



2nd QUARTER 2023 REPORT

PROFITABILITY.
PREMIUM SERVICES.
OPERATIONAL IMPROVEMENTS.

“ **We have a laser focus in 2023:**

To sell our three new products, in our nine core markets where we have SIM connectivity with the objective to increase ARPU through premium services.



Contents

Contents	1
About Xplora	4
The Quarter at a Glance	5
<i>Message from the CEO</i>	5
<i>Q2 23 Highlights</i>	5
<i>Key Figures</i>	6
<i>Financial Graphs</i>	6
Xplora Technologies Group Financials	7
Q2 2023 Operational Highlights	10
Outlook	11
<i>Profit & Loss</i>	12
<i>Balance Sheet</i>	13
<i>Cash flow</i>	14
<i>Notes</i>	15

About Xplora



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

Xplora's broad portfolio of connected products and services allows people to connect with their loved ones, and children to experience how their everyday activities can make a positive change in the world. Xplora's critically acclaimed products are trusted by kids worldwide, and the Xplora activity platform is made available to millions of kids through third parties and partners. Headquartered in Oslo, Xplora has offices in four Nordic countries, Germany, Spain, the US, and the UK, where our engineering team is based. The Company has Mobile Service Provider operations in 9 markets. Xplora has several major innovations in the child smartwatch category, including the launch of the world's first eSIM product for children and its activity platform logic converting steps to awards.

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

FAST FACTS



**187k
subscriptions**



**127k smartwatches
sold in Q2 23**



**MSP
In 9 markets**



119 FTE

The Quarter at a Glance

MESSAGE FROM THE CEO

As we step further into 2023, it's with pride and gratitude that I contemplate our achievements in the first half of the year. We have seen a tremendous growth in service revenue, thanks to the introduction of premium services and connectivity in our non-Nordic markets, driving a higher ARPU. We have kept a disciplined focus on cost as evidenced by decreasing marketing- and other operating expenses as a percentage of revenue. Our commitment to recurring revenue growth and financial prudence, combined with smart strategic initiatives, has strengthened our cash balance to almost NOK 100m and puts us in a robust financial position for further growth.

Our financial performance this quarter is a direct result of a strong increase in service offerings, the initiation of the Master Distributor Agreement (MDA) and favourable currency fluctuations. We achieved an EBITDA of NOK 17m in Q2 23, and NOK 14m in H1 23, demonstrating the strength and resilience of our business model. This achievement also showcases the effect of our service- and platform investments from last year, where we invested in five new MVNO setups and laid the foundation for Xplora Premium. We are proud of the commitment and ingenuity of our team, whose efforts have allowed us to maintain a positive trajectory despite market challenges.

Building on a strong Q1, we have moved into Q2 maintaining a laser focus for 2023: To sell three newly developed products, in nine markets where we have SIM connectivity to increase ARPU by upselling our Premium services.

A major highlight this quarter was the completion of phase one in our MDA, resulting in a one-off revenue boost of NOK 30m. By combining scheduled sales with an effective offloading of a significant portion of our European inventory, we have enhanced our financial standing and positioned ourselves for further success as we move into the next phases of the agreement.

Throughout this quarter Xplora has also made remarkable progress in refining our marketing strategies and strengthening our digital presence. An impactful campaign addressing children's exposure to digital risks was successfully rolled out in Finland, underscoring our unwavering commitment to innovation and child safety. Additionally, we have initiated a restructuring of our e-commerce processes to secure better conversion from webpages and improved performance marketing.

We take none of this quarter's achievements for granted. Each is a testament to our dedication, creativity, and focus on delivering value to our customers and stakeholders. We remain dedicated and focused on driving growth, optimizing operations, and taking Xplora to new heights.

Sten Kirkbak



Q2 23 HIGHLIGHTS

- Group revenues +72% y/y to NOK 190.7m, in part from a new MDA with one-time effect of NOK 30m
- Recurring service revenues +42% y/y to NOK 49.4m
- 170k connectivity subscribers, up 26% y/y
- 17k premium service subscriptions
- Gross profit +42% y/y to NOK 89.0m
- Positive EBITDA of NOK 16.8m
- NOK 99.3m in Cash and cash equivalents

KEY FIGURES

Amount in NOK millions	Q2 2023	Q2 2022*	YTD 2023**	YTD 2022*	FY 2022*
Device revenue	140.8	74.6	191.1	114.4	346.9
Service revenue	49.4	34.9	94.6	68.5	152.3
Total revenue	190.7	110.7	286.8	184.7	502.0
Growth y/y	72%	19%	55%	25%	16%
Gross profit**	89.0	62.8	146.6	106.1	237.0
Gross margin	47%	57%	51%	57%	47%
EBITDA	16.8	3.2	14.1	2.6	-33.5
Subscriptions (k)	186.8	134.4	186.8	134.4	156.9
Shares outstanding (million)	41.7	39.8	41.7	39.8	41.7
Share price (NOK)	9.0	12.3	9.0	12.3	9.9
Market capitalization	374.9	488.7	374.9	488.7	412.4

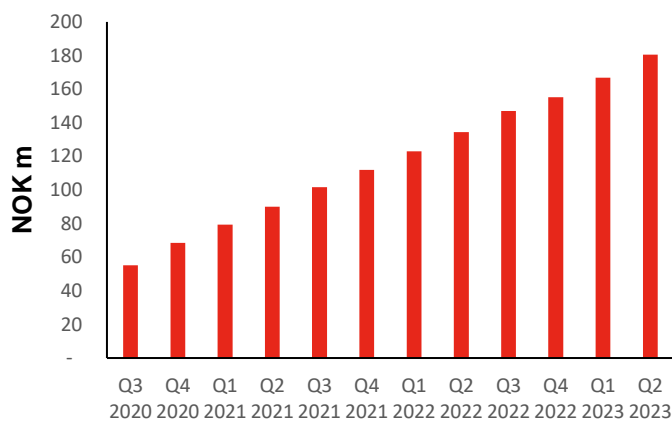
Figures are unaudited.

*Cost of sales restated for Q1-Q3 22 from reversing a previous accrual, please see note 7 in the Q4 22 report.

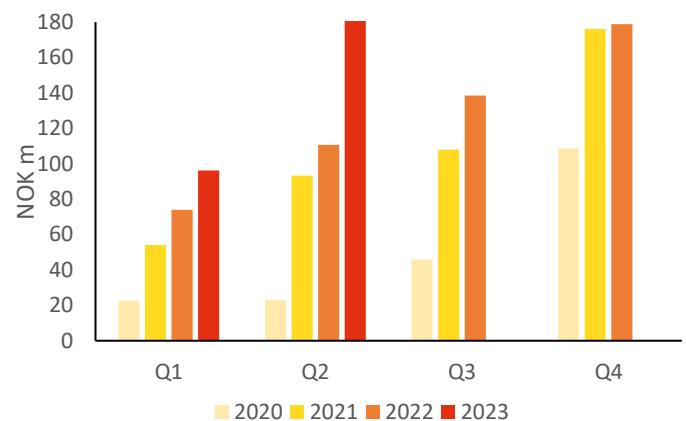
** Due to a discrepancy in Q1 23 service revenue and a minor correction in device revenue, figures have been restated. Please see note 7 for further details.

FINANCIAL GRAPHS

4q-rolling recurring service revenues



Quarterly Revenue



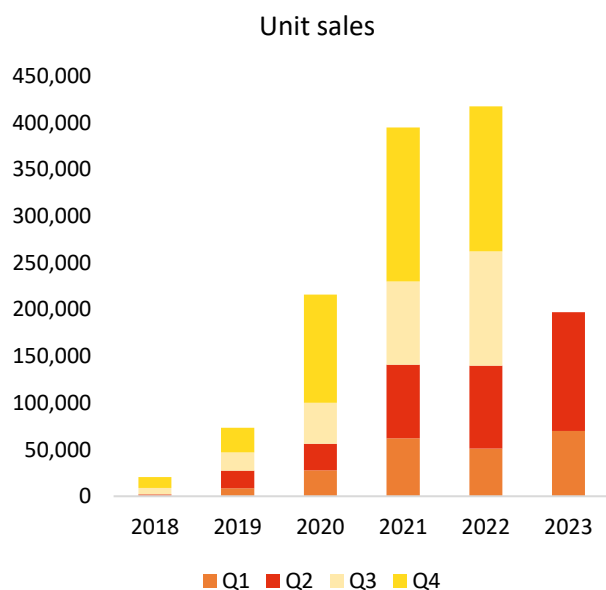
Xplora Technologies Group Financials

For the first half of 2023 (H1), Xplora had a revenue growth of 55% y/y for a total revenue of NOK 286.8m. The revenue for Q2 23 is 190.7m, up 72% y/y from the same quarter last year, and it is Xplora's highest revenue in a single quarter. Of the total revenue for Q2 23, NOK 140.8m is from device sales, including NOK 30m in a one-off transaction from our Master Distributor for Europe, and NOK 49.4m is from service sales. EBITDA for H1 23 was NOK 14.1m, and Q2 23 EBITDA was NOK 16.8m. Xplora closed Q2 23 with 170k connectivity subscriptions and 17k premium subscriptions, a strong q/q increase of 6.6% and 88% respectively. Xplora exits Q2 23 with NOK 99.3m in cash and cash equivalents.

Q2 23 PROFIT & LOSS

Q2 23 group revenues were NOK 190.7m, a 72% increase from NOK 110.7m in Q2 22. Recurring service revenues were NOK 49.4m in Q2 23, representing a y/y growth of 42% from NOK 34.9m in Q2 22. Xplora exited Q2 23 with a subscription base of 187k subscriptions. This is up 39% from 134k subscriptions at the end of Q2 22. Revenue has increased more than the number of subscribers, from an 11% increase in ARPU y/y. Smartwatch sales in Q2 23 reached NOK 140.8m, up 90% y/y. Device sales included a one-off transaction to the Master Distributor for Europe, of 26k units, valued at NOK 30m.

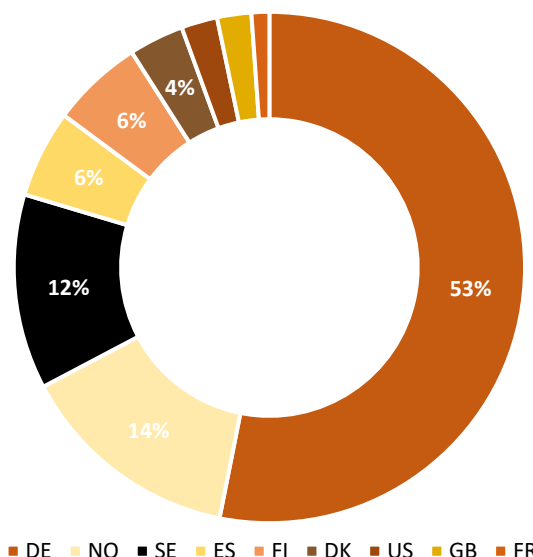
Due to a reporting error from a service provider in Q1 23, Xplora unfortunately reported NOK 4.2m as service revenue that should have been periodized and reported as deferred income on the balance sheet. The correct Q1 23 service revenue was NOK 45.3m, up 35% y/y. See restated Q1 23 in note 7.



As a result of the introduction of the new European MDA, device revenue will be focused on fewer legal entities going forward, and as such the Company will provide data from end-user activations in our top five

Countries, rather than revenue. For Q2 23, Xplora sold a total of 127k units. Germany saw the highest number of end-user watch activations, with 45k activations in the quarter. Norway saw 12k activations and Sweden had 11k activations. Finland and Spain were equal, with 5k activations each. The top three countries for Q2 23 service revenue were NOK 26.3m in Norway, NOK 11.7m in Sweden, and NOK 6.0m in Finland.

Watch activations per country in Q2 23



Gross profit in Q2 23 was NOK 89.0m, up 42% y/y, for a gross margin at 47%. This compares to a gross margin of 57% in Q2 22. For the first time, Xplora will disclose its gross margin per revenue line, which for Q2 23 has been 34% for device revenue and 83% for service revenue. Gross margin reported excludes marketing, selling and distribution cost. Gross margin from device sales is exposed to the EUR/USD exchange rate and reflects the current levels.

Group operating costs were NOK 72.3m in Q2 23, up from NOK 59.6m in Q2 22, 21% y/y, consisting of NOK 22.8m in salary and employee expenses, up 25% from NOK 18.2m in Q2 22. Marketing makes up the largest share of operating costs at NOK 21.6m in Q2 23, up

from 16.9m in Q2 22. However, marketing as a percentage of revenue is down from 15% to 11% y/y. Other operating costs were NOK 27.9m, compared to NOK 26.2m in Q2 22. Xplora had 119 full-time equivalents (FTE) at the end of Q2 23. This is down from 121 FTE in Q1 23.

Xplora had a positive EBITDA of NOK 16.8m in Q2 23, up from NOK 3.2m in Q2 22. Depreciations and amortization costs were NOK 13.6m in Q2 23 vs. NOK 12.0m in Q2 22, including a NOK 9.3m amortization from the acquisition of Xplora Mobile. EBIT came in at positive NOK 3.2m in Q2 23, an improvement over negative NOK 8.7m in Q2 22.

H1 2023 PROFIT AND LOSS

In H1 23 group revenues reached NOK 286.8m, a 55% increase from NOK 184.7m in H1 22. Recurring service revenue ended at NOK 94.6m, accounting for 33% of total group revenues, up 38% y/y. Smartwatch sales came to NOK 191.1m, which represents a 67% growth from H1 22, partly impacted by the one-off transaction to our Master Distributor in Europe.

Gross profit stood at NOK 146.6m, compared to NOK 106.1m in H1 22. Gross margin was 51% down from 57% y/y, mainly attributed to a higher share of device revenue during H1 23.

Xplora achieved a positive EBITDA of NOK 14.1m, compared to a positive EBITDA of NOK 2.6m in H1 22. The result for H1 23 consists of a restated negative EBITDA for Q1 23 of NOK 2.7m and a positive EBITDA for Q2 23 of NOK 16.8m. Depreciation and amortization was NOK 26.9m, up from NOK 23.7m in H1 22, of which NOK 18.6m is amortization of goodwill from acquisition of Xplora Mobile. EBIT ended at negative NOK 12.9m, an improvement from negative NOK 21.1m in H1 22. Profit before tax was negative NOK 18.6m, up from negative NOK 21.0m in H1 22.

XPLORA AS A MOBILE SERVICE PROVIDER

Xplora operates as a mobile service provider in the four Nordic markets, as well as Germany, France, Spain and the UK. The company is also preparing for the launch of its mobile service provider operations in the US market. So far Xplora's connectivity offering in the US market is through a partner agreement.

Xplora exited Q2 23 with 170k subscribers, up 26% y/y from 134k subscribers at the end of Q2 22, and up 10k subscribers from last quarter. Xplora held 84k

subscribers in Norway, 43k subscribers in Sweden, 18k subscribers in Finland and 12k subscribers in Denmark at the end of Q2 23, for a total of 156k subscribers in the Nordics, up 18% y/y.

The subscriber base represents an average market penetration of 7.0% of children aged 4-10 in the Nordic markets. The implicit market share in Norway is more than 19%, with close to 5% in Sweden and 4% in Finland.



Xplora had a gross addition of 24k subscribers, for a net growth of 10k subscribers, across all markets, with Sweden being the biggest net contributor of 3k subscribers. Churn in Q2 23 was 2.9% on an average monthly rate.

Xplora had 14k subscribers outside the Nordics at the end of Q2 23, of which 6k are in the US market and 4k are in the German market.

BALANCE SHEET

Total assets decreased from NOK 517.6m at the end of Q1 23, to NOK 499.8m at the end of Q2 23. The decrease comes as a result of efforts to reduce inventory and other receivables.

As part of the new master distribution agreement, Xplora reduced its inventories by NOK 21.5m to NOK 90.1m at the end of Q2 23, down from NOK 111.6m in Q1 23. Accounts receivable were NOK 36.5m in Q2 23, compared to NOK 39.8m in Q1 23. Other receivables amounted to NOK 42.5m in Q2 23, down from NOK 74.1m in the previous quarter. Other receivables mainly consist of prepayments of factory orders and VAT on imported goods.

Cash and cash equivalent increased to NOK 99.3m in the second quarter of 2023. The increase is mainly due to a reduction in working capital, as described above. The increase in cash is up NOK 44.8m from NOK 54.6m in Q1 23. At the end of Q2 23

consolidated equity was NOK 338.3m for an equity ratio of 68% compared to a restated equity of NOK 338.3m in Q1 23 for an equity ratio of 65%. The restated Q1 23 equity is NOK 4.2m lower than previously reported NOK 342.5m to account for the lower service revenue.

Total non-current assets were NOK 231.4m in Q2 23, compared to NOK 237.5m in Q1 23. The largest component of non-current assets is goodwill at NOK 148.4m, down from NOK 153.1m in Q1 23 and NOK 154.7m in Q4 22. The estimated value of remaining customer contracts was NOK 32.3m, down from NOK 36.9m in Q1 23. NOK 44.0m in intangible assets is capitalized development costs, up from NOK 41.1m in Q1 23.

Total interest-bearing debt was NOK 61.9m in Q2 23, down from NOK 73.3m in Q1 23. At the end of Q2 23 accounts payable was NOK 47.4m, down from NOK 50.5m at the end of Q1. Other short-term debt ended at NOK 52.2m, down from a restated NOK 55.5m in Q1 23 and consists of deferred income and accruals.

CASH FLOW

Net cash flow from operating activities in Q2 23 was positive at NOK 62.9m, compared to negative NOK 26.5m in Q1 23. Net change in working capital alone was positive NOK 51.3m, in large part due to reduction of inventory and VAT receivables.

Cash from investing activities ended at negative NOK 6.8m in Q2 23, of which capex investments in product- and platform development are the main components.

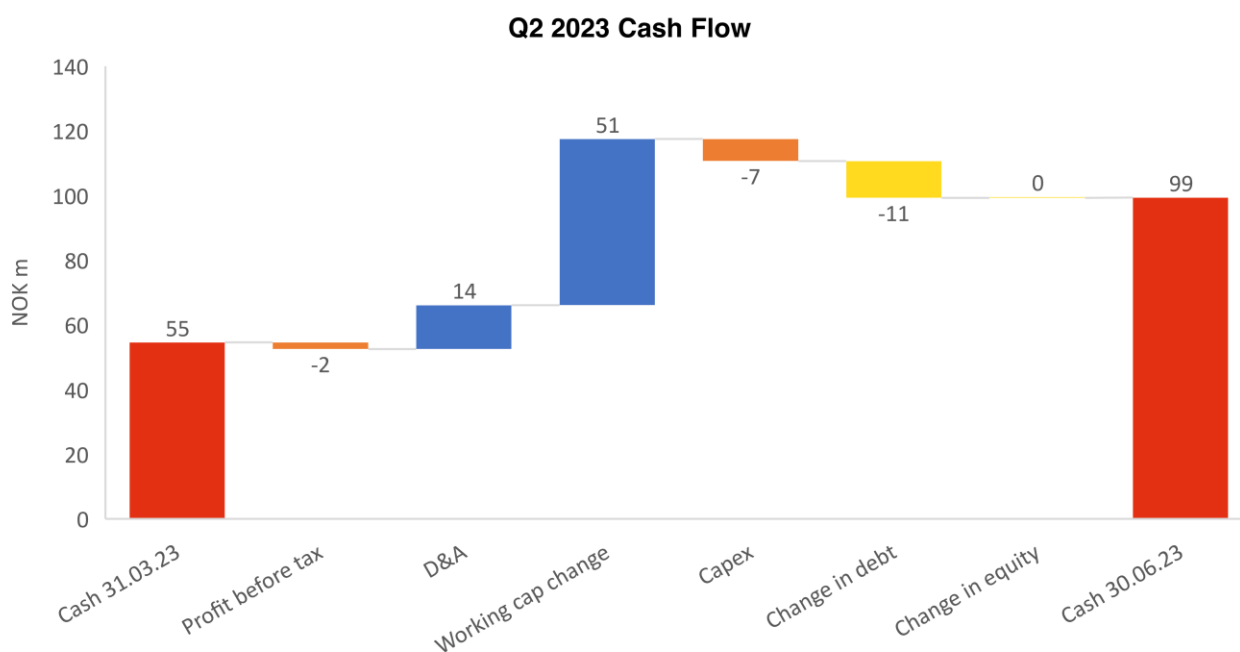
Cash flow from financing activities was negative NOK 11.3m in Q2 23, with a NOK 9.2m downpayment to Nordea and a NOK 2.1m downpayment to Innovation Norway. The downpayment to Nordea is part of the LC financing facility and coincides with the sale of goods to our Master Distributor for Europe.

SHAREHOLDERS

Xplora had 41,656,619 shares outstanding at the end of Q2 23, unchanged from the end of Q1 23. The company had 1,312 shareholders at the end of Q2 23 vs 1,306 shareholders at the end of Q1 23. 4.5% of shares were held by investors outside Norway at the end of Q2 23, down from 6.4% q/q. The 20 largest shareholders held 63.4% of shares outstanding at the end of Q2 23. Please see note 4 Share capital and shareholder information for further details.

POST QUARTER EVENTS

In July, Xplora had its first delivery of its new flagship model, the X6 Pro. The product is now available for purchase in select stores in Germany.



Q2 2023 Operational Highlights

Embracing the spirit of progress and transparency, Xplora completed Q2 2023 with a series of achievements. The company completed its first Transparency Report in accordance with the Norwegian Transparency Act. Further, by completing phase one of the European Distributor Agreement, the company boosted this quarter's revenue with NOK 30m, while revised agreements unlocked greater financial flexibility. The company also saw a further reduction of operating expenses as a percentage of revenue, highlighting a robust focus on fiscal discipline.

EUROPEAN MASTER DISTRIBUTOR AGREEMENT

Xplora successfully concluded the first stage of its partnership agreement with Brodos AG, thereby contributing a one-off revenue boost of NOK 30m to the financial performance of the quarter. Moving forward, Xplora has initiated phase two of the agreement, with the deliveries in July and onwards. Additional enhancements have been made to the Master Distribution Agreement by streamlining product financing through the Nordea financing agreement and securing an expanded factoring agreement with Aros Kapital AB. The revised agreement, combined with financing from the Nordea agreement, could potentially eliminate the need for upfront capital commitments for new orders, positioning Xplora for increased financial flexibility.

TRANSPARENCY ACT

In adherence to the Norwegian Transparency Act implemented on July 1st, 2022, Xplora has reinforced its commitment to promoting fundamental human rights and decent working conditions throughout our supply chain and operations. These measures are documented in our Annual Transparency Report 2022 and are guided by procedures that align with the Act's requirements. Xplora has established a grievance mechanism for open reporting of potential adverse impacts. Our due diligence assessments and related activities are made publicly accessible, underscoring our pledge to transparency. Xplora published the report on June 30, 2023.

IMPROVING OPERATIONAL EFFICIENCY

A key achievement this quarter has been the reduction of operational cost as a percentage of revenue, from 54% in Q2 22, to 38% in Q2 23. This of course includes a one-time revenue of NOK 30m from our MDA, but even excluding this operational cost is only 45% of revenue. Our continued commitment to cost control has resulted in further OPEX reductions being identified. Concurrently, Customer Acquisition Cost (CAC) and marketing expenditures are closely monitored, and the percentage of revenue is down. To further streamline operations, real-time Key Performance Indicator (KPI) dashboards from Xplora's underlying ERP system have been developed and deployed, enabling continuous monitoring for all levels of management. Additionally, there has been a concerted focus on refining reporting processes, making them more efficient and robust.

CURRENCY HEDGING

At the end of Q2 23, Xplora implemented a program to hedge its EUR/USD exposure through three month put options. Xplora purchases many of its watches in Asia with a fixed Dollar price and sells the majority of these watches in the European market. As the EUR/USD rate is now favorable to the company, Xplora have secured a minimum exchange rate for the cost of less than 1.5% of the outstanding value of the exposure.

Outlook

As we move forward, we continue to build on the foundations established in previous quarters. Our subscriber growth is consistent with our 2023 projections, providing a promising outlook for the future. The upcoming launch of our ninth MVNO agreement with US based AT&T marks a strategic move into the American market, while our commitment to optimizing operations underscores our strategic direction for 2023.

Emerging from the traditionally quieter winter months, we are pleased to note that our subscriber count is growing in line with our 2023 projections, and we expect this positive trend to continue in the second half of the year.

Our partnership with US based AT&T is progressing favorably, and we are on track to complete and launch Xplora's ninth Mobile Virtual Network Operator (MVNO) operation in the US during the second half of 2023. This partnership is not only positioning Xplora for growth in the American market, but it also underscores the unique value of Xplora's offerings.

As we have highlighted in past updates, we are actively working on enhancing efficiency and cutting costs. We are well underway to deliver on a reduction in operational costs as a percentage of revenue, in line with previous guiding.

We are still on track to deliver on our capex budget for 2023 of NOK 20-25m, with capex in H1 being NOK 11.2m. However, as we so far have seen a 55% revenue growth y/y, we are currently targeting to be at the high end of our capex budget.



Xplora Technologies Group
PROFIT & LOSS

NOK '1000	Q2 2023	Q2 2022*	YTD 2023**	YTD 2022*	FY 2022
Device revenue	140,788	74,558	191,065	114,437	346,881
Service revenue	49,357	34,880	94,619	68,500	152,269
Other revenue	506	1,241	1,076	1,751	2,826
Total Revenue	190,652	110,679	286,759	184,687	501,976
Cost of sales*	101,634	47,885	140,177	78,542	264,963
Gross Profit	89,018	62,794	146,583	106,145	237,012
Payroll expenses	22,812	18,220	50,080	33,613	85,728
Marketing expenses	21,560	16,908	30,608	26,251	83,619
Other operating expenses	27,890	24,456	51,825	43,632	101,215
EBITDA	16,755	3,211	14,070	2,649	-33,550
Depreciation and amortization	13,586	11,952	26,931	23,724	51,188
Operating profit / EBIT	3,170	-8,741	-12,861	-21,075	-84,738
Other finance cost	2,267	319	4,106	738	2,134
Finance (income)/expenses - net	2,922	-941	1,646	-773	-1,888
Profit (loss) before tax	-2,020	-8,119	-18,614	-21,040	-84,983
Income tax	-29	999	-29	1,998	10,589
Net profit (loss)	-2,049	-7,120	-18,643	-19,041	-74,394

Figures are unaudited.

*Cost of sales restated for Q1-Q3 22 from reversing a previous accrual, please see note 7 in the Q4 22 report.

** Due to a discrepancy in Q1 23 service revenue and a minor correction in device revenue, figures have been restated. Please see note 7 for further details.

Xplora Technologies Group
BALANCE SHEET

NOK '1000	Q2 2023	Q1 2023**	Q4 2022	Q2 2022*
Fixed Assets	1,820	1,917	1,976	1,721
Goodwill	148,383	153,071	154,705	164,081
Customer Contracts	32,261	36,870	41,479	50,696
Intangible Assets	44,039	41,415	40,978	33,800
Other long-term receivables	4,842	4,230	4,188	4,464
Total Non-current assets	231,346	237,503	243,326	254,763
Accounts receivable	36,450	39,814	43,521	46,026
Inventories	90,173	111,638	96,350	99,984
Other receivables	42,489	74,054	74,337	27,435
Cash & equivalents	99,343	54,551	50,409	81,213
Total Current assets	268,456	280,057	264,617	254,658
Total Assets	499,801	517,560	507,943	509,421
Total Equity	338,298	338,294**	350,585	386,214
Debt to credit institutions	0	0	0	10,990
Other long-term debt	18,750	20,833	22,917	28,550
Total long-term debt	18,750	20,833	22,917	39,540
Short-term debt to credit institutions	43,147	52,470	15,397	5
Accounts payable	47,384	50,518	41,238	19,774
Other current liabilities	52,222	55,445**	77,807	63,886
Total Short-term debt	142,753	158,433	134,441	83,666
Total Equity and debt	499,801	517,560	507,943	509,421

Figures are unaudited.

*Cost of sales restated for Q1-Q3 22 from reversing a previous accrual in accordance with restated P&L in the Q4 22 report.

**Due to a discrepancy in Q1 23 service revenue and a minor correction in device revenue, figures have been restated. Please see note 7 for further details.

Xplora Technologies Group
CASH FLOW

NOK '1000	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Profit before tax	-2,020	-8,119	-18,602	-21,040	-84,983
Depreciation and amortization	13,586	11,952	26,931	23,724	51,188
Working capital changes	51,328	-41,187	28,023	-18,328	-22,851
Net cash flow from operating activities	62,894	-37,354	36,352	-15,645	-56,646
Xplora Mobile Investment/ acquisition	0	0	0	-20,000	-20,000
Capex	-6,816	-14,357	-11,244	-21,835	-38,139
Net cash flow from investing activities	-6,816	-14,357	-11,244	-41,835	-58,139
Change in debt	-11,406	-650	23,584	-1,300	8,458
Change in equity	0	0	0	0	16,500
Other	121	121	242	242	485
Net cash flow from financing activities	-11,285	-529	23,826	-1,057	25,443
Net change in cash and cash equivalent	44,793	-52,240	48,935	-58,537	-89,342
Cash and cash equivalents at start of period	54,551	133,454	50,409	139,751	139,751
Cash and cash equivalents at end of period	99,343	81,213	99,343	50,409	50,409

Figures are unaudited.



NOTES

NOTE 1 GENERAL AND BASIS OF PREPARATION

Xplora Technologies AS is a Norwegian public limited liability company listed on Euronext Growth Oslo under the ticker XPLRA. The company's head office is located at Nedre Slottsgate 8, 0157 Oslo, Norway.

The condensed interim financial statements for the three months ending on 30 June 2023 have been prepared in accordance with the Norwegian Accounting Act (NGAAP) and generally accepted accounting principles. The accounting principles applied in preparing this interim financial statement are consistent with the annual report as of 2022. All interim financial statements are unaudited.

The preparation of the interim accounts entails the use of valuations, estimates and assumptions that affect the application of the accounting policies and the amounts recognized as assets and liabilities, income, and expenses. The actual results may deviate from these estimates. The material assessments underlying the application of the Group's accounting policy and the main sources of uncertainty are the same as for the consolidated accounts for 2022.

NOTE 2 REVENUES PER LEGAL ENTITY

PER SEGMENT					
NOK '1000		Q2 2023	Q1 2023**	YTD 2023	FY 2022
Device revenue		140,788	50,277	191,065	346,881
Service revenue		49,357	45,261	94,619	152,269
Other revenue		506	570	1,076	2,826
Total		190,652	96,108	286,759	501,976
Legal entity allocation					
NOK '1000					
Xplora Technologies AS	(Norway)	579	643	1,221	4,079
Xplora Mobile AS	(Norway)	30,900	32,349	63,248	173,067
Xplora Mobile Holding AS	(Norway)	0	0	0	0
Xplora Technologies Ltd.	(Great Britain)	20,796	16,284	37,080	60,123
Xplora Technologies GmbH	(Germany)	79,227	11,593	90,820	170,600
Xplora Technologies SL	(Spain)	2,214	1,477	3,691	4,458
Xplora Technologies Inc.	(USA)	7,109	2,410	9,519	12,151
Xplora Mobile AB	(Sweden)	38,100	23,498	61,598	49,413
Xplora Mobile OY	(Finland)	6,917	4,549	11,466	19,469
Xplora Technologies ApS	(Denmark)	4,712	3,238	7,950	8,525
Xplora Technologies SAS	(France)	98	67	165	92
Total		190,652	96,108	286,759	501,976

Figures are unaudited.

Following the new master distribution agreement, the financial report will, going forward, reflect actual revenue passing through each entity, rather than geographical revenue allocation.

** Due to a discrepancy in Q1 23 service revenue and a minor correction in device revenue, figures have been restated. Please see note 7 for further details.

NOTE 3 PERSONNEL EXPENSES AND REMUNERATION

PAYROLL COSTS				
NOK '1000	Q2 2023	Q1 2023	YTD 2023	FY 2022
Salaries/Wages	18,709	22,641	41,350	73,132
Social security fees	2,834	3,361	6,195	9,103
Pension expenses	921	930	1,851	2,965
Other benefits	349	335	684	528
Total	22,812	27,267	50,079	85,728

Figures are unaudited.

NOTE 4 SHARE CAPITAL AND SHAREHOLDER INFORMATION

Share capital	No. of shares	Share par value	Book value
Ordinary shares	41,656,619	0.004	166,626.48

SHAREHOLDERS AS OF 30.06.2023

Shareholder	Shares	% Outstanding
Passesta AS 1)	5,603,342	13.5%
Eden AS 2)	2,240,125	5.4%
Harmonium Invest AS 3)	2,150,625	5.2%
S. Munkhaugen AS 4)	1,991,325	4.8%
MP Pensjon PK	1,822,165	4.4%
Fougner Invest AS	1,338,344	3.2%
MK Capital AS 5)	1,320,325	3.2%
Commerzbank Aktiengesellschaft	1,124,519	2.7%
Skattum Invest AS	1,124,355	2.7%
Esmar AS 6)	1,092,576	2.6%
Kirrbak Holding AS 7)	1,060,250	2.5%
Nordnet Livsforsikring AS	912,022	2.2%
Arepo AS	840,000	2.0%
Vinterstua AS	800,243	1.9%
Thunderstorm Invest AS	583,976	1.4%
Camelback Holding AS	570,500	1.4%
Sparebanken 1 Markets AS	483,550	1.2%
Torsen Tankers & Towers AS	477,174	1.1%
Clearstream Banking S.A.	456,543	1.1%
R Holding AS	428,550	1.0%
Top 20 Shareholders	26,420,509	63.4%
Other	15,236,110	36.6%
Total Shares Outstanding	41,656,619	100%

The parent company has one share class with equal voting rights per share.

1) *Passesta AS is owned by Chairman of the board Tore Engrebretsen*

2) *Eden AS is owned by Hildegunn Hodne Ulltveit-Moe, a close relative to board member Harald Fr. Hodne Ulltveit-Moe*

3) *Harmonium Invest AS is owned by board member Harald Fr. Hodne Ulltveit-Moe*

4) *S. Munkhaugen AS is owned by former board member Torkil Munkhaugen*

5) *MK Capital AS is 50% owned by CEO Sten Kirrbak through Kirrbak Holding AS*

6) *Esmar AS is 90% owned in part by board member Bjørn Eide through Racce AS*

7) *Kirrbak Holding AS is owned by CEO Sten Kirrbak*

Board member Ingrid Elvira Leisner holds 25,000 shares through Duo Jag AS
Board member Kari Bech-Moen owns 6000 shares through M-Effective Holding AS

Torkil Munkhaugen, a valued board member, resigned following the annual general meeting on May 16, 2023. The board will continue with the remaining five members. Additionally, during this meeting, noteworthy changes were made regarding treasury shares; while retaining the 10% acquisition limit, a specification was introduced with 5% allocated for acquisitions, merger, de-mergers, and other transactions and the remaining 5% for compensation programs. Further details can be found in the minutes of Annual General Meeting 2023 of Xplora Technologies AS, accessible on our web pages at www.xplora.com/investors.

NOTE 5 EARNINGS PER SHARE

NOK '1000	Q2 2023	Q2 2022	FY 2022
Net earnings (NOK)*	-2,049	-7,120	-74,394
Average numbers of shares (k)	41,657	39,794	40,720
Earnings per share	-0.05	-0.18	-1.83

Figures are unaudited.

*Cost of sales restated for Q1-Q3 22 from reversing a previous accrual, please see note 7 in the Q4 22 report. Table is also updated to reflect a corrected figure due to an error in the same report.

NOTE 6 EQUITY

NOK '1000	Share capital	Share premium	Other paid-up equity	Total equity
Equity at 01.01.2023	167	347,313	3,106	350,585
Proceeds from share issue	0	0	0	0
Foreign currency translation	0	4,267	0	4,267
Option program	0	2,077	0	2,077
Net profit as of 30.06.2023	0	-18,632	0	-18,632
As of 30.06.2023	167	335,026	3,106	338,298

Figures are unaudited.

NOTE 7 RESTATED PROFIT & LOSS

NOK '1000	Q1 2023	Q2 2023	YTD 2023	FY 2022
Device revenue	50,277	140,788	191,065	346,881
Service revenue	45,261	49,357	94,619	152,269
Other revenue	570	506	1,076	2,826
Total Revenue	96,108	190,652	286,759	501,976
Cost of sales*	38,543	101,634	140,177	264,963
Gross Profit	57,565	89,018	146,583	237,012
Payroll expenses	27,268	22,812	50,080	85,728
Marketing expenses	9,048	21,560	30,608	83,619
Other operating expenses	23,934	27,890	51,825	101,215
EBITDA	-2,685	16,755	14,070	-33,550
Depreciation and amortization	13,346	13,586	26,931	51,188
Operating profit / EBIT	-16,031	3,170	-12,861	-84,738
Other finance cost	1,838	2,267	4,106	2,134
Finance (income)/expenses - net	-1,276	2,922	1,646	-1,888
Profit (loss) before tax	-16,594	-2,020	-18,614	-84,983
Income tax	0	-29	-29	10,589
Net profit (loss)	-16,594	-2,049	-18,643	-74,394

Figures are unaudited.

NOTE 8 RESTATED BALANCE SHEET

NOK '1000	Q1 2023	Q2 2023
Fixed Assets	1,917	1,820
Goodwill	153,071	148,383
Customer Contracts	36,870	32,261
Intangible Assets	41,415	44,039
Other long-term receivables	4,230	4,842
Total Non-current assets	237,503	231,346
Accounts receivable	39,814	36,450
Inventories	111,638	90,173
Other receivables	74,054	42,489
Cash & equivalents	54,551	99,343
Total Current assets	280,057	268,456
Total Assets	517,560	499,801
Total Equity	338,294	338,298
Debt to credit institutions	0	0
Other long-term debt	20,833	18,750
Total long-term debt	20,833	18,750
Short-term debt to credit institutions	52,470	43,147
Accounts payable	50,518	47,384
Other current liabilities	55,445	52,222
Total Short-term debt	158,433	142,753
Total Equity and debt	517,560	499,801

Figures are unaudited.

FORWARD LOOKING STATEMENTS

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

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

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

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

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



