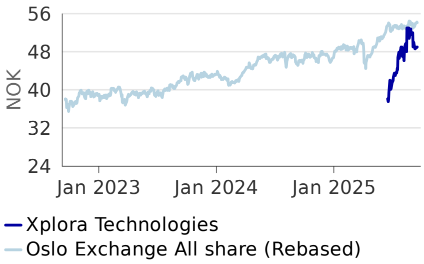
Xplora Technologies

Telecom Equipment and IT
Norway

KEY DATA

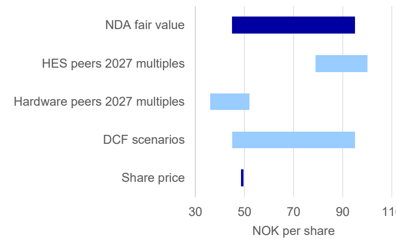
Stock country	Norway
Bloomberg	XPLRA NO
Reuters	XPLRA.OL
Share price, close	NOK 49.0
Free float	0.80
Market cap. (m)	EUR 188/NOK 2,186
Company website	
Next report date	14 November 2025

PERFORMANCE



Source: LSEG Data & Analytics

VALUATION APPROACH



Source: Company data and Nordea estimates

ESTIMATE CHANGES

NOK	2025E	2026E	2027E
Total revenue	n.a.	n.a.	n.a.
EBITDA (rep.)	n.a.	n.a.	n.a.
EBIT (adj.)	n.a.	n.a.	n.a.
PTP	n.a.	n.a.	n.a.
EPS (rep. NOK)	n.a.	n.a.	n.a.
EPS (adj. NOK)	n.a.	n.a.	n.a.
DPS (ord. NOK)	n.a.	n.a.	n.a.

Source: Company data and Nordea estimates

Nordea IB & Equity - Analysts

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Connecting a million families

Xplora is one of the leading players within smartwatches for kids and phones for seniors (65+), with almost two million devices sold annually. With the current rollout of subscriptions in the Youth and Senior segments, Xplora is becoming a family IoT company, connecting three generations on one platform. We envisage an increase in Xplora's number of subscribers to above 900,000 in 2028 (from ~350,000 in 2024), approaching the company's target of one million subscribers. We estimate a 32% service revenue CAGR for 2024-28, driven by rolling out connectivity to seniors. We initiate commissioned coverage of Xplora with a fair value range of NOK 45-95, based on different DCF scenarios, triangulated with peer multiples.

Structural demand for user-friendly and safer products

As the world becomes more connected, Xplora's products solve some key issues to the most vulnerable demographies - kids and seniors - by being user-friendly, enabling GPS tracking, parental guidance and an emergency button. With a strong market share in the Nordics, a total addressable market of around 200 million people and rising demand for safe and simpler mobile Internet for children and seniors, we argue that Xplora operates in an attractive niche market.

Low-hanging fruit yields 2024-28E EBITDA CAGR of 22%

The Doro acquisition triples the number of devices eligible for subscriptions. By leveraging Xplora's existing MVNO agreements in nine countries, the company can cross-sell high-margin connectivity to seniors, enabling it to increase its gross margin to 53% in 2028E due to a better product mix. We estimate that the subscriber base will exceed 900,000 in 2028, i.e. 2.5x increase from 2024. By using a run-rate conversion rate of 8% from 2027 onwards, we expect pro forma 2024-28 revenue and gross profit CAGRs of 11% and 14%, respectively, and an EBITDA CAGR of 22% through Xplora's scalable business model. A 7pp increase in the conversion rate to 15% for seniors implies an EBITDA uplift of 30% in 2028E, highlighting the importance of the conversion rate. Our base-case estimates show increasing cash generation, resulting in Xplora being net cash positive in 2028E, opening up for potential future M&A or capital distribution.

We estimate a fair value range of NOK 45-95

We value Xplora at a fair value range of NOK 45-95, based on different DCF scenarios, triangulated with peer multiples. Our DCF scenarios are based on different conversion rates for seniors of 5%, 8% and 15%, highlighting the synergy potential from the Doro acquisition. Xplora has no direct peer, but we look at hardware and hardware-enabled software peers that share similar traits with Xplora's revenue sources, i.e. devices and service.

SUMMARY TABLE - KEY FIGURES

NOKm	2021	2022	2023	2024	2025E	2026E	2027E
Total revenue	431	502	689	797	1,915	2,070	2,317
EBITDA (adj.)	19.2	-33.5	33.7	71.0	230	268	350
EBIT (adj.)	-16.1	-84.7	-22.8	26.7	164	210	290
EBIT (adj.) margin	-3.73%	-16.9%	-3.32%	3.35%	8.59%	10.1%	12.5%
EPS (adj. NOK)	-0.46	-1.83	-0.65	0.19	-0.65	2.44	3.72
EPS (adj.) growth	41.6%	-294%	64.5%	129%	-440%	476%	52.4%
DPS (ord. NOK)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	n.a.	n.a.	n.a.	n.a.	0.23	0.16	0.08
EV/EBIT (adj.)	n.a.	n.a.	n.a.	n.a.	2.66	1.60	0.64
P/E (adj.)	n.a.	n.a.	n.a.	n.a.	n.m.	20.1	13.2
P/BV	n.a.	n.a.	n.a.	n.a.	0.00	0.00	0.00
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	0.00%	0.00%	0.00%
FCF yield before A&D, lease-adj.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.
Net debt	-23.7	-50.4	-123	-146	341	232	68.9
Net debt/EBITDA	-1.24	n.m.	-3.65	-2.05	1.66	0.87	0.20
ROIC	-7.28%	-20.0%	-5.27%	8.57%	30.7%	24.4%	33.3%

Source: Company data and Nordea estimates

Contents

Factors to consider when investing

Xplora has a solid European market position within smartwatches for kids and phones for seniors, the latter through the acquisition of Doro. We see continued growth prospects for Xplora, driven by the rollout of connectivity for seniors (65+) and youth (10-15 years) and the company continuing to increase its presence in the Kids segment. As service revenue is associated with high margins and given Xplora's scalable business model, we expect profitability to strengthen. Hence we value Xplora at a fair value range of NOK 45-95 per share, based on our DCF scenarios coupled with a peer valuation approach.

Strong brands, high market share and niche segments fuelled by structural safety trends

Xplora has strong brands with an existing customer base in its existing markets: Xplora smartwatches have an 18% market share in Norway (Xplora's most mature market) and Doro has a 97% market share in the Nordics, according to the company. High brand recognition is coupled with solutions to structural hardware and software issues in each vertical, such as larger buttons, simpler interfaces and emergency functions for seniors, and location, SOS functions and parental controls for kids. Added to this is a total addressable market of 200 million, according to WHO, and rising demand for devices and services to help vulnerable demographies operate safely on the internet in an increasingly digitalised world.

Xplora platform connecting three generations

OVERVIEW OF HOW THE XPLORA PLATFORM COULD CONNECT ALL GENERATIONS AND DEVICES ON ONE PLATFORM

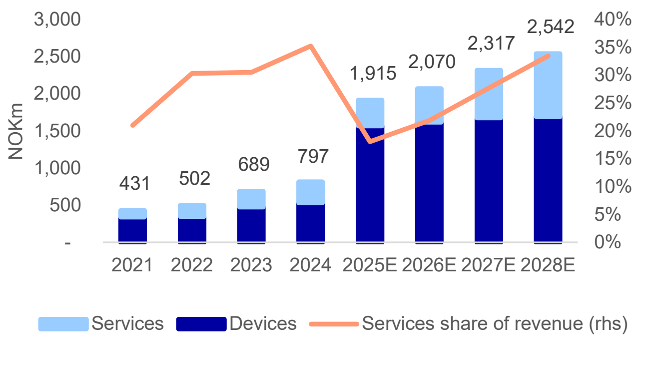
Source: Company data and Nordea

New verticals, products and services: 2024-28E EBITDA CAGR of 22%

2025 has been a transformative year for the company

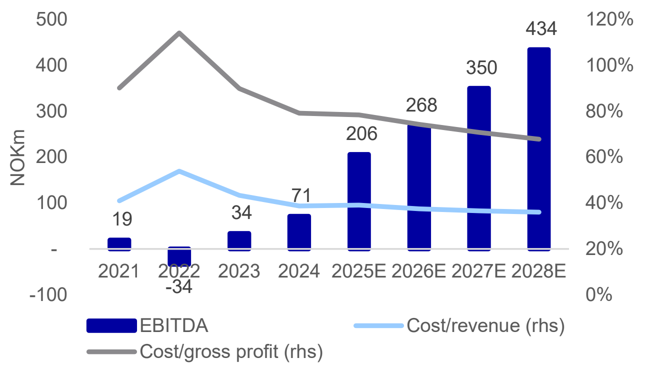
2025 has been a transformative year for Xplora. It has entered two new verticals (youth and seniors) through the launch of HMD Fusion smartphones for youth and entry into the senior segment through the acquisition of Doro, which has increased the potential number of subscription customers threefold compared to 2024. The company is currently rolling out subscription services through the two new verticals. On a pro forma basis, we estimate a 2024-28 revenue CAGR of 11% and a gross profit CAGR of 14%, largely driven by increased subscription services through the two new verticals, but also from Xplora's already established vertical (Kids). Due to the scalability of the business, we estimate a 2024-28 EBITDA CAGR of 22%.

REVENUE AND SERVICE SHARE OF TOTAL REVENUE



Source: Company data and Nordea estimates

DECREASING COST THROUGH SCALE



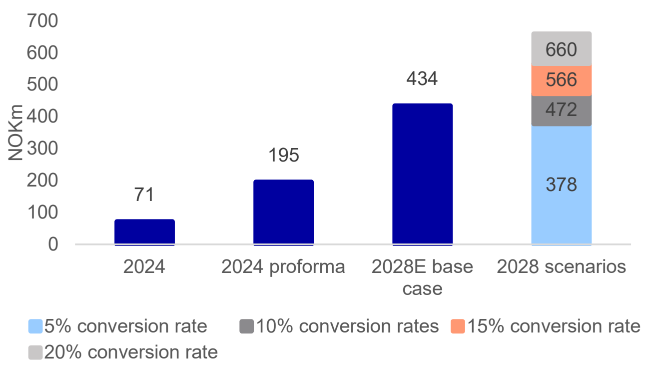
Source: Company data and Nordea estimates

Rolling out connectivity to Doro's existing senior phone sales is key

Higher senior conversion rate could lift 2028E EBITDA by 30%

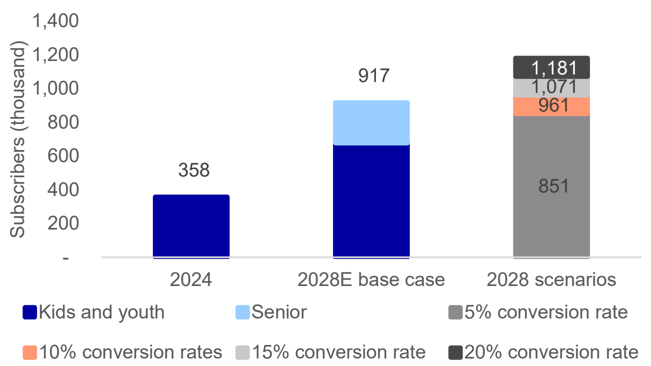
We argue that the key synergy potential from the Doro acquisition is related to rolling out connectivity to Doro's existing senior phone sales (1.1 million units annually). As the run-rate conversion potential remains a black box, we estimate the EBITDA impact of different conversion rate scenarios for 2027-28. A 2% increase in the conversion rate to 10% gives a NOK 38m uplift to 2028E EBITDA, while a 15% conversion rate could lift EBITDA by 30%. A successful rollout of connectivity will play an important role in Xplora reaching its target of one million subscribers; Xplora would reach this target in 2028E with a 15% conversion.

XPLORA: EBITDA SENSITIVITY FROM SENIOR SEGMENT



Source: Company data and Nordea estimates

SUBSCRIBER BASE POTENTIAL AT DIFFERENT CONVERSION RATES



Source: Company data and Nordea estimates

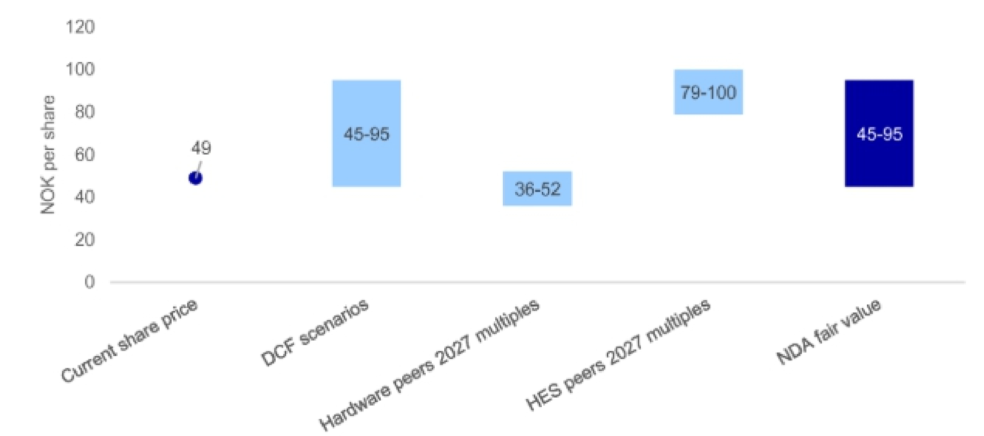
Valuation highly sensitive to the conversion rate

We estimate a fair value range of NOK 45-95

We estimate a fair value range of NOK 45-95 on a fully diluted basis. Our DCF scenarios demonstrate sensitivity to the conversion rate in the Senior segment at 5%, 8% and 15% conversion rates, highlighting the synergy potential from the Doro acquisition. With no direct peers, we look to other hardware and hardware-enabled software peers with similarities to Xplora's revenue segments (i.e. devices and services) to triangulate our DCFs.

We initiate coverage with a fair value range of NOK 45-95 per share

VALUATION SUMMARY (AS OF 15 SEPTEMBER 2025)

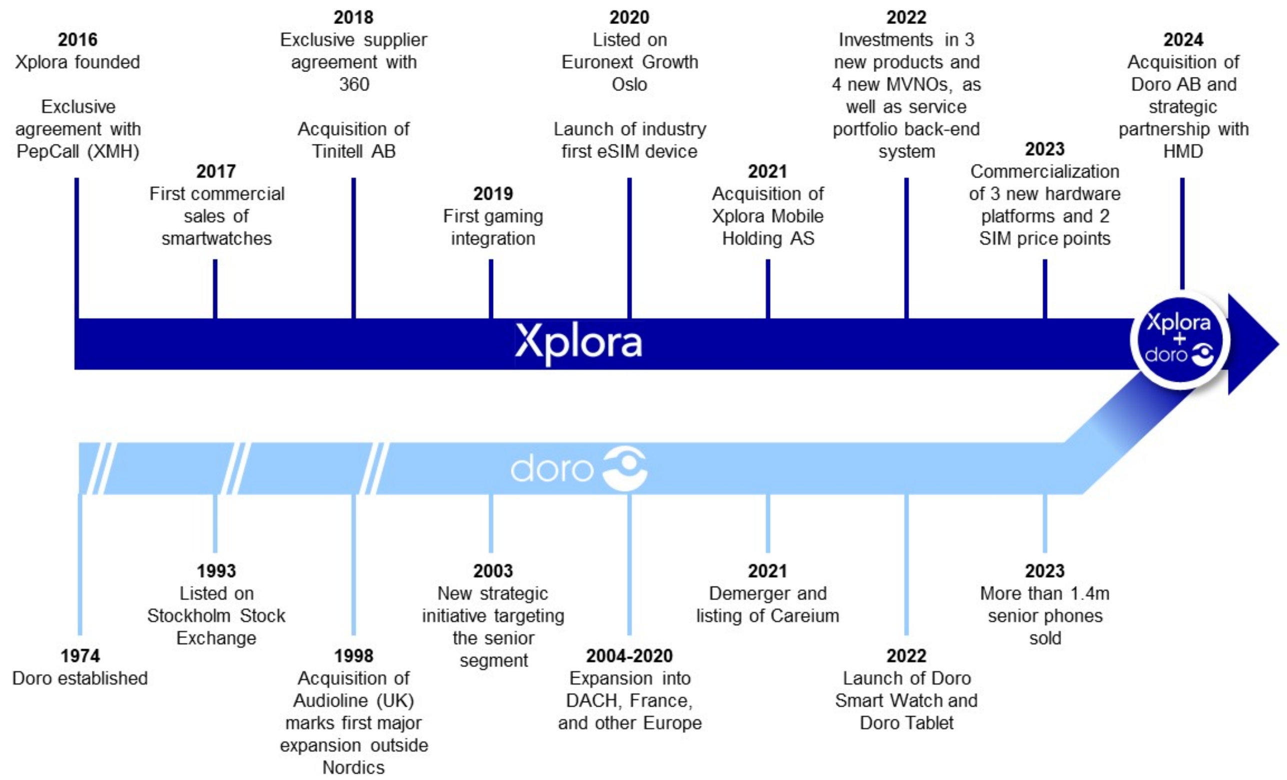


Source: Company data and Nordea estimates. Note: HES = Hardware-enabled peers

Introducing Xplora

Xplora Technologies is a leading Norwegian-based company in the Internet of Things (IoT) sector. The company develops connected smartwatches for kids as well as phones for young people and seniors. The company offers a secure digital ecosystem through its IoT-enabled devices and subscription services. Xplora's growth in recent years has given it a solid footprint in Europe and the US, and with the recent acquisition of Doro and the launch of its first smartphone for teens, the company aims to reach one million subscriptions within four years, from the current level of above 430,000 (August 2025).

TIMELINE OF XPLORA TECHNOLOGIES



Source: Company data and Nordea

Xplora's original mission was to introduce children to digital life safely with its products...

Xplora's journey began in 2016

Xplora was founded to provide children with a safe introduction to digital life through its smartwatches and IoT platform. During the first couple of years, the company signed distribution and supplier agreements, as well as completing its Family IoT platform. In 2018, the company also acquired the Swedish smartwatch company Tinitell AB. Xplora sold its first smartwatches in 2017, and by 2019 it had sold a total of almost 100,000 units.

Listed in 2020

At the end of 2020, Xplora Technologies went public on Euronext Growth Oslo. Since 2020, the company has continued its growth journey, successfully patenting its IoT platform, launching an industry-first eSIM device in its smartwatch category, as well as acquiring Xplora Mobile Holding AS (previously PepCall).

Investing to become profitable

Following significant IP/capex investments during the first couple of years as a listed company, the company grew revenues from NOK 200m in 2020 to NOK 813m in 2024. It has frequently launched new products and services while expanding geographically into its nine core markets: the four Nordic countries, Germany, the UK, France, Spain and the US.

...and it has since expanded into the senior (65+) segment

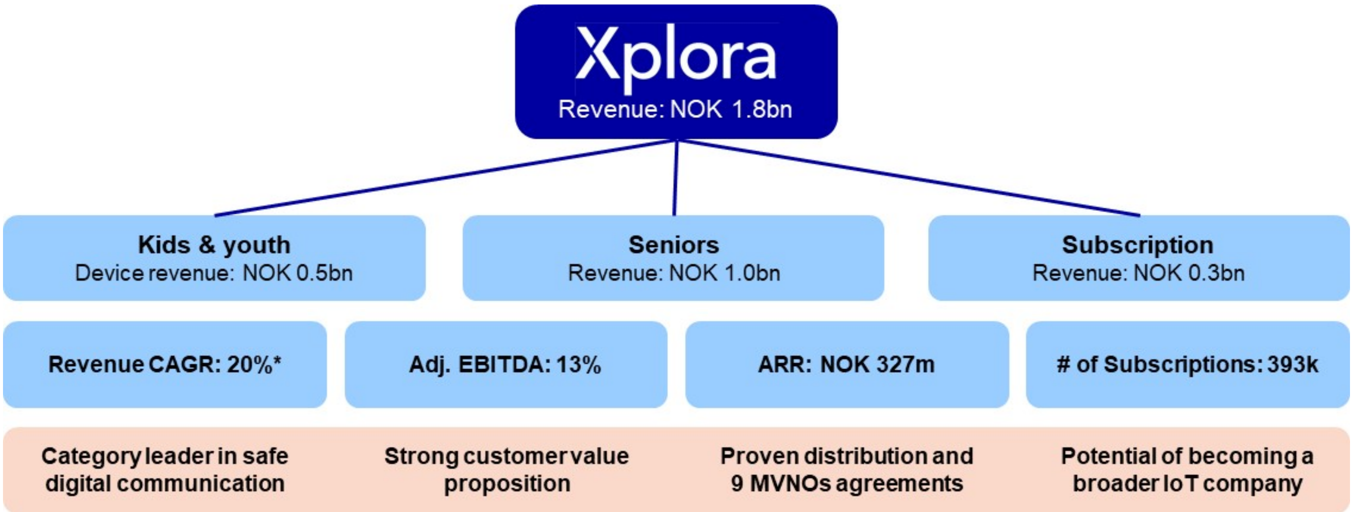
Entering the senior segment (65+) through the acquisition of Doro

In September 2024, Xplora announced a public offer for Doro AB, a leading Swedish technology brand for seniors and a European market leader in phones for seniors, with more than 1.5 million units sold each year. The rationale behind the acquisition was to utilise the Doro brand to unlock the senior (65+) customer segment as a new strategic initiative, while leveraging Xplora's IoT capabilities and subscription-based services to improve earnings visibility by increasing recurring revenues, thereby opening up a large revenue potential. The bid was formalised in January 2025 and Xplora acquired 88.3% (89.6% as of Q2 2025).

Entering the youth segment with Smartphone launch through HMD partnership

In March 2025, Xplora together with HMD launched its first smartphone for teens, aiming to increase the customer lifetime for younger individuals. The youth smartphone allows for a transition from smartwatch to smartphone, decreasing customer churn and increasing the expected customer lifetime.

OVERVIEW OF XPLORA, Q2 2025 LTM PRO FORMA



Source: Company data and Nordea
Note: Revenue CAGR for Q3 2021-Q2 2025 for Kids & Youth segment

Revenues are derived from products for kids, teens and seniors, as well as subscriptions, revenue-sharing agreements and service fees

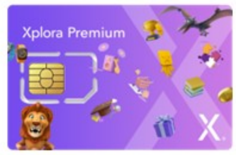
Segments and product offering

Xplora Technologies' revenues are divided into three segments: Kids & Youth, Senior and Subscription. The company has segment-specific products such as smartwatches for kids and senior mobile products for the elderly, while subscription-based products are offered across the three categories of kids, youth and seniors. The company has also established revenue-sharing agreements with telecom operators, as well as service fees when an Xplora watch is used with a connectivity subscription from another telco. Going forward, when we write Xplora in this report, we are referring to the Xplora group (including Doro), while Kids & Youth refers to the "old" Xplora and the Senior segment refers to Doro.

Kids segment

Within the Kids segment (4-10 years), Xplora offers three smartwatch models: Go, Play and Pro. The Go model (XGO3) offers basic functionality as the entry-level option, while the Play (X6Play) model features enhanced performance, more storage and better display. The Pro (X6Pro) model is the premium version with the most advanced features such as improved connectivity and durability. Xplora also offers two subscription plans for its smartwatches - Basic and Premium. Both subscription plans offer unlimited calls and GPS tracking, while the premium subscription also offers access to the Xplora Activity Platform and parental control. Both subscriptions are offered on a monthly or annual basis, where the annual plan is offered at a discount.

SELECTED OFFERINGS FOR KIDS

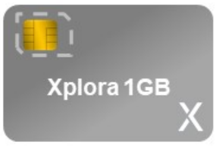
Smartwatches			Smartwatch subscriptions	
XGO3	X6Play	X6Pro	Basic	Premium
				
NOK 1,790	NOK 2,490	NOK 2,795	NOK 129/month	NOK 159/month
Age : 4 - 7 years	*Age: 7 - 9 years*	*Age 8 - 12 years*	*Basic connectivity*	*Full access*
✓ Call functionality ✓ GPS Tracking × 5MP Camera × eSIM supportive × Android 11 system	✓ Call functionality ✓ GPS Tracking ✓ 5MP Camera ✓ eSIM supportive × Android 11 system	✓ Call functionality ✓ GPS Tracking ✓ 5MP Camera ✓ eSIM supportive ✓ Android 11 system	✓ Unlimited calls ✓ GPS tracking × Access to Xplora Activity Platform × Parental control	✓ Unlimited calls ✓ GPS tracking ✓ Access to Xplora Activity Platform ✓ Parental Control

Source: Company data and Nordea

Youth segment

For the Youth segment (10-15 years), Xplora offers a smartphone, HMD Fusion X1, released in March 2025 in partnership with HMD. The phone offers a broader introduction to digital life, while still having GPS and location tracking, limited access to social media, and a focus mode to limit access during school or bedtime hours. The Basic and Premium subscriptions are compatible with the smartphone, and the strategic initiative to focus on kids aged ten or older enhances the expected customer lifetime.

SELECTED YOUTH OFFERINGS

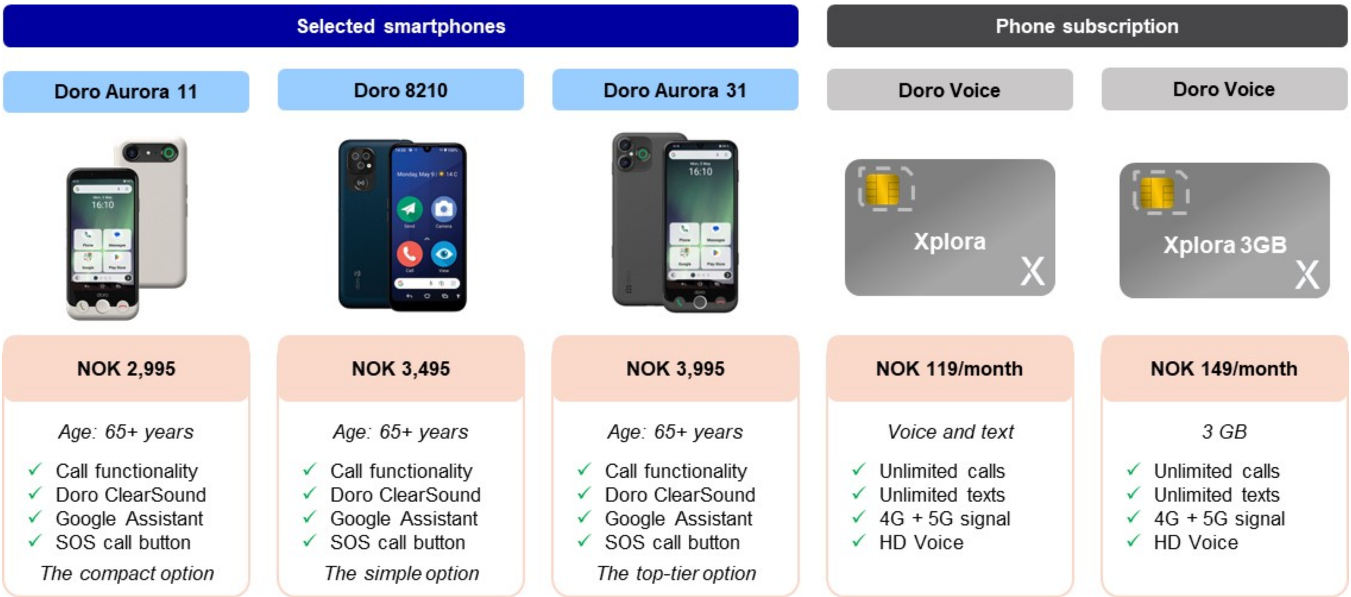
Smartwatch	Smartphone	Selected phone subscriptions		
X6Pro	HMD Fusion X1	Basic	Standard	Premium
				
NOK 2,795	NOK 3,490	NOK 179/month	NOK 229/month	NOK 299/month
Age 8 - 12 years	*Age: 10 - 15 years*	*1 GB*	*3 GB*	*8 GB*
✓ Call functionality ✓ GPS Tracking ✓ 5MP Camera ✓ eSIM supportive ✓ Android 11 system	✓ Call functionality ✓ GPS Tracking ✓ Social Media and screen time control ✓ Restricted browser	✓ Unlimited calls ✓ Unlimited texts ✓ 4G + 5G signal ✓ HD Voice ✓ BankID included	✓ Unlimited calls ✓ Unlimited texts ✓ 4G + 5G signal ✓ HD Voice ✓ BankID included	✓ Unlimited calls ✓ Unlimited texts ✓ 4G + 5G signal ✓ HD Voice ✓ BankID included

Source: Company data and Nordea

Senior segment

Following the acquisition of Dora, Xplora also offers phones for seniors (65+ years). The senior phone has large buttons, Doro ClearSound technology to enhance sound clarity for seniors, as well as help at the push of a button with the Doro Assistance Button with GPS positioning. As of year-end 2024, the senior segment had no recurring revenue, and the strategic rationale of the Doro acquisition is to increase subscription revenue going forward. From Q2 2025, newly sold senior phones will have a pre-installed Sim card with the option to activate it, and Xplora plans to release a smartwatch for the elderly, based on the X6Pro for Kids.

SELECTED OFFERINGS FOR SENIORS



Source: Company data and Nordea

Creating an ecosystem where kids, parents and grandparents are all connected

Xplora is now a family IoT powerhouse

Across the kids, youth and senior segments, Xplora's Global IoT Connect platform offers solutions for family IoT products, while the company operates as a mobile virtual network operator (MVNO) in its core markets through established agreements with telcos. With its entry into the youth and senior segments, Xplora is currently onboarding the new verticals into its platform, thereby creating an ecosystem where kids, parents and grandparents are all connected. The ability to extend its offering further across the youth and senior segments is supportive of Xplora's growth journey while lowering the overall risk profile due to increased diversification.

OVERVIEW HOW THE XPLORA PLATFORM COULD CONNECT ALL DEMOGRAPHICS AND DEVICES ON ONE PLATFORM

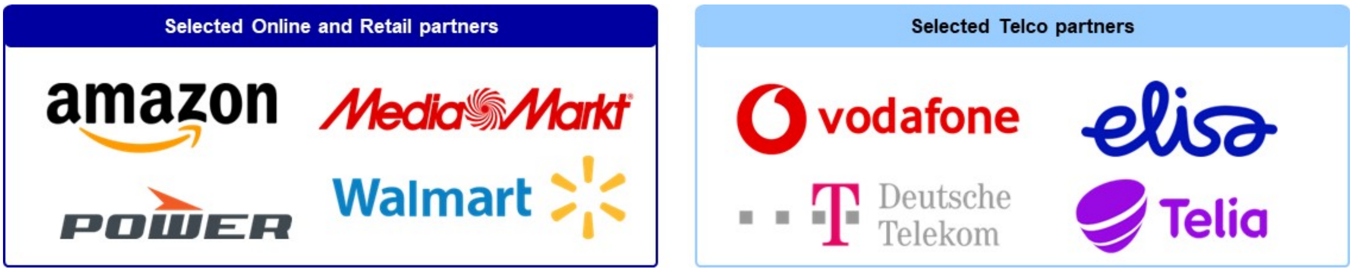
Source: Company data and Nordea

Xplora's distribution mix

Online retail and telco distribution channels

Xplora has three distribution channels: online, retail and telco. Through Xplora's website and Amazon, the company offers digital D2C sales, while Amazon distributes Xplora's products both within and outside Xplora's nine core markets. The company has also established a wide distribution network across major markets through retailers, driving volumes through its physical retail outlets and online sales channels. Major retail partnerships include Amazon, Walmart and MediaMarkt. Lastly, Xplora has successfully entered distribution agreements with more than 20 telecom operators. Operating as an MVNO and entering revenue-sharing agreements offers vast potential, in our view. For example, the Deutsche Telekom partnership in particular has been an important driver of growth in Germany in the Kids segment. There are some differences among Xplora's segments in terms of partnerships in different geographies, where we argue that Xplora could leverage existing strong partnerships in the Senior segment into the Kids segment.

SELECTED ONLINE, RETAIL AND TELCO PARTNERS



Source: Company data and Nordea

Xplora's distribution mix has been relatively stable across retail, D2C and telco, and the Kids segment and the Senior segment (Doro) have similar distribution mixes in their nine core markets. Retail is the largest distribution channel, accounting for 40% of device sales, while 30% of devices are sold through telco partnerships. The remaining 30% are sold D2C, with Xplora's own website accounting for 10% and Amazon for 20%. Devices sold through D2C are sold with SIM and devices sold through retail can also be sold with attached SIM, which implies that 70% of devices sold could be potential connectivity customers. According to the company, devices sold through its own website have almost a 100% conversion rate from devices sold to subscriptions in the Kids segment.

DISTRIBUTION CHANNELS IN NINE CORE MARKETS

Source: Company data and Nordea

Xplora's revenue streams

Revenues come from either device sales or services

Xplora's revenues come from either device sales or services. Sales of smartwatches as well as youth and senior phones generate one-time revenues, while service revenues are recurring. Service revenues are generated though connectivity subscriptions, access to Xplora's Activity Platform, revenue-sharing agreements or service fees.

Connectivity has the highest revenue, ARPU and subscribers of the four subscription offerings

Xplora offers connectivity subscriptions through its nine MVNOs, compatible with both its smartwatches and smartphones. To access the smartwatch features, parents must pay monthly or yearly subscription fees in order to gain access to critical features such as GPS tracking and call functionality. Similarly, the mobile subscriptions for youth and senior smartphones enable web browsing and call functionality at different price points based on the GB amount per month. The mobile phone subscriptions offer access to Xplora's Activity Platform, while the smartwatch subscriptions require an additional charge of NOK 24 per month to access the platform. Connectivity subscription is the highest part of subscription in terms of revenue, ARPU and subscription base, where the rollout in the Senior segment is an additional growth lever.

Activity platform gives additional upsell potential to existing connectivity customers and can be offered to all devices

The Xplora Activity Platform is a premium add-on feature of the kids' smartwatches, which motivates and engages kids to be active, rewarding children for physical activity. Children can earn Xplora coins through physical activity, which can be used to participate in over 100 games in the Arcade section of the smartwatch. The platform increases ARPU while promoting a safe and active lifestyle, with screen time limits and enabling parents to have full visibility into their children's location and activity levels, all while being able to safely call and message their children. The activity platform gives additional revenue sources for Xplora, as it is an add-on service for connectivity in the Kids segment, but also to consumers using their devices outside their MVNO operation or who have a different connectivity plan in the company's nine core markets (e.g. devices sold through telcos).

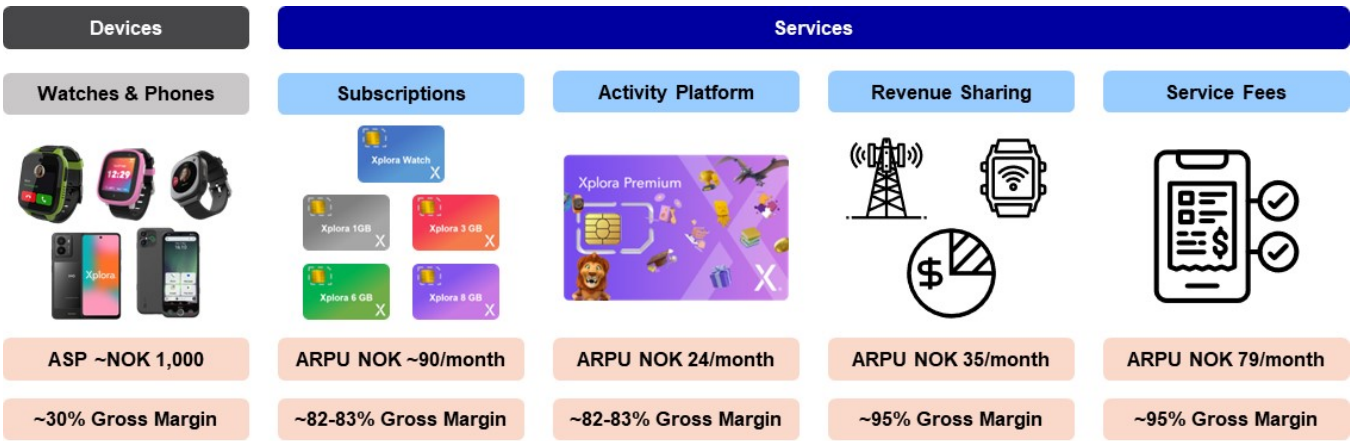
Revenue-sharing could increase revenue with no incremental opex required

Telecom partnerships generate B2B service revenues through revenue-sharing agreements. When telcos distribute Xplora's hardware, these tend to be bundled with the telcos' own connectivity subscriptions. The revenue-sharing agreements involve Xplora getting a percentage of the connectivity subscriptions sold by telcos together with Xplora watches. As the revenue-sharing agreements were only introduced in 2023, only agreements entered with telcos after this and going forward include revenue-sharing. With all future agreements expected to include a revenue-sharing element, this provides solid upside potential to Xplora's profitability outlook, with a gross margin close to 100%, as no incremental opex is required.

Service fees enable Xplora to capture subscription revenue on all devices sold

Service fees are the newest revenue stream, initially implemented in the Nordic markets. When an Xplora watch is used in combination with a connectivity subscription from another telco, the service fee activates. The fee is intended to cover development, operation and maintenance of Xplora's technical platforms and services, and gives the user access to Xplora's Activity Platform.

REVENUE SOURCES



Source: Company data and Nordea

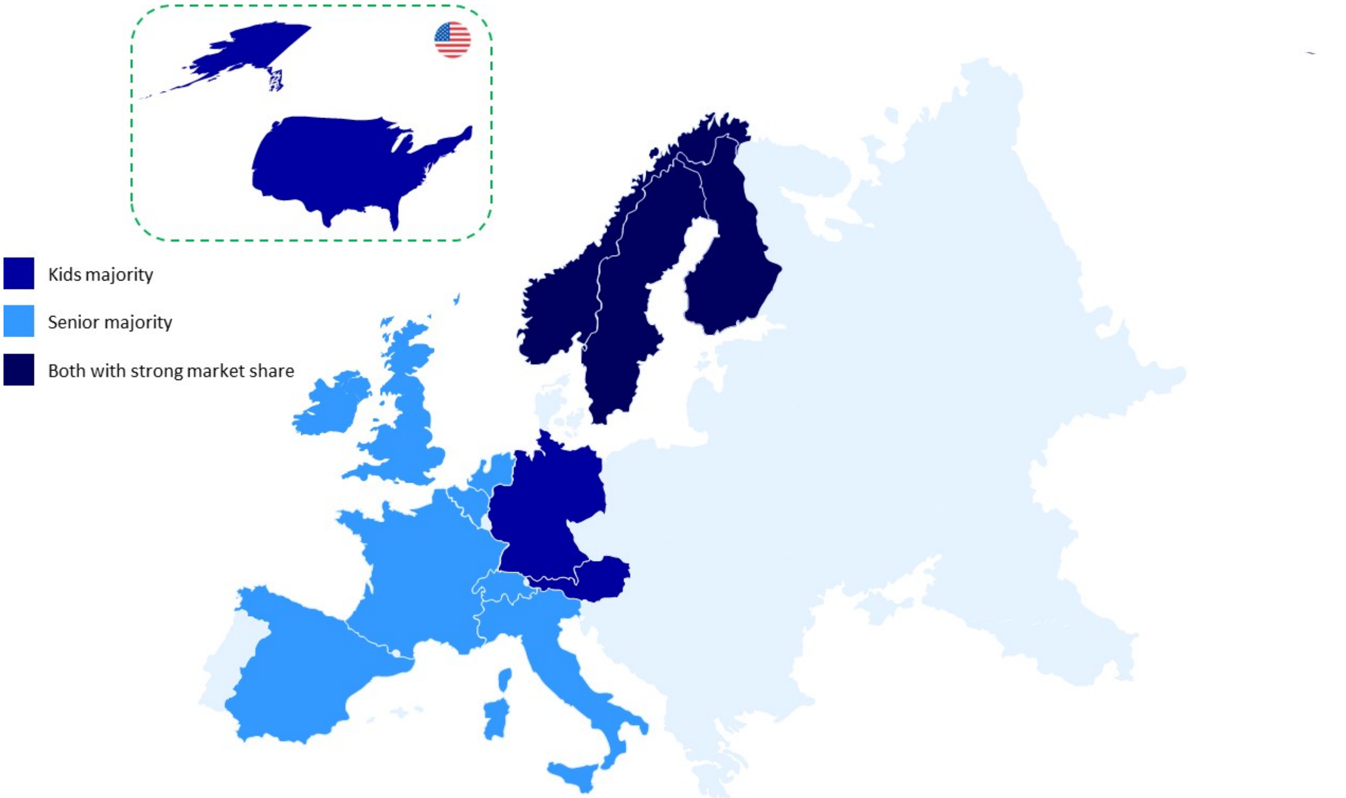
Operating as an MVNO is a key part of Xplora's business model, providing earnings visibility and stability over time

Nine core markets

Xplora's core markets are the four Nordic countries, Germany, the UK, France, Spain and the US. Xplora has a high market share in the Nordics in the Kids and Senior segments, where it also has a strong presence in Germany (kids) and in the UK and France (Senior). The company also distributes to other countries through Amazon and other online retailers. In each of Xplora's core markets, the company operates as a mobile virtual network operator (MVNO) through partnership agreements with telecom operators. Operating as an MVNO allows for Xplora's subscription-based services in addition to device sales, generating recurring revenues, in contrast to single-purchase revenues from device sales. Operating as an MVNO is therefore a key part of Xplora's business model, providing earnings visibility and stability over time.

When Xplora entered the senior segment through the acquisition of Doro, it increased its overall product offering, making it more relevant and strengthening existing partnerships, but also opening up the possibility for future partnerships, we argue. Xplora could also use the French and UK markets, which are strong in the senior segment, to leverage existing partnerships and experience to the Kids segment, and vice versa. We also argue that having nine established MVNOs gives Xplora the skills and knowledge to expand into new countries. We see some untapped potential to further expand its MVNO operations into new geographies at relatively low cost (NOK 4-8m per new country entered, according to the company) and increase its total addressable market (TAM). (See chapter: "Current rollout and future potential" for more details).

XPLORA'S NINE CORE MARKETS



Source: Company data and Nordea

The road to one million subscribers

Doro acquisition has enabled Xplora to fast-track subscriber growth for seniors, an important segment for reaching one million subscribers. Xplora's target is to reach one million subscribers within the next four years. The Doro acquisition has enabled the company to enter the senior vertical, where Doro already has an existing market of ~1.4 million sold devices in 2024, where around one million devices are phones. Xplora is currently rolling out subscriptions to the senior and youth segment. The conversion rate of senior subscriptions is the most important aspect of the synergy potential from the Doro acquisition to reach the one million subscriber target. Here, even a small percentage point change to the conversion rate has a large impact of profitability for Xplora (see chapter entitled "All eyes on the conversion rate in Doro" for further details).

XPLORA'S ROAD TO ONE MILLION SUBSCRIBERS

Source: Company data and Nordea

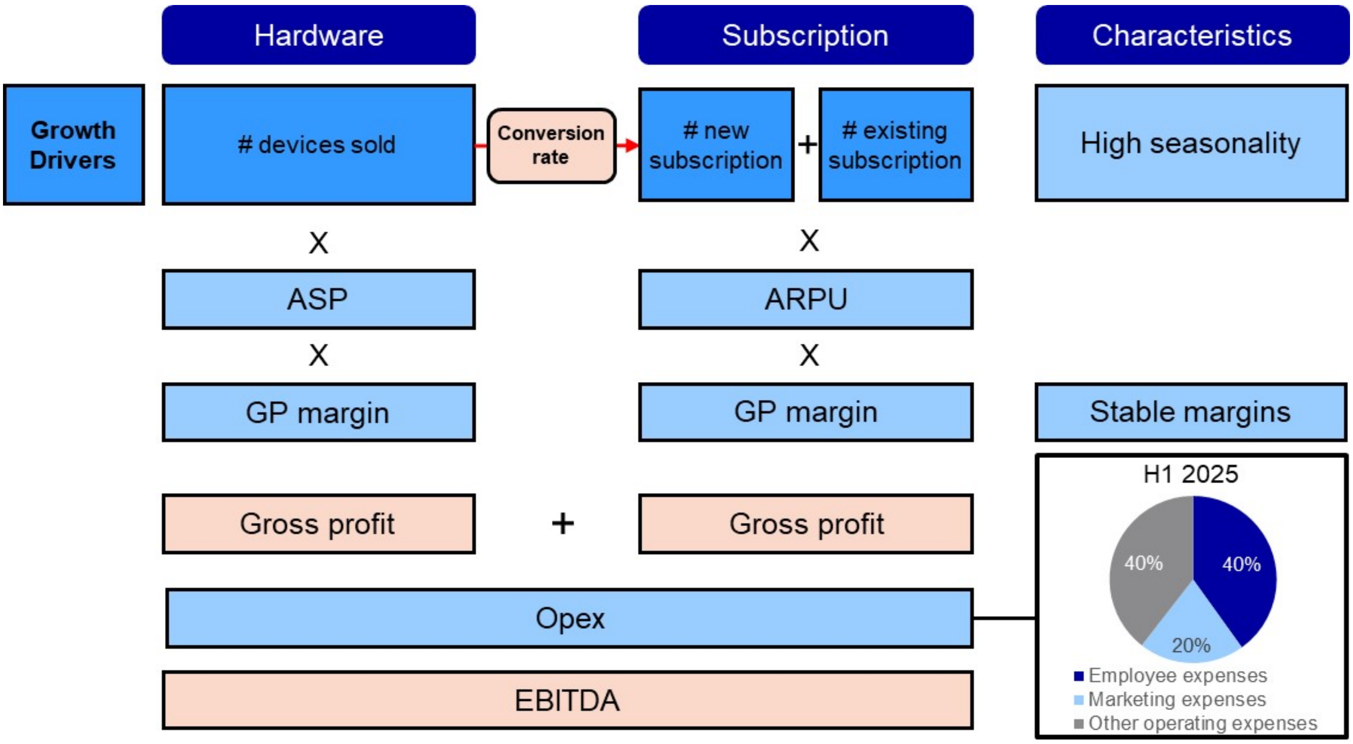
Profit mechanics

Xplora's profitability is highly affected by the volume of devices sold and the conversion rate from sold devices to subscriptions. Xplora has seen an increase in the conversion rate in the Kids segment with the introduction of new subscription services. Given the increased base of sold devices following the acquisition of Doro (from around 500,000 units to around 1.9 million units) and the subsequent rollout of subscriptions for the Senior segment, there is large potential to convert senior devices to Xplora's proven subscription business model for kids.

Key profit drivers are volume of devices and conversion rate

Xplora's key profit drivers are the volume of devices sold and the conversion rate between sold devices and subscriptions. Below, we provide an overview of the profit dynamics for Xplora.

PROFIT MECHANICS FOR XPLORA'S TECHNOLOGIES



Source: Company data and Nordea

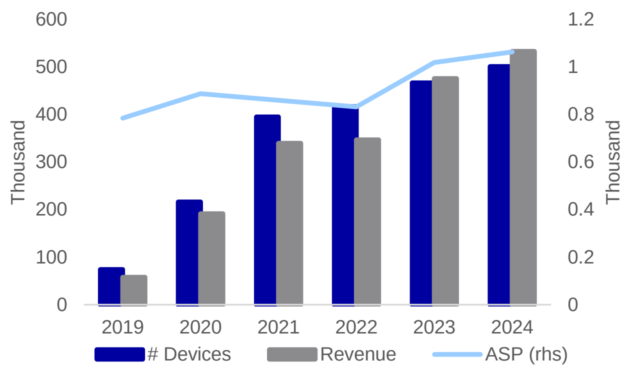
Revenue

H1 2025 for Xplora as a group: 80% of revenue from devices and 20% from subscriptions

Xplora's main revenue sources are selling devices and subscriptions. In H1 2025, 80% of revenue came from devices and 20% from subscriptions. The Doro acquisition changed Xplora's device-to-revenue mix, and we expect the Kids & Youth segment (old Xplora) to have a 50/50 revenue split between devices and subscriptions in H2 2025. The most important driver of subscription growth is the conversion rate.

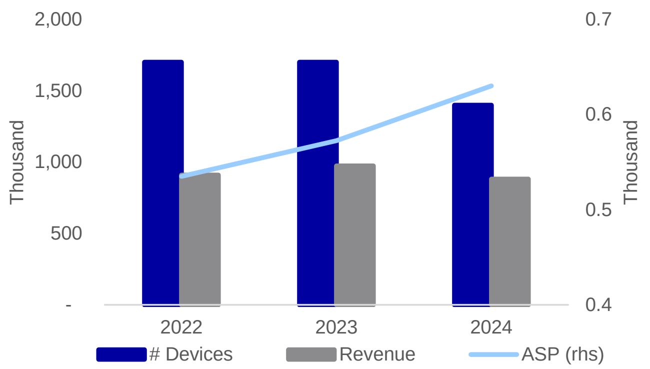
- **Devices**: Devices are divided into two financial segments: Kids & Youth (old Xplora) and Senior (Doro). Xplora has seen a steady increase in the number of smartwatches sold, from around 74,000 in 2019 to around 500,000 in 2024. Importantly, it has also been able to increase the average selling price (ASP), from NOK ~850 pre-2023 to above NOK 1,000, largely driven by new product launches and a favourable EUR/NOK rate. The Senior segment (Doro) has historically had a large product offering (phones, earbuds, doorbells, etc.) but has streamlined its product offering in recent years with a focus on phones. This has resulted in a falling number of devices sold, from 1.7 million in 2022 to 1.4 million in 2024. However, the Senior segment increased its ASP from NOK ~530 in 2022 to NOK ~630 in 2024. Xplora experiences seasonality in its sales for both segments, with Q1 usually a slow quarter.

KIDS: REVENUE (NOK '000) AND DEVICES SOLD



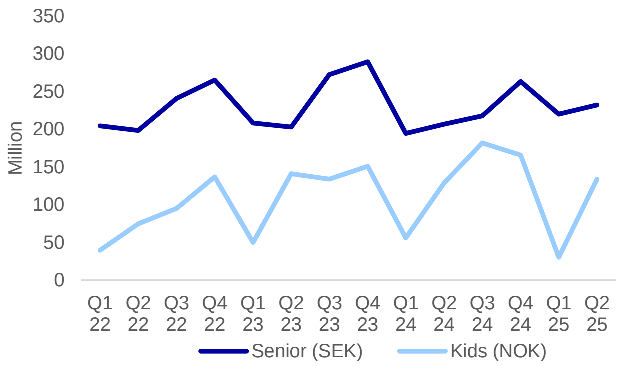
Source: Company data and Nordea

SENIOR: REVENUE (SEK '000) AND DEVICES SOLD



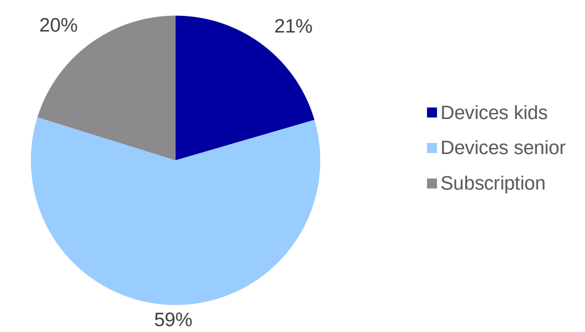
Source: Company data and Nordea

KIDS AND SENIOR: REVENUE SEASONALITY



Source: Company data and Nordea

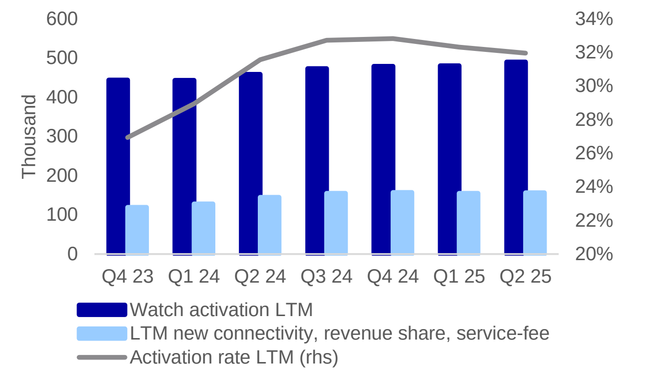
XPLORA: H1 2025 REVENUE SPLIT



Source: Company data and Nordea

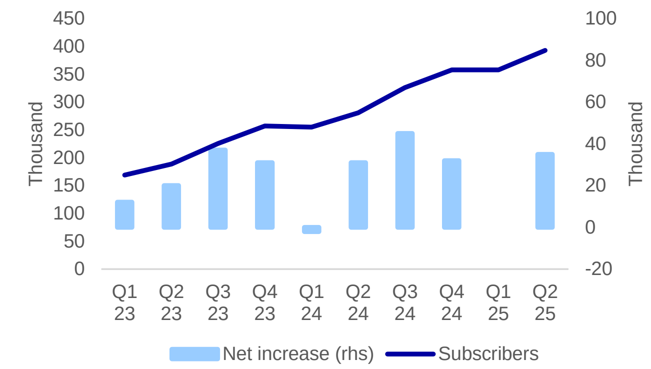
- **Subscriptions**: The most important driver of subscription growth is the conversion rate from sold devices to end users to subscriptions. We have seen an increase in the conversion rate of unique customers (excluding premium) from total watch activation in the Kids segment, from 27% in LTM Q4 2023 to 32% in Q2 2025, meaning that 32% of subscriptions are bought for all activated smartwatches. The LTM conversion rate has been relatively stable at 32-33% since Q2 2024. When only looking at Xplora's core markets where it has MVNO operations (roughly 85-90% of all kids devices are activated in these markets), the conversion rate increased from 26% in LTM Q2 2023 to 37% in Q2 2025. Since the conversion rate is expressed as a percentage of the number of devices sold (or, more correctly, activated smartwatches), there is also some seasonality to subscriber growth. Xplora's churn rate has historically been 3% on a monthly basis (see chart below), meaning that the average end customer has a connectivity subscription for slightly less than three years. With the introduction of add-on services on top of connectivity and/or by capturing subscribers not eligible for connectivity, Xplora has increased its subscriber base. This has resulted in a reduction in ARPU, as the add-on service has a lower ARPU than connectivity, but in practice it adds extra subscriber revenue by providing extra services for connectivity users (premium) or capturing recurring revenue from users who are not eligible or who have a different connectivity provider.

STABLE CONVERSION RATE IN KIDS



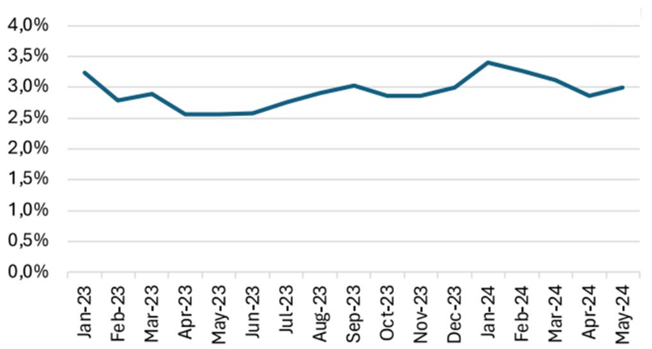
Source: Company data and Nordea

BACK-TO-SCHOOL (Q3) IS THE STRONGEST QUARTER FOR THE KIDS SEGMENT



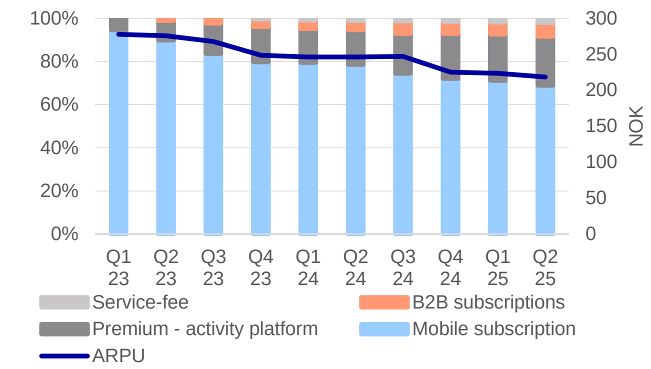
Source: Company data and Nordea

CHURN STABLE IN THE KIDS SEGMENT AT 3% ON A MONTHLY BASIS



Source: Company data and Nordea

FALLING QUARTERLY ARPU FROM SUBSCRIPTION MIX IN KIDS



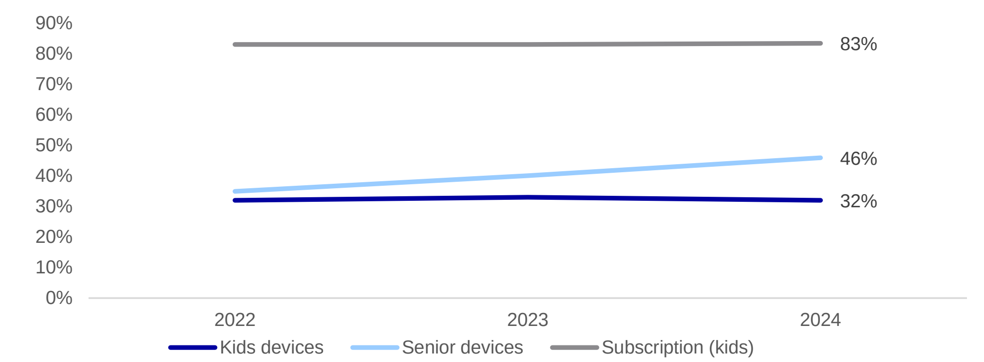
Source: Company data and Nordea

There has been a structural change in the Senior segment's gross profit margin due to a more streamlined product mix

Gross profit

For the last three years, Xplora's devices and subscriptions (only offered in the Kids segment during this period) have shown a relatively stable gross profit margin, with devices at 32-33% and subscriptions at 83%, with kids' devices having seen a structural improvement from new-generation products and favourable FX movements. The Senior segment improved its gross profit margin from 34% in 2022 to 46% in 2024, largely driven by a better product mix (feature phones and smartphones) and some FX headwinds. There has been a structural change in the Senior segment's gross profit margin, primarily owing to a more streamlined product mix with a greater focus on higher-margin devices such as feature phones and smartphones.

GROSS MARGIN DEVELOPMENT, 2022-24



Source: Company data and Nordea estimates

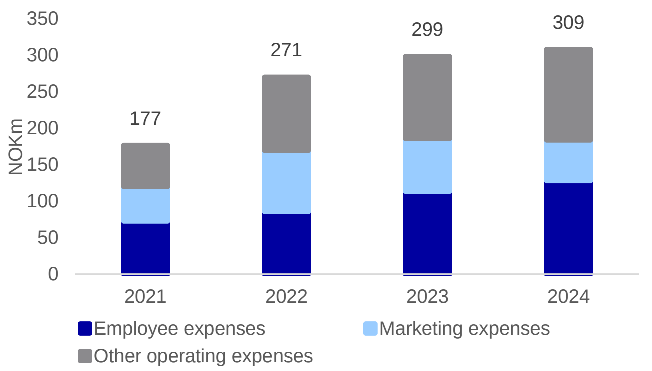
Operating costs

The Kids segment has been able to grow its top line faster than the operating base

Operating costs include employee expenses, marketing costs and other opex, and the split in the Kids segment (old Xplora) has been ~40%/20%/40% since 2023. Owing to economies of scale, the Kids segment has been able to grow its top line faster than the operating base: the share of opex to revenue decreased y/y to 39% in 2024 (2022 opex was elevated due to investments in scaling and the organisation that materialised on the top line in 2023).

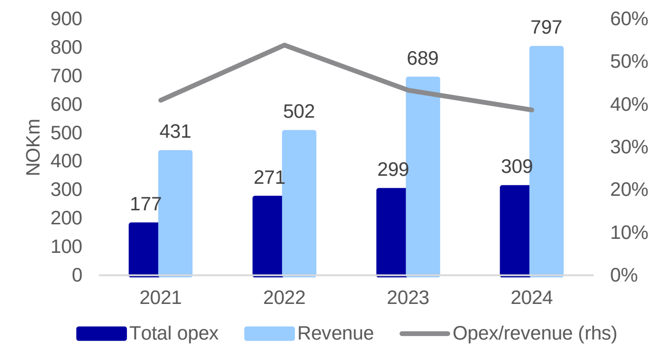
- **Employee expenses:** The Kids segment had around 100 FTEs in 2024 and has outsourced its customer service.
- **Marketing expenses:** Marketing is important for future growth both in terms of devices sold and the conversion rate. As the Kids segment experiences a natural outflow of subscription customers (9% quarterly churn), it needs to continue to invest in new sales.
- **Other operating expenses:** This includes everything from selling and distribution costs to external services and office expenses.

KIDS SEGMENT: COST DEVELOPMENT



Source: Company data and Nordea

SCALING EFFECTS IN THE KIDS SEGMENT

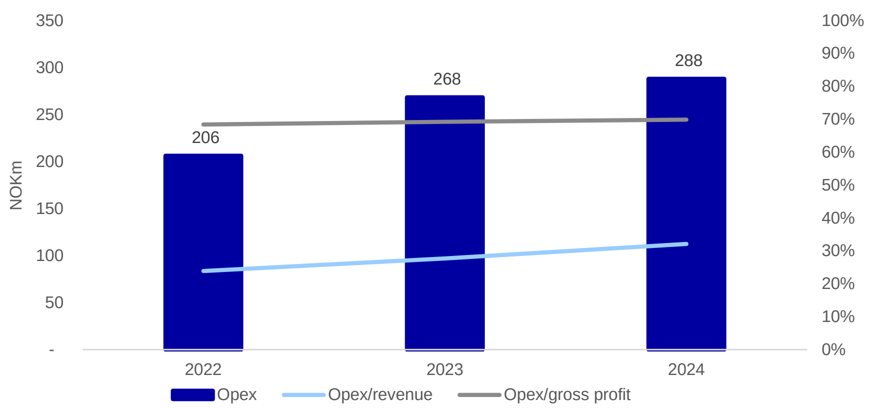


Source: Company data and Nordea

The Senior segment has a similar employee base to the Kids segment, with ~120 FTEs

The Senior segment's share of opex to revenue increased from 24% in 2022 to 32% in 2024, which is largely explained by the development of the product mix, with fewer devices sold and more focus on products with higher gross margins. In the same period, we note that opex/gross profit was stable at 70%. The Senior segment has a similar employee base to the Kids segment, with ~120 FTEs in 2024.

DORO: OPEX/GROSS PROFIT HAS BEEN STABLE



Source: Company data and Nordea

D&A and capex

Xplora has transitioned from NGAAP to IFRS in 2025 and fully amortised acquired customer contracts in Q1 2025. As such, D&A decreased to NOK 13m in Q2 2025, of which NOK 10m was amortisation of capitalised development and NOK 4m was from leasing (rounding error to NOK 13m). In the last couple of quarters, Xplora has had a quarterly capex rate of NOK 15-16m, with an even distribution between the Kids & Youth segment and the Senior segment.

Market outlook

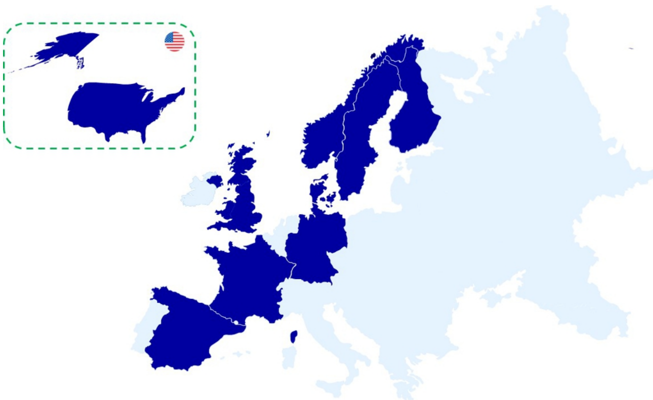
Xplora serves two vulnerable customer groups at both ends of the age spectrum, which make up a total addressable market (TAM) of around 200 million people in Xplora's existing markets. Xplora provides consumer electronics for each niche, where it offers smartwatches and smartphones for kids, and senior-friendly phones for people over 65 years. Xplora's focus is mainly on Europe in these segments. It has an especially strong market share in the Nordics, but it also distributes and sells its products in the US. Both segments are expected to continue to grow, driven by global trends of rising awareness around customer safety and health, according to Verified Market Reports and SNS.

Smartwatches for kids are becoming increasingly popular among parents, who are concerned about their children's health and safety

Kids segment (5-10 years)

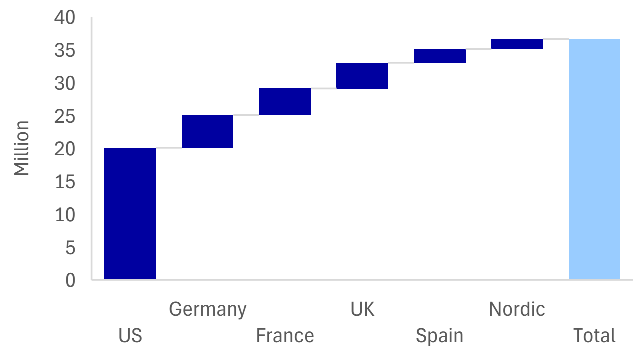
Almost 50% of parents said that phone usage had changed their child's personality, in a survey conducted by HMD in 2024. A smartwatch gives parents the opportunity to contact and keep track of their children without any need for them to have a smartphone. There is a clear trend of kids' smartwatches gaining in popularity as parents become increasingly aware of their children's safety and health, according to Global Market Insights. The majority of the smartwatches sold for kids have GPS tracking and health monitoring such as a step counter and heart rate monitoring. In addition to health and safety features, smartwatches are increasing the use of gamification in order to encourage and reward healthy habits like learning and exercising. While the watches are fun and encouraging, some of them also include school mode, which ensures the user is not distracted by the smartwatch in class. Of Explora's nine main markets, the US has the largest TAM, although Xplora has only penetrated a small part of the 20 million TAM in the US. The TAM in Xplora's nine core markets is 36 million within the kids segment, and Germany and the US are the countries with the highest growth in demand for kids' smartwatches, according to Global Market Insights, where Xplora has especially seen increasing traction in the German market with a subscription base that has more than doubled y/y to 48,000 subscribers in Q2 2025. We argue an important factor behind the increased demand for kids' smartwatches is favourable regulations and the awareness among parents regarding their children's safety, physical and mental health. According to SNS Insider, Germany dominates the European market for kids' smartwatches, also due to its advanced tech infrastructure. Moreover, children in France and the UK are also adopting GPS-enabled wearables and buying their watches from brands like Xplora.

KIDS: GEOGRAPHICAL EXPOSURE



Source: Company data and Nordea

KIDS: TAM BY GEOGRAPHY



Source: Nordic Statistics, Insee, Instituto Nacional de Estadística, cbo.gov and Nordea estimates

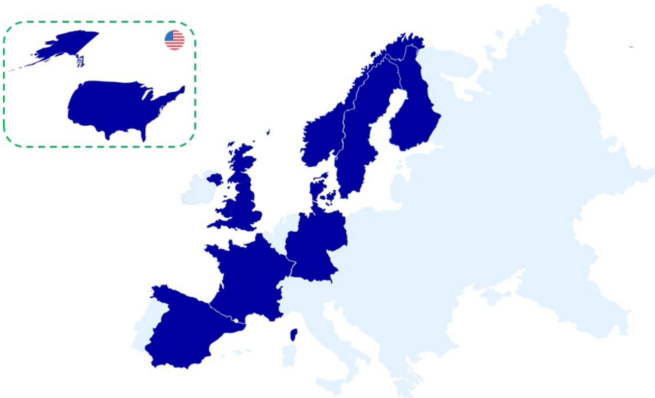
Features giving parents more control over their children's smartphone usage are becoming more prevalent

Youth segment (10-15 years)

Around 65% of parents are concerned about smartphones' influence on their children's mental health, according to HMD's study in 2024. And smartphone use by children under 13 is associated with having a negative impact on mental health, according to CNN. On smartphones without parental controls, children can be exposed to bullying and harmful content and can receive messages and calls from strangers and fraudsters. Parents are becoming more aware of these issues, and manufacturers have started to add features to make it easier for parents to control their children's phone habits. Major smartphone companies such as Apple, Samsung and Xiaomi have included features allowing parents to control their children's screen time and app allowance. Some companies are even specialising in the youth smartphone industry by developing software to prevent users from being exposed to harmful content. The most crucial element is that parents gain more control and can decide how children can use their phones safely in a more digitalised environment. GPS tracking and monitoring is a popular feature on children's smartphones, where additional features such as safer calls and texts, safe internet browsing, and limited social media access give parents more control over their kids' digital exposure. In addition to these functions, Xplora's newly rolled out smartphone HMD Fusion X1 also includes features such as safe zones and the ability to limit calls where calls can only be made/ received from contacts that have been pre-approved by the parents.

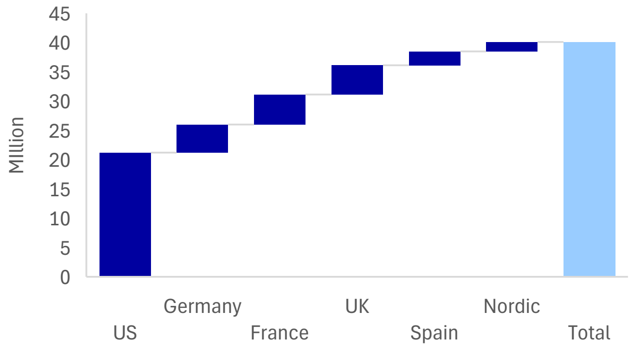
The TAM in the youth segment is 10% higher than in the kids segment, at 40 million, and the location of the population is similar in both segments. Xplora has defined the youth segment as children between ten and 15 years. However, the X6Pro smartwatch is recommended for children from eight to 12 years, which indicates that there is some overlap between the Kids and Youth segments.

YOUTH: GEOGRAPHICAL EXPOSURE



Source: Company data and Nordea

YOUTH: TAM BY GEOGRAPHY



Source: Nordic Statistics, Insee, Instituto Nacional de Estadística, cbo.gov and Nordea estimates

Senior segment (65+ years)

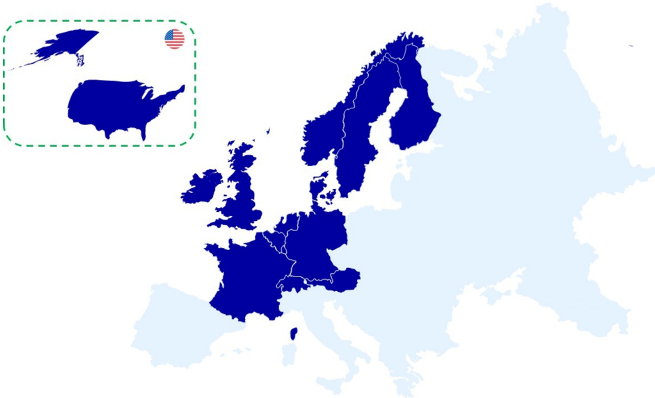
Ease of use and safety features are increasingly popular in senior smartphones

In a more digitalised world, it comes as no surprise that 70% of seniors have expressed a desire to use smartphones to stay connected with families and friends, according to Verified Market Reports. As seniors have different needs, smartphones for seniors are designed with larger buttons, clear displays, more senior-friendly touch sensors, and straightforward software. These features make them excellent tools for communication among the senior population. Furthermore, the phones made for seniors usually offer health monitoring features and emergency response systems. Xplora's phones sold to seniors have, for example, the Doro Secure Button, which allows the user to connect with an emergency contact at the press of one button. The Doro button can also be used in situations where the user needs help with the phone, where the emergency contact will automatically be connected to the user's phone, and can freely adjust settings, and, for example, adjust the volume.

Popular phones sold to the general market, such as IPhones, do offer some customisable layout through their software, such as larger text and app sizes, and are able to cope with some senior preferences, although we argue that they can be rather complicated. Although phones for the general market have some software modification to adapt to senior preferences, they are still limited by their hardware, where we argue that still fall short in terms of physical buttons, speakers towards the ear, and simplified software.

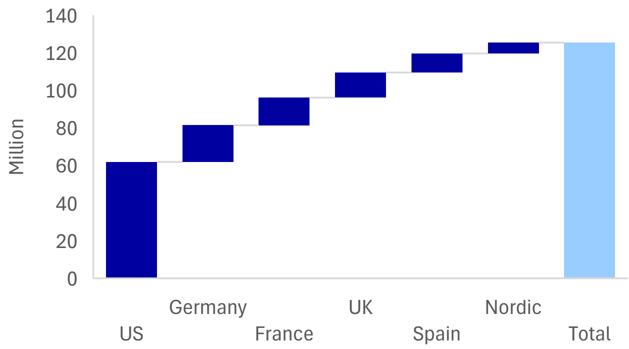
The senior segment has a TAM of 128 million, and the majority of the population is located in the US, where Xplora does not have any significant share of senior devices sold. Germany, the UK and France have the largest populations in Europe, with a combined TAM of 47 million. Xplora's Senior segment has an especially strong presence in the UK, France, Germany and Sweden, with a market share of 50% in 2024 for these countries combined, according to the company.

SENIOR: GEOGRAPHICAL EXPOSURE



Source: Company data and Nordea

SENIOR: TAM BY GEOGRAPHY



Source: Nordic Statistics, Insee, Instituto Nacional de Estadística, cbo.gov and Nordea estimates

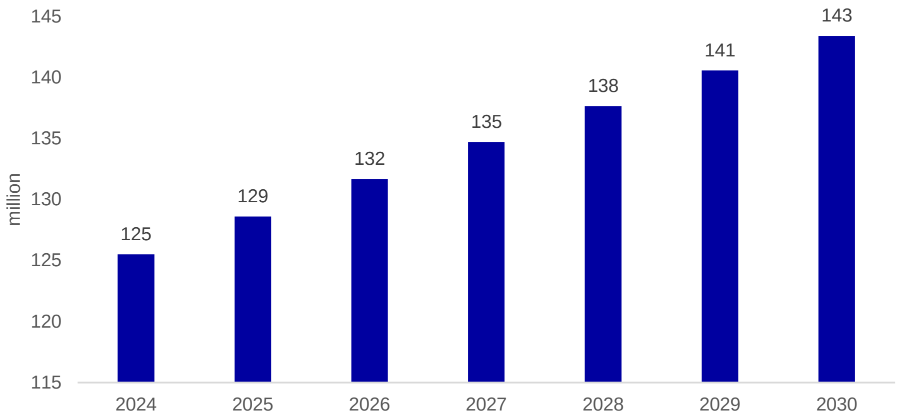
A growing senior population

Demographic trends are expanding Doro's total addressable market

We argue that Xplora's exposure to the senior market is attractive, since this market is expected to grow by 14% from 2024 to 2030, driven by the ageing population and higher life expectancy (see chart below). We estimate that the Senior segment will have a TAM of 143 million in Xplora's core markets in 2030. We expect Sweden's TAM to grow by 8% and the TAM in Germany and France to grow by 11%. Although Xplora has no significant market share in the US for the senior segment, we highlight that the US has the largest potential and that it is the largest contributer to the TAM and is expected (source: our estimate based on national statistics) to grow by 17%. According to the World Health Organisation (WHO), the proportion of the world's population older than 60 years will increase from 12% to 22% by 2050, and the share of the population over 80 years is expected to triple, according to the same source. People are living longer and this is a trend being seen all over the world.

The elderly wave increases Doro's Tam to 143 million in 2030

A GROWING SENIOR TAM



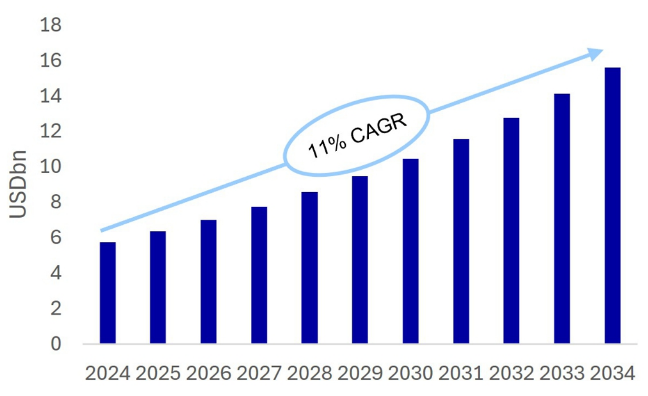
Source: Eurostat, cbo.gov, Office for National Statistics and Nordea estimates

Trends show an increasing market driven by demand for safety and security

Greater parental awareness of dangers associated with smartphones and smartwatches is driving the kids' market

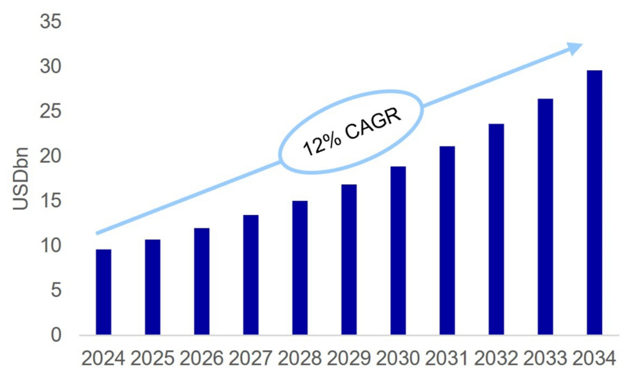
We argue that increased parental awareness is the main factor behind the rise in demand for kids' smartwatches. According to SNS Insider, the total kids' smartwatch market was worth USD 9.6bn in 2024. SNS Insider also expects the market to show a CAGR of 12% up to 2032, while Global Market Insights and Market Report Analytics estimate CAGRs of 9% and 16%, respectively. With the existence of smartwatches and smartphones with GPS tracking and health monitoring, parents have increased their spending on these smart devices. Companies like Xplora offer a universe of smartwatches that provide the opportunity for parents to communicate with and keep track of their children. The most popular smartwatches for kids globally have GPS tracking and the means to communicate via voice messaging, video calling or voice calling. In addition, multiple watches have features that encourage activity goals or games. The watches are designed in a way that prohibits the user from being distracted at school, accessing harmful websites or being contacted by strangers, where many smartwatch and smartphone brands now offer products that are designed to shield users from negative effects.

SENIOR PHONES: MARKET VALUE



Source: Verified Market Report and Nordea

KIDS' SMARTWATCHES: MARKET VALUE



Source: SNS Insider and Nordea

Parental controls vary across the different brands

Numerous smartphone brands offer features designed to prevent the phones from having a negative impact on users' mental health, and parental controls are an important element of this. Parental controls have been made available on most phones. However, the extent of these controls varies substantially among the different brands. Some companies only offer app and screen time control, while others have completely changed the software and designed it for the needs of the younger population. Some brands offer GPS tracking and safety features that prevent users from accessing websites with harmful content. There is also a feature called "safe zone" on Xplora's HMD Fusion X1, which notifies the parent or guardian every time the user enters or leaves one of multiple pre-defined zones. Additionally, some companies offer safer calling and texting by only allowing texts and calls from pre-approved contacts.

Strong growth in the market for senior smartphones is expected

The rising demand for smartphones among the senior population is a key driver of the projected market growth. In 2024, the senior phone market was valued at USD 5.2bn and is expected to show a CAGR of 11%, according to Verified Market Reports, while Market Research Intellect and Verified Market Research estimate a CAGR of 10% and 11%, respectively. Seniors want to communicate with family and friends, but accessibility is crucial. A user-friendly phone empowers the user to stay independent and remain safe, which we argue gives value to seniors. While parents are showing increasing interest in products that enhance their children's safety, they are also looking for similar safety products for their parents. Numerous brands have launched smartphones with larger buttons, clear interfaces, and features such as emergency response functions. The major smartphone companies have introduced settings and features for larger text on the screen, hearing aid compatibility, simpler interfaces, and larger screens. Furthermore, a few companies have specialised in the category of phones for seniors, and offer mobile phones designed for senior users with even more relevant features, where these features are mainly related to the users' safety and health monitoring.

Dominant players in the kids' smartwatch market

China dominates the market for kids' smartwatches, while phones for seniors are sold more evenly across Europe, North America and Asia-Pacific

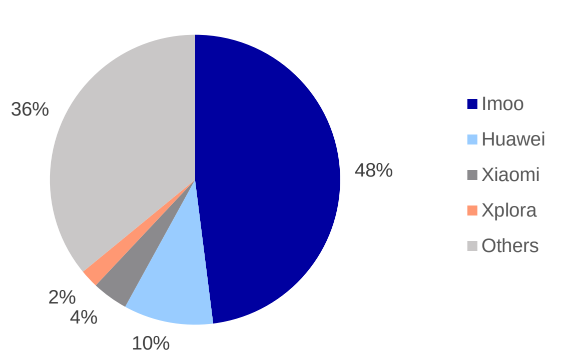
Global competition in the kids' smartwatch market is high, with Imoo maintaining a dominant position. Imoo had a market share of 48% globally in Q2 2024, according to Counterpoint's report on global shipments of kids' smartwatches. Huawei and Xiaomi are the second- and third-largest brands with market shares of 10% and 4%. Imoo mainly focuses on the Asian region and, according to IDC, around 98% of its shipments were in China in Q1-Q3 2024. As opposed to Imoo, Xplora focuses mainly on the Nordic and European markets and it achieved a market share of approximately 2% in 2024 (see chart below to the left). As explained in Xplora's Q4 2024 report, its subscription base indicates average penetration of 9% in the Nordic market for kids' smartwatches and in its most mature market, Norway, its market share is 18%.

Xplora has also entered a collaboration with Qihoo 360, where Qihoo 360 can use Xplora's activity platform, with launch not communicated (previous expected launch date was in Q4 2024). Qihoo 360 is a smartwatch manufacturer based in China, and via the collaboration, Xplora will expand its services to Qihoo's watches and tap into a large Chinese market. The collaboration entails Xplora delivering three "adventures" to Qihoo 360 users, whereby the users will be encouraged to increase their activity levels through steps. The adventures can be accessed through subscriptions. As Qihoo's user base amounts to two million, this has the potential to reach a large number of customers.

While China dominates the market for kids' smartwatches, phones for seniors are sold more evenly across Europe, North America and Asia-Pacific. Xplora's main markets here are the Nordics, where it had a market share of almost 97%, and South and West Europe. 22% of phones sold for seniors are in Europe, according to Cognitive Market Research. Moreover, Doro wrote in its 2023 annual report that Nokia, Alcatel and Emporia are its largest competitors. According to NTB, Emporia is a dominant company in Germany with a market share of 66%.

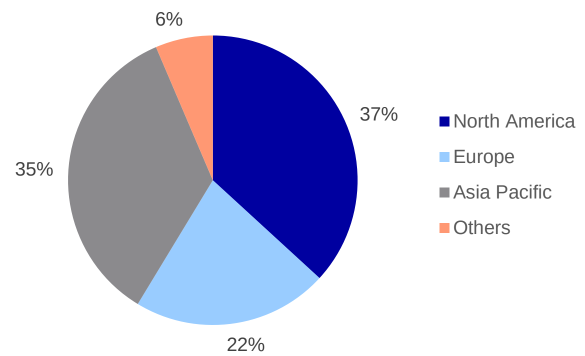
We also argue that the recent years' focus on Chinese espionage and GDPR from the US and Europe makes Xplora's devices more attractive in the US and Europe compared to Chinese-owned manufacturers and we do not expect to see any significantly increased competition from the Chinese players in Xplora's key markets.

MARKET SHARE, KIDS' SMARTWATCHES, Q2 2024



Source: Counterpoint and Nordea

PHONES SOLD FOR SENIORS

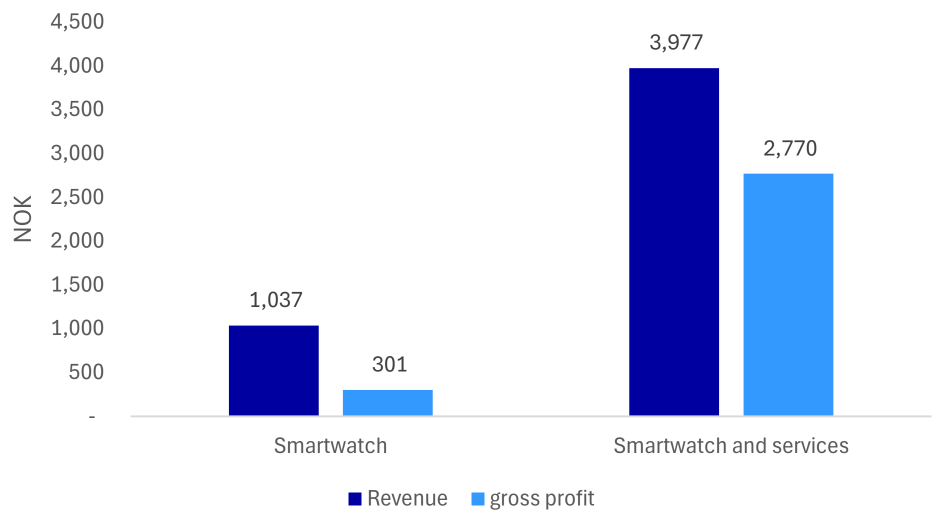


Source: Cognitive Market Research and Nordea

When looking at the product offerings of Xplora's main competitors, we note that on average they sell smartwatches at the same price level as Xplora's products (ranging from NOK 1,350 to NOK 2,600). The most common feature among kids' smartwatches is GPS tracking. Additionally, the majority of smartwatches are Bluetooth-enabled and have some form of Internet connectivity, either through WiFi or 4G. However, Xplora differentiates itself by also offering add-on services and connectivity. As illustrated below, Xplora offers a subscription service, which is required to access calling and texting. Thanks to the subscription and add-on services, Xplora can offer a discount on its devices as it can also get earnings from its subscription service.

When services are included, customer LTV is 9x higher than when only smartwatches are sold

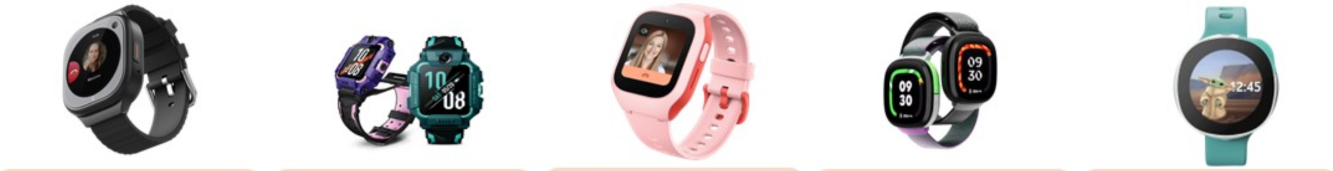
COMPANY ILLUSTRATION: CUSTOMER LTV IS 9x HIGHER WHEN SERVICES ARE INCLUDED



Source: Company data and Nordea

OVERVIEW OF SELECTED COMPETITORS' SMARTWATCH OFFERINGS FOR KIDS

Smartwatch



Xplora X6Pro	Imoo Watch Phone Z7	Xiaomi Smart Kids Watch	Fitbit Ace LTE	Vodafone Neo
NOK 2,795	EUR 219	USD 148.57	USD 179.99	GBP 99
• GPS • eSIM • 4G + WiFi + LBS • Safety Zones • NOK 179/ Month	• GPS • Nano-SIM • 4G + WiFi + Bluetooth • Video Call • Location History	• GPS • Nano-SIM • Bluetooth • Video Calls • Real Time Location	• GPS • 4G LTE + WiFi + Bluetooth + NFC • USD 9.99/ Monthly	• GPS • GBP 7/ Month

Cosmo JrTrack 5	Gabb Watch 3e	TickTalk 5 Kids	MyFirst Fone R2	Verizon Gizmo Watch 3
USD 149.99	USD 149.99	USD 159.99	USD 199	USD 149.99
• GPS • 4G LTE • FlexSIM multi-network coverage • USD 17.99/ Month	• GPS • WiFi + Bluetooth • USD 12.99 – USD 17.99/ Month	• GPS • Nano SIM • WiFi + Bluetooth + 4G • USD 9.99/ Month	• GPS • eSIM • WiFi + GPS + LBS • USD 5/ Month	• GPS • 4G • USD 10/ Month

Source: Company data and Nordea

GPS tracking is also an important feature among youth smartphones. Another common feature among these products is safer calling and texting or contact safe-listing. All of the phones below offer some kind of call and text protection, and Xplora has one of the highest levels of protection. Only pre-approved contacts can call or send messages to the child's phone. The Xplora Guardian app has to be activated before the child can start using the phone. The app costs NOK 79 per month and in addition requires a mobile subscription and SIM card. The main difference between Xplora's products and those of its competitors is the safe zones feature, whereby the guardian receives a notification every time the child leaves or enters a pre-defined zone.

OVERVIEW OF SELECTED COMPETITORS' SMARTPHONE OFFERINGS FOR YOUTH

Smartphone

Xplora Fusion X1	Gabb Phone 4	Pinwheel Genesis 3	Troomi	MMGuardian Phone A16
NOK 2,795	USD 149.99	USD 119	USD 199.95	USD 289
• GPS Tracking • Location Safety • Limited Internet & Social Media • Safer Calls & Texts	• GPS Tracking • No Social Media or Internet Browser • Safe Messaging • Gabb OS	• GPS Tracking • Message Monitoring • No Social Media • Calls from pre-approved contacts	• GPS Tracking • Contact Safelisting • Safe Internet Browser • Samsung Galaxy A16 with Troomi Software	• GPS Tracking • Call Blocking on strangers • Samsung Galaxy A16 with MMGuardian Software

Source: Company data and Nordea

In the senior phone segment, SOS buttons or features for easy emergency calls are important. Additionally, easy navigation and large buttons are crucial for enhancing the user experience. Some companies have included hearing aid compatibility, higher volume, and notifications even when the phone is in “do not disturb" mode. Xplora's senior phones is differentiating itself by including more features in its Doro Secure Button. The emergency contact will be connected to the user's phone and can help the user adjust the settings remotely. Feature phones are more affordable and easier to use, while smartphones can be complicated to use and have a higher starting price. However, they offer a broader universe of features and facilitate communication through channels such as video calls and apps.

OVERVIEW OF SELECTED COMPETITORS PHONE OFFERINGS FOR SENIORS

Source: Company data and Nordea

Current rollout and future potential

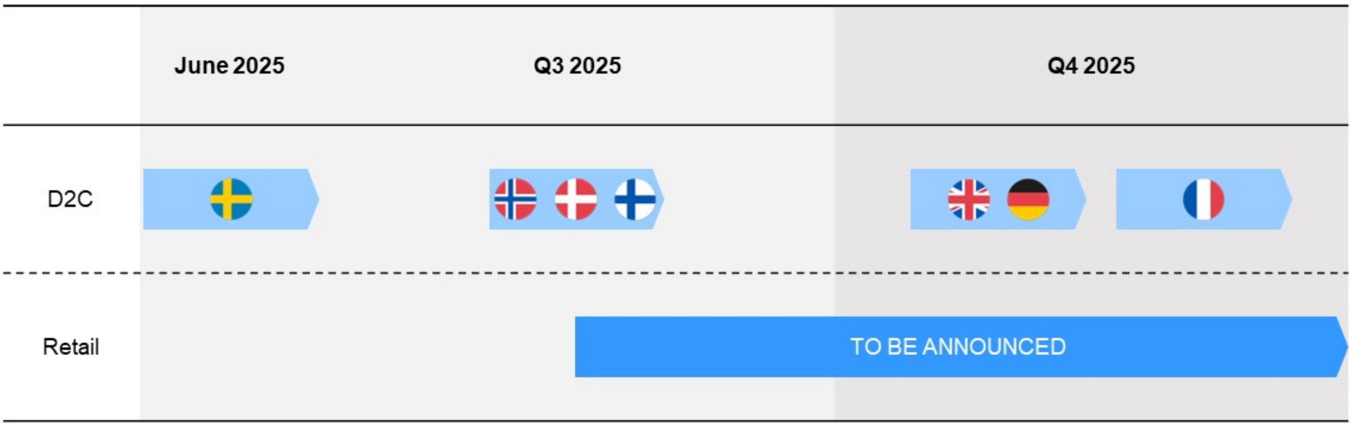
Xplora has several new products and services in its current pipeline which are expected to reach the market in 2025. We argue that a successful rollout of connectivity in the Senior segment is essential for achieving the synergy potential from the Doro acquisition, and the company has given a promising early number of a 13% conversion rate in the Swedish D2C market. Although the rollout of connectivity in Doro is the main driver for Xplora's equity story, the company has several other initiatives for tapping into new verticals and geographies, such as the Youth rollout in both new and existing geographies, and B2B service revenue.

Rolling out subscriptions in the Senior segment

Successful connectivity rollout in Senior is essential for extracting the synergy potential from the Doro acquisition

Xplora is currently rolling out connectivity in its Senior segment (Doro), where it launched D2C in Sweden in June. We argue that a successful rollout of connectivity in the Senior segment is essential for achieving the synergy potential from the Doro acquisition – and Xplora has revealed a promising early number of 13% conversion in the Swedish D2C market. Xplora will continue to roll out D2C in the existing senior market during H2 2025 (see graph below), which means that it will be able to offer connectivity for 30% of senior devices going into 2026. The rollout to retail has not yet been announced, but when it is live, the consumer base eligible for connectivity will go from 30% (only D2C) to 70%. We also see potential to integrate the Senior segment into the Guardian app, thereby connecting three generations on one service, making it easier for all demographics to connect and feel safe. This would also bring additional revenue sources and increase the value proposition for the family as a whole. We also argue that at some point, Xplora could tap into the telco revenue share for the Senior segment, thereby capturing the last 30%, as it already has a proven telco partnership in the Kids segment.

SENIOR CONNECTIVITY ROLLOUT



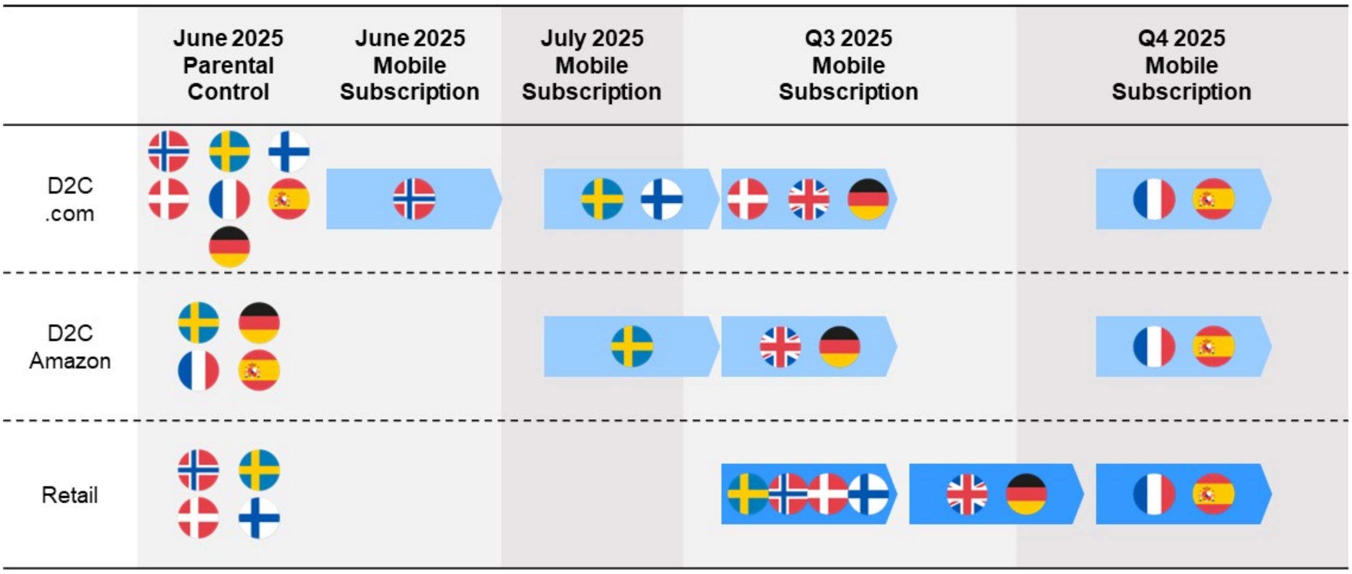
Source: Company data and Nordea

Youth segment entry

Explora launched the HMD Fusion X1 in Q2 2025

In collaboration with HMD, Explora launched the HMD Fusion X1 in Q2 2025, which is currently available via D2C (web and Amazon), Elkjøp (retail) and Telia Finland and Elisa Finland (telco). In addition to the device, it is also rolling out subscriptions to this segment. The Guardian parental control service is already live, and the company is gradually rolling out connectivity in all markets during 2025 (see image below). It has also launched the first B2B partnership with HMD, where other devices can use Xplora's Guardian function for a licence fee. Xplora further announced on 22 August 2025 that HMD will sell its own youth smartphone device on Vodafone's website with the Guardian app.

YOUTH SUBSCRIPTION ROLLOUT



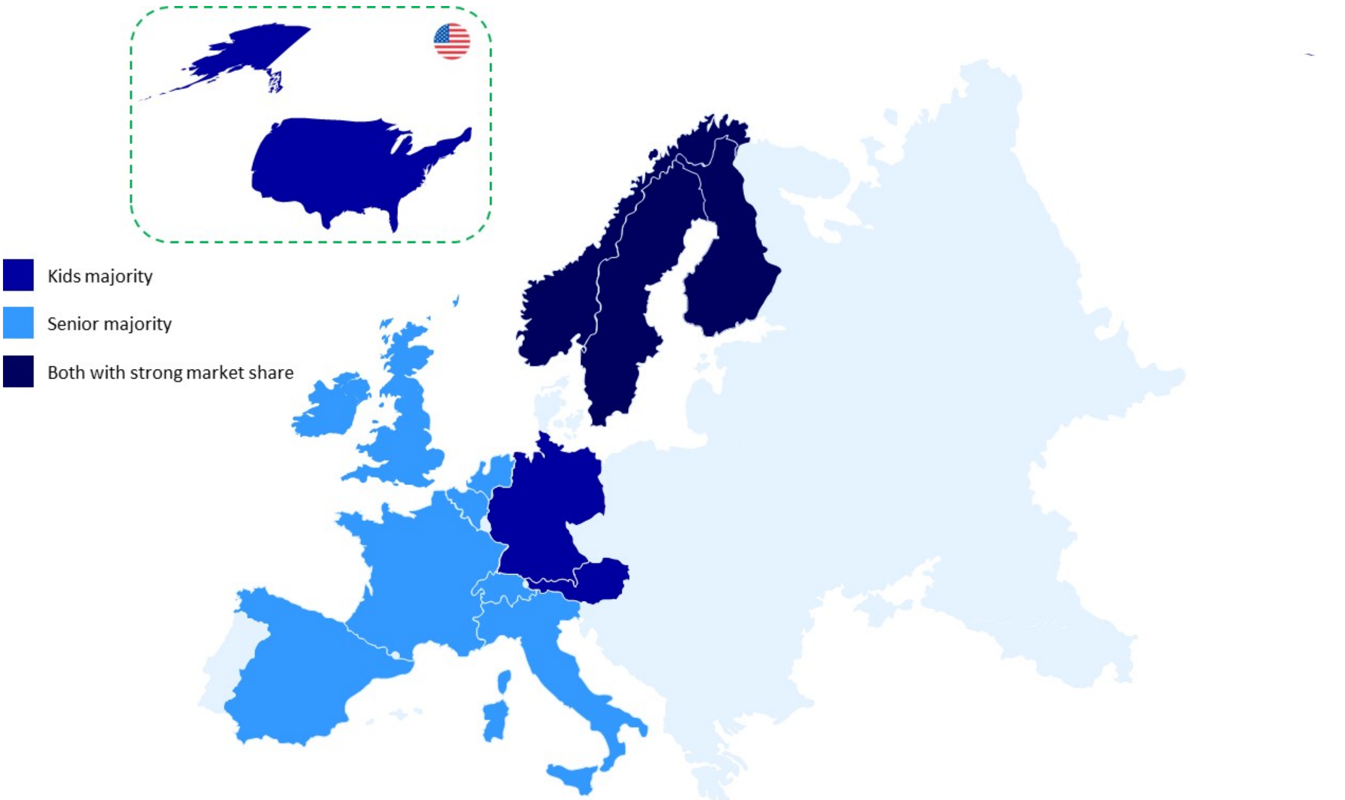
Source: Company data and Nordea

Untapped potential in existing markets for both the Kids and Senior segments

Leveraging existing partnerships and expanding to new countries

Going forward, we argue both the Kids and Senior segments could leverage each other's existing partnerships and distribution channels. While we believe the key focus should be a successful rollout of connectivity for seniors, we see some untapped potential in existing markets for both seniors and kids, where each segment has a strong presence. After the Doro acquisition, Xplora has a broader product offering, thereby increasing its relevance not only for existing partnerships but also for new partnerships, we argue. Also, with the recent launch of the SIM service in Canada, Xplora is continuing to expand its geographical exposure in North America. Further, we argue that having nine established MVNOs gives Xplora the skills and knowledge to expand into new countries. There is therefore some untapped potential to expand its MVNO operations further into new geographies at relative low cost (NOK 4-8m per new country entered, according to the company) and increase its TAM, where we see Italy, Benelux and Poland as potential new markets.

CURRENT CORE MARKETS – MARKET SHARE



Source: Company data and Nordea

Recent partnership with HMD opens up a whole new revenue source

B2B service revenue

Although there is large untapped subscription potential from the Doro acquisition, Xplora's business model is still dependent on the number of devices it is able to sell. The number of subscriptions is thereby constrained by how many devices the company can sell. The recent partnership with HMD opens up a whole new revenue source where Xplora subscriptions are not dependent on how many devices the company can sell. Selling services to other businesses could open up new market potential. Assuming that the B2B potential of the TAM of 76 million kids and youth in its core markets is one million and the ARPU for B2B licensing is around NOK 20 per month with a gross margin of ~83%, this could increase revenue and gross profit by NOK 240m and NOK 200m annually, without any increase in marketing spend and no incremental operating expenses.

Estimates

We view Xplora's strong market position in kids' smartwatches and senior phones as proven and expect the company to further capitalise on around two million devices through cross-selling of subscriptions. We forecast pro forma revenue and gross profit CAGRs of 11% and 14%, respectively, for 2024-28, with service revenue mainly increasing through the rollout of subscriptions for seniors. We estimate that the EBITDA margin will increase from 9% in 2024 to 17% in 2028, driven by Xplora's business model, the product mix effect from the Doro acquisition, and economies of scale. With increasing FCF from NOK 90m in 2024 to NOK 279m in 2028E supporting high cash generation, the company is set to be net cash-positive in 2028, leaving ample room for ffuture M&A or capital distribution.

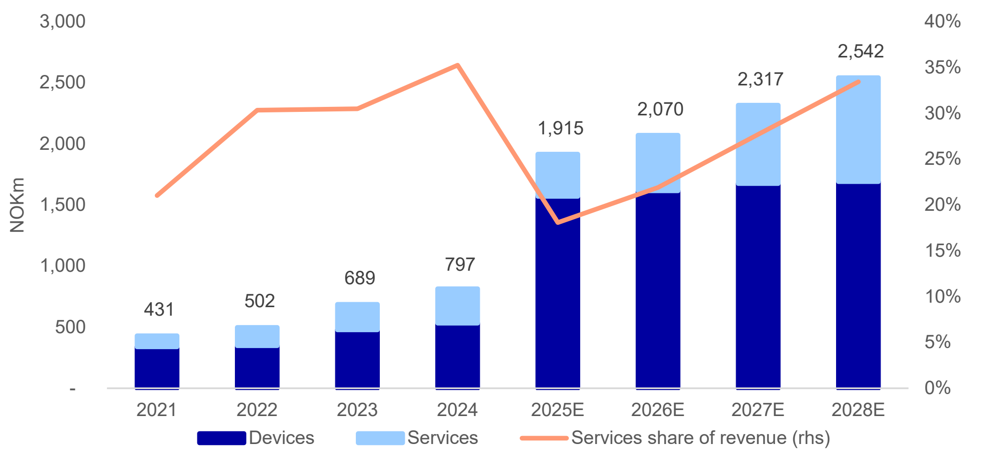
2025E pro forma revenue growth of 13% y/y, driven by increased device revenue from Senior, FX tailwinds and increased subscription revenue

2024-28E subscription revenue CAGR of 32%

On a pro forma basis, we estimate that Xplora will increase revenue by 13% y/y in 2025, largely driven by increased device revenue from the Senior segment, FX tailwinds and increased subscription revenue. As Xplora owns ~89.6% of the Doro shares, the share of subscription revenue has been dilutive, because Doro only sold devices before the acquisition. We argue that the rationale for the Doro acquisition was to roll out subscriptions to Doro's existing device base (Senior segment), and we estimate that subscription revenue will show a 2024-28 CAGR of 32%, primarily driven by conversion from senior devices (fully rolled out in 2027 with a conversion rate of 8%) but also by new initiatives in the Youth segment and by the already established Kids subscription base. We estimate that 33% of Xplora's revenue will come from subscriptions by the end of 2028.

The Doro acquisition will initially be dilutive for Xplora's share of service revenue

XPLORA: REVENUE (NOKm) AND SERVICE SHARE OF TOTAL REVENUE (%), 2021-28E



Source: Company data and Nordea estimates

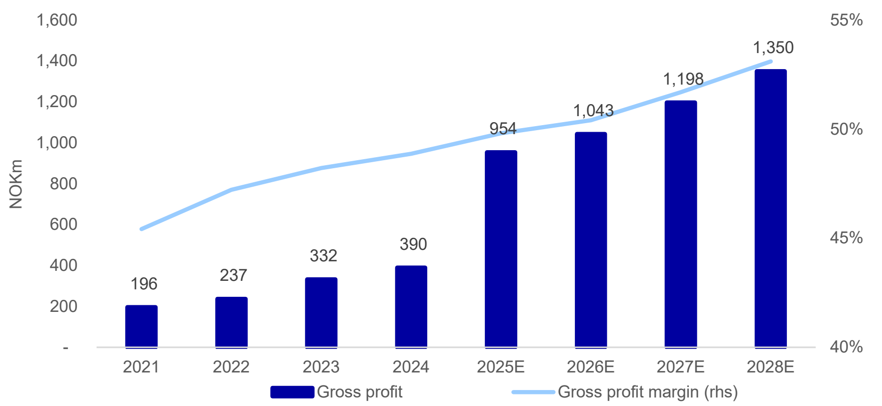
Increase in the group gross margin in 2028E driven by a higher share of subscriptions

Increasing gross margins from high-margin subscriptions

Xplora's Kids & Youth segment has seen an increase in its gross margin, mainly due to a better product mix from a higher share of high-margin subscriptions (historically 82-83% for subscriptions and 32-33% for devices). The Senior segment has also seen a gross margin improvement for its devices, to 46%, due to a better product mix and favourable FX. We estimate similar gross profit margins for each product going forward, with some FX tailwinds for the devices (as costs are in USD while revenue is mostly in EUR). We forecast an increasing group gross profit margin to 53% in 2028, reflecting a higher share of subscriptions.

XPLORA: GROSS PROFIT DEVELOPMENT AND MARGIN (%)

An increasing gross profit margin from the product mix tilting towards high-margin subscription revenue

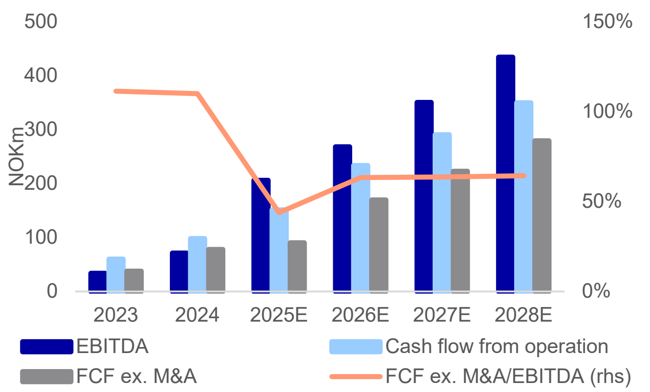


Source: Company data and Nordea estimates

Increasing cash generation opens up for future M&A or capital distribution

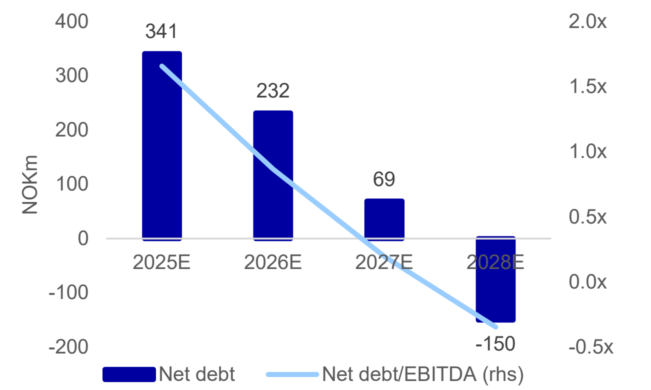
We anticipate increasing cash generation for Xplora, due to scalability and a limited increase in capex going forward (we estimate a run-rate of NOK ~15m). On our estimates, this high cash generation will reduce Xplora's leverage ratio (net debt/EBITDA) to 1.7x in 2025, making it net cash-positive in 2028E and thereby opening up for potential M&A or capital distribution.

XPLORA: CASH GENERATION



Source: Company data and Nordea estimates

XPLORA: NET CASH-POSITIVE IN 2028E



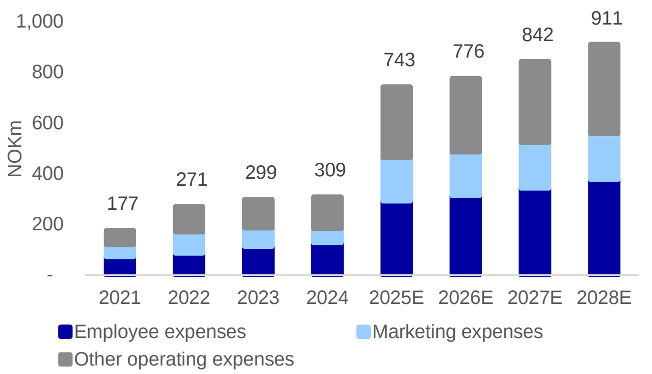
Source: Company data and Nordea estimates

A scalable cost base

Cost mix set to remain stable

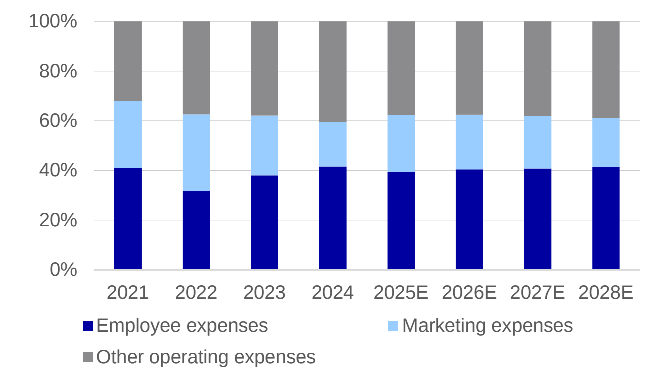
Xplora's cost mix was relatively stable prior to the Doro acquisition and has remained so since. We estimate that the employee/marketing/other opex split will remain roughly equal at ~40%/20%/40%. An important driver of growth is marketing spend, and we estimate that Xplora's marketing spend will be equivalent to 10-11% of device sales in 2025-28; for Xplora Kids, it has been 10-15% historically. Due to the nature of the business, Xplora needs to keep up its marketing pace to sustain sales of its devices and, more importantly, to sustain the inflow of subscriptions due to the high churn (~36% annually). We also estimate an increase in employee expenses and other opex (NOK 23m in one-offs in other opex in 2025; NOK 5m in Q3 2025 from the CEO transition in the Senior segment).

XPLORA: COST DEVELOPMENT, 2021-28E



Source: Company data and Nordea estimates

XPLORA: OPERATING EXPENSES SPLIT, 2021-28E

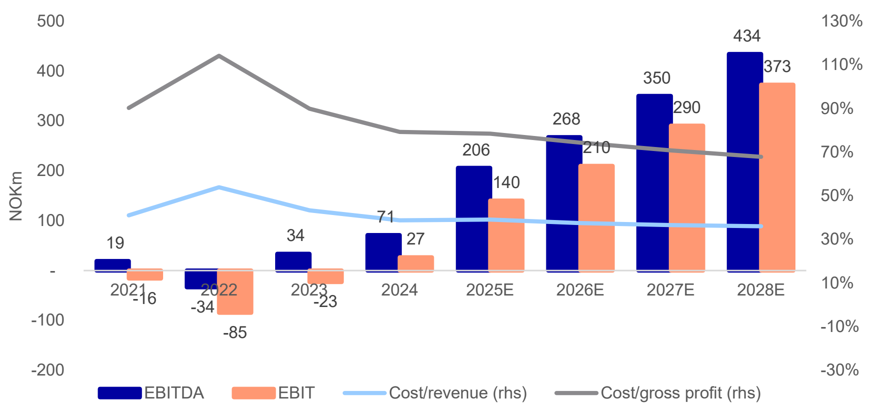


Source: Company data and Nordea estimates

As Xplora continues its rollout pipeline of subscriptions to seniors and youth and as it increases its gross profit, we expect the company to continue to benefit from economies of scale, as we have seen since 2022 (Xplora made significant investments in growth in 2022). We estimate that opex/revenue will fall from 39% in 2024 to 36% in 2028.

Xplora has a scalable model

XPLORA: ECONOMIES OF SCALE



Source: Company data and Nordea estimates

Segments

Since the acquisition of Doro, Xplora has been operating with two financial segments: Kids & Youth (old Xplora) and Senior (Doro). Below, we give an overview of each financial segment's estimates.

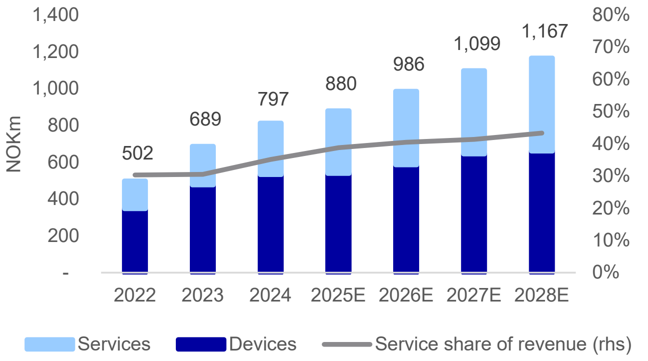
Kids & Youth

Set for 3% growth in the number of devices in 2025-28, driven by increased adoption outside the Nordics but a flat ASP

We expect the number of devices for kids to increase by 3% annually in 2025-28, driven by increased adoption outside the Nordics but flat ASP, as selling 1% more devices has a higher customer lifetime value than increasing the ASP by 1%, due to subscriptions. We expect devices to reach a gross margin of 34% by Q4 2025, due to favourable FX movements (devices are sold mostly in EUR, while costs are in USD), which are usually seen in the P&L with a six-month delay. We expect similar conversion rates from subscriptions, with a quarterly churn of 9%.

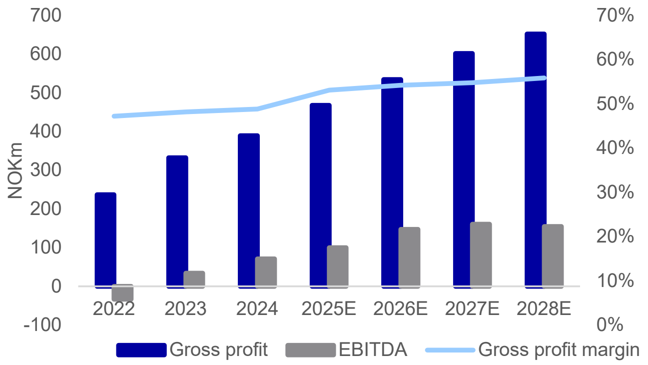
We take a cautious view of the HMD Fusion X1, as the device is currently being rolled out with little initial data. We expect some 3,000 units to be sold in 2025, gradual increasing to a run-rate of around 36,000 devices in 2027. As all HMD Fusions sold come with a Guardian subscription and the recent B2B agreement includes Guardian licensing, we expect a 150% conversion rate (i.e. for every two devices Xplora sells, B2B will sell one unit) with ARPU of NOK ~60 (NOK 79 from own sales and NOK 24 from licensing). For youth connectivity, we expect a conversion rate of 10%, with a gross margin of ~65% due to initially competitive pricing. We expect a revenue CAGR of 10% for 2024-28, driven by a slight increase in the number of smartwatches sold, an increased subscription base and rollout of the youth devices. For 2025-28, we expect a slight increase in the service share of revenue (43% in 2028) and a gross profit margin of ~55%, due to a lagging effect from the subscription base (approximately three years' duration) when the number of youth devices increases.

KIDS & YOUTH: REVENUE DEVELOPMENT



Source: *Company data and Nordea estimates*

KIDS & YOUTH: GROSS PROFIT AND EBITDA DEVELOPMENT

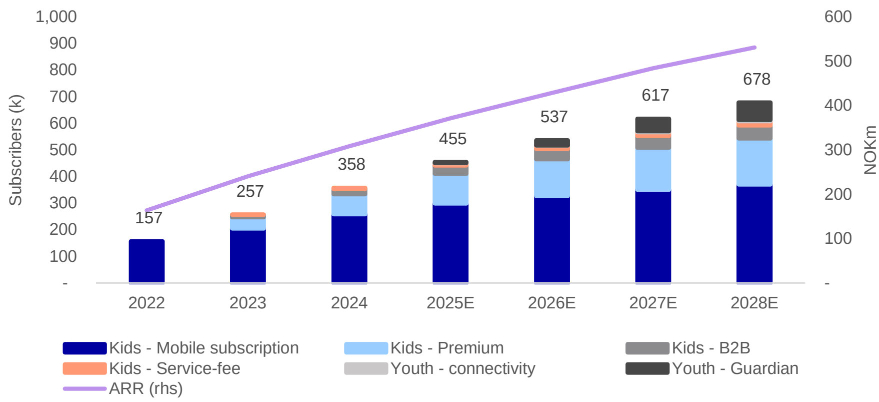


Source: *Company data and Nordea estimates*

We expect the highest growth in new subscriptions (in percentage terms) to come from Kids Premium and Youth Guardian. This is because these are relatively new subscriptions compared to connectivity and there is a lagging effect from increased device sales/introduction of new subscriptions until they reach equilibrium in terms of gross inflow versus churn. Guardian is the fastest growing due to the high conversion, as explained above. We estimate that Xplora will reach a subscriber base of around 678,000 in the Kids & Youth segment by the end of 2028 with an ARR of NOK 531m.

Expecting 678,000 subscribers and NOK 531m in ARR in 2028

KIDS & YOUTH: SUBSCRIPTION BASE DEVELOPMENT



Source: *Company data and Nordea estimates*

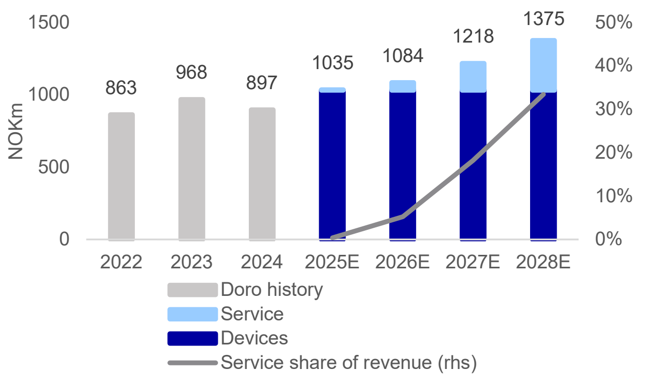
Senior

We expect device sales to remain strong, backed by a strong orderbook in Q2 2025, FX tailwinds and a higher ASP

For the Senior segment, we estimate strong 2025 revenue for device sales: the new-generation Leva series is now compatible with 4G and the new Aurora Smartphone series is now being rolled out. We expect the Senior segment to sell 1.4 million devices, on par with 2024 numbers, but with phones now accounting for 1.1 million units versus ~1 million in 2024. We expect device sales to continue to be strong, backed by a strong orderbook in Q2 2025, along with FX tailwinds and a higher ASP (NOK 730) due to better product mix.

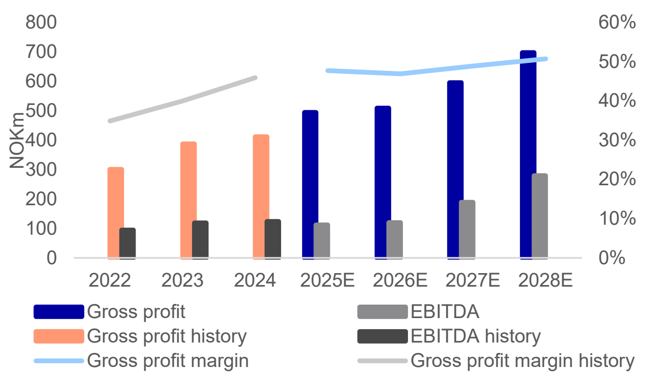
Connectivity in the Senior segment was also soft-launched in Q2 and is expected to be fully available in all D2C markets with MVNO agreements by 2025. We expect a gradual increase in the conversion rate to 8% in 2027, with the launch in retail not announced yet (we expect a rollout in retail during 2026). At the Q2 presentation, Xplora said it has seen an initial conversion rate in D2C Sweden of 13% – this result is still early but the number looks promising (see chapter entitled *All eyes on conversion rates in Doro*). In our conversion rate assumptions, all of the revenue growth from the Senior segment comes from service revenue from 2025 onwards, with almost 33% of revenue in 2028 coming from subscriptions. With the gradual rollout of connectivity and a run-rate conversion rate of 8% reached in 2027E, we do not expect to see any meaningful P&L impact from connectivity until 2027 (also due to a higher expected duration of around five years compared to the Kids & Youth segment), when we estimate an ARPU of NOK 149 and a gross margin of 65% due to the competitive nature of this segment (we argue that seniors typically already have SIM subscriptions and have a tendency to be sticky customers, making them more difficult to onboard than kids). As the Senior segment had some one-off tailwinds in Q1 2025, which boosted the gross margin to 53%, we expect the underlying gross margin to increase to 51% in 2028, largely due to higher margins for connectivity.

SENIOR: REVENUE DEVELOPMENT



Source: Company data and Nordea estimates

SENIOR: GROSS PROFIT AND EBITDA DEVELOPMENT

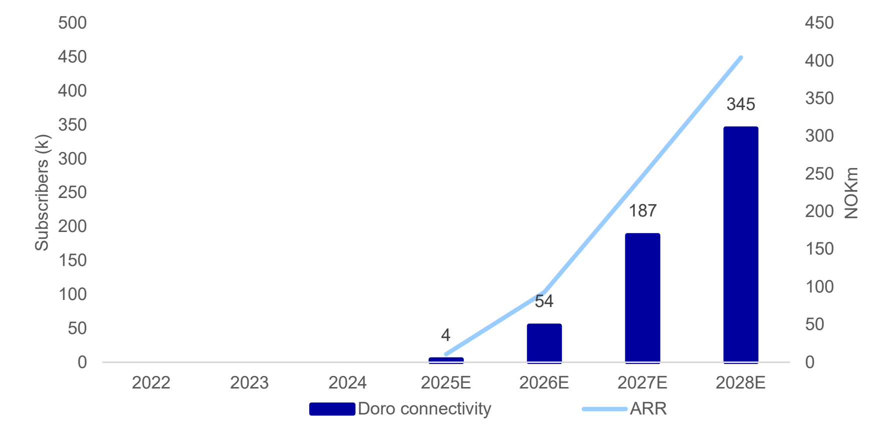


Source: Company data and Nordea estimates

Xplora has only announced the rollout of connectivity (see the *Current rollout and future potential* chapter for potential for adding seniors to Guardian), and we estimate explosive growth in the number of subscriptions from the company reaching a run-rate conversion rate of 8% and having a churn of 5% quarterly (equal to a duration of around five years). By the end of 2028, we expect the Senior segment to have some 345,000 subscriptions and an ARR of NOK 404m.

Rapid increase in the number of senior subscribers to 345,000 by 2028E

SENIOR: SUBSCRIPTION BASE DEVELOPMENT



Source: Company data and Nordea estimates

Estimate assumptions

Below, we give an overview of our assumptions and P&L figures by segment. The areas highlighted in grey show pre-acquisition Doro numbers.

GROUP P&L

Group (NOKm)	Q1 25	Q2 25	Q3 25E	Q4 25E	2022	2023	2024	2025E	2026E	2027E	2028E
Device revenue	259.0	381.0	446.9	482.2	346.9	476.6	533.0	1569.1	1616.7	1674.9	1691.7
Service revenue	*80.0*	*82.0*	*88.7*	*95.5*	*152.3*	*210.2*	*281.0*	*346.2*	*453.2*	*641.8*	*850.2*
Total revenue	**338.7**	**462.9**	**535.6**	**577.7**	**502.0**	**689.2**	**797.1**	**1914.9**	**2069.9**	**2316.7**	**2541.9**
Growth	*188%*	*143%*	*114%*	*142%*	*16%*	*37%*	*16%*	*140%*	*8%*	*12%*	*10%*
Gross profit	**190.5**	**231.4**	**252.1**	**279.9**	**237.0**	**332.3**	**389.6**	**953.9**	**1043.4**	**1197.6**	**1349.9**
Gross profit margin	*56%*	*50%*	*47%*	*48%*	*47%*	*48%*	*49%*	*50%*	*50%*	*52%*	*53%*
Employee expenses	-67.2	-74.5	-80.6	-74.7	-85.7	-113.3	-128.1	-297.0	-313.8	-343.2	-376.4
Marketing expenses	-32.9	-39.3	-47.6	-50.1	-83.6	-72.1	-55.5	-169.9	-170.7	-184.1	-186.2
Other operating expenses	-72.8	-66.6	-65.1	-76.8	-101.2	-113.2	-125.0	-281.3	-291.2	-320.3	-353.2
EBITDA	**17.6**	**50.9**	**58.9**	**78.4**	**-33.5**	**33.7**	**71.0**	**205.8**	**267.7**	**350.0**	**434.1**
Adj. EBITDA	29.0	58.9	63.9	78.4	-33.5	33.7	71.0	230.2	267.7	350.0	434.1
D&A	-24.2	-13.5	-14.0	-14.0	-51.2	-56.5	-44.3	-65.7	-57.9	-59.7	-61.4
EBIT	**-6.6**	**37.5**	**44.9**	**64.4**	**-84.7**	**-22.8**	**26.7**	**140.1**	**209.8**	**290.3**	**372.7**
Finance expenses - net	*-76.7*	*-60.7*	*-15.0*	*-15.0*	*-0.2*	*-12.6*	*-14.1*	*-167.4*	*-60.0*	*-60.0*	*-60.0*
Profit before tax	**-83.4**	**-23.2**	**29.9**	**49.4**	**-85.0**	**-29.6**	**12.6**	**-27.3**	**149.8**	**230.3**	**312.7**
Tax	*0.0*	*-4.3*	*-6.6*	*-10.9*	*10.6*	*8.3*	*-4.2*	*-21.8*	*-33.0*	*-50.7*	*-68.8*
Net profit	**-83.4**	**-27.5**	**23.3**	**38.5**	**-74.4**	**-21.4**	**8.4**	**-49.1**	**116.9**	**179.6**	**243.9**

Source: Company data and Nordea estimates

SENIOR SEGMENT ESTIMATES

Senior segment (NOKm)	Q1 25	Q2 25	Q3 25E	Q4 25E	2022	2023	2024	2025E	2026E	2027E	2028E
Device revenue	228.6	247.4	250.5	304.2	863	968	897	1031	1031	1031	1031
Service revenue	*0.0*	*0.0*	*1.2*	*2.7*	*0*	*0*	*0*	*4*	*54*	*187*	*345*
Total revenue	**228.6**	**247.4**	**251.7**	**306.9**	**863**	**968**	**897**	**1035**	**1084**	**1218**	**1375**
Growth	*16%*	*19%*	*13%*	*14%*	*0%*	*12%*	*-7%*	*15%*	*5%*	*12%*	*13%*
Gross profit	**121.9**	**114.9**	**116.0**	**141.7**	**301**	**388**	**412**	**494**	**509**	**596**	**698**
Gross profit margin	*53%*	*46%*	*46%*	*46%*	*35%*	*40%*	*46%*	*48%*	*47%*	*49%*	*51%*
Employee expenses	-35.5	-44.6	-40.0	-40.0	n.a	n.a	n.a	-160	-161	-167	-174
Marketing expenses	-21.9	-22.2	-22.5	-27.4	n.a	n.a	n.a	-94	-96	-102	-102
Other operating expenses	-32.0	-31.7	-32.0	-32.0	n.a	n.a	n.a	-128	-132	-137	-143
EBITDA	**32.6**	**16.3**	**21.5**	**42.3**	**95**	**119**	**124**	**113**	**120**	**190**	**280**
D&A	-12.5	-6.2	-6.2	-6.2	-43	-52	-36	-31	-25	-25	-25
EBIT	**20.2**	**10.1**	**15.3**	**36.1**	**52**	**68**	**88**	**82**	**96**	**165**	**255**
Finance expenses - net	-8.7	-1.7	0.0	0.0	-10	-11	16	-10	0	0	0
Profit before tax	*-4.1*	*8.4*	*15.3*	*36.1*	*42*	*57*	*104*	*56*	*96*	*165*	*255*
Tax	0.8	-1.7	-3.2	-7.4	-3	-25	-17	-11	-20	-34	-53
Net profit	**-3.3**	**6.7**	**12.2**	**28.7**	**39**	**32**	**88**	**44**	**76**	**131**	**202**
Minority share	1.3	0.8	1.3	3.0	0	0	0	6	8	14	21

Source: Company data and Nordea estimates

DEVICE ASSUMPTIONS

# Devices sold k	Q1 25	Q2 25	Q3 25E	Q4 25E	2022	2023	2024	2025E	2026E	2027E	2028E
Kids	30	124	173	172	417	467	501	499	514	529	545
Youth	-	-	1	2	-	-	-	3	12	24	24
Senior	310	332	342	416	1,700	1,700	1,400	1,400	1,400	1,400	1,400
Total	***340***	***456***	***516***	***590***	***417***	***467***	***501***	***1,902***	***1,926***	***1,953***	***1,969***

ASP per device NOK	Q1 25	Q2 25	Q3 25E	Q4 25E	2022	2023	2024	2025E	2026E	2027E	2028E
Kids	1,015	1,080	1,117	994	832	1,019	1,064	1,059	1,059	1,059	1,059
Youth	-	-	3,490	3,490	-	-	-	3,490	3,490	3,490	3,490
Senior	736	746	732	732	564	576	620	736	736	736	736
Total	***825***	***962***	***824***	***721***	***832***	***1,019***	***1,064***	***825***	***840***	***858***	***859***

Revenue NOKm	Q1 25	Q2 25	Q3 25E	Q4 25E	2022	2023	2024	2025E	2026E	2027E	2028E
Kids	30	134	193	171	347	476	533	528	544	560	577
Youth	-	-	3	7	-	-	-	10	42	84	84
Senior	250	304	229	247	959	980	868	1,031	1,031	1,031	1,031
Total	***281***	***438***	***425***	***425***	***347***	***476***	***533***	***1,569***	***1,617***	***1,675***	***1,692***

Gross profit NOKm	Q1 25	Q2 25	Q3 25E	Q4 25E	2022	2023	2024	2025E	2026E	2027E	2028E
Kids	10	43	62	58	111	157	171	173	185	191	196
Youth	-	-	1	2	-	-	-	3	14	28	28
Senior	134	141	105	114	335	392	399	492	474	474	474
Total	***143***	***184***	***168***	***174***	***111***	***157***	***171***	***668***	***673***	***693***	***699***

Gross profit margin	Q1 25	Q2 25	Q3 25E	Q4 25E	2022	2023	2024	2025E	2026E	2027E	2028E
Kids	32%	32%	32%	34%	32%	33%	32%	33%	34%	34%	34%
Youth	-	-	32%	34%	-	-	-	33%	34%	34%	34%
Senior	53%	46%	46%	46%	35%	40%	46%	48%	46%	46%	46%
Total	***51%***	***42%***	***40%***	***41%***	***32%***	***33%***	***32%***	***43%***	***42%***	***41%***	***41%***

Source: Company data and Nordea estimates

SUBSCRIBER BASE ASSUMPTIONS

# Subscribers k	Q1 25	Q2 25	Q3 25E	Q4 25E	2022	2023	2024	2025E	2026E	2027E	2028E
Kids - Mobile subscription	255	271	286	298	157	205	258	298	327	350	370
Kids - Premium	77	89	100	112	-	42	75	112	138	158	173
Kids - B2B	20	25	31	31	-	9	20	31	39	44	49
Kids - Service-fee	6	8	9	9	-	1	5	9	12	14	16
Youth - connectivity	-	-	0	0	-	-	-	0	1	3	4
Youth - Guardian	-	-	2	4	-	-	-	4	20	47	66
Senior - connectivity	-	-	3	9	-	-	-	9	63	151	239
Total	***358***	***393***	***430***	***464***	***157***	***257***	***358***	***464***	***600***	***768***	***917***

Conversion rate	Q1 25	Q2 25	Q3 25E	Q4 25E	2022	2023	2024	2025E	2026E	2027E	2028E
Kids - Mobile subscription	25%	28%	24%	30%	18%	24%	29%	27%	27%	27%	27%
Kids - Premium	11%	14%	11%	17%	0%	11%	10%	13%	13%	13%	13%
Kids - B2B	2%	5%	5%	2%	0%	2%	3%	4%	4%	4%	4%
Kids - Service-fee	2%	2%	1%	1%	0%	0%	1%	1%	1%	1%	1%
Youth - connectivity	-	-	0	0	-	-	-	10%	10%	10%	10%
Youth - Guardian	-	-	2	2	-	-	-	150%	150%	150%	150%
Senior - connectivity	-	-	0	0	-	-	-	2%	7%	8%	8%
Total	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***	***-***

Churn	Q1 25	Q2 25	Q3 25E	Q4 25E	2022	2023	2024	2025E	2026E	2027E	2028E
Kids - Mobile subscription	-9%	-8%	-9%	-9%	-32%	-38%	-35%	-36%	-36%	-36%	-9%
Kids - Premium	-9%	-8%	-9%	-9%	0%	-38%	-35%	-36%	-36%	-36%	-9%
Kids - B2B	-9%	-8%	-9%	-9%	0%	-38%	-35%	-36%	-36%	-36%	-9%
Kids - Service-fee	-9%	-8%	-9%	-9%	0%	-38%	-35%	-36%	-36%	-36%	-9%
Youth - connectivity	-	-	-9%	-9%	-	-	-	-36%	36%	36%	36%
Youth - Guardian	-	-	-9%	-9%	-	-	-	-36%	-36%	-36%	-36%
Senior - connectivity	-	-	-5%	-5%	-	-	-	-20%	-20%	-20%	-20%

Net subscriber growth	Q1 25	Q2 25	Q3 25E	Q4 25E	2022	2023	2024	2025E	2026E	2027E	2028E
Kids - Mobile subscription	- 3	16	15	12	33	48	53	40	28	23	20
Kids - Premium	2	12	11	12	-	42	33	37	26	20	16
Kids - B2B	-	5	6	- 0	-	9	11	11	8	6	5
Kids - Service-fee	1	2	1	1	-	1	4	4	3	2	2
Youth - connectivity	-	-	0	0	-	-	-	0	1	2	1
Youth - Guardian	-	-	2	3	-	-	-	4	15	27	19
Senior - connectivity	-	-	3	6	-	-	-	9	49	69	52
Total	***-***	***35***	***37***	***34***	***33***	***100***	***101***	***106***	***131***	***149***	***113***

Source: Company data and Nordea estimates

SUBSCRIBER REVENUE AND GROSS PROFIT ASSUMPTIONS

ARPU NOK per month	Q1 25	Q2 25	Q3 25E	Q4 25E	2022	2023	2024	2025E	2026E	2027E	2028E
Kids - Mobile subscription	92	91	90	90	98	96	91	90	90	90	90
Kids - Premium	25	25	25	25	25	25	25	25	25	25	25
Kids - B2B	35	35	35	35	35	35	35	35	35	35	35
Kids - Service-fee	79	79	79	79	79	79	79	79	79	79	79
Youth - connectivity	149	149	149	149	149	149	149	149	149	149	-
Youth - Guardian	60	60	60	60	60	60	60	60	60	60	60
Senior - connectivity	149	149	149	149	149	149	149	149	149	149	149
Total	***589***	***588***	***587***	***587***	***595***	***593***	***588***	***587***	***587***	***587***	***438***

Service revenue	Q1 25	Q2 25	Q3 25E	Q4 25E	2022	2023	2024	2025E	2026E	2027E	2028E
Kids - Mobile subscription	71	72	75	79	152	203	256	297	331	358	381
Kids - Premium	6	6	7	8	-	6	15	27	36	43	48
Kids - B2B	2	2	3	3	-	1	6	11	14	17	19
Kids - Service-fee	1	2	2	2	-	0	3	7	10	13	15
Youth - connectivity	-	-	0	0	-	-	-	1	7	20	36
Youth - Guardian	-	-	0	0	-	-	-	0	1	3	6
Senior - connectivity	-	-	1	3	-	-	-	4	54	187	345
Total	***80***	***82***	***89***	***95***	***152***	***210***	***280***	***346***	***453***	***642***	***850***

Gross profit NOKm	Q1 25	Q2 25	Q3 25E	Q4 25E	2022	2023	2024	2025E	2026E	2027E	2028E
Kids - Mobile subscription	59	59	62	65	126	169	212	246	274	297	316
Kids - Premium	5	5	6	7	-	5	13	22	30	36	40
Kids - B2B	2	2	3	3	-	1	6	10	14	16	19
Kids - Service-fee	1	2	2	2	-	-	3	7	10	12	14
Youth - connectivity	-	-	0	0	-	-	-	0	1	2	4
Youth - Guardian	-	-	0	1	-	-	-	1	6	19	35
Senior - connectivity	-	-	1	2	-	-	-	3	35	122	224
Total	***67***	***68***	***74***	***79***	***126***	***175***	***233***	***288***	***370***	***504***	***651***

Gross profit margin	Q1 25	Q2 25	Q3 25E	Q4 25E	2022	2023	2024	2025E	2026E	2027E	2028E
Kids - Mobile subscription	83%	82%	83%	83%	83%	83%	83%	83%	83%	83%	83%
Kids - Premium	83%	82%	83%	83%	0%	83%	83%	83%	83%	83%	83%
Kids - B2B	95%	95%	95%	95%	0%	95%	95%	95%	95%	95%	95%
Kids - Service-fee	95%	95%	95%	95%	0%	95%	95%	95%	95%	95%	95%
Youth - connectivity	0%	0%	65%	65%	0%	0%	0%	65%	65%	65%	65%
Youth - Guardian	0%	0%	95%	95%	0%	0%	0%	95%	95%	95%	95%
Senior - connectivity	0%	0%	65%	65%	0%	0%	0%	65%	65%	65%	65%
Total	***84%***	***83%***	***84%***	***84%***	***83%***	***83%***	***83%***	***83%***	***82%***	***79%***	***77%***

Source: Company data and Nordea estimates

All eyes on conversion rates in Doro

We argue that conversion rates are essential for realising the synergy potential of the Doro acquisition and Xplora's equity story, and early data on conversion rates is positive (at 13%). As the run-rate conversion rate remains a black box, we highlight that a 15% conversion rate increases our 2028 gross profit and EBITDA estimates by NOK 132m (30% group effect), while a 5% conversion rate decreases our corresponding 2028 estimates by NOK 56m.

Conversion rates in the Senior segment should be lower than the current conversion rate of 25-30% for connectivity for Kids

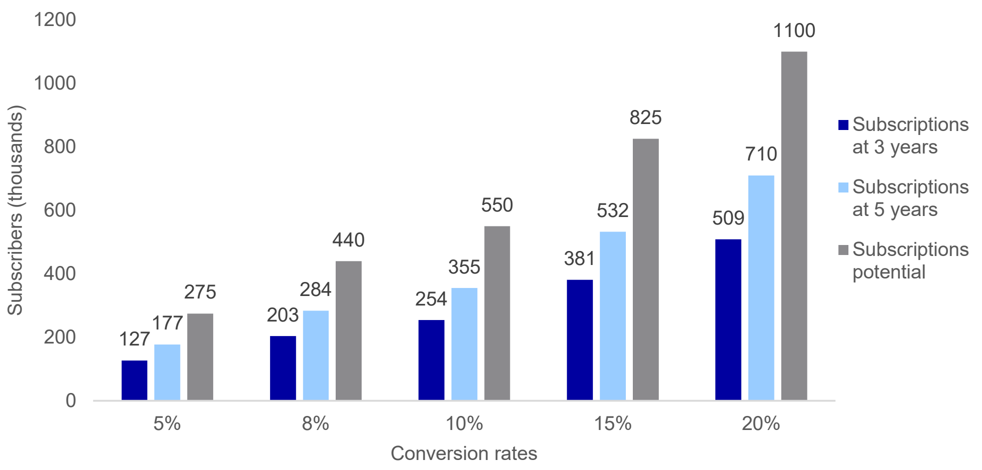
We argue that the key synergy potential from the Doro acquisition is related to rolling out connectivity to Doro's existing phones. Thus, the conversion rate from sold phones is essential for calculating the synergy potential. This segment is also different from Xplora's existing subscription base (Kids), as seniors often have an existing connectivity plan, while we argue that kids do not. On the basis of this rationale, conversion rates in the Senior segment should be lower than the current conversion rate of 25-30% for connectivity for Kids.

In our estimates, we assume an 8% conversion rate for senior phones, and we estimate that Doro will sell ~1.1 million phones annually (1.4 million devices in total). Early indications from Xplora's Q2 presentation suggest a 13% conversion rate in D2C Sweden. Assuming a similar conversion rate for the rest of the countries for both D2C and retail (telco as a distribution channel sells its own connectivity, roughly 30% of devices) would result in 9% conversion. According to the company, D2C in the Kids segment has a higher conversion rate than retail, so one could assume that our 8% conversion rate is in line with the early indication.

Xplora also says that it expects an average duration of senior connectivity users to be five years, which translates into quarterly churn of around 5%. Using these assumptions, i.e. 1.1 million phones sold and a quarterly churn rate of 5%, we can estimate when the subscription base has reached its equilibrium (gross inflow equal to churn) and the potential subscriber base after three and five years. When looking at different conversion rates of 5%, 8% (base case), 10%, 15% and 20%, we see that an increase of 1pp in the conversion rate is equal to 55,000 more subscribers at equilibrium. All our conversion rates are below Xplora's current conversion rate for Kids, with ~27% of all smartwatches activated.

Our base-case conversion rate suggests a potential senior subscriber base of 440,000

POTENTIAL SENIOR SUBSCRIPTION BASE DEPENDING ON CONVERSION RATES

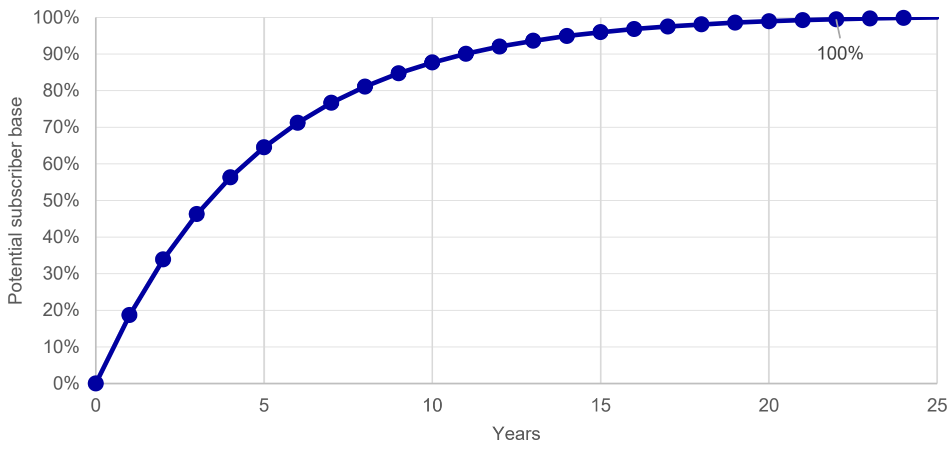


Source: Company data and Nordea estimates

It only takes just over three years to reach 50% of the equilibrium potential, but it takes 19 years to reach the last 50%

Now we know each conversion rate's potential at equilibrium, but what is more interesting is that it only takes just over three years to reach 50% of the equilibrium potential, but it takes 19 years to reach the last 50%. This also shows that Xplora should see a relatively fast effect on the P&L when it has rolled out connectivity in the D2C and retail distribution segments.

TIME TO REACH EQUILIBRIUM

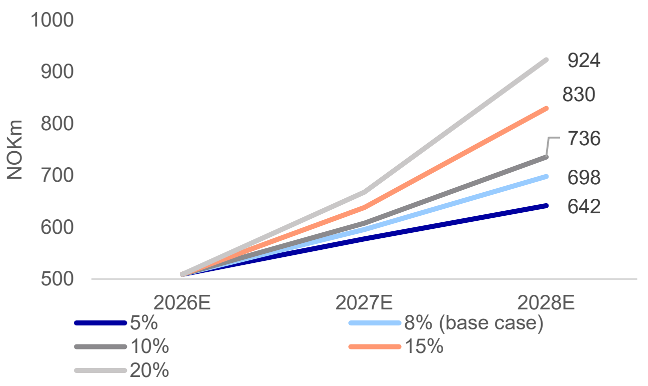


Source: Company data and Nordea estimates

Using a 15% conversion rate raises 2028E gross profit and EBITDA by NOK 132m, but a 5% conversion rate lowers 2028E by NOK 56m

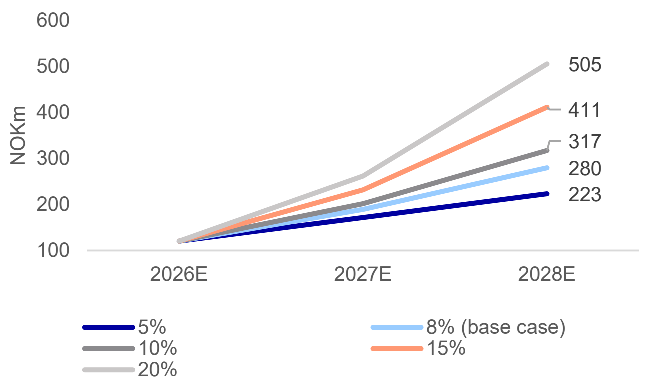
Assuming our cost base remains flat in the different conversion rate scenarios and conversion rates remain flat during 2027-28, we note a NOK 132m uplift in our 2028 gross profit and EBITDA estimates when using a 15% conversion rate. On the other hand, when applying a 5% conversion rate, our 2028 gross profit and EBITDA estimates are reduced by NOK 56m.

SENIOR SEGMENT: GROSS PROFIT SENSITIVITY TO CONVERSION RATES



Source: Company data and Nordea estimates

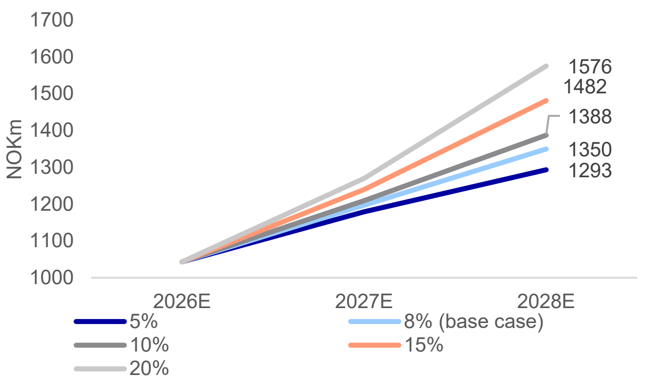
SENIOR SEGMENT: EBITDA SENSITIVITY TO CONVERSION RATES



Source: Company data and Nordea estimates

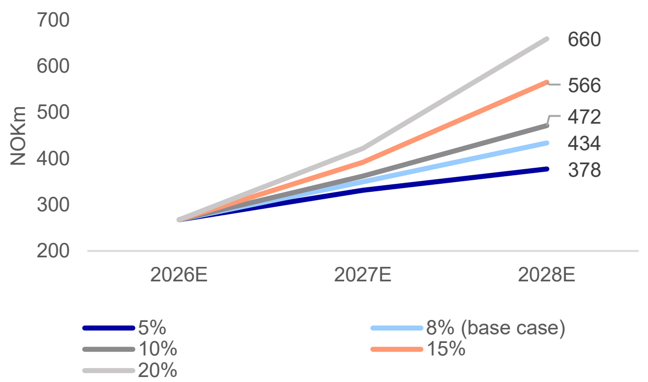
When we look at the impact on Xplora as a group from the Senior segment's sensitivity to conversion rates, we see that conversion rates in the Senior segment have a large impact on the group performance. A 1pp change in Senior conversion rates has a 4pp impact (NOK 19m) on our 2028 EBITDA estimate of NOK 434m. A successful rollout of connectivity to seniors is the main driver for Xplora's equity story going forward, as we can see from the sensitivity of the conversion rates in the Senior segment.

XPLORA: GROSS PROFIT SENSITIVITY TO CONVERSION RATES



Source: Company data and Nordea estimates

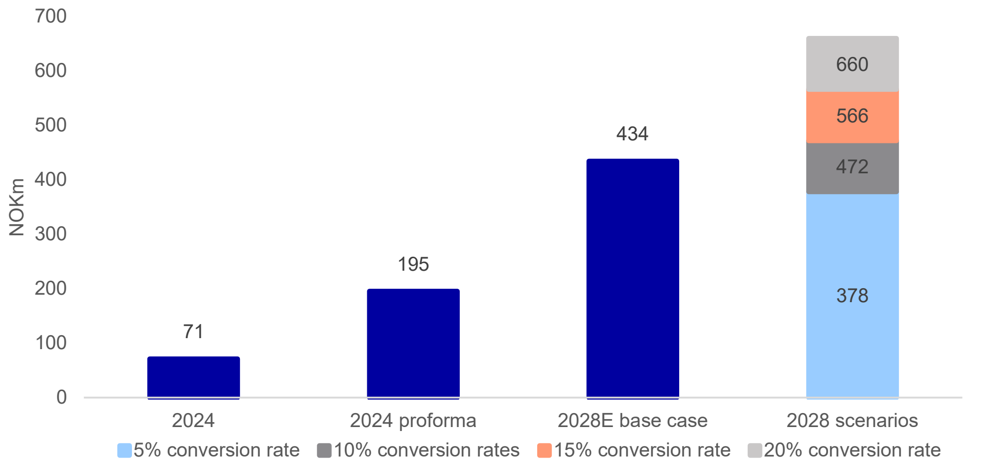
XPLORA: EBITDA SENSITIVITY TO CONVERSION RATES



Source: Company data and Nordea estimates

The Doro acquisition has enabled Xplora to enter a new vertical and almost treble its 2024 EBITDA, but the real value of the acquisition is the synergy potential from rolling out connectivity to an already large base of around one million sold phones annually. As shown in the graph below, we estimate Xplora will also more than double its EBITDA from 2024 to 2028, largely driven by an 8% conversion rate in the Senior segment, but also by the Kids & Youth segment. Assuming a 15% conversion rate in the Senior segment from 2027 onwards implies EBITDA of NOK 566m in 2028E, which is eight times higher than the level Xplora reported in 2024, further highlighting the rationale and synergy potential in the Doro acquisition.

XPLORA: EBITDA DEVELOPMENT FROM 2024 TO 2028E, INCLUDING ESTIMATED SENSITIVITIES



Source: Company data and Nordea estimates

In conclusion, we argue that conversion rates are essential to the synergy potential of the Doro acquisition and Xplora's equity story. While early data on conversion rates is positive, the run-rate conversion rate in the Senior segment remains uncharted territory for the company and the market, with small changes in conversion rates able to have a large impact on the P&L.

Valuation

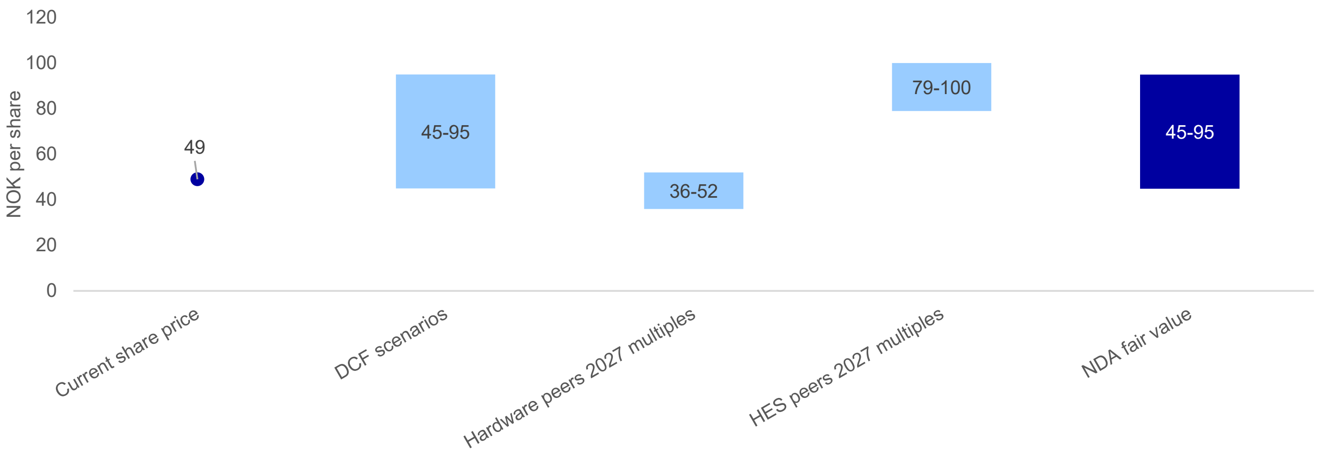
We derive a fair value range for Xplora Technologies of NOK 45-95 per share based on a DCF sensitivity analysis, cross-checked with peer multiples. At the bottom of the range, our Xplora low-case DCF scenario shows downside to the current share price. At the top of our range, we have our Xplora blue-sky scenario with a conversion rate of 15% for the Senior segment. Our peer valuation shows that the share is currently trading above pureplay hardware peers and below hardware-enabled software peers on 2027E multiples.

We base our valuation approach for Xplora on two fundamental methods: DCF and peer comparison

Valuation summary

Our valuation approach for Xplora is based on two fundamental methods. First, we use a DCF approach looking at different scenarios using 5%, 8% and 15% conversion rates for the Senior segment for 2027-28. Second, we use a relative (peer-based) approach. Xplora does not have any direct peers, so in our peer group we identify pureplay hardware peers and hardware-enabled software peers.

XPLORA: VALUATION SUMMARY



Source: Company data and Nordea estimates
Notes: HES= Hardware-enabled software. EV/EBIT and P/E multiples used.

DCF scenarios

For our DCF estimates, we assume different subscription conversion rates for the Senior segment for 2027-28; we assume conversion rates of 5%, 8% and 15%, reflecting different levels of synergy potential from the Doro acquisition. Our DCF assumptions are listed below:

Our DCF assumptions

- Flat growth in 2029-31
- Flat EBITDA margin in 2029-31
- WACC of 10.8%
- Flat working capital in 2029-31
- Flat D&A as a % of revenue in 2029-31
- Flat capex as a % of revenue in 2029-31

Base case

In our base case, we assume a conversion rate of 8% from 2027 for the Senior segment

For our DCF base-case scenario, we use our 2025-28 estimates with a run-rate conversion rate of 8% from 2027 for the Senior segment. In our base-case scenario, we derive a value of NOK 59 per share.

BASE-CASE: DCF ASSUMPTIONS (NOKm)

	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Terminal
Revenue	**1915**	**2070**	**2317**	**2542**	**2789**	**3060**	**3358**	**3442**
Revenue growth	140.2%	8.1%	11.9%	9.7%	9.7%	9.7%	9.7%	2.5%
EBITDA	**206**	**268**	**350**	**434**	**476**	**523**	**573**	**588**
EBITDA margin	11%	13%	15%	17%	17%	17%	17%	17%
EBIT	**140**	**210**	**290**	**373**	**409**	**449**	**492**	**505**
EBIT margin	7%	10%	13%	15%	15%	15%	15%	15%
Tax rate	22%	22%	22%	22%	22%	22%	22%	22%
NOPLAT	**109**	**164**	**226**	**291**	**319**	**350**	**384**	**394**
D&A	66	58	60	61	77	85	93	96
Lease adjustment	-16	-17	-17	-18	-18	-18	-18	-18
Change in NWC	47	-1	-9	-16	-16	-16	-16	-16
Capex	-61	-64	-67	-71	-77	-85	-93	-96
Total adjustments	35	-24	-34	-42	-33	-33	-33	-33
FCFF	**145**	**140**	**192**	**248**	**286**	**317**	**351**	**360**
D&A of revenue %	-3%	-3%	-3%	-2%	-2%	-2%	-2%	-2%
Capex of revenue %	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%
Discount factor	1.1	1.2	1.3	1.4	1.6	1.8	1.9	
PV FCFF	137	120	149	173	180	180	180	

Source: Company data and Nordea estimates

We derive a value of NOK 59 in our base-case scenario

BASE CASE: DCF OUTPUT (NOKm)

Terminal cash flow	360
Terminal cost of capital	11%
Terminal value	4,342
PV terminal	2,230
PV CF forecast period	1,120
SUM PV	**3,349**
Net debt	507
Book value minorities	92
SUM	**2,750**
Number of shares (m)	47
Value per share (NOK)	**59**

Source: Company data and Nordea estimates

Blue-sky scenario

In our blue-sky scenario, we assume a conversion rate of 15% from 2027 for the Senior segment

For our blue-sky scenario, we use our 2025-28 estimates with a run-rate conversion rate of 15% from 2027 for the Senior segment. In our high-end case scenario, we derive a value of NOK 95 per share.

HIGH-END SCENARIO: DCF ASSUMPTIONS (NOKm)

	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Terminal
Revenue	**1915**	**2070**	**2382**	**2744**	**3163**	**3645**	**4200**	**4305**
Revenue growth	140.2%	8.1%	15.1%	15.2%	15.2%	15.2%	15.2%	2.5%
EBITDA	**206**	**268**	**392**	**566**	**652**	**751**	**866**	**887**
EBITDA margin	11%	13%	16%	21%	21%	21%	21%	21%
EBIT	**140**	**210**	**332**	**504**	**581**	**670**	**772**	**791**
EBIT margin	7%	10%	14%	18%	18%	18%	18%	18%
Tax rate	22%	22%	22%	22%	22%	22%	22%	22%
NOPLAT	**109**	**164**	**259**	**393**	**453**	**522**	**602**	**617**
D&A	66	58	60	61	81	94	108	111
Lease adjustment	-16	-17	-17	-18	-18	-18	-18	-18
Change in NWC	47	-1	-13	-23	-23	-23	-23	-23
Capex	-61	-64	-67	-71	-81	-94	-108	-111
Total adjustments	35	-24	-37	-50	-41	-41	-41	-41
FCFF	**145**	**140**	**222**	**344**	**413**	**482**	**561**	**576**
D&A of revenue %	-3%	-3%	-3%	-2%	-2%	-2%	-2%	-2%
Capex of revenue %	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%
Discount factor	1.1	1.2	1.3	1.4	1.6	1.8	1.9	
PV FCFF	137	120	172	240	260	274	288	

Source: Company data and Nordea estimates

We derive a value of NOK 95 in our blue-sky scenario

HIGH-END SCENARIO: DCF OUTPUT (NOKm)

Terminal cash flow	576
Terminal cost of capital	11%
Terminal value	6,947
PV terminal	3,567
PV CF forecast period	1,491
SUM PV	**5,059**
Net debt	507
Book value minorities	92
SUM	**4,460**
Number of shares (m)	47
Value per share (NOK)	**95**

Source: Company data and Nordea estimates

Low-end case

In our low-end scenario, we assume a conversion rate of 5% from 2027 for the Senior segment

For our low-end case scenario, we use our 2025-28 estimates with a run-rate conversion rate of 5% from 2027 for the Senior segment. In our low-end case scenario, we derive a value of NOK 45 per share.

LOW-END CASE SCENARIO: DCF ASSUMPTIONS (NOKm)

	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Terminal
Revenue	**1915**	**2070**	**2289**	**2455**	**2633**	**2825**	**3030**	**3106**
Revenue growth	140.2%	8.1%	10.6%	7.3%	7.3%	7.3%	7.3%	2.5%
EBITDA	**206**	**268**	**332**	**378**	**405**	**435**	**466**	**478**
EBITDA margin	11%	13%	15%	15%	15%	15%	15%	15%
EBIT	**140**	**210**	**272**	**316**	**339**	**364**	**390**	**400**
EBIT margin	7%	10%	12%	13%	13%	13%	13%	13%
Tax rate	22%	22%	22%	22%	22%	22%	22%	22%
NOPLAT	**109**	**164**	**212**	**247**	**265**	**284**	**304**	**312**
D&A	66	58	60	61	76	81	87	89
Lease adjustment	-16	-17	-17	-18	-18	-18	-18	-18
Change in NWC	47	-1	-8	-13	-13	-13	-13	-13
Capex	-61	-64	-67	-71	-76	-81	-87	-89
Total adjustments	35	-24	-33	-39	-30	-30	-30	-30
FCFF	**145**	**140**	**180**	**207**	**234**	**254**	**274**	**282**
D&A of revenue %	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%
Capex of revenue %	-3%	-3%	-3%	-3%	-3%	-3%	-3%	-3%
Discount factor	1.1	1.2	1.3	1.4	1.6	1.8	1.9	
PV FCFF	137	120	139	145	148	144	141	

Source: Company data and Nordea estimates

We derive a value of NOK 45 in our low-end case scenario

LOW-END SCENARIO: DCF OUTPUT (NOKm)

Terminal cash flow	282
Terminal cost of capital	11%
Terminal value	3,397
PV terminal	1,744
PV CF forecast period	974
SUM PV	**2,718**
Net debt	507
Book value minorities	92
SUM	**2,119**
Number of shares (m)	47
Value per share (NOK)	**45**

Source: Company data and Nordea estimates

DCF sensitivities

For our base-case scenario with a conversion rate of 8%, we stress-test our DCF output by conducting a sensitivity analysis of the key value drivers, with scenarios of a +/- 1pp change in WACC and terminal value growth and a +/- 2pp change in the EBITDA margin.

BASE-CASE SCENARIO: SENSITIVITY TO WACC AND TERMINAL GROWTH RATE

Terminal Growth rate	WACC: 9.8%	10.3%	10.8%	11.3%	11.8%
1.5%	62	57	53	49	46
2.0%	65	60	56	52	48
2.5%	69	64	$\boxed{59}$	54	50
3.0%	74	67	62	57	53
3.5%	79	72	66	60	56

Source: Company data and Nordea estimates

BASE-CASE SCENARIO: SENSITIVITY TO WACC AND EBITDA MARGIN

EBITDA margin	WACC: 9.8%	10.3%	10.8%	11.3%	11.8%
15 %	59	54	50	46	43
16 %	64	59	54	50	47
17 %	69	64	$\boxed{59}$	54	50
18 %	74	68	63	58	54
19 %	80	73	67	62	58

Source: Company data and Nordea estimates

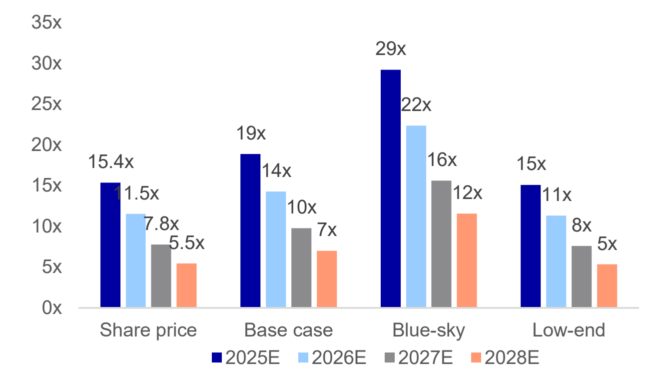
Peer valuation

We triangulate our DCF values using peer multiples, where we benchmark Xplora against pureplay hardware peers and hardware-enabled subscription peers

For our peer benchmarking, we triangulate our DCF values using peer multiples, where we benchmark Xplora against pureplay hardware peers and hardware-enabled subscription peers. Xplora has no direct peers and so we use characteristics of Xplora with and without subscriptions. Below we highlight Xplora's multiples at our base-case estimates using our different fair values at 5%, 8% and 15% conversion rates and the current share price. From our peer benchmarking, Xplora is trading at a premium to our pureplay hardware peers on EV/EBIT and P/E but at a discount to our hardware-enabled software peers. In our blue-sky scenario, Xplora is valued at the same multiples as our hardware-enabled software peers.

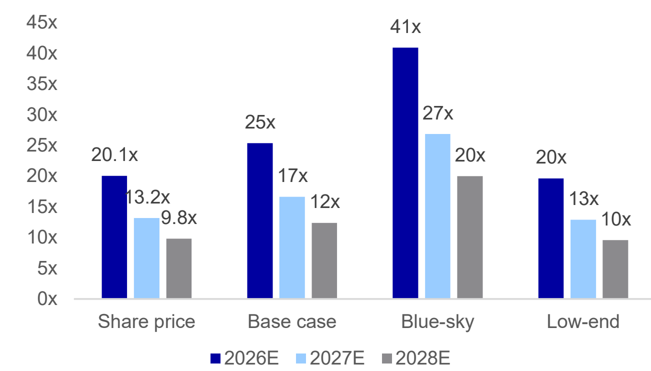
We have removed the 2025E P/E value as we estimate a negative P/E for 2025 due to integration costs, loan fees and other one-offs.

XPLORA EV/EBIT MULTIPLES AT DIFFERENT SCENARIO FAIR VALUES



Source: Company data and Nordea estimates

XPLORA P/E MULTIPLES AT DIFFERENT SCENARIO FAIR VALUES



Source: Company data and Nordea estimates

Below, we give an overview of Xplora versus our hardware group, which we argue should be the floor of our fair value given the relative low multiples for hardware suppliers due to the nature of their business with low margins and low and unpredictable growth rates. At the bottom end of our fair value, Xplora is valued at a premium to our hardware peers (Xplora is not a pureplay hardware company and has recurring subscription revenue and high growth). At the lower end of our fair value, Xplora is valued 20% above peers on 2026E EV/EBIT but in line on 2027 estimates, where we argue that EV/EBIT is the appropriate multiple to look at (several peers have warehouses and physical stores where EV/EBIT takes leasing into consideration).

PEER BENCHMARKING AGAINST HARDWARE PEERS

	MCap	EV/EBITDA			EV/EBIT			EV/EBITDA-capex			P/E		
Company	**(USDm)**	**2025E**	**2026E**	**2027E**	**2025E**	**2026E**	**2027E**	**2025E**	**2026E**	**2027E**	**2025E**	**2026E**	**2027E**
Komplett	244	6.2x	4.2x	3.5x	34.7x	11.7x	9.3x	8.6x	5.1x	4.2x	na	16.1x	10.9x
Currys	2,072	3.4x	3.4x	3.2x	10.2x	9.7x	9.1x	4.2x	4.2x	4.0x	11.9x	11.0x	10.1x
Samsung Electronics	361,428	4.5x	3.6x	3.1x	14.4x	9.9x	8.3x	15.0x	9.4x	7.3x	17.0x	12.9x	11.0x
LG Electronics	9,486	2.3x	2.3x	1.7x	8.6x	6.8x	6.1x	4.1x	3.9x	3.0x	9.1x	7.5x	6.5x
Panasonic	25,988	6.1x	5.1x	3.6x	0.0x	9.7x	8.2x	28.0x	11.0x	5.4x	12.1x	9.1x	7.4x
Lenovo Group	18,447	4.3x	3.7x	3.0x	7.3x	6.5x	5.7x	5.6x	4.8x	3.9x	11.8x	10.5x	9.0x
Mean	**69,611**	**4.5x**	**3.7x**	**3.0x**	**12.5x**	**9.0x**	**7.8x**	**10.9x**	**6.4x**	**4.6x**	**12.4x**	**11.2x**	**9.2x**
Median	**13,967**	**4.4x**	**3.6x**	**3.2x**	**9.4x**	**9.7x**	**8.2x**	**7.1x**	**5.0x**	**4.1x**	**11.9x**	**10.7x**	**9.6x**
Xplora (NDA low case)		**10.8x**	**8.9x**	**6.3x**	**15.1x**	**11.3x**	**7.6x**	**14.7x**	**11.7x**	**7.8x**	**-38.6x**	**19.7x**	**12.9x**
Xplora (NDA)		**11.0x**	**9.0x**	**6.4x**	**15.4x**	**11.5x**	**7.8x**	**14.9x**	**11.9x**	**8.0x**	**-39.4x**	**20.1x**	**13.2x**

Source: LSEG, company data and Nordea estimates

At the current share price, Xplora is trading at a ~40-50% discount on 2027E EV/EBIT and P/E multiples

We argue that Xplora's business model is based on hardware-enabled subscriptions and that the current rollout of connectivity in Doro will first make a significant impact from 2027 onwards. We therefore compare Xplora with other hardware-enabled software peers on 2027 multiples. At the current share price, Xplora is trading at a ~40-50% discount on 2027E EV/EBIT and P/E multiples. Using our blue-sky fair value, Xplora's multiples are slightly below (0-10%) with peers on all 2027E multiples expect P/E (due to tax and net financials).

PEER BENCHMARKING AGAINST HARDWARE-ENABLED SOFTWARE PEERS

	MCap	EV/EBITDA			EV/EBIT			EV/EBITDA-capex			P/E		
Company	**(USDm)**	**2025E**	**2026E**	**2027E**	**2025E**	**2026E**	**2027E**	**2025E**	**2026E**	**2027E**	**2025E**	**2026E**	**2027E**
Garmin	45,829	19.4x	18.2x	17.7x	24.3x	23.0x	20.8x	22.9x	21.0x	20.2x	29.4x	27.5x	25.7x
Apple	3,473,690	22.4x	21.1x	20.1x	26.4x	24.5x	23.3x	24.5x	23.2x	22.0x	31.1x	28.6x	26.0x
Cisco Systems	263,006	12.6x	12.2x	11.6x	13.9x	13.4x	12.6x	13.2x	12.7x	12.1x	17.1x	16.0x	14.8x
Sony Group	179,063	9.5x	8.8x	12.4x	n.a.	n.a.	n.a.	13.1x	11.9x	16.6x	23.7x	22.0x	20.6x
Yubico	1,169	32.2x	19.3x	14.0x	33.5x	19.9x	15.6x	34.5x	20.3x	14.7x	55.8x	29.2x	22.0x
Tomra Systems	4,476	15.0x	11.2x	9.0x	24.7x	17.7x	13.8x	23.3x	15.1x	11.9x	34.4x	22.7x	17.5x
Mean	**661,206**	**18.5x**	**15.1x**	**14.1x**	**24.5x**	**19.7x**	**17.2x**	**21.9x**	**17.4x**	**16.3x**	**31.9x**	**24.3x**	**21.1x**
Median	**112,446**	**17.2x**	**15.2x**	**13.2x**	**24.7x**	**19.9x**	**15.6x**	**23.1x**	**17.7x**	**15.7x**	**30.3x**	**25.1x**	**21.3x**
Xplora (NDA blue-sky)		**20.9x**	**17.5x**	**12.9x**	**29.2x**	**22.4x**	**15.6x**	**28.4x**	**23.0x**	**16.0x**	**-80.4x**	**40.9x**	**26.9x**
Xplora (NDA)		**11.0x**	**9.0x**	**6.4x**	**15.4x**	**11.5x**	**7.8x**	**14.9x**	**11.9x**	**8.0x**	**-39.4x**	**20.1x**	**13.2x**

Source: LSEG, company data and Nordea estimates

In our peer benchmarking, Xplora is valued above hardware peers and below hardware-enabled software peers

From our peer benchmarking, Xplora is valued above hardware peers and below hardware-enabled software peers. We argue that Xplora's conversion rate in the Senior segment going forward will be a decisive factor for which peer group Xplora should be benchmarked against going forward. In our blue-sky scenario, Xplora has similar 2027E multiples as our hardware-enabled software peers.

Management

Sten Kirkbak, Founder and CEO

Sten Kirkbak brings over 22 years of experience from telecommunications and technology, with a track record of founding and leading successful ventures. Before establishing Xplora, he served as founder and Chief Creative Officer of FiLIP Technologies and CEO of Black Moose Brand Agency. His earlier roles include positions at KPNQwest and Telenor Telehuset. Mr. Kirkbak 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, Chief Financial Officer

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. Mr. Stålen has served as CFO in several publicly listed technology companies. Previous employers include Next Biometrics ASA, Trolltech ASA and Mamut ASA. Mr. Stålen holds a degree in finance and marketing from BI Norwegian Business School.

Kjetil Fennefoss, CEO of Doro/Director Group Revenues

Kjetil Fennefoss has been with Xplora since 2017 and currently holds the position of CEO of Doro/Director Group Revenues. He has previously worked as Group Director at Millicom and VEON, Vice President at Telenor in various markets, and Managing Director at Ingram Micro AS, Telenor Telehuset AS, MobilDatakjeden AS and United Distribution Business Ltd. in Thailand. He holds a Diplom-Kaufmann degree from University of Mannheim and has completed the Executive Management Programme from London School of Business and Finance.

Sanghyo Kim, CTO

Sanghyo Kim has over 25 years of experience in telecommunications and the value-added service industry, with expertise in sales, business development and product marketing. Before joining Xplora as CTO, he worked as an independent business development consultant and led business development and product marketing efforts at RealNetworks, where he held various senior roles. Mr. Kim holds a degree in computer science from Changwon National University in South Korea.

Kristin Hellebust, CLO

Kristin Hellebust brings extensive experience from the media, entertainment and technology management sectors. She co-founded and served as CEO of Nordisk Film Shortcut and previously held a similar leadership role at Storm Studios. Ms. Hellebust also practiced law at Selmer and has served as a board member for multiple private and publicly listed companies. She holds a Cand. Jur. degree from University of Oslo, an Executive Master in Financial Strategy from BI, and an Executive MBA from Norwegian School of Economics.

Anja von Lom, SVP Product Marketing

Anja von Lom joined Xplora in 2017, spearheading the brand's establishment in the DACH region. With 23 years of experience in media, marketing and PR, she previously founded and led a PR agency for a decade, specialising in emerging fashion labels. Ms. von Lom's career also includes roles with prominent media houses like Condé Nast and luxury fashion brands such as Chanel and Céline.

Board of directors

Tore Engebretsen, Chairman of the board

Tore Engebretsen is the owner of Passesta AS, an investment company with a focus on technology-oriented investments. He holds several board and chairman positions in a variety of companies such as Media Network Services AS and Squarehead Technology AS. He is the 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. Mr. Engebretsen holds a Cand. Real. in Theoretical Physics from University of Oslo.

Jannicke Haugen, Board member

Jannicke Haugen has more than 15 years of leadership experience in media, retail, culture and healthcare. She has held CEO positions at Nordisk Film Kino and Egmont Kids Media Nordic. Ms. Haugen is a Managing Partner at consultancy House of 360. She serves on multiple boards of companies in the technology, culture and healthcare sectors. Ms. Haugen's education includes Norwegian School of Economics, Styrelederskolen, CBS Simi Executive Program and Huma Nova Psychosynthesis University (organisational theory).

Bjørn Christian Eide, Board member

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, most recently at Microsoft before returning to Norway in 2019. Currently, Mr. Eide serves as Co-Chief Investment Officer and Chairman of Esmar AS. He is also actively involved as an advisor to reTyre AS, Asistobe AS and Countable Inc. Mr. Eide holds a degree in Business Administration and Economics from Norwegian School of Economics.

Trygve Bruland, Board member

Trygve Bruland is a professional investor and has extensive experience from serving on listed and unlisted boards. Mr. Bruland has previous experience in investment banking and management consulting from Pareto Securities, Medici Corporate, SEB Enskilda, McKinsey & Co. and the Boston Consulting Group. He has broad experience from several active and passive corporate investments, strategic and financial advisory roles, M&A processes and ECM transactions. He holds an MBA from INSEAD and a degree in Business Administration and Economics from Norwegian School of Economics.

Ingrid Elvira Leisner, Board member

Ingrid Elvira Leisner has served on the board of Xplora since June 2021. She has extensive board experience from OSE-listed companies and 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 a board member. She holds a Bachelor of Business Administration from University of Texas.

Suzaan Sauerman, Board member

Suzaan Sauerman is a business and brand innovator with over two decades of experience in the consumer technology sector. She has been a board member at Doro AB and held executive leadership roles at prominent companies such as Motorola, Jabra, Bowers & Wilkins, Telia and Three Mobile, leading diverse teams across several continents. Ms. Sauerman holds a CIM post-graduate marketing degree from Chartered Institute of Marketing and a Business Management and Marketing degree from Cape Peninsula University of Technology.

Risk factors

There are several external and internal risks that could affect Xplora's business. In this section, we list the most significant risk factors that we identify for the company. The purpose of this section is not to provide a comprehensive picture of all of the risks the company may face, but rather to highlight those that we deem the most relevant.

Market risk
Economic downturns or adverse market conditions can impact customer spending on electronic devices and communication solutions. Consumers may reduce their budgets for communication devices and services during economic slowdowns, which will affect Xplora's revenue and profitability. Additionally, Xplora reports its financials in NOK and is therefore exposed to translation risk, in the sense that the underlying performance of EUR-, SEK-, GBP- and USD-denominated businesses is not reflected in the financial statements. The entity could also face transactional risk when cash flows from Xplora's subsidiaries to Xplora Group use different currencies. As the company buys its goods in USD and sells the majority of its products in the European market, the group has a programme in place to hedge part of its EUR/USD exposure to mitigate risk associated with currency fluctuations.

Competitive environment risk
Competitive environment risk is risk related to changes to the competitive environment. NOBA operates in a market with several barriers to entry caused by the MVNO agreements, distribution networks and the importance of economies of scale. Significant technological changes, shifting customer needs, new products and services, new distribution channels, and the arrival of new competitors all constitute risks related to the competitive environment. Xplora monitors market trends and operates an efficient and agile digital business model which allows the company to adapt to new trends and to changes in the competitive environment.

Technological advancement risk
The rapid pace of technological changes in digital devices ensures companies will need to invest in research and development for future product launches. Xplora must stay ahead of technological trends, such as devices with sufficient capabilities and relevant software solutions, to maintain its competitive edge. Failure to innovate or adapt to new technologies could result in a loss of market relevance and customers.

M&A integration risks
Xplora has acquired Doro and its target of achieving one million subscribers is heavily reliant on rolling out connectivity to Doro users. While M&A can drive growth and market expansion, it also poses integration risks. Successfully integrating acquired companies involves aligning cultures, systems and processes. Failure to achieve expected synergies from rolling out connectivity to Doro customers or managing integration ineffectively could lead to operational disruptions and financial underperformance.

Reputational risk
Reputational risk is risk related to the general public's perception of Xplora and its brands. Xplora offers smartwatches and subscription solutions with relatively fast churn, and the general public's perception of the company and its products - i.e. that it is safe, trustworthy and offers good customer service - is an important selling point for new and existing consumer lenders. Reputational risk can arise from a high-profile lawsuit, a data breach or poor customer service, which can affect Xplora's financials.

Top 20 shareholders

TOP 20 SHAREHOLDERS

Investor	Number of shares	% of top 20	% of total
Passesta AS	5,969,056	20.0%	13.4%
Harmonium Invest AS	2,689,911	9.0%	6.0%
Vinterstua AS	2,352,568	7.9%	5.3%
Eden AS	2,240,125	7.5%	5.0%
S. Munkhaugen AS	1,991,325	6.7%	4.5%
MP Pensjon PK	1,907,165	6.4%	4.3%
MK Capital AS	1,320,325	4.4%	3.0%
Kirkbak Holding AS	1,108,606	3.7%	2.5%
Fougner Invest AS	1,108,111	3.7%	2.5%
Camelback Holding AS	1,097,500	3.7%	2.5%
Esmar AS	1,092,576	3.7%	2.4%
Commerzbank Aktiengesellschaft	1,056,019	3.5%	2.4%
Nordnet Livsforsikring AS	937,508	3.1%	2.1%
Arepo AS	914,762	3.1%	2.1%
Torsen Tankers & Towers AS	846,460	2.8%	1.9%
Sparebank 1 Markets AS	777,122	2.6%	1.7%
Hering AS	652,446	2.2%	1.5%
Skattum Invest AS	635,192	2.1%	1.4%
Cosimo AS	600,000	2.0%	1.3%
Noma Fokus AS	492,500	1.7%	1.1%
Total number owned by top 20	**29,789,277**		**66.8%**
Total number of shares	**44,612,786**		**100.0%**

Source: Company data and Nordea
Note: As of 30 June 2025

Reported numbers and forecasts

INCOME STATEMENT

NOKm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Total revenue	**n.a.**	**n.a.**	**n.a.**	**200**	**431**	**502**	**689**	**797**	**1,915**	**2,070**	**2,317**
- growth	n.a.	n.a.	n.a.	n.a.	115%	16.4%	37.3%	15.7%	140%	8.09%	11.9%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA (rep.)	0.00	0.00	0.00	-11.5	19.2	-33.5	33.7	71.0	206	268	350
Depreciation and impairments PPE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which leased assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EBITA	0.00	0.00	0.00	-13.7	-16.1	-84.7	-22.8	26.7	140	210	290
Amortisation and impairments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EBIT	n.a.	n.a.	n.a.	-13.7	-16.1	-84.7	-22.8	26.7	140	210	290
of which associates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Associates excluded from EBIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net financials	0.00	0.00	0.00	-11.7	-2.35	-0.24	-12.6	-14.1	-167	-60.0	-60.0
of which lease interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Changes in value, net	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
PTP	**0.00**	**0.00**	**0.00**	**-25.3**	**-18.5**	**-85.0**	**-35.5**	**12.6**	**-27.3**	**150**	**230**
Reported taxes	0.00	0.00	0.00	0.00	0.00	10.6	8.26	-4.24	-21.8	-33.0	-50.7
Net profit from continued operations	0.00	0.00	0.00	-25.3	-18.5	-74.4	-27.2	8.40	-49.1	117	180
Discontinued operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Minority interests	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-4.25	-7.90	-13.6
Net profit to equity	0.00	0.00	0.00	-25.3	-18.5	-74.4	-27.2	8.40	-53.4	109	166
EPS (rep. NOK)	**n.a.**	**n.a.**	**n.a.**	**-0.79**	**-0.46**	**-1.83**	**-0.65**	**0.19**	**-1.20**	**2.44**	**3.72**
DPS - total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit margin in %											
EBITDA	n.a.	n.a.	n.a.	-5.71%	4.44%	-6.68%	4.89%	8.90%	10.7%	12.9%	15.1%
EBITA	n.a.	n.a.	n.a.	-6.82%	-3.73%	-16.9%	-3.32%	3.35%	7.31%	10.1%	12.5%
EBIT	n.a.	n.a.	n.a.	-6.82%	-3.73%	-16.9%	-3.32%	3.35%	7.31%	10.1%	12.5%
Adjusted earnings											
EBITDA (adj.)	0.00	0.00	0.00	-11.5	19.2	-33.5	33.7	71.0	230	268	350
EBITA (adj.)	0.00	0.00	0.00	-13.7	-16.1	-84.7	-22.8	26.7	164	210	290
EBIT (adj.)	0.00	0.00	0.00	-13.7	-16.1	-84.7	-22.8	26.7	164	210	290
EPS (adj. NOK)	n.a.	n.a.	n.a.	-0.79	-0.46	-1.83	-0.65	0.19	-0.65	2.44	3.72
Adjusted profit margins in %											
EBITDA (adj.) margin	n.a.	n.a.	n.a.	-5.71%	4.44%	-6.68%	4.89%	8.90%	12.0%	12.9%	15.1%
EBITA (adj.) margin	n.a.	n.a.	n.a.	-6.82%	-3.73%	-16.9%	-3.32%	3.35%	8.59%	10.1%	12.5%
EBIT (adj.) margin	n.a.	n.a.	n.a.	-6.82%	-3.73%	-16.9%	-3.32%	3.35%	8.59%	10.1%	12.5%
Performance metrics											
CAGR last five years											
Net revenue (five-year CAGR)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	57.0%	36.8%	35.8%
EBITDA (five-year CAGR)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	69.4%	n.m.
EBIT (five-year CAGR)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.
EPS (five-year CAGR)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.
DPS (five-year CAGR)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Average last five years											
Average EBIT margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	-4.22%	0.99%	4.50%	8.27%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3.01%	6.83%	9.12%	11.9%

Source: Company data and Nordea estimates

VALUATION RATIOS

NOKm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
ADJUSTED EARNINGS											
P/E (adj.)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	20.0	13.1
EV/EBITDA (adj.)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.90	1.25	0.53
EV/EBITA (adj.)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2.66	1.60	0.64
EV/EBIT (adj.)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2.66	1.60	0.64
REPORTED EARNINGS											
P/E	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	20.0	13.1
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.23	0.16	0.08
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2.12	1.25	0.53
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3.12	1.60	0.64
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3.12	1.60	0.64
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.00%	0.00%	0.00%
FCF yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.
FCF yield before A&D, lease-adj.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.
Payout ratio	n.a.	n.a.	n.a.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Company data and Nordea estimates

BALANCE SHEET

NOKm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Intangible assets	0.00	0.00	0.00	6.81	247	237	207	181	834	840	848
of which R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which other intangibles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tangible assets	0.00	0.00	0.00	0.42	1.13	1.98	1.46	14.0	22.8	22.8	22.8
of which leased assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Shares associates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest-bearing assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax assets	0.00	0.00	0.00	0.00	0.00	0.00	10.9	13.0	24.3	24.3	24.3
Other non-IB non-current assets	0.00	0.00	0.00	0.00	0.16	0.00	0.00	1.24	47.8	47.8	47.8
Other non-current assets	0.00	0.00	0.00	0.00	0.16	4.19	6.58	5.74	6.22	6.22	6.22
Total non-current assets	0.00	0.00	0.00	7.23	249	243	226	215	935	941	949
Inventory	n.a.	n.a.	n.a.	24.5	82.5	96.4	108	80.9	280	302	338
Accounts receivable	n.a.	n.a.	n.a.	42.6	106	118	75.4	75.5	237	256	286
Short-term leased assets	0.00	0.00	0.00	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other current assets	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cash and bank	n.a.	n.a.	n.a.	118	140	50.4	137	235	696	805	968
Total current assets	n.a.	n.a.	n.a.	185	328	130	126	392	1,308	1,468	1,710
Assets held for sale	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total assets	**n.a.**	**n.a.**	**n.a.**	**193**	**577**	**374**	**352**	**606**	**2,244**	**2,409**	**2,659**
Shareholders' equity	0.00	0.00	0.00	128	401	351	338	352	410	527	706
of which preferred stocks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which equity part of hybrid debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Minority interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	96.0	104	118
Total Equity	0.00	0.00	0.00	128	401	351	338	352	506	631	824
Deferred tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long-term interest-bearing debt	0.00	0.00	0.00	25.0	29.8	0.00	14.6	6.25	963	963	963
Pension provisions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other long-term provisions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other long-term liabilities	0.00	0.00	0.00	0.00	13.0	22.9	0.00	6.44	106	106	106
Non-current lease debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Convertible debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Shareholder debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hybrid debt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total non-current liabilities	0.00	0.00	0.00	25.0	42.8	22.9	14.6	12.7	1,070	1,070	1,070
Accounts payable	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Current lease debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other current liabilities	n.a.	n.a.	n.a.	22.1	46.6	0.00	0.00	158	594	635	692
Short-term interest-bearing debt	0.00	0.00	0.00	17.4	86.2	0.00	0.00	83.3	73.9	73.9	73.9
Total current liabilities	n.a.	n.a.	n.a.	39.5	133	0.00	0.00	241	668	709	766
Liabilities for assets held for sale	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total liabilties and equity	**n.a.**	**n.a.**	**n.a.**	**192**	**577**	**374**	**352**	**606**	**2,244**	**2,409**	**2,659**
Balance sheet and debt metrics											
Net debt	n.a.	n.a.	n.a.	-75.8	-23.7	-50.4	-123	-146	341	232	68.9
of which lease debt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Working capital	n.a.	n.a.	n.a.	45.0	142	214	183	-1.21	-78.0	-76.7	-67.5
Invested capital	n.a.	n.a.	n.a.	52.2	391	458	409	213	857	865	881
Capital employed	0.00	0.00	0.00	170	517	351	352	442	1,543	1,668	1,861
ROE	n.m.	n.m.	n.m.	-39.6%	-6.98%	-19.8%	-7.91%	2.43%	-14.0%	23.3%	26.9%
ROIC	n.a.	n.a.	n.a.	n.a.	-7.28%	-20.0%	-5.27%	8.57%	30.7%	24.4%	33.3%
ROCE	n.m.	n.m.	n.m.	-0.16	-0.05	-0.20	-0.07	0.07	0.17	0.13	0.16
Net debt/EBITDA	n.a.	n.a.	n.a.	n.m.	-1.24	n.m.	-3.65	-2.05	1.66	0.87	0.20
Interest coverage	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	n.a.	n.a.	n.a.	66.5%	69.6%	93.9%	95.9%	58.1%	18.3%	21.9%	26.6%
Net gearing	n.a.	n.a.	n.a.	-59.2%	-5.91%	-14.4%	-36.4%	-41.3%	67.4%	36.7%	8.36%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

NOKm	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
EBITDA (adj.) for associates	**0.00**	**0.00**	**0.00**	**-11.5**	**19.2**	**-33.5**	**33.7**	**71.0**	**206**	**268**	**350**
Paid taxes	0.00	0.00	0.00	0.00	0.00	10.6	8.26	-4.24	-21.8	-33.0	-50.7
Net financials	0.00	0.00	0.00	0.00	0.00	-0.24	-12.6	-14.1	n.a.	n.a.	n.a.
Change in provisions	n.a.	n.a.	n.a.	n.a.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in other long-term non-IB	0.00	0.00	0.00	0.00	12.7	6.06	-36.3	3.95	n.a.	0.00	0.00
Cash flow to/from associates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends paid to minorities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other adj. to reconcile to cash flow	n.a.	n.a.	n.a.	n.a.	-14.7	0.00	0.00	0.00	0.00	0.00	0.00
Funds from operations (FFO)	**n.a.**	**n.a.**	**n.a.**	**-5.39**	**17.2**	**-17.1**	**-6.95**	**56.6**	**184**	**235**	**299**
Change in NWC	n.a.	n.a.	n.a.	-6.70	-44.8	-14.8	33.4	40.7	46.9	-1.31	-9.23
Cash flow from operations (CFO)	**n.a.**	**n.a.**	**n.a.**	**-12.1**	**-27.7**	**-56.6**	**60.3**	**98.0**	**151**	**233**	**290**
Capital expenditure	0.00	0.00	0.00	-3.47	-12.1	-38.1	-22.8	-20.0	-61.0	-64.0	-67.2
Free cash flow before A&D	**n.a.**	**n.a.**	**n.a.**	**-15.6**	**-39.8**	**-94.8**	**37.5**	**78.0**	**90.2**	**169**	**223**
Proceeds from sale of assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Acquisitions	0.00	0.00	0.00	0.00	-76.9	-20.0	0.00	0.00	-484	0.00	0.00
Free cash flow	n.a.	n.a.	n.a.	-15.6	-117	-115	37.5	78.0	-394	169	223
Free cash flow bef. A&D, lease adj.	n.a.	n.a.	n.a.	-15.6	-39.8	-94.8	37.5	78.0	90.2	169	223
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equity issues	0.00	0.00	0.00	94.9	147	16.5	0.00	0.00	3.19	0.00	0.00
Net change in debt	0.00	0.00	0.00	0.00	0.00	-116	14.6	75.0	948	0.00	0.00
Other financing adjustments	n.a.	n.a.	n.a.	n.a.	n.a.	125	35.0	-55.3	-95.9	-60.0	-60.0
Other non-cash adjustments	n.a.	n.a.	n.a.	n.a.	n.a.	0.00	0.00	0.00	0.00	0.00	0.00
Change in cash	n.a.	n.a.	n.a.	n.a.	21.5	-89.3	87.0	97.6	461	109	163
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Capex/sales	n.a.	n.a.	n.a.	1.73%	2.81%	7.60%	3.31%	2.51%	3.18%	3.09%	2.90%
Key information											
Share price, year-end (/current)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	48.9	48.9	48.9
Market cap	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.00	0.00	0.00
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	437	336	186
Diluted no. of shares, year-end (m)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Source: Company data and Nordea estimates

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Nordea has no market-making obligations in Xplora Technologies shares.

As of today, Nordea Abp holds no positions of 0.5% or more of shares issued by Xplora Technologies.

As of the publication of this report, the issuer does not hold a position exceeding 5% of the total shares issued in Nordea Abp.

Previous rating changes in the past 12 months

Date	To	From
No rating changes		

Investment banking transactions and/or services

In view of Nordea's position in its markets, readers should assume that the bank may currently or may in the coming three months and beyond be providing or seeking to provide confidential investment banking and/or ancillary services to the company/companies.

Distribution of recommendations

Recommendation	% distribution
Buy	58.25%
Hold	38.95%
Sell	2.81%

As of 15 September 2025

Distribution of recommendations (transactions)*

Recommendation	% distribution
Buy	57.89%
Hold	42.11%
Sell	0%

As of 15 September 2025

* Companies under coverage with which Nordea has ongoing or completed public investment banking transactions.

Recommendation structure and fair value sensitivity (absolute ratings)

Buy: Positive share price potential versus our fair value and we see a compelling investment case to buy the share.

Sell: Negative share price potential versus our fair value and we see a compelling investment case to sell the share.

Hold: Share in line with our fair value and/or no compelling investment case.

We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. When applicable, we set a 12-month target price by applying an appropriate premium/discount and/or other relevant adjustment to our fair value to reflect the share price potential we see within the coming 12 months. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive.
It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. Dividend payouts are included in the target price. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

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For a description of the methodology used in our proprietary ESG ratings, please refer to https://research.nordea.com/esg-methodology.pdf

Completion Date

17/09/2025 01:04 CEST

Equity risk rating

Nordea risk rating: Xplora Technologies 4
As a measure of the company's operational risk we, apply a risk rating scale of 1-5 where 1 is the lowest risk and 5 is the highest. The risk rating is calculated using a weighted average of earnings/cash flow predictability, earnings quality and backwardlooking asset beta. For the most illiquid stocks, the risk rating is also adjusted for liquidity risk. The risk rating is then converted to asset beta and used to calculate the cost of capital. It is thus implicitly included in our fair value calculations.

Issuer Review

This report has been reviewed, for the purpose of verification of fact or sequence of facts, by the Issuer of the relevant financial instruments mentioned in the report prior to publication. No Nordea recommendations or target prices have, however, been disclosed to the Issuer. The review has not led to any changes of the report.

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