



# FINANCIAL REPORT

## Q3 2021

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**MapsPeople A/S**

Stigsborgvej 60,

9400 Nørresundby

Business Registration No. 84 05 95 28

Company Announcement No. 13-2021  
Aalborg, November 16<sup>th</sup> 2021

MapsIndoors achieves  
**63% growth** over  
the last 12 months  
resulting in a total ARR  
growth of **40%**

Quarterly report for the period  
July 1<sup>st</sup> 2021 - Sept 30<sup>th</sup> 2021

mapspeople 

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# MANAGEMENT COMMENTARY



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## Business highlights 2021-Q3

- The total growth in Annual Recurring Revenue (ARR) is driven by growth from MapsIndoors reaching 23.8M DKK at the end of 2021-Q3 which is 63% higher than 14.6M DKK at the end of 2020-Q3.
- Total ARR reached 35.2M DKK at the end of 2021-Q3 which is 40% higher than 25.1M DKK at the end of 2020-Q3.
- MapsPeople increased the MapsIndoors ARR with a total of 3.2M DKK in 2021-Q3.
- 94% of MapsIndoors new ARR in 2021-Q3 is partner based.
- ARR guidance is updated from 44.3M DKK to a range of 41-45M DKK.



## Business summary

The last 12 months have delivered a 63% growth in ARR for the primary product MapsIndoors, resulting in an overall growth in ARR of 40% on all 3 revenue streams.

Continued systematic lead generation aimed at strategic industries and regions has resulted in a steadily increasing pipeline with a high weight on partner based business.

In July 2021 the partner margin from Google changed from 20% to 12% on the Google Maps Platform licenses, resulting in a planned decrease in the net revenue. This has no affect on ARR or guidance, hence this is all according to expectations and as set forth in the prospectus.

In 2021-Q3, the organization has grown from 76 to 88 team members primarily in sales and deployment to support the rapidly growing demand. The new investments follow the company's plans with a focus on market development, sales channels, products and technology.

EBIT YTD of -30.6M DKK is as expected in accordance with growth strategy and investments and the net cash follows expectations.

## Events after 2021-H1

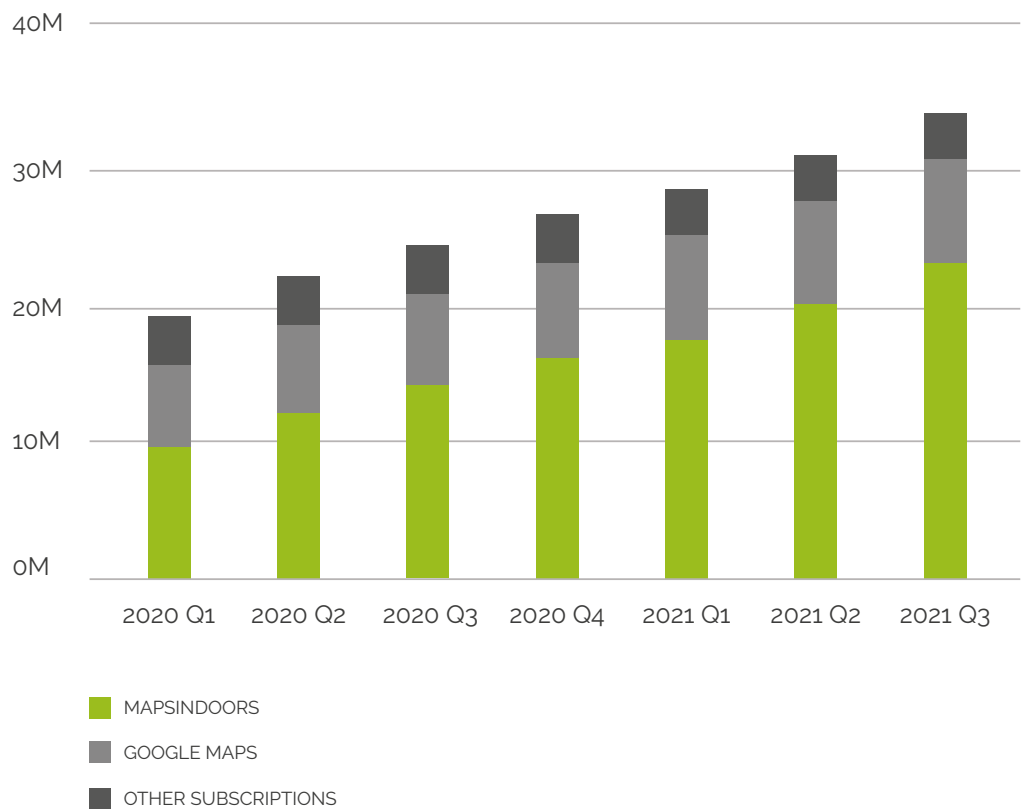
No events affecting the period have occurred after the end of 2021-Q3.

## ARR development

ARR is growing as planned with a focus on both the expansion of business with existing customers and the net new customers through partner recruitment and development. The partner sales channel is strategically important here and accounts for 94% of the growth in ARR in Q3.

With a net revenue retention of 116% at the end of 2021-Q3 for the MapsIndoors customers, the growth of existing customers is the foundation for the overall growth of ARR.

### Total (DKK)



“

We clearly see the positive impact from our investments with Strategic Partners contributing seriously to our growth.

Michael Gram, CEO





## Statement from the CEO

Q3 has shown good signals on a return to a growing market after last year's challenges with Covid-19, and this has been reflected in a growth in ARR for MapsIndoors of 63% compared to last year. The corresponding growth for all products in the same period is 40% with a total ARR of DKK 35.2M, with an increase in 2021-Q3 of DKK 3.2M.

94% of MapsIndoors newbiz and expansion ARR in Q3 are based on partners. OEM-partners (Original Equipment Manufacturer), who have embedded MapsIndoors as a part of their own products, account for 74% of this quarter's newbiz and expansion. This is a result of long-term strategic efforts, and it is very satisfying that the development is concentrated right here, where there is great growth potential.

MapsPeople has in Q3 received a grant from Innovation Fund Denmark covering 33% of costs

for a new deep learning project aiming to streamline the map production. Deep learning-based methods are a cornerstone for MapsPeople when it comes to creating maps for indoor navigation solutions where automation is expected to reduce the production time by 80% resulting in significantly lower production costs. What used to take five hours will now be able to be carried out within one due to implementation of machine learning in the deployment systems.

2021-Q3 follows the plans for the year with a continued strong pipeline and we are closing the expected number of contracts with a large expansion potential. We forecast some of the expansion of ARR to shift into 2022, due to partner and customer projects being impacted by the global supply chain challenges and continued Covid-19 situation.

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## Guidance

The guidance of ARR at the end of 2021 is 41-45M DKK, previous guidance of 44.3M DKK is within the range.

In the remainder of 2021 MapsPeople forecast to continue to close a number of large deals to achieve the ARR as guided. The planned expansion of customer solutions could be delayed into 2022 and is the reason for updating the guidance from a specific number to a range.

Statements about the future expressed in the report reflect MapsPeople's current expectations, knowledge of any future events and any potential impact to financial results. The nature of these statements is affected by risk and uncertainties. Therefore, the company's actual results may be different from the guided figures.



# CORPORATE GOVERNANCE





## Equity story

MapsPeople is a globally oriented Software-as-a-Service (SaaS) company within indoor mapping and navigation.

MapsPeople provides with MapsIndoors a scalable platform that can optimize utilization and deliver a strong user experience in large complex venues.

Continued growth in digitization and focus on optimization combined with the expansion of the IoT industry constitute an increasing demand for MapsIndoors. Strong partnerships within telco, the network industry and PropTech (Property technology) are powerful enablers and distribution channels for MapsPeople becoming the global market leader within indoor mapping and navigation.

MapsPeople's development is fueled by global trends in resource utilization, sustainability, and user experience.

## Company information

### **The Company**

MapsPeople A/S  
Stigsborgvej 60  
DK-9400 Nørresundby

### **Business Registration No.:**

84 05 95 28

### **Registered office:**

Nørresundby

### **Financial period:**

01.07.2021 - 30.09.2021

### **Board of Directors**

Lars Henning Brammer,  
Chairman  
Lars Rønn  
Christian Samsø Dohn  
Rasmus Mencke

### **Executive Board**

Michael Gram, CEO

### **Auditors**

Deloitte Statsautoriseret  
Revisionspartnerselskab  
City Tower,  
Værkmestergade 2  
8000 Aarhus C

Lead Client Service Partner:

Mads Fauerskov

### **Certified Advisor**

Grant Thornton  
Stockholmsgade 45  
2100 København Ø

Partner:

Jesper Skaarup Vestergaard

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## Statement by management on the Quarterly report

The Board of Directors and the Executive Board have considered and adopted the Quarterly Report of Mapspeople A/S for the financial period July 1st to September 30th 2021.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and by further requirements in the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements gives a true and fair view of the financial position as of September 30th 2021 and of the results of the Group operations and consolidated cash flows for the financial period from July 1st to September 30th 2021.

In our opinion, the Management Commentary includes a true and fair account of the development in the operations and financial circumstances of the Group, of the results for the year and of the financial position of the Group, as well as a description of the most significant risks and elements of uncertainty facing the Group.

The quarterly report has not been audited.

Nørresundby, 16 November 2021

### **Executive Board**

Michael Gram  
CEO

### **Board of Directors**

Lars Henning Brammer, Chairman  
Christian Samsø Dohn  
Lars Rønn  
Rasmus Mencke



# FINANCIAL STATEMENTS

## Comments to financial statements

The growth in ARR is 40% in the last 12 months. Development in revenue and negative EBIT is in line with the expectations and in accordance with the growth strategy.

In accordance with use of proceeds, as described in the prospectus, the investments in commercial resources, marketing, and continued development of the MapsIndoors Platform is expected to contribute to the continued growth.

### Revenue

The primary business line, MapsIndoors, subscription revenue, has increased 32% in the quarter, compared to last year and increased 14% YTD compared to 2020.

Google Maps gross revenue increased 14% in the quarter compared to the same quarter last year, but with a drop in net revenue in 2021-Q3 of 25% as the partner margin from Google Maps changed from 20% to 12% in July 2021 and only net reve-

nue is recognized. Growth of the business and net revenue is as expected and as set forth in the prospectus.

Total revenue in 2021-Q3 decreased by 13% compared to 2020-Q3 directly impacted by the change in partner margin. Total revenue YTD has increased 2% compared to 2020 and is all in line with expectations.

### Cost of sales

Cost of sales has increased YTD 147% compared to last year and is in line with expectations. The increase is almost exclusively caused by higher order intake and higher expenses related to sales incentive programs.

### Other external expenses

Compared to the same quarter last year the other external expenses increased 131%. The investment in marketing is increasing the awareness of the MapsPeople brand and is filling up the sales funnel with qualified leads. 2020 was an atypical year due to the pandemic and



the marketing expense was decreased in 2020. The development is in line with the “use of proceeds” as described in the prospectus.

### **Staff costs**

The total number of employees has increased from 76 to 88 in the quarter and results in 32 more employees compared to 2020-Q3. Staff costs have increased by 188% compared to 2020-Q3. The development is impacted from new resources (commercial and development), new warrant program and product development expenses. Last year the majority of the development staff costs were capitalized, while in 2021 the majority of these are expensed in the P&L. The increase is as expected and in line with “use of proceeds”.

### **Other operating income**

During Covid-19 the US Government has offered Covid-19 loans to businesses, called Paycheck Protection Program. MapsPeople were qualified to receive this loan and as no employees were terminated due to the pandemic

the loan was forgiven. The forgiveness was expected to be received in 2022, but was received in 2021-Q3.

### **Cash flow**

Net cash flow from operating activities showed an outflow YTD of 26.1M DKK compared to an outflow in the same period in 2020 of 1.2m DKK. The net cash flow is related to investments in commercial and development resources and increased marketing spend. The outflow in the quarter is 13.8m DKK and in line with expectations.

Net cash flow from investing activities showed an outflow of YTD 3.0M DKK compared to an outflow of 6.4M DKK in 2020. The development of a new product to the MapsIndoors Platform was completed in 2020 and the majority of the cost of development in 2021 is so far an operational expense.

Net cash flow from financing activities shows an inflow YTD of 82.7M DKK primarily as a result of the capital rise when listed on Nasdaq First North Premier.

## Profit and loss

DKK '000

	Note	2021-Q3	2020-Q3	YTD 2021-Q3	YTD 2020-Q3
Net revenue	1	6,290	7,244	18,745	18,343
Cost of sales		-449	-171	-1,016	-412
<b>Gross profit</b>		<b>5,841</b>	<b>7,073</b>	<b>17,729</b>	<b>17,931</b>
<b>Gross profit %</b>		<b>93%</b>	<b>98%</b>	<b>95%</b>	<b>98%</b>
Other external expenses		-4,924	-2,131	-12,625	-6,254
Staff costs		-12,197	-4,235	-30,860	-18,910
Other operating income		1,101	0	1,101	0
Depreciation, amortisation and impairment losses		-1,527	45	-4,607	-1,023
<b>Operating profit/(loss)</b>		<b>-11,706</b>	<b>752</b>	<b>-29,262</b>	<b>-8,256</b>
Financial income		53	-67	53	19
Financial expenses		-538	190	-1,441	-1,050
<b>Profit/(loss) before tax</b>		<b>-12,191</b>	<b>875</b>	<b>-30,650</b>	<b>-9,287</b>
Tax		1,632	962	5,260	3,198
<b>Profit/(loss) for the period from continuing operations</b>		<b>-10,559</b>	<b>1,837</b>	<b>-25,390</b>	<b>-6,089</b>
<b>Total comprehensive income for the year</b>		<b>-10,559</b>	<b>1,837</b>	<b>-25,390</b>	<b>-6,089</b>
Attributable to:					
Shareholders of MapsPeople A/S		<b>-10,559</b>	<b>1,837</b>	<b>-25,390</b>	<b>-6,089</b>
Earnings per share, basic (DKK)				<b>-0,54</b>	<b>-0,32</b>
Earnings per share, diluted (DKK)				<b>-0,51</b>	<b>-0,16</b>

**Balance sheet**  
DKK '000

<b>Assets</b>	<b>YTD 2021-Q3</b>	<b>YTD 2020-Q3</b>
Intangible assets	19,994	20,584
Property, plant and equipment	1,383	1,220
Contract costs	3,370	817
Right-of-use assets	4,282	3,248
Deposits	799	653
Deferred tax assets	8,410	5,918
<b>Total non-current assets</b>	<b>38,238</b>	<b>32,440</b>
Trade receivables	14,166	20,951
Contract costs	1,441	1,096
Income tax receivables	2,313	113
Receivable from affiliated companies	8	0
Other receivables	162	489
Prepayments	647	873
Cash	68,714	23,775
<b>Total current assets</b>	<b>87,451</b>	<b>47,297</b>
<b>Total assets</b>	<b>125,689</b>	<b>79,737</b>

**Balance sheet**  
DKK '000

<b>Liabilities and equity</b>	<b>Note</b>	<b>YTD 2021-Q3</b>	<b>YTD 2020-Q3</b>
Share capital		1,249	840
Retained earnings		58,804	3,150
Translation reserve		0	0
<b>Total Equity</b>	<b>2</b>	<b>59,643</b>	<b>3,990</b>
Other provisions		0	0
Interest-bearing liabilities		12,986	11,687
Lease liabilities		2,735	1,919
Other payables		3,260	3,918
<b>Total non-current liabilities</b>		<b>18,981</b>	<b>17,524</b>
Interest-bearing liabilities		3,461	3,461
Contract liabilities		5,148	15,156
Lease liabilities		1,688	1,395
Trade payables		29,012	28,914
Payables to affiliated companies		150	155
Other payables		7,606	9,142
<b>Total current liabilities</b>		<b>47,065</b>	<b>58,223</b>
<b>Total liabilities</b>		<b>66,046</b>	<b>75,747</b>
<b>Total equity and liabilities</b>		<b>125,689</b>	<b>79,737</b>

## Cash flow statement

DKK '000

	2021-Q3	2020-Q3	YTD 2021-Q3	YTD 2020-Q3
Operating profit/(loss)	-11,706	752	-29,262	-8,256
Amortisation, depreciation and impairment losses	1,527	-45	4,607	1,023
Other provision	0	0	0	0
Working capital changes	-3,170	-5,681	-33	5,296
Financial income received	53	-67	53	19
Financial expenses paid	-537	190	-1,441	-1,052
Income taxes refunded/(paid)	0	1,556	0	1,768
<b>Cash flow from operating activities</b>	<b>-13,833</b>	<b>-3,295</b>	<b>-26,076</b>	<b>-1,202</b>
Investments in intangible assets	-440	-2,714	-1,139	-5,925
Investments in tangible assets	23	1,507	-1,699	-243
Deposits	-37	-7	-141	-258
<b>Cash flows from investing activities</b>	<b>-454</b>	<b>-1,214</b>	<b>-2,979</b>	<b>-6,426</b>
Loans raised	0	0	0	0
Repayment of loans	-1,250	-13,425	-1,073	-9,215
Capital increase	3,605	36,778	83,778	36,778
Expenses raising capital	0	0	0	0
Payment of principal portion of lease liabilities	0	0	0	0
<b>Cash flow from financing activities</b>	<b>2,355</b>	<b>23,353</b>	<b>82,705</b>	<b>27,563</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>-11,932</b>	<b>18,844</b>	<b>53,650</b>	<b>19,935</b>
Cash and cash equivalents beginning of year	80,646	4,931	15,064	3,840
<b>Cash and cash equivalent end of period</b>	<b>68,714</b>	<b>23,775</b>	<b>68,714</b>	<b>23,775</b>

## Notes



### Note 1 - Revenue DKK '000

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<b>Net revenue</b>	<b>2021 Q3</b>	<b>2020 Q3</b>	<b>2021 Q3 YTD</b>	<b>2020 Q3 YTD</b>
Google Maps, gross	14,586	12,822	43,139	38,829
Netting due to agent principle	-12,554	-10,108	-35,069	-30,862
<b>Google Maps, net</b>	<b>2,032</b>	<b>2,714</b>	<b>8,069</b>	<b>7,966</b>
MapsIndoors subscriptions	3,057	2,309	8,158	7,186
MapsIndoors one time charges	2	489	2	489
<b>MapsIndoors, net</b>	<b>3,059</b>	<b>2,798</b>	<b>8,160</b>	<b>7,676</b>
<b>Other Subscriptions</b>	<b>1,199</b>	<b>1,732</b>	<b>2,515</b>	<b>2,701</b>
<b>Total</b>	<b>6,290</b>	<b>7,244</b>	<b>18,745</b>	<b>18,343</b>

## Note 2 - Equity

Statement of changes in equity  
DKK '000

2020



	Share capital	Retained earnings	Other reserves	Total
<b>Equity beginning of year</b>	652	-27,350	-	<b>-26,698</b>
<b>Total Comprehensive income</b>				
Profit/loss for the year	-	-13,237	-	-13,237
<b>Total Comprehensive income</b>	<b>-</b>	<b>-13,237</b>	<b>-</b>	<b>-13,237</b>
<b>Transaction with owners</b>				
Capital increase	118	26,333		26,451
Conversion of Loans	70	12,451		12,521
Transaction cost	-	-1,425		-1,425
Other adjustments	-	3,310		3,310
Share-based payments	-	327		327
<b>Total transaction with owners</b>	<b>188</b>	<b>40,996</b>	<b>-</b>	<b>41,184</b>
<b>Equity end of year</b>	<b>840</b>	<b>409</b>	<b>-</b>	<b>1,249</b>

Statement of changes in equity  
DKK '000

2021

	Share capital	Retained earnings	Other reserves	Total
<b>Equity beginning of year</b>	840	409	-	<b>1,249</b>
<b>Total Comprehensive income</b>				
Profit/loss for the year	-	-25,390	-	-25,390
<b>Total Comprehensive income</b>	<b>-</b>	<b>-25,390</b>	<b>-</b>	<b>-25,390</b>
<b>Transaction with owners</b>				
Capital increase	257	84,743	-	85,000
Conversion of Loans	-	-	-	-
Transaction cost	-	-5,577	-	-5,577
Capital increase - exercise of warrants	-	4,361	-	4,361
Other adjustments	-	-	-	-
<b>Total transaction with owners</b>	<b>257</b>	<b>83,527</b>	<b>-</b>	<b>83,784</b>
<b>Equity 2021-Q3</b>	<b>1,097</b>	<b>58,546</b>	<b>-</b>	<b>59,643</b>