



# Q2 22 results presentation

17 August 2022



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# Q2 22 Highlights



# Q2 22 at a glance

## Group revenues

Q2: NOK 111m, +19% y/y  
H1: NOK 185m, +25% y/y

## Recurring services

Q2: NOK 34.9m +44% y/y  
H1: NOK 68.5m +157% y/y

## Subscribers

134,400  
+42% y/y

## Gross earnings

Q2: NOK 60m +51% y/y  
H1: NOK 101m +72% y/y

## EBITDA

Q2: NOK 0.5m  
H1: NOK -2.3m

## Cash balance

NOK 81.2m



# Q2 22 focus areas

- Final stages of new **smartwatch** development, preparing 3 new product launches in 2022
- 4 new mobile **service provider agreements** in US, UK, Germany and France to replicate «Nordic MVNO model»
- Continued to enhance our **Goplay Services**, including execution of test pilot in Norway onboarding paying customers, preparing further roll-out 2022
- Continued to build team, resources and our **US presence**
- Managed challenging supply chains and set up new 3PL partner in EMEA
- ERP system implementation





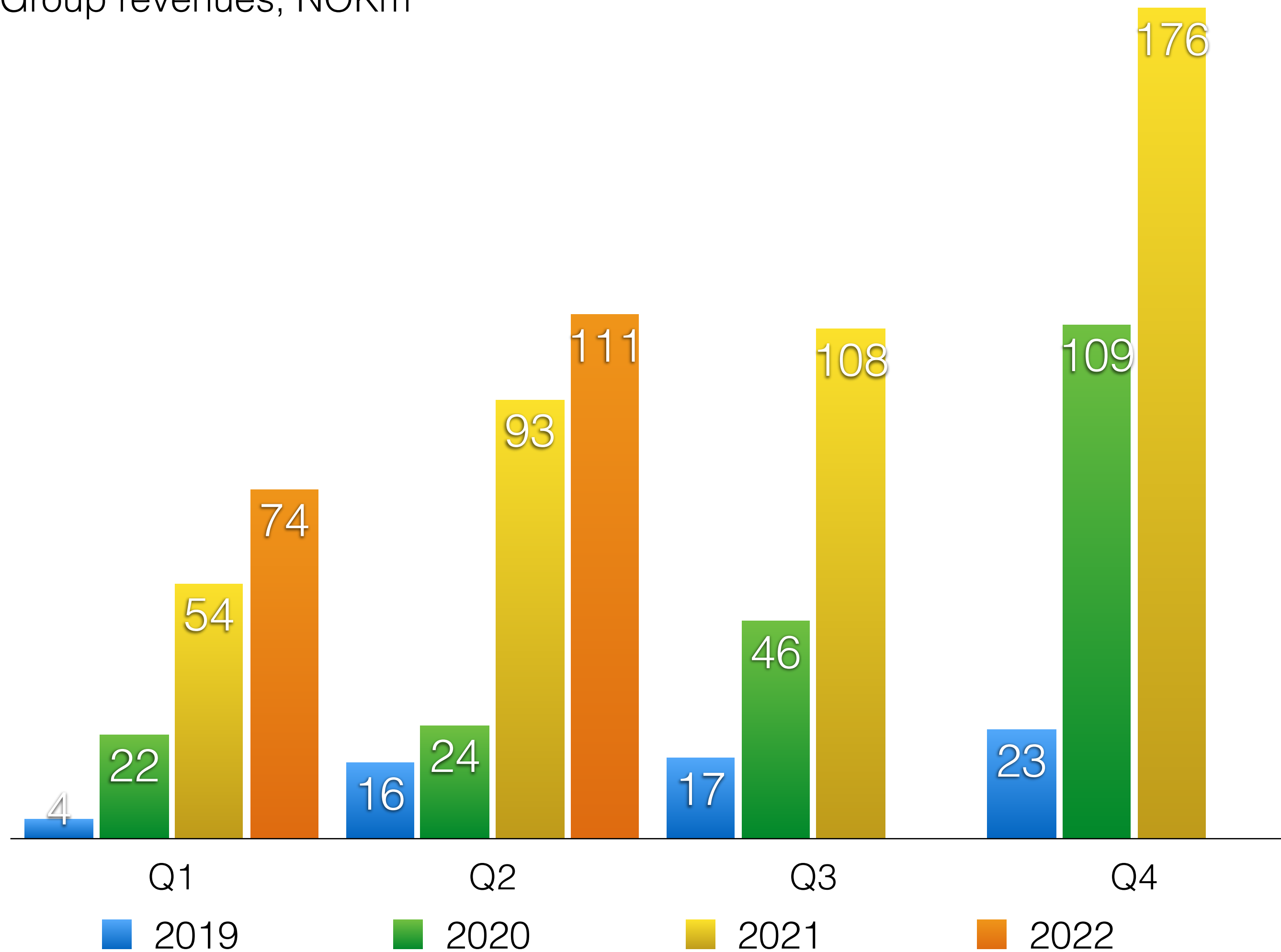
# Q2 22 financials



# Q2 22 sales up 19% y/y

+25% sales growth H1 22

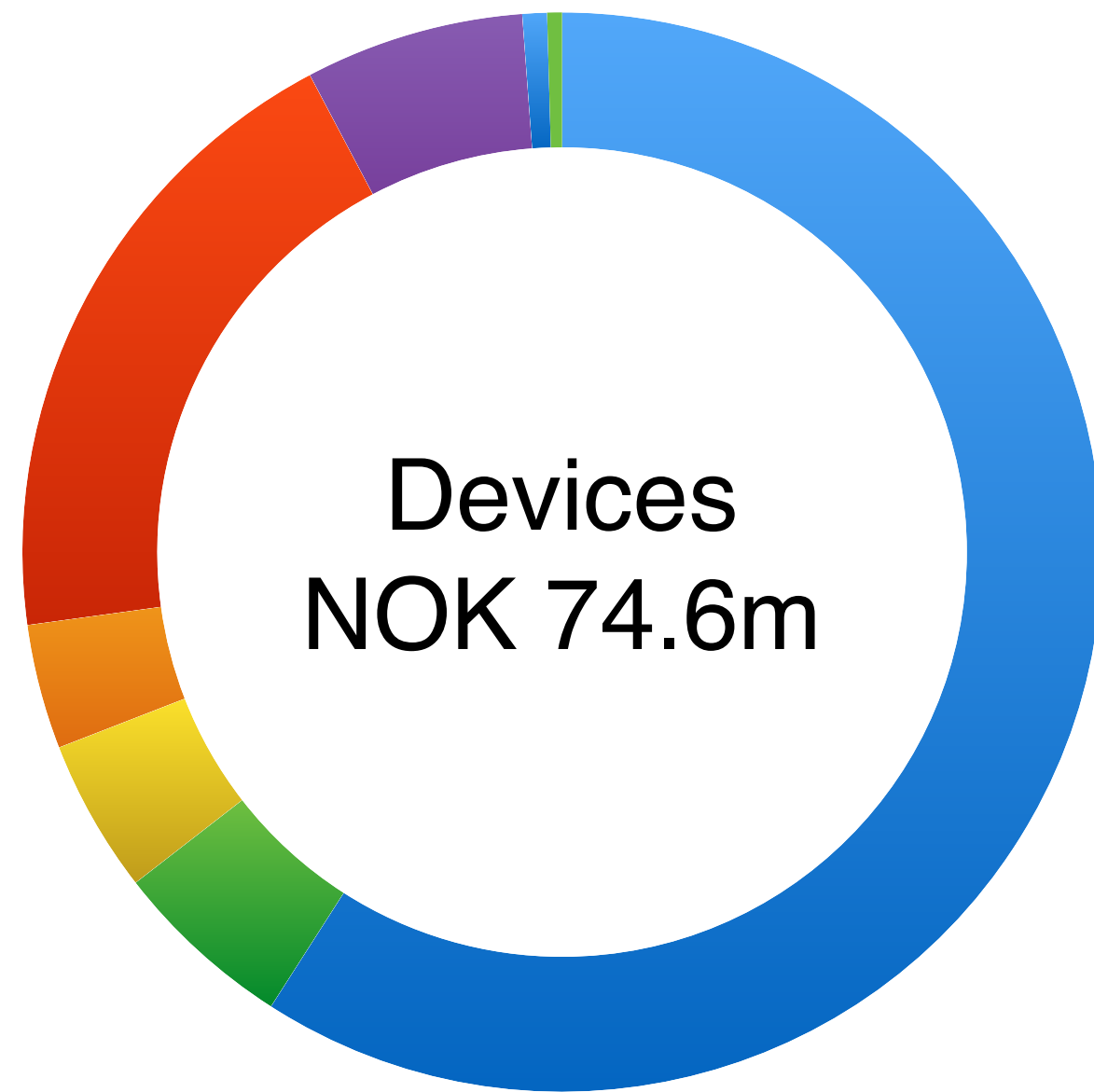
Group revenues, NOKm



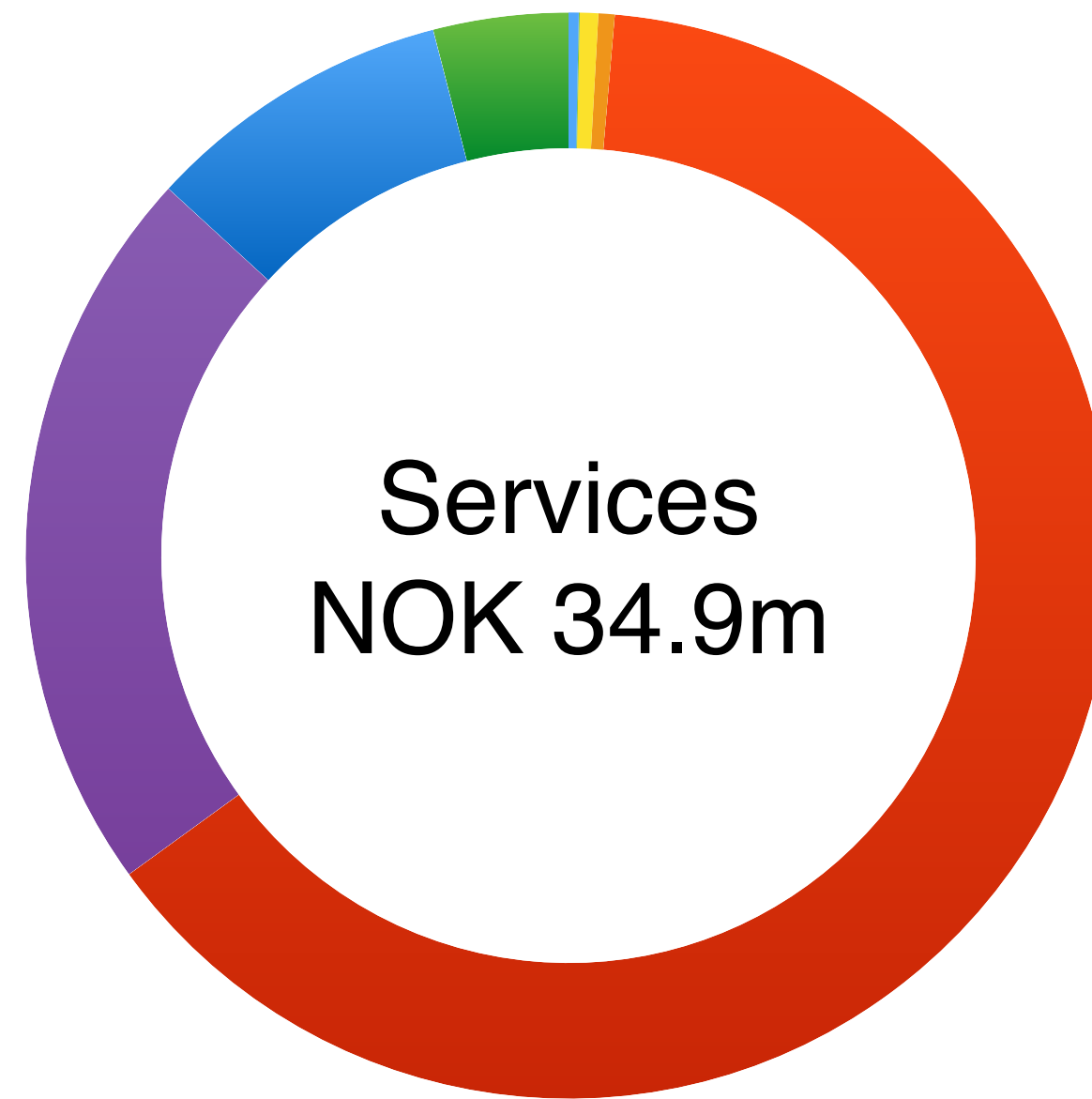




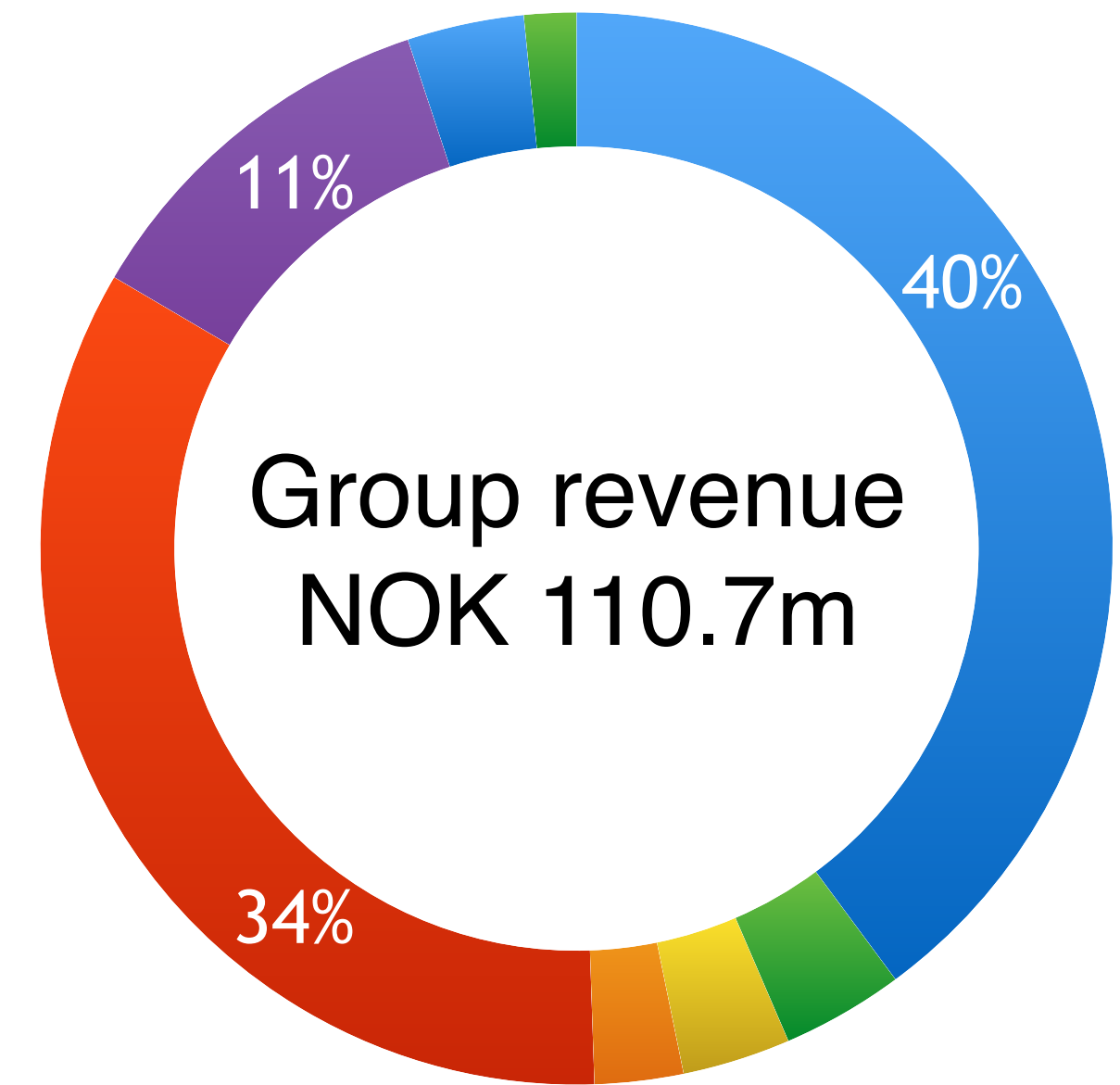
# Q2 22 regional revenue breakdown



- Germany
- Spain
- UK
- US
- Norway
- Sweden
- Finland
- Denmark



- Germany
- Spain
- UK
- US
- Norway
- Sweden
- Finland
- Denmark

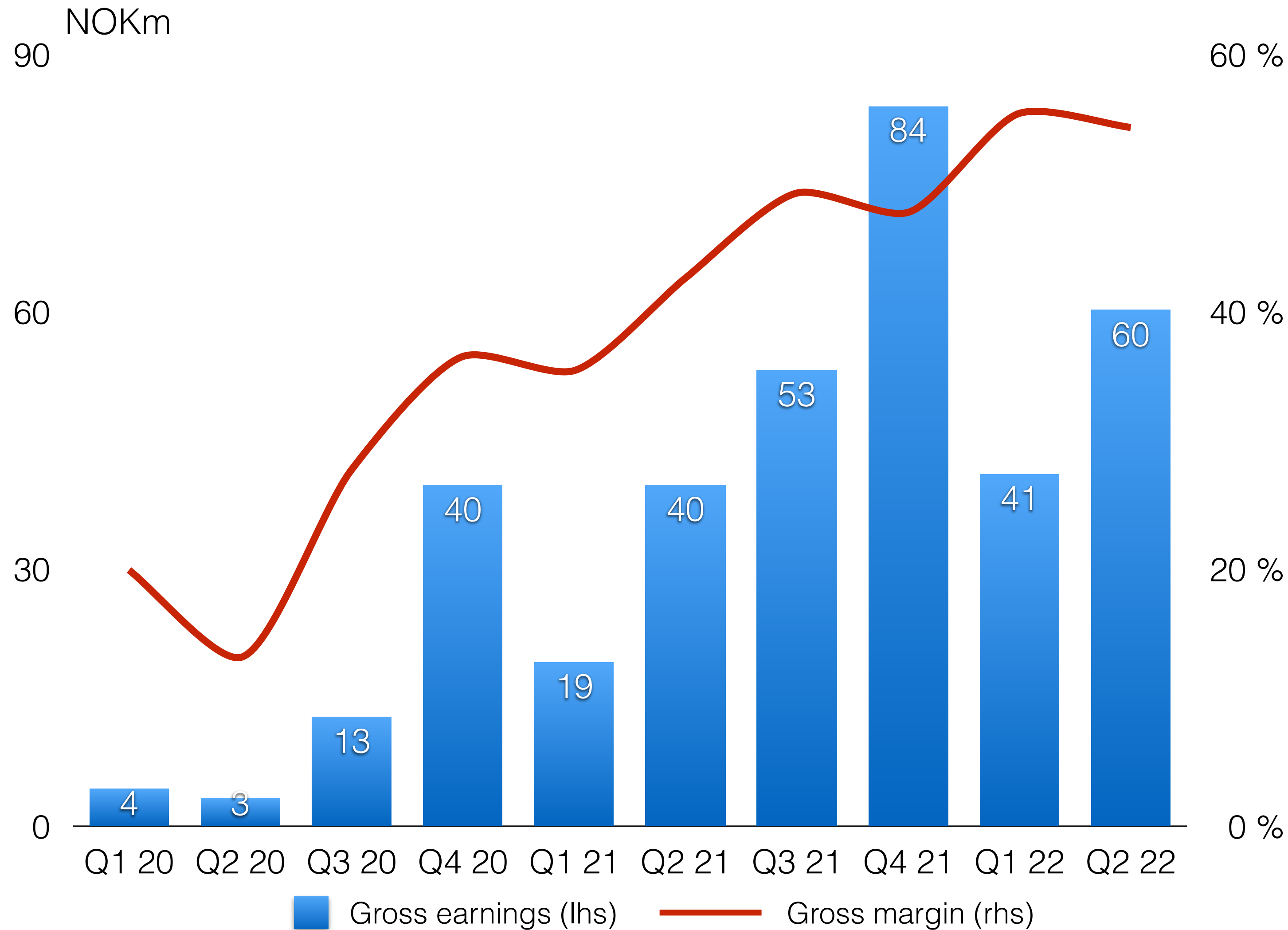


- Germany
- Spain
- UK
- US
- Norway
- Sweden
- Finland
- Denmark



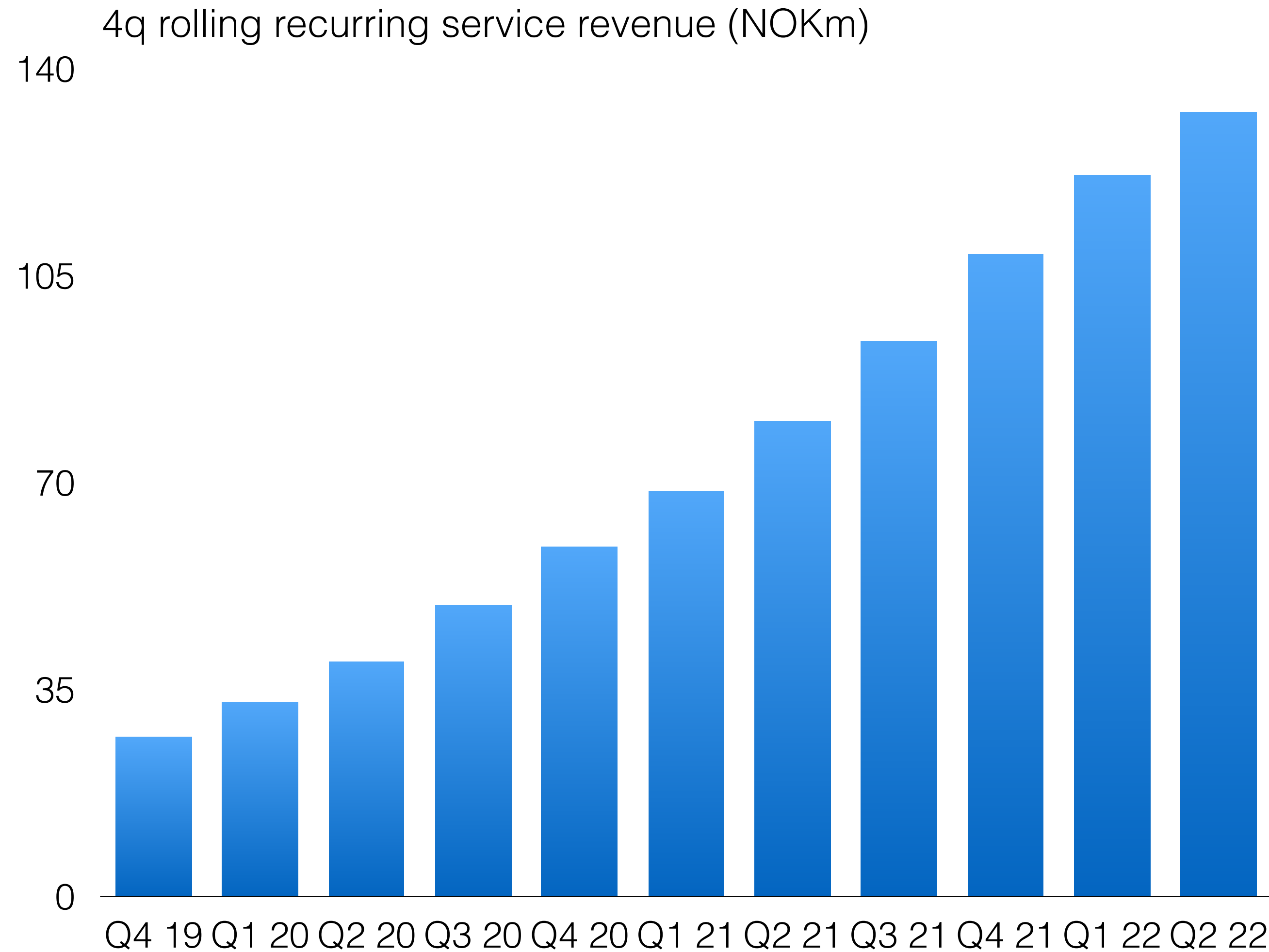
# Q2 22 gross earnings up 51%

54.3% gross margin in Q2 22





# Recurring service revenues



## Highlights

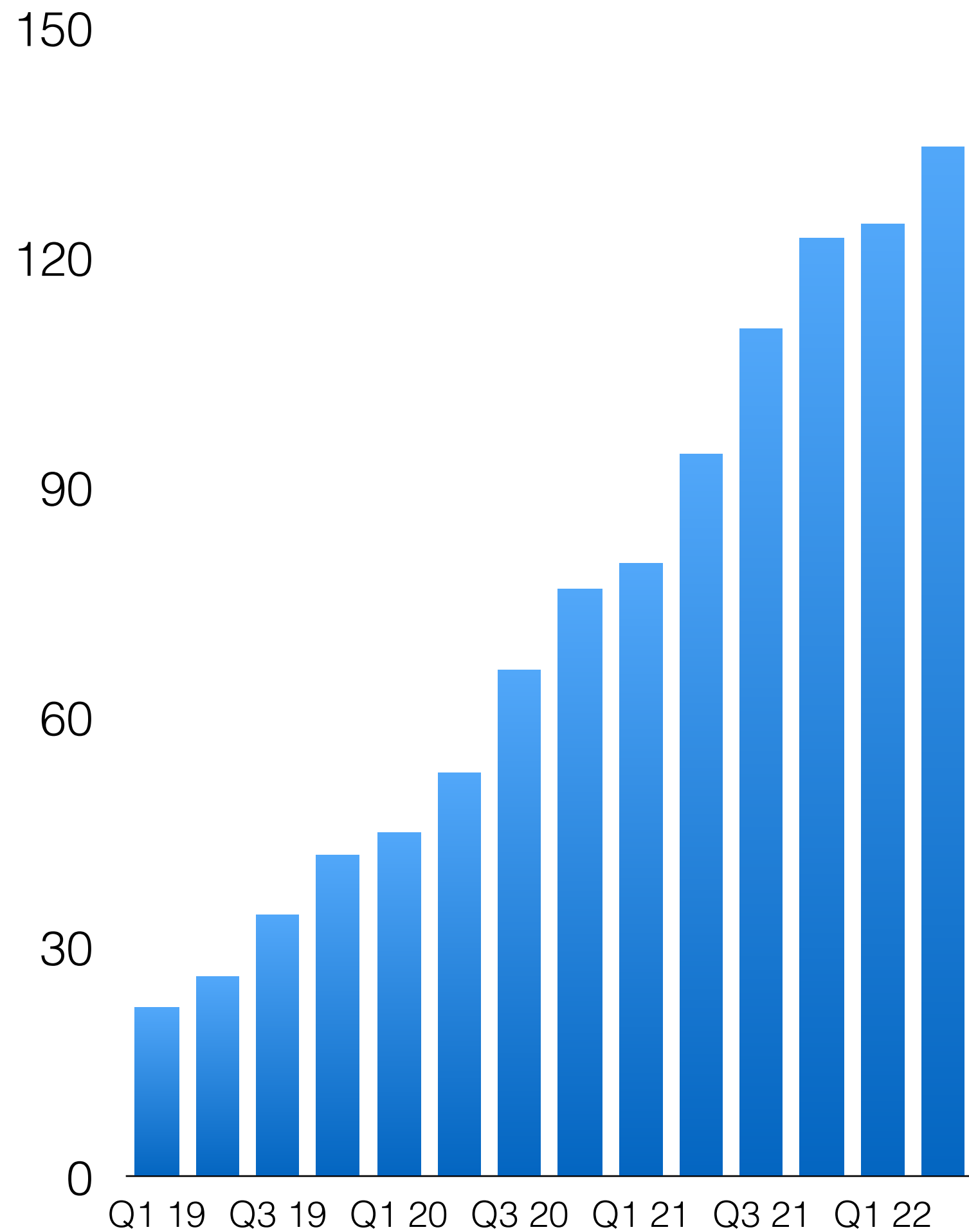
- Q2 22 recurring service revenues reached NOK 34.9m, +44% y/y
  - Growing subscriber base, flat ARPU
  - Represents 32% of group sales in Q2 22
  - Annualized run-rate ARR NOK 140m
- 4q rolling recurring service revenues NOK 132.6m, +65% y/y
- 134.4k subscribers at Q2 22 (+42% y/y)

Note: Xplora Mobile Holding (XMH) consolidated from Q2 21



# Growing subscriber base

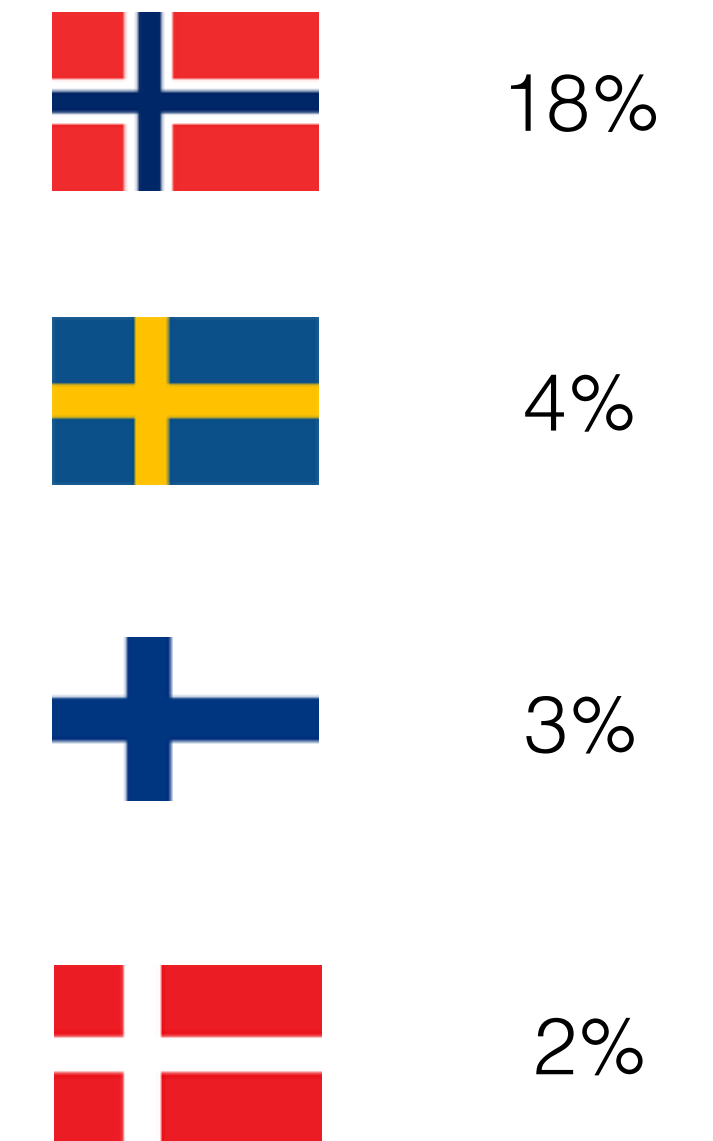
Mobile subscribers (k)



Xplora subscribers by market (k)



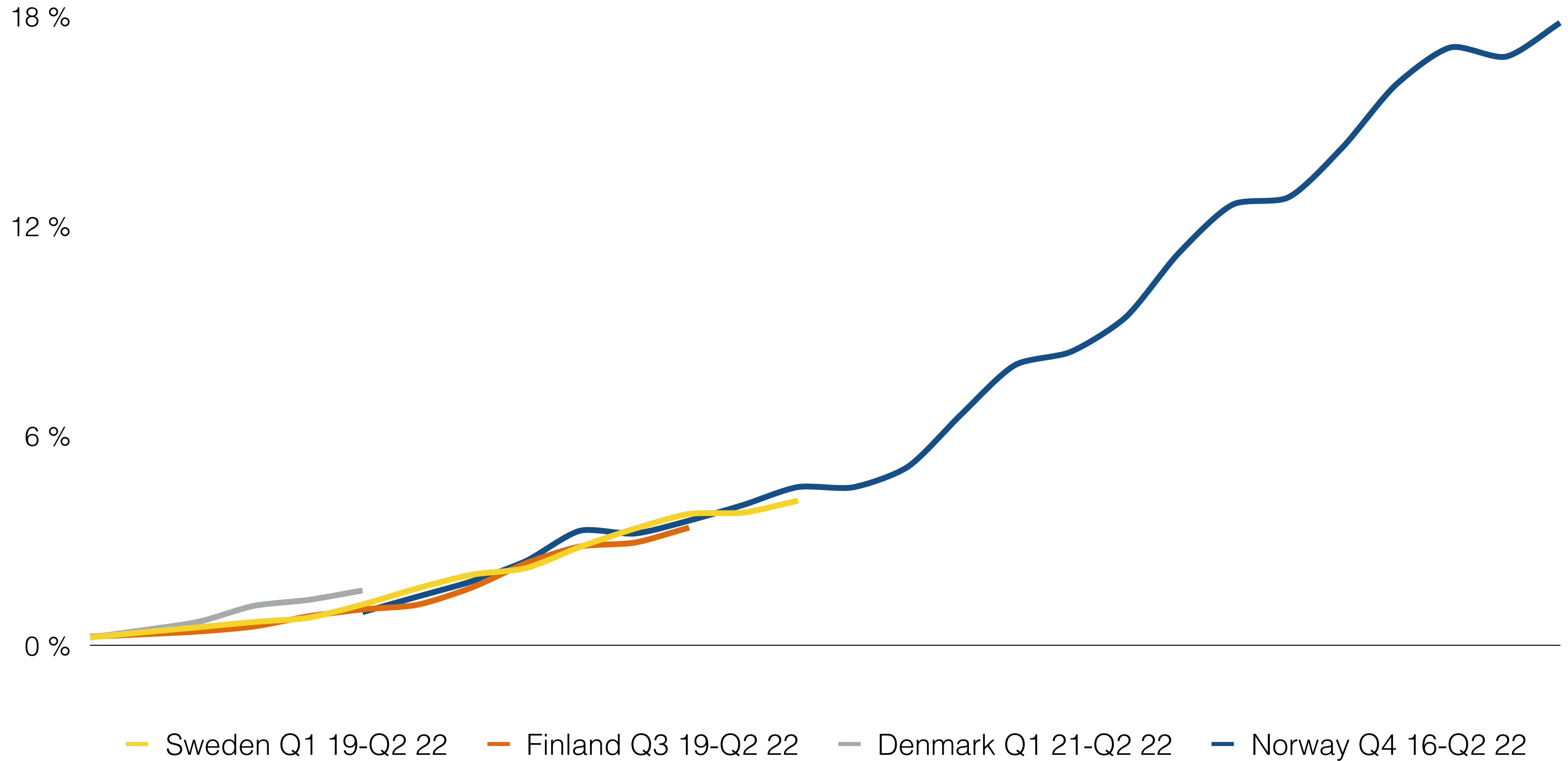
Xplora penetration\* rates



\* penetration in target segment in Nordics according to UN population data



# Growth in penetration Nordics



Penetration in target market aged 4-10



# Profit & Loss Q2 22

Amounts in NOKk	Q2 2022	Q2 2021
Revenue - sales of watches	74,558	68,538
Revenue - service fees	34,880	24,202
Revenue - other	1,241	623
<b>Total Revenue</b>	<b>110,679</b>	<b>93,363</b>
Cost of sales	50,556	53,606
<b>Gross Profit</b>	<b>60,123</b>	<b>39,757</b>
Payroll Expenses	18,220	13,708
Other Operating expenses	41,364	24,660
<b>EBITDA</b>	<b>539</b>	<b>1,388</b>
Depreciation and amortisation	11,952	10,911
<b>Operating profit / EBIT</b>	<b>-11,413</b>	<b>-9,523</b>
Other finance cost	319	198
Finance (income)/expenses - net	-941	-29
<b>Profit (loss) before tax</b>	<b>-10,791</b>	<b>-9,353</b>
Income tax	999	999
<b>Net profit (loss)</b>	<b>-9,792</b>	<b>-8,354</b>

## Q2 22 highlights

- Group sales NOK 110.7m +19% y/y
  - Recurring service sales (ARR) +44% y/y to NOK 34.9m, representing 32% of group sales
  - Smartwatch sales +9% y/y to NOK 74.6m
- Gross earnings +51% y/y to NOK 60.1m with margin at 54.3% (35.4%) in Q2 22
- Opex NOK 59.6m (38.4), including NOK 15.1m marketing costs. 122 employees at end Q2 22 (77), up from 112 at Q1 22.
- EBITDA NOK 0.5m (1.4m). EBITA NOK 0.4m.
- D&A NOK 12.0m from NOK 11.8m amortization of intangibles from XMH acquisition Q2 21 according to NGAAP.
- EBIT NOK -11.4m and pretax earnings NOK -10.8m (-9.4m) including NOK 0.6m financial items.

Figures are unaudited. Xplora Mobile Holding consolidated from Q2 21.



# Profit & Loss H1 22

Amounts in NOKk	H1 2022	H1 2021
Revenue - sales of watches	114,437	119,871
Revenue - service fees	68,500	26,603
Revenue - other	1,751	892
<b>Total Revenue</b>	<b>184,688</b>	<b>147,366</b>
Cost of sales	83,535	88,518
<b>Gross Profit</b>	<b>101,152</b>	<b>58,848</b>
Payroll Expenses	33,613	29,047
Other Operating expenses	69,884	39,283
<b>EBITDA</b>	<b>-2,344</b>	<b>-9,482</b>
Depreciation and amortisation	23,724	10,911
<b>Operating profit / EBIT</b>	<b>-26,068</b>	<b>-21,087</b>
Other finance cost	738	-1,667
Finance (income)/expenses - net	-773	-226
<b>Profit (loss) before tax</b>	<b>-26,033</b>	<b>-22,980</b>
Income tax	1,998	999
<b>Net profit (loss)</b>	<b>-24,035</b>	<b>-21,981</b>

## H1 22 highlights

- Group sales NOK 184.7m +25% y/y
  - Recurring service sales (ARR) +157% y/y to NOK 68.5m, representing 37% of group sales
  - Smartwatch sales -5% y/y to NOK 114.4m
- Gross earnings +72% y/y to NOK 101.2m with margin at 54.8% (39.9%) in H1 22
- Opex NOK 103.5m (68.3m), including NOK 22.3m marketing costs. 122 employees at end H1 22 (77).
- EBITDA NOK -2.3m (-9.5m). EBITA NOK -2.7m (-9.4m).
- D&A NOK 23.7m from NOK 23.4m amortization of intangibles from XMH acquisition Q2 21 according to NGAAP.
- EBIT NOK -26.0m (-21.1) with net earnings NOK -24.0m (-22.0m).

Figures are unaudited. Xplora Mobile Holding consolidated from Q2 21.



# Balance sheet

Amounts in NOKk	Q2 2022	Q1 2022
Fixed Assets	1,721	1,223
Goodwill	164,081	168,769
Customer Contracts	50,696	55,305
Intangible Assets	33,800	22,579
Other long term receivables	4,464	164
<b>Total Fixed Assets</b>	<b>254,763</b>	<b>248,041</b>
Accounts receivable	46,026	29,898
Inventories	99,984	77,889
Other receivables	27,435	25,112
Cash & Equivalents	81,213	133,454
<b>Total Current assets</b>	<b>254,658</b>	<b>266,352</b>
<b>Total Assets</b>	<b>509,421</b>	<b>514,393</b>
Total Equity	383,543	387,748
Long term debt	28,550	29,200
Other long term debt	10,990	11,990
Total long term debt	39,540	41,190
Short term debt	5	5
Accounts payable	19,774	22,773
Provision for Earn Out	0	0
Other short term debt	66,558	62,677
<b>Total Short term debt</b>	<b>86,337</b>	<b>85,455</b>
<b>Total Equity and Debt</b>	<b>509,421</b>	<b>514,393</b>

## Q2 22 highlights

- Total assets NOK 509.4 from NOK 514.4m at Q1 22
  - Financial fixed asset NOK 254.8m on goodwill and customer contracts from XMH acquisition
- Accounts receivable NOK 46.0m (29.9m) on higher activity levels
- Inventories NOK 100.0m (77.9m), preparing for seasonal upturn in H2 22
- Cash balances NOK 81.2m (133.5m)
- NOK 28.6m (29.2m) interest-bearing loans at Q2 22
- Other short-term liabilities NOK 66.6m (62.7m), comprises prepayments from subscriber base and factory orders
- Q1 22 equity NOK 383.5m (387.7m), equity ratio of 75%

Figures are unaudited.





# Cash flows

Amounts in NOKk	Q2 2022	Q2 2021
Profit before tax	-10,791	-9,153
Depreciation and amortisation	11,952	10,711
Working capital changes	-38,516	-20,002
<b>Net cash flow from operating activities</b>	<b>-37,354</b>	<b>-18,444</b>
Xplora Mobile Investment	0	-76,921
Intangible assets	-14,357	-3,428
<b>Net cash flow from investing activities</b>	<b>-14,357</b>	<b>-80,349</b>
Change in debt	-650	-2,758
Change in equity	0	7
Other	121	121
<b>Net cash flow from financing activities</b>	<b>-529</b>	<b>-2,630</b>
<b>Net change in cash and cash equivalent</b>	<b>-52,240</b>	<b>-101,423</b>
Cash and cash equivalents at start of period	133,454	245,440
Cash and cash equivalents at end of period	81,213	144,016

## Q2 22 highlights

- Cash from operations NOK -37.4m in Q2 22
  - Cash earnings NOK 1.2m
  - NOK 38.5m working capital buildup to prepare for seasonal upturn in H2 22
- Cash from investments NOK -14.4m
  - Around 3/4 driven by new smartwatch, connectivity and service development
  - NOK 2m in ERP investments
- Cash from financing NOK -0.5m on debt payment
- Net change in cash NOK -52.2m in Q2 22 with ending cash balances at NOK 81.2m

Figures are unaudited.



# The road ahead



# Key Strategies for Growth in 2022

1. Continue to grow largest markets including Germany, Norway and Sweden
2. Drive more existing markets from development phase to growth phase
3. Successfully launch and develop new markets
4. Replicate our profitable SIM connectivity model from Nordics to new global markets
5. Leverage on the launch of multiple new products, allowing us to further integrate content and services for the future

Joint marketing campaigns, new retailers, utilize market leader position and joint R&D.

Focus on retail relationship, training and in-store + learning market/conversion

Particular focus on the US market

Introduce recurring revenues from SIM in our newly announced markets

Most ambitious launch periode in company history, launching 3 new products, including first OEM platforms.



# New releases H2 2022



# The new XGO 3 model

Launched July/August

Entry level model

Price-point from EUR 149 incl Xplora SIM





# The new X6 Premium model





# Personalize your X6 Play

Qualcomm  
snapdragon wear  
2500 platform















powered by  
ANDROID



있는 아이디어를 추가하였습니다.

최신 아이디어를 추가하였습니다.



			
7453u	2748u	806u	Purple u
			
218u	2074u	389u	3252u
			
7718u	Light grey	2748u	2018u



# The 2022/2023 product lineup

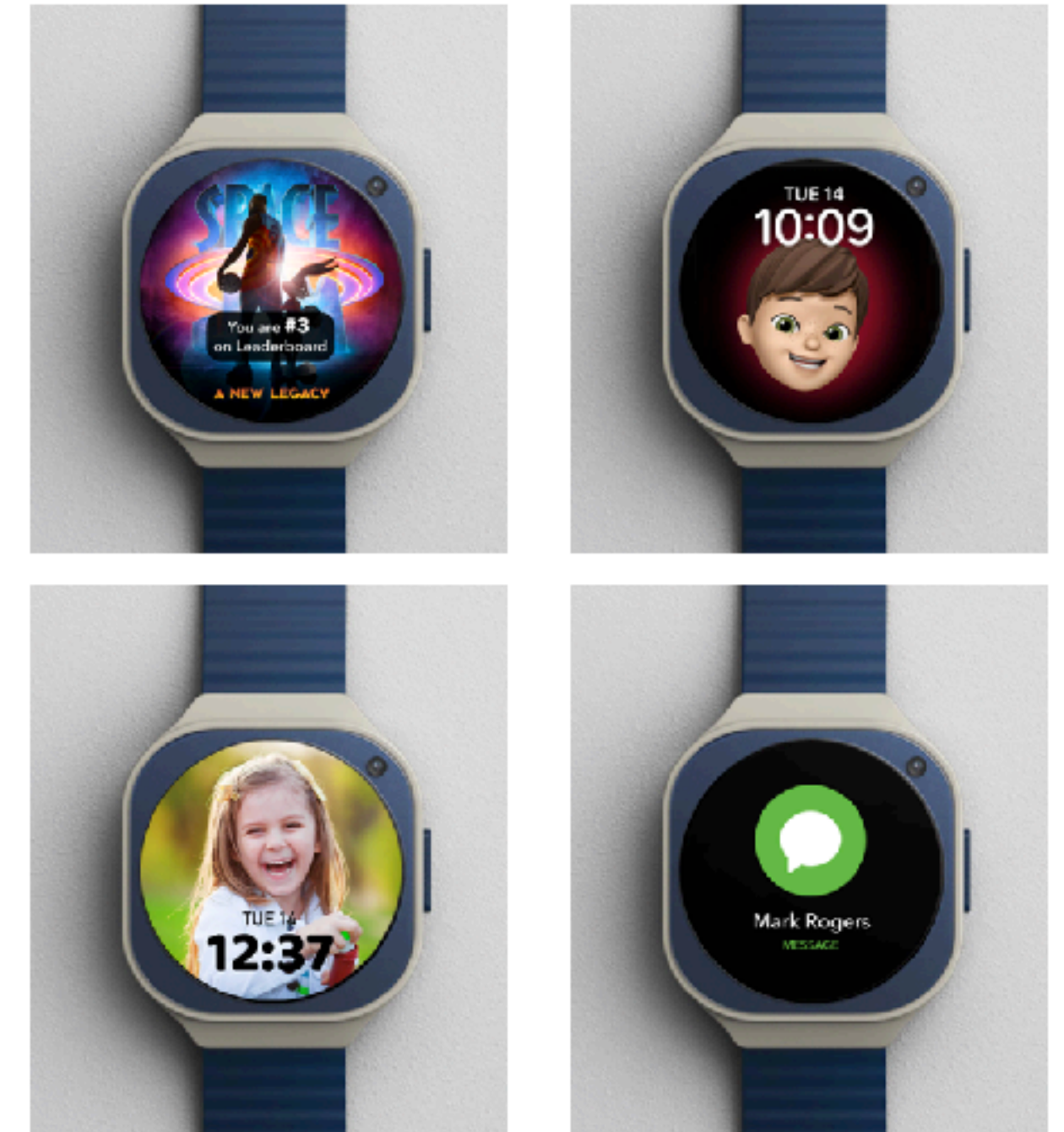
XGO 3



X6 Play



X6 Pro







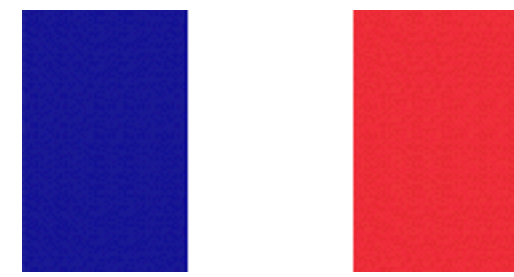
# Xplora Connect Service



# Global SIM roll-out



Launched June 1



Target H2 2022



Target H2 2022



Target H2 2022



TBA  
Live with Gigs solution

## Nordic status & Market size:

- 2.1m kids age 4-10
- 140k subscribers Aug '22 (6%)
- Highly scalable and accretive

## New Markets & Market size:

- UK 5.7m kids age 4-10
- France 5.4m kids age 4-10
- Spain 3.1m kids age 4-10
- Germany 5.4m kids age 4-10
- US 28.2m kids age 4-10



# Xplora Goplay Service



# The Goplay evolution

2017

2019

2021

2023

Core Services  
Kids watch

First Activity Campaign  
Paramount

Onboarding and assessing  
multiple partners / strategies

Gen 2 Goplay Premium  
for major markets



Sony Playstation  
Integration

First 3. Party Integration  
360 Asia

First commercial Pilot  
(Norway) paying premium  
customers



# Outlook

- Xplora has 5 strategies for growth in 2022:
  - Develop existing (2 strategies) and new markets
  - Replicate mobile service provider model
  - Introduce new products and services
- Xplora continues to target +50% revenue growth in 2022 although we recognize that higher external risk factors and weaker consumer sentiment has created greater uncertainty around this target.
- Xplora is securely funded to deliver on its growth ambitions.





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