

# XPLORA TECHNOLOGIES

Sector: Information technology

## Life's journey, connected every step of the way

Redeye initiates coverage of Xplora, a fast-growing family IoT company with a proven recurring revenue model and entrenched positions in both the children's and senior segments. We believe the market underestimates the earnings potential of Xplora's expanding subscription base and the strategic value of its recent acquisition of Doro.

### Built for families, designed for growth

Xplora is an IoT company that combines connected devices with high-margin subscriptions. It has built a scalable recurring service revenue model with an 80% gross margin, giving a five-year sales CAGR of 68%, having sold 500,000 smartwatches for children in 2024 and reached 358,000 active subscriptions. The acquisition of Doro — Europe's leader in senior phones — extends Xplora's reach across generations and unlocks new service revenue streams through its own SIM card integration.

### Recurring growth across generations

Xplora will start scaling its existing proven subscription model through Doro's 1.2m senior phones. Redeye expects service sales to grow at a 45% CAGR over the next five years on a maintained ~80% gross margin. EBITDA should grow at a CAGR of 39%, with the EBITDA margin anticipated to reach 14% by 2026e.

### Valuation range

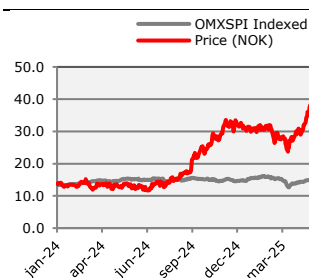
We value Xplora at NOK28–98, with a **Base Case of NOK69** based on our DCF valuation model, implying upside potential of 85%. The stock currently trades at an EV/EBITDA of 5.9x and an EV/Sales of 0.8x for 2026e. Given Xplora's recurring revenue model and scalable growth, we believe the company deserves to trade at an EV/EBITDA multiple closer to 10x. This would imply a share price of approximately NOK 64, still offering around 70% upside versus its current valuation.

Net sales	687	813	1949	2399	2745
Revenue growth	37%	18%	140%	23%	14%
EBITDA	34	72	209	343	411
EBIT	-23	12	105	225	311
EBITDA Margin (%)	5%	9%	11%	14%	15%
EBIT Margin (%)	-3%	2%	5%	9%	11%
Net Income	-21	-6	-28	125	189
EV/Revenue	0.8	1.2	1.1	0.8	0.7
EV/EBITDA	15.4	13.9	10.5	5.9	4.5
EV/EBIT	neg	82	21	9	6

### FAIR VALUE RANGE

BEAR	BASE	BULL
28	69	98

### XPLRA VERSUS OMXSPI



### REDEYE RATING



### KEY STATS

Ticker	XPLRA
Market	Euronext Growth
Share Price (NOK)	37.80
Market Cap (NOKm)	1673
Net Debt 2025E (NOKm)	528
Free Float (%)	74.8%
Avg. daily volume ('000)	890

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## Investment case

Xplora Technologies was founded in 2016 and is headquartered in Oslo, Norway, with affiliates in the other Nordic countries, Germany, the UK, Spain and the US. Xplora is a family IoT company, focusing on building service and subscription revenues on top of connected devices. Xplora is already a category leader within the kids' segment (ages 4–10) with connected smartwatches for kids and is now adding the youth segment (ages 9–14). Through its acquisition of Doro AB, the European market leader in consumer electronics for seniors, the company has strengthened its base from which to upscale subscription revenues and generate an even stronger cash flow.

Xplora's high-margin subscription model is a cash machine, with a **gross margin exceeding 80%**, generating predictable, growing and scalable recurring revenues. By integrating Xplora's SIM cards into Doro's phones, the company can unlock potential new revenue streams and strengthen its position in two significant market segments.

Today, Xplora has a 37% attachment rate on its annual volume of kids' watches. Given an estimated attachment rate of new SIM cards in new Doro phones at only 10%, the company could generate more than NOK300m in additional EBITDA in the next three years.

We forecast Xplora's recurring service revenues to achieve a CAGR of 44% over the next five years while maintaining a strong gross margin of +80%.

Xplora sold 501,000 smartwatches in 2024. The company performed particularly well in the Nordics, with a market penetration of 8.6% – and more than 20% in Norway. Doro sells more than one million phones annually and dominates the senior phone market, holding a 90% share in the Nordics and a share surpassing 20% in Europe. The two brands combine Xplora's expertise in the children's segment with Doro's robust position in senior electronics, building a broad, dynamic offering to meet the evolving communication needs of both young children and seniors in a safe and user-friendly way. We believe Xplora will be able to increase its market shares both in the Nordics and its core European markets.

### Valuation range

#### Xplora: Valuation range

Share price: 37.80



Bear case: 28

Base case: 69

Bull case: 98

Source: Redeye Research

Given an estimated underlying market growth for kids' smartwatches at a 7% CAGR, combined with a CAGR of c4% for senior devices, we project a total (pro forma) sales CAGR of 8.6% over the next five years, reaching NOK2.9bn in 2030. This growth should drive an EBITDA CAGR of

18% during the same period – a development we do not see fully reflected in the current share price. The recent market turmoil stemming from the trade war has dampened risk appetite, and we believe Xplora is an interesting investment case in such times as higher tariffs do not impact its business model.

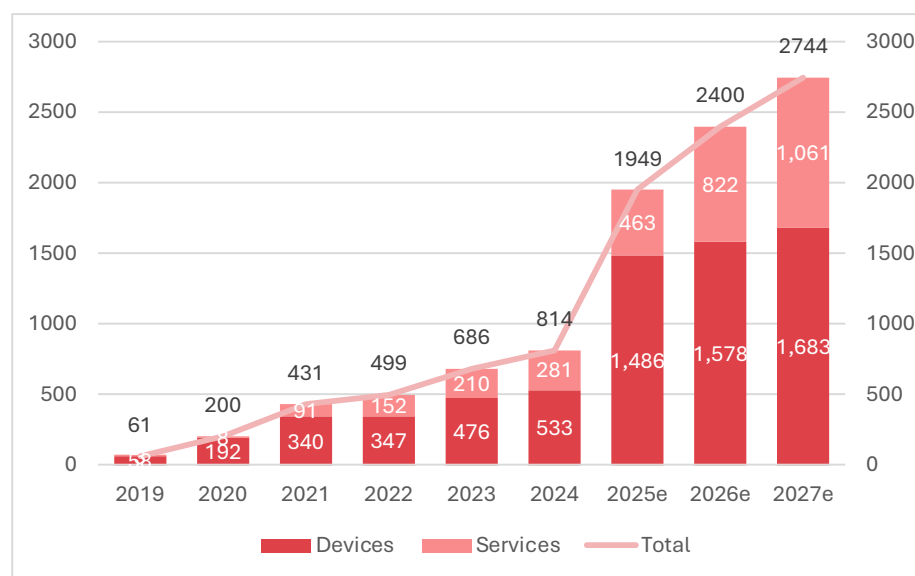
Redeye believes the market underestimates the speed of service revenue growth, seeing potential upside of 85% in the share price.

## Evidence

### I: Continued high recurring revenue growth through Doro integration

Xplora has had an impressive sales CAGR of 68% for the past five years, with a gross margin of 83% on its recurring service revenues and 33% on its devices. In 2024, service revenues accounted for 35% of total sales, up from 21% in 2021. Recurring service revenues saw an astonishing CAGR of 148% in 2019–2024. Thanks to the integration of Doro, we anticipate recurring service revenues growing at a CAGR of 56% over the next three years.

#### Xplora: Sales (NOKm)



Source: Company filings (data), Redeye Research (chart)

### II: Tractable addressable market

Device sales are a vehicle to generate recurring connectivity and service revenues. In 2024, Xplora sold 501,000 children's smartwatches, achieving a market penetration of around 3% among its target demographic<sup>1</sup>: children aged 4–10 in Xplora's target markets. In the Nordic region, Xplora's penetration is 8.6%. Norway stands out in the region, with an implicit market share for Xplora that exceeds 20%, followed by 6% in Sweden and 4% in Finland. Additionally, Xplora has demonstrated healthy growth and a solid market presence in Germany, providing a foundation for increasing Doro's presence in this market.

Doro sells more than 1.7m feature and smart devices each year and is the European market leader for senior phones, having grown its market share in most of its markets in 2023. It commands a 90% market share in the Nordics and a share exceeding 20% in Europe. In key markets like Sweden, France, Germany, and the UK, Doro holds more than half of the market, accounting for 56% of volumes and 60% of value as of 2022. Doro's particularly solid position in France complements Xplora's relatively weaker presence there, presenting an opportunity to leverage Doro's distribution network to increase sales in that geography. Moreover, Xplora will grow its presence in the North American market through one of its nine mobile virtual network operators (MVNOs) worldwide.

### III: Enhanced market position through synergies

The combined portfolio of children's smartwatches and phones for seniors should allow Xplora to capitalise on two large market segments: connected devices for children and senior-focused technology. Both segments are supported by demographic trends: parents seeking safe communication tools for children and an ageing population driving demand for accessible senior technology. Moreover, the Doro acquisition brings cost synergies and cross-selling opportunities for both brands, creating operational efficiencies and strengthening their market positions. Xplora can leverage its innovative technology and recurring revenue expertise to reinvigorate Doro's product line, creating a more comprehensive ecosystem.

## Challenges

### Lower than anticipated SIM card integration

Our investment thesis depends on the successful rollout of Xplora's SIM cards for Doro's phones. Today, Doro has no service revenues, and this opportunity is the key reason for Xplora's acquisition of the business. This strategy is based on new devices sold with connectivity, but only a modest attachment rate will generate a substantial EBITDA increase. Thanks to the high gross margin on connectivity and services, Xplora can adjust price plans to increase adoption rates. Under current assumptions, there is limited focus on Doro's existing customer base, but this might also prove an upside.

### Overlapping regional presence

Xplora and Doro have strong regional presences in Europe, with overlapping markets. However, Doro's position is weaker in Germany, while Xplora has a limited presence in France, one of Doro's key markets. This means scaling beyond their core markets may be challenging due to regulatory, cultural or competitive barriers. Doro, for instance, withdrew from a US expansion in 2021 after encountering tough market conditions. Without significant investment in localisation and distribution, global revenue growth may remain limited.

## Catalysts

### Revenue impact from SIM card integration

The successful integration of Xplora's SIM cards into Doro's phones for seniors will create a *hard catalyst*, with measurable revenue contributions visible in upcoming quarterly reports. High adoption rates among Doro's loyal customer base would validate the strategic rationale behind the acquisition and drive growth forecasts upward.

### Doubling LTV expectations for Doro connectivity plans

Monthly subscription churn is at 3% as Xplora children grow out of the smartwatch product. The average life-time value (LTV) is 30 months, but we expect LTV on connectivity for seniors to be at least double that (LTV of 60 months). However, the Xplora Youth product launch in 2025 should decrease this overall churn over time and add a new revenue stream through the parental control functionality. We also estimate senior phones will have a lower churn.

### Geographical expansion into the US

Xplora has the opportunity to expand its product portfolio into the extensive, previously untapped US market through its MVNO with AT&T. Announcements of partnerships or increased sales penetration in high-growth markets could serve as key triggers for the share price.

### Launch of new products

Developing innovative new devices that combine Xplora's technology with Doro's senior-focused insights could generate significant market interest. A successful product launch would showcase the synergies of the acquisition and strengthen Xplora's market position in one or both segments. Xplora recently launched the new Youth segment with a new smartphone and a parental app, which is its latest new product. The latest product release from Doro is the Aurora smart phone.

### Further strong growth in service sales on top of devices

Xplora's ability to drive sustained growth in service and device sales is a key catalyst for future performance. Upcoming quarterly results reflecting ongoing device adoption and subscription growth could validate Xplora's market-leading position and reinforce investor confidence in its long-term growth potential. Accelerating sales in key markets like Germany, France, the US, and the Nordics would further boost this trajectory, driven by increased demand for safety-driven solutions for children and seamless family connectivity.

## Xplora – a recap of the Doro acquisition and our view

### The bid and valuation of Doro

Xplora launched a public takeover bid for Doro on 26 September 2024, offering SEK34 per share, a 38% premium corresponding to a market value of exceeding SEK830m. Doro's last 12 months' (LTM) revenues were SEK964m at that time, with an EBIT margin of 8.3%. At the bid price of SEK34, the market value was SEK834m, which represented 0.7x EV/sales and 8.4x EV/EBIT LTM as of Q2 2024. Historically, Doro has been valued in line with the bid, with a five-year average of 8.3x EV/EBIT. Redeye had a Base Case for Doro of SEK31 for Doro when the bid was made public. Xplora's stock price rose by 10% on the announcement day and has since increased by 53%. Xplora has full financing for the acquisition, totalling SEK890m.

**A spanner in the works**

The offer was conditional on the bidder acquiring more than 90% of the shares. The acceptance period was initially set between 18 October and 8 November 2024. Xplora had received acceptance from the largest shareholders in advance, representing 29.4% of the shares and votes.

On 31 March 2025, Xplora announced it had reached an outcome corresponding to approximately 89.6% of the share capital and all outstanding shares and votes in Doro.

This meant Xplora currently buys shares in the open market to reach 90% ownership before it can de-list Doro from the stock exchange.

**Redeye's view**

We believe the rationale behind Xplora's bid for Doro is strong. We consider the bid level reasonable at the market value of SEK834m. Given Doro's dominance in senior feature phones but declining revenues in recent years, we see only advantages with Xplora as its owner. We believe Xplora's strategy to implement its own SIM cards in the new phones sold is the right approach. Today, Xplora has 358,000 subscriptions, and with Doro's customer base, it will be able to scale up recurring service revenues for many years to come. Achieving this at a gross margin of more than 80% will allow Xplora to significantly ramp up profits in the coming years.

## SWOT

### Strengths

- **High-margin recurring revenues:** Proven subscription model with a gross margin surpassing 80%, now scalable through Doro's phone base.
- **Dual-market leadership:** Strong positions in both the children's smartwatch segment (top five globally) and senior feature phone market (Doro with >50% market share in key European markets).
- **Established distribution footprint:** Access to more than 300 operators and retail partners across nearly 30 countries.
- **Customer-centric innovation:** Products tailored to address the safety and connectivity needs specific to children, youth and seniors.

### Weaknesses

- **Integration challenges:** Potential difficulties in aligning Xplora's operations with Doro's legacy systems.
- **Limited global presence:** Heavy reliance on European markets, which are large enough to have a strong impact on profitability, but with limited penetration in North America or Asia.
- **Integration complexity:** Merging product portfolios, tech platforms and operations may create short-term friction.
- **Brand stretch risk:** Managing consistent brand clarity across different age segments could prove challenging.

### Opportunities

- **Recurring revenue acceleration:** Monetising Doro's device base with Xplora SIMs and services introduces a new growth engine.
- **Scalable platform potential:** Xplora's activity platform can be licensed to third-party device makers, especially in Asia.
- **Cross-segment growth:** Using Doro's strong footprint in France to grow Xplora sales and utilising Xplora's position in Germany to expand Doro.
- **Recurring revenue focus:** Growing adoption of subscription-based services, aligning with global IoT trends.
- **Youth product expansion:** A new device for ages nine to 14 bridges the gap between smartwatches and smartphones, extending the customer lifecycle.

### Threats

- **Intensifying competition:** Established players in both markets and new entrants in IoT-connected devices.
- **Economic sensitivity:** Demand for discretionary devices may decline during economic downturns, but the Xplora with Doro categories represent a prioritised device for the caring person, which is the same for both segments.
- **Data regulation tightening:** Privacy and safety compliance will be critical, especially with child and senior data.
- **Technology leapfrogging:** Failure to innovate at pace may risk loss of relevance in a fast-evolving IoT landscape.



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## Xplora – company description

The following sections detail Xplora's background, including its history, business operations, strategic approach, product range and service offerings, illustrating the company's development up to its acquisition of Doro. Subsequently, we provide a similar analysis of Doro, aiming to establish a clear understanding of both companies. This approach highlights the key characteristics of each company ahead of their combination.

### Company description

Xplora, founded in 2016 and headquartered in Oslo, Norway, has been dedicated to providing children with a safe and secure introduction to digital life. The company aims to help families achieve a healthier balance between screen time and physical activity by offering innovative smart devices and services tailored for children.

As a technology-driven IoT company, Xplora generates revenues through the sale of children's smartwatches and subscription-based services. Its business model combines one-off hardware sales with recurring income from integrated SIM card subscriptions, premium services and platform offering, creating a scalable and predictable revenue stream while delivering value to families worldwide.

Xplora reported a sales CAGR of 68% with a recurring service CAGR of 149% between 2019 and 2024.<sup>2</sup> The company's income streams are highly scalable, driven by its focus on subscription services, which provide it with recurring revenues and predictable cash flows. Xplora markets its products through established distribution channels, including online sales, retail partnerships and direct-to-consumer strategies.

### Historical highlights

Xplora's first significant achievement came one quarter after its establishment, when, in Q2 2016, the company entered into an exclusive agreement with InfoMark to distribute its first product, called X1, across Europe. In the following quarter, Q3 2016, Xplora entered into a licensing agreement with PepCall (now Xplora Mobile) to sell and distribute Xplora's services across the Nordic region.

2017 proved a development year for Xplora, with the company focused on its IoT platform and test sales in the UK and Germany.

In 2018, it made significant progress, including entering into an exclusive agreement with 360, a large Chinese wearables manufacturer; the acquisition of Tinitell, a Swedish competitor; developing its own logistics system to prepare for scaling; and establishing more than ten distribution networks.

In 2019, Xplora partnered and integrated products with Sony PlayStation, Disney and Paramount Pictures. Towards year-end, it achieved its first sales through Deutsche Telekom, a telecom operator with which it had initiated a development programme, together with Gemalto, earlier that year.

2020 was another year of good progress. Xplora entered into an MoU with the United States Fund for UNICEF, as well as signing new partnerships with Warner Bros and Columbia Pictures. In addition, Xplora released the industry's first eSIM, called X5 Play eSIM, and launched in the

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<sup>2</sup> Pro forma revenue including XM acquisition

US. In Q4 2020, Xplora completed a private placement, raising approximately NOK100m in combination with the IPO.

In Q1 2021, Xplora completed another private placement, raising approximately NOK153m, and it acquired Xplora Mobile Holdings AS. Further partnerships included one with UNICEF and the Geneva UN Charter Center of Excellence. During the year, Xplora reached 100,000 mobile subscribers and expanded into Spain through Movistar.

In 2022, Xplora reached an agreement with Walmart to sell its smartwatches in the US. It also went live as a mobile service provider in Germany. Finally, Xplora released its first in-house developed smartwatch, called X6Play.

2023 was the year when Xplora reached 200,000 subscribers. It also sold the majority of its inventory to Brodos AG and entered into a European master distribution agreement.

In 2024, Xplora expanded an activity platform partnership with Qihoo 360. To expand connectivity services across Europe and beyond, Xplora entered into a partnership with Telenor Connexion. Finally, it ended the year with a bid to acquire all the shares in Doro AB.

**Historical events**

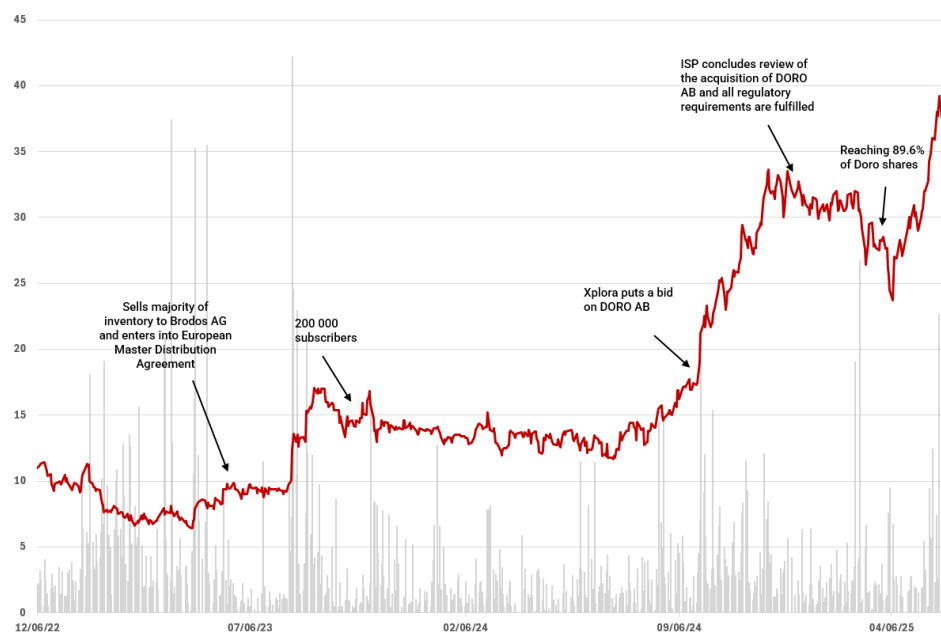
<b>Q1 2016</b>	Xplora Technologies AS was established in February 2016.
<b>Q2 2016</b>	Xplora entered into an exclusive agreement with InfoMark to distribute the Company's first product X1 in Europe.
<b>Q3 2016</b>	Xplora entered into a licensing agreement with PepCall (now Xplora Mobile) to sell and distribute Xplora services in the Nordic markets.
<b>H2 2017</b>	Development of the IoT platform in parallel with test sales in the UK and Germany.
<b>Q1 2018</b>	Xplora entered into an exclusive agreement with 360, large Wearables producer.
<b>Q2 2018</b>	Acquisition of Tinitell, a Swedish competitor.
<b>Q3 2018</b>	Improvements to platform and IP and building of own logistics system to prepare the Company for scaling.
<b>Q4 2018</b>	Further development of strong retail strategy by securing more than ten distribution agreements for Xplora products and services.
<b>Q1 2019</b>	Announcement of new products and first gaming integration with Sony Playstation at Mobile World Congress in Barcelona, Spain.
<b>Q2 2019</b>	Secured partnerships with Disney through 21st Century and Paramount Pictures.
<b>Q3 2019</b>	Won eSim joint development program with Deutsche Telekom and Gemalto.
<b>Q4 2019</b>	Launch of Xplora X4 smartwatch. P7S1 Accelerator Media-for-equity deal in Germany. First sales through Deutsche Telekom.
<b>Q1 2020</b>	Entered into MoU with United States Fund for UNICEF. New partnerships with Warner Bros, Columbia Pictures.
<b>Q2 2020</b>	First patent application filed. Innovation Norway loan grant.
<b>Q3 2020</b>	Launch of industry first eSim smartwatch for kids, Xplora X5 Play eSim, following joint technology collaboration with D Telekom and Gemalto. Launched in the US.
<b>Q4 2020</b>	On 8 October 2020 the Company completed a private placement of 265 252 new Shares (prior to Share Split number, see Section 7.5) towards certain new investors, raising gross proceeds of approximately NOK 100 million (the "Private Placement") in combination with the IPO. The proceeds will be used to fund planned growth and development for the Group.
<b>Q4 2020</b>	US launch with X5 Play. Introduction of second-generation entry-level product, XGO 2.
<b>Q1 2021</b>	Private Placement with gross proceeds of NOK 153m.
<b>Q2 2021</b>	Acquired Xplora Mobile Holding AS, spearheading into connectivity with +80k Nordic subscribers. Announced new partnerships with UNICEF and The Geneva UN Charter Center of Excellence on SDG City Transition.
<b>Q3 2021</b>	Explora reaches 100,000 mobile subscribers.
<b>Q4 2021</b>	Extends European reach with Movistar in Spain.
<b>Q2 2022</b>	Walmart to sell Xplora smartwatches in the US.
<b>Q4 2022</b>	Xplora goes live as Mobile Service Provider in Germany.
<b>Q4 2022</b>	Xplora's first fully in-house developed smartwatch, X6Play, is released.
<b>Q2 2023</b>	Xplora sells majority of European inventory to Brodos AG for up to NOK 60 MNOK, and enters into an European Master Distribution Agreement.
<b>Q3 2023</b>	Explora reaches more than 200,000 mobile subscribers.
<b>Q2 2024</b>	Expanded Activity Platform Partnership with leading Asian smartwatch manufacturer, Qihoo 360.
<b>Q2 2024</b>	Reseller agreement with Telenor Connexion, aimed to expand Xplora's IoT connectivity services across Europe and beyond.
<b>Q3 2024</b>	Puts a bid to acquire DORO AB at SEK 34 in cash per share.

Source: Redeye Research, Xplora

## Share price performance

While the IPO (Q4 2020) was initially a success, the stock price followed the broader trend of the Nordic Small Cap Index, declining sharply as investors shifted away from unprofitable companies. However, Xplora's successful growth strategy, effective expansion execution and transition to profitability have revitalised investor confidence, driving the share price upward. Following several consecutive quarters of robust growth and earnings after its trough in Q2 2023, the stock has seen a marked recovery. Notably, the share price has doubled since summer 2024, fuelled by strong growth, an optimistic outlook and the well-received bid to acquire Doro AB late last year.

Share Price and key events



## Xplora's business strategy

Xplora's business strategy is built around a hybrid business model that combines hardware sales with subscription services, enabling the company to compete effectively in the children's technology market. By selling smartwatches designed specifically for children and bundling them with its proprietary SIM card services, Xplora creates a recurring revenue stream that complements its one-off device sales. This approach ensures predictable cash flows while fostering customer retention within its ecosystem.

The company positions itself as a digital brand focused on making everyday life safer and more convenient for families. It also aims to combat children's increasing screen time and inactivity. Xplora's smartwatches offer features like GPS tracking, geofencing and secure communication, giving parents peace of mind while allowing children to stay connected without the risks associated with smartphones. The lack of internet access with the smartwatches further reinforces their appeal as a safer alternative in introducing children to digital technology. Moreover, by offering services that motivate children to play and stay physically active, the watches also help to balance children's online and offline lifestyle.

As part of its growth strategy, Xplora leverages M&A opportunities to expand its reach and diversify its offerings. Its acquisition of Doro in 2025, a market leader in phones for seniors, represents a significant step in this direction. By integrating Xplora's subscription services into Doro's devices, the company can unlock new revenue streams while broadening its market presence across Europe. This strategic move allows Xplora to scale its recurring revenue model into the senior segment, enhancing its competitive position in two distinct but complementary markets.

Xplora's strategy remains customer-centric, prioritising simplicity and useability to address specific pain points for families and seniors alike. By partnering with telecom providers and leveraging a strong retail distribution network, Xplora ensures broad market accessibility and scalability. The combination of organic growth and strategic acquisitions positions the company to sustain its competitive edge in the fast-growing connected devices market.

### Customers

Until now, Xplora has targeted its offering toward families with young children. Its products cater to children aged four to 10, offering solutions that balance connectivity and safety without exposing them to internet risks. To address the high churn rate as children outgrow their smartwatches and transition to Apple or other smartphones, Xplora launched in early 2025 a parental app (youth platform) on a specific device from HMD, specifically designed for youths aged nine to 14. This new smartphone aims to bridge the gap between children's smartwatches and full-featured smartphones, retaining customers within the Xplora ecosystem for longer. By offering age-appropriate features that cater to the needs of older children, Xplora seeks to extend its customer lifecycle and reduce churn while continuing to prioritise safety and connectivity.

Following the Doro acquisition, Xplora has expanded its customer base to include seniors. Doro's phones are designed for older adults and feature large buttons, clear displays and emergency functions that address their unique needs. Doro's products complement Xplora's focus on families, creating opportunities to serve a broader demographic while leveraging synergies between the two brands.

## Xplora's products and service offerings

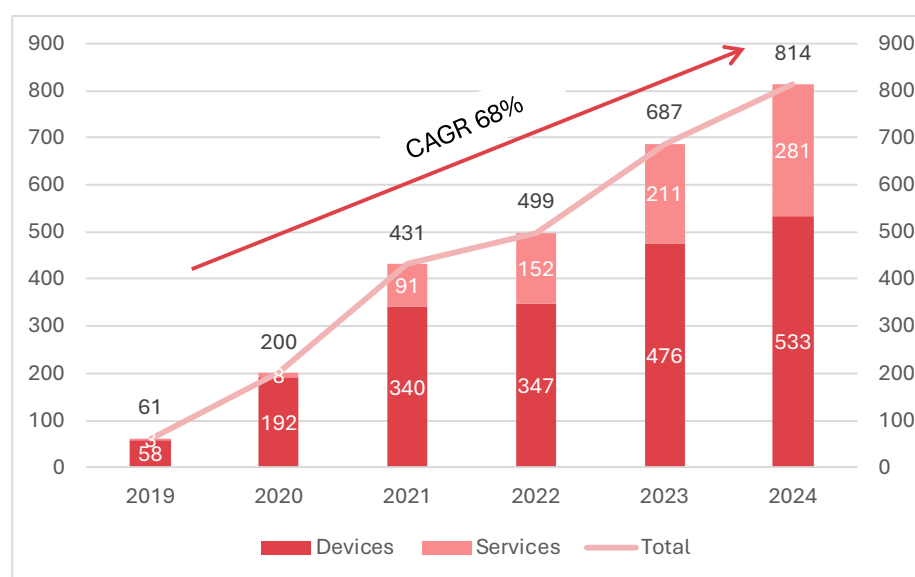
Xplora monetises through two main segments: **Devices** and **Services**.

**Devices:** Sales of devices, such as connected smartwatches.

**Services:** Recurring revenues generated through subscriptions and value-added services offered via the Xplora activity platform, enhancing the user experience and driving consistent income<sup>3</sup>.

Between 2019 and 2024, Xplora delivered a remarkable sales CAGR of 68%.

**Xplora: Sales (NOKm)**



Source: Company filings (data), Redeye Research (chart)

In 2024, service revenues accounted for 35% of total sales, up from 21% in 2021.

## Xplora's devices

The Xplora device platform comprises connected smartwatches and the new smartphones. In March 2025, the company launched its new youth platform, with two new smartphones that share an own-developed parental app.

The group's product strategy focuses on offering premium and entry-level products within the connected category while encouraging platform engagement by providing connected wearables at attractive prices. A wide-ranging product portfolio is a key component of Xplora's distribution strategy, helping to increase brand awareness and ensure its distinct visibility in the market for kids and youths. Currently, Xplora offers a number of different watch models with varying features and price points. The gross margin on the watches is 33%.

<sup>3</sup> See appendix, page 57 for a graphical overview of Xplora's service system and activity platform.

## Watches

The Go, Play and Pro watch models share the same core functionalities, including making phone calls, sending voice messages and using pre-programmed text messages. These watches act as mobile phones but are specifically designed for children, with controls allowing parents to manage and restrict their child's contact list via an app. Notably, the watches do not have internet or social media access, providing a safer online introduction and experience for young users.

All three models feature GPS tracking, enabling parents to view their child's location via the app, and they include a pedometer that rewards children with Xplora Coins for staying active.

The Go model is priced at NOK1,790, the Play model at NOK2,490 and the Pro model at NOK2,795. The key differences between the models lie in their hardware specifications, such as screen size and resolution, speaker quality and processing power.

Name	Tagline	Price range	Image	Main features	Full name
Go	Value for money & the Xplora Experience	NOK1790		Call and Messaging Function GPS with Safe Zones School Mode Step Counter Alarm and Camera Access to Xplora's Activity Universe No Internet Access or Online Photo Sharing Dedicated Parent App – Manage Functions and Restrictions	Xplora XGO3
Play	Playful, powerful and personal	NOK2490		Call and Messaging Function GPS with Safe Zones School Mode Step Counter Alarm and Camera with Video Functionality Access to a Kids' Activity Universe No Access to Social Media, Internet, or Online Photo Sharing Dedicated Parent App – Manage Features and Restrictions	Xplora XGPlay
Pro	The flagship product. Taking category to next level	NOK2795		Call and Messaging Function GPS with Safe Zones School Mode Step Counter Alarm Camera with Video Call Capability* Access to a Kids' Activity Universe on Xplora's Activity Platform No Access to Social Media, Internet, or Online Photo Sharing Dedicated Parent App	Xplora XGPro

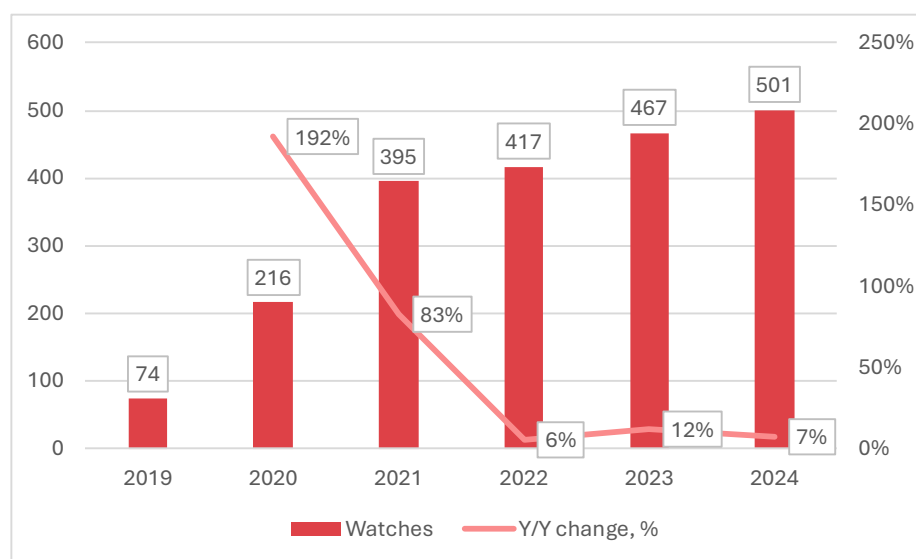
Source: Company Filings (data), Redeye Research (table)

In 2023, Xplora launched nine new watch models. New designs or product launches do not seem to significantly impact overall sales. We believe brand recognition, functions and reaching out to educate parents about the devices' features will drive sales.



Since 2019, Xplora has achieved an impressive CAGR of 47% in smartwatch sales, reflecting robust demand and consistent market expansion.

#### Xplora: Sold Watches, '000



Source: Company filings (data), Redeye Research (chart)

#### In-house marketing department

Xplora has its own marketing department that develops new software and themes for the watches. This department is also responsible for all communication channels and marketing campaigns, both online and in print.

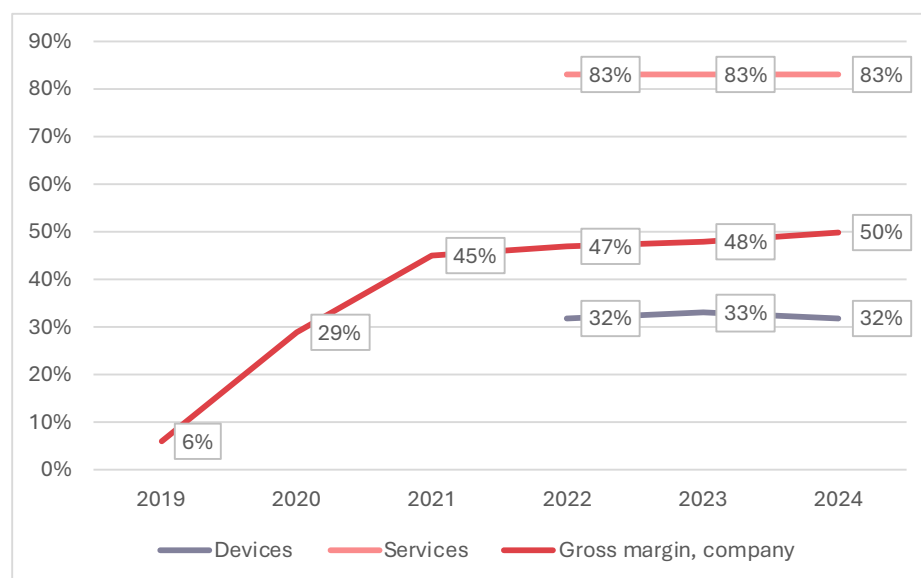
## Service revenues

Xplora operates its mobile connectivity as a mobile virtual network operator (MVNO)<sup>4</sup>. It offers its services in nine core markets: the four largest Nordic countries, Germany, the UK, Spain, France and the US. The latest certification process was with AT&T in the US, representing a major milestone that allows Xplora to leverage AT&T's reach and network infrastructure in the US to access the North American market.

**Service revenues** consist of **four** distinct income streams: 1) connectivity, i.e., mobile subscriptions; 2) premium – activity platform, i.e., mobile subscriptions with more features; 3) B2B services; and 4) service fee.

The service segment of revenues in Xplora is highly scalable, with gross margins on subscription services historically exceeding 80%.

### Xplora: Gross margin on Devices and Service (%)



Source: Company filings (data), Redeye Research (chart)

## Connectivity and premium services

The customer can choose between two different subscription plans: **basic** and **premium**.

The **basic** option is a mobile subscription with fewer features than the premium version. Basic accounts for 75% of total device sales and premium for 18%.

The **premium** service platform connects seamlessly with Xplora devices, converting physical activity data into Xplora Coins, the platform's unique digital reward points. Children can use these coins to access digital content, play mini-games with screen-time controls, purchase products or make coin donations via the activity platform.

Unlike traditional social networking services that focus on text, images or video, the Xplora platform utilises activity and location data from smart devices to create engaging and

<sup>4</sup> A company that offers mobile services without owning the physical network infrastructure.

interactive experiences. By rewarding physical activity, Xplora encourages children to explore their surroundings while ensuring safety for them and peace of mind for parents. This approach aims to provide children with more opportunities to have fun and learn and play in a safe and controlled environment.

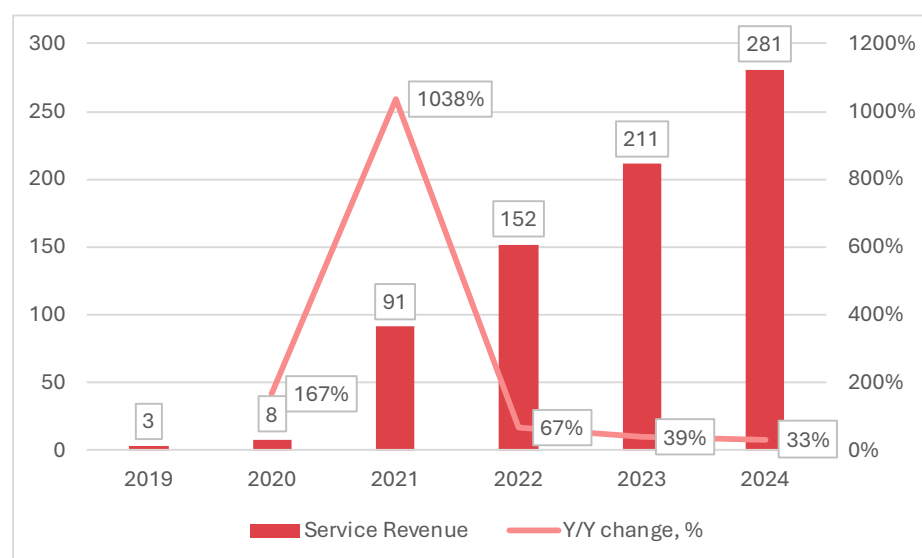
Xplora plans to expand its premium services to offer a broader range of curated content, video features and education-based activity tools. In 2023, it launched a new jungle theme. The development team has an extensive roadmap of exciting themes in progress. One highly requested theme, based on feedback from children, is a unicorn world.

Name	Price per month	Contract period	Main features
Basic	NOK129	12 month	SIM Subscription. Limited access to Xplora's Activity Platform. Parental app to control all smartwatch feature
Premium	NOK159	12 month	SIM Subscription. Unlimited access to Xplora's Activity Platform. Parental app to control all smartwatch feature

Source: Company filings (data), Redeye Research (chart)

Between 2019 and 2023, Xplora achieved a CAGR of 190% in its recurring service subscription segment. The company's income streams are highly scalable, driven by its strategic emphasis on subscription-based services, which generate recurring revenues and ensure predictable cash flows.<sup>5</sup>

#### Xplora: Service revenue (NOKm)



Source: Company filings (data), Redeye Research (chart)

Numbers are proforma including the XM acquisition

#### B2B services (revenue share)

Xplora has established strategic revenue-sharing agreements with leading telecom companies in Europe and North America. These agreements support Xplora by driving device sales, generating additional service revenues and enhancing brand awareness through telecom commitments to device purchases and marketing. Meanwhile, telecom partners gain new customers and increase their revenues.

<sup>5</sup> Pro forma revenue including XM acquisition

In 2023, Xplora secured agreements with Troomi Wireless in the US, Elisa in Finland and OneCall in Norway, with an undisclosed Nordic telecom marking its fourth such partnership. Xplora plans to continue pursuing similar agreements in its nine core markets. B2B services account for c6% of total device sales, and each customer generates cEUR3/month with a gross margin of more than 90%.

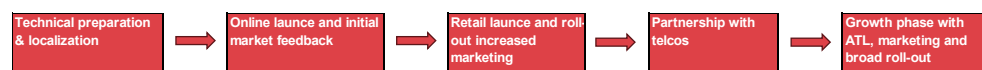
### Service fee

In late 2023, Xplora launched a new revenue stream: the service fee. Initially rolled out in the Nordic markets, this fee applies to Xplora watches used with premium subscriptions from other telecom providers. The service fee covers essential functions like messaging, calling, photo sharing and tracking/map services provided through the parent app, even without an Xplora subscription. Revenue share represents c1% of total device sales. The ARPU for the service fee is cNOK30/month, with a very high gross margin.

## Go-to-market strategy

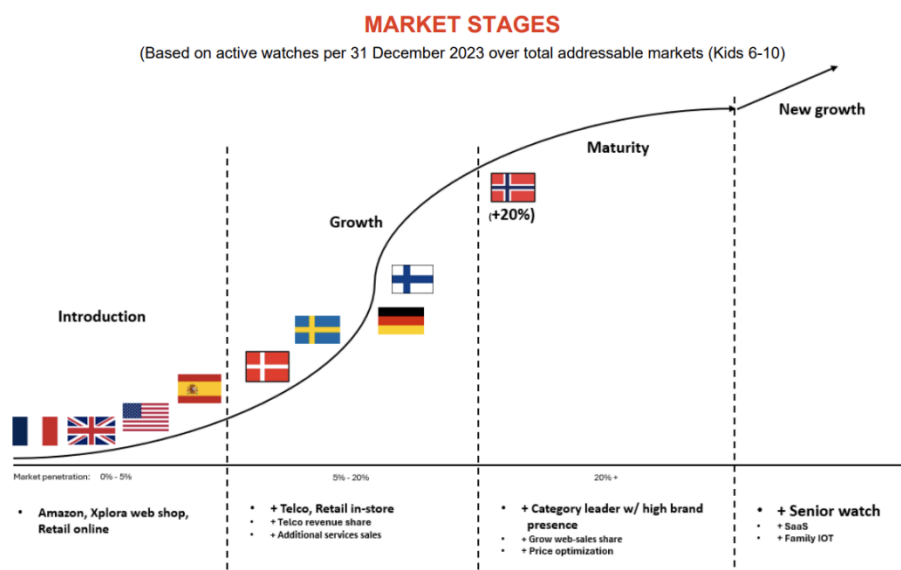
Xplora's go-to-market strategy is designed to maximise market penetration and establish a definitive presence across online, retail and telecom channels.

This phased approach begins with an initial focus on online platforms such as Amazon and Xplora's web stores, allowing the company to test pricing, refine marketing strategies and build customer recognition. Once it gains traction online, Xplora will expand into retail channels to increase accessibility. The next phase involves partnerships with telecom operators, which represent the greatest market potential, accounting for approximately 50% of device volumes (versus retail and online sales at around 30% and 20%, respectively).



Source: Company filings (data), Redeye Research (chart)

The final step is a broad growth phase through extensive above-the-line (ATL) marketing efforts and a broad rollout strategy. ATL marketing involves leveraging mass media channels such as television, radio and digital platforms to build widespread brand awareness and reach a broad audience. This approach is essential during the expansion phase, helping establish Xplora's presence in new markets and solidifying its position in existing ones.



Source: Xplora

As of 2024, Xplora is present through online, retail and telecom channels across nine markets in Europe and North America.

### Youth segment

In the first half of 2025, Xplora launch a new app and HMD Fusion X1 aimed at the youth segment, designed to provide a natural progression for customers as their children outgrow smartwatches. This should help Xplora to retain users within its product ecosystem; currently, it tends to lose customers when children reach the ages of nine to 10.

The newly developed app will give parents enhanced control over the smartphone's functionality, including regulating internet access, limiting screen time, and blocking inappropriate content. This ensures a safer digital experience for children transitioning to smartphones, reinforcing Xplora's commitment to providing secure and age-appropriate technology for families.

### Partners

Xplora is engaged in several partnerships regarding distribution, content development and production.

### Channels & Distribution breakdown

D2C (web): All markets, 10%

D2C (Amazon): All nine markets, 20%

Retail: 11 global retailers / 850 stores, 40%

Telco: 12 global telcos / 4,004 stores, 30%

### Retail and online distribution partners

Retail partners play a key role in driving Xplora's sales volumes, expanding its geographical reach, and building brand recognition. Sales through these partners occur through both physical retail outlets and online channels. Physical stores often showcase Xplora's products, allowing consumers to test and evaluate them firsthand, enhancing the purchasing experience. By the

end of 2024, Xplora had established relationships with a broad range of retail and distribution partners.

#### Sample of retail partners by channel and regions

Nordics	Europe	North America
Online/retail	Online/Retail	Online/retail
Elkjop	Expert	Walmart
MediaMarkt	Euronics	Bestbuy
	Carrefour	SamsClub
		Target
Online	Online	Online
Verkkokauppa	Currys	Amazon
NetOnNet	MyToys	

Source: Company filings (data), Redeye Research (chart)

#### Developing partners – hardware and software

Xplora collaborates with several partners, both on hardware and for content and software development. For many years, it has worked with Smart 360 Kids Guard, one of the leading manufacturers of children's smartwatches and part of the 360 Smart Life Group. Additionally, Xplora partners with industry giants like Google Maps and Amazon to enhance its offerings.

The company has also participated in the joint development of eSIM technology for wearables in collaboration with Deutsche Telekom and Gemalto, further solidifying its position as a technology-driven innovator.

#### Qihoo 360

Since June 2024, Xplora has deepened its collaboration with Qihoo 360 to provide its proprietary activity platform to the Chinese company's 980,000 monthly active users through a new pay-to-play model.

Building on a successful pilot that attracted 80,000 users, this collaboration marks a significant step toward scaling Xplora's platform globally.

Through the agreement, Xplora will offer engaging adventures to Qihoo 360's users, encouraging higher activity levels via gamified challenges. Users can access the first adventure for free, while advanced adventures will be available via a paid subscription. Xplora receives 70% of the USD3 monthly fee per user, with an ARPU of USD2/month. If fully adopted by Qihoo 360's user base, this would represent an annual recurring revenue opportunity of approximately NOK250m, with gross margins estimated at ~90%.

The partnership aligns with Xplora's strategy to expand its software as a service (SaaS) offerings by licensing its activity platform to third-party smartwatch providers. By targeting the Chinese market first – a large base of 72 million children with early adoption of IoT technology – Xplora aims to significantly increase its addressable market beyond its existing footprint in Europe and the US. This collaboration not only broadens Xplora's reach but also reinforces its position as a scalable, high-margin SaaS provider.

**Content partners**

Xplora's Goplay service platform has attracted several content partners that benefit from the association of improving children's health, physical activity and digital learning. These include:

- Sony PlayStation
- Aces of the Multiverse
- Paramount Pictures – Dora and the Lost City of Gold
- Fox – Spies in Disguise
- Sony Entertainment – Peter Rabbit 2
- Netflix – Spy Racer – UNICEF – (LOI) Kid Power, Walking for Education
- One Tree Planted – planting trees after the wildfires in British Columbia and California
- Black Girls Coding – helping Black girls with education in engineering

**IOT connectivity service partners**

The IoT service forms the foundation of the Xplora service platform, enabling wearable smart devices to connect seamlessly to the platform and app. It powers essential features such as calls, messaging, safe zones, location tracking and SOS functionality. Thanks to an open architecture, the platform supports not only Xplora's own devices but also third-party wearable smart devices that comply with local regulations and wish to offer core services.

Unlike traditional IoT platforms optimised for machine-to-machine (M2M) communication with minimal data traffic and no voice connectivity, the Xplora IoT Platform is tailored to consumer IoT services. It ensures secure device connectivity and management, offering an intuitive interface that allows business partners to manage devices effectively and consumers to access and monitor their connected devices easily.

In 2024, Xplora partnered with Telenor Connexion AB, a leader in IoT connectivity solutions across Europe, to expand its IoT connectivity services. Through this partnership, Xplora offers 4G connectivity under its own brand to third-party IoT device manufacturers and operators. This collaboration introduces an independent SaaS model, creating a new recurring revenue stream separate from Xplora's smartwatch products.

As part of this premium reseller agreement, Xplora provides IoT connectivity services to IoT hardware manufacturers across Europe at favourable margins. The partnership enables scalable solutions with minimal additional capital expenditures and the potential for further expansion beyond Europe.

## Xplora – market overview

The global children's smartwatch market has demonstrated robust growth in recent years.<sup>6</sup> In 2023, the market was valued at approximately USD1.6bn and is projected to reach USD5.40bn by 2032, implying a CAGR of 14.6% for the forecast period. This expansion is largely attributed to heightened parental concerns regarding child safety and the increasing integration of advanced technologies into children's products.

Geographically, China, North America and Europe are the leading markets in this field, with significant adoption rates of children's smartwatches. Rising awareness among parents about the benefits of these devices, including GPS tracking, two-way communication and health monitoring features, propels market growth. Additionally, the trend of schools banning smartphones has led to increased adoption of smartwatches as a communication alternative for children, bolstering the demand for alternatives like Xplora's smartwatches, which allow secure communication without internet access. As schools implement stricter policies on smartphone usage, parents are turning to smartwatches to stay connected with their children during school hours. This shift is evident in various regions, including the UK, where discussions about banning smartphones in schools have gained momentum.<sup>7</sup>

Moreover, growing concerns about children's mental health and the impact of screen time have led parents to seek devices that offer essential communication features without the distractions of social media and internet access. Smartwatches designed for children provide a balanced solution, enabling parents to monitor their child's location and to communicate when necessary while minimising exposure to potentially harmful online content.<sup>8</sup> We believe Xplora's new youth app and smartphones fit this trend very well and could be a potential sales boost.

### Competitive landscape

China dominates the global children's smartwatch market, representing a 64% global market share as of Q2 2024, driven by robust distribution networks and a wide range of local brands. This market includes global tech giants like BBK Electronic (the holding company behind Imoo, Vivo, Oppo and OnePlus), Huawei and Xiaomi.

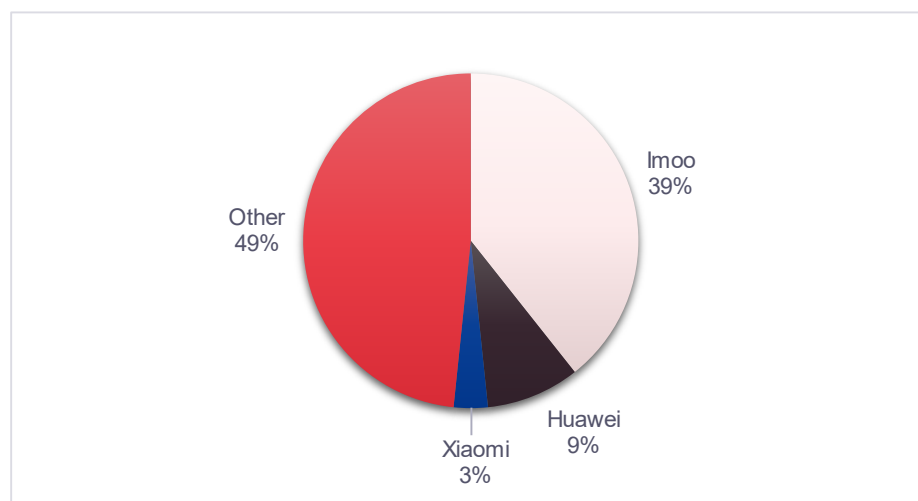
<sup>6</sup> <https://dataintelo.com/report/global-kids-smartwatch-market>

<sup>7</sup> <https://www.wired.com/story/schools-ban-phones-but-kids-arrive-with-smartwatches-edsurge/>

<sup>8</sup> <https://www.wired.com/story/digital-social-media-safeguards-children-policy/>



### Market share of kids smartwatch shipment share by brand, Q2 2024




Source: Counterpoint Research, Redeye Research (chart)

Other regions, including North America and Europe, are also experiencing significant growth. The market in North America has expanded more than 1.5x, supported by Fitbit's entry into the segment with the Ace LTE for Kids, developed in collaboration with Qualcomm.<sup>9</sup>

In the US, major operators such as Verizon, T-Mobile and AT&T are increasing their focus on child-friendly smartwatches. Verizon introduced the Gizmo Watch 3 in early 2024, while T-Mobile and AT&T launched the SyncUP KIDS Watch 2 and AT&T amiGO Jr. watch later in the year. According to GMI, Apple, Google's Fitbit, Garmin, Pebble and Xplora together accounted for a market share of 25–30% in 2023. Xplora alone holds a c3% market share.<sup>10</sup>

### Kids Smartwatch Launches, 2024

Market	H1 2024	H2 2024	Key Takeaways
China	 Xiaomi Mitu Children's Watch S1  Xiaomi Mitu Kids Smartwatch 7A and 7X  Huawei Children's Watch 5 Pro	 Honor WhizKid 2i	<ul style="list-style-type: none"> <li>Chinese brands dominate the kids smartwatch market.</li> <li>Chinese brands upgraded the kids portfolio with features such as offline positioning, improved camera and anti-addiction mode.</li> </ul>
India	 Imoo Watch Phone Z7	 Apple Watch SE  boAt Wanderer	<ul style="list-style-type: none"> <li>Apple repositioning its portfolio to target kids.</li> <li>Indian brands diversifying their portfolio beyond basic smartwatches.</li> </ul>
North America	 Fitbit Ace LTE  Ticktalk 5  Verizon Gizmo Watch 3	 Xplora X6Play  T-Mobile SyncUP KIDS Watch 2  AT&T amiGO Jr.	<ul style="list-style-type: none"> <li>Google's Fitbit is a latest addition in the US market.</li> <li>Operators are also launching new models with features like real-time location &amp; fitness tracking, SoS calling, notification, etc.</li> </ul>

Source: Counterpoint Research

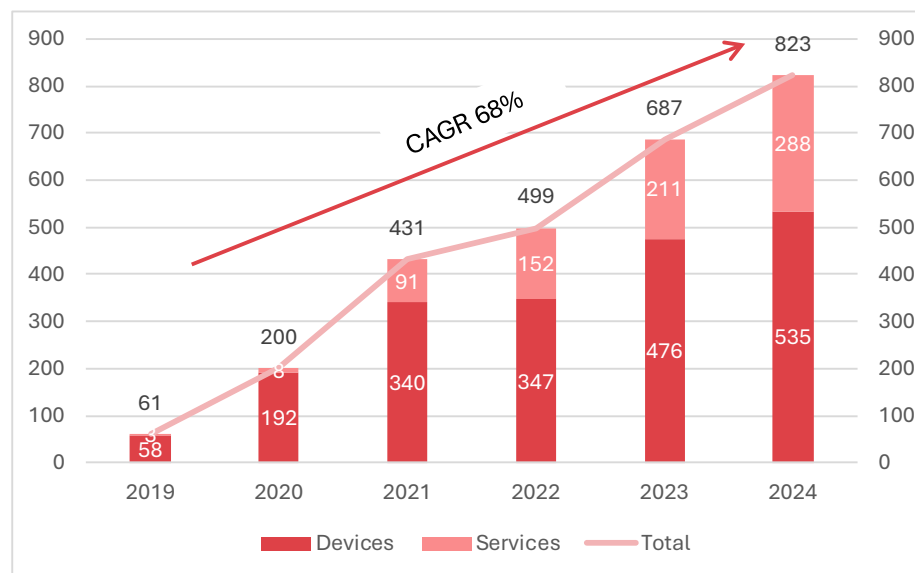
<sup>9</sup> <https://www.counterpointresearch.com/insights/kids-smartwatch-segment-grows-in-q2-2024-to-buck-overall-trend/>

<sup>10</sup> <https://www.gminsights.com/industry-analysis/kids-smartwatch-market>

## Xplora's historical financial performance

Since 2019, Xplora has demonstrated impressive sales growth, achieving a total CAGR of 68% between 2019 and 2024.<sup>11</sup>

### Xplora: Sales (NOKm)



Source: Company filings (data), Redeye Research (chart)

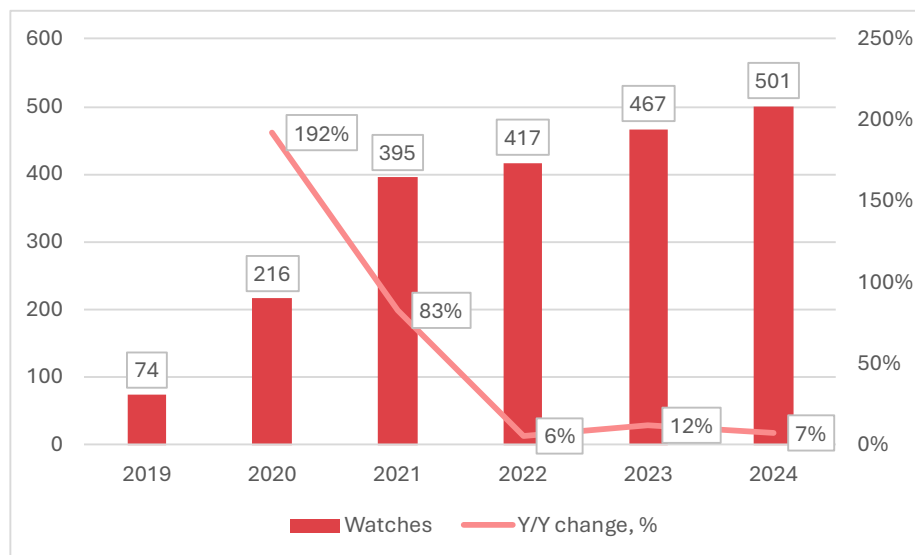
The numbers above include both sales from Devices and Service revenues. Device sales accounted for 65% and service revenues for 35% of total sales, up from 21% in 2021.

<sup>11</sup> Including the XM acquisition

## Devices

Breaking down sales growth for devices, we see this has increased from 74,000 watches sold in 2019 to 501,000 in 2024 – a CAGR of 47%.

### Xplora: Sold Watches, '000

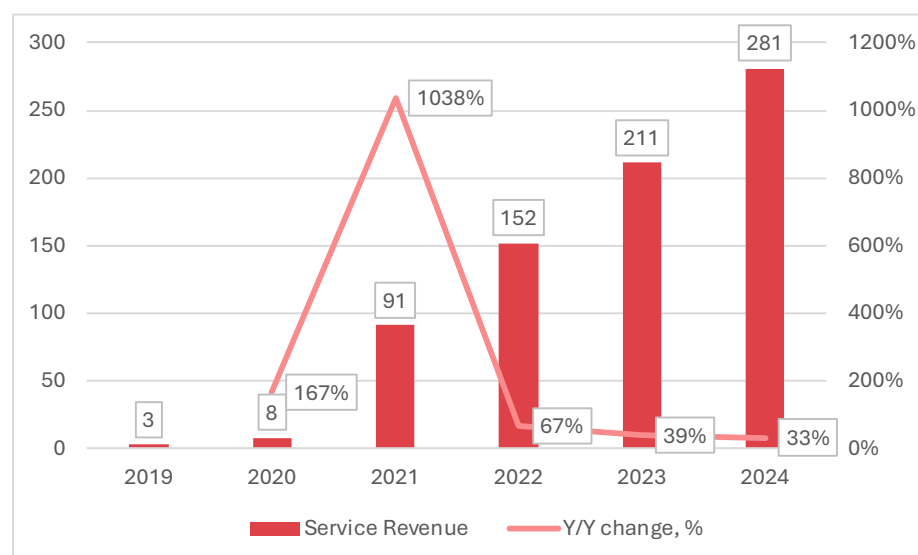


Source: Company filings (data), Redeye Research (chart)

## Service

Service revenues have demonstrated an even more impressive growth rate, with a CAGR of 211% since 2019.

### Xplora: Service revenue (NOKm)



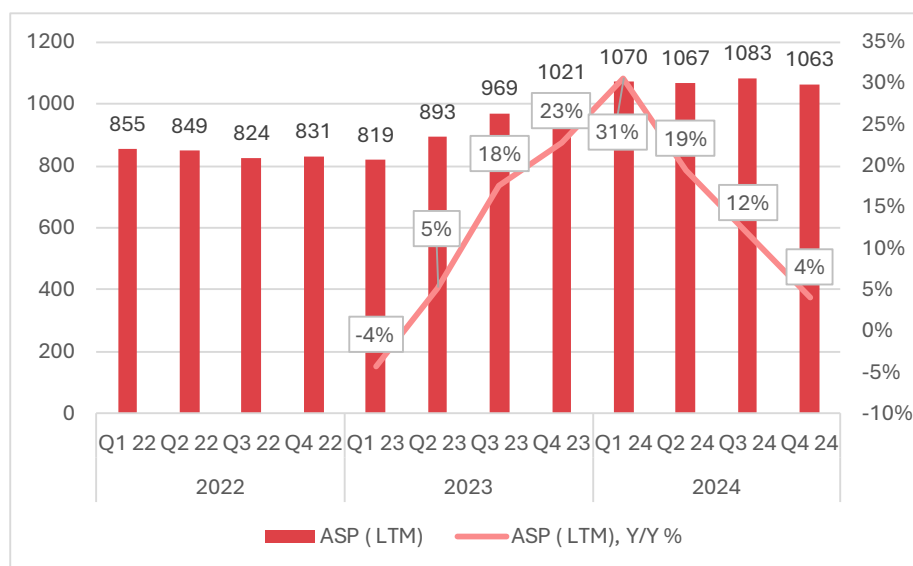
Source: Company filings (data), Redeye Research (chart)

Numbers are proforma including the XM acquisition

### Devices' ASPs

Over time, Xplora's average selling price (ASP) on devices has steadily increased, from NOK855 in Q1 2022 to NOK1,063 in Q4 2024 (no data in Q1 2025). This increase of 24.3% has been driven by better procurement practices, cost-conscious production, efficient inventory management, streamlined logistics, new product launches and balanced margin strategies.

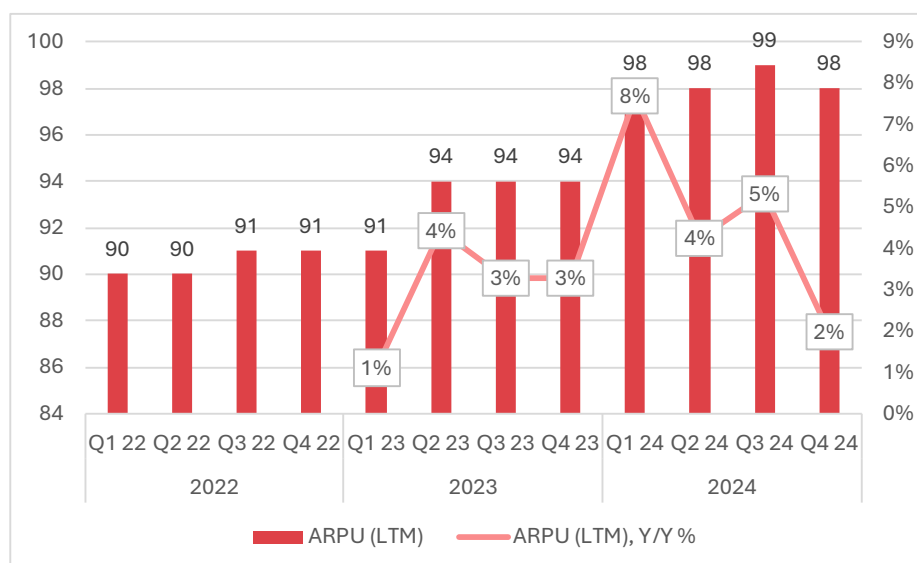
### Xplora: ASP (NOK)



Source: Company filings (data), Redeye Research (chart)

### ARPU

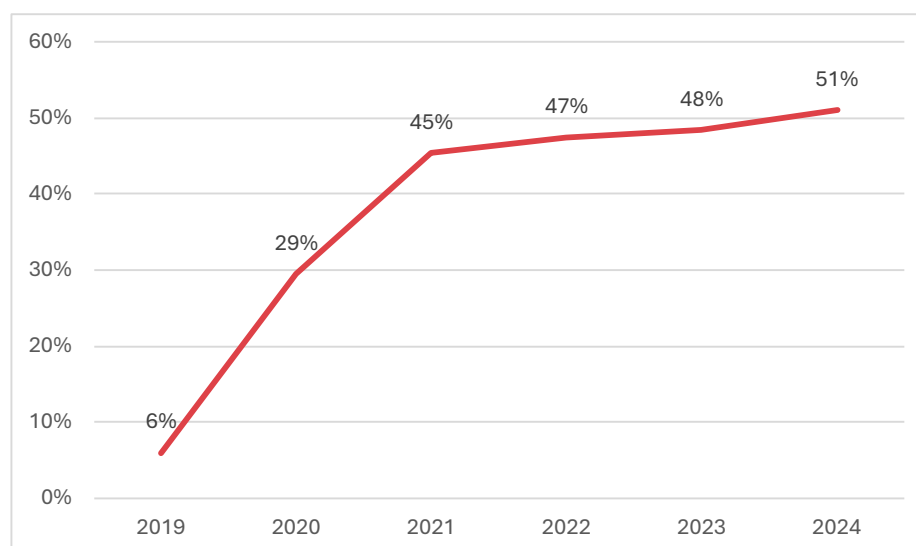
As with ASPs, Xplora's average revenue per user (ARPU) has also increased over time, reaching NOK98 in Q4 2024 (no data in Q1 2025). This growth has been driven by the introduction of premium services and inflation adjustments. Between Q1 2022 and today, ARPU has increased by 8.9%, implying a quarterly CAGR of 0.77%.

**Xplora: ARPU (NOK)**

Source: Company filings (data), Redeye Research (chart)

**Gross margins**

As we stated above, the service segment of revenues is highly scalable, with gross margins on subscription services historically exceeding 80%. The gross margin on devices is c33%, an aggregated gross margin of c51%.

**Xplora: Gross margin (%)**

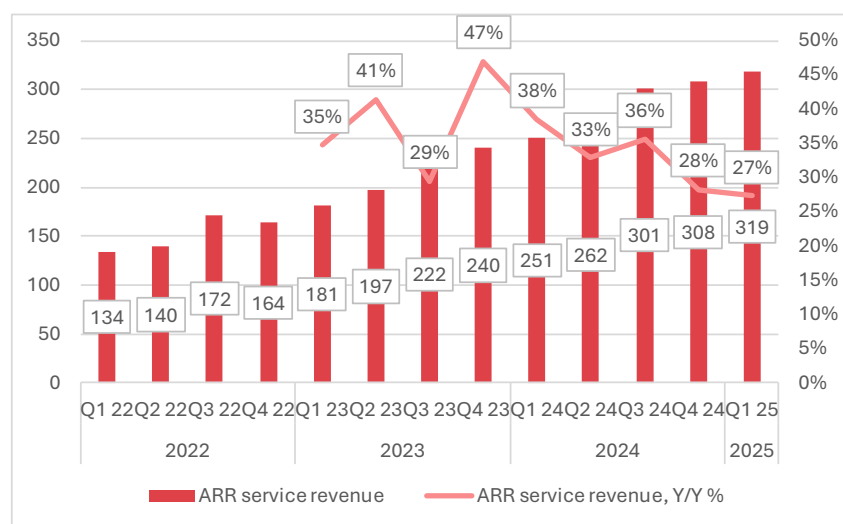
Source: Company filings (data), Redeye Research (chart)

The upward-sloping trend indicates that Xplora is successfully scaling the profitability of the two different business segments.

### Annual recurring revenues

By taking the last quarter's service revenues – all four service revenues aggregated (connectivity, premium, B2B and service fees) – and multiplying this by four, we arrive at the average recurring revenues (ARR) over time.

#### Xplora: ARR service revenue (NOKm)



Source: Company filings (data), Redeye Research (chart)

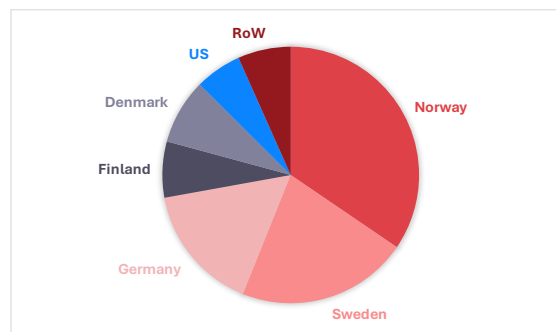
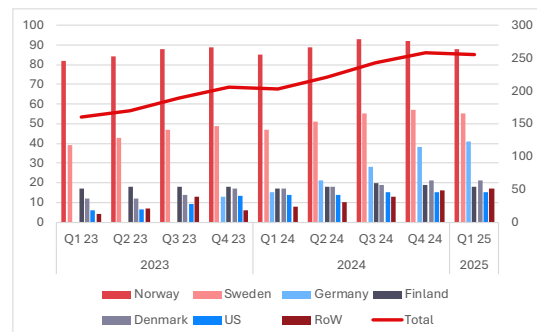
Growth y/y between Q1 2023 and Q1 2025 has been between 27% and 47%. The quarterly CAGR since Q1 2022 is 7.8%.

### Geographical split of connectivity subscriptions

Norway is Xplora's largest market, with a market penetration of approximately 20% among Xplora's target population (children aged four to 10), and this market accounts for about 38% of connectivity subscriptions. Sweden is its second-largest market, where Xplora holds an implicit market share of 20% and the market represents approximately 23% of connectivity subscriptions.

Xplora reports the total number of smartwatches sold and the number of subscriptions every quarter. Below, we outline the countries where connectivity subscriptions are active.

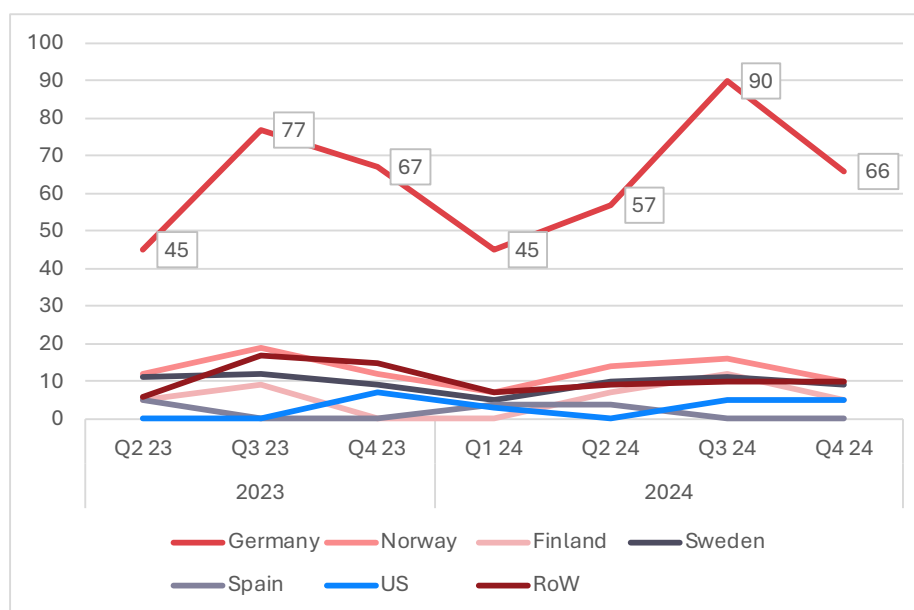
#### Xplora: Connectivity subscriptions ('000)



Source: Company filings (data), Redeye Research (chart)

To identify which countries are driving growth, Xplora also publishes data showing where new smartwatches are activated.

### Xplora: Watch activations per country ('000)



Source: Company filings (data), Redeye Research (chart)

A clear trend is the robust growth in Germany in recent quarters. In Q4 2024, 66,000 smartwatches were activated in the country. According to management, Xplora's successful partnership with Deutsche Telekom has been a key driver of this growth. In the same quarter, Germany accounted for 14.7% of Xplora's connectivity subscriptions. In Q1 2025, there were 84,000 activations (no breakdown between countries was published in Q1 2025).

## Doro – company description

Doro is a leading provider of mobile communication solutions tailored specifically for seniors. Founded in 1974 and headquartered in Sweden, Doro has built a solid reputation for designing features and smartphones that prioritise ease of use, safety and accessibility. Doro Care was spun off in 2021, and for the past four years, the remaining company's focus has been selling devices. With their large buttons, clear displays, good speakers and emergency features (such as SOS buttons), Doro's devices address the unique needs of an ageing population, enabling seniors to stay connected while maintaining their independence.

Doro holds a dominant market position, with a 90% share of the senior phone market in the Nordics and more than 20% in Europe. In key markets like Sweden, Germany, France and the UK, Doro accounts for more than half of the market in both volumes and value. The company sells in excess of 1.4 million devices annually through a robust network of more than 300 telecom operators, distributors and retailers across nearly 30 countries.



## Doro's business strategy

Doro's business strategy is centred on sustaining its leadership in the senior phone market while driving growth through innovation and market expansion. By leveraging its well-established distribution network of more than 300 telecom operators, distributors and retailers across nearly 30 countries, Doro ensures widespread market access and scalability. This extensive reach allows the company to maintain strong customer trust and loyalty, particularly in its key markets such as Sweden, Germany, France and the UK, where it accounts for over half of the market in both volume and value.

The company focuses on addressing the specific needs of seniors by offering devices that prioritise safety, ease of use and reliability. Doro complements this core offering with a strategy of product diversification, introducing innovative solutions like hearing aids and smart doorbells to meet the evolving demands of its target demographic. This expansion not only strengthens Doro's relevance but also positions the company to tap into adjacent market opportunities.

While Doro has historically been hardware-focused, its integration with Xplora's services presents opportunities to explore recurring revenue streams through subscription-based models. This shift positions Doro to strengthen its long-term profitability while continuing to deliver practical and accessible solutions for its seniors customer base.

### Customers and value proposition













Doro provides simple, reliable and innovative communication solutions tailored specifically to making everyday life easier and safer for seniors. What sets Doro apart is its unwavering focus on accessibility and trust. Thanks to a more than 90% market share in the Nordics and significant dominance in Europe, Doro has established itself as the go-to brand for senior-friendly technology. Customers choose Doro because its products address their unique needs with reliability and simplicity, qualities often overlooked by mainstream manufacturers.

## Doro's products and service offerings

Doro's sales come from feature phones, smartphones, watches and new product releases. Unlike Xplora, Doro does not disclose detailed sales or margin data for its product categories. We hope Xplora will improve transparency in these areas following its acquisition of the company.

### Feature phones

Doro's feature phones range in price between GBP50 and GBP150, with a median price of GBP88.

Feature phones			
 <p><b>Doro Leva L30</b> External display with Caller ID and notifications £109.99</p>	 <p><b>Doro Leva L20</b> Stylish flip phone for clear conversations £99.99</p>	 <p><b>Doro Leva L10</b> Easy mobile phone with wide display £79.99</p>	 <p><b>Doro Leva X10</b> Our easiest-to-use mobile phone that makes safety simple £149.99</p>
 <p><b>Doro 6880</b> External display with Caller ID and notifications £109.99</p>	 <p><b>Doro 6820</b> Stylish flip phone for clear conversations £99.99</p>	 <p><b>Doro 2880</b> Easy 4G phone with external display for Caller ID and notifications £89.99</p>	 <p><b>Doro 5860</b> Easy mobile phone with wide display £84.99</p>
 <p><b>Doro 2820</b> Easy 4G mobile phone with large display £79.99</p>	 <p><b>Doro 2800</b> Easy 4G mobile phone with large display £74.99</p>	 <p><b>Doro 1880</b> Easy 4G mobile phone with wide display £69.99</p>	 <p><b>Doro 2404</b> Easy mobile phone with large display £49.99</p>

## Smartphones

Its smartphones have a higher price range than feature phones, ranging from GBP220 to GBP290, with a median price of GBP260 with the newly released Doro Aurora A30 as the most expensive smartphone.

### Smartphones



#### Doro Aurora A30

Our largest smartphone with dual cameras

£290.00



#### Doro Aurora A20

Our most tactile smartphone

£250.00



#### Doro Aurora A10

Our most compact smartphone

£220.00



#### Doro 8200

The easy to use smartphone, now with even bigger icons

£269.99  
£229.49

## Home phones

Doro also offers home phones, although sales in this segment are most likely flat to slightly declining.

### Home phones



#### Doro Magna 4000

Amplified sound

£89.99



#### Doro PhoneEasy® 100w

Easy-to-use telephone with amplified sound

£54.99



#### Doro PhoneEasy® 100w duo

Easy-to-use telephone with amplified sound

£74.99



#### Doro PhoneEasy® 312cs

User-friendly telephone with large display

£49.99



#### Doro PhoneEasy® 331ph

Picture-perfect dialling

£37.99



#### Doro PhoneEasy® 311c

An easy-to-use telephone with large keypad

£34.99



#### Doro 7000H

Cordless phone for cellular networks

£84.99  
£104.99

### Smart devices

Doro's latest product launches came in 2024 with the release of its doorbell and hearing buds. In 2022, the company introduced a smartwatch and a tablet. It remains to be seen how much these new products will contribute to sales. We believe the smartwatch aligns most closely with Xplora's current offering and could provide the greatest benefits in the near term.

#### Smart devices



##### Doro Tablet

The easy to use, easy to love tablet

£189.00



##### Doro Watch

The companion for activity, convenience and peace of mind

£99.99



##### Doro HearingBuds

Hear life more clearly

£350.00



##### Doro Hemma Doorbell

With "Assist me" for peace of mind

£150.00

## Doro – market overview

### Seniors mobile phone market

The market for mobile phones designed specifically for seniors is experiencing growth.<sup>12</sup> In 2023, the global market was valued at USD13.8bn and is expected to reach USD27.8bn by 2032, expanding at a CAGR of 9% during the forecast period.

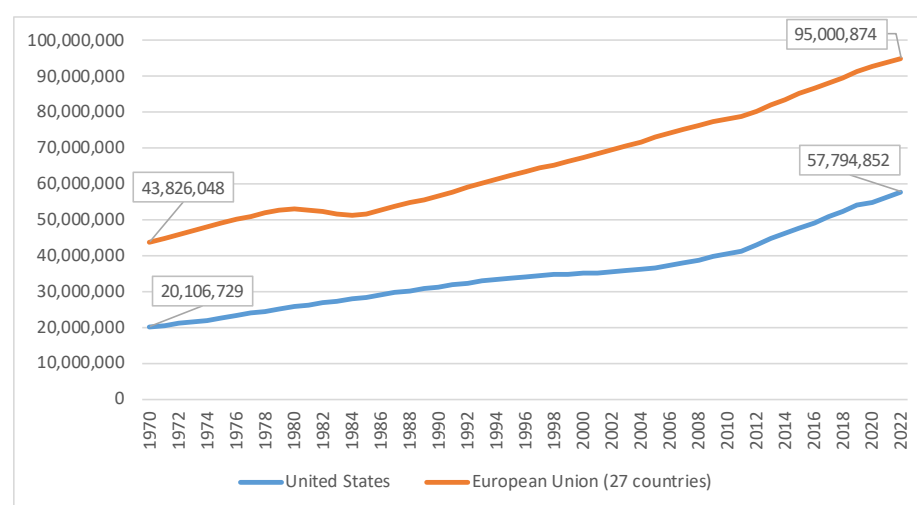
This growth has been driven by the increasing demand for simplified mobile devices that cater to the unique needs of the older population, such as larger buttons, clearer displays and emergency response features. Europe represents a significant share of this market, with its substantial ageing population seeking user-friendly communication devices.

### Addressable market

It is no surprise that the number of people aged 65 or older has been increasing for a long time. In the US, the number of seniors has increased by 2.09% per year between 1970 and 2022, and in the EU (27 countries) this has risen by 1.50%.

This suggests a theoretical total addressable market (TAM) of 95m people in the EU and another 58m in the US as potential Doro customers. The point we are making should be clear: the number of older people is growing at around 2% per year, and this will have a positive effect on Doro's market potential.

### Number of people over 65 years or over. 1970-2022

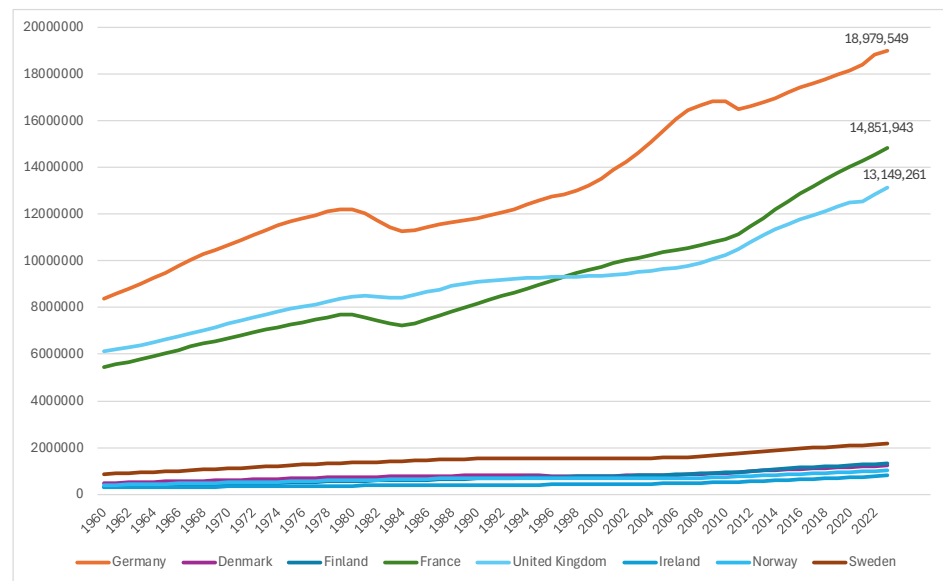


Source: OECD (data), Redeye Research (graph)

<sup>12</sup> [https://dataintelo.com/report/cell-phones-for-seniors-market?utm\\_source](https://dataintelo.com/report/cell-phones-for-seniors-market?utm_source)

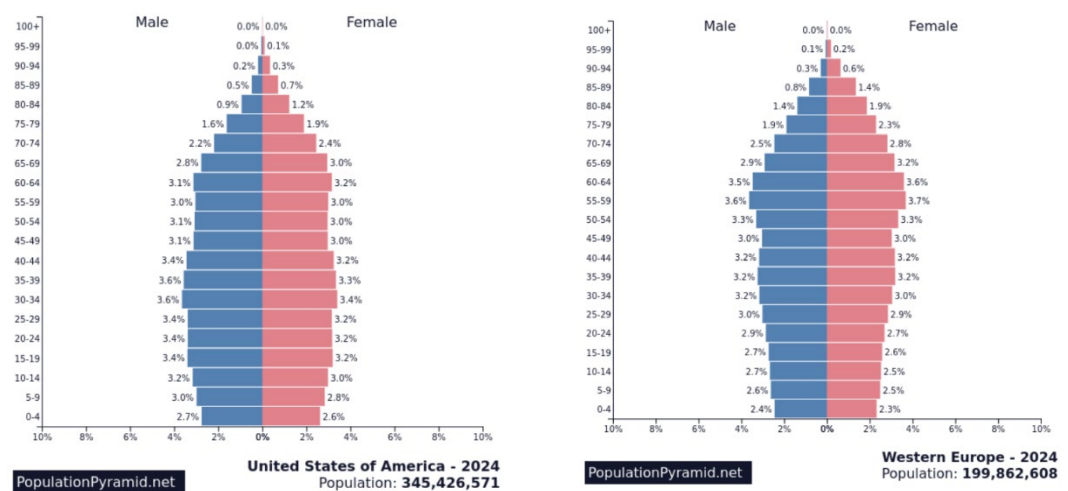
Looking at the number of people in Doro's core markets of Germany, followed by France and the UK, which are the three countries with the highest number of people aged 65 or more, the total comes in at 47m people as of 2022.

**Number of people 65 years or older from 1960 to 2022**



Source: World Bank (data), Redeye Research (charts)

By plotting the population pyramids for the US and Western Europe, we see clear evidence that the number of older people is heavily tilted towards 55 years and older in Western Europe, while the situation in the US is comparatively less tilted towards an older population.



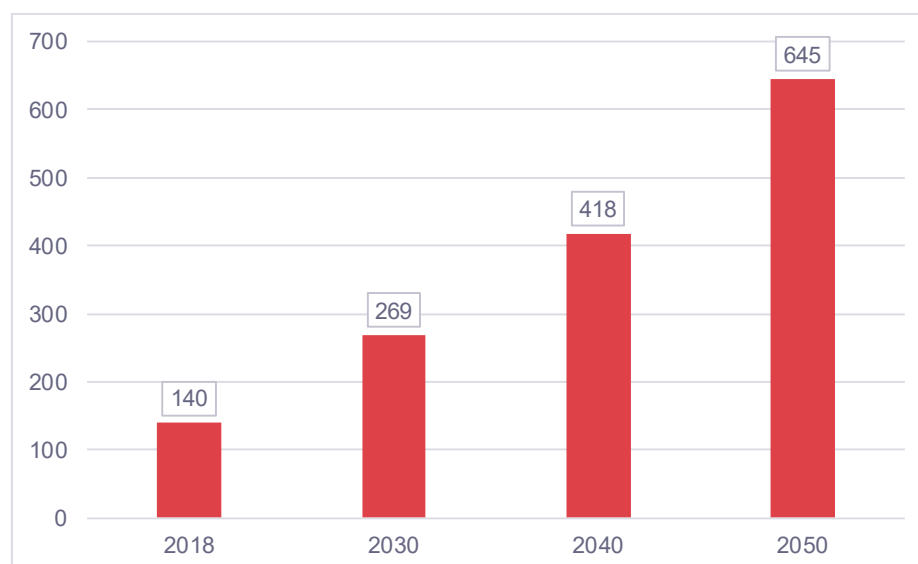
### Strong and growing demand

Seniors are a financially powerful and brand-loyal demographic, controlling up to 70% of global disposable income. Their appetite for integrating technology into their daily life is steadily increasing. Studies from the US indicate that consumers aged 50+ account for approximately 50% of all technology consumption. The value of their tech-related spending is expected to grow from USD140bn in 2018 to more than USD400bn by 2040<sup>13</sup>. A similar trend is likely in Europe.

<sup>13</sup> AARP

Despite the significant market influence of the older population, only 5–10% of marketing efforts are directed toward seniors<sup>14</sup>. Furthermore, 89% of seniors feel that companies are uninterested in addressing their needs, preferences and situations.<sup>15</sup> This highlights a substantial opportunity for businesses to better engage with this under-served yet valuable segment.

#### Expenditures on technology, age 50+, US markets (USDbn)



Source: AAR (Data), Redeye Research (charts)

#### Competitive landscape

The seniors phone market is more mature and competitive compared to kids' smartwatches, with established brands such as LG Electronics, Samsung Electronics, Nokia and Jitterbug (in North America), and other regional players vying for market share.<sup>16</sup> Doro, now part of Xplora, has historically been one of the leading European brand in this space.

**LG Electronics** is well known for its senior-friendly smartphones, designed with features like simplified interfaces, large fonts and high-volume speakers, prioritising easy navigation and accessibility. With its strong focus on customer service and innovation, LG continues to enhance its product lineup to meet the evolving needs of the seniors market.

**Samsung Electronics** offers a range of products tailored to seniors through its Galaxy series. These devices feature larger screens, intuitive menus and health-focused capabilities, such as emergency buttons and hearing aid compatibility.

**Nokia** is a key player in the seniors mobile phone market, renowned for its robust and straightforward devices. Designed for durability, Nokia phones often feature longer-lasting batteries, clear displays and easy-to-use interfaces.

<sup>14</sup> Venture Capital Review

<sup>15</sup> ConsumerCast

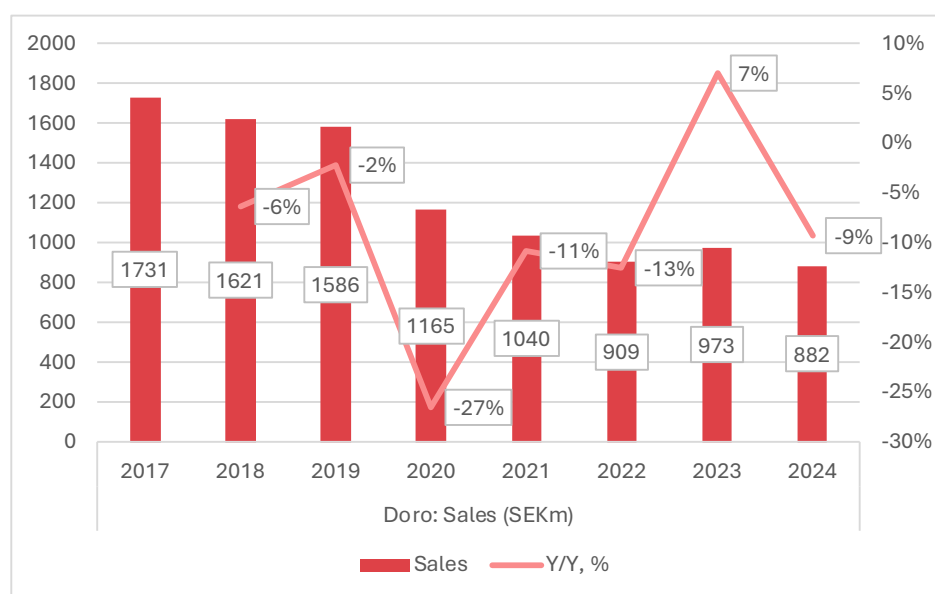
<sup>16</sup> [https://www.cognitivemarketresearch.com/cell-phones-for-seniors-market-report?srsltid=AfmBOopYXj81pvYnank5YFEK\\_V3vzclzf\\_n4dveVZBhgSboqrHuwUll](https://www.cognitivemarketresearch.com/cell-phones-for-seniors-market-report?srsltid=AfmBOopYXj81pvYnank5YFEK_V3vzclzf_n4dveVZBhgSboqrHuwUll)

## Doro's historical financial performance

### Declining sales

Doro's sales have declined from SEK1,731m in 2017 to SEK882m in 2024. One major reason was the pandemic years of 2020–2022, which took their toll on sales. Furthermore, the company has struggled to increase its market share in Germany.

#### Doro: Sales (SEKm)



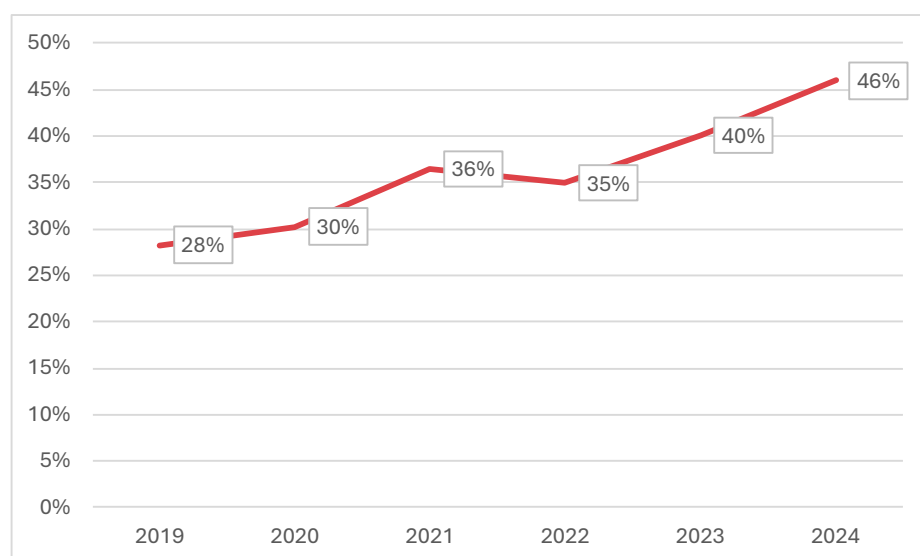
Source: Company filings (data), Redeye Research (chart)

Its sales CAGR showed an annual decline of 9% from 2017 to 2024.

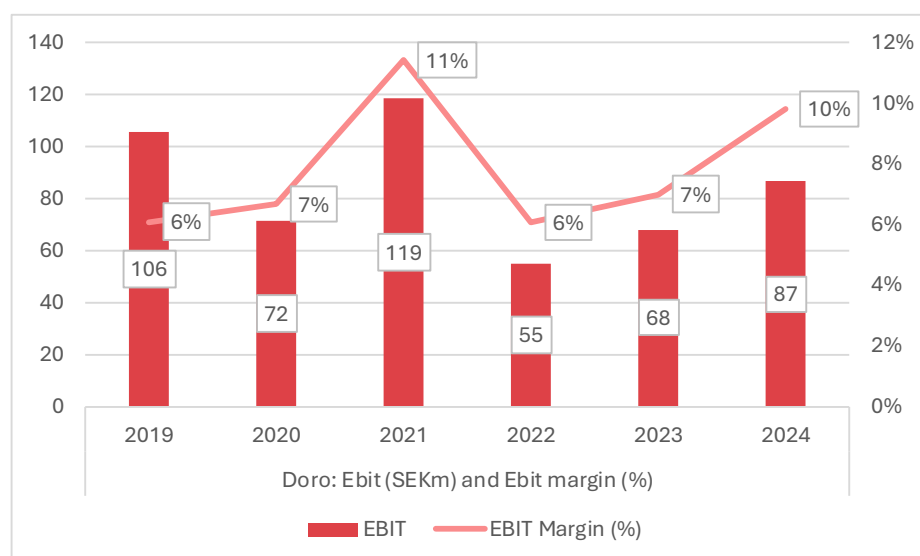
### Improved gross margin

On the other hand, the company successfully increased its gross margin from 28% in 2019 to 46% in 2024. Several factors have contributed to this steady improvement, including enhanced logistics efficiency, more streamlined production processes, a favourable product mix, royalty payments and gradually higher pricing, all of which have had a positive impact on profitability. However, we believe a normalised gross margin will be between 43% and 45% in the future.



**Doro: Gross margin (%)**

Source: Company filings (data), Redeye Research (chart)

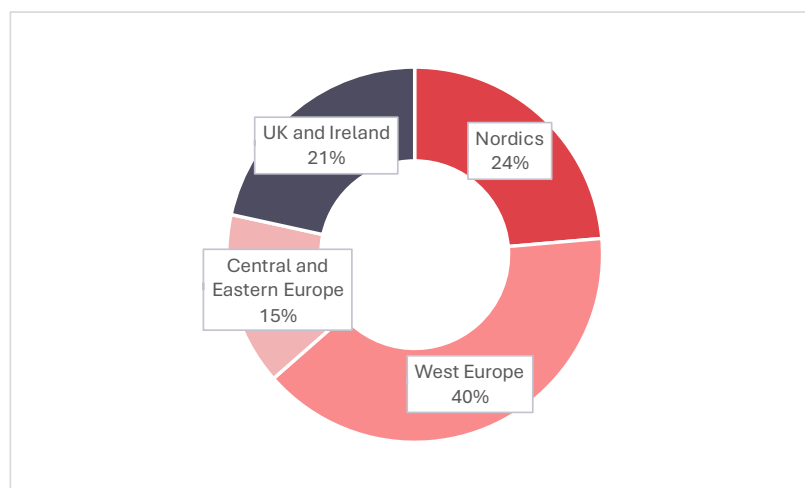
**Solid profitability****Doro: Ebit (SEKm) and Ebit margin (%)**

Source: Company filings (data), Redeye Research (chart)

### Geographical split

Doro's largest geography is West Europe, where France accounts for the largest share. Second is the Nordics, with Sweden as the largest country, followed by the region of UK and Ireland. In Central and Eastern Europe, Germany is the largest country in terms of sales.

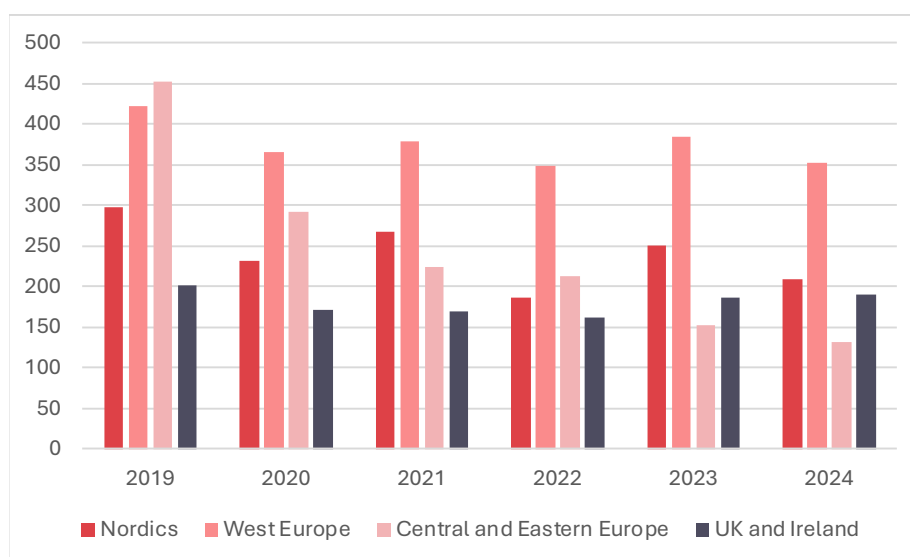
#### Doro: Geographical split



Source: Company filings (data), Redeye Research (chart)

Looking at sales from the different regions and their development over time, the Nordics, West Europe and UK and Ireland appear to have reached a trough in 2022 and are now growing again. In Central and Eastern Europe, Germany is struggling with sales performance.

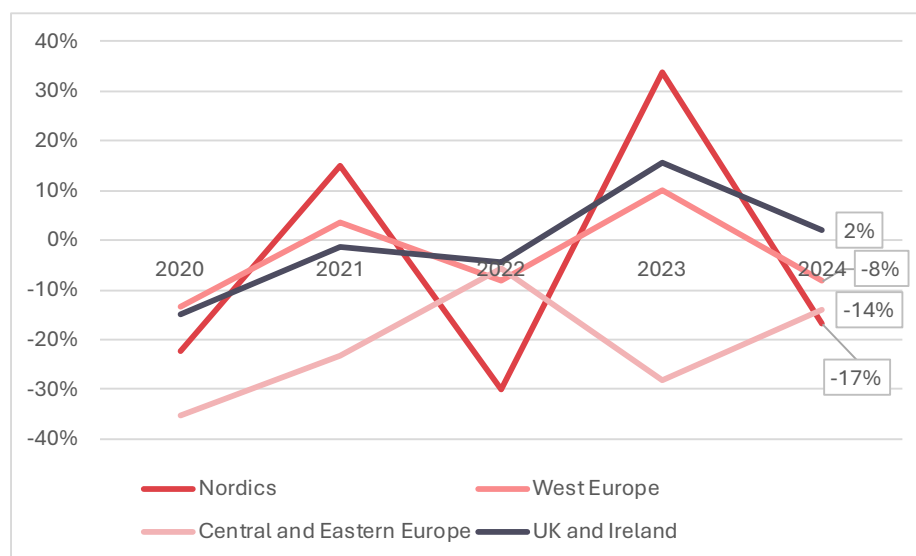
#### Doro: Sales per region



Source: Company filings (data), Redeye Research (chart)

In only one region in 2024 was the sales increase positive. The UK and Ireland increased by 2%, while Nordics saw the weakest market, declining by 17%.

### Doro: Sales growth per region

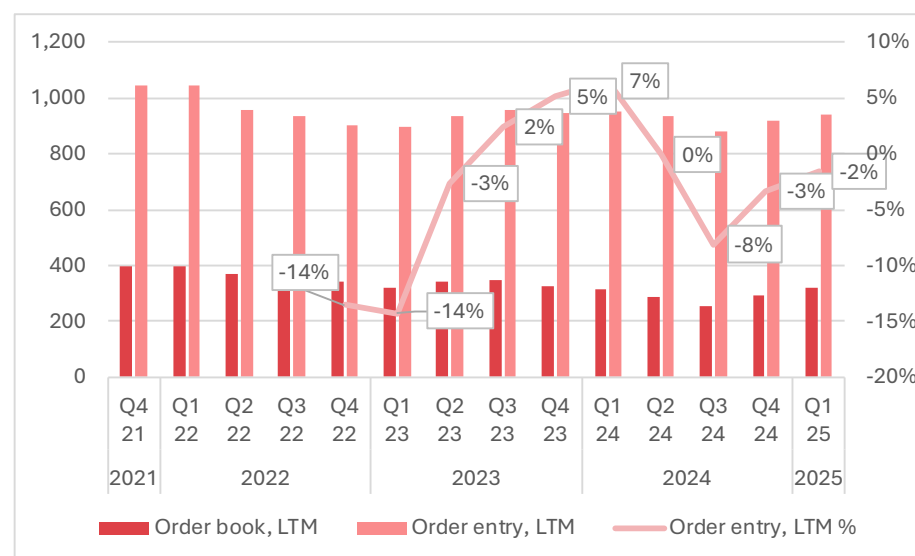


Source: Company filings (data), Redeye Research (chart)

### Order entry and order book

There was a clear upward trend at the end of 2022 and going into 2023 when looking at order entries. However, order entries were down by 2% in Q1 2025.

### Doro: Order entry and Order book, LTM



Source: Company filings (data), Redeye Research (chart)

### Is the order book leading sales?

There is a clear seasonal effect in order entry and sales. In Q3, customers place large orders ahead of Black Week and Christmas, expanding the order book, while in Q4, sales increase but order intake tends to be lower. If order intake rises sharply in Q3, sales will likely increase in Q4. However, there is no indication that order intake is a leading indicator for future sales during the rest of the year.

### Doro: Sales and Order Entry



Source: Company filings (data), Redeye Research (chart)

## Financial estimates for Xplora after full consolidation of Doro

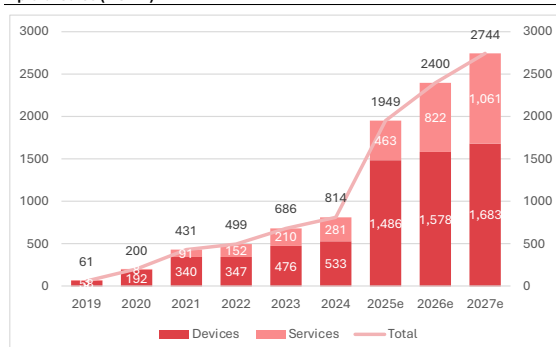
The following section presents Redeye's estimates based on a full consolidation of Xplora and Doro's profit and loss statement and balance sheet for 2025 and subsequent years. Xplora released a Q1 2025 consolidated report on 23 May. At the same time, it changed its accounting from NGAAP to IFRS.

The success in both the penetration of new markets and the level of SIM card conversion rate will dictate how fast Xplora can grow its sales and profitability in the coming years. It is very hard to estimate what conversion rate to expect for the adoption of SIM cards in Doro seniors phones. But looking at the historical launch and conversion growth rate of the children's smartwatches over the years, we see clear evidence that management has been very successful. We believe it will do an even better job with the integration of SIM cards in the seniors phones, as it has gained market knowledge and already has a blueprint of what works.

We estimate an aggregated CAGR of 50% for the next three years, including both Device and Service revenues, with a significant initial push in the second half of 2025 following the integration of Doro. Xplora's management has delivered impressive growth in recent years, and we strongly expect this to continue alongside an EBITDA margin of 12% for a couple of years. We argue that EBITDAC is an alternative performance indicator that offers a good way to look at Xplora's underlying profitability, since it measures EBITDA after capital expenditures. It can be useful for tracking a company's core earnings strength over time.<sup>17</sup>

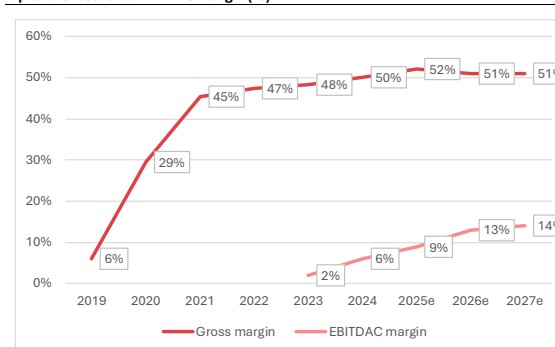
We model capex at c1.5% of sales.

**Xplora: Sales (NOKm)**



Source: Company filings (data), Redeye Research (chart)

**Xplora: Gross- and EBITDAC margin (%)**



### Two revenue streams

Xplora has two main sources of revenue: **Device- and Service revenues**. To understand what drives value, this is divided into nine categories – three hardware income streams and six service revenue streams.

### Device

Following the consolidation of Doro's seniors phones and devices and the recent launch of the youth phone, there will be three main sources of "hardware" revenues: kids' watches, senior phones and youth smartphones. Our estimates are based on the average selling prices (ASPs) that can be found below. For the seniors phones, we assume an ASP of cNOK700, broadly in line with historical numbers. As the ASP for the youth phones, we have indicated a selling price

<sup>17</sup> EBITDAC: EBITDA+capex, shows how much cash is left after investing in fixed assets.

of cNOK2,000. Our gross margin assumptions align with estimated normalised levels, i.e., c32% for Xplora's devices and c45% for Doro's seniors phones.

Device revenue (NOK)	ASP
Xplora, Smart Watches	1,063
Senior, Smart and feature phones	700
Youth, Smart phones	2,000

Source: Company filings (data), Redeye Research (est)

Following the integration of Doro, Xplora will be positioned to make a sales push in France, where Doro has a very strong market position, streamlined marketing channels and a good relationship with its customers. We expect Xplora's very good relationships with large telecom companies like Deutsche Telekom in Germany to be very beneficial for sales of seniors phones, as Doro has a fairly low market penetration there.

The table below shows that the growth rate of smartwatches has declined as a function of larger market penetration and volume. However, we anticipate a modest rise in growth rate from 2025e thanks to accelerating penetration in France, ongoing solid momentum in Germany and the untapped US market.

For seniors phones, we estimate a growth rate of c2%, with Germany as the main growth driver in the coming years in combination with new product releases. For the youth smartphones, there should be a fairly easy sell to parents and families already familiar with Xplora's smartwatches for kids. It will be a natural step for them to purchase a smartphone when their child outgrows the smartwatch. We have the utmost respect for Xplora's management and sales organisation, and we might be too conservative in our estimates. However, we will follow the development closely and make adjustments depending on the sales numbers published by the company.

#### Our estimates and the growth rate numbers for devices

Devices, '000	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Smart watches	74	216	395	417	467	501	526	551	586
Growth rate, %		192%	83%	6%	12%	7%	5%	5%	6%
Senior phones							1,260	1,298	1,337
Growth rate, %								3%	3%
Youth smart phones							5	15	30
Growth rate, %								100%	100%

#### Service

Today, the service revenue stream for Xplora's watches includes mobile subscriptions, premium, B2B and service fees. Over time, we believe the offering for the seniors and youth phones will be broader, but for now, we mainly estimate the mobile subscriptions for seniors phones, i.e., "maximising sales of seniors phones with pre-installed SIM cards" for cNOK200 per month.

For the new youth smartphones released as of March 2025, Xplora will most probably have a similar offer as the watches. However, when estimating the future revenue stream, we only use the monthly mobile subscription option. Moreover, the stand-alone parental app can also be purchased through different app stores, adding future revenue streams.

We assume c3% monthly churn, in line with the historical numbers. Moreover, we assume a 2% annual price increase in the monthly fees to compensate for inflation.

We base our service revenues on these assumptions.

Type of service subscriptions	Monthly fee (nok)	ARPU
Mobile subscriptions	129	97-80
Premium- Activity Platform	159	30
B2B subscriptions (rev. Share)	35	35
Service fee	79	79
Youth	200	160
Senior	200	160

Source: Company filings (data), Redeye Research (est)

The conversion rate, ARPU and monthly fee for mobile subscription, premium, B2B and service fees are taken from management presentations and quarterly reports. The assumed conversion rate is 30–35%, with a gross margin of 80–83% on the service revenues.<sup>18</sup>

Redeye estimates the growth rate of mobile subscriptions for kids' smartwatches at c15%, driven by the expansion of a number of markets (nine at the moment), including the untapped US market, which we believe will give a boost in 2026e and beyond. We also believe it will grow the customer base thanks to growth in underlying smartwatches and optimisation of the tariff plan.

Service, number of subscriptions, '000	2019	2020	2021	2022	2023	2024	2025e	2026e	2027e
Mobile subscriptions				157	205	258	294	337	389
Growth rate, %					31%	26%	14%	15%	15%
Premium- Activity Platform					42	75	121	198	291
Growth rate, %					n/a	79%	61%	64%	46%
B2B subscriptions (rev. Share)					9	20	26	36	43
Growth rate, %					n/a	122%	31%	38%	19%
Service fee					1	5	17	38	93
Growth rate, %					n/a	400%	243%	123%	143%
Senior							40	130	160
Growth rate, %							n/a	222%	24%
Conversion rate							3%	10%	12%
Youth							3	8	12
Growth rate, %							n/a	222%	60%
Conversion rate							50%	50%	40%

We believe the youth smartphones will have a conversion rate of 50% in the initial years (2025–2027) and then decline towards 30–35% over time, as customers switch to other operators and as more competitors enter the market. We believe the high conversion rate for the first years will stem from Xplora having a marketing advantage and a clear strategy for end-customers right off the bat. As mentioned, many parents already have experience with Xplora's products and services through the kids' smartwatches. They should thus be more inclined to make a purchase decision and use Xplora's mobile subscription. It should be a fairly easy sell as this type of parental app is new on the market, and we believe demand is high.

For the seniors phones, we believe the conversion rate will initially be low and then converge towards 30–35% over time as customers will be more inclined to buy Xplora's SIM cards when purchasing a new phone after their old subscription expires.

As mentioned though, our estimates, especially for seniors and youth phones, are highly uncertain, and we will follow the coming quarterly reports and talk with management to deepen our understanding of the pace of integrating SIM cards into seniors phones and the rollout plan for the youth phone. In our valuation section below, our Base Case uses the conversion rate above. In our Bear Case, we assume a lower and slower conversion rate, with a higher and faster conversion rate in the Bull Case.

<sup>18</sup> ARPU definition: Dividing revenue from connectivity and premium services, by the number of connectivity subscribers.

## Key financials for 2022–2027e

Xplora: Estimate (MNOK)						
	2022	2023	2024	2025	2026	2027
Net sales	499	687	813	1949	2399	2745
Cost of Revenues	263	355	408	927	1184	1333
Gross Profit	237	332	406	1022	1215	1411
Operating Expenses	272	299	334	813	872	1000
Depreciation & Amortization	0	56	60	105	118	100
EBITDA	-36	34	72	209	343	411
EBITDAC	-36	34	52	182	312	375
EBIT	-85	-23	12	105	225	311
Basic EPS	-2.0	-0.5	-0.1	-0.6	2.8	4.2
Revenue Growth	17%	37%	18%	140%	23%	14%
Gross Profit Margin (%)	47%	48%	50%	52%	51%	51%
EBITDA Margin (%)	-7%	5%	9%	11%	14%	15%
EBITDAC Margin (%)	-7%	5%	6%	9%	13%	14%
EBIT Margin (%)	-17%	-3%	2%	5%	9%	11%
Net Income Margin (%)	-17%	-3%	-1%	-1%	5%	7%

Source: Company data &amp; Redeye Research (est)

## Valuation for 2022–2027e

Xplora: Valuation 2022-2027E						
	2022	2023	2024	2025	2026	2027
EV/S	0.8	0.8	1.2	1.1	0.8	0.7
EV/EBITDA	-12	15	14	10.5	5.9	4.5
EV/EBIT	-5	-23	82	21.1	9.0	6.0
P/E	-5	-28	-237	-60	13.4	8.9
P/B	0.8	1.8	1.5	6.6	4.4	3.2

Source: Redeye Research (est.)



## Quarterly financial estimates

Breaking down 2025e into quarters, our quarterly estimates are as follows:

Xplora: Financial Forecast (MNOK)								
	2024	2025Q1	2025Q2e	2025Q3e	2025Q4e	2025e	2026e	2027e
Net sales	813	339	468	547	579	1949	2399	2745
Gross Profit	406	191	243	274	298	1022	1215	1411
EBITDA	72	18	46	59	71	209	343	411
EBITDAC	52	12	40	51	63	182	312	375
EBIT	12	-7	20	35	41	105	225	311
Basic EPS	-0.1	-1.9	0.1	0.3	0.4	-0.6	2.8	4.2

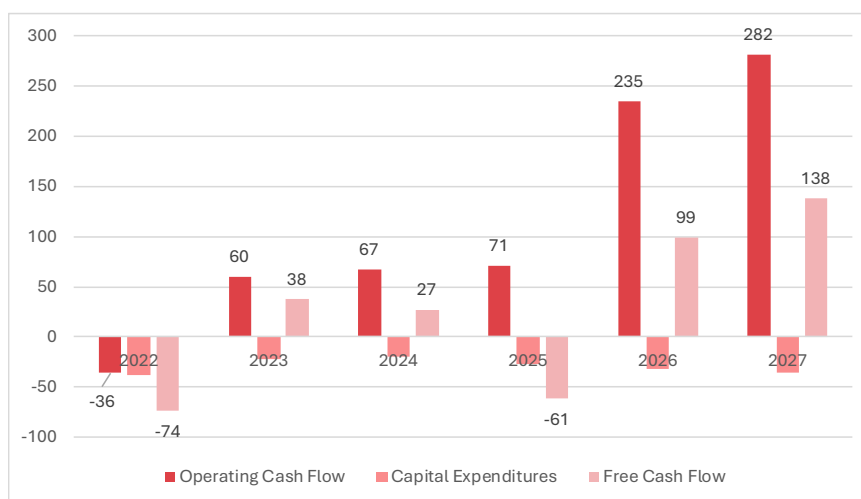
Revenue Growth	0	185%	140%	113%	139%	140%	23%	14%
Gross Profit Margin (%)	50%	56%	52%	50%	52%	52%	51%	51%
EBITDA Margin (%)	9%	5%	10%	11%	12%	11%	14%	15%
EBITDAC Margin (%)	6%	3%	9%	9%	11%	9%	13%	14%
EBIT Margin (%)	2%	-2%	4%	6%	7%	5%	9%	11%
Net Income Margin (%)	-1%	-25%	1%	3%	3%	-1%	5%	7%

Source: Redeye Research

## Cash flows and cash conversion

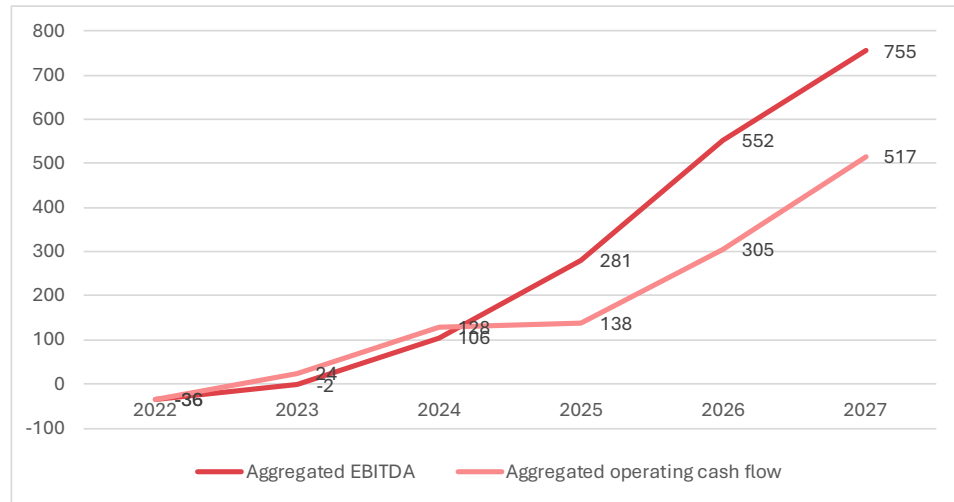
Our estimate points to operating cash flows of NOK235m 2026e, increasing to NOK282m 2027e. Given capex at c1.5% of sales, free cash flows will be negative in 2025e due to the Doro acquisition, rising to around NOK99m for 2026e.

### Xplora: Estimated Cash flow (MNOK)



Source: Company filings (data), Redeye Research (chart)

Looking at the cash conversion by aggregating EBITDA and plotting it against aggregated operating cash flows, we see strong evidence that cash generation is good.

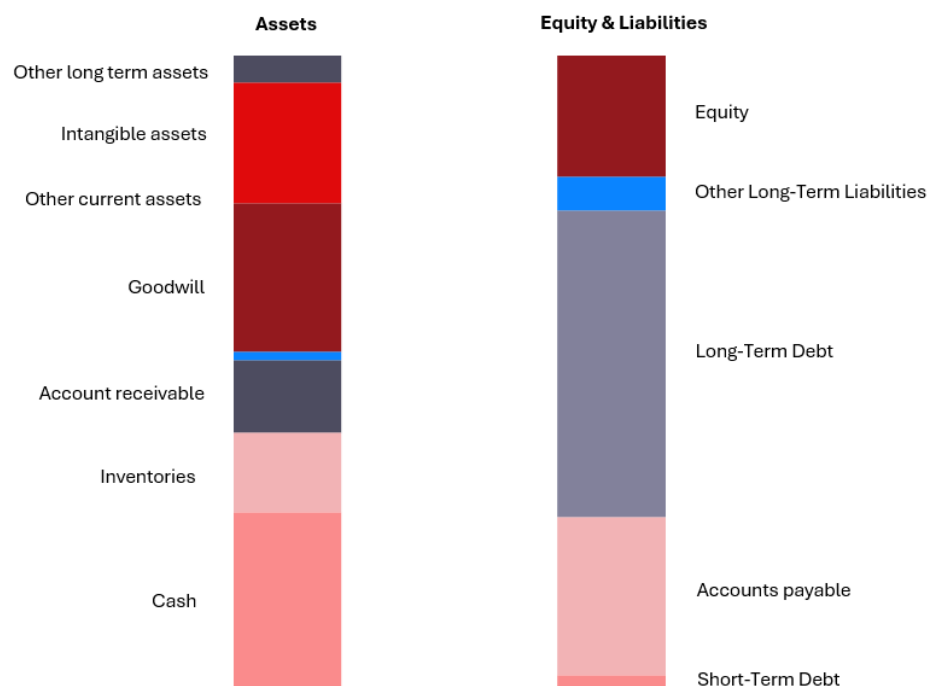
**Xplora: Est. Cash Conversion (MNOK)**

Source: Company filings (data), Redeye Research (chart)

## Balance sheet

Below is the consolidated balance sheet Q1 2025 (including Doro) for Xplora. Xplora now has net debt for 2025e of NOK528m, which is equivalent to 2.5x EBITDA (on Redeye estimates).

As a reminder, Doro has an outstanding loan of SEK50m nominal to Careium from December 2021, carrying an annual interest rate of 5.5%. The asset is held by the parent company and recorded at a value of SEKK43m, but the full nominal amount and the 5.5% annual interest are to be repaid. After three years, the accrued interest now amounts to SEK8.2m, meaning SEK58.2m in total. This asset is not included in the balance sheet below.



Source: Company filings (data), Redeye Research (est consolidating, chart)

## Valuation

Our valuation of Xplora stems from a classic DCF model based on Redeye's estimates. Based on our rating in all three scenarios – Base, Bull and Bear cases – we use a WACC of 10% stemming from the Redeye rating model.

### Base Case: NOK69

In our Base Case, we assume Xplora will grow strongly thanks to the integration of Doro, the release of the new youth smartphone and the expansion of markets to penetrate. We estimate Xplora will be able to grow sales by 23% to NOK2400m in 2026e and by 14% in 2027e. We believe the gross margin will normalise at c49–52%, with an EBITDA margin of c13-15%.

#### Redeye base case estimates

Revenues for 2025e: NOK1,950m  
 EBITDA for 2025e: NOK209m  
 Revenue CAGR for 2025e–2040e: 8%  
 Revenue CAGR for 2025e–2030e: 14%  
 Terminal growth: 2%  
 Avg. EBITDA margin for 2026e–2040e: 12%  
 Terminal EBITDA margin: 10%

#### Conversion rate for youth smartphones

2025e: 50%  
 2026e: 50%  
 2027e: 40%

#### Conversion rate for seniors phones

2025e: 3%  
 2026e: 10%  
 2027e: 12%

### Bull Case: NOK98

In our Bull Case, we assume Xplora will manage to convert both seniors phones and youth phones at a higher pace than in our Base Case assumptions. We estimate Xplora will be able to grow sales by 25% in 2026e to NOK2,436m and by 17% in 2027e. We believe the gross margin will normalise at c49–52%, with an EBITDA margin of c14–15%.

#### Redeye bull case estimates

Revenues for 2025e: NOK2007m  
 EBITDA for 2025e: NOK224m  
 Revenue CAGR for 2025e–2040e: 8%  
 Revenue CAGR for 2025e–2030e: 14%  
 Terminal growth: 2%  
 Avg. EBITDA margin for 2026e–2040e: 13%  
 Terminal EBITDA margin: 12%

Conversion rate for youth smartphones

2025e: 70%

2026e: 70%

2027e: 40%

Conversion rate for seniors phones

2025e: 5%

2026e: 15%

2027e: 20%

## Bear Case: NOK28

In our Bear Case, we assume a lower conversion rate for both the seniors and youth phones. We assume the conversion rate for seniors phones will reach 8% in 2027e. We estimate Xplora will be able to grow sales by 15% to NOK2,241m in 2026e and by 13% in 2027e. We believe the gross margin will normalise at c49–52%, with an EBITDA margin of c8–10%.

### Redeye bear case estimates

Revenues for 2025e: NOK1881m

EBITDA for 2025e: NOK190m

Revenue CAGR for 2025e–2040e: 6%

Revenue CAGR for 2025e–2030e: 10%

Terminal growth: 2%

Avg. EBITDA margin for 2026e–2040e: 8%

Terminal EBITDA margin: 6%

Conversion rate for youth smartphones

2025e: 30%

2026e: 30%

2027e: 20%

Conversion rate for seniors phones

2025e: 1%

2026e: 5%

2027e: 8%

## Peer valuation

Identifying comparable peers to Xplora is a challenge, as many of its direct competitors are privately held. Additionally, Xplora generates revenues from both hardware sales and service subscriptions, making comparisons more complex. We have compiled a selection of companies that we consider its relevant peers below. Garmin, for instance, also generates revenues from hardware and software services. However, its revenue mix is significantly more hardware-oriented, with approximately 94.5% stemming from hardware sales and only 5.5% from service-related income.

Xplora: Peer valuation									
Companies	EV (MNOK)	EV/Sales			EV/EBITDA			Sales	EBITDA
		2025e	2026e	2027e	2025e	2026e	2027e	CAGR 2024 - 2027e	
Xplora Technologies AS	2180	1.1x	0.8x	0.7x	10.5x	5.9x	4.5x	40%	61%
Telenor ASA	222648	3.7x	3.7x	3.6x	8.5x	8.2x	7.9x	1%	3%
Tele2 AB Class B	129261	4.3x	4.2x	4.1x	10.3x	9.8x	9.4x	2%	6%
Husqvarna AB Class B	43116	0.9x	0.8x	0.8x	6.6x	6.0x	5.7x	2%	10%
GN Store Nord A/S	36,365	1.4x	1.4x	1.3x	9.2x	8.0x	7.1x	2%	2%
Apple Inc.	31,582,549	7.6x	7.2x	6.8x	22.5x	21.4x	20.1x	2%	3%
Verizon Communications Inc.	3,402,413	2.6x	2.5x	2.5x	7.0x	6.9x	6.7x	-2%	1%
Garmin Ltd.	373,351	5.4x	5.1x	4.7x	19.0x	17.7x	16.9x	5%	5%
Samsung Electronics Co., Ltd.	2,012,717	0.9x	0.9x	0.9x	3.9x	3.5x	3.1x	4%	7%
Median		2.6	2.5	2.5	9.2	8.2	7.4	2%	5%
Average		3.1	3.0	2.9	10.9	10.1	9.4	6%	11%

Source: Factset & Redeye Research







Based on Redeye's 2026 estimates, Xplora is valued at an EV/EBITDA multiple of 5.9x, representing a 67% discount to Garmin and approximately a 42% discount to the peer group average. Given that a substantial part of Xplora's business model is built on highly scalable service revenues and as the company is expected to deliver robust growth in both sales and EBITDA, we believe Xplora deserves an EV/EBITDA valuation multiple around 10x. This would imply a share price of NOK64 vs our Base Case of NOK69, suggesting upside potential of 70%.

## Appendix

### Management, board and owners






#### Management

A significant share of the early, high rate of success of Xplora comes from its founder and CEO, Sten Kirkbak. Sten holds more than 22 years of experience in both the telecommunication and technology sectors, and Xplora demonstrates a clear implementation of his experience, with the company leveraging a combination of software and hardware technology with telecommunication, such as by partnering with telecom operators.

Name	Position	Shares	Options
 <p>Sten Kirkbak brings over 22 years of experience in telecommunications and technology, serving in executive roles and founding several start-ups. Before Xplora, he founded FILIP Technologies, serving as Chief Creative Officer, and was CEO of Black Moose Brand Agency. He also held key positions at KPNQwest and Telenor Telehuset. Sten holds multiple patents in technology and wearables, along with PR and marketing awards for launching tech products in Europe and the U.S.</p>	CEO	2,428,931	550,000
 <p>Knut Stålen has 25 years of experience in global scale-ups within the software and technology industry. He holds a degree in finance and marketing from BI and has served as CFO for several publicly listed technology companies.</p>	CFO	10,000	n/a
 <p>Sanghyo Kim brings 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 after holding senior roles at RealNetworks. Sanghyo holds a degree in Computer Science from Changwon National University, South Korea.</p>	CTO	0	n/a
 <p>Kjetil Fennefoss, has been with Xplora since 2017, currently he serves as SVP Smartwatches and Connectivity. He has held senior roles at Millicom, VEON, and Telenor, along with Managing Director positions at Ingram Micro and other companies. He holds an MSc from the University of Mannheim and completed the Executive Management Program at the London School of Business and Finance</p>	COO	177,342	n/a
 <p>Kristin Hellebust has broad experience in media, entertainment, and tech management. She co-founded and was CEO of Nordisk Film Shortcut and previously led Storm Studios. Kristin also has a legal background from Selmer and board experience from companies like Hunter Group ASA, Arribatec ASA, and Saga Tankers ASA. She holds a Cand. Jur. from the University of Oslo, an Executive Master in Financial Strategy from BI, and an Executive MBA from NHH.</p>	CLO	73,304	n/a
 <p>Anja von Lom joined Xplora in 2017, leading the brand's launch in the DACH region. With 23 years in media, marketing, and PR, she previously ran her own agency focused on emerging fashion labels, and held roles at Condé Nast, Chanel, and Céline.</p>	SVP Product Marketing	0	n/a

Source: Redeye research and company material

## Board of directors

Name	Position	Shares	Options
 <p>Tore Engebretsen owns Passesta AS, an investment company focused on technology-oriented ventures. He holds board and chairman roles in companies like Elliptic Laboratories AS, Media Network Services AS, and Squarehead Technology AS. Previously, he founded and served as CEO of VMetro ASA and was chairman of Nordic Semiconductor ASA, both listed on the OSE. Tore holds a Cand. Real. in theoretical physics from the University of Oslo.</p>	Chairman of the Board	5,969,056	n/a
 <p>Harald Fr. Ulltveit-Moe, a medical doctor and ophthalmology specialist, is the founder of Øyelegeklinikken AS, a specialist eye clinic in Trondheim, Norway. Through his investment firm, Harmonium Invest, he focuses on health and technology-related ventures. Harald holds an M.D. from the University of Oslo.</p>	Board Member	2,689,911	n/a
 <p>Bjørn Christian Eide has over 20 years of experience in finance, operations, accounting, funding, and M&amp;A, with roles at Microsoft and Fast Search and Transfer. He is VP Finance at Cognite AS in Oslo and a board member of ESMAR AS and Racce AS. Bjørn holds a Siviløkonom degree from the Norwegian School of Economics (NHH).</p>	Board Member	1,092,576	n/a
 <p>Kari Bech-Moen, 20+ years of management experience in tech start-ups and corporate roles, including as EVP, Head of People at DNB, and 12 years at Telenor. She chairs Huma, serves on several boards, and founded FamWeek. Kari holds an MSc from LSE and a Siviløkonom degree from BI. She joined Xplora's board as an independent member in 2021.</p>	Board Member	6,000	n/a
 <p>Ingrid Elvira Leisner (born 1968) is a professional board member with extensive experience on boards of Oslo Stock Exchange-listed companies. She currently serves on the boards of Norwegian Air Shuttle ASA, Self Storage Group ASA, Techstep ASA, and Maritime &amp; Merchant Bank ASA. Her career includes roles at Equinor, such as Head of Portfolio Management Electric Power. Ingrid holds a BBA (Siviløkonom) from the University of Texas at Austin and joined Xplora's board as an independent member in 2021.</p>	Board Member	25,000	n/a

Source: Redeye research and company material

## Ownership

Major shareholders				
As of 2025-04-10		Number of shares	Capital	Votes
Passesta AS	5969056	5,969,056	13.4%	13.5%
Harald Ulltveit-Moe	2689911	2,689,911	6.0%	6.1%
Vinterstua AS	2282954	2,240,125	5.1%	5.1%
Eden AS	2240125	2,051,574	4.7%	4.7%
S. Munkhaugen AS	1991325	1,991,325	4.5%	4.5%
MP Pensjon PK	1907165	1,907,165	4.3%	4.3%
Mk Capital AS	1320325	1,320,325	3.0%	3.0%
Camelback	1262785	1,173,500	2.7%	2.7%
Fougner Invest AS	1138111	1,138,111	2.6%	2.6%
Sten Kirkbak	1108606	1,108,606	2.5%	2.5%
<b>Total:</b>		<b>21,589,698</b>	<b>48.8%</b>	<b>48.9%</b>

Source: Holdings 2025-04-10

Passesta AS, the largest shareholder in Xplora, is a family-owned Norwegian investment company founded by Tore Engebretsen, the chair of Xplora's board. Passesta AS has been a steady owner of Xplora since the IPO in Q4 2020. The investment firm's portfolio mostly consists of technology-related companies within software, AI and e-



commerce, while a smaller share is within healthcare. One of Passesta's other publicly listed investments is Elliptic Laboratories, a Norwegian software developer for sensor systems.

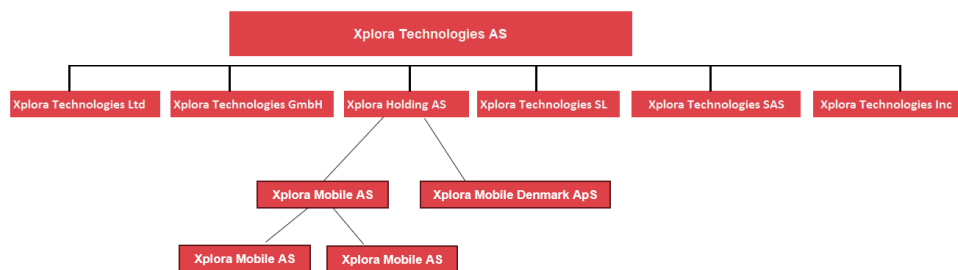
The second-largest shareholder, Harald Ulltveit-Moe, is a private investor with a background as a medical doctor. Through his investment company, Harmonium Invest, Harald has been a steady shareholder in Xplora since the IPO.

The third-largest shareholder, Vinterstua AS, has held shares since 2021 and owns a broad portfolio of Norwegian equities.

Eden AS, the fourth-largest shareholder, is a private company. The chair of Eden's board, Hildegunn Ulltveit-Moe, is believed to be related to Harald Ulltveit-Moe. Eden AS has been a steady shareholder in Xplora since the IPO.

Finally, the founder and CEO of Xplora, Sten Kirkbak, owns shares both privately and through Mk Capital AS. Both these shareholder positions are in the top 10 shareholder list. Sten has privately been a steady shareholder of Xplora, but he has sold a smaller share of his position once through Mk Capital AS.

Company structure



Source: Company filings (data), Redeye Research (chart)

Xplora operates as a parent company, with subsidiaries in the UK, Germany, Spain and the US managing sales, marketing and support in their respective regions. The Oslo headquarters oversees finance, operations and support, while the Trondheim office focuses on global and national marketing. Xplora Technologies Ltd in the UK serves as the company's engineering and development hub, working closely with a South Korean development team.

Doro will operate as a separate business segment adjacent to Xplora, with its financials having been fully integrated as of 1 January 2025.

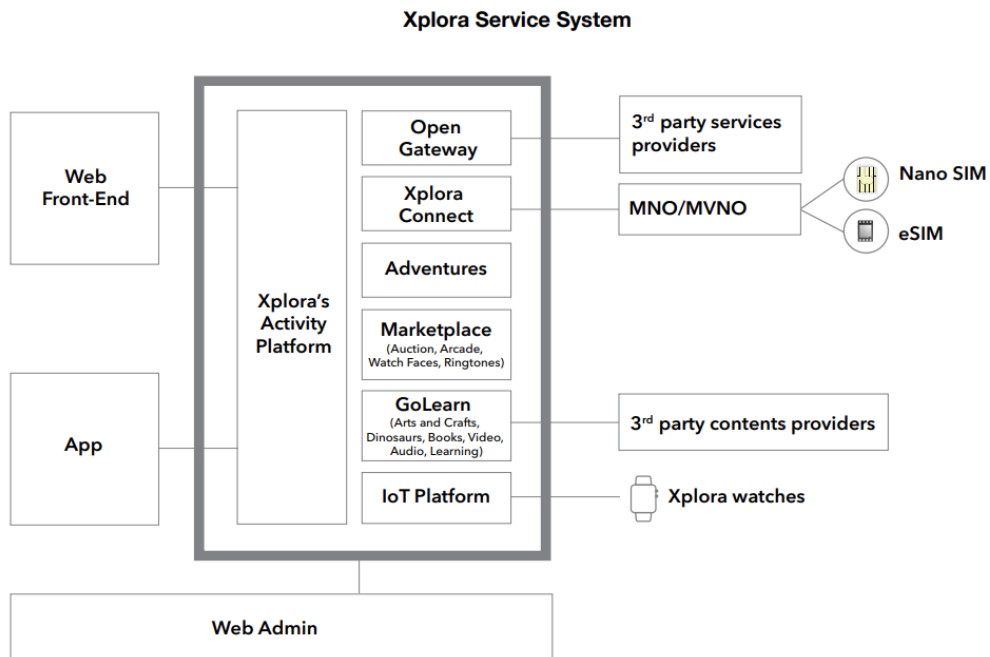
Xplora service system and activity platform

The Activity Platform transforms physical activity data from Xplora devices into Xplora Coins, the company's digital currency. Children can use these coins to access digital content, purchase products or make donations to other users on the platform. Gamification elements such as leaderboards, team challenges, tournaments, mini-games, badge collections and rewards are used to engage and motivate users.

Unlike traditional social networking platforms that rely on text, images or videos, Xplora's Activity Platform leverages activity and location data to create a unique and interactive user experience. The platform fosters safe and enjoyable engagement for children, emphasising fun, learning and play within a controlled and parent-monitored environment.

In 2023, Xplora introduced a revamped version of the platform, offering an improved user interface and a larger catalogue of curated content. The company plans to expand the platform's offerings with educational tools, video-

based content and additional premium services, reinforcing its value proposition of encouraging children to stay active while safely enjoying digital activities.



Source: Xplora

## Summary Redeye Rating

The rating consists of three valuation keys, each constituting an overall assessment of several factors that are rated on a scale of 0 to 1 points. The maximum score for a valuation key is 5 points.

### **People: 4**

Xplora's leadership team is anchored by founder Sten Kirkbak, whose long-standing commitment and industry experience support a clear long-term vision. The team demonstrates strategic discipline and has executed consistently in a competitive and evolving market. While still relatively early in its scaling journey, Xplora appears to have responsible governance and capital allocation that are aligned with shareholder interests.

### **Business: 3**

Xplora operates a scalable business model based on recurring revenues from subscriptions tied to its own devices. The company has built a defensible niche in the kids' segment and, through the acquisition of Doro, expanded into the seniors market. Thanks to strong gross margins, international presence, and high customer retention, Xplora is well positioned to drive sustainable growth and strengthen its competitive edge.

### **Financials: 3**

Xplora shows signs of good profitability and growth potential, supported by a gross profit margin above 40% and improving operating margin trends. The company maintains solid financial health, with a favourable current ratio, manageable debt levels and sufficient cash reserves to cover expected cash burn. However, operating margin and return on equity remain below the desired 20% threshold, indicating possible challenges in profitability or efficiency. Additionally, earnings growth has been inconsistent, falling short of maintaining 10%+ annual EPS growth over the past five years.

	2024	2025E	2026E	2027E	DCF Valuation Metrics		Sum FCF (NO Km)			
INCOME STATEMENT					Initial Period (2026–2029)		856			
Net sales	813	1949	2399	2745	Momentum Period (2030–2040)		1621			
Cost of Revenues	408	927	1184	1333	Terminal		1110			
Gross Profit	406	1022	1215	1411	Firm Value		3587			
Operating Expenses	334	813	872	1000	Net Debt 2025E		528			
EBITDA	72	209	343	411	Equity Value		3058			
Depreciation & Amortization	60	105	118	100	Fair Value per Share		69.30			
EBIT	12	105	225	311						
Net Financial Items	-15	-122	-60	-60			2024	2025E	2026E	2027E
EBT	-2	-17	165	251	CAPITAL STRUCTURE					
Income Tax Expenses	4	11	40	63	Equity Ratio	0.6	0.1	0.1	0.2	
Non-Controlling Interest	0	0	0	0	Debt to equity	0.1	4.0	2.7	2.0	
Net Income	-6	-28	125	189	Net Debt	-389	528	361	195	
					Capital Employed	975	1341	1467	1612	
					Working Capital Turnover	24.7	50.0	50.0	50.0	
BALANCE SHEET										
Assets										
Current assets					GROWTH					
Cash & Equivalents	496	500	667	833	Revenue Growth	18%	140%	23%	14%	
Inventories	247	468	576	659	Basic EPS Growth	-74%	370%	-549%	51%	
Accounts Receivable	213	448	552	631	Adjusted Basic EPS Growth	-74%	370%	-549%	51%	
Other Current Assets	33	0	0	0						
Total Current Assets	987	1416	1795	2123	PROFITABILITY					
					ROE	-1%	-5%	39%	42%	
Non-current assets					ROCE	1%	8%	15%	19%	
Property, Plant & Equipment, Net	16	33	50	69	ROIC	9%	25%	20%	29%	
Goodwill	119	415	415	415	EBITDA Margin (%)	9%	11%	14%	15%	
Intangible Assets	325	367	300	253	EBIT Margin (%)	2%	5%	9%	11%	
Right-of-Use Assets	0	0	0	0	Net Income Margin (%)	-1%	-1%	5%	7%	
Shares in Associates	0	0	0	0						
Other Long-Term Assets	76	76	76	76						
Total Non-Current Assets	537	892	841	813	VALUATION					
					Basic EPS	na	-0.6	2.8	4.2	
Total Assets	1524	2308	2636	2937	Adjusted Basic EPS	na	-0.6	2.8	4.2	
					P/E	na	neg	13.4	8.9	
Liabilities					EV/Revenue	na	1.1	0.8	0.7	
Current liabilities					EV/EBITDA	na	10.5	5.9	4.5	
Short-Term Debt	90	90	90	90	EV/EBIT	na	21.1	9.0	6.0	
Short-Term Lease Liabilities	0	0	0	0	P/B	na	6.6	4.4	3.2	
Accounts Payable	368	877	1080	1235						
Other Current Liabilities	90	0	0	0	SHAREHOLDER STRUCTURE		CAPITAL %VOTES %			
Total Current Liabilities	549	967	1169	1325	Passesta AS		13.4%	13.4%		
					Harald Ulltveit-Moe		6.0%	6.0%		
Non-current liabilities					Vinterstua AS		5.2%	5.2%		
Long-Term Debt	17	939	939	939	Eden AS		5.0%	5.0%		
Long-Term Lease Liabilities	0	0	0	0	S. Munkhaugen AS		4.5%	4.5%		
Other Long-Term Liabilities	48	148	148	148						
Total Non-current Liabilities	65	1087	1087	1087						
					SHARE INFORMATION					
Non-Controlling Interest	0	0	0	0	Reuters code					
Shareholder's Equity	910	254	380	525	List			Euronext Growth		
Total Liabilities & Equity	1524	2308	2636	2937	Share price				37.5	
					Total shares, million				44.6	
CASH FLOW										
NOPAT	31	170	171	234	MANAGEMENT & BOARD					
Change in Working Capital	14	-6	-9	-7	CEO				Sten Kirkbak	
Operating Cash Flow	67	71	235	282	CFO				Knut Stålen	
					Chairman				Tore Engebretsen	
Capital Expenditures	-20	-27	-31	-36						
Investment in Intangible Assets	0	-39	-36	-36	ANALYSTS					Redeye AB
Investing Cash Flow	-20	-66	-68	-72	Fredrik Reuterhäll			Mäster Samuelsgatan 42, 10tr		
					Mattias Ehrenborg			111 57 Stockholm		
Financing Cash Flow	20	0	0	-44						
Free Cash Flow	27	-61	99	138						

## Redeye Rating and Background Definitions

### Company Quality

Company Quality is based on a set of quality checks across three categories; PEOPLE, BUSINESS, FINANCE. These are the building blocks that enable a company to deliver sustained operational outperformance and attractive long-term earnings growth.

Each category is grouped into multiple sub-categories assessed by five checks. These are based on widely accepted and tested investment criteria and used by demonstrably successful investors and investment firms. Each sub-category may also include a complementary check that provides additional information to assist with investment decision-making.

If a check is successful, it is assigned a score of one point; the total successful checks are added to give a score for each sub-category. The overall score for a category is the average of all sub-category scores, based on a scale that ranges from 0 to 5 rounded up to the nearest whole number. The overall score for each category is then used to generate the size of the bar in the Company Quality graphic.

### People

At the end of the day, people drive profits. Not numbers. Understanding the motivations of people behind a business is a significant part of understanding the long-term drive of the company. It all comes down to doing business with people you trust, or at least avoiding dealing with people of questionable character.

The People rating is based on quantitative scores in seven categories:

- Passion, Execution, Capital Allocation, Communication, Compensation, Ownership, and Board.

### Business

If you don't understand the competitive environment and don't have a clear sense of how the business will engage customers, create value and consistently deliver that value at a profit, you won't succeed as an investor. Knowing the business model inside out will provide you some level of certainty and reduce the risk when you buy a stock.

The Business rating is based on quantitative scores grouped into five sub-categories:

- Business Scalability, Market Structure, Value Proposition, Economic Moat, and Operational Risks.

### Financials

Investing is part art, part science. Financial ratios make up most of the science. Ratios are used to evaluate the financial soundness of a business. Also, these ratios are key factors that will impact a company's financial performance and valuation. However, you only need a few to determine whether a company is financially strong or weak.

The Financial rating is based on quantitative scores that are grouped into five separate categories:

- Earnings Power, Profit Margin, Growth Rate, Financial Health, and Earnings Quality.

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## Disclaimer

### Important information

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### Redeye Rating (2025-06-09)

Rating	People	Business	Financials
5p	6	8	1
3p - 4p	135	121	41
0p - 2p	17	29	116
Company N	158	158	158

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### CONFLICT OF INTERESTS

Fredrik Reuterhäll owns shares in the company : No

Mattias Ehrenborg owns shares in the company : No

Redeye performs/have performed services for the Company and receives/have received compensation from the Company in connection with this.