



Q4 20 and preliminary 2020 results

25 February 2021





Who We Are

Xplora is leading the way in the kids' smartwatch category, expected to exceed **100 million products** over the next two years.

Xplora was founded with the mission to give children a **safe onboarding to the digital world** and a better balance between screen time and physical activity.

Our vision is to enable children around-the-world to experience how their everyday activities can make a positive **change to the world.**

Xplora is **onboarding** the future generation to the digital world!





Xplora is becoming a preferred platform

We are building a portfolio of products and services for the next gen. communicators





Highlights



Q4 and 2020 at a glance

- We entered 2020 with great ambitions and closed the year with even stronger accomplishments and new goals. **We are more than ready to take on 2021!**
- Exceeded volume target for the year with **216k sold smartwatches**
- Secured financing for growth plans and successfully listed on **Euronext Growth (XPLRA)**
- Q4 20 highlights:

Group revenues

+363% y/y to
NOK108.7m

Gross Margins

36.5%

EBITDA and Cashflow

First quarter
positive





Operational highlights

- Initiated important development programs for 2021 release including **Xplora Connect**, **Xplora Pay** and Xplora Arcade
- Expanded into new markets through **new telco wins** in Hungary, Croatia and Austria
- Commercial launch of our entry-level smartwatch **XGO2**
- Prepared hardware platform to support both Qualcomm and Spreadtrum chipsets, securing partnerships with **four leading OEMs**
- Signed MoU with **Trondheim municipality Bærekraftsenteret (UN)**
- Implemented **new logistics** with new main warehouse in Hong Kong and freight forwarders to improve existing logistics and counteract impacts of Brexit.



UNITED NATIONS





Q4 20 financials

Play
to move
the world[®]



Record volumes sold

k units

120

90

60

30

0

Q1 19

Q2 19

Q3 19

Q4 19

Q1 20

Q2 20

Q3 20

Q4 20

9

19

20

27

24

28

48

116

Q4 20

+332%

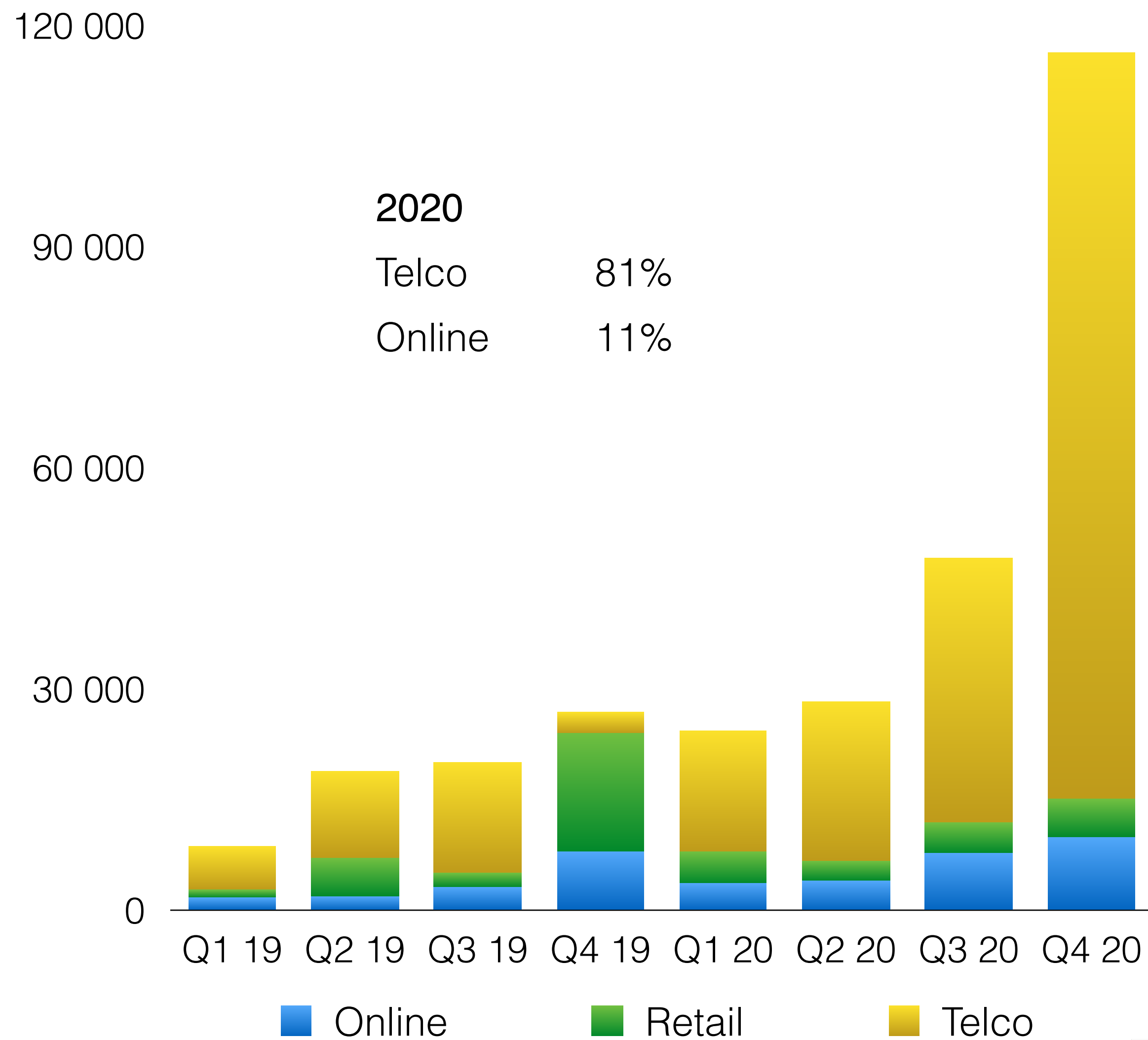
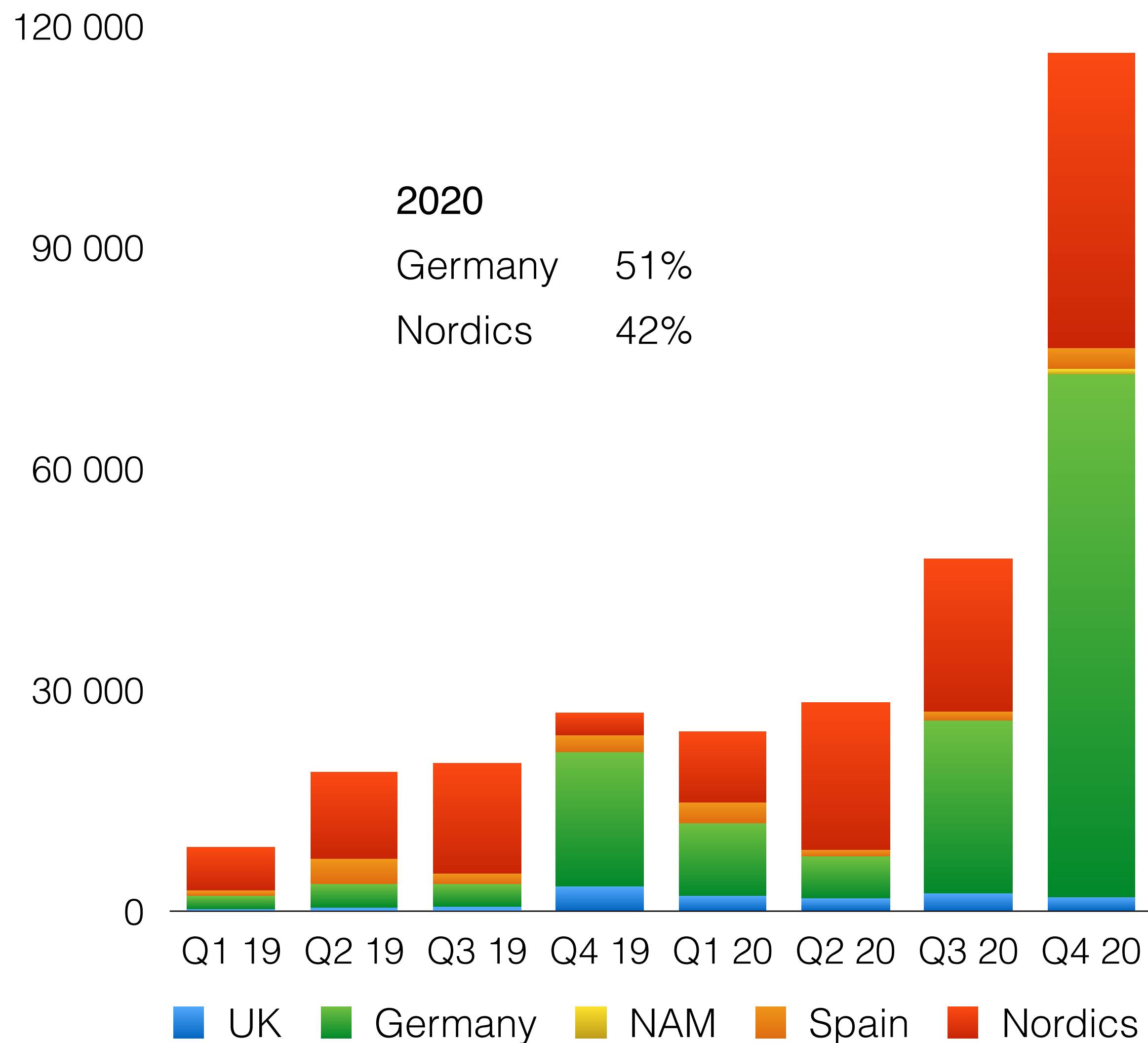
2020

+192%



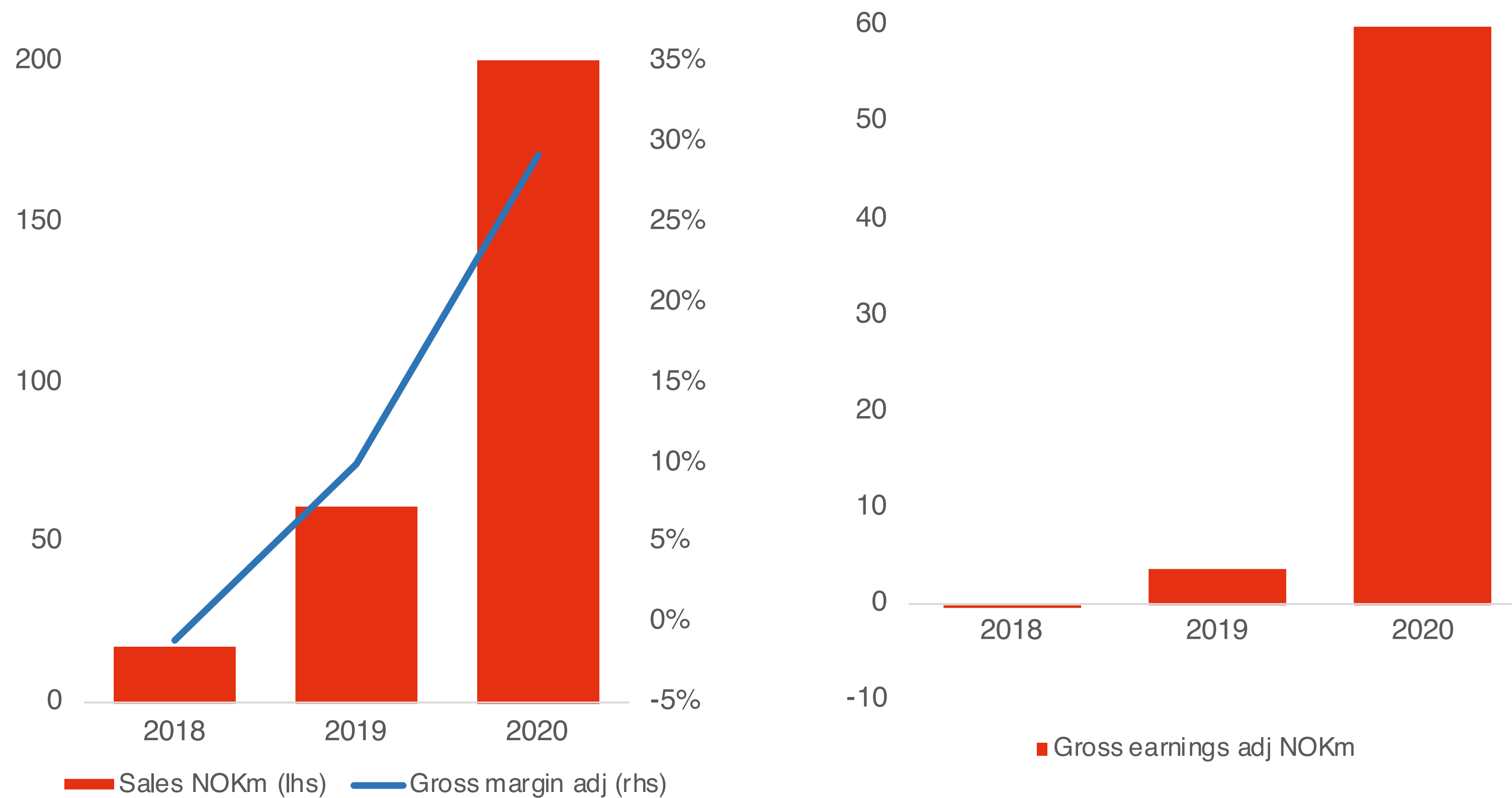


Segment unit sales





Scaling operations





Profit & Loss

	Q4 2020	FY 2020	Q4 2019	FY 2019
	NOK	NOK	NOK	NOK
Revenue - sales of watches	104 233 020	190 870 082	22 555 183	58 124 048
Revenue - service fees	2 462 184	7 531 431	892 772	2 619 735
Revenue - other	2 032 275	2 093 278	41 863	362 912
Total Revenue	108 727 479	200 494 792	23 489 818	61 106 695
Cost of sales	69 017 796	140 605 441	19 718 216	57 466 755
Gross Profit	39 709 683	59 889 351	3 771 602	3 639 940
Payroll Expenses	12 072 826	27 352 179	3 664 202	9 058 035
Other Operating expenses	21 275 460	43 327 788	20 555 359	39 518 257
EBITDA	6 361 397 -	10 790 616	- 20 447 958 -	44 936 352
Depreciation and amortisation	586 520	2 275 068	356 792	1 438 490
Operating profit / EBIT	5 774 877 -	13 065 683	- 20 804 750 -	46 374 842
Finance (income)/expenses - net	5 802 587	8 692 950	1 297 140	3 236 540
Other finance cost	398 816	3 412 813	756 825	1 513 649
Profit (loss) before tax	- 426 526 -	25 171 446	- 22 858 715 -	51 125 031
Income tax	-	-	-	-
Net profit (loss)	- 426 526 -	25 171 446	- 22 858 715 -	51 125 031

Q4 20 highlights

- Sales growth +363% to NOK 108.7m
- Gross margin 36.5% (35.2% adj)
- EBITDA NOK 6.4m (5.9%)
- EBITDA adj for one-off costs for OSE listing NOK 11.6m (10.7%)
- NOK 0.9m interest cost. FX NOK -4.9m of which NOK -3.6m from non-cash year-end inventory revaluation.
- Pretax profit NOK -0.4m



Balance sheet

	Q4 2020	Q4 2019
	NOK	NOK
<u>Assets</u>		
Fixed Assets	435 806	121 876
Intangible Assets	6 736 554	3 629 861
Financial fixed assets	7 172 360	3 751 737
<u>Current Assets</u>		
Accounts receivable	26 464 487	16 637 426
Inventories	24 455 555	8 020 437
Other receivables	15 410 715	15 746 393
Cash & equivalents	118 216 055	12 712 770
Total Current assets	184 546 812	53 117 026
Total Assets	191 719 173	56 868 762
<u>Equity and Debt</u>		
Total Equity	127 276 224	6 687 401
Long Term IB debt	25 000 000	-
Short Term IB debt	-	14 792 353
Accounts payable	19 694 393	10 638 221
Other short term liabilities	19 748 556	24 750 788
Total Short term debt	39 442 948	50 181 361
Total Equity and Debt	191 719 172	56 868 762

Q4 20 highlights

- Total assets NOK 191.7m from NOK 114.6m at Q3 20 and NOK 56.9m at y/e 2019
- NOK 100m private placement in Q4 key driver of increase in equity and cash
 - Cash NOK 118m at y/e 2020 including NOK 25m interest-bearing loan from Innovasjon Norge
 - Equity NOK 127.3m at y/e 2020
- Other receivables down NOK 28.5m in Q4 20 to NOK 15.4m on lower volume of prepaid devices
- Inventories +11.4m in Q4 20 to NOK 24.5m
- Accounts payable NOK 19.7m at year-end 2020



Cash flows

Cash flow from operating activities

	Q4 2020		FY 2020
Profit before tax	- 426 526	-	25 171 446
Depreciation and amortisation	586 520		2 275 068
Working capital changes	23 587 241	-	5 131 132
Net cash flow from operating activities	23 747 235	-	28 027 511

Cash flow from investing activities

Intangible assets	- 2 393 010	-	5 695 691
Net cash flow from investing activities	- 2 393 010	-	5 695 691

Cash flow from financing activities

Change in debt	- 1 064 200		10 207 647
Change in equity	84 755 877		130 213 703
Other	- 8 986 535	-	1 194 864
Net cash flow from financing activities	74 705 141		139 226 486

Net change in cash and cash equivalent

Cash and cash equivalents at start of period	22 156 688		12 712 770
Cash and cash equivalents at end of period	118 216 055		118 216 054

Q4 20 highlights

- Cash from operations NOK 23.7m
 - Net of public debt/receivables 24.6m
 - Offset by increase in inventories NOK 11.4m
- Cash from investments NOK -2.4m
 - Capitalized development NOK 2.4m
- Cash from financing NOK 74.7m
 - Private placement NOK 84.8m
 - Net of new and repaid debt NOK -1.0m
 - Repayment short term liabilities NOK 9.4m
- Year-end cash balance NOK 118m.



Shareholders

Shareholder	Shares	Percent
Passesta AS	5,333,342	14.6%
Evado Filip AS	3,276,325	10.0%
Eden AS	2,240,125	6.2%
Tycoon Industrier AS	2,175,043	6.0%
MP Pensjon AS	1,822,165	5.0%
Harmonium Invest AS	1,667,075	4.6%
S. Munkhaugen AS	1,614,325	4.4%
Verdipapirfondet DNB SMB	1,342,405	3.7%
Arepo AS	778,000	2.1%
ESMAR AS	767,325	2.1%
Top 10	20,658,985	57.8%
Others	15,726,223	42.2%
Total outstanding	36,385,208	100.0%

Post quarter events

- Private placement NOK 153m February 2021 (3,6m new shares)
 - Accelerate growth plan
 - Fund pursuit of M&A opportunities
 - Finance and ensure product development strong balance sheet
- SevenVentures GmbH converted receivable from media-to-equity into XPLRA shares
- New initiatives for both platform and device sales opportunities



The road ahead

Play
to move
the world[®]



Award winning portfolio of smartwatches

Optimized for scaling, telcos and profitability with Nano SIM + eSIM + VoIP



XGO2



X5 Play



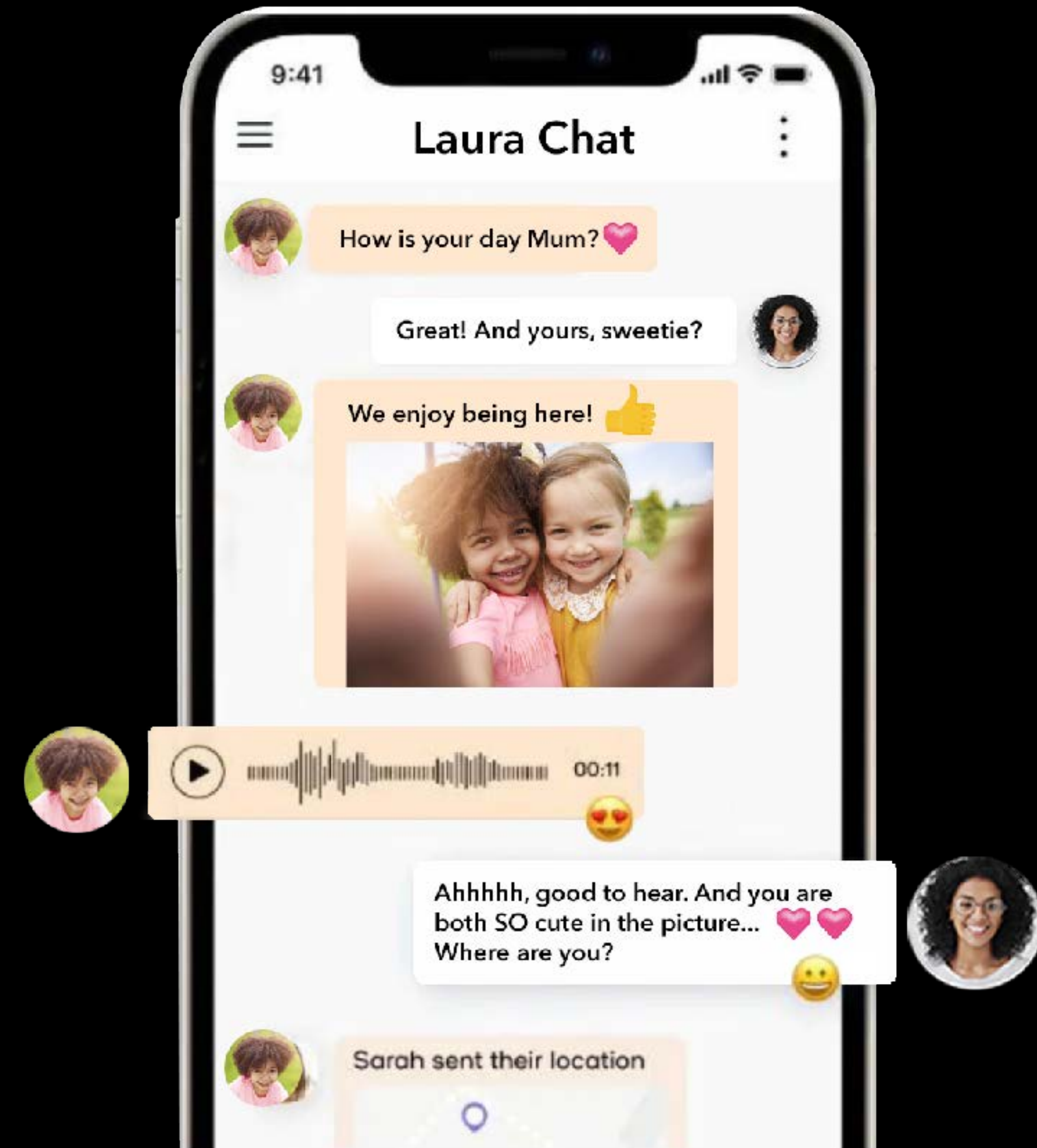


The Xplora Family App & Platform

Key building blocks:

- GDPR compliant IOT platform (base services)
- Goplay Premium Services
- Xplora Connect (sim connectivity)

We are experiencing an increased interest for licensing/integration from third parties.





Samples of the upcoming premium content



Xplora Pay

- Allows parents to create saving programs for their children and learn them how to save and get pocket-money.
- If all tasks are completed, the children will receive their monthly allowance.
- Users will receive an Xplora Debit card attached to account + tap-and-pay with the watch (wristband)



Xplora Arcade

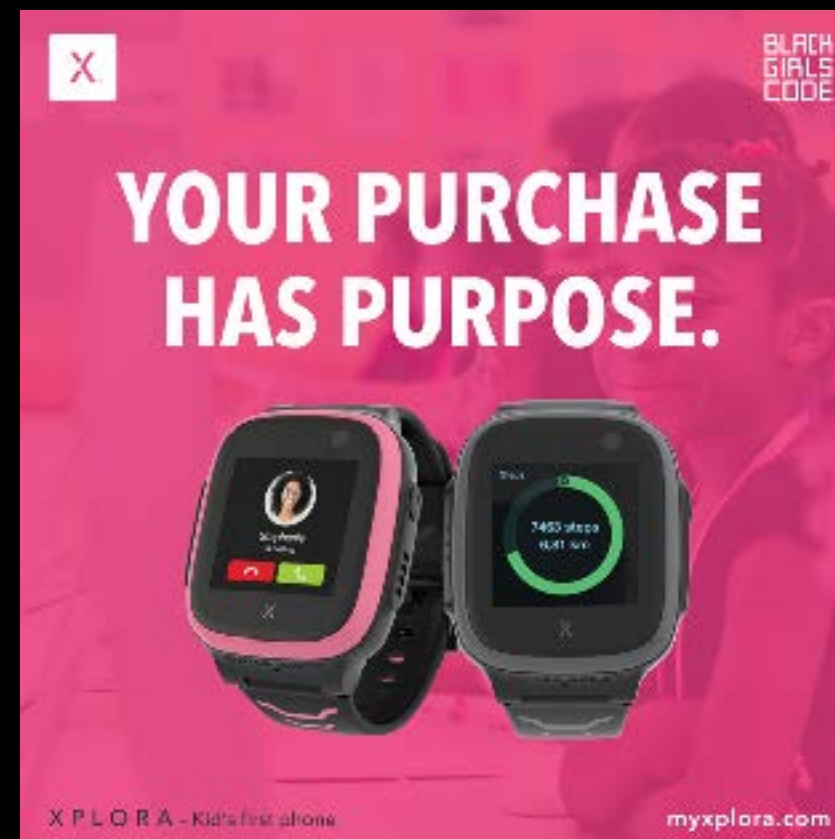
- We will be launching Xplora Arcade to allow parents and children to access kid friendly content, games and entertainment.
- Xplora Arcade will be part of our Premium Subscription.
- Focus on educational content and gamification.



Making a difference with ESG

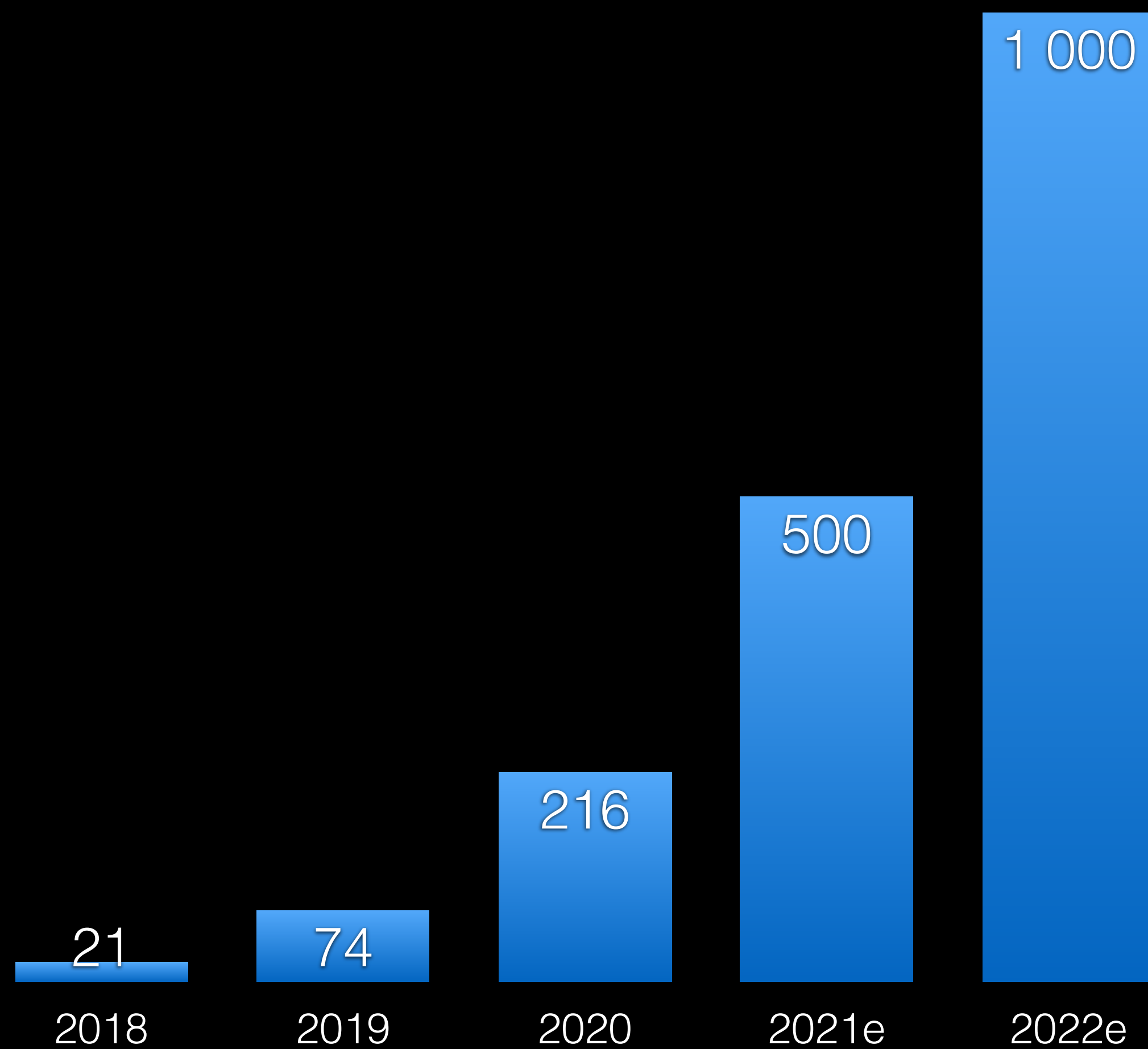
We all need to take part in creating a better and more sustainable future. No one is more aware of that than the future generation themselves. We want to bring ESG strategies one step forward. From keynotes to actions.

No poverty - Good health - Quality education - Gender equality - Climate actions

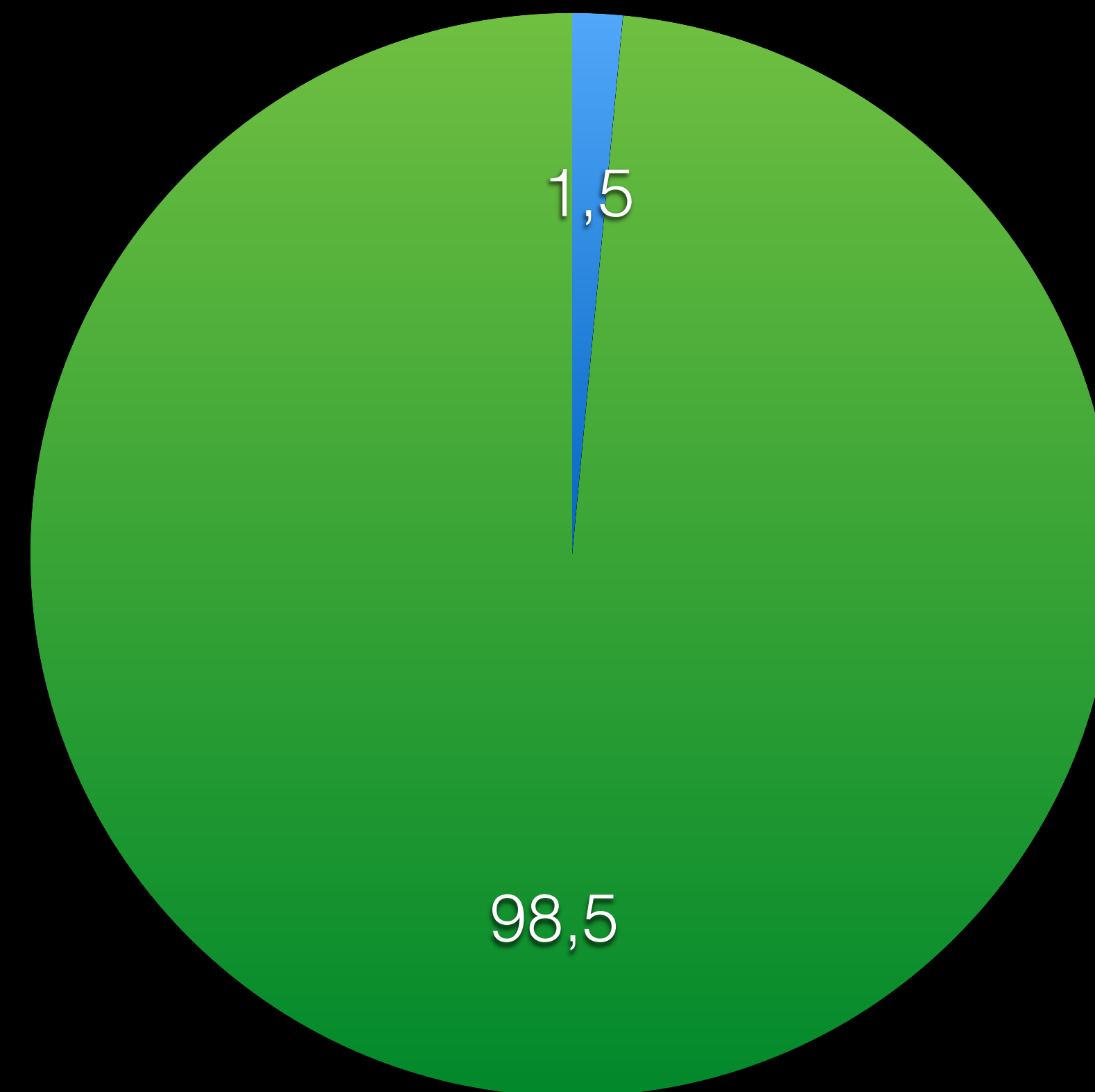




Outlook



Xplora smartwatch volume (k units)

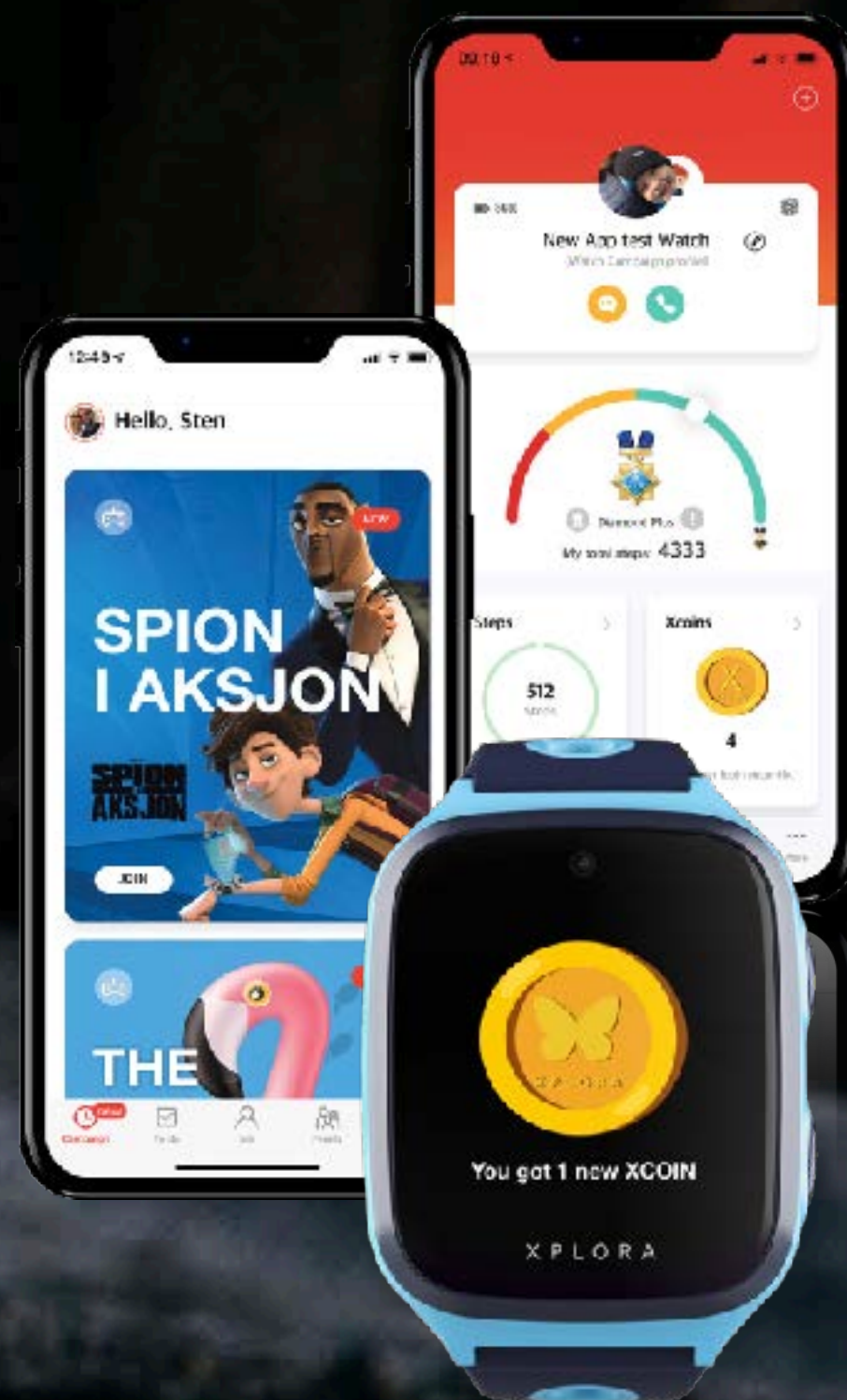


Global smartwatch market 2021-22e (m units)



Each step counts

Play
to move
the world.





Appendix



Our Goplay Platform

Play to move the world

The Power of Goplay

The integrated step counter of the Xplora watch counts daily steps taken. These are automatically converted into Xplora coins in the Goplay platform. The coins can be used to access screen time, mini-games, educational content, and more.





Numbers in Action

75,5

billion steps
taken in 2020

2,2X

increased activity
Goplay VS regular kids

10,000+

steps per day achieved
for all our Goplay users

90 days

average engagement
per campaign on Goplay

50%+

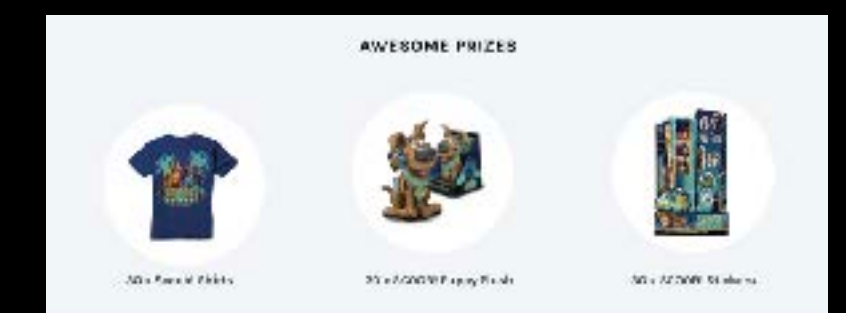
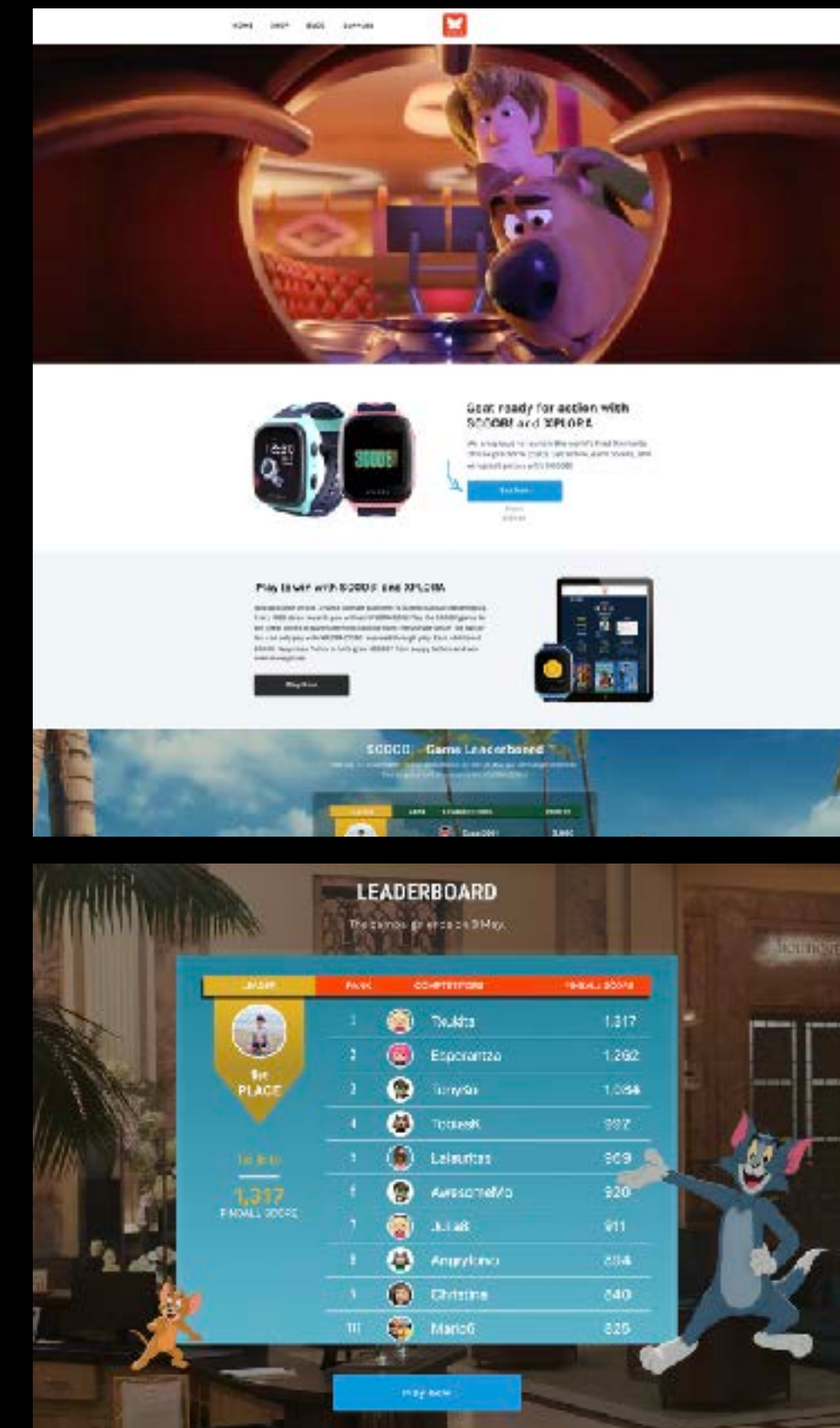
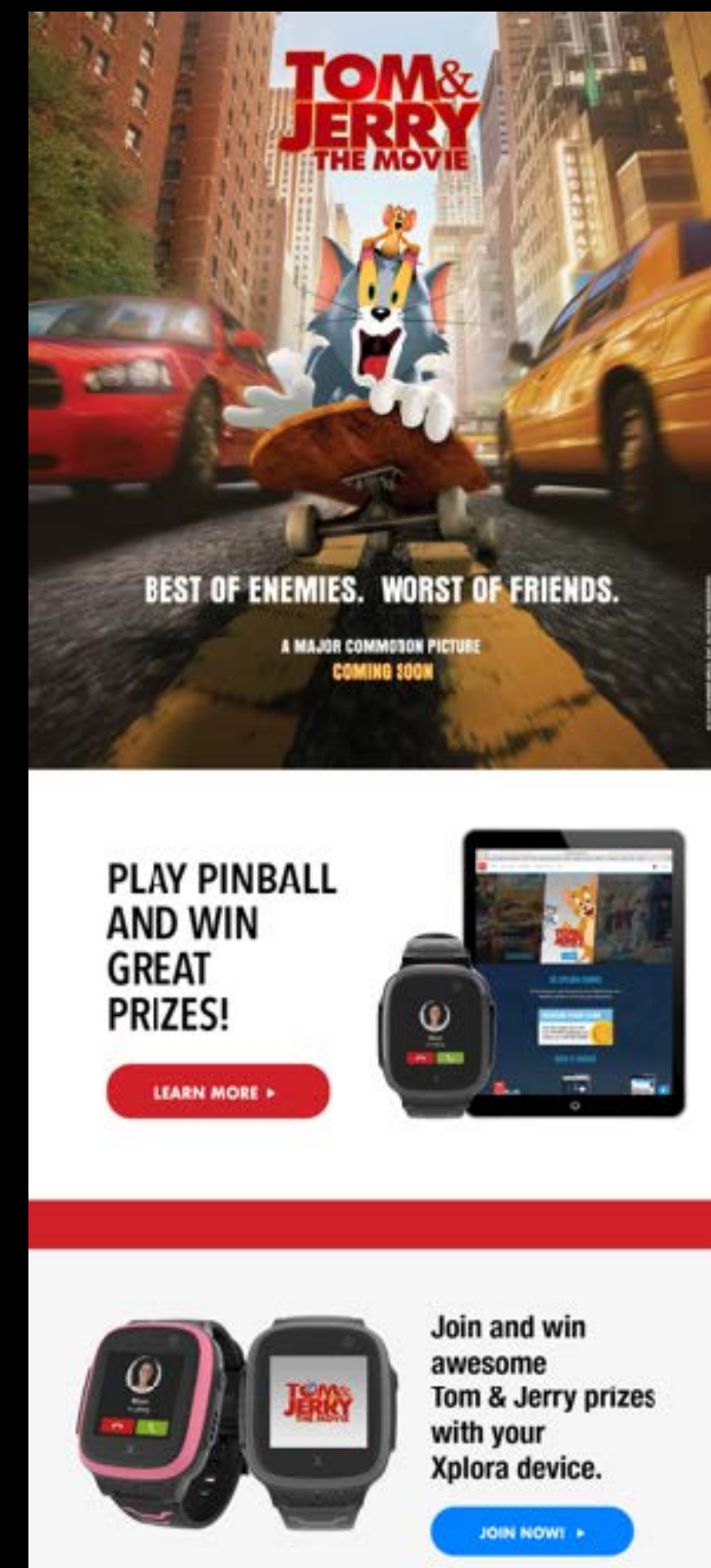
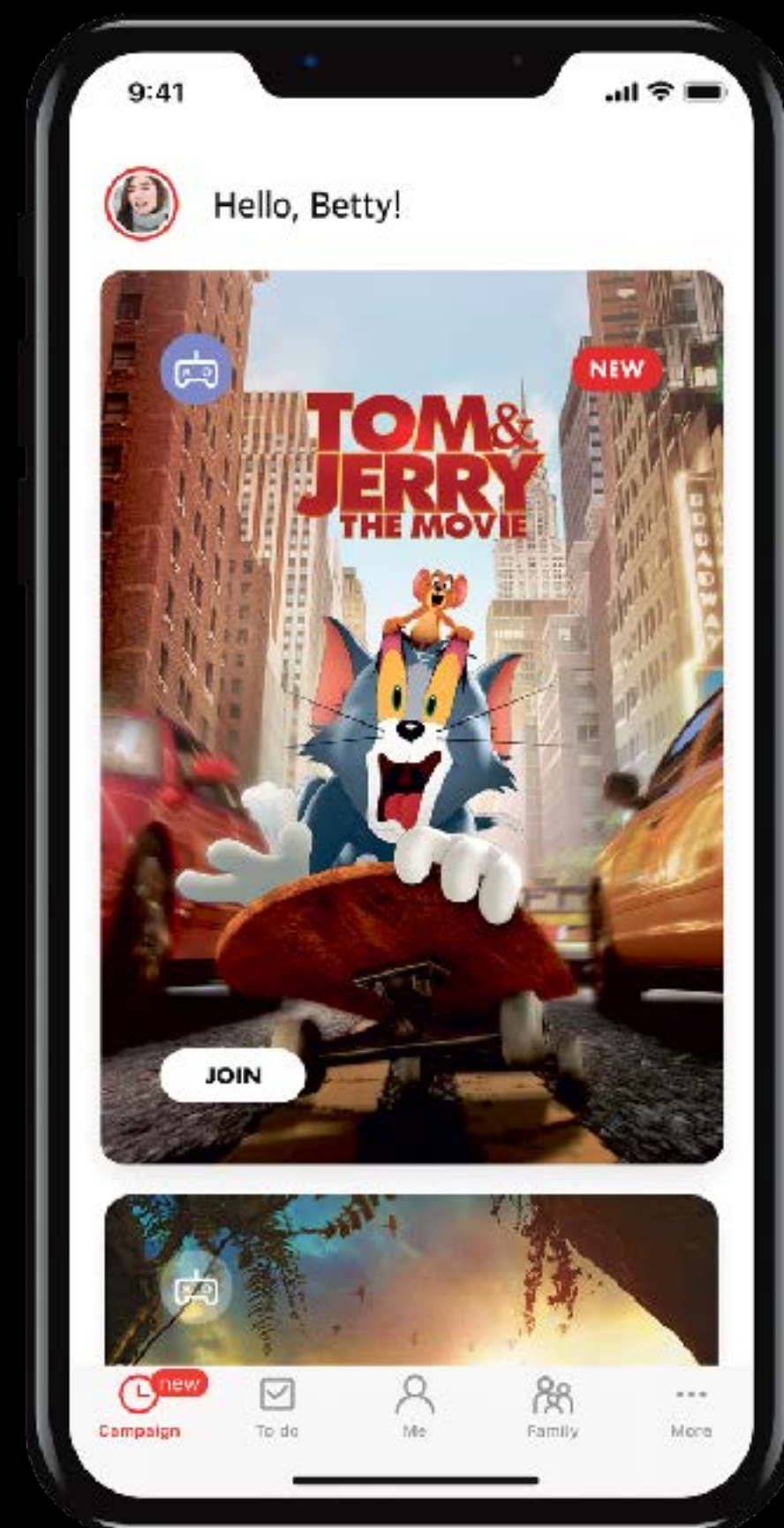
Decrease during lock-down,
when kids are not engaging
with Goplay.





Samples/Integrations on Our Platform

Integrated Studio campaigns in our Goplay platform.
Content and competitions to be released if kids have been active.





Category leader / best in test

XPLORA 1
4 Star rating in core markets / volumes

XPLORA 3
4 Star rating in core markets / volumes. Multiple times awarded best in test.

XPLORA GO
4 Star rating in core markets / volumes. Several times best seller on Amazon, multiple markets.

XPLORA 4
4-4,5 Star rating in core markets / volumes. Award winning product and best seller on Amazon in key markets.

reddot design award

BEST TEST TECHNO

Amazon's Choice
Highly rated, well-priced products available to ship immediately

PLUS 1 AWARD

Amazon's Choice
Highly rated, well-priced products available to ship immediately

...supported by recommendation in "the best kids smartwatch" tests

Xplora was recommended as the best kids smart watch for parents to buy by The Telegraph (UK)

Companies	The Telegraph	Wareable.com	TV2	Safewise	Bestproducts.com
Xplora	x	x	x		x
Gator	x		x		
Garmin	x	x		x	x
vtech	x	x		x	x
Vodafone	x				
Fitbit	x			x	x
Doki	x				
Apple		x			x
Verizon		x		x	x
HereO		x			
Omate		x			
Tailit			x		
Ojoy				x	
Tobi Robot					x
Prograce					x
iTime					x
Accutime					x

Source: SBIM, The telegraph, wareable.com, TV2, Safewise, bestproducts.com

Prepared for Telco/retail integrations:

- GDPR compliant platform
- EU based engineering team
- Already integrated with several of the leading telcos
- Experienced working through homologation processes
- Portfolios compliant both CE / FCC

XPLORA X5 Play eSIM Pink Smartwatch für Kinder und 30€ Amazon-Gutschein | Kinderuhr mit GPS | Telefonuhr | GPS-Uhr | Tracker für Kinder
★★★★☆ ~ 208
149,99€ ~~169,95€~~
14,99 € Versand
Gewöhnlich versandfertig in 2 bis 3 Tagen.
Andere Angebote
145,17 € (7 neue Artikel)

XPLORA GO - Telefon Uhr für Kinder (SIM-frei) - Anrufe, Nachrichten, Schutzmodus, SOS-Funktion, GPS-Standort, Kamera...
★★★★☆ ~ 263
119,99€
prime KOSTENLOSE Lieferung
Andere Angebote
112,89 € (2 gebrauchte und neue Artikel)

100-300 ratings per sku

1. XPLORA GO

Why we like it: It's basically a phone on your kid's wrist – in a good way

£99.99, Amazon

Recommended

The XPLORA GO offers a variety of features but not so many as to be distracting or confusing to children

The Telegraph News Politics Sport Business Money Opinion Tech Life Style Travel Culture

Family Member Men Cookbooks Food & Drink Health & Fitness Education & Careers

The best kids smart watch for parents to buy

Amy's verdict

"It's epic, I love it."

The camera, the step counter, and the waterproofing were all big hits, and she loved being able to call me and her mother whenever the notion took her. The only other functionality the Xplora 35 offers that we haven't mentioned so far is a simple stopwatch. Having previously tried the [Kurio Watch](#), Amy was definitely disappointed by the lack of games with the Xplora 35, but I can understand why the makers avoided those kinds of extras and their potential drain on battery life.



X5 Play

Nano / eSIM

Our flagship product. Your child's first mobile phone and a safe companion in everyday life! X5 Play was the first stand-alone eSIM smartwatch for kids. The innovation level of the product was awarded support from Horizon 2020 and Innovation Norway as first of its kind.

Key Features:

- Phone
- Pictures and video (2MP Camera)
- Text & voice messages
- GPS
- Safe-zones
- Waterproof IP68
- 4G, 3G, 2G (SIM/eSIM)
- Pedometer
- Schoolmode
- Goplay compatible and much more!





XGO2

Nano Sim.

Our new entry-level product.

Packed with new functionality, including a flashlight.

Key Features:

- Phone
- Pictures and video (0,3 MP camera)
- Text & voice messages
- LED-light
- GPS
- Safe-zones
- Water repellent IP67
- 4G, 3G, 2G
- Pedometer
- Schoolmode
- Goplay compatible and much more!