 2023 we will prioritize profitability over growth alone. **(Increased comfort to beat the market)**
- Subscription (ARR) growth more important than unit growth. **(Introduce new Service Revenue deals)**
- Continued focus on cost efficiency (OPEX in % of revenue) and increase in lifespan of our new devices to reduce CAPEX compared to earlier years. **(Target CAPEX below NOK 20m)**
- **Product & Service Launches:**
 - Targeting December for the first B2B SaaS service integration with 360.
 - First youth phones to be announced at MWC 2025.
 - Senior watch planned for launch Dec 2024.





Q&A