



Xplora.

ANNUAL REPORT 2024

Xplora[®]

Empowering the Next Generation



Contents

About Xplora	4
Highlights	5
Key Figures	6
Letter from the CEO	8
Our Business	9
Product and Service Offering	11
The road to 1 million subscriptions	14
Sales and Development Strategy	15
Board of Directors' Report	16
Corporate Governance	23
Sustainability and Social Responsibility	26
Members of the Board	30
Management	31
Xplora Technologies Group	32
<i>Income statement</i>	32
<i>Balance Sheet</i>	33
<i>Statement of Cash flows</i>	35
<i>Notes</i>	38
Xplora Technologies AS	53
<i>Income statement</i>	53
<i>Balance Sheet</i>	54
<i>Statement of Cash flows</i>	56
<i>Notes</i>	59
Audit Report	73

About Xplora



Xplora was founded with the mission of giving children a safe onboarding to digital life and encouraging a better balance between screen time and physical activity.

Our product portfolio includes smartwatches for children, connectivity (mobile subscriptions) and premium services that encourage physical activity through an online platform where children can convert steps into awards. Our broad portfolio of connected products and services allows families to connect with their loved ones and delay children's exposure to digital platforms, while increasing their everyday activity. Headquartered in Oslo, Xplora has offices in four Nordic countries, Germany, Spain, the US, and the UK, where our engineering team is based. Additionally, the Company has Mobile Virtual Network Operator (MVNO) operations in 9 markets.

Building on our success in the kids' market, Xplora is now expanding its reach into the senior segment. Complementing this expansion, our SaaS division is enhancing the company's offerings with connectivity – and software services for both B2B and B2C markets, broadening our reach and diversifying our impact.

FAST FACTS



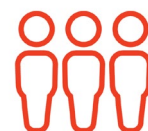
**Total revenue
NOK 813m**



**Service revenue
NOK 281m**



**MVNO
In 9 markets**



100 FTE

Highlights

■ Q1 2024

Entered a strategic partnership with Freenet AG to bundle Xplora Premium with mobile subscriptions in Germany, adding a fifth recurring revenue stream and securing a NOK 30m smartwatch order.

Launched Kidzi, an Amazon-exclusive smartwatch designed for enhanced visibility and competitiveness on the platform.

■ Q2 2024

Extended partnership with Qihoo 360 to offer Xplora Premium service to Qihoo 360's user base through a freemium play-to-pay model, expanding reach in the Asian market with launch expected in Q4 2024.

Entered a B2B agreement with a leading Norwegian security provider to bundle Xplora devices and services with home security solutions.

Signed a reseller agreement with Telenor Connexion, giving Xplora the ability to offer branded

IoT connectivity services to third-party device manufacturers across Europe, laying the foundation for a new SaaS revenue stream

■ Q3 2024

Completed AT&T certification and initiated implementation of Xplora's ninth MVNO agreement, expanding the reach in the US, with own-branded connectivity.

Signed three new B2B agreements in the U.S., including two with retailers and one with a telecom provider, strengthening distribution and future subscription growth.

Launched the "LetsGo" smartwatch exclusively with Mediamarkt in Germany. A low-cost entry product bundled with Xplora Premium, establishing a recurring B2B service stream.

Released the upgraded XGo3 with improved hardware and jungle-themed accessories, enhancing product performance, durability, and personalization.

■ Q4 2024

Completed the US MVNO setup and launched X6Play with own-brand connectivity on AT&T's network, enabling high-margin service offerings in the US.

Announced strategic partnership with HMD to enter the youth smartphone market. The collaboration will integrate Xplora's family IoT platform and parental controls into HMD devices, supporting healthy digital habits and driving growth toward the one million subscription target.

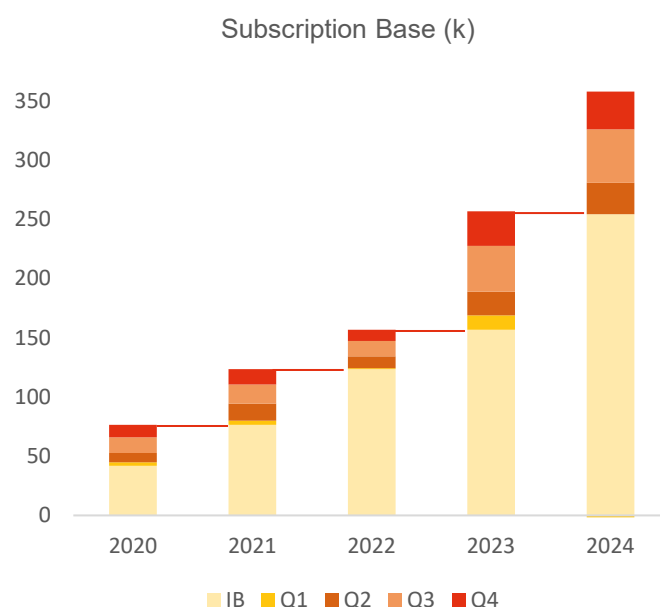
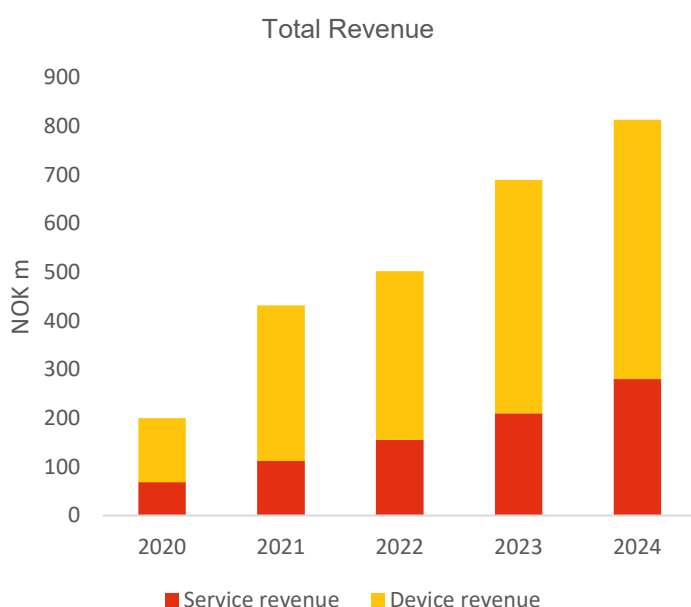
Published the offer document in connection with the recommended public offer to Doro AB shareholders.

Secured regulatory clearance for the Doro AB acquisition, following the ISP's decision to dismiss the foreign investment review. With this milestone, Xplora is set to proceed with the acquisition.



Key Figures

Amount in NOK millions	2024	2023
Device revenue	533	477
Service revenue	281	210
Total revenue	813	689
Growth y/y	18%	37%
Gross profit	406	332
Gross margin	50%	48%
EBITDA	72	34
Operating Profit/ (Loss)	12	-22
Net Profit/ (Loss)	-6	-21
Device unit sale (k)	501	467
Subscriptions (k)	358	257
Shares outstanding (million)	44	42
Share price (NOK)	31.5	14.0
Market capitalization	1,391	581





Xplora's mission:

To give children a safe onboarding
to digital life and encouraging
a better balance between screen
time and physical activity.

Letter from the CEO

2024 was a breakthrough year for Xplora both in terms of profitability and strategic development. It marked a pivotal shift in how we define our role in the market, transitioning from a kid's smartwatch provider to a family IoT company driven by a subscription-based, recurring revenue model. We expanded our presence in the senior segment through the acquisition of Doro AB, while our offering for kids broadened to include youth. Over the past five years, our subscription base has grown from under 50k at the beginning of 2020 to more than 350k subscriptions by the end of 2024, reflecting the impact of our strategic direction and reinforcing our momentum as we continue to work towards our long-term goal of reaching one million subscriptions.

Xplora delivered strong financial results in 2024. Revenue grew by 18% to NOK 813m, exceeding our 15% revenue target. Service revenue increased by 33%, driven by strong growth in our subscription base, which rose by a net 101k new subscriptions to over 350k subscriptions at year end. Our business model continues to scale effectively, with overall gross margin for the year strengthening to 50%, and EBITDA more than doubling to NOK 72m. For the first time as a listed company, Xplora also achieved a positive operating profit of NOK 12m for the full year.

Operating cash flow remained strong throughout the year, with a positive contribution of close to NOK 100m, ending 2024 with a solid cash position of NOK 235m. When including Doro AB, the combined cash holding was close to NOK 500m by year-end, reflecting a strong financial position as we enter the next phase of Xplora's growth journey.

We continued to strengthen our business model, which centres on using devices as an entry point to high-margin, recurring service revenue. Service revenue now represents a growing share of our business, with 80% gross margin, underscoring the scalability and resilience of our platform. We took further steps to broaden our offerings in the kids' segment by entering the youth category. Through our partnership with Human Mobile Devices (HMD), we have introduced smartphones that extend the value of our services as children moves from



smartwatches to smartphones – a key step in supporting long-term engagement and increasing customer lifetime value across age groups.

The acquisition of Doro AB marked another transformational milestone in our strategic development. With strong sales of feature- and smartphones for seniors, Doro provides a solid platform for expanding Xplora's service model into a new and growing segment. The acquisition more than doubles our revenue and earnings base, and triples device sales. By integrating Xplora's connectivity offering and services into Doro's devices, we see significant potential to grow recurring revenues in the senior segment.

We are confident that we will be able to leverage the combined strengths of Xplora and Doro to unlock significant value in the years to come. We are well positioned to deliver on our long-term ambitions, supported by the progress we already have made. From strengthening our core operation to expanding into new customer segments, the work we have done over the past years gives us a strong platform to scale.

To that end, we are grateful for the continuing support of our customers, our value chain partners, our employees, our shareholders and other stakeholders helping to drive Xplora forward.

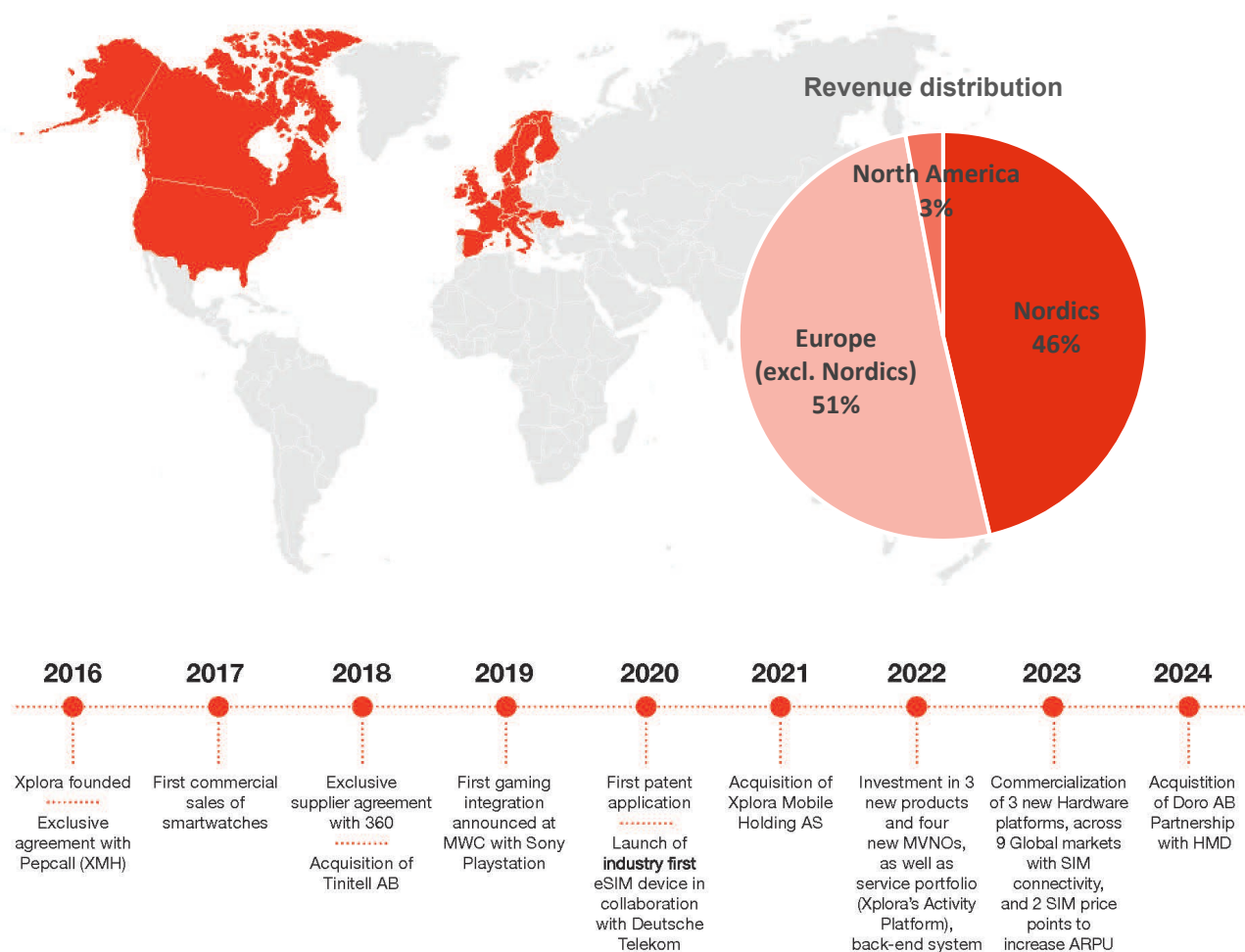
A handwritten signature in blue ink, which appears to be 'Sten Kirkbak'.

Sten Kirkbak

Our Business

Xplora is an information technology company which develops and offers wearable smart devices, connectivity (mobile subscriptions) and value-added services through its premium subscription. The Company was established in 2016, is headquartered in Oslo, Norway with offices in London, Hamburg, Madrid, Stockholm, Copenhagen, Espoo, New York and Trondheim. The Company's products and services are offered in 9 key markets through online channels, a wide retail network and 20 telecom partners.

Xplora strives to give children a safe onboarding to the digital world and a better balance between screen time and physical activity by offering innovative smart devices and services for kids and families. Xplora's vision is to enable children around the world to experience how their everyday activities can make a positive change to the world. With the acquisition of Doro AB and the partnership with HMD in 2024, Xplora broadens its reach to include the Senior and youth segments. Supporting the long-term goal of reaching one million subscriptions.



GROUP ORGANIZATION

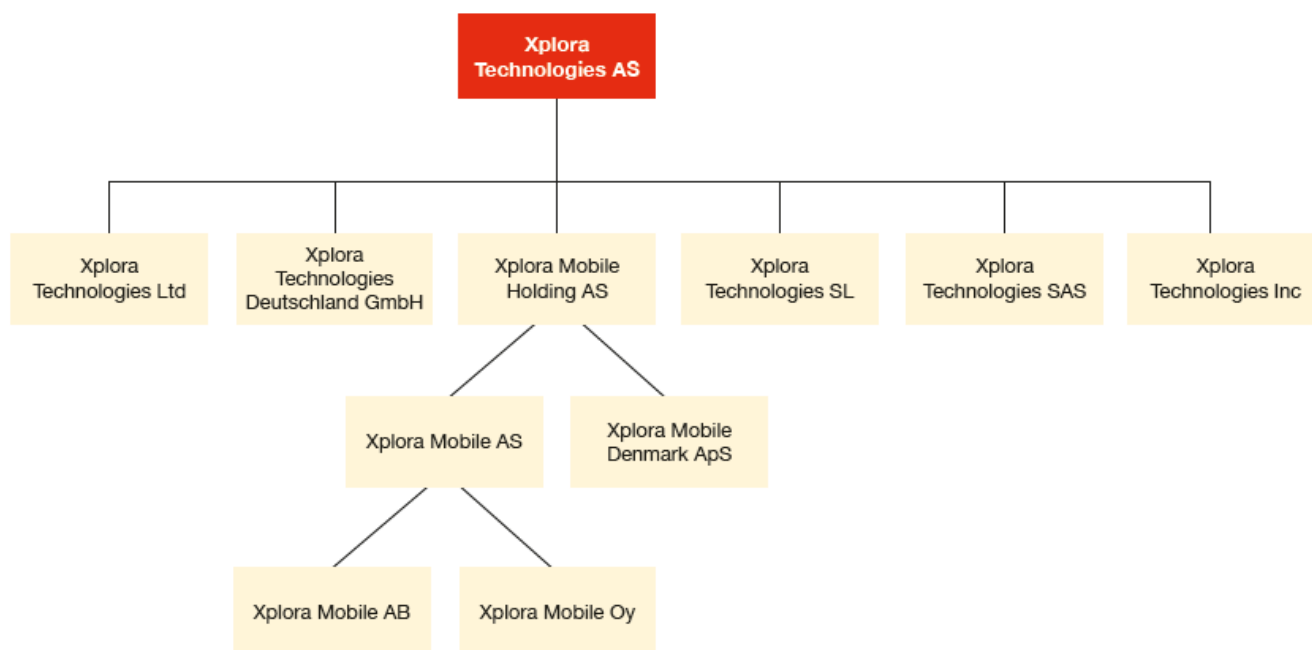
Xplora Technologies AS, the parent company of the Group, conducts its operations from its offices in Oslo and Trondheim, Norway. The Company's headquarter in Oslo accommodate the Group's finance, marketing, operations, and support functions. Meanwhile, the Trondheim office is responsible for global and national marketing campaigns.

Xplora Technologies Ltd serves as Xplora's engineering and development hub which works together with Xplora's external South Korean development team. Xplora's UK operations also handle sales and marketing in the UK market.

Xplora Technologies Deutschland GmbH (a German limited liability company), Xplora Technologies SL (a Spanish limited liability company), Xplora Technologies Inc (a Delaware corporation) and Xplora Technologies SAS (a French limited liability company), all handle sales, marketing, operations, and support functions in their respective local markets.

Xplora Mobile Holding AS is the parent company of Xplora Mobile AS and Xplora Mobile Denmark ApS (a Danish limited liability company). Both companies handle sales, logistics, marketing, operations, and support functions in their respective markets. Xplora Mobile AS is the parent company of Xplora Mobile AB (a Swedish limited liability company) and Xplora Mobile Oy (a Finnish limited liability company), having the same functions in their respective markets.

All subsidiaries in the group are 100% owned.



Product and Service Offering

Xplora's business model of operating both as a smartwatch vendor and a mobile virtual network operator (MVNO) – a company that offers mobile services without owning the physical network infrastructure – offers unique opportunities in terms of product bundling, retail offerings and pricing options that are difficult for competitors to replicate.

The company's main revenue drivers are:

- **Devices:** Sales of connected smartwatches.
- **Services:** Recurring revenues from sale of subscriptions and value-added services (VAS).

Subscriptions encompass connectivity plans (mobile subscriptions), premium services, B2B service revenues, and service fees for Xplora smartwatches without Xplora mobile subscriptions (Nordics).

Both business segments target business-to-consumer sales through a variety of sales channels and markets in addition to business-to-business sales through licensing models.



XPLORA DEVICES

Xplora's device strategy has been key to secure a wide distribution footprint, build the Xplora brand, build an ecosystem of partners and demonstrate the service functionality. The Xplora Device Platform consists of connected wearable products. The Group's product strategy is to provide premium and entry level products in the connected category to drive the growth in Xplora's service offerings. A broad product portfolio is an important element in Xplora's distribution strategy, building brand awareness and securing visibility.

As of 2024, Xplora has launched a total of thirteen devices since its founding, demonstrating the company's ongoing innovation in the children's smartwatch segment. In 2024, Xplora expanded its lineup with the launches of the X6 Pro, Kidzi, and LetsGo, along with the upgraded second-generation XGO3. Today, the company's product portfolio includes six models: X6Play, XGO3 (Gen 2), X6Pro, Kidzi, LetsGo, and XGO2.

All Xplora watches are specifically designed for children aged 4–10, with a strong emphasis on ease of use and durability to withstand rough handling. Looking ahead, Xplora is actively working on an upgraded version of the X6Play (X6Play Gen 2), scheduled for launch in mid-2025.

XPLORA SERVICES

The Xplora Services consists of connectivity services (mobile subscriptions) and value-added services through the Xplora activity platform, in the form of a premium subscription. Growing the recurring revenue base and securing full commercial control of the connectivity value chain are key objective in the Company's core markets. As of 31 December 2024, Xplora had a total subscription base of 358k subscriptions. Distributed on connectivity subscriptions (258k), Premium service subscriptions (75k), B2B subscriptions (20k) and service fee subscriptions (5k).

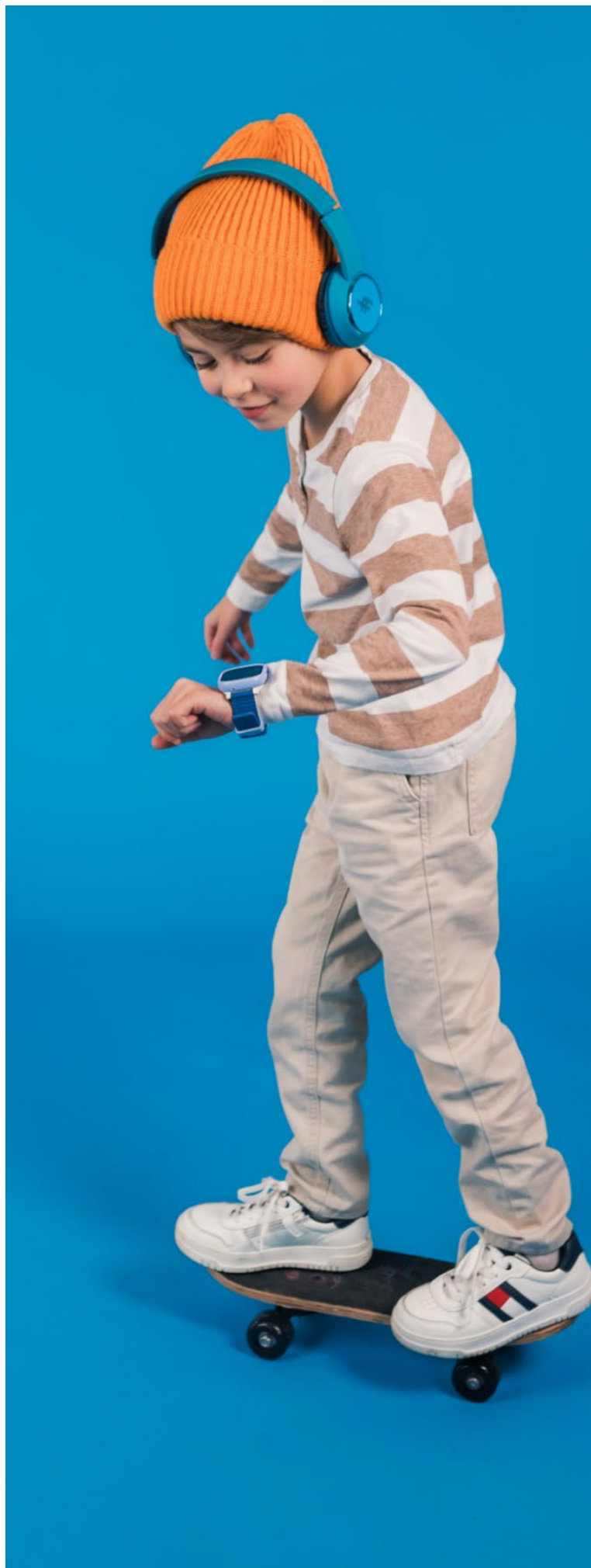
Connectivity (mobile subscriptions)

Xplora operates its mobile connectivity services in its 9 core markets. That is, four Nordic countries, Germany, UK, Spain, France and the USA.

For its connectivity services Xplora use Telenor's network in Norway, Sweden and Denmark and Elisa's network in Finland, Telekom Deutschland in Germany, Alai Secure in Spain, Transatel in France, IQ Mobile in the UK and AT&T in the USA, all through long-term service provider and Mobile Virtual Network Operator (MVNO) contracts.

Xplora has secured a strong market position in the Nordics. In Norway, where the Company has the longest track record, close to 1 in 5 children in the age 4-10 are using an Xplora smartwatch with a connectivity subscription from Xplora. In Sweden Xplora has reached a penetration rate of 6%, with 9% in the Finnish market. In Denmark penetration was close to 5% at the end of 2024. The Company applies the same go to market strategy in all markets. Sweden, Finland, and Denmark penetration growth trends are similar to the penetration growth experienced in Norway previously.

The German market, where connectivity was launched in late 2022, experienced the largest growth in subscriptions in 2024. UK and the US was launched at the same time but have grown a bit slower than in Germany, however the Company still see the growth potential in these markets. Subscriptions in Spain and France was launched in 2023. For 2024, the growth has been relatively slow in France, while Spain has delivered the highest percentage-growth in the company, with a 268% y/y subscription growth.



Xplora premium services

Xplora's premium services gives the user a broader access to the Xplora Activity Platform than what the customer gets with a regular connectivity plan. This service is a value-added service platform that addresses two key concerns among families: a high and growing screen time and physical inactivity among children.

The platform connects with the Xplora devices and converts physical activity collected from smart devices to Xplora coins, Xplora's own digital reward points. Xplora coins may be used for children to engage digital content, play mini games under screen time control and purchase products as well as make donations on the activity platform.

The Xplora activity platform is clearly differentiated from other legacy social networking services which often are based on text, image, or video. In contrast, the activity platform service leverages activity and location data from smart devices to create new ways to help users to engage and interact with each other.

By rewarding kids for their physical activity, Xplora encourages kids to explore the world while offering safety for both the kids and parents. Going forward Xplora will be continuing to build on its premium services, offering a wider selection of curated content, video and education-based activity tools allowing children to further have Fun, Learn and Play in a controlled environment.

B2B service revenue

B2B service revenues are generated through agreements with well-known Telecommunication companies (Telcos). These agreements are beneficial for Xplora in selling devices and, same as with the service fee, it provides an additional service revenue stream which contributes to the continuous development and maintenance of Xplora's service platforms. This ensures that the Xplora guardian app and infrastructure remain up to date for all users. The agreements also secure new customers to the telcos and boost their revenue, leading to a mutually beneficial proposition.

These agreements also increase brand awareness as they include commitments from the telcos about device purchases and marketing campaigns.

As of 31 December 2024, Xplora had eight B2B service revenue agreements. Three in the Nordics, one in other European countries and four in the USA. Going forward Xplora will continue to explore the possibilities for more B2B service revenue agreements in the nine core markets of its operations.

Service fee

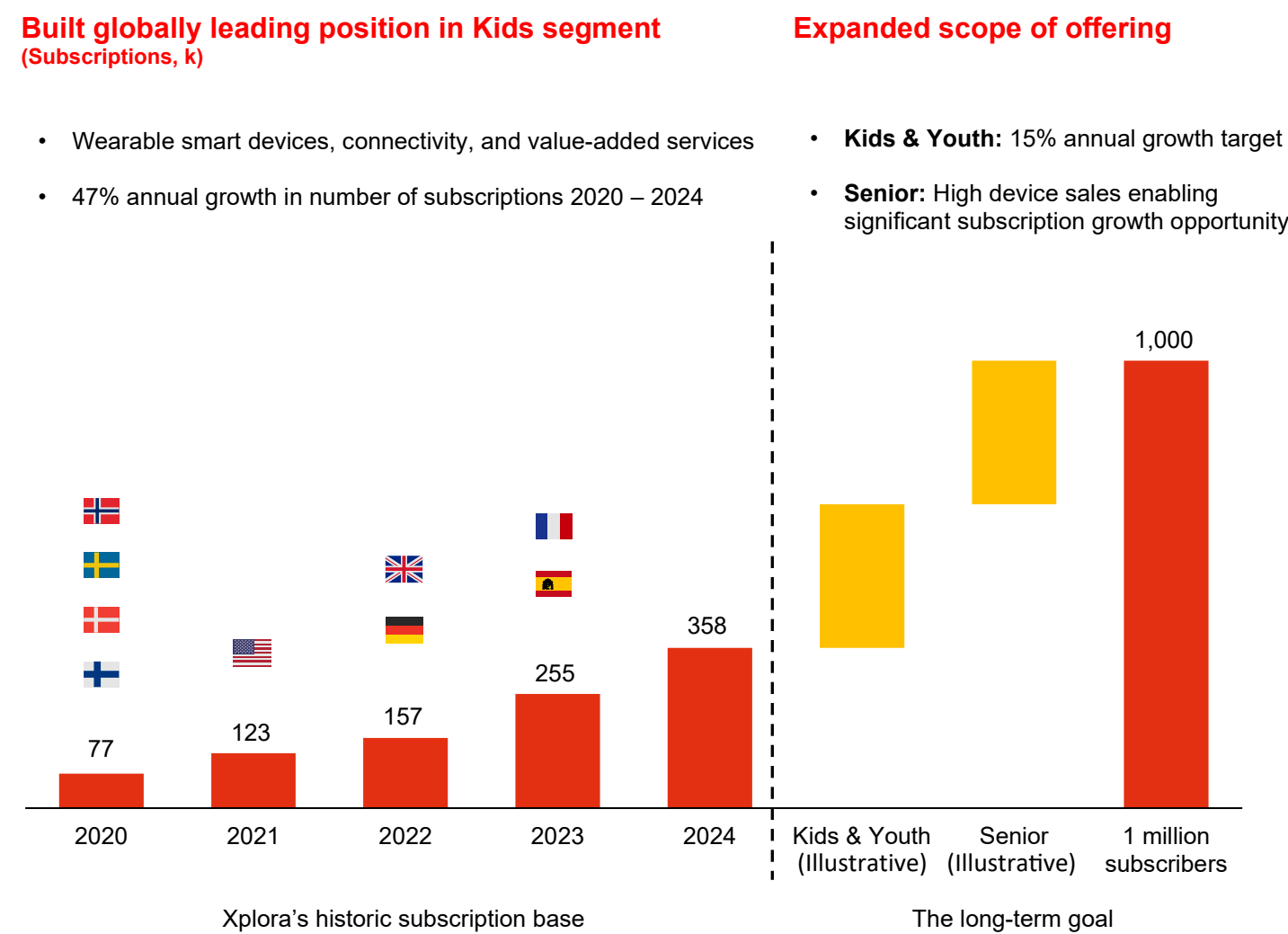
The service fee applies to activated Xplora watches who have opted for an alternate connectivity provider. The service fee was introduced to cover the ongoing operational costs associated with the watch, even without a subscription. These costs relate to the Xplora Guardian app functions, for example messaging, phone, pictures, and tracking/map services.

The Service fee ensures that the company gain the full value of its service offerings across all customer segments as well as it allows the company to maintain and develop the high-quality service its users expect.

As of 31 December 2024, Xplora has only introduced the service fee in the Nordic countries, where Xplora had 5k service fee subscriptions.

The road to 1 million subscriptions

Xplora is working to realize a high-value growth strategy with an ambition to build a subscription base of 1 million within the next 5 years. To enable this growth, the company is expanding its scope of products and services, broadening its customer reach, and entering more geographical markets. The strategic partnership with Human Mobile Device (HMD), previously known as Nokia, broadens the scope from the kids smartwatch market to the youth smartphone market, extending the average customer lifetime value. The acquisition of Doro AB broadens the customer reach to the senior market and establishes a strong device sales base enabling a significant subscription growth opportunity for the years to come.



Sales and Development Strategy

GO-TO-MARKET STRATEGY

Xplora's go-to-market strategy was designed to maximize market penetration and establish a strong foothold across all distribution channels. The strategy is phased, beginning with an initial focus on online stores such as Amazon, which allows the Company to test the market and gain valuable visibility. From there, the Company prioritizes building relationships with retail channel partners to expand its reach and accessibility, before ultimately pursuing partnerships with telecom operators, a significant distribution channel that offers vast market potential.

RETAIL DISTRIBUTION PARTNERS

Retail partners are important to Xplora to drive volumes, build market presence, expand geographic coverage through widespread retail outlets and to build brand recognition. Sales through retail partners may be through a combination of physical retail outlets and online sales channels. Many of the Company's retail partners display products in outlets, giving consumers the ability to test and physically evaluate Xplora's products. The Company has a wide distribution network, online and in-store across its major markets.

TELECOM OPERATOR CUSTOMERS

Xplora has successfully completed homologation tests and entered into distribution agreements with 20 telecom operators. These include Telekom (DE), Vodafone (DE), Telefonica (DE), EE (UK), Elisa (FI), DNA (FI), Telia (SE), Elisa (Estonia), Telia (NO), OneCall (NO), Swisscom (CH), Magenta (AT), Yettel (HU), Vodafone (HU), Troomi (USA), AT&T (USA), Viaero Wireless (USA), CSpire (USA), Carolina West Wireless (USA) and Nex-Tech Wireless (USA).

CUSTOMER SUCCESS

Xplora's customer success team is the heart of the Company's operations. Xplora operates in a market where its customers expect fast and prompt service and response to their support inquiries. The Company's overall goal is to create a customer experience and journey that is indifferent to the customer's geographic origin and to meet its customers on the platform they wish to communicate.

2023 delivered key customer success initiatives like AI chatbots, improved web forms, a modernized help center, and the outsourcing of support functions. In 2024, the focus has been to fully leverage these tools to enhance efficiency and service quality.

The combination of outsourced resources with in-house leadership and Nordic specialists has improved flexibility and allowed Xplora to scale support during seasonal peaks. It also enabled the introduction of phone support in the US and Germany, as well as live chat in Germany. These services have been essential for these markets and have contributed to increased customer satisfaction and a stronger brand reputation.

Reflecting on 2024, Xplora had a total of 672,950 global inquiries, with the Company's chatbot successfully responding to 63%. This is a significant increase from 48% in 2023 and 34% in 2022, demonstrating the effectiveness of the customer success team's efforts in advancing chatbot functionality and improving response time.

Key KPIs driving the customer success teams include customer response time, solution time and customer satisfaction.

Board of Directors' Report

2024 marked another great year for Xplora, driven by continued execution on strategic priorities. A clear focus on subscription conversion across markets resulted in a 101k y/y increase in subscriptions, reaching a total of 358k at year-end. This resulted in a revenue growth of 18% y/y, exceeding the stated revenue growth target of 15%. By utilizing and building on the product investments made, Xplora sold over half a million SIM-enabled watches.

Operational efficiency initiatives initiated in 2023 and continued in 2024 delivered solid results, with controlled operating costs and improved working capital management. As a result, EBITDA grew by 113% y/y to NOK 71.9m, while year-end cash stood at NOK 235m, up NOK 98m y/y. 2024 also represent a strategic turning point defining Xplora as a family IoT company focusing on service revenues. Xplora introduced its long-term goal of reaching 1 million subscriptions and took key steps toward this target with the strategic partnership with HMD, targeting the youth segment, and the acquisition of Doro AB, expanding into the senior market. Additionally, the acquisition of Doro AB more than doubles the company's revenue, and triples EBITDA.

Financial review

The following financial review is based on the consolidated financial statements of Xplora Technologies AS and its subsidiaries (the Group). The statements have been prepared in accordance with the Norwegian Accounting Act. In the view of the Board of Directors, the income statement, changes in equity and cash flow, the statement of financial position and the accompanying notes provide satisfactory information about the operations, financial results and position of the group and the parent company for the year 2024 and at 31 December 2024. Consolidated numbers from 2023 are also included for the purpose of comparison.

Group revenues for Xplora Technologies ended at NOK 813.3m in 2024, a 18% growth from NOK 689.1m in 2023. Recurring service revenues increased 33% y/y, reaching NOK 280.6m in 2024. Service revenue represented 35% of group revenues in 2024, compared to 31% in 2023.

Xplora exited 2024 with 358k subscriptions, up 39% y/y from 257k subscriptions at the end of 2023. Device revenue ended at NOK 532.7m compared to NOK 476.6m in 2023.

Recurring service revenue in the Nordics were NOK 124.4m in Norway, NOK 62.9m in Sweden, NOK 28.7m in Finland and NOK 24.5m in Denmark. As such the total Nordic service revenue increased 21% y/y, to NOK 240.5m in 2024. Service revenues from outside of the Nordics grew by 269%, reaching NOK 40.1m in 2024. This is equal to 14% of the total service revenues in 2024, up from 5% of the total in 2023. This is a result of the focus on growing service revenue outside the Nordics. This will continue to be a focus in 2025.

As part of its sales and distribution network, Xplora is using distributors to supply several European countries. As a result, revenue may not directly reflect sales by country. To best illustrate geographic sales performance, the company has therefore chosen to report on both smartwatch sales and end-user activations. End-user activation is the number of watches that are activated for the first time by an end-user. This metric only accounts for initial watch activations and does not consider subscriptions.

In 2024 there was 479K end-user watch activations, equivalent to an 8% growth from 445K in 2023. Germany was the biggest contributor with 257K activations. Norway saw a total of 47K activations in 2024, followed by Sweden with 34K and Finland with 27K activations. The US had 16K, Spain 15k and Denmark 14K end-user activations throughout 2024.

Gross profit for the year came in at NOK 405.7m, up 22% from NOK 332.3m in 2023. Gross margin increased to 50% in 2024 compared to 48% in 2023. Gross margin per revenue line was 32% for device revenue and 83% on service revenue in 2024. This is compared to 33% and 83% respectively, in 2023.

Operating cost amounted to NOK 333.9m in 2024, up 12% from NOK 298.6m in 2023. As a percentage of revenue, operating costs decreased from 43% in 2023 to 41% in 2024. Salary and employee expenses ended at NOK 128.1m in 2024, including bonus accruals and management incentive programs, up from NOK 113.3m in 2023. Marketing expenses amounted to NOK 81.3m in 2024, up 12% y/y from NOK 72.1m.

Other operating costs ended at NOK 124.5m in 2024 compared to NOK 113.2m in 2023.

EBITDA continued the positive trajectory from 2023 ending at NOK 71.9m in 2024, yielding a margin of 9%. This is up 113% y/y, compared to NOK 33.7m and a margin of 5% in 2023. Depreciation, amortization, and write-downs were NOK 59.7m in 2024, up from NOK 56.5m in 2023. For the first time since the IPO in 2021, Xplora ended the year with a positive EBIT at NOK 12.2m. This represented a NOK 35.0m improvement from negative NOK 22.8m in 2023. Profit before tax ended at negative NOK 2.4m in 2024, up from negative NOK 29.6m in 2023. Net profit ended at negative NOK 5.9m in 2024, compared to negative NOK 21.4m in 2023.

Cash flow

The group's operating activities generated a net cash inflow of NOK 98.0m in 2024, compared to NOK 60.3m in 2023. Part of the increase stem from the NOK 27.2m improvement in profit before tax. The remaining is a result of further improvement in the management of our working capital, compared to 2023.

Investing activities generated a net cash outflow of NOK 20.0m in 2024, which consists of capital expenditures to product- and platform development. In 2023 net cash outflows from investing activities were NOK 22.8m.

Financial activities generated a net inflow of NOK 19.7m in 2024, all related to changes in debt. This compares to a net inflow of NOK 49.6m in 2023, where NOK 31.6m was due to increased net debt and NOK 17.5m in equity.

In 2024, the amount of cash increased by NOK 97.6m, from NOK 137.4m at the beginning of the year to NOK 235.1m. In 2023, the cash balance increased by NOK 87.0m.

Financial position

At the end of 2024, Xplora Technologies Group had total assets of NOK 577.9m, compared to NOK 546.8m at year-end 2023. Xplora's focus on working capital management resulted in a NOK 27.1m reduction in inventory value from year end 2023 to the year end in 2024. As such, the increase in total assets comes as a result of the increase in cash and cash equivalents.

Group equity at year-end 2024 amounted to NOK 348.6m, with an equity ratio of 60%, compared to NOK 337.8m and a 62% equity ratio at year-end 2023. Interest-bearing debt increased to NOK 89.6m at the end of 2024, up from NOK 69.9m in 2023. The debt consists of a loan from Innovation Norway and supply chain financing.

Cash and equivalents stood at NOK 235.1m at year end 2024. As such, net cash balance were NOK 145.5m, a 115% increase compared to NOK 67.5m in 2023. Accounts payable increased to NOK 49.3m in 2024, up from NOK 47.4m in 2023. Other short-term debt decreased by NOK 1.3m y/y to NOK 90.4m in 2024. Other short-term debt includes accruals and deferred income.

Accounts receivable increased to NOK 43.9m in 2024, up from NOK 38.8m in 2023. Inventories decreased from NOK 108.0m in 2023, to NOK 80.9m in 2024. Total non-current assets decreased by NOK 40.7m, from NOK 226.0m at the end of 2023 to NOK 185.3m at the end of 2024, due to amortization of goodwill and customer contracts.

Goodwill amounted to NOK 119.1m in 2024, while the value of remaining customer contracts was reduced from NOK 23.0m at the end of 2023 to NOK 4.6m exiting 2024. Capitalized development costs decreased to NOK 44.1m at year-end 2024, up from NOK 45.8m in 2023.

The Board of Directors believes that the group possesses adequate funds to address Xplora's financing needs for further growth over the next 12 months.

Xplora Technologies AS (parent)

The parent company reported revenues of NOK 437.5m in 2024 compared to NOK 386.1m in 2023. Operating results for the year were negative NOK 53.3m, compared to negative NOK 49.0m in 2023. Income from subsidiaries was NOK 83.5m in 2024, contributing to a financial income of NOK 116.5m, which offset by NOK 27.1m in financial expenses resulted in pre-tax profit of NOK 36.1m in 2024. This compares to pretax earnings of negative NOK 1.7m in 2023. Xplora Technologies AS total assets for 2024 were NOK 718.1m, compared to NOK 635.2m in 2023. The increase is driven by the increased value of loans to group companies, which were NOK 308.6m at the end of 2024 compared to NOK 216.6m in 2023. Cash balance ended at NOK 64.8m at the end of 2024 with interest-bearing debt at NOK 6.3m. The parent company equity increased from NOK 450.3m in 2023 to NOK 494.2m in 2024.

Shares and dividends

Xplora has one class of shares. At year-end 2024 there were 44,156,619 shares outstanding in the company. All shares are listed and freely traded on Euronext Growth under the ticker XPLRA.

The market valuation of Xplora on 31 December 2024 was NOK 1,390.9m.

At the end of 2024 the company had 1,171 shareholders, compared to 1,182 shareholders at the end of 2023. The proportion of shares held by foreign investors was 5.4% at the end of 2024, compared to 5.2% at the end of 2023.

The highest closing price during 2024 was NOK 33.60, and the lowest closing price was NOK 11.65. The share price at the last trading day in 2024 was NOK 31.50, compared to year-end 2023 share price at NOK 13.95, a 126% increase. For comparison, the Oslo Stock Exchange Benchmark Index OSEBX increased 9% during 2024.

Given Xplora Technologies' stage of development and significant organic and strategic growth opportunities the Board of Directors does not recommend a dividend for the year 2024.

At the Annual General Meeting on 16 May 2024 the Board of Directors was granted the following authorizations valid until the general meeting in 2025, or to 30 June 2025 at the latest:

Authorization to acquire treasury shares with par value up to NOK 17,662.65, which represent 10% of the company's share capital. The authorization is divided into two parts, where up to 5% may be used to acquire shares for use in connection with acquisitions, mergers, de-mergers and other transactions, or for amortization of treasury shares. Up to 5% can be used to acquire shares for use in compensation programs.

Authorization to issue new shares, in one or more tranches, up to a total of NOK 30,000, for use in connection with capital raises to finance the Company's operations, strengthen the Company's equity, securing a sound liquidity, for use in compensation programs as well as to achieve strategic and commercial goals.

Top 20 Shareholders

The 20 largest investors in Xplora Technologies AS held 67.7% of outstanding shares per 31 December 2024. This compares to 65.6% at yearend in 2023. Please see note 11 Share capital and shareholder information under the consolidated accounts for further details.

Outlook

The Board of Directors has an optimistic view of the prospects for Xplora. The company is a leader in a growing industry. Opportunities have been identified along several verticals, including smartwatch and IoT device sales, subscription services and value-added services, driving both direct and licensing revenue streams.

For the existing business, Xplora aims to scale the nine key markets where it offers product and service bundles, and to streamline and improve its operations, thereby driving profitability and a more robust financial position. Xplora maintains the long-term ambition for 15% annual growth for its existing business and sees the entry into the youth segment as an important step to maintain growth and boost customer lifetime value as the kids move on from watches to smartphones.

Moving into 2025, Xplora enters a transformative new chapter as the strategic scope is expanded to leverage the connectivity platform to the Senior and Youth segments, in addition to the existing Kids market. The acquisition of Doro and strategic partnership with HMD strongly support Xplora's ambition to reach one million subscriptions over the coming years.

In particular, the entry into the Senior market with the acquisition of Doro adds significant potential for high-margin revenue expansion through the deployment of Xplora SIM cards and service offerings across Doro's substantial customer base. Xplora will report financial results for the combined entity starting in Q1 2025.

The forward-looking statements made above are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that are expected to occur in the future. They are in no way guarantees of future performance. While the statements reflect the current views and expectations of Xplora based on information currently available to it, they are subject to a wide range of assumptions, in addition to risks and uncertainties that may be outside of the Company's and its directors' control. Neither the Company nor its directors can provide any assurance that the assumptions underlying such forward-looking statements are free from errors nor

accept any responsibility for the future accuracy of the opinions expressed herein, or the actual occurrence of the forecasted developments. Actual results could differ materially from those expressed or implied in forward-looking statements. Any forward-looking statements are based only on conditions as of the date on which they are made and the Board are under no obligation to update or alter such forward-looking statements whether as a result of new information, future events or otherwise.

Going concern

In accordance with the Norwegian Accounting Act, the Board of Directors confirm that the conditions for continued operations are present and that the annual report has been prepared under the assumption of going concern. This assumption is based on forecasts for 2024 as well as the Company's long-term strategic outlook.

Risk Management

The Board of Directors remains committed to implementing measures to ensure comprehensive risk management across all aspects of the group. Recognizing that effective risk management is crucial for long-term value creation for shareholders, employees, and other stakeholders, the company has taken significant steps in recent years. In 2021, Xplora established an Audit Committee, followed by the formation of an HR department, and hiring a Head of People and Organization in 2022. These enhancements are complemented by targeted internal assessments, including risk evaluations at the employee and executive levels, to ensure that the Company's strategies address both broad and specific organizational risks effectively.

Xplora faces several risk areas, including market and competition risk, operational risk, geopolitical risk, climate-related risk, financial risk, and cybersecurity risk. Both the Board of Directors and management diligently monitor the group's risk exposure and continuously strive to enhance internal control processes. The group adopts a proactive approach to risk management, wherein an annual risk assessment and mitigation plan is presented and discussed by the Board to address emerging challenges effectively.

Directors and Officers Insurance

Xplora and all subsidiaries are covered by a director- and officers liability insurance. The insurance indemnifies directors and officers (management) for defence costs and potential legal

liability arising out of claims made against them while serving on a board of directors and or as officers. The insurance policy is issued by a reputable, specialized insurer with appropriate ratings. The insured value is EUR 10m.

Operational risks

Operational risk relates to the risk of lost sales, reduced profitability, and loss as a result of changes in Xplora's competitive position. Xplora operates in a rapidly developing market in the early stage of development, and future development of the market could change. Factors which can impact the competitive position include, but are not limited to, increased competition, new entrants, access to production capacity and access to necessary components, pressure on market prices, access to distribution channels, and future demand and supply factors. Depending on developments, these factors can have a negative impact on the company's results and financial position and may cause deviation to current plans and expectations.

Geopolitical risks

Operating across multiple markets, Xplora is subject to geopolitical risk and instability, both existing and potentially merging in different regions worldwide. In a proactive effort to manage these concerns, the company carefully tracks the concentration of geopolitical risks and implements diversification strategies to reduce potential exposures that can have a substantial impact on the Company's financial results. Through vigilance and adaptability, the company is committed to mitigating any negative consequences arising from geopolitical uncertainties.

Climate-related risks

Climate-related risks includes physical risk and transition risk. Physical risk refers to the impact of climate change, while transition risk refers to the transition towards a greener economy.

Physical risks may, both direct and indirect, affect Xplora's financial performance through supply chain and production disruptions. This includes risks related to raw material scarcity from severe weather, logistical challenges due to frequent natural disasters, and fluctuations in energy costs. These risks can inflate costs, delay production, and raise operational expenses, impacting overall business continuity. Transitioning towards a greener economy may involve changes in government policies, technological development, and customer demands. These include risk related to consumer preferences toward reducing environmental harm, adapting to stringent environmental regulations

that could impose additional operational costs, and navigating the reputational and legal challenges if the Company does adapt its sustainability strategies to meet market expectations.

Xplora seeks to mitigate these risks by actively implement and plan different strategies, such as enhancing sustainable packaging and optimizing return processes, which more effectively can facilitate the refurbishment, resale, or recycling of products, rather than discarding them.

Financial risks

Xplora Technologies has a centralized finance function with overall responsibility for accounting, cash management, capital management, financing arrangements and management of the group's financial risk factors. The group also fulfils certain financial functions through services provided by local accounting partners for its subsidiaries.

Xplora is exposed to credit risk related to counterparty default on contractual agreements and trade, and other current receivables. The Company has policies and procedures to ensure that sales are made to customers with appropriate credit profiles within defined limits. The company has taken a loss provision of NOK 1.8m for bad debt in 2024, less than 0.3% of total revenue.

In early 2025, Xplora increased its long-term debt by EUR 82m through a loan with a four-year maturity and floating interest rate to finance the acquisition of Doro. In addition, the Company refinanced and expanded its existing inventory financing facility to NOK 150m. As such, the Group's exposure to interest rate fluctuation has increased compared to previous years. To mitigate the risk and uncertainty, Xplora entered into interest rate swap agreements covering more than 50% of the long-term loan.

Xplora has procurement and sales in different countries with different functional currencies and is as such exposed to currency risk associated with movement in Norwegian krone (NOK) against other relevant currencies, primarily US Dollar (USD), Euro (EUR), Swedish krona (SEK) and British Pound Sterling (GBP). As the Company buys its goods in USD and sells the majority of its products in the European market, the group has a program in place to hedge part of its EUR/USD exposure to mitigate risk associated with currency fluctuations.

Xplora is also exposed to liquidity risk, which arises from the possibility of failing to fulfil financial obligations. To counteract this risk, the Company regularly monitors both forecasted and actual cash flows, alongside aligning the maturity of its assets and liabilities.

Cyber risks

Cyber risk means any risk of financial loss, disruption, or damage to the reputation of an organization from a failure of its information technology systems due to internal or external factors. In an increasingly digital world, the risk of attacks on digital systems and infrastructure is increasing. Some cyber threats include ransomware, phishing, data leakage and hacking.

Cyber risks are becoming increasingly complex and challenging. Xplora conducts security penetration testing of its platforms for good practice and to mitigate risk. Every week a security scanning service conducts a security assessment for Xplora.

Xplora regularly partners with cyber security experts to perform penetration tests to seek out vulnerabilities. The reports from the penetration tests help to build the Company's long-term strategy on cyber security. Xplora has a Data Protection Officer to ensure compliance and to manage any inconsistencies or breaches. Xplora had Cyber Response Insurance in place during 2024 as part of its risk management.

In May 2024, Xplora appointed an IT Security Manager to lead the company's cyber security strategy. Several key projects were initiated and successfully completed during the year, strengthening security across the organization. Additional measures, including Security Awareness Training and IT Management Systems, are planned for implementation going forward.

Transparency Act

The Transparency Act was entered into force on 1 July 2022. The purpose of the act is to promote businesses' respect for fundamental human rights and decent working conditions and ensure the public's access to information. Xplora is committed to its efforts to ensure that human rights and decent working conditions are respected in its supply chain and within its operations. The Company acknowledge that this commitment requires ongoing efforts and continuous improvement implementing measures to achieve the ambitions set by the company.

Xplora's Annual Transparency Report 2023 outlines the company's obligations to account for the due diligence assessments conducted by the company. The report describes measures that have been assessed and implemented to reduce the risk of activities having adverse impacts on fundamental human rights and decent working conditions. A new report will be published within June 30, 2025, and will be available along with previous editions on the Company's webpage.

Xplora's guidelines on how the Company embed their work on human rights and decent working conditions is available on the Company's webpages. The procedure outlines the work that needs to be carried out to meet the requirements set out in the Transparency Act.

The Company has established a grievance mechanism for reporting potential adverse impacts related to human rights and decent working conditions. Requests for information and reports can be made through established communication channels, with responses provided within three weeks. All relevant details are available on the Company's webpages.

Working environment and employees

The board remains attentive to employee matters, actively monitoring the company's work environment and ensuring gender equality. No specific programs have been identified as necessary to address equal opportunities or other matters. For further detailed information about Xplora's employees, the board refers to the Employee section of the Social and Social Responsibility chapter of this report.

ENVIRONMENTAL ACTION

In line with Xplora's vision of empowering children globally to effect positive change through everyday activities, the company emphasized sustainability and social impact in 2024 through its operations, community initiatives and the Play for Good initiative.

For more information about Xplora's work on environment and social actions the board refers to the environment section of the Social and Social Responsibility chapter of this report.

EVENTS AFTER THE BALANCE SHEET DATE

On January 13, 2025, Xplora announced the outcome of its public offer to the shareholders of Doro AB, initially reporting 93.33% acceptance. However, on January 15, 2025, the company issued a correction, clarifying that the accurate acceptance level was approximately 88.32%. This discrepancy was due to circumstances beyond Xplora's control, involving an incorrect number of shares registered for acceptance by a nominee bank. Despite this adjustment, Xplora declared the offer unconditional and proceeded with the acquisition as planned. As part of the acquisition, Xplora took on a loan of SEK 890m to settle the share purchase.

On February 5, 2025, 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. Following this, Xplora and Doro signed an LOI for an agreement enabling pre-instalments of Xplora SIM-cards on Doro phones starting in the second quarter 2025.

On March 2, 2025, Xplora, together with HMD, launched their first smartphone for teens, the HMD fusion X1. The device addresses digital safety and responsible use, supporting Xplora's strategic expansion into the youth market and the goal of reaching one million subscriptions.

On March 4, 2025, under Xplora's share incentive program, primary insiders exercised a total of 375,000 share options at an exercise price of NOK 7 per share. The Board resolved to issue 456,167 new shares under an existing authorization granted by the AGM on 16 May 2024. On March 5, 2025, the primary insiders that exercised their share options on March 4, sold their option shares to a third party at NOK 28 per share.

On 14 March 2025, the share capital increase related to the issuance of 456,167 new shares was registered with the Norwegian Register of Business Enterprises. Following this, Xplora's new share capital is NOK 178,451.15, divided into 44,612,786 shares, each carrying one vote.

On 31 March 2025, Xplora entered into a EUR 82 million long-term loan facility agreement with Nordea, with a four-year maturity. The facility secures favourable financing terms, enhances financial flexibility, and supports the company's growth strategy. All other outstanding long-term interest-bearing debt was settled following this agreement.

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.

Following the acquisition of Doro AB, integration work has started, focusing initially on enabling Xplora connectivity on Doro phones. Xplora plans to report financial results under IFRS for the combined entity starting in Q1 2025.

STATEMENT OF THE BOARD OF DIRECTORS

The board confirms to the best of its knowledge that the financial statements for the Company for 2024 and the comparable numbers for 2023 have been prepared in accordance with applicable accounting standards, and that the information provided in the financial statements gives a true and fair view of the Company's assets, liabilities, financial position and financial performance as a whole, and that the Board of Directors' Report gives a true and fair overview of the Company's development, profit and financial position, together with a description of the principal risks and uncertainties that they face.

The Board of Xplora Technologies AS
Oslo, 29th of April 2025

(sign.)

Tore Engebretsen

Chairman of the Board

(sign.)

Harald Fredrik Hodne Ulltveit-Moe

Member of the Board

(sign.)

Bjørn Christian Eide

Member of the Board

(sign.)

Kari Bech-Moen

Member of the Board

(sign.)

Ingrid Elvira Leisner

Member of the Board

(sign.)

Sten Kirkbak

CEO

Corporate Governance

Xplora considers good corporate governance to be important for a robust organization, value creation, trustworthiness with all its stakeholders, and access to capital. Xplora endorses the Norwegian Code of Practice for Corporate Governance, NUES, updated on 14 October 2021 despite not being subject to NUES.

A fundamental principle of Xplora's corporate governance is to help build trust and confidence in the company, drive more efficient decision making and make communication between shareholders, the Board of Directors and management more transparent. These principles do not replace or set aside the importance of building a strong, positive, and healthy corporate culture throughout the company, but rather act as a framework or fundament in good decision making.

Xplora is a Norwegian public limited liability company listed on Euronext Growth Oslo and bases its corporate governance structure on Norwegian legislation and recommended guidelines. As a listed company, Xplora must comply with applicable provisions of the Norwegian Securities Trading Act, and EU Market Abuse Regulation (MAR), the Continuing obligations for companies listed on Oslo Børs Euronext Growth, the Norwegian Private Limited Liability Companies Act and all other applicable laws and regulations.

GENERAL MEETING

Xplora seeks to ensure that all shareholders are able to exercise their rights by participating in general meetings, and that the general meeting is an effective meeting place for shareholders and the board of directors. The General Meeting is the highest decision-making authority of the Company. All shareholders of the Company are entitled to attend and vote at general meetings and to table draft resolutions for items to be included on the agenda for a general meeting. The general meeting will normally be held each year by the end of June, with notice of the event and documents available on the company website no later than 14 days before the annual general meeting. Shareholders registered with the Norwegian Registry of Securities (VPS) may participate in the virtual meeting and vote either electronically or by submitting a proxy.

In 2024 Xplora held its annual general meeting 16 May 2024 with 35.42% of voting capital represented. The next general meeting is scheduled for 23 May 2025.

THE WORK OF THE BOARD OF DIRECTORS

Pursuant to Article 5 of the Articles of Association, the Board of Directors shall consist of up to seven members. The current Board of Directors consists of five members, two women and three men, as further set out in the next section. All members are elected for a term of two years and may be re-elected.

In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business. This includes ensuring proper organization, preparing plans and budgets for its activities ensuring that the Company's activities, accounts, and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

Nomination Committee

As part of ongoing efforts to strengthen the Company's corporate governance, the general meeting of 2024 resolved, based on a proposal from the Board of Directors, to establish a nomination committee. The nomination committee shall consist of two to four members, and its composition shall reflect a broad range of shareholder interests. The committee is responsible for presenting recommendations to the general meeting regarding the election and remuneration of Board members.

The general meeting of 2024 elected Thomas Raaschou (Chairman) and Reidar Fougner as members of the nomination committee. The committee members are appointed for a period up to two years.

For information on remuneration, please refer to note 3 in the financial statements.

Audit Committee

The Board of Directors established an audit committee in 2021 as a sub-committee of the Board of Directors. Its overall purpose and objective are to act as a preparatory and advisory body in connection with the Board's supervisory role with respect to financial reporting, external audit, risk management and other assigned tasks. The Committee consists of Board

members Ingrid Elvira Leisner and Bjørn Christian Eide. The committee members are appointed for a period of two years.

For information on remuneration, please refer to note 3 in the financial statements.

People and Organization Committee

Xplora established a People and Organization Committee, previously called HR Committee, consisting of two board members in 2022 as a sub-committee of the Board of Directors. The People and Organization Committee is established to ensure that the organization is following local, state, and federal laws and certain best practices relating to its employees and creating an attractive environment for current and prospective employees. The Committee consists of Board members Kari Bech-Moen and Ingrid Elvira Leisner. The committee members are appointed for a period of two years.

For information on remuneration, please refer to note 3 in the financial statements.

Management

Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's Chief Executive Officer (the "CEO"), is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner.

Employee safety

Xplora seeks to ensure the health and safety of all employees and has established a health and safety policy. The Company complies with relevant local health and safety laws, regulations, and best practices to provide and maintain a healthy and safe working environment. The parameters of compliance can differ due to variations in the laws, regulations, and practices in the countries in which Xplora Technologies conducts business.

For further detailed information about Xplora's employees, see the Employee Section of the Social and Social Responsibility chapter of this report.

Whistleblowing policy

Xplora has a whistleblowing policy aimed at encouraging a culture of transparency and openness. This policy enables the reporting of censurable conditions, empowering staff to internally communicate any concerns about wrongdoing within the company. By fostering an environment where employees feel supported in speaking up, Xplora can take appropriate actions and implement necessary measures to address these issues. The company differentiates between two distinct approaches for reporting issues: Grievance reporting and Whistleblowing.

Grievance reporting is intended for situations where an employee has personally been mistreated. This could involve a breach of employment rights, bullying, or harassment, with the object of obtaining redress or justice for the individual affected.

Whistleblowing, on the other hand, is aimed at bringing attention to concerns about potential danger or illegal activities that impact others, such as customers, the public, the environment, or the company. In these instances, the individual raising the concern is often not directly affected by the issue.

In 2024, there have been zero Whistleblowing reports and zero grievance reports.

Code of Ethics and Business Conduct

Xplora has built a strong reputation for integrity and honesty in every facet of its business. The Code of Ethics and Business Conduct provides guidance for carrying out employee responsibilities on behalf of Xplora, fostering an environment of mutual trust and respect, continuing to build on the Company's reputation for integrity, and observing the highest standards of ethical conduct.

The Code is designed to promote honest, ethical, and lawful conduct by all employees, managers, and directors of Xplora Technologies AS and all subsidiaries and controlled entities. Independent contractors, consultants, agents, and sales representatives who represent Xplora are expected to apply the same high standards while working for Xplora.

The Code of Ethics is inspired by Company's values as well as the principles of the "Universal Declaration of Human Rights" and the Organization for Economic Co-operation and Development guidelines for multinational enterprises.

Communication and Investor Relations

Xplora is committed to providing its shareholders with precise and relevant information to ensure that the company's share price reflects its true value and prospects. Xplora upholds the equal treatment of shareholders and potential investors.

Xplora has implemented a process for handling of sensitive information to ensure that the Company, its employees, and representatives fulfil their obligations regarding the handling and publication of sensitive information.

Xplora has prepared insider trading regulations to ensure trading in the company's shares by board members, executives and employees is conducted in accordance with applicable laws, regulations, and company policy.

Xplora's financial calendar, press releases and stock exchange notices are published on Oslo Børs NewsWeb and is available on the Company's investor page on www.xplora.com/investors.

IR activities are conducted by the IR team, which includes the CFO, the CEO, and the Chairman of the Board as well as other personnel appointed by the team. Only members of the IR team shall act as spokespersons. Xplora has implemented an IR Policy as a basis for its IR work.

Throughout the year, Xplora actively engaged with shareholders through investor conferences, a capital markets day and meetings organized by leading investment banks, in addition to direct engagement activities. The company's Investor Relations (IR) team continued communication efforts through recorded webcasts and other outreach initiatives, including market updates. Going forward, Xplora is committed to enhancing stakeholder communication through a dedicated PR and IR strategy.

Takeovers

Xplora operates in a dynamic market with many different stakeholders, and consolidation is to be expected among different industry players. This could also include Xplora. The Board of Directors will not hinder or obstruct any takeover bid for the company's operations or shares. In the event of a bid on the company's shares or operations the Board of Directors will seek to comply with recommendations in the Code of Practice in addition to complying with all relevant legislation and regulation.

The company's Board of Directors and management will endeavour to ensure equal treatment of all shareholders in such matters. Following a bid on the company's shares the Board of Directors will obtain a valuation from at least one independent expert. On this basis, the Board will make a recommendation as to whether the shareholders should accept the bid. The Board of Directors will ensure that all shareholders are given information and sufficient time to evaluate the bid. There are no other written guidelines for procedures to be followed in the event of a takeover bid.

Auditors

Xplora's auditor is BDO AS. The partners of BDO AS are members of The Norwegian Institute of Public Accountants (Nw.: "Den Norske Revisorforeningen"). BDO AS has been the Company's independent auditor since 5 November 2020. The auditors provide a statement each year confirming their independence. At each year's annual general meeting, the Board of Directors discloses the fees paid to the auditors.

Sustainability and Social Responsibility

Environment

At Xplora our vision is to enable children around the world to experience how their everyday activities can make a positive change in the world. We feel inspired to be a part of a movement that encourages a healthier and more socially engaged lifestyle. That's why our mission drives us to find new ways to keep kids and families active and form healthy and sustainable habits through wholesome experiences in this evolving digital world. Xplora is dedicated to contributing to United Nations' (UN) efforts to reach a more sustainable future, both regarding our own impact as well as the positive impact our growing community of Xplora customers may generate.

How we are developing and executing our ESG strategy

1. **Top-down approach.** The board and management are fully behind the company's vision to enable children's activity around the world to make a positive change to the world.
2. **Global partners.** We focus on entering into global partnerships and integrations with some of the leading organizations promoting sustainability, such as UNICEF, United Nations and United Cities.
3. **Execution.** With our activity platform we have been able to develop a highly scalable and measurable tool for executing sustainability goals, all triggered by the users' activity level.
4. **Operations.** Xplora continuously strives to improve efficiency of our operations and reduce our carbon footprint.
5. **Reporting.** Either Xplora as a business, or our partners licensing our platform, can precisely measure the impact of each of the projects. Since our platform has two dimensions, we can report on the impact from the steps (input) and the sustainability projects executed (output). Combined, the impacts will trigger several of the Sustainable Development Goals (SDGs).

Xplora will in 2025 continue improving ESG practices across all areas of the business. The company will focus on the work with developing and training the employees, integrating ESG processes and systems to improve the ESG performance and enhancing better reporting routines. Xplora recognizes the importance of maintaining robust ESG practices and transparent communication in our future reports. This approach will enable us to maintain our commitment to uphold a responsible and sustainable business practice and contribute to making a positive impact on the environment, society, and the stakeholders.

Why this is important for Xplora as a business

- **Brand and Trust.** A successful business requires a trusted brand. Our ESG strategy helps us reach our vision to enable children's activity to change the world. We move from words to actions. Taking care of the future, environment, and sustainability, is more relevant and important for our target groups than ever before.
- **Efficient Marketing.** Because of its relevance to the target group, we see up to X3 better ROI on marketing campaigns related to our SDG campaigns VS traditional marketing and sales campaigns.
- **Important for retail, telcos and distributors.** We are expecting around 70% of the sales in the industry to come from retailers and telcos. They require all partners to have a clear and measurable ESG strategy in order to become a preferred partner.
- **Becoming a one-stop-shop.** Because of the increasing focus on ESG in general, businesses worldwide are to some degree struggling to implement or find easy to execute and measurable strategies. Global companies can use our activity platform to transform their employees and/or end consumers' daily activity to convert to SDGs. This provides us with a great opportunity to inorganically grow our user base and brand recognition.

XPLORA ENVIRONMENTAL POLICY

Xplora is conscious of its responsibility regarding the environment and has established an environmental policy. Xplora's objective is to contribute to a more sustainable future for generations to come. Xplora believes that corporate responsibility goes beyond the company's proprietary borders and therefore every effort will be made to conserve resources throughout the company's operations. Xplora complies with existing environmental regulations and strives to reduce its environmental footprint by promoting sustainable operations and initiatives. Moreover, Xplora supports the UN sustainable development goals (SDGs).

Xplora's core mission is to educate and incentivize children in the value of being physically active and raise environmental awareness. All the children that own an Xplora watch, and their parents, can engage together in several activity campaigns where their physical steps are converted into Xplora coins. These coins can be used on the Xplora Activity Platform for various features, such as auctions and games. The platform also features educational adventures that encourages environmental awareness. It is clearly documented that this incentive model inspires our customers to be substantially more physically active. Short term increased physical activity has a positive effect on individual physical and mental health, and longer term it contributes to improved public health and as a result public savings.

Xplora actively supports community initiatives. In 2024, Xplora launched the Xplora Tour, a series of community events hosted across the company's key markets to engage families and raise awareness about child safety and physical activity. In collaboration with the Danish NGO Børnulykkesfonden, Xplora participated in the Kids Tour in Copenhagen to highlight traffic safety and encourage children to stay active through fun and engaging activities. Xplora remains dedicated to identifying and pursuing further initiatives that supports the UN sustainable development goals.

OPERATIONS

With a global and rapidly growing business model Xplora faces a wide range of stakeholders with different needs and requirements. We value feedback from all stakeholders and take suggestions into account when reviewing our sustainability issues and their impact on our business.

Xplora has a strong focus on sustainability in its operations. The Company utilize nearly 100% recycled materials in its packaging. Xplora launched a specific project in 2023 to further optimizing its return processes. An initiative aimed to enhance the refurbishment, resale, or recycling of products. As a result, in 2024, Xplora reworked 14k returned smartwatches and resold them into the market, contributing to reduced resource waste and a lower environmental impact. To further scale this effort, Xplora entered a partnership in the US to establish refurbishment and reworking operations in the US market, scheduled to begin in 2025.

Xplora became a member of Sedex in 2021. Sedex is a membership organization that provides one of the world's leading online platforms for companies to manage and improve working conditions in global supply chains. Sedex provides practical tools, services, and a community network to help companies improve their responsible and sustainable business practices, and source responsibly. In 2024, Xplora carried out an audit of one of its manufacturing facilities. Further details will be included in our annual Transparency Report, which will be published on our website by 30 June 2024.

PLAY FOR GOOD®

We all need to take part in creating a better and more sustainable future. No one is more aware of this than the future generation which Xplora seeks to engage. Xplora will bring ESG strategies one step forward, from keynotes to actions through various partnerships using our activity platform. Play for Good represents our collective commitment to giving back, promising to enrich the world our kids play in. Play for Good is our initiative to teach children how small contributions to good causes can have a strong impact on the world.

Play for Good campaigns can address a number of different good causes, including charities, equality programs, environmental programs and other sustainability projects.

When combining activity campaigns with charities, Xplora creates inspiring synergies between public health, public awareness for the selected charity partners, and the donated money naturally makes a direct difference. We documented a clear growth in participation and activity when connecting a charity to activity campaigns. It is clear that when children learn that they can help other children in less fortunate circumstances, the engagement grows substantially.

Social

EMPLOYEES

The workforce is the foundation upon which Xplora builds its accomplishments. The company strives to establish a working environment that promotes mutual respect, where individuals feel comfortable sharing, can challenge each other's ideas, and where equal opportunities are available to all. Xplora recognizes the importance of its employees as the driving force behind its success and aims to cultivate a collaborative and inclusive culture that encourages open communication and fosters innovation.

At the end of 2024 Xplora had 104 employees (100 FTE), where 53% were women and 47% were men. This compares to 51% women and 49% men in 2023. 42% of Xplora's management were women at the end of 2024. The company's workforce consists of 22 nationalities across North America, Europe, Asia, and Africa. At the end of 2024 45 employees worked in Norway, 6 in Sweden, 3 in Denmark, 5 in Finland, 30 in UK, 1 in Spain, 10 in Germany and 4 in the US.

As the Company have continued to grow, there is a constant need to attract new talent and nurture the skills of existing employees. Yearly personal evaluation meetings are conducted to facilitate feedback and aid in the development of individual career goals, allowing employees to maximize their skills and potential.

Table 1 – employee diversity and composition of BoD by gender

Diversity	2024
Women in BoD	40%
Women in manager positions	42%
Women in non-manager positions	56%
Women among all employees	53%

Xplora is dedicated to creating a work environment that is fair and inclusive for all employees, regardless of gender. The Company recognizes the importance of equal pay for equal work and offers competitive wages that are in line with industry standards. To ensure transparency and fairness in its pay structure, Xplora's management and Board of Directors oversee and monitor its compensation schemes. Salaries are determined on an individual basis, considering factors such as the level of responsibility, qualifications, experience, tasks, and performance of each position holder.

Table 2 illustrates a variation in salaries between women and men, especially between women and men in manager positions. Although women make up close to half of the manager positions, the top management of the company mainly consist of male employees.

"All employees" refer to the employees in manager and non-manager positions summarized, and the discrepancies in compensation between male and female employees across various categories can be attributed to factors such as tenure, seniority, and differing responsibilities associated with their respective positions.

Table 2

Pay-ratio	2024
Pay-ratio women to men in manager positions	78%
Pay-ratio women to men in non-manager positions	90%
Pay-ratio women to men for all employees	78%

Each year Xplora carries out an annual performance review for all employees, aiming at evaluating individual performance. To compliment this approach, monthly anonymous surveys are administrated through an employee feedback system, &Frankly. The system offers valuable insights and fosters a deeper understanding of the company's workplace dynamics. Xplora's comprehensive performance assessment strategy aligns with its commitment to employee development and organizational growth, allowing for the analysis of findings and the implementation of measures to ensure an optimal work environment.

Xplora has a Work Environment Committee, consisting of employees in various positions. The committee is dedicated to maintaining good processes within the company and collaborates closely with the management to identify and implement solutions that contribute to a more positive and productive work environment. In addition, Xplora has a People and organization committee as a subcommittee of the Board of Directors. The committee was formed in 2022 to support compliance with relevant laws and

practices, and to contribute to creating an attractive working environment.

The use of both annual and monthly assessments, in addition to the insight from the Work Environment Committee and the People and organization Committee helps to ensure that feedback is timely, actionable, and relevant, further supporting the company's focus on continuous improvement. The findings from this work are presented to the management each month. This approach reinforces Xplora's commitment to transparency and inclusivity, giving each employee a voice in shaping the company's future.

In 2024, Xplora introduced a leadership development initiative as a natural continuation of its ongoing focus on building a strong and forward-looking organization. Building on the insights from the 2023 organizational review, the company engaged a third party to deliver a tailored program for the executive management team. The initiative aims to further strengthen alignment, engagement and collaboration across teams, supporting Xplora's ambition to develop strong leadership as a key driver of culture and performance.

Work such as the leadership development initiative forms part of Xplora's broader review, which is presented to and discussed with the Board of Directors annually to address emerging challenges effectively. Even in years without a formal organization review, the Company ensures continuity through monitoring and follow-up on previously identified actions and development areas. To ensure continued focus on addressing the improvement areas identified in the 2023 assessment, the next organizational review was rescheduled to 2025.

Table 3

Performance appraisals	2024
Employee performance appraisals	95%

Xplora is a dynamic and rapidly growing company that has experienced substantial expansion in recent years. With a strong focus on operational efficiency, the Company continues to take a strategic approach to its resource planning. In 2024, new hires represented 18% of Xplora's workforce as of December 31, while employee turnover increased to 30%, up from 22% the

year before. This development reflects a deliberate adjustment of the organizational structure, including increased use of external resources to support flexibility and long-term efficiency.

Table 4

Turnover and retention	2024	
	#	%
Total number of new employees	22	18%
Total number of employee turnover	36	30%

The health and safety of Xplora's employees is of great importance. The company complies with relevant local health and safety laws, regulations, and best practices in the countries where it operates. Xplora is proud to maintain a low injury rate, with no work-related injuries reported in 2024. Absence rate (sick leave) increased to 4.6% in 2024 (table 5), compared to 4.4% in 2023. The working environment at Xplora is considered good, and the company remains devoted to continual efforts to improve it further, ensuring a safe and healthy workplace for all employees.

Table 5

Health and safety	2024
Injury rate	0%
Lost day rate	0%
Absence rate	4.6%
Work related fatalities	0%

Xplora is committed to continuously adapting to the evolving needs and preferences of its employees. Throughout 2024, the company has upheld the Home Office Policy introduced in 2022, allowing employees to benefit from a flexible work environment. Xplora places great value on fostering a healthy work-life balance, understanding its significance in employee wellbeing. At the same time, the company continues to evaluate how flexibility can best be supported within the framework of its evolving ways of working. By actively listening to employee feedback and responding accordingly, Xplora takes a proactive position in supporting its workforce's wellbeing and strengthening its capacity to attract and retain top-tier talent.

Members of the Board

TORE ENGBRETSSEN

Chairman

Tore Engebretsen is the owner of Passesta AS, an investment company with a focus on technology-oriented investments. Tore holds several board and chairman positions in a variety of companies such as Media Network Services AS and Squarehead Technology AS. He is previously founder and CEO of VMETRO ASA, an OSE listed technology company, and previously served as chairman of Elliptic Laboratories AS and Nordic Semiconductor ASA, also listed on the OSE. Tore holds a Cand. Real. From the University of Oslo in theoretical physics.

HARALD FREDRIK H. ULLTVEIT-MOE

Board Member

Harald Fredrik H. Ulltveit-Moe is an investor and medical doctor and specialist in ophthalmology. He is the founder and managing director of Øyelegeklinikken AS, a specialist eye clinic based in Trondheim, Norway. His investment firm Harmonium Invest invests in a broad range of businesses. Harald holds an M.D. degree from the University of Oslo.

KARI BECH-MOEN

Board Member and member of the People & organization Committee

Ms. Bech-Moen has served on the Board of Xplora since June 2021. Ms. Bech-Moen's directorships include current board positions for Huma AS, Conexus AS, Diversity Index AS, Seema AS. Ms Bech-Moen has more than 20 years of management experience from tech startups to corporate executive positions. She has in recent years worked as Executive VP, Head of People at DNB, and has 12 years of experience from Telenor with various executive positions. She was the CEO and founder of FamWeek. Kari holds an MSc from London School of Economics and Political Science and is a Siviløkonom from Handelshøyskolen BI.

BJØRN CHRISTIAN EIDE

Board Member and member of the Audit Committee

Bjørn Christian Eide is an investor and finance professional with over two decades of expertise in finance, business operations, and accounting. His career began at PwC, and he has since held various positions in multiple companies, lastly at Microsoft before returning to Norway in 2019. Currently, Bjørn serves as the Co-Chief Investment Officer and Chairman of the Board at Esmar AS, a shareholder in Xplora. Beyond his investor role, he is actively involved as an advisor to reTyre AS, Asistobe AS, and Countable Inc. Bjørn holds a Siviløkonom degree from the Norwegian School of Economics (NHH).

INGRID ELVIRA LEISNER

Board Member and member of the Audit- and the People & organization Committee

Ms Leisner has served on the Board of Xplora since June 2021. She has extensive experience from serving as a board member in companies listed on the Oslo Stock Exchange. She is currently serving on the board of Maritime and Merchant Bank ASA, Techstep ASA and Elliptic Labs ASA. Ms Leisner is Chair of the Audit Committee in several of the companies where she serves as Board Member. She holds a BBA (Siviløkonom) from the University of Texas.

Management

STEN KIRKBAK

Founder and CEO

Sten Kirkbak has more than 25 years of extensive experience from the telecommunications and technology sectors, with a track record of founding and leading successful ventures. Prior to Xplora, Sten was the founder and chief creative officer of FiLIP Technologies and CEO of Black Moose Brand Agency. Additionally, he has held various roles at KPNQwest and Telenor Telehuset. Sten holds multiple patents in technology and wearables and has received recognition for his achievements in launching innovative products in Europe and the US.

KNUT STÅLEN

CFO

Knut Stålen has been CFO of Xplora since August 2023. He has a solid background with 30 years of experience in the software and technology industry, particularly with global scale-ups. Throughout his career, he has served as CFO in several publicly listed technologies companies. Previous employers include Next Biometrics ASA, Trolltech ASA and Mamut ASA. Knut holds a finance and marketing degree from BI Norwegian Business School.

KRISTIN HELLEBUST

CLO

Kristin Hellebust has extensive experience within the media- & entertainment industry as well as with technology management. She is the cofounder and CEO of Nordisk Film Shortcut with prior equivalent experience from Storm Studios. Furthermore, Kristin has practiced for several years as a lawyer in the law firm Selmer. Kristin has also served as board member for multiple private as well as publicly listed companies, including Hunter Group ASA, Arribatec ASA and Saga Tankers ASA. She holds a Cand. Jur. from the University of Oslo, Executive Master program in Financial Strategy from BI as well as Executive MBA from Norwegian School of Economics (NHH) in Bergen.

KJETIL FENNEFOSS

COO

Kjetil Fennefoss has been with Xplora since 2017 serving as a Managing Director for Xplora Mobile AS and currently in the role as COO. He has previously worked internationally for many years as a Group Director with Millicom in Dubai, Group Director in VEON in The Netherlands and as a Vice President for Telenor in various markets. Kjetil has also served as a Managing Director for Ingram Micro AS, Telenor Telehuset AS, MobilDataKjeden AS and United Distribution Business Ltd. in Thailand. He holds a Diplom-Kaufmann degree (Siviløkonom) from University of Mannheim, Germany and Executive Management Program from London School of Business and Finance.

SANGHYO KIM

CTO

Sanghyo Kim has more than 25 years of experience from the telecommunications and value-added service industry holding several roles within sales, business development and product marketing. Prior to joining Xplora as CTO, Sanghyo served as an independent business development consultant, head of business development and product marketing after various senior roles at RealNetworks. Sanghyo holds a degree in Computer Science from Changwon National University, South Korea.

ANJA VON LOM

VP PRODUCT MARKETING

Anja von Lom joined Xplora in 2017 as a PR & Marketing Consultant for Germany, effectively establishing the brand in the DACH region. With 23 years of expertise in media, marketing, and PR, she previously founded and led a PR agency for approximately 10 years, focusing on promoting emerging fashion labels. Anja has also contributed her skills to renowned media houses like Condé Nast, as well as prestigious fashion brands such as Chanel and Céline.

Xplora Technologies Group

INCOME STATEMENT

Amounts in NOK 1000	Note	2024	2023
REVENUE			
Sales revenue	2	813,327	689,099
Revenue		813,327	689,099
OPERATING EXPENSES			
Cost of sales		-407,589	-356,785
Payroll expenses	3	-128,106	-113,349
Depreciation and amortization	4, 5	-59,697	-56,518
Marketing expenses		-81,252	-72,106
Other operating expenses		-124,521	-113,191
Total operating expenses		-801,166	-711,948
OPERATING PROFIT / (LOSS)		12,162	-22,849
FINANCIAL INCOME AND EXPENSES			
Other finance income	6	31,765	51,615
Other finance expenses	6	-46,303	-58,386
Net finance		-14,538	-6,771
PROFIT / (LOSS) BEFORE INCOME TAX		-2,376	-29,620
Income tax expenses	7	-3,560	8,260
NET PROFIT / (LOSS)		-5,936	-21,360
Attributable to:			
Other equity		-5,936	-21,360
Total		-5,936	-21,360

BALANCE SHEET

Amounts in NOK 1000	Note	31.12.2024	31.12.2023
NON-CURRENT ASSETS			
Intangible assets			
Research and development	4	44,133	45,794
Deferred tax asset	7	10,738	10,947
Goodwill	4	119,110	138,167
Customer contracts	4	4,609	23,044
Total intangible assets		178,590	217,952
Tangible assets			
Property, plant, and equipment	5	951	1,456
Total tangible assets		951	1,456
Financial assets			
Other receivables	13	5,742	6,577
Total financial assets		5,742	6,577
Total non-current assets		185,283	225,985
CURRENT ASSETS			
Inventories	9	80,944	107,998
Receivables			
Accounts receivables		43,932	38,760
Other receivables		32,698	36,672
Total receivables		76,630	75,432
Cash and cash equivalents	10	235,067	137,433
Total current assets		392,641	320,863
TOTAL ASSETS		577,924	546,848

Amounts in NOK 1000	Note	31.12.2024	31.12.2023
EQUITY			
Owners' equity			
Share capital	11, 12	177	167
Share premium	12	345,358	317,021
Other paid-in capital	12	3,106	20,606
Total owners' equity		348,640	337,793
Total equity		348,640	337,793
LIABILITIES			
Provisions			
Deferred tax liability		0	0
Total provisions		0	0
Other non-current liabilities			
Liabilities to financial institutions	13	6,250	14,583
Total non-current liabilities		6,250	14,583
Current liabilities			
Liabilities to financial institutions	13	83,317	55,303
Accounts payable		49,287	47,423
Public duties payable		8,748	5,006
Other current liabilities	7, 15	81,682	86,740
Total current liabilities		223,034	194,471
Total Liabilities		229,284	209,055
TOTAL EQUITY AND LIABILITIES		577,924	546,848

The Board of Xplora Technologies AS
Oslo, 29th of April 2025

(sign.)

Tore Engebretsen

Chairman of the Board

(sign.)

Harald Fredrik Hodne Ulltveit-Moe

Member of the Board

(sign.)

Bjørn Christian Eide

Member of the Board

(sign.)

Kari Bech-Moen

Member of the Board

(sign.)

Ingrid Elvira Leisner

Member of the Board

(sign.)

Sten Kirkbak

CEO

STATEMENT OF CASH FLOWS

Amounts in NOK 1000	Note	2024	2023
Cash flow from operating activities			
Profit/ (loss) before income taxes		-2,376	-29,620
Income tax payable		-3,351	-1,654
Depreciation and amortization expenses	4, 5	59,697	56,518
Change in inventories	9	27,054	-11,648
Change in accounts receivable		-5,172	4,761
Change in accounts payable		1,864	6,185
Currency effects		9,007	-2,163
Share based compensation	3, 18	7,776	4,499
Settlement of options	3, 18	-5,144	-6,609
Changes in other accruals		8,637	39,985
Net cash flow from operating activities		97,992	60,254
Cash flow from investing activities			
Purchase of intangible and fixed assets	4, 5	-20,039	-22,787
Purchase of shares and investments		0	0
Net cash flow from investing activities		-20,039	-22,787
Cash flow from financing activities			
Payments on long-term debt	13	-8,333	-8,333
Cash inflows from short-term debt	13	28,014	39,907
Proceeds from issue of share capital	12	0	17,500
Recognized cost on subscription rights	18	0	485
Net cash flow from financing activities		19,681	49,558
Net change in cash and cash equivalents		97,634	87,025
Cash and cash equivalents at 01.01		137,433	50,409
Cash and cash equivalents at 31.12		235,067	137,433

ACCOUNTING PRINCIPLES

The consolidated financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Use of estimates

The preparation of accounts in accordance with the Accounting Act requires the use of estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in the notes.

Consolidation

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. The group also assesses the existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De facto control may arise in circumstances where the size of the group's voting rights relative to the size and dispersion of holdings of other shareholders give the group the power to govern the financial and operating policies, etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Revenue

Income from the sale of goods and services is recognized as fair value, net after deduction of VAT, returns, discounts and reductions.

Revenue from sale of goods

Revenue from the sale of goods is recognized in the income statement when both risk and control have been passed on to the buyer. The risk being the asset's profit and loss potential, whilst control is defined as having both the decision-making rights as well as the jurisdiction. Normally this will be when the goods are delivered to the customer. Historical data is applied to estimate and make provisions for quantity discount and returns at the date of sales.

Revenue from sale of services

Revenues from sale of services relate to connectivity plans (mobile subscriptions), premium services, B2B service revenue, and service fees for Xplora smartwatches without Xplora mobile subscriptions (Nordics). Revenues for services are recognized when the services are performed, and the company has a right to payment for the performed service. Subscription fees are recognized over the subscription period.

Discounts and marketing contribution

Payments and price reductions included in the initial sales agreement are presented as a reduction of sales revenues. Marketing contributions to customers agreed not included in the initial sales agreement are treated as marketing expenses and

included in the line "Other operating expenses" in the income statement.

Share-based payments

The group/company has established equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) in the parent company. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense over the vesting period. The total amount to be expensed is determined by reference to the fair value of the options granted at the grant date.

The social security contributions payable in connection with the grant of the share options are considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

Classification of balance sheet items

Assets intended for long term ownership or use are classified as fixed assets. Assets relating to the operating cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. The first year's instalment on long-term liabilities and long-term receivables are, however, not classified as short-term liabilities and current assets.

Intangible assets

R&D expenses are taken into the balance sheet providing a future financial benefit relating to the development of an identifiable intangible asset can be identified and the expenses can be reliably measured. Otherwise, such expenses are expensed as and when incurred. Capitalized R&D expenses are depreciated on a straight-line basis over the asset's expected useful life.

Tangible assets

Tangible fixed assets are capitalized and depreciated linearly over the expected useful economic life of the assets. When the depreciation plan is changed, the effect is distributed over the remaining depreciation periods. Maintenance of operating equipment is expensed on an ongoing basis.

Upgrades or improvements are added to the acquisition cost of the asset and depreciated in line with the asset. The difference between maintenance and upgrade / improvement is assessed based on the condition of the asset when purchased. Plots and land are not depreciated.

Impairment of intangible and tangible assets

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent ingoing cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and the value in use (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the value in use.

Previous impairment charges, except write-down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

Inventory

The inventory of purchased goods is valued at the lower of cost according to the FIFO principle and net sales value.

Receivables

Accounts receivable and other receivables are recorded in the balance sheet at face value after deduction of provisions for expected loss. Provisions for losses are made on the basis of individual assessments of the individual receivables.

Additionally, for accounts receivable, an unspecified provision is made to cover expected losses.

Pensions

The pension schemes are financed through payments to insurance companies.

Defined contribution plan

With a defined contribution plan the company pays contributions to an insurance company. After the contribution has been made the company has no further commitment to pay. The contribution is recognized as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

Tax

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated with the tax rate applicable in each country the Group companies is situated in, on the basis of the temporary differences that exist between accounting and tax values, as well as any possible taxable loss carried forwards at the end of the accounting year. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been offset and netted. Deferred tax on excess values relating to acquisitions of subsidiaries will not be equalized.

The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and tax losses varied forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented next.

Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate at the end of the accounting year. Agio gains and losses relating to sales and purchases of goods in foreign currencies are recognized as operating income and cost of goods sold.

Currency effects relating to intercompany transactions are recognized directly against the Group's equity in the consolidated statements.

Warranties, guarantee commitments/complaints and service

Provision for warranties and service work for completed projects / sales is recorded at the expected cost of such work. The estimate is based on historical figures for service and warranty repairs. The amount is recorded under other current liabilities and is recognized in the income statement on a straight-line basis over the warranty and service period.

Cash Flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash and bank deposits.

NOTES

NOTE 2 REVENUES

PER SEGMENT		
Amounts in NOK 1000	2024	2023
Device revenue	532,713	476,579
Service revenue	280,614	210,248
Other revenue	0	2,272
Total	813,327	689,099
Geographical allocation		
Amounts in NOK 1000		
Germany	319,416	222,418
Sweden	180,690	160,890
Norway	137,307	132,287
Great Britain	83,124	93,186
Finland	30,684	25,251
Denmark	28,118	19,705
USA	24,002	27,242
Spain	9,099	7,628
France	888	490
Total	813,327	689,099

Geographical allocation is based on the legal entities in which the revenue is recognized.

NOTE 3 SALARY AND PERSONELL COSTS, NUMBER OF EMPLOYEES, LOANS TO EMPLOYEES AND AUDITOR'S FEE

Amounts in NOK 1000	2024	2023
Salaries/Wages	105,695	93,929
Social security fees	15,552	14,370
Pension expenses	4,576	3,850
Other benefits	2,283	1,199
Total	128,107	113,349
Included in the above		
Share-based compensation	7,776	4,499
Social security provision for share-based compensation	3,978	1,076
Total	11,754	5,575
Average full-time employees	100.0	111.0

2024
Amounts in NOK 1000

Management remuneration	Salary	Board remuneration	Bonus	Pension costs	Other benefits	Total
Chief executive officer	3,093	0	545	73	3	3,715
<i>Board of Directors:</i>						
Chairman Tore Engebretsen		250				250
Harald Fredrik Hodne Ulltveit-Moe		200				200
Bjørn Christian Eide		285				285
Kari Bech-Moen		250				250
Ingrid Elvira Leisner		335				335
Total	3,093	1,320	545	73	3	5,035

The table reflects actual payments in the respective year. Bonuses are paid to employees in the year following the year in which they are earned. The bonus for 2023 was paid in 2024. For 2024, the CEO earned a bonus of NOK 1.0m, which will be paid in 2025.

2023
Amounts in NOK 1000

Management remuneration	Salary	Board remuneration	Bonus	Pension costs	Other benefits	Total
Chief executive officer	2,725	0	0	71	2	2,799
<i>Board of Directors:</i>						
Tore Engebretsen (Chairman)		155				155
Harald Fredrik Hodne Ulltveit-Moe		155				155
Bjørn Christian Eide		235				235
Torkil Munkhaugen **		155				155
Kari Bech-Moen *		155				155
Ingrid Elvira Leisner		235				235
Total	2,725	1,090	0	71	2	3,889

The table reflects actual payments made in the respective year. Bonuses are paid to employees in the year following the year in which they are earned. As there were no bonus earned in 2022, there were no bonus payments in 2023. For 2023, the CEO earned a total of NOK 0.5m in bonus. The bonus was paid in 2024.

* Board member Kari Bech-Moen has in addition delivered services to Xplora Technologies AS for NOK 0.5m in 2023 and NOK 1.05m in 2022. This is billed through her company B-Effective AS.

** Board Member Torkil Munkhaugen resigned from the BOD in May 2023

CEO

Employee bonus program: The CEO participates in the Company's current bonus scheme for the employee group which the Employee is a part of.

Management Incentive Program: The CEO also participates in the management incentive program as adopted by the board. For further details, see 'Options to leading employees' below.

In 2023, the CEO exercised a total of 974,025 options and received a payment of NOK 6.3m from the company in connection with these options. The payment was made in 2024.

Severance payment: On certain terms, the CEO is entitled to a severance payment equal to 9 months of salary which begins after the end of a 6-month notice period.

Options to leading employees

Share options were granted during the year to non-executive members of management. The table below outlines the share options held by Group Executive Management and includes a summary of options granted to other management personnel.

Management	Opening Balance	Exercised options	Forfeited options	Granted Options	Ending balance
CEO	550,000	0	(324,675)	0	225,325
Director	375,000	0	0	0	375,000
Director	375,000	0	0	0	375,000
Director	275,000	0	0	0	275,000
Director	250,000	0	0	0	250,000
EVP	225,000	0	0	0	225,000
EVP	225,000	0	0	0	225,000
EVP	225,000	0	0	0	225,000
Other	0	0	0	475,000	475,000
Total	2,500,000	0	(324,675)	475,000	2,650,325

The balance of the 2.6m outstanding options is distributed with the following exercise price and dates:

Expiration date	30.06.2025	31.12.2025	05.11.2029	31.03.2030	14.08.2030
Options	456,167	125,000	1,594,158	325,000	150,000
Exercise price	7.00	7.00	14.90	13.10	13.01
Fully earned	30.06.2024	31.12.2024	05.11.2026	31.03.2027	14.08.2027

All options issued before 2023 can be exercised two years after they have been granted and for one subsequent year. The exercise requires continued employment in the company two years after the grant date.

In 2024, additional grants were made under the option-based incentive program established in 2023. On 15 August 2024, a total of 150,000 options were granted to primary insiders, and on 7 November 2024, a further 325,000 options were granted. All options have an exercise price based on the 30-day VWAP prior to the grant date. One-third of the granted options will be earned after 1, 2, and 3 years respectively, with the options expiring after 6 years.

Total options outstanding cannot surpass 7.5% of the total number of shares outstanding in the company.

OTP (Statutory occupational pension)

The company is required to have a pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirements of this law.

Auditor

Specification of auditor's fee:

Amounts in NOK 1000	2024	2023
Statutory audit fee	2,155	2,902
Total fee to auditor	2,155	2,902

VAT is not included in the fee specified above.

Loans and guarantees to management and shareholders etc.

No loans or guarantees have been granted to shareholders, the General Manager, the Chairman of the Board, employees, or related parties of management.

NOTE 4 INTANGIBLE ASSETS

Amounts in NOK 1000	Goodwill	Customer Contracts	Research and development cost	Total
Acquisition cost at 01.01.24	190,575	73,740	84,566	348,881
Additions			20,546	20,546
Disposals				0
Acquisition cost at 31.12.24	190,575	73,740	105,112	369,427
Accumulated amortization/impairment at 31.12.24	-71,466	-69,131	-60,979	-201,576
Net carrying value at 31.12.24	119,110	4,609	44,133	167,852
Amortization for the year	-19,058	-18,435	-21,415	
Impairment loss for the year	0	0	0	
Useful economic life	10 years	4 years	4 years	
Amortization plan	Linear	Linear	Linear	

NOTE 5**TANGIBLE ASSETS**

Amounts in NOK 1000

Property, plant, and equipment	Art	Machinery and equipment	Total
Acquisition cost at 01.01.24	50	3,060	3,110
Additions		374	374
Disposals		-114	-114
Acquisition cost at 31.12.24	50	3,320	3,370
Accumulated amortization/impairment at 31.12.24		-2,419	-2,419
Net carrying value at 31.12.24	50	901	951
Depreciation/impairment for the year		-739	
Useful economic life		3/5 years	
Amortization plan		Linear	

NOTE 6**FINANCE INCOME AND EXPENSES**

Amounts in NOK 1000

Finance Income	2024	2023
Other interest income	2,732	606
Other finance income	3	2
Exchange gain (Agio)	29,030	51,007
Total finance income	31,765	51,615
Finance expenses	2024	2023
Other interest expenses	-3,991	-9,245
Exchange loss (Disagio)	-35,146	-44,656
Other finance cost	-7,166	-4,485
Total finance expenses	-46,303	-58,386
Net finance income and expenses	-14,538	-6,771

NOTE 7

INCOME TAXES

Amounts in NOK 1000

	2024	2023
Income tax expense		
Tax payable	3,240	2,171
Correction of tax payable from prior period	0	-517
Changes in deferred tax	321	-9,914
Effect of changes in tax rate	0	0
Total income tax expense	3,560	-8,260
Tax base calculation		
Profit before income tax	-2,376	-29,620
Permanent differences *)	40,066	16,042
Change in temporary differences		23,235
Tax Base	21,644	9,657
Payable tax in the balance sheet		
Payable tax on this year's profit	3,240	2,171
Total payable tax in the balance sheet	0	0

Amounts in NOK 1000

	2024	2023	Change in difference
Temporary differences:			
Intangible assets	4,609	23,044	-18,435
Tangible assets	-283	-290	7
Accounts receivable	-2,869	-2,553	-316
Other differences	0	0	0
Provisions	-8,158	-5,418	-2,740
Corrections	104	0	104
Total	-6,597	14,783	-21,308
Accumulated loss to be brought forward *	-100,122	-147,453	47,331
Not included in the deferred tax calculation	60,428	80,151	-19,724
Basis for calculation of deferred tax asset	-46,291	-52,519	6,228
Deferred tax liability (asset)	10,738	10,947	-209

* Tax loss carried forward from prior period has been based on new tax returns submitted for prior periods.

Explanation as of why the current year's tax expense is not 22% of the profit before tax:

Amounts in NOK 1000	2024	2023
Profit before tax	-2,376	-29,620
22% taxes on profit before tax	-523	-6,516
Adjustment to tax paid prior period	0	-517
Amortization of goodwill	4,193	4,310
Other differences	-392	714
Tax effect of share-based payment	1,711	-1,489
Other non deductible expenses	2,911	708
Change in deferred tax not recognized	-4,339	-5,469
Calculated income tax expense	3,560	-8,260
Effective tax rate in % **	0.0 %	27.9%

Permanent differences consist of non-deductible costs, for instance entertainment, and deduction of the share of profits of associates. (The share of profits of associates are deducted since tax has already been assessed in the individual financial statements)

** Tax expense in percentage of profit before tax

NOTE 8 INVESTMENTS IN SUBSIDIARIES

Amounts in NOK 1000

Xplora Technologies AS (Parent)

Subsidiaries	Location	Established	Ownership/ voting rights	Cost price shares	Net profit/ loss 31.12.2024	Equity per 31.12.2024
Xplora Technologies GMBH	Hamburg	15.08.2017	100%	236	634	10,586
Xplora Technologies LTD	London	13.07.2017	100%	1	-1,020	-17,553
Xplora Technologies SL	Madrid	05.12.2018	100%	34	-1,811	-25,109
Xplora Technologies Inc	Dower, DE	13.02.2020	100%	0	-1,762	-7,195
Xplora Technologies SAS	Paris	22.07.2022	100%	0	-154	-224
Xplora Mobile Holding AS*	Oslo	24.01.2019	100%	241,662	141	69,443
Xplora Mobile AS	Oslo	29.10.2014	100%	55,010	74,879	25,770
Xplora Mobile AB	Sollentuna	03.11.2015	100%	53	6,914	15,203
Xplora Mobile OY	Espoo	05.04.2019	100%	24	1,659	7,990
Xplora Technologies APS	Copenhagen	04.05.2020	100%	60	4,327	-1,137

*Acquisition date 01.04.2021

Audit exemption Xplora Technologies GmbH

Xplora Technologies AS, the parent company of Xplora Technologies GmbH takes over the responsibility for the liabilities of the subsidiary and the subsidiary is exempted from the audit, from the obligation to prepare the management report and from publishing of own financial statements in the German Federal Gazette.

NOTE 9**INVENTORIES**

Amounts in NOK 1000	2024	2023
Goods for resale	80,944	107,998
Total	80,944	107,998

The group's inventories consist of finished goods in its entirety	31.12.24	31.12.23
Inventories Xplora AS (Norway)	32,494	46,733
Inventories Xplora GMBH (Germany)	6,162	11,271
Inventories Xplora SL (Spain)	1,281	675
Inventories Xplora LTD (GB)	18,403	19,263
Inventories Xplora Inc (USA)	15,287	22,143
Inventories Xplora SAS (France)	163	149
Inventories Xplora Mobile AS (Norway)	3,296	4,188
Inventories Xplora Mobile AB (Sweden)	4,490	4,644
Inventories Xplora Technologies APS (Denmark)	474	406
Total inventories	82,052	109,471
Elimination margin in stock	-974	-1,334
Provision for damaged goods	-135	-139
Total	80,944	107,998

NOTE 10**BANK DEPOSITS**

Amounts in NOK 1000	2024	2023
Employees tax deduction, deposited in a separate bank account	2,104	3,138
Deutsche Telekom funding account	5,318	5,137
Other bank deposits and cash	227,645	129,159
Total bank deposit and cash	235,067	137,433
Overdraft account	0	0
Total liquid assets	235,067	137,433

Within the 'total bank deposit and cash', the entire employee tax deduction and NOK 5.0m allocated from the Deutsche Telekom funding represent restricted cash. Total restricted cash equals NOK 7.1m.

Xplora have a financing facility with DNB consisting of a NOK 90m supply-chain financing agreement and a NOK 10m revolving credit facility. The supply chain financing helps optimize Xplora's working capital in the period from procurement of goods through sales, often up to six months, thus better matching payment schedules between suppliers and customers.

Share capital	Number of shares	Face value	Book value
Ordinary shares	44,156,619	0.004	176 626.48
Total	44,156,619		176 626.48

SHAREHOLDERS AS OF 31.12.2024

Shareholder	Shares	Ownership	Voting rights interest
Passesta AS	5,969,056	13.5%	13.5%
Harmonium Invest AS	2,689,911	6.1%	6.1%
Eden AS	2,240,125	5.1%	5.1%
Vinterstua AS	2,051,574	4.6%	4.6%
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	1,141,137	2.6%	2.6%
Kirkbak Holding AS	1,108,606	2.5%	2.5%
Esmar AS	1,092,576	2.5%	2.5%
Commerzbank Aktiengesellschaft	1,060,819	2.4%	2.4%
Skattum Invest AS	1,013,297	2.3%	2.3%
Camelback Holding AS	965,000	2.2%	2.2%
Arepo AS	914,762	2.1%	2.1%
Torsen Tankers & Towers AS	896,460	2.0%	2.0%
Nordnet Livsforsikring AS	829,164	1.9%	1.9%
Sparebank 1 Markets AS	777,122	1.8%	1.8%
Hering AS	675,362	1.5%	1.5%
Thunderstorm Invest AS	632,730	1.4%	1.4%
Clearstream Banking S.A.	599,738	1.4%	1.4%
Top 20 Shareholders	29,876,254	67.7%	67.7%
Other	14,280,365	32.3%	
Total Shares Outstanding	44,156,619	100.0%	

Shares held by Board members and CEO

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%

*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 2 650 000 options as of 31 December 2024, where:

Holder	Type	Number
Guarantors for IN and SMN loans	Subscription rights	0
Management incentive program	Option	2,650,000
Total		2,650,000

In connection with the exercise of remaining subscription rights in December 2023, 2.5 million new shares were recorded as non-registered equity at year-end 2023 and formally issued in January 2024. The subscription rights were originally granted in 2019 and 2020 in return for guaranteeing the company's loan financing. Independent subscription rights were issued to Skadi AS, Harmonium Invest AS, Hering AS, and Torsen Tankers & Towers AS (collectively the "Subscribers"). After the exercise, there are no more contractual subscription rights.

Please refer to Note 3 for more information about the management incentive program.

NOTE 12 EQUITY

Amounts in NOK '1000	Share capital	Share premium	Other paid-up equity	Total equity
Equity at 01.01.2024	167	317,021	20,606	337,793
Proceeds from share issue	10	17,490	0	17,500
Paid not registered capital	0	0	-17,500	-17,500
Foreign currency translation	0	9,007	0	9,007
Option program *	0	7,776	0	7,776
Settlement of options	0	0	0	0
Net profit as of 31.12.2024	0	-5,936	0	-5,936
As of 31.12.2024	177	345,358	3,106	348,640

*For more information on the option program, please refer to Note 18.

NOTE 13**LIABILITIES AND RECEIVABLES**

Amounts in NOK 1000

	2024	2023
Long term receivables		
Other long-term receivables	5,742	6,577
Long term liabilities		
Liabilities to Innovation Norway	6,250	14,583
Total	6,250	14,583
Short term liabilities		
Liabilities to supply chain financing facilitators*	83,317	55,303
Liabilities to financial institutions	0	0
Total	83,317	55,303
Secured debts	89,567	69,886
Pledged assets:		
Accounts receivable	384	669
Inventories	32,494	46,733
Tangible assets	318	528
Total	33,196	47,929

* As of 31.12.2024 Xplora had only DNB as supply chain financing facilitator.

Innovation Norway has registered a mortgage on Xplora Technologies AS of MNOK 25 in the Personal Property Register as of 31.12.24 related to the abovementioned long-term debt.

The mortgage/guarantee is distributed as follows:

Inventories	25 MNOK
Accounts receivable	25 MNOK
Plant and equipment	25 MNOK

*See note 18 for subscription rights issued to lender in conjunction with the loan.

DNB has registered a mortgage on Xplora Technologies AS of MNOK 150 in the Personal Property Register as of 31.12.24 related to the abovementioned long-term debt.

The mortgage/guarantee is distributed as follows:

Inventories	150 MNOK
Accounts receivable	150 MNOK
Plant and equipment	150 MNOK

NOTE 14 RENTAL AGREEMENTS AND LEASING**Yearly lease of operational lease agreements**

Amounts in NOK 1000

Lease object	2024	2025	2026	2027
Land, buildings and other real estate	11,575	12,341	9,326	2,272
Equipment, fixtures, and fittings	316	250	66	16
Other rentals	710	382	254	18
Total	12,601	12,974	9,646	2,307

The 2024 column displays the total lease payments that were actually paid in 2024.

For 2025-2027 the following applies:

The table shows the payment profile of the Group's leases, based on the remaining lease terms as of 31 December 2024.

The table does not reflect potential renewals of expiring agreements.

The table excludes rentals not governed by formal lease agreements, as these can be terminated at any time.

NOTE 15 PROVISIONS FOR LIABILITIES AND CHARGES

Other current liabilities	2024	2023
Short term debt	33,718	42,092
Provisions *	14,246	11,059
Deferred Income	33,719	33,589
Total	81,682	86,740

*For a more detailed breakdown of the provisions, see table below:

Provisions	Social security contributions on share options	Provision for warranties	Refund liabilities	Other provision	Total
Balance sheet as at 1 January 2024	1,572	4,979	4,507	0	11,059
Additions in 2024	3,185	493	0	0	3,678
Provisions reversed 2024	0	0	-492	0	-492
Amounts utilised 2024	0	0	0	0	0
Balance sheet as at 31 December 2024	4,758	5,472	4,016	0	14,246
Current	4,758	5,472	4,016	0	14,246

Social security contributions on share options

The provision for social security contributions on share options is calculated based on the number of options outstanding at the reporting date that are expected to be exercised. The provision is based on market price of the shares at the reporting date which is the best estimate of the market price at the date of exercise.

Provision for warranties

A provision is recognized for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns. It is expected that these cost will be incurred in the financial year. Assumptions used to calculate the provision for warranties were based on current information available about returns based on the warranty period for all products sold.

Refund liabilities

A provision is recognized for expected returns on consumers sales where there is a right of return. The provision is based on past experience of the level of returns.

Deferred income

Deferred income is customer prepayment of subscriptions and represent cash received that will be recognized as revenue when delivered during the subscription period.

Other provision

Other provision relates contracts regulations regarding previous events where it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably.

Guarantee provision

Germany has a two-year warranty period for products purchased from Xplora. Within a year any defects are presumed to exist at the time of delivery unless proven otherwise by Xplora. This presumption extends the burden of proof from six to twelve months, however, for purchases made before January 1, 2022, the period remains six months.

Spain has a three-year warranty period for hardware and 10 years for parts.

The United States and Canada have a one-year warranty period for direct purchases from Xplora.

All other countries have a two-year warranty period for direct purchases from Xplora.

NOTE 16 EVENTS AFTER THE REPORTING PERIOD

On January 13, 2025, Xplora obtained control of Doro AB. Based on preliminary figures from Doro's Q4 report, Doro reported revenue of SEK 882.3m, and an operating profit of SEK 86.6m for 2024. Doro is expected to contribute significantly to Xplora's consolidated result in 2025. Further information about the acquisition process is described below under other events.

Other events presented in chronological order:

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 January 13, 2025, Xplora announced the outcome of its public offer to the shareholders of Doro AB, initially reporting 93.33% acceptance. However, on January 15, 2025, the company issued a correction, clarifying that the accurate acceptance level was approximately 88.32%. This discrepancy was due to circumstances beyond Xplora's control, involving an incorrect number of shares registered for acceptance by a nominee bank. Despite this adjustment, Xplora declared the offer unconditional and proceeded with the acquisition as planned. As part of the acquisition, Xplora took on a loan of SEK 890m to settle the share purchase.

Following its public offer to the shareholders of Doro AB, Xplora, as the largest shareholder, requested that the Board of Directors in Doro convene an Extra Ordinary General Meeting. On February 5, 2025, Doro issued a notice for the meeting, scheduled for February 28, 2025, in Stockholm. Xplora put forward proposals to restructure the Board, including changes to its composition and adjustments to board remuneration.

As of 27 February 2025, Xplora owns 89.6% of the 24,382,105 shares available in the market. Xplora intends to continue its work towards acquiring all remaining shares in Doro AB. Xplora and Doro signed an LOI for an agreement enabling pre-instalments of Xplora SIM-cards on Doro phones starting in the second quarter 2025.

March 4, 2025, under Xplora's share incentive program, primary insiders exercised a total of 375,000 share options at an exercise price of NOK 7 per share. The Board resolved to issue 456,167 new shares under an existing authorization granted by the AGM on 16 May 2024. On March 5, 2025, the primary insiders that exercised their share options on March 4, sold their option shares to a third party at NOK 28 per share.

On 14 March 2025, the share capital increase related to the issuance of 456,167 new shares was registered with the Norwegian Register of Business Enterprises. Following this, Xplora's new share capital is NOK 178,451.15, divided into 44,612,786 shares, each carrying one vote.

On 31 March 2025, Xplora entered into a EUR 82 million long-term loan facility agreement with Nordea, with a four-year maturity. The facility secures favourable financing terms, enhances financial flexibility, and supports the company's growth strategy. All other outstanding long-term interest-bearing debt was settled following this agreement.

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.

Following the acquisition of Doro AB, integration work has started, focusing initially on enabling Xplora connectivity on Doro phones. Xplora plans to report financial results under IFRS for the combined entity starting in Q1 2025.

NOTE 17 FINANCIAL MARKET RISK

Interest rate risk

Interest rate risk in the short- and medium-term occurs as a result of fluctuations in the floating market interest rates on company debts. The company is exposed to NIBOR on its supply chain financing facility.

Currency risk

Currency fluctuations represent both a direct and an indirect financial risk for the company, as the Company buys its goods in USD, and sells the majority of its products in the European market. The Company also reports its earnings and financial information in NOK. Recognizing the importance of mitigating these risks, the Company has a program in place to hedge part of its EUR/USD exposure.

Credit risk

The company is exposed to credit risk related to counterparty default on contractual agreements, trade, and other current receivables. The Company has policies and procedures to ensure that sales are made to customers with appropriate credit profiles within defined limits. The Company further complements these internal controls with a factoring agreement related to device sales. This approach mitigates the risk of counterparty default and enables a more stable financial environment.

Liquidity risk

Liquidity risk is characterized by the potential risk of not being able to meet financial obligations. The company regularly monitors both forecasted and actual cash flows, alongside aligning the maturity of its assets and liabilities. As of 31 December 2024, the company held cash and cash equivalents of NOK 235 million.

NOTE 18 SHARE-BASED PAYMENTS

Agreements and principles:

Outstanding warrants and options include:

- Surety agreements with shareholders
- Option program for current management

1. Surety agreements with shareholders

As remuneration for guaranteeing for loan financing, the company had issued a stand-alone basis of subscription rights to the guarantors. All guarantors of the loans exercised their rights within the expiry date of 31 December 2023. Total subscription amount of NOK 17.5m was paid within 31 December 2023 and was booked as paid in 'not registered equity'. The 2,500,000 new shares from this subscription were registered on 2 January 2024. After the exercise, there are no more contractual subscription rights.

2. Management Incentive Program

	2024	2023
Outstanding at the beginning of the period	2,500,000	3,300,283
Exercised / Settlement	0	-2,394,441
Forfeited	-324,675	0
Granted	475,000	1,594,158
Total options	2,650,325	2,500,000
Vested Closing Balance	1,002,161	788,148
Amounts in NOK 1,000		
Share-based compensation	7,776	4,499
Social security provision	3,978	1,076
Option program expensed for the year (NOK)	11,754	5,575

Specifications of options held by the executive management as of 31 December 2024 is disclosed in Note 3.

The board of directors of Xplora Technologies AS ("Xplora Technologies" or the "Company") resolved on 20 August 2020 to implement a share option program for management of the Company, for the fiscal years 2020-2022. At a meeting of the board of directors of the Company on 2 June 2022 it was resolved to extend the program for a fourth year. A new option-based incentive program was established in 2023.

Total options outstanding cannot surpass 7.5% of the total number of shares outstanding in the company.

A total of NOK 11,754,404 has been recognized in 2024 (NOK 7,776,389 is the expensed value of options and NOK 3,978,015 is employer's contribution based on market value).

The options exercised in 2023 were settled against cash payment NOK 1,465,058 July 2023 / NOK 5,144,019 November 2023 / NOK 5,144,019 January 2024.

The valuation of the options is done by the use of a Black-Scholes model, however the company applies different scenarios to account for early exercise behavior for ESOP.

Xplora®



Xplora Technologies AS

INCOME STATEMENT

Amounts in NOK 1000	Note	2024	2023
REVENUE			
Sales revenue	2, 16	437,530	386,147
Revenue		437,530	386,147
OPERATING EXPENSES			
Cost of sales		-303,237	-279,370
Payroll expenses	3	-92,479	-83,507
Depreciation and amortization	4, 5	-19,027	-14,640
Other operating expenses		-76,110	-57,638
Total operating expenses		-490,853	-435,154
OPERATING PROFIT / (LOSS)		-53,323	-49,007
FINANCIAL INCOME AND EXPENSES			
Income from investment in subsidiaries	6	83,529	56,046
Interest income from group companies	6	10,758	9,378
Other finance income	6	22,247	36,526
Interest paid to group companies	6	-2,839	-3,522
Other finance expenses	6	-24,284	-51,162
Net finance		89,411	47,267
PROFIT / (LOSS) BEFORE INCOME TAX		36,089	-1,741
Income tax expenses	7	0	0
NET PROFIT / (LOSS)		36,089	-1,741
Attributable to:			
Other equity		36,089	-1,741
Total		36,089	-1,741

Xplora Technologies AS

BALANCE SHEET

Amounts in NOK 1000	Note	31.12.2024	31.12.2023
NON-CURRENT ASSETS			
Intangible assets			
Research and development	4	38,986	41,221
Total intangible assets		38,986	41,221
Tangible assets			
Property, plant, and equipment	5	318	528
Total tangible assets		318	528
Financial assets			
Loans to group companies	8	308,567	216,598
Investments in subsidiaries	9	241,933	241,933
Other receivables	14	3,456	3,382
Total financial assets		553,956	461,913
Total non-current assets		593,260	503,661
CURRENT ASSETS			
Inventories	10	32,494	46,733
Receivables			
Accounts receivables		384	669
Other receivables		27,154	32,960
Receivables from group companies		0	0
Total receivables		27,538	33,628
Cash and cash equivalents	11	64,789	51,204
Total current assets		124,822	131,566
TOTAL ASSETS		718,082	635,227

Amounts in NOK 1000	Note	31.12.2024	31.12.2023
EQUITY			
Owners' equity			
Share capital	12, 13	177	167
Share premium	13	490,876	429,521
Other paid-in capital	13	3,106	20,606
Total owners' equity		494,159	450,293
Total equity		494,159	450,293
LIABILITIES			
Provisions			
Deferred tax liability	7	0	0
Total provisions		0	0
Other non-current liabilities			
Other long-term group liabilities	8	50,030	44,678
Liabilities to financial institutions	14	6,250	14,583
Total non-current liabilities		56,280	59,261
Current liabilities			
Liabilities to financial institutions	14	83,317	55,303
Accounts payable		50,788	31,496
Public duties payable		5,802	6,507
Other current liabilities	17	27,736	32,366
Total current liabilities		167,643	125,673
Total Liabilities		223,923	184,934
TOTAL EQUITY AND LIABILITIES		718,082	635,227

The Board of Xplora Technologies AS
Oslo, 29th of April 2025

(sign.)

Tore Engebretsen

Chairman of the Board

(sign.)

Harald Fredrik Hodne Ulltveit-Moe

Member of the Board

(sign.)

Bjørn Christian Eide

Member of the Board

(sign.)

Kari Bech-Moen

Member of the Board

(sign.)

Ingrid Elvira Leisner

Member of the Board

(sign.)

Sten Kirkbak

CEO

STATEMENT OF CASH FLOWS

Amounts in NOK 1000	Note	2024	2023
Cash flow from operating activities			
Profit/ (loss) before income taxes		36,089	-1,741
Income tax payable		0	0
Depreciation and amortization expenses	4, 5	19,027	14,640
Consolidated contribution recognized in the income statement		0	0
Change in inventories	10	14,238	-9,157
Change in accounts receivable		285	30,042
Change in accounts payable		19,292	4,735
Currency effects		0	0
Share based compensation	3, 20	7,776	4,499
Settlement of options	20	-5,144	-6,609
Changes in other accruals		5,540	39,523
Net cash flow from operating activities		97,103	75,933
Cash flow from investing activities			
Purchase of intangible and fixed assets	4, 5	-16,582	-20,692
Purchase of shares and investments		0	0
Change in loans between group entities	8	-86,617	-83,608
Net cash flow from investing activities		-103,199	-104,299
Cash flow from financing activities			
Payments on long-term debt	14	-8,333	-8,333
Cash inflows from short-term debt	14	28,014	42,157
Proceeds from issue of share capital	12, 13	0	17,500
Recognized cost on subscription rights	20	0	485
Net cash flow from financing activities		19,681	51,808
Net change in cash and cash equivalents		13,585	23,442
Cash and cash equivalents at 01.01		51,204	27,762
Cash and cash equivalents at 31.12	11	64,789	51,204

ACCOUNTING PRINCIPLES

The parent financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Use of estimates

The preparation of accounts in accordance with the Accounting Act requires the use of estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in the notes.

Revenue

Income from the sale of goods and services are recognized as fair value, net after deduction of VAT, returns, discounts and reductions.

Revenue from sale of goods

Revenue from the sale of goods is recognized in the income statement when both risk and control have been passed on to the buyer. The risk being the asset's profit and loss potential, whilst control is defined as having both the decision-making rights as well as the jurisdiction. Normally this will be when the goods are delivered to the customer. Historical data is applied to estimate and make provisions for quantity discount and returns at the date of sales.

Revenue from sale of services

In the parent company, revenue from sales of services primarily consists of intercompany transactions within the group.

Revenues for services are recognized when the services are performed, and the company has a right to payment for the performed service. Subscription fees are recognized over the subscription period.

Discounts and marketing contribution

Payments and price reduction included in the initial sales agreement are presented as a reduction of sales revenues. Marketing contributions to customers agreed not included in the initial sales agreement are treated as marketing expenses and included in the line "Other operating expenses" in the income statement.

Share-based payments

The group/company has established equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) in the parent company. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense over the vesting period. The total amount to be expensed is determined by reference to the fair value of the options granted at the grant date.

The social security contributions payable in connection with the grant of the share options are considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

Classification of balance sheet items

Assets intended for long term ownership or use are classified as fixed assets. Assets relating to the operating cycle have been classified as current assets. Other receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. The first year's instalment on long-term liabilities and long-term receivables are, however, not classified as short-term liabilities and current assets.

Intangible assets

R&D expenses are taken into the balance sheet providing a future financial benefit relating to the development of an identifiable intangible asset can be identified and the expenses can be reliably

measured. Otherwise, such expenses are expensed as and when incurred. Capitalized R&D expenses are depreciated on a straight-line basis over the asset's expected useful life.

Tangible assets

Tangible fixed assets are capitalized and depreciated linearly over the expected useful economic life of the assets. When the depreciation plan is changed, the effect is distributed over the remaining depreciation periods. Maintenance of operating equipment is expensed on an ongoing basis. bUpgrades or improvements are added to the acquisition cost of the asset and depreciated in line with the asset. The difference between maintenance and upgrade / improvement is assessed based on the condition of the asset when purchased. Plots and land are not depreciated.

Impairment of intangible and tangible assets

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent ingoing cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and the value in use (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the value in use. tPrevious impairment charges, except write-down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

Investments in other companies

The cost method is applied to investments in other companies, included for investment in subsidiaries in the parents separate financial statement. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken to income. Dividends exceeding the portion of retained equity after the purchase are reflected as a reduction in purchase cost. Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount. Dividends from other companies are reflected as financial income when it has been approved.

Inventory

The inventory of purchased goods is valued at the lower of cost according to the FIFO principle and net sales value.

Receivables

Accounts receivable and other receivables are recorded in the balance sheet at face value after deduction of provisions for expected loss. Provisions for losses are made on the basis of individual assessments of the individual receivables.

Additionally, for accounts receivable, an unspecified provision is made to cover expected losses.

Pensions

The pension schemes are financed through payments to insurance companies.

Defined contribution plan

With a defined contribution plan the company pays contributions to an insurance company. After the contribution has been made the company has no further commitment to pay. The contribution is recognized as payroll expenses. Prepaid contributions are reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

Tax

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated with the tax rate applicable in each country the Group companies is situated in, on the basis of the temporary differences that exist between accounting and tax values, as well as any possible taxable loss carried forwards at the end of the accounting year. Tax

enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been offset and netted. Deferred tax on excess values relating to acquisitions of subsidiaries will not be equalized.

The disclosure of deferred tax benefits on net tax reducing differences which have not been eliminated, and tax losses varied forward losses, is based on estimated future earnings. Deferred tax and tax benefits which may be shown in the balance sheet are presented next.

Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate at the end of the accounting year. Agio gains and losses relating to sales and purchases of goods in foreign currencies are recognized as operating income and cost of goods sold.

Warranties, guarantee commitments/complaints and service

Provision for warranties and service work for completed projects / sales is recorded at the expected cost of such work. The estimate is based on historical figures for service and warranty repairs. The amount is recorded under other current liabilities and is recognized in the income statement on a straight-line basis over the warranty and service period.

Cash Flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash and bank deposits.

NOTES

NOTE 2 REVENUES

PER SEGMENT		
Amounts in NOK 1000	2024	2023
Device revenue	338,320	315,690
Service revenue	99,275	70,561
Other revenue	-65	-104
Total	437,530	386,147
Geographical allocation		
Amounts in NOK 1000		
Germany	261,418	198,867
Sweden	80,670	81,097
Norway	23,737	22,937
Great Britain	42,739	49,433
Finland	5,798	3,542
Denmark	4,765	2,881
USA	8,559	18,593
Spain	9,275	8,233
France	569	564
Total	437,530	386,147

Geographic allocation illustrates the location of intercompany transactions within the group.

NOTE 3 SALARY AND PERSONELL COSTS, NUMBER OF EMPLOYEES, LOANS TO EMPLOYEES AND AUDITOR'S FEE

Amounts in NOK 1000	2024	2023
Salaries/Wages	41,639	43,550
Social security fees	7,464	7,702
Pension expenses	2,018	2,117
Team cost subsidiaries	39,263	19,756
Other benefits	2,095	10,382
Total	92,479	83,507
Included in the above:		
Share-based compensation	7,776	4,499
Social security provision	3,978	1,076
Share-based compensation	11,754	5,575
Average full-time employees	57.4	68.8

2024
Amounts in NOK 1000

Management remuneration	Salary	Board remuneration	Bonus	Pension costs	Other benefits	Total
Chief executive officer	3,093	0	545	73	3	3,715
<i>Board of Directors:</i>						
Tore Engebretsen (Chairman)		250				250
Harald Fredrik Hodne Ulltveit-Moe		250				250
Bjørn Christian Eide		285				285
Kari Bech-Moen		250				335
Ingrid Elvira Leisner		335				250
Total	3,093	1,320	545	73	3	5,035

The table reflects actual payments made in the respective year. Bonuses are paid to employees in the year following the year in which they are earned. For 2024, the CEO earned a bonus of NOK 1.0m, which will be paid in 2025.

2023

Amounts in NOK 1000

Management remuneration	Salary	Board remuneration	Bonus*	Pension costs	Other benefits	Total
Chief executive officer	2,725	0	0	71	2	2,799
<i>Board of Directors:</i>						
Chairman Tore Engebretsen		155				155
Harald Fredrik Hodne Ulltveit-Moe		155				155
Bjørn Christian Eide		235				235
Torkil Munkhaugen		155				155
Kari Bech-Moen **		155				155
Ingrid Elvira Leisner		235				235
Total	2,725	1,090	0	71	2	3,889

The table reflects actual payments made in the respective year. Bonuses are paid to employees in the year following the year in which they are earned. As there were no bonus earned in 2022, there were no bonus payments in 2023. For 2023, the CEO earned a total of NOK 0.5m in bonus. The bonus was paid in 2024.

* Board member Kari Bech-Moen has in addition delivered services to Xplora Technologies AS for NOK 0.5m in 2023 and NOK 1.05m in 2022. This is billed through her company B-Effective AS.

** Board Member Torkil Munkhaugen resigned from the BOD in May 2023

CEO

Employee bonus program: The CEO participates in the Company's current bonus scheme for the employee group which the Employee is a part of.

Management Incentive Program: The CEO also participates in the management incentive program as adopted by the board. For further details, see 'Options to leading employees' below.

In 2023, the CEO exercised a total of 974,025 options and received a payment of NOK 6.3m from the company in connection with these options. The payment was made in 2024.

Severance payment: On certain terms, the CEO is entitled to a severance payment equal to 9 months of salary which begins after the end of a 6-month notice period.

Options to leading employees

Share options were granted during the year to non-executive members of management. The table below outlines the share options held by Group Executive Management and includes a summary of options granted to other management personnel.

Management	Opening Balance	Exercised options	Forfeited options	Granted Options	Ending balance
CEO	550,000	0	(324,675)	0	225,325
Director	375,000	0	0	0	375,000
Director	375,000	0	0	0	375,000
Director	275,000	0	0	0	275,000
Director	250,000	0	0	0	250,000
EVP	225,000	0	0	0	225,000
EVP	225,000	0	0	0	225,000
EVP	225,000	0	0	0	225,000
Other	0	0	0	475,000	475,000
Total	2,500,000	0	(324,675)	475,000	2,650,325

The balance of the 2.6m outstanding options is distributed with the following exercise price and dates:

Expiration date	30.06.2025	31.12.2025	05.11.2029	31.03.2030	14.08.2030
Options	456,167	125,000	1,594,158	325,000	150,000
Exercise price	7.00	7.00	14.90	13.10	13.01
Fully earned	30.06.2024	31.12.2024	05.11.2026	31.03.2027	14.08.2027

All options issued before 2023 can be exercised two years after they have been granted and for one subsequent year. The exercise requires continued employment in the company two years after the grant date.

In 2024, additional grants were made under the option-based incentive program established in 2023. On 15 August 2024, a total of 150,000 options were granted to primary insiders, and on 7 November 2024, a further 325,000 options were granted. All options have an exercise price based on the 30-day VWAP prior to the grant date. One-third of the granted options will be earned after 1, 2, and 3 years respectively, with the options expiring after 6 years.

Total options outstanding cannot surpass 7.5% of the total number of shares outstanding in the company

OTP (Statutory occupational pension)

The company is required to have a pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirements of this law.

Auditor

Specification of auditor's fee:

Amounts in NOK 1000	2024	2023
Statutory audit fee	1,344	1,827
Total fee to auditor	1,344	1,827

VAT is not included in the fee specified above.

Loans and guarantees to management and shareholders etc.

No loans or guarantees have been granted to shareholders, the General Manager, the Chairman of the Board, employees, or related parties of management.

NOTE 4 INTANGIBLE ASSETS

Amounts in NOK 1000	Research and development cost	Total
Acquisition cost at 01.01.24	68,643	68,643
Additions	16,524	16,524
Disposals	0	0
Acquisition cost at 31.12.24	85,167	85,167
Accumulated amortization/impairment at 31.12.24	- 46,181	- 46,181
Net carrying value at 31.12.24	38,986	38,986
Depreciation/impairment for the year	-18,758	
Useful economic life	4 years	
Amortization plan	Linear	

NOTE 5**TANGIBLE ASSETS**

Amounts in NOK 1000

Property, plant, and equipment	Art	Machinery and equipment	Total
Acquisition cost at 01.01.24	50	1,122	1,172
Additions		59	59
Disposals		0	0
Acquisition cost at 31.12.24	50	1,181	1,231
Accumulated amortization/impairment at 31.12.24		-913	-913
Net carrying value at 31.12.24	50	268	318
Depreciation/impairment for the year		-269	
Useful economic life		3/5 years	
Amortization plan		Linear	

NOTE 6**FINANCE INCOME AND EXPENSES**

Amounts in NOK 1000

Finance Income	2024	2023
Income from investment in subsidiaries	83,529	56,046
Income from group companies	10,758	9,378
Other interest income	2,104	369
Other finance income	3	3
Exchange gain (Agio)	20,141	36,155
Total finance income	116,534	101,951
Finance expenses		
Interest expenses from group companies	-2,839	-3,522
Other interest expenses	-4,652	-9,664
Exchange loss (Disagio)	-17,495	-40,861
Other finance cost	-2,137	-637
Total finance expenses	-27,123	-54,684
Net finance income and expenses	89,411	47,267

NOTE 7

INCOME TAXES

Amounts in NOK 1000

	2024	2023
Income tax expense		
Tax Base Calculation		
Profit before income tax	36,089	-1,741
Permanent differences *)	8,602	-3,549
Adjustment to prior year taxable income	0	0
Change in temporary differences	3,209	-6,640
Tax loss carried forward	-47,900	0
Tax Base	0	-11,930
Payable tax in the balance sheet		
Payable tax on this years profit	0	0
Total payable tax in the balance sheet	0	0

Amounts in NOK 1000

	2024	2023	Change in difference
Temporary differences:			
Tangible assets	-292	-267	-25
Accounts receivable	-452	-452	0
Provisions	-4,758	-1,573	-3,185
Other differences	0	0	0
Total	-5,501	-2,292	-3,209
Accumulated loss to be brought forward *	-36,270	-84,169	47,900
Not included in the deferred tax calculation	41,771	86,461	-44,690
Basis for calculation of deferred tax asset	0	0	0
Deferred tax liability (asset)	0	0	0

* Tax loss carried forward from prior period has been based on new tax returns submitted for prior periods.

Explanation as of why the current year's tax expense is not 22% of the profit before tax:

Amounts in NOK 1000	2024	2023
Profit before tax	36,089	-1,741
22% taxes on profit before tax	7,940	-383
Income from subsidiaries	0	484
Tax effect of share-based payment	1,711	-1,489
Other non deductible expenses	182	224
Change in deferred tax not recognized	-9,832	1,164
Calculated income tax expense	0	0
Effective tax rate in % **	0.0 %	0.0 %

* Permanent differences consist of non-deductible costs, for instance entertainment, and deduction of the share of profits of associates. (The share of profits of associates are deducted since tax has already been assessed in the individual financial statements)

** Tax expense in percentage of profit before tax

NOTE 8**INTERCOMPANY BALANCES WITH GROUP COMPANIES AND ASSOCIATES**

Amounts in NOK 1000

Receivables from group companies (loans)	2024	2023
Xplora Technologies LTD	1,845	11,227
Xplora Technologies GmbH	126,029	72,763
Xplora Technologies SL	48,482	40,497
Xplora Technologies Inc	44,947	32,541
Xplora Mobile AS *)	83,223	57,577
Xplora Technologies SAS	3,735	1,993
Total	308,261	216,598

*) group contribution

Loans from group companies		
Xplora Mobile AB	26,931	41,927
Xplora Mobile OY	1,624	1,683
Xplora Mobile AS	21,183	0
Xplora Technologies APS	291	1,068
Total	50,029	44,678

Accounts receivable group companies	2024	2023
Xplora Mobile AB	68	224
Xplora Mobile OY	17	49
Xplora Mobile AS	42	0
Xplora Technologies APS	0	49
Total	126	322

Accounts payable group companies		
Xplora Technologies LTD	299	0
Xplora Technologies SL	4,841	0
Xplora Technologies Inc	12,480	0
Xplora Technologies SAS	850	0
Total	18,470	0

NOTE 9 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Amounts in NOK 1000

Xplora Technologies AS (Parent)

Subsidiaries	Location	Established	Ownership/ voting rights	Cost price shares	Net profit/ loss 31.12.2024	Equity per 31.12.2024
Xplora Technologies GMBH	Hamburg	15.08.2017	100%	236	634	10,586
Xplora Technologies LTD	London	13.07.2017	100%	1	-1,020	-17,553
Xplora Technologies SL	Madrid	05.12.2018	100%	34	-1,811	-25,109
Xplora Technologies Inc	Dower, DE	13.02.2020	100%	0	-1,762	-7,195
Xplora Technologies SAS	Paris	22.07.2022	100%	0	-154	-224
Xplora Mobile Holding AS*	Oslo	24.01.2019	100%	241,662	141	69,443
Xplora Mobile AS	Oslo	29.10.2014	100%	55,010	74,879	25,770
Xplora Mobile AB	Sollentuna	03.11.2015	100%	53	6,914	15,203
Xplora Mobile OY	Espoo	05.04.2019	100%	24	1,659	7,990
Xplora Technologies APS	Copenhagen	04.05.2020	100%	60	4,327	-1,137

*Acquisition date 01.04.2021

Audit exemption Xplora Technologies GmbH

Xplora Technologies AS, the parent company of Xplora Technologies GmbH takes over the responsibility for the liabilities of the subsidiary and the subsidiary is exempted from the audit, from the obligation to prepare the management report and from publishing of own financial statements in the German Federal Gazette.

NOTE 10 INVENTORIES

Amounts in NOK 1000	2024	2023
Goods for resale	32,494	46,733
Total	32,494	46,733

NOTE 11 BANK DEPOSITS

Amounts in NOK 1000	2024	2023
Employees tax deduction, deposited in a separate bank account	2,104	3,138
Deutsche Telekom funding account	5,318	5,137
Other bank deposits and cash	57,367	42,930
Total bank deposit and cash	64,789	51,204
Overdraft account	0	0
Total liquid assets	64,789	51,204

Within the 'total bank deposit and cash', the entire employee tax deduction and NOK 5.0m allocated from the Deutsche Telekom funding represent restricted cash. Restricted cash equals NOK 7.1m.

Xplora have a financing facility with DNB consisting of a NOK 90m supply-chain financing agreement and a NOK 10m revolving credit facility. The supply chain financing helps optimize Xplora's working capital in the period from procurement of goods through sales, often up to six months, thus better matching payment schedules between suppliers and customers.

Share capital	Number of shares	Face value	Book value
Ordinary shares	44,156,619	0.004	176 626.48
Total	44,156,619		176 626.48

SHAREHOLDERS AS OF 31.12.2024

Shareholder	Shares	Ownership	Voting rights interest
Passesta AS	5,969,056	13.5%	13.5%
Harmonium Invest AS	2,689,911	6.1%	6.1%
Eden AS	2,240,125	5.1%	5.1%
Vinterstua AS	2,051,574	4.6%	4.6%
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	1,141,137	2.6%	2.6%
Kirkbak Holding AS	1,108,606	2.5%	2.5%
Esmar AS	1,092,576	2.5%	2.5%
Commerzbank Aktiengesellschaft	1,060,819	2.4%	2.4%
Skattum Invest AS	1,013,297	2.3%	2.3%
Camelback Holding AS	965,000	2.2%	2.2%
Arepo AS	914,762	2.1%	2.1%
Torsen Tankers & Towers AS	896,460	2.0%	2.0%
Nordnet Livsforsikring AS	829,164	1.9%	1.9%
Sparebank 1 Markets AS	777,122	1.8%	1.8%
Hering AS	675,362	1.5%	1.5%
Thunderstorm Invest AS	632,730	1.4%	1.4%
Clearstream Banking S.A.	599,738	1.4%	1.4%
Top 20 Shareholders	29,876,254	67.7%	67.7%
Other	14,280,365	32.3%	
Total Shares Outstanding	44,156,619	100.0%	

Shares held by Board members and CEO

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%

*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 2 650 000 options as of 31 December 2024, where:

Holder	Type	Number
Guarantors for IN and SMN loans	Subscription rights	0
Management incentive program	Option	2,650,000
Total		2,650,000

In connection with the exercise of remaining subscription rights in December 2023, 2.5 million new shares were recorded as non-registered equity at year-end 2023 and formally issued in January 2024. The subscription rights were originally granted in 2019 and 2020 in return for guaranteeing the company's loan financing. Independent subscription rights were issued to Skadi AS, Harmonium Invest AS, Hering AS, and Torsen Tankers & Towers AS (collectively the "Subscribers"). After the exercise, there are no more contractual subscription rights.

Please refer to Note 3 for more information about the management incentive program.

NOTE 13 EQUITY

Amounts in NOK '1000	Share capital	Share premium	Other paid-up equity	Total equity
Equity at 01.01.2024	167	429,521	20,606	450,293
Proceeds from share issue	10	17,490	0	17,500
Paid not registered capital	0	0	-17,500	-17,500
Option program *	0	7,776	0	7,776
Settlement of options	0	0	0	0
Net profit as of 31.12.2024	0	36,089	0	36,089
As of 31.12.2024	177	490,876	3,106	494,159

*For more information on the option program, please refer to Note 20.

NOTE 14 LIABILITIES AND RECEIVABLES

Amounts in NOK 1000

	2024	2023
Long term receivables		
Other long-term receivables	3,456	3,382
Long term liabilities		
Liabilities to Innovation Norway	6,250	14,583
Total	6,250	14,583
Short term liabilities		
Liabilities to supply chain financing facilitators*	83,317	55,303
Liabilities to financial institutions	0	0
Total	83,317	55,303
Secured debts	89,567	69,886
Pledged assets:		
Accounts receivable	384	669
Inventories	32,494	46,733
Tangible assets	318	528
Total	33,196	47,929

*As of 31.12.2024 Xplora had only DNB as supply chain financing facilitator.

Innovation Norway has registered a mortgage on Xplora Technologies AS of NOK 25m in the Personal Property Register as of 31.12.24 related to the abovementioned long term debt.

The mortgage/guarantee is distributed as follows:

Inventories	25 MNOK
Accounts receivable	25 MNOK
Plant and equipment	25 MNOK

*See note 20 for subscription rights issued to lender in conjunction with the loan.

DNB has registered a mortgage on Xplora Technologies AS of NOK 150m in the Personal Property Register as of 31.12.24 related to the abovementioned long-term debt.

The mortgage/guarantee is distributed as follows:

Inventories	150 MNOK
Accounts receivable	150 MNOK
Plant and equipment	150 MNOK

NOTE 15 RENTAL AGREEMENTS AND LEASING**Yearly lease of operational lease agreements**

Amounts in NOK 1000

Lease object	2024	2025	2026	2027	2028
Land, buildings and other real estate	7,241	7,275	6,637	2,036	0
Equipment, fixtures, and fittings	172	100	66	16	0
Other rentals	133				0
Total	7,545	7,376	6,702	2,053	0

The 2024 column displays the total lease payments that were actually paid in 2024.

For 2025-2028 the following applies:

The table shows the payment profile of the Group's leases, based on the remaining lease terms as of 31 December 2024.

The table does not reflect potential renewals of expiring agreements.

The table excludes rentals not governed by formal lease agreements, as these can be terminated at any time.

NOTE 16 TRANSACTIONS WITH SUBSIDIARIES

Transactions with subsidiaries:

The Company has various transactions with subsidiaries. All the transactions have been carried out as part of the ordinary transfer pricing policy.

The most significant transactions are as follows:

- a) Purchase of goods for sale
- b) Sale of goods and services for operations

Balances of loans and claims with group companies are specified in Note 8.

Amounts in NOK 1000

Purchase of goods and services	2024	2023
Goods	1,354	5,782
Services	63,332	53,543
Total	64,687	59,325
Sale of goods and service		
Goods	334,023	313,984
Services	114,309	68,100
Total	448,332	382,084

Transactions with subsidiaries	2024	2023
Xplora Technologies AS sale to Xplora Mobile AS	38,187	20,690
Xplora Technologies AS sale to Xplora Mobile AB	80,670	81,073
Xplora Technologies AS sale to Xplora Mobile OY	5,798	3,542
Xplora Technologies AS sale to Xplora Technologies APS	4,765	2,881
Xplora Technologies AS sale to Xplora Technologies GmbH	257,186	197,076
Xplora Technologies AS sale to Xplora Technologies Ltd	43,031	49,433
Xplora Technologies AS sale to Xplora Technologies Inc	8,559	18,593
Xplora Technologies AS sale to Xplora Technologies SL	9,567	8,233
Xplora Technologies AS sale to Xplora Technologies SAS	568	564
 Xplora Mobile AS sale to Xplora Technologies AS	 593	 398
Xplora Mobile AB sale to Xplora Technologies AS	152	0
Xplora Technologies Ltd sale to Xplora Technologies AS	42,646	37,425
Xplora Technologies GmbH sale to Xplora Technologies AS	2,945	3,530
Xplora Technologies SL sale to Xplora Technologies AS	4,853	2,593
Xplora Technologies SAS sale to Xplora Technologies AS	850	899
Xplora Technologies Inc sale to Xplora Technologies AS	12,648	14,426

NOTE 17**PROVISIONS FOR LIABILITIES AND CHARGES**

Other current liabilities	2024	2023
Short term debt	22,978	30,794
Provisions	4,758	1,572
Total	27,736	32,366

Guarantee provision

Germany has a two-year warranty period for products purchased from Xplora. Within a year any defects are presumed to exist at the time of delivery unless proven otherwise by Xplora. This presumption extends the burden of proof from six to twelve months, however, for purchases made before January 1, 2022, the period remains six months.

Spain has a three-year warranty period for hardware and 10 years for parts.

The United States and Canada have a one-year warranty period for direct purchases from Xplora.

All other countries have a two-year warranty period for direct purchases from Xplora.

NOTE 18**EVENTS AFTER THE REPORTING PERIOD**

On January 13, 2025, Xplora obtained control of Doro AB. Based on preliminary figures from Doro's Q4 report, Doro reported revenue of SEK 882.3m, and an operating profit of SEK 86.6m for 2024. Doro is expected to contribute significantly to Xplora's consolidated result in 2025. Further information about the acquisition process is described below under other events.

Other events presented in chronological order:

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 January 13, 2025, Xplora announced the outcome of its public offer to the shareholders of Doro AB, initially reporting 93.33% acceptance. However, on January 15, 2025, the company issued a correction, clarifying that the accurate acceptance level was approximately 88.32%. This discrepancy was due to circumstances beyond Xplora's control, involving an incorrect number of shares registered for acceptance by a nominee bank. Despite this adjustment, Xplora declared the offer unconditional and proceeded with the acquisition as planned.

As part of the acquisition, Xplora took on a loan of SEK 890m to settle the share purchase.

Following its public offer to the shareholders of Doro AB, Xplora, as the largest shareholder, requested that the Board of Directors in Doro convene an Extra Ordinary General Meeting. On February 5, 2025, Doro issued a notice for the meeting, scheduled for February 28, 2025, in Stockholm. Xplora put forward proposals to restructure the Board, including changes to its composition and adjustments to board remuneration.

As of 27 February 2025, Xplora owns 89.6% of the 24,382,105 shares available in the market. Xplora intends to continue its work towards acquiring all remaining shares in Doro AB. Xplora and Doro signed an LOI for an agreement enabling pre-instalments of Xplora SIM-cards on Doro phones starting in the second quarter 2025.

March 4, 2025, under Xplora's share incentive program, primary insiders exercised a total of 375,000 share options at an exercise price of NOK 7 per share. The Board resolved to issue 456,167 new shares under an existing authorization granted by the AGM on 16 May 2024. On March 5, 2025, the primary insiders that exercised their share options on March 4, sold their option shares to a third party at NOK 28 per share.

On 14 March 2025, the share capital increase related to the issuance of 456,167 new shares was registered with the Norwegian Register of Business Enterprises. Following this, Xplora's new share capital is NOK 178,451.15, divided into 44,612,786 shares, each carrying one vote.

On 31 March 2025, Xplora entered into a EUR 82 million long-term loan facility agreement with Nordea, with a four-year maturity. The facility secures favourable financing terms, enhances financial flexibility, and supports the company's growth strategy. All other outstanding long-term interest-bearing debt was settled following this agreement.

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.

Following the acquisition of Doro AB, integration work has started, focusing initially on enabling Xplora connectivity on Doro phones. Xplora plans to report financial results under IFRS for the combined entity starting in Q1 2025.

NOTE 19 FINANCIAL MARKET RISK

Interest rate risk

Interest rate risk in the short- and medium-term occurs as a result of fluctuations in the floating market interest rates on company debts. The company is exposed to NIBOR on its supply chain financing facility.

Currency risk

Currency fluctuations represent both a direct and an indirect financial risk for the company, as the Company buys its goods in USD, and sells the majority of its products in the European market. The Company also reports its earnings and financial information in NOK. Recognizing the importance of mitigating these risks, the Company has a program in place to hedge part of its EUR/USD exposure.

Credit risk

The company is exposed to credit risk related to counterparty default on contractual agreements, trade, and other current receivables. The Company has policies and procedures to ensure that sales are made to customers with appropriate credit profiles within defined limits. The Company further complements these internal controls with a factoring agreement related to device sales. This approach mitigates the risk of counterparty default and enables a more stable financial environment.

Liquidity risk

Liquidity risk is characterized by the potential risk of not being able to meet financial obligations. The company regularly monitors both forecasted and actual cash flows, alongside aligning the maturity of its assets and liabilities. As of 31 December 2024, the company held cash and cash equivalents of NOK 235 million.

NOTE 20 SHARE-BASED PAYMENTS

Agreements and principles:

Outstanding warrants and options include:

- Option program for current management
- Surety agreements with shareholders

1. Surety agreements with shareholders

As remuneration for guaranteeing for loan financing, the company had issued a stand-alone basis of subscription rights to the guarantors. All guarantors of the loans exercised their rights within the expiry date of 31 December 2023. Total subscription amount of NOK 17.5m was paid within 31 December 2023 and was booked as paid in 'not registered equity'. The 2,500,000 new shares from this subscription were registered on 2 January 2024. After the exercise, there are no more contractual subscription rights.

2. Management Incentive Program

	2024	2023
Outstanding at the beginning of the period	2,500,000	3,300,283
Exercised / Settlement	0	-2,394,441
Forfeited	-324,675	0
Granted	475,000	1,594,158
Total options	2,650,325	2,500,000
Vested Closing Balance	1,002,161	788,148
Amounts in NOK 1,000		
Share-based compensation	7,776	4,499
Social security provision	3,978	1,076
Option program expensed for the year (NOK)	11,754	5,575

Specifications of options held by the executive management as of 31 December 2024 is disclosed in Note 3.

The board of directors of Xplora Technologies AS ("Xplora Technologies" or the "Company") resolved on 20 August 2020 to implement a share option program for management of the Company, for the fiscal years 2020-2022. At a meeting of the board of directors of the Company on 2 June 2022 it was resolved to extend the program for a fourth year. A new option-based incentive program was established in 2023.

Total options outstanding cannot surpass 7.5% of the total number of shares outstanding in the company.

A total of NOK 11,754,404 has been recognized in 2024 (NOK 7,776,389 is the expensed value of options and NOK 3,978,015 is employer's contribution based on market value).

The options exercised in 2023 were settled against cash payment NOK 1,465,058 July 2023 / NOK 5,144,019 November 2023 / NOK 5,144,019 January 2024.

The valuation of the options is done by the use of a Black-Scholes model, however the company applies different scenarios to account for early exercise behaviour for ESOP.

Audit Report



BDO AS
Bygdøy Allè 2
PO Box 1704 Vika
0121 Oslo
Norway

To the General Meeting of Xplora Technologies AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Xplora Technologies AS.

<p>The financial statements comprise:</p> <ul style="list-style-type: none">• The financial statements of the parent Company, which comprise the balance sheet as at 31 December 2024, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and• The financial statements of the Group, which comprise the balance sheet as at 31 December 2024, the income statement and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.	<p>In our opinion:</p> <ul style="list-style-type: none">• The financial statements comply with applicable statutory requirements.• The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.• The accompanying financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
--	--

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors and the Managing Director (management) is responsible for the other information. The other information comprises the Board of Directors' report and other information in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information.

BDO AS, a Norwegian limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. The Register of Business Enterprises: NO 993 606 650 VAT.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on the Board of Directors' report

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Our opinion on the Board of Director's report applies correspondingly for the statements on Corporate Social Responsibility.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisionsberetninger>

BDO AS

Reidar Jensen
State Authorised Public Accountant
(This document is signed electronically)

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Jensen, Reidar

State Authorised Public Accountant

Serienummer: no_bankid:9578-5997-4-335370

IP: 188.95.xxx.xxx

2025-04-29 17:21:32 UTC



Penneo Dokumentnøkkel: RF9ZH-H8DFW-44XS-IH4SD-0763R-AHNM0

Dette dokumentet er signert digitalt via [Penneo.com](https://penneo.com). De signerte dataene er validert ved hjelp av den matematiske hashverdien av det originale dokumentet. All kryptografisk bevisføring er innebygd i denne PDF-en for fremtidig validering.

Dette dokumentet er forseglet med et kvalifisert elektronisk segl ved bruk av et sertifikat og et tidsstempel fra en kvalifisert tillitstjenesteleverandør.

Slik kan du bekrefte at dokumentet er originalt

Når du åpner dokumentet i Adobe Reader, kan du se at det er sertifisert av **Penneo A/S**. Dette beviser at innholdet i dokumentet ikke har blitt endret siden tidspunktet for signeringen. Bevis for de individuelle signatørenes digitale signaturer er vedlagt dokumentet.

Du kan bekrefte de kryptografiske bevisene ved hjelp av Penneos validator, <https://penneo.com/validator>, eller andre valideringsverktøy for digitale signaturer.

