



# Xplora Technologies - Investor presentation

27 May 2021





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# Who We Are

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

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

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

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







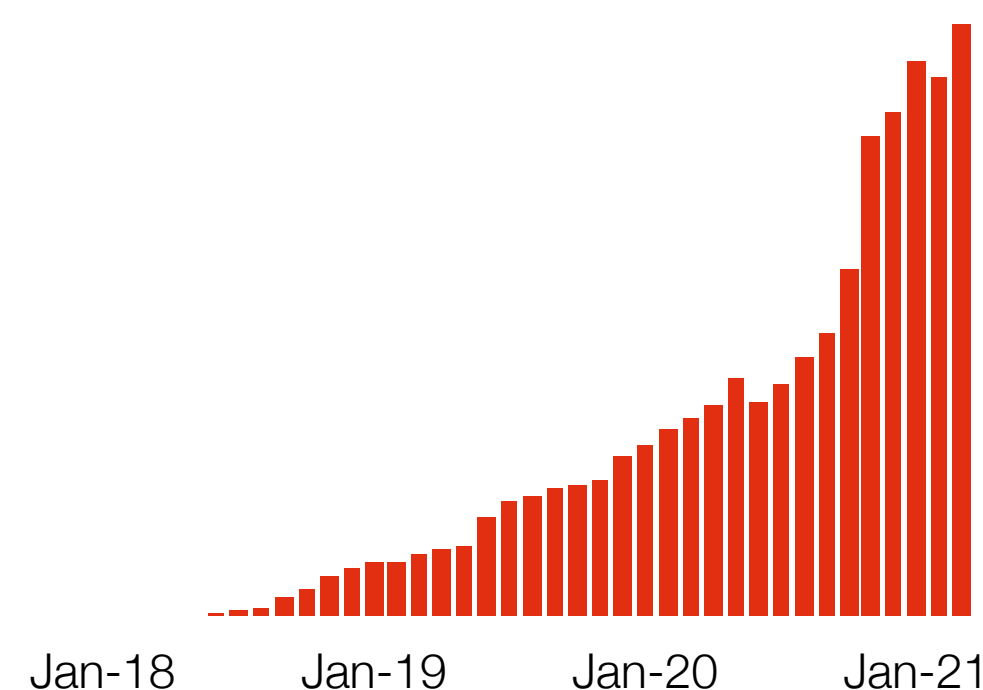
# About Xplora Technologies

Xplora Technologies AS was established in Norway in 2016 and launched its first products in 2017. Headquarters in Oslo, Norway, with offices in London, Hamburg, Madrid and Seoul. A team of 70 employees to reach 100 by end of 2021. Senior management holds multiple awards, recognitions and patents within the wearable industry over the last 10+ years.

As of May 2021 more than 400,000 families have used the Xplora services, 350,000+ watches have been sold and we have more than 83k monthly subscribers in our Xplora Connect solution in the Nordic markets, generating + NOK 7m MRR.

Xplora was listed on Euronext Growth in Q4 20, with a current market cap of \$180m. Two recent years of tripled revenue to \$23m in 2020 with high growth ambitions going forward. Invested capital \$48m to date with a strong financial base.

Ticker	XPLRA
Bloomberg	XPLRAME NO
Share price (NOK)	38.0
Shares outstanding (m)	39.4
Market cap (NOKm)	1,498







# Our Unique Value Proposition



## Xplora Service Platform

- Xplora IOT platform
- Xplora Goplay Activity platform
- Xplora Arcade Content platform
- Xplora Connect Service
- Xplora Pay Fintech Service

TM



## Xplora Device Platform

- X5 Play
- X5 Play eSIM
- XGO2
- XMove

TM







# Proven Go 2 Market Blueprint

## Phase 1: Online

Focus on SOME, trust, content, ranking and reviews

Targets:

- CAC < EUR 15
- Conversion > 1%
- Rating > 4 stars
- Top lists @ AMZN, Google

## Phase 2: Retail/distribution

Secure stronghold in distribution and retail, leveraging on KPIs from Phase 1

Targets:

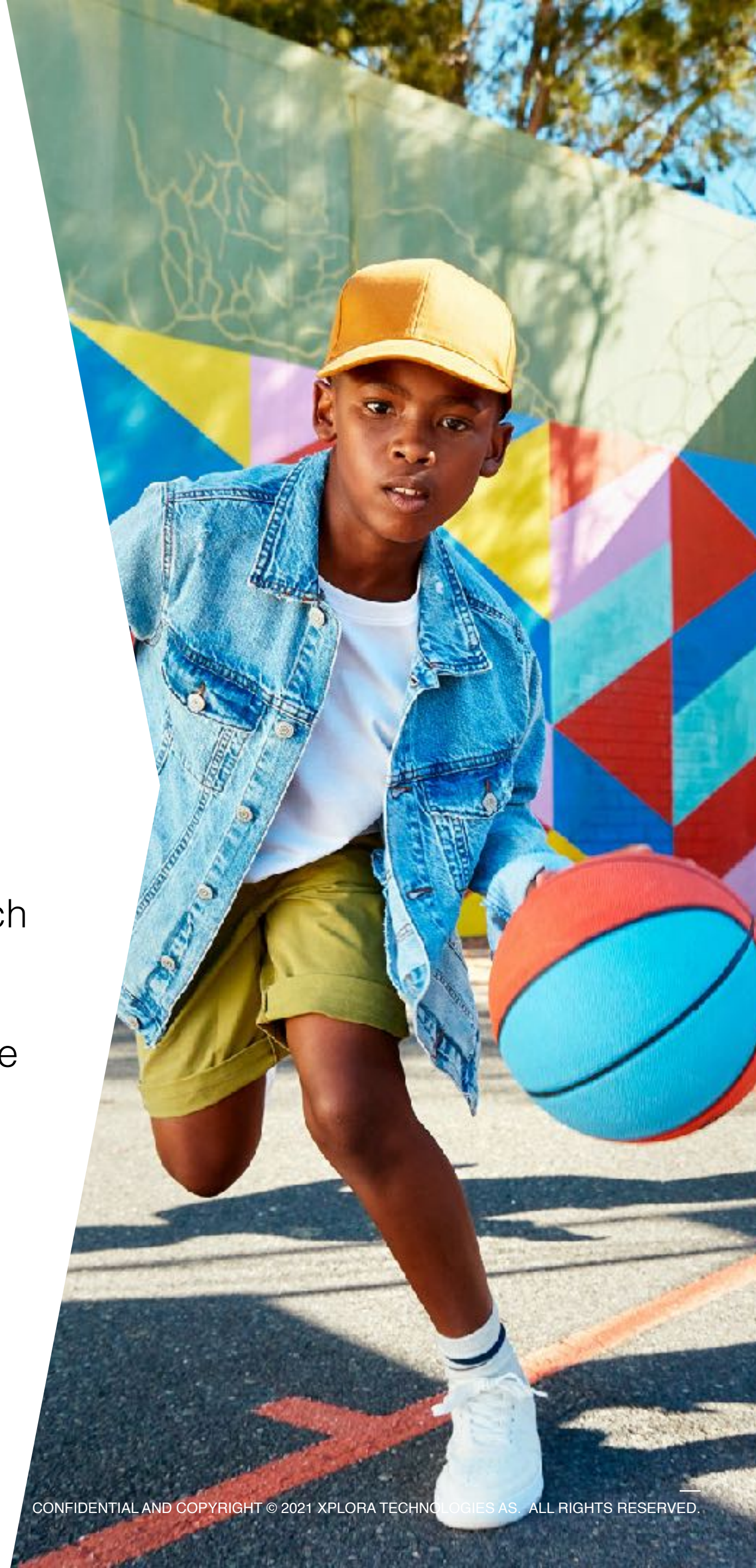
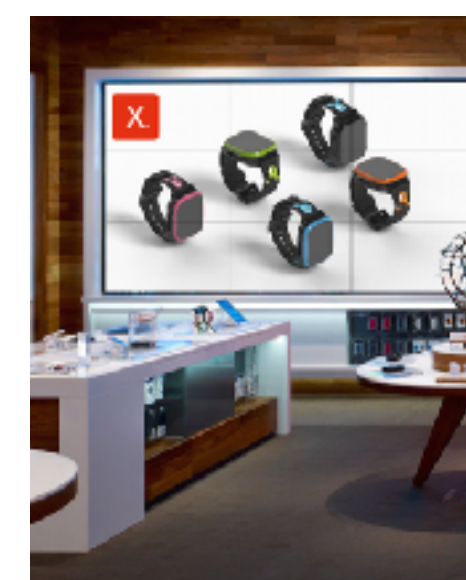
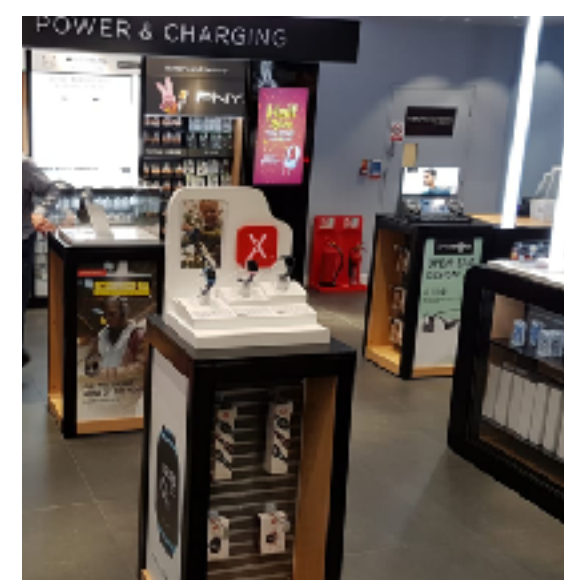
- Top 5 retailers in market
- Secure shelf space and POS
- Execute 'train the trainer' programs
- Strive for 1% penetration

## Phase 3: Scale via ATL

Growth phase, normally year 2, scale as ROI is maximized

Targets:

- Secure major telcos
- Execute ATL plan including TV commercials to quickly reach category leadership
- Drive further organic growth
- Leverage on position to activate new distribution partners







# Current Xplora footprint

US  
Canada  
Norway  
Sweden  
Denmark  
Finland  
Germany  
UK  
Spain  
Ireland  
Italy  
Poland  
Czech  
Netherlands  
France  
Hungary  
Croatia  
Switzerland  
Austria



X5 Play / eSIM  
Premium model  
EU + US



XGO 2  
Entry Level model  
EU  
US (Q3)



XMOVE  
BT Connected  
EU + US  
(Q2)





# Capturing the next digital consumer

The kids first smartwatch, mobile subscription, digital ecosystem and payment service

## Products:

Our Current Wearable strategy with Sim/eSIM/VoIP & BT



## SaaS:

Builds on our IoT, Goplay and Arcade Platforms



## TaaS:

Telco as a Service to cover Nordics, EU and US in 2021



## Fintech:

Launching programs for saving and payments







# Award winning portfolio of 4G smartwatches

Roadmap with Nano SIM + eSIM + VoIP







# Xplora Connect

Out of the box experience connecting smartwatches/IOT products



- Traditional SIM
- eSIM
- VoIP



**Already 83k**

paying subscribers adding  
NOK +7m in monthly revenues

- Complete MVNO setup in Nordic markets providing 70%+ margin service revenues
- Connectivity TaaS model ready to launch in EU and US in July providing 50% margins and improved user experience.





# Xplora Goplay and Xplora Arcade

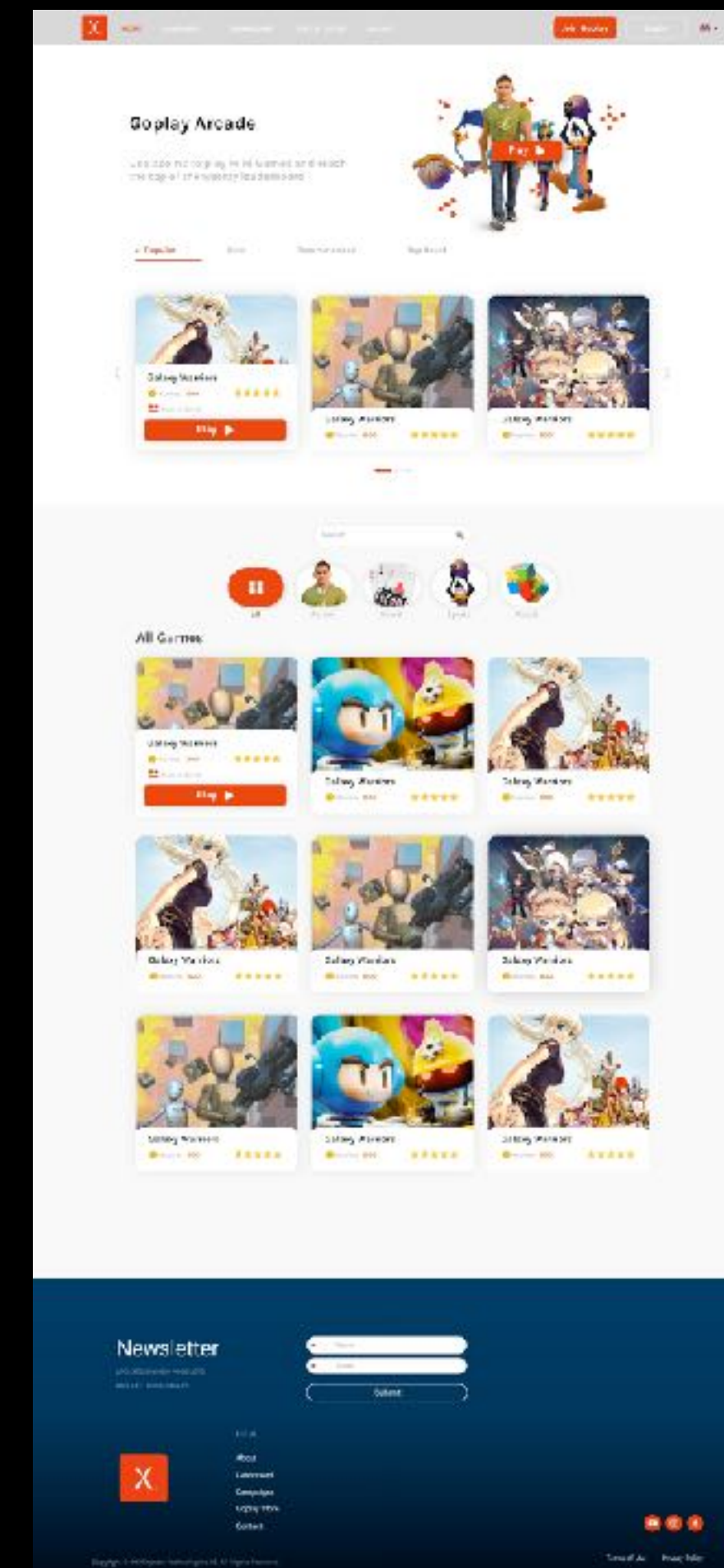
One platform to compete and stay active. One platform to access safe content



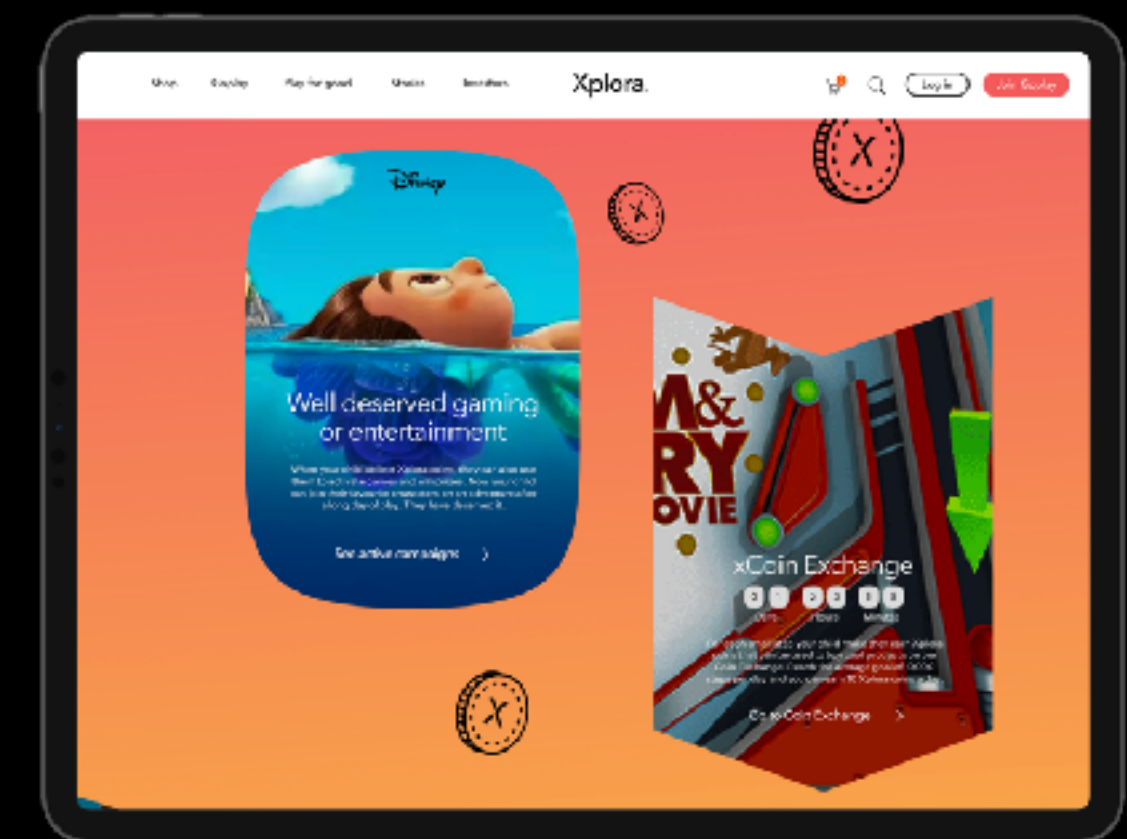
Soon 50% of all our users have onboarded Goplay, earning Xplora Xoins every day.



For 1,000 steps, the user earns 1 Xplora coin



Through our Xplora Arcade, users can access child friendly and safe content.

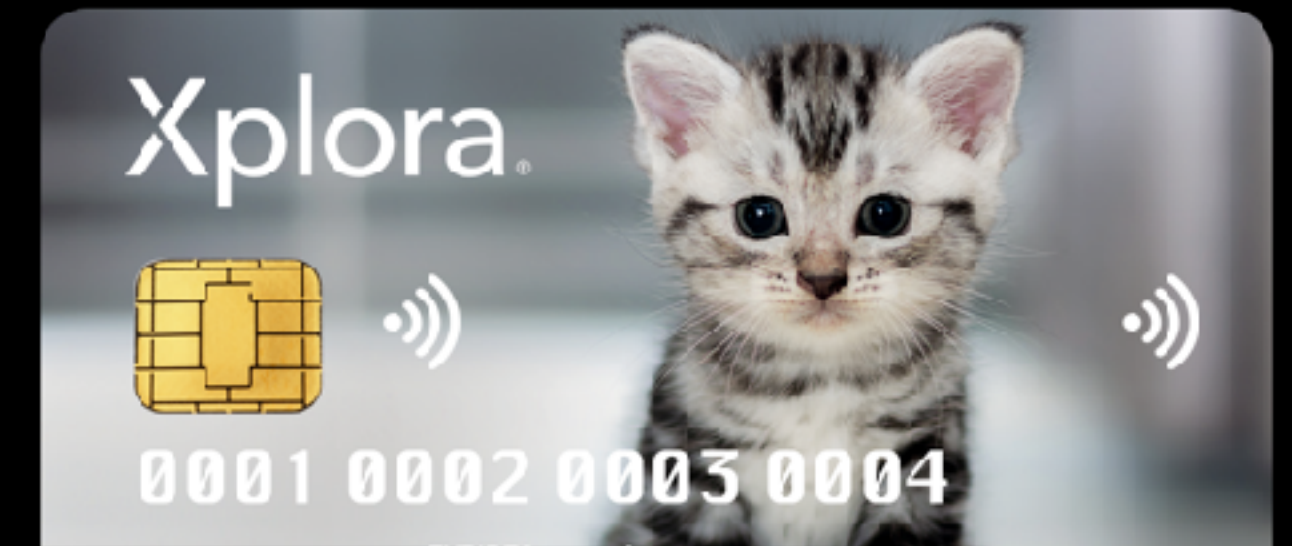
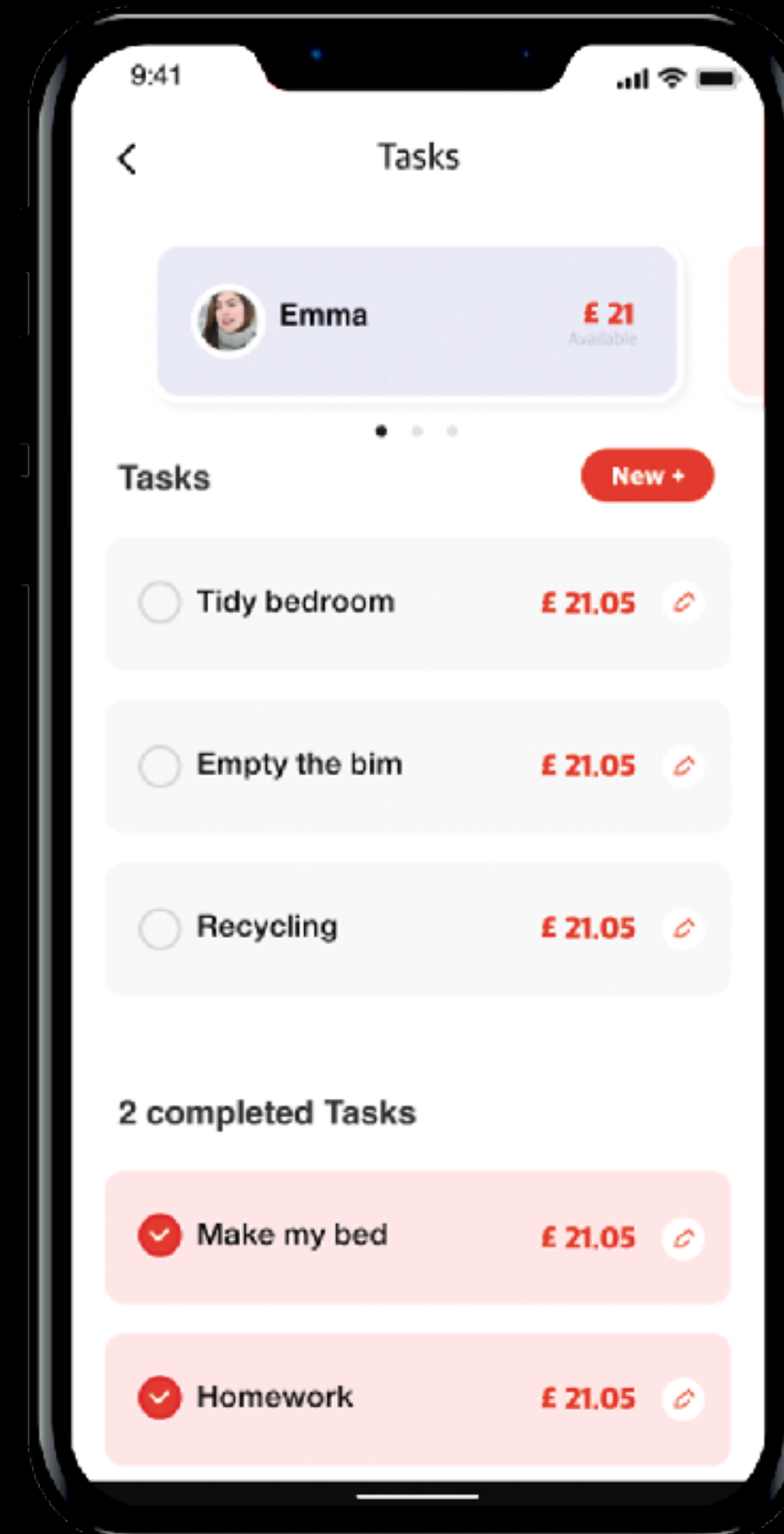
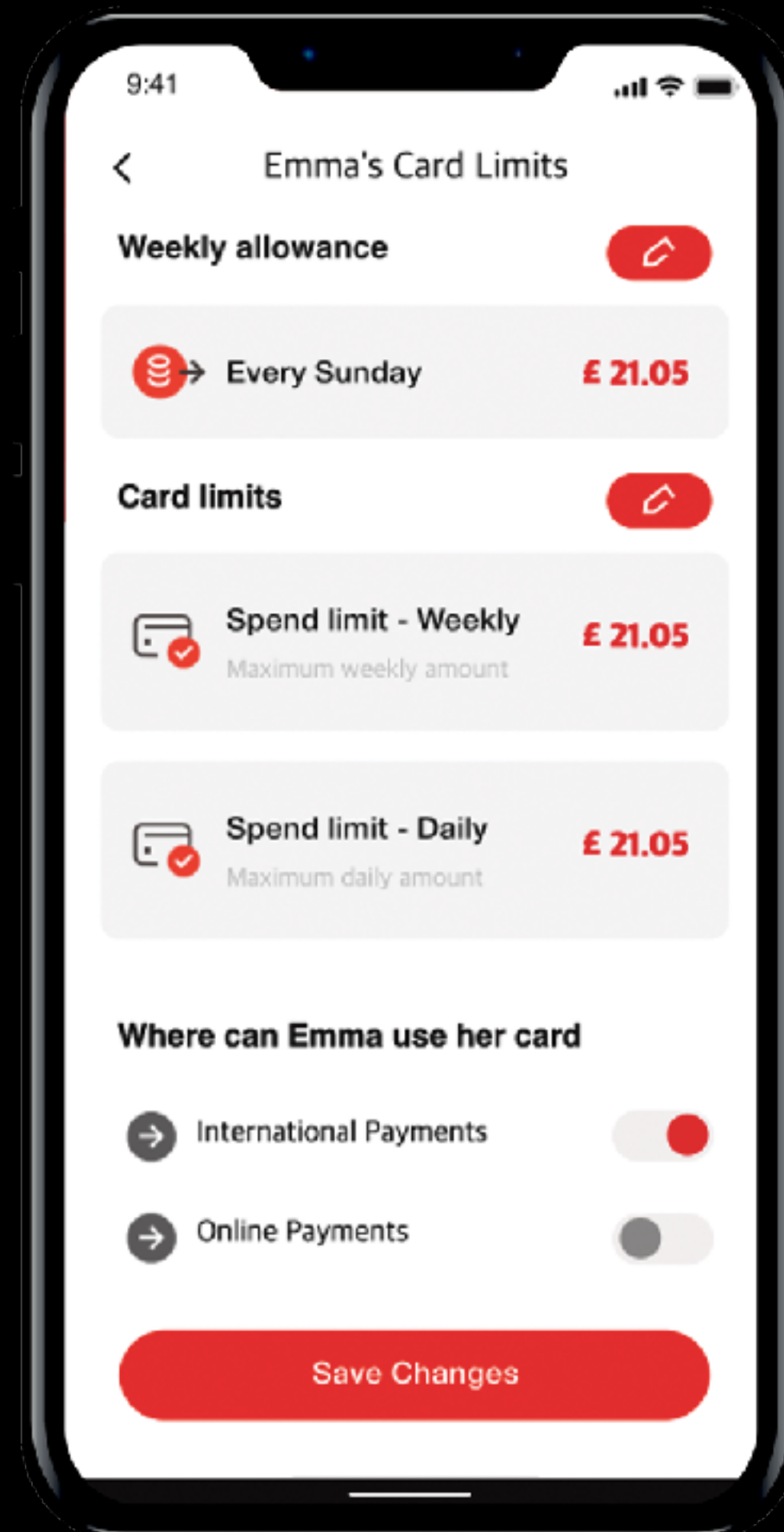
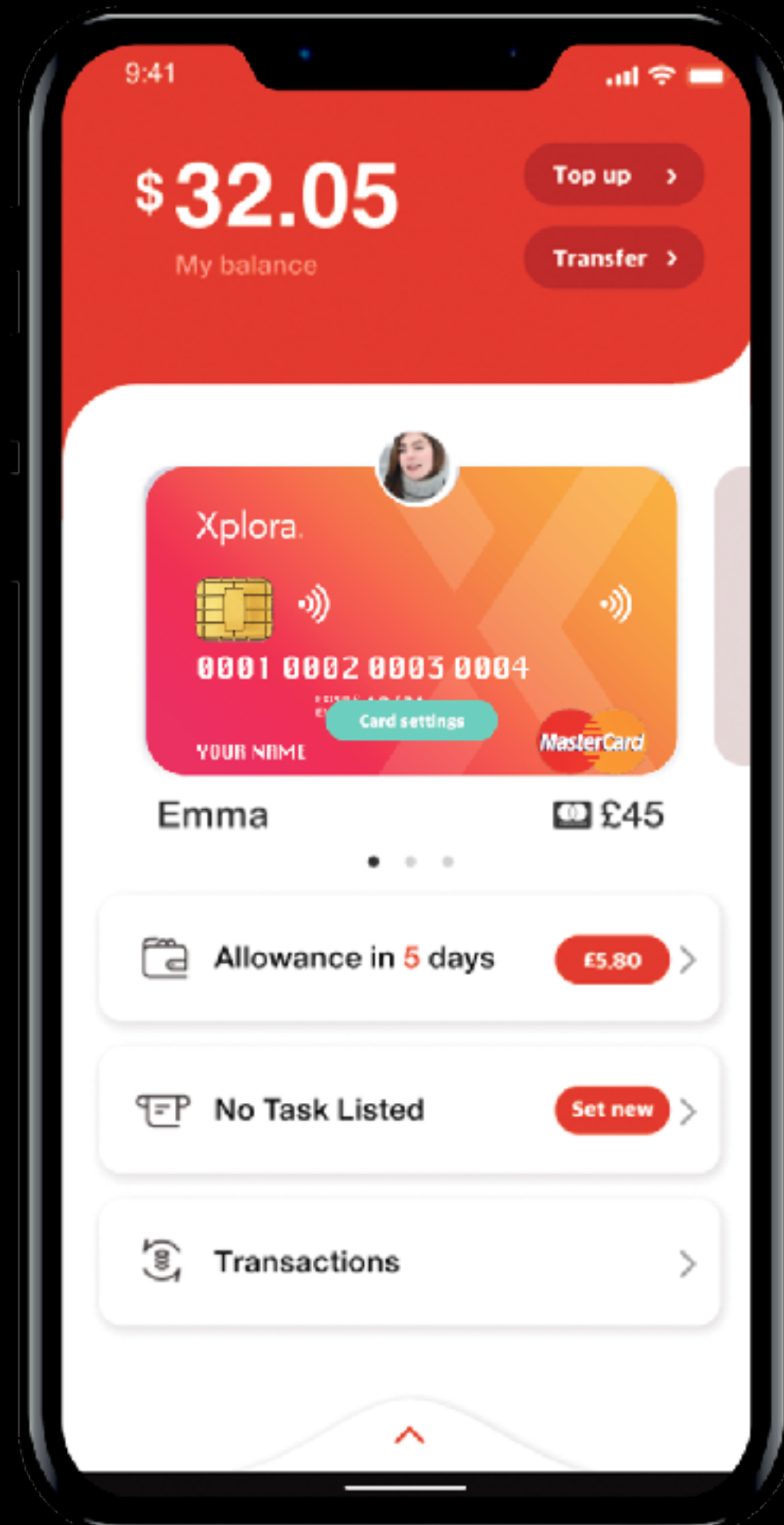






# Xplora Pay service

Teaching children the value of money and savings



July 2021 launch  
Germany / Norway

Part of the Xplora  
Premium Services

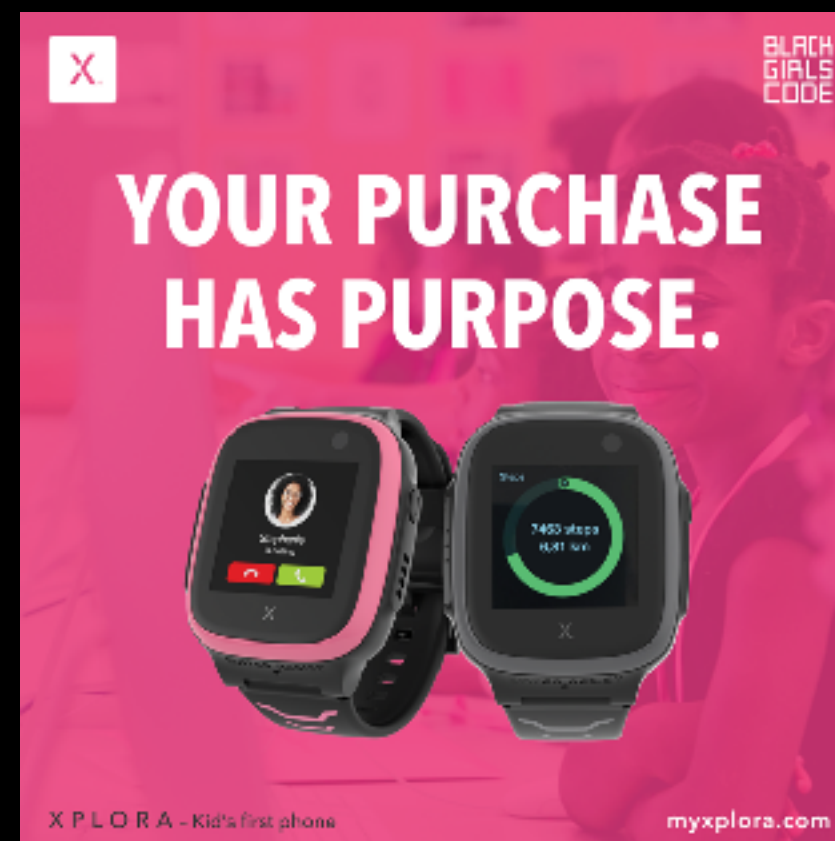




# Leveraging on ESG

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

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







# Financial highlights

Play  
to move  
the world<sup>®</sup>

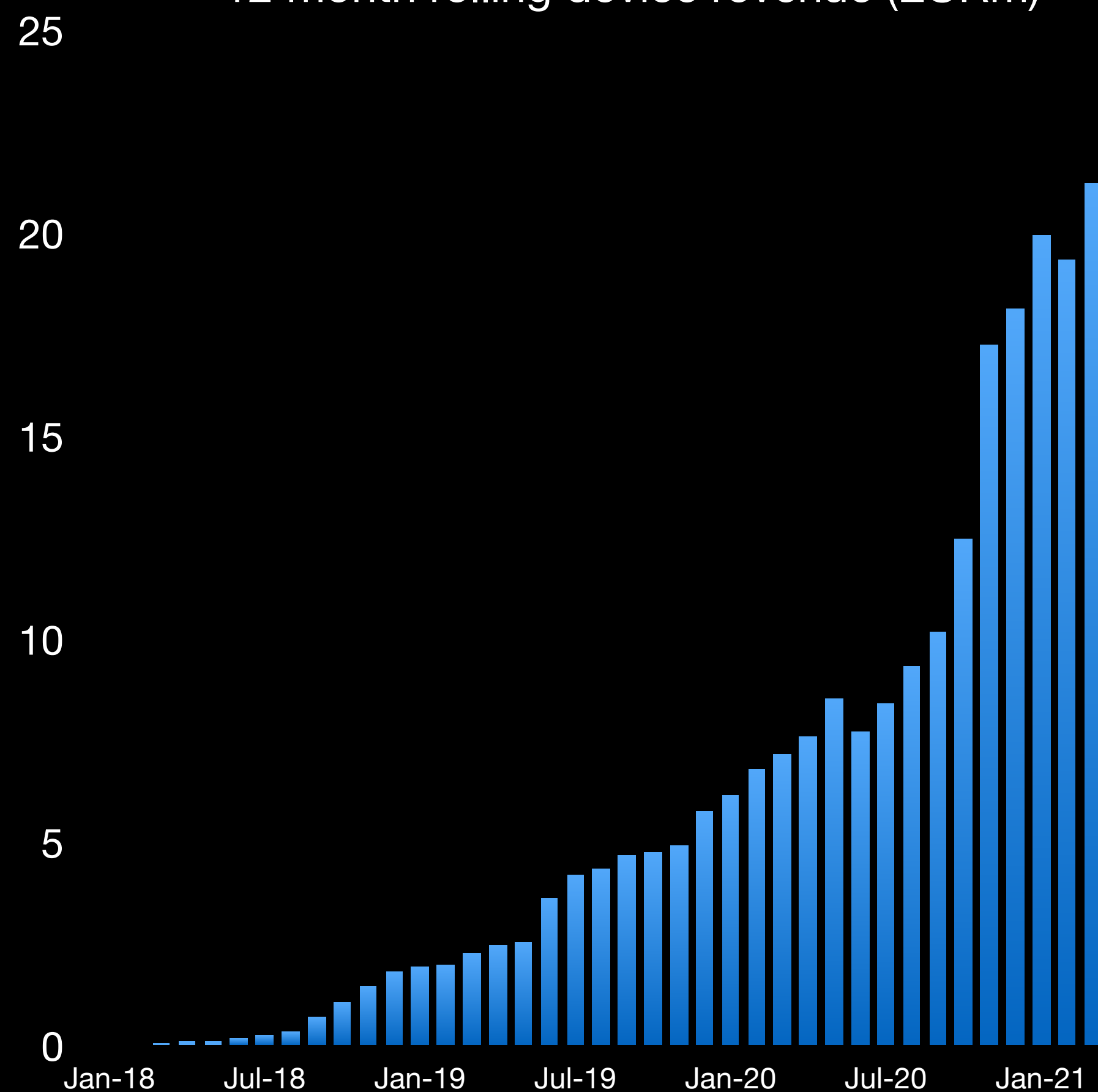




# Quickly gained market leadership

15

12 month rolling device revenue (EURm)



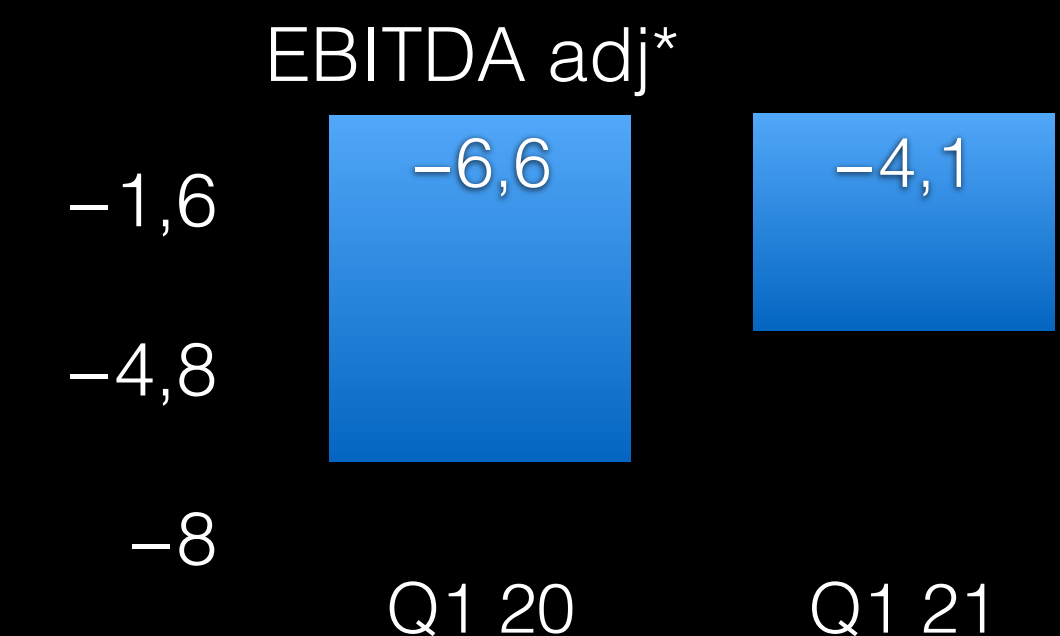
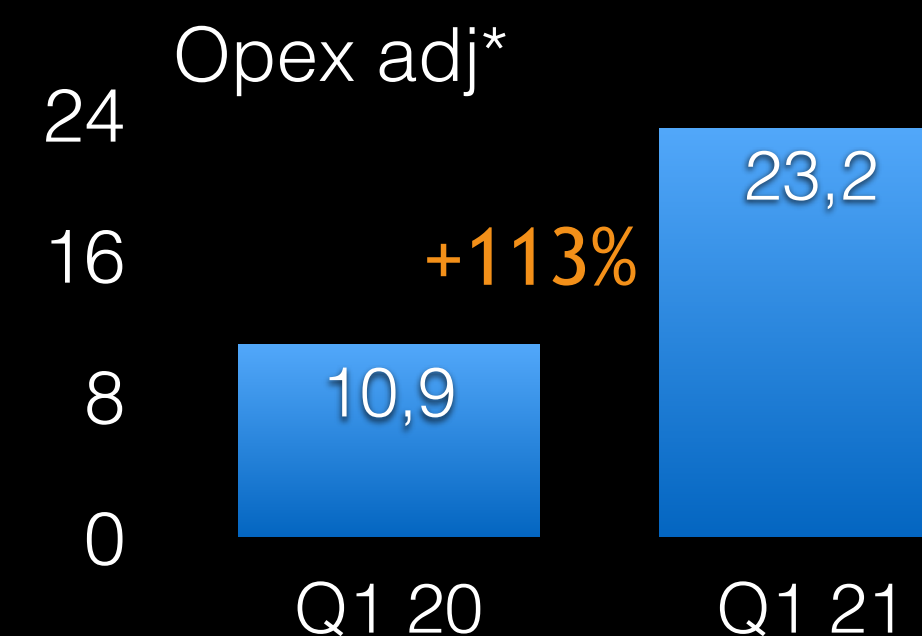
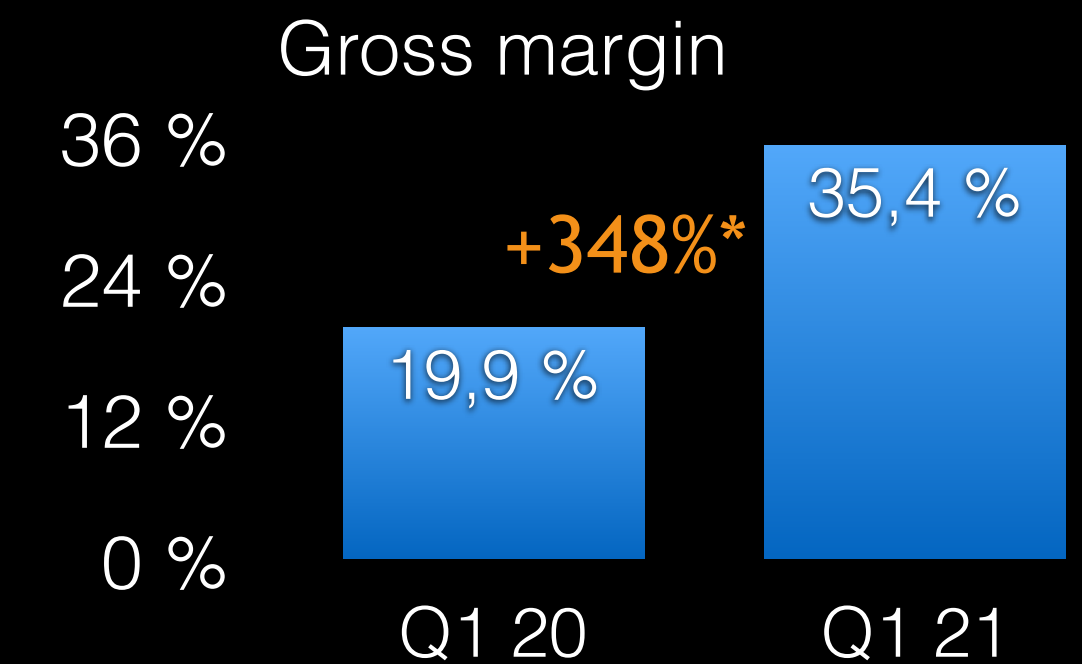
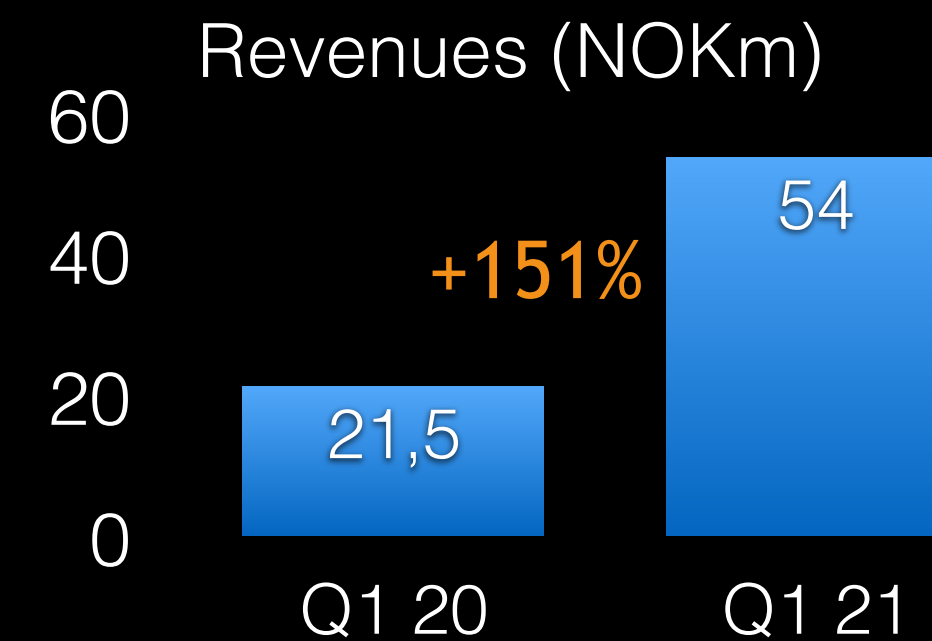
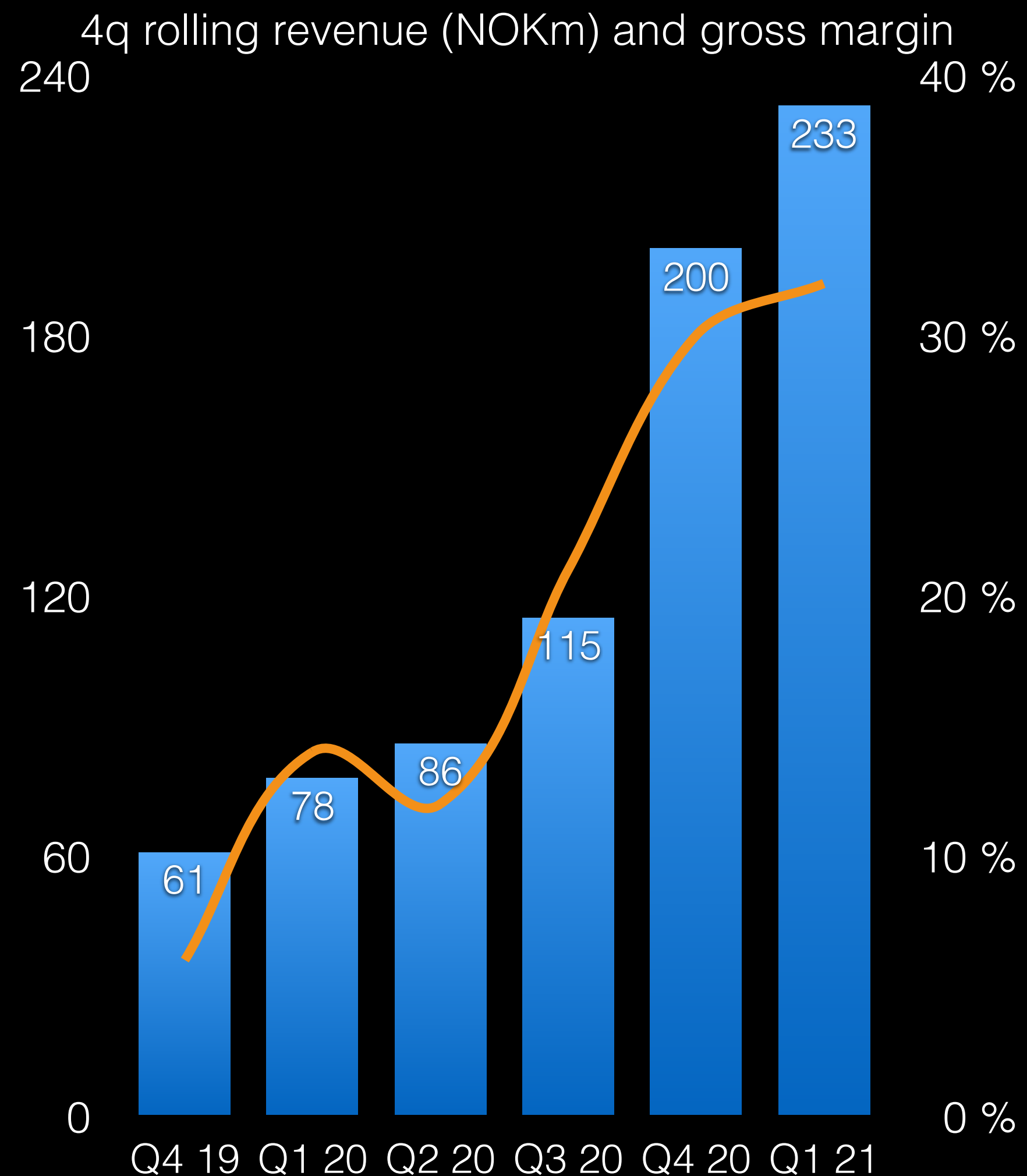
NOKm	2018	2019	2020	Q1 21
<b>Devices (k units)</b>	<b>21</b>	<b>74</b>	<b>216</b>	<b>62</b>
Device revenue	19.2	58.2	190.9	51.3
Service revenue	-	2.7	7.5	2.4
<b>Total revenue</b>	<b>19.2</b>	<b>60.9</b>	<b>200.5</b>	<b>54.0</b>
Growth		241 %	228 %	151 %
Gross margin	n/a	20 %	30 %	35 %
Opex	23.7	55.2	70.7	30.0*
<b>EBITDA</b>	<b>-18.0</b>	<b>-44.0</b>	<b>-10.8</b>	<b>-10.9*</b>
D&A	1.0	1.4	2.3	0.7
<b>EBIT</b>	<b>-19.0</b>	<b>-45.4</b>	<b>-13.1</b>	<b>-11.6</b>

\*Including NOK 1.9m in one-offs and NOK 4.8m in option costs. Adj EBITDA NOK -4.1m





# Scaling operations



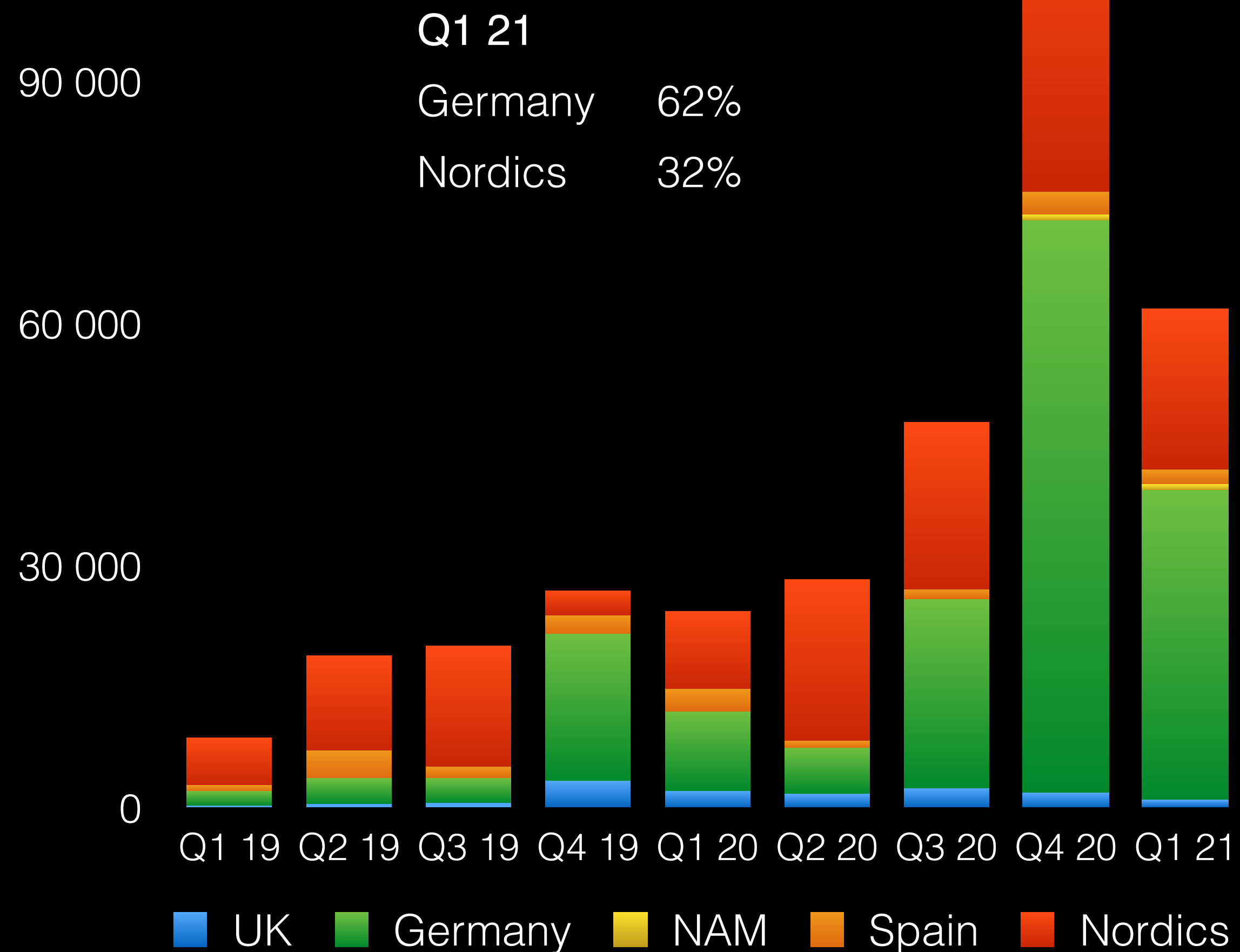
\* +348% y/y growth in gross earnings. Opex and EBITDA adjusted for one-offs and option costs.



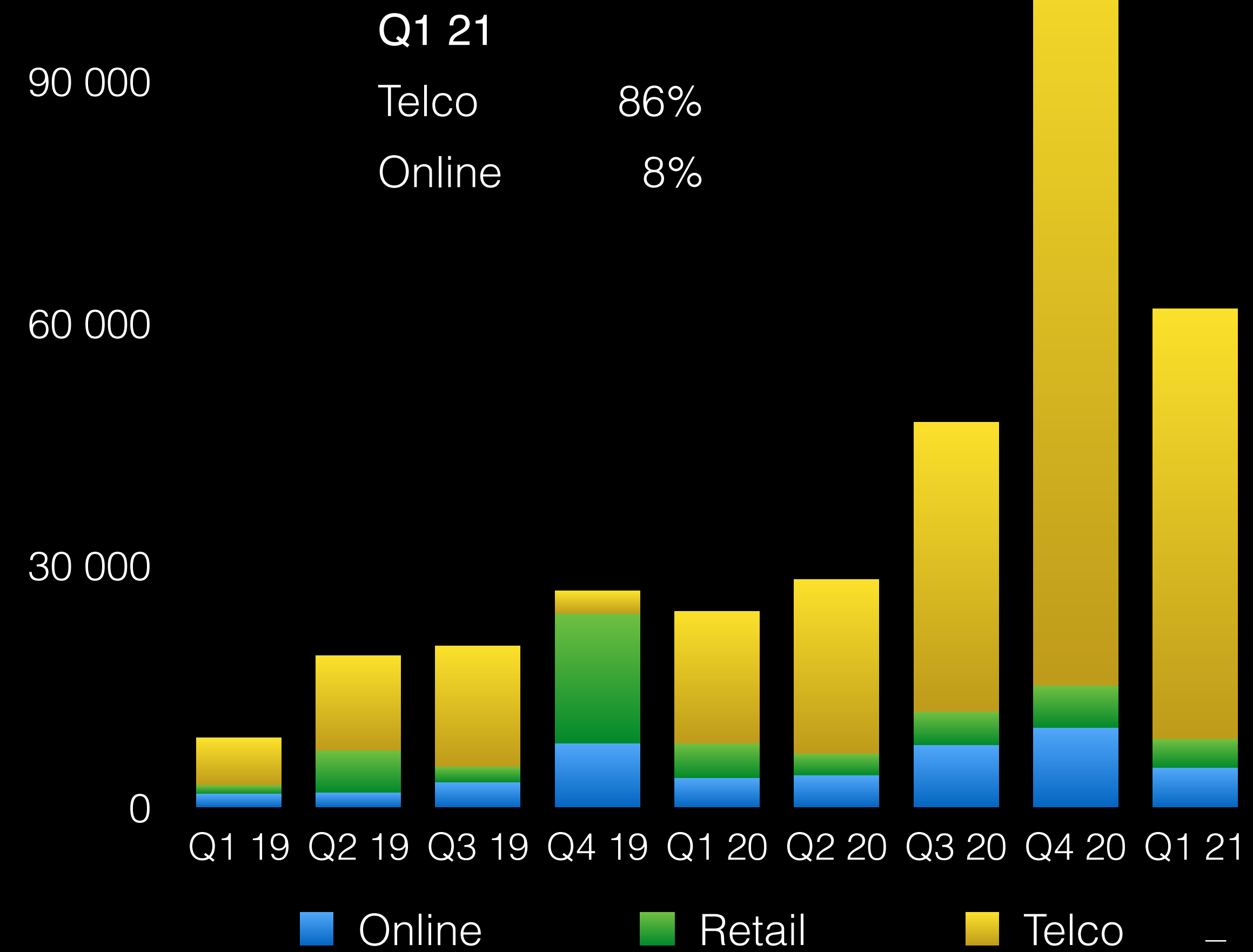


# Markets and channels

120 000 Units



120 000 Units







# Building a highly scalable business model



## Smartwatches

ASP EUR 75-90

Gross margin +30%



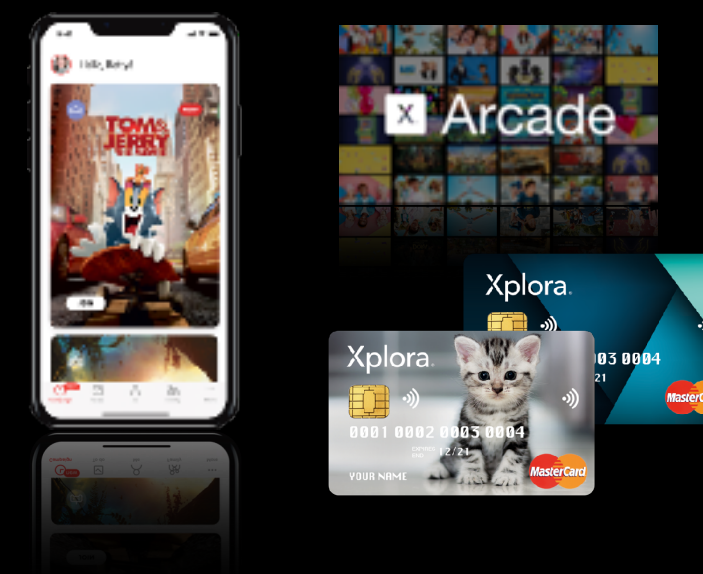
## Connectivity

ARPU EUR 5/mo

Gross margin +50%

Addressable market  
retail+online

Penetration target 20%

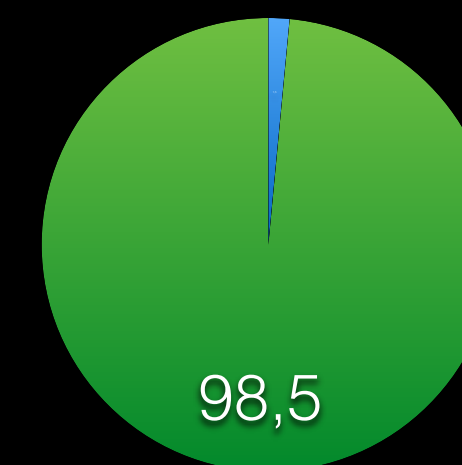


## Goplay premium

ARPU EUR 5/mo

Gross margin +70%

Penetration target 20%



## 3rd party licensing

Revenue/profit share

Addressable market  
outside XT  
smartwatch reach





# Shareholders and capitalization

Shareholder	Shares	Percent
Passesta AS	5,333,342	13.5%
Evado Filip AS	3,276,325	8.3%
Eden AS	2,240,125	5.7%
MP Pensjon AS	1,822,165	4.6%
S. Munkhaugen AS	1,714,325	4.3%
Harmonium Invest AS	1,667,075	4.2%
Verdipapirfondet DNB SMB	1,515,033	3.8%
Thunderstorm Invest AS	869,693	2.2%
Arepo AS	840,000	2.1%
Dymax Invest AS	819,109	2.1%
Top 10	20,097,192	51.0%
Others	19,313,887	49.0%
Total outstanding	39,411,079	100.0%

## Strong financial position

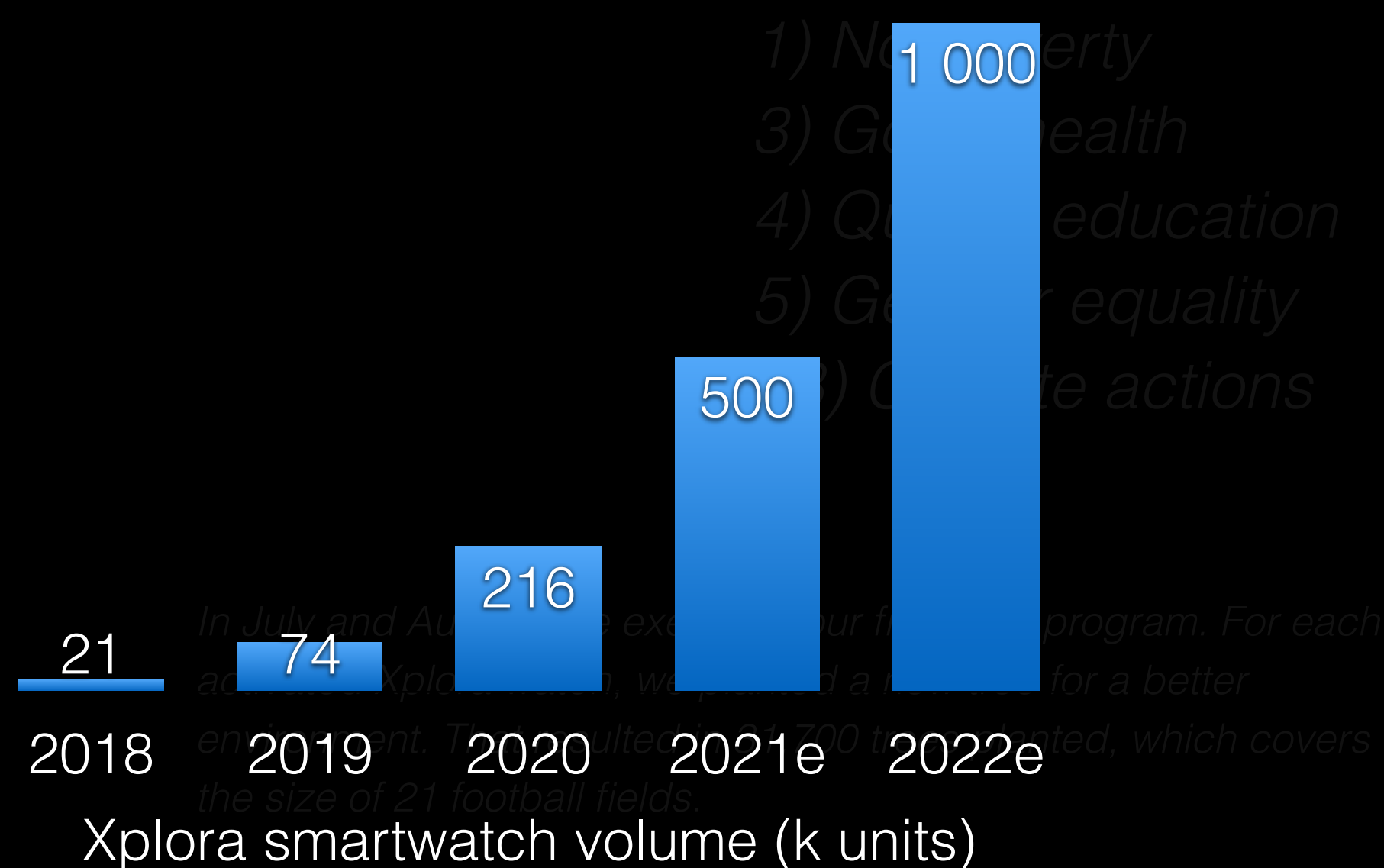
- Invested capital NOK +400m with NOK 245m cash balance at Q1 21
  - NOK 25m IB loan Innovasjon Norge
- 39.4m shares outstanding
  - Open shareholder structure
  - 7% held outside Norway
- NOK 153m private placement February 2021
  - Accelerate growth plan
  - Fund pursuit of M&A opportunities
  - Finance and ensure product development strong balance sheet





# Outlook

- On track to deliver on 500k unit target for 2021
- New services on schedule for commercial release Q3 21
- Expect Q2 21 smartwatch volumes > Q1 21
- XM operating leverage to drive sequentially improving earnings in Q2 21







# Play to move the world

- Xplora is a platform and services company targeting the next generation digital consumer
  - The kid's first smartwatch, mobile subscription, digital ecosystem and savings/payment services
- Strong growth and highly scalable business model
  - Industry leader in kids smartwatches with a range of new subscription services being offered, driving both scalability and profitability
- Strong financial base, open shareholder structure







# Play to move the world.

[xplora.com/investor](https://xplora.com/investor)

