

# Financial Report Q3 2023

**MapsPeople A/S**  
Stigsborgvej 60  
9400 Nørresundby  
Business Registration No. 84 05 95 28

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## SaaS Highlights End of Q3 2023

As announced in company announcement no 15-2023 MapsPeople guide on ARR (delivered and invoiced) and the following report is adapted to this structure.



**51.4M**

Total ARR (DKK)

YoY growth mDKK 22.1  
(75% YoY growth)

QoQ growth mDKK 5.0  
(11% QoQ growth)



**37.1M**

MapsIndoors ARR (DKK)

YoY growth mDKK 20.7  
(126% YoY growth)

QoQ growth mDKK 5.0  
(15% QoQ growth)



**129%**

MapsIndoors NRR

YoY from existing customers

## Guidance

In the company announcement no. 27-2023, MapsPeople has set a full year 2023 ARR guidance of mDKK 58-64. Revenue guidance unchanged at mDKK 38-45 EBITDA guidance unchanged of negative mDKK 52-62.

See p. 24 for definitions



# Management Report

## Business Summary

In Q3 MapsPeople sustained solid growth in our Annual Recurring Revenue (ARR) achieving mDKK 5.0 in new organic growth. The primary contributor to this growth was our flagship product, MapsIndoors, accounting for 99,6% of the overall growth in the quarter. This positive organic growth reflects our strategic investments in building up a strong partner channel.

Our ongoing initiatives, to transition existing and onboard new partner contracts and new direct customers to a prepaid platform license model, contributing with mDKK 1.3 in additional ARR during Q3. Direct customer expansions of around mDKK 1.2 and existing partners contributed around mDKK 2.5 of the growth during the quarter. The overall outcome is a satisfactory and balanced growth pattern that we feel comfortable to continue going forward underscored by our high Net Revenue Retention Rate of 129%.

Recognised revenue Year-to-Date (YtD) is tDKK 30,172, marking a 40% YoY increase and aligning with our strategic plans.

By combining the revenue growth with the mDKK 21 reduction of the budgeted annual costs completed in April, and continued pursuit of additional organizational simplifications and optimizations, we foresee additional cost efficiencies. This will lead to further improvements in EBITDA through 2023 and 2024, partially driven by the 2023 growth in ARR and recognised revenues and partially by an improved capital efficiency.

In Q4 and through 2024, we are committed to streamlining our processes and organizational structure to drive higher productivity impacting our EBITDA positively for 2024.

While Q3 is traditionally a slower quarter from a growth perspective due to the vacation season, we are pleased with the achieved growth for this quarter. We continue to see that the general global economic situation, with increasing inflation and interest rates, and the general uncertainty had a negative impact on our growth in the beginning of 2023, we now continue to see some improvements in the market with a growing sales pipeline for the remaining part of 2023 as well as 2024.

The Corporate Offices vertical continued to have momentum in Q3 though impacted by lower activity levels during the vacation season. In Q3 our largest new customer wins was within the Healthcare industry, sustaining the momentum within this sector. Sports Venues, Conference, Public Safety and Travel verticals continue to rebound from the pandemic, securing new deals and fostering a strong new business pipeline.

We remain optimistic around an unchanged large growth potential, driven by various Smart Building trends that all require an underlying indoor map.

Q3 required adjustments to our reported ARR of mDKK 6.5 mainly stemming from periods before 2023 related to principles calculating churn and periodization of revenue. These adjustments have minor impact on the nominal reported ARR growth in 2023, reported P/L, recognized revenues or EBITDA. This is explained further in the company announcement 27-2023. All numbers and graphs in this report are aligned with the adjusted ARR.

## SaaS Highlights

As announced in company announcement no 15-2023, MapsPeople has decided only to focus on delivered and invoiced ARR to secure clear and transparent communication.

### Total ARR

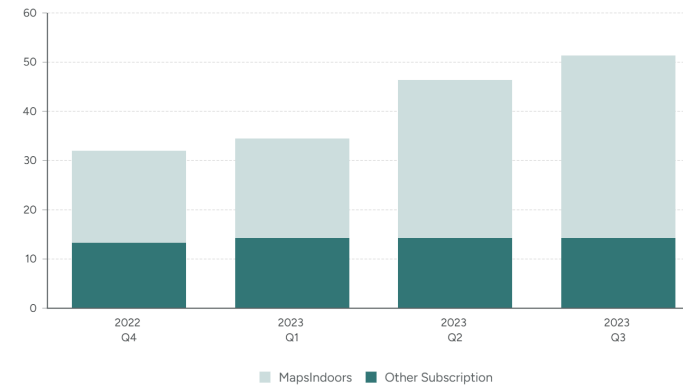
The YoY ARR growth was tDKK 22,061 in Q3, reflecting a growth of 75%, of which tDKK 7,266 is attributed to the Point Inside Acquisition in Q2 2023. The QoQ growth was tDKK 4,975 equaling 11% growth during the quarter. In Q3 MapsIndoors accounted for 99.6% of the overall ARR growth.

YoY churn was 10%.

### ARR Development

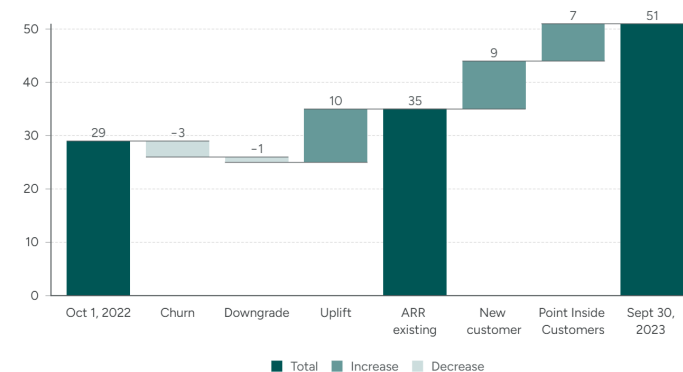
The YoY growth is delivered by net uplift from existing customers with net tDKK 8,669 negatively impacted by a churn of tDKK 2,891 corresponding to a ARR growth of 19% in existing customers. New customers have in the period increased ARR with tDKK 16,282 resulting in a YoY growth of 75% in total ARR.

### Total ARR (mDKK)\*



\* Revenue streams for Google Maps, Other Subscriptions and other license sales have from 2023 been combined in 1 revenue stream; Other Licenses

### Total ARR development (mDKK) Last 12 months



### MapsIndoors ARR

MapsIndoors achieved a YoY growth of 126% in ARR mainly within the verticals; Conventions, Education, Corporate Office and Others. The cohort demonstrates robust growth from the beginning of 2023, driven by both existing and new partners/customers.

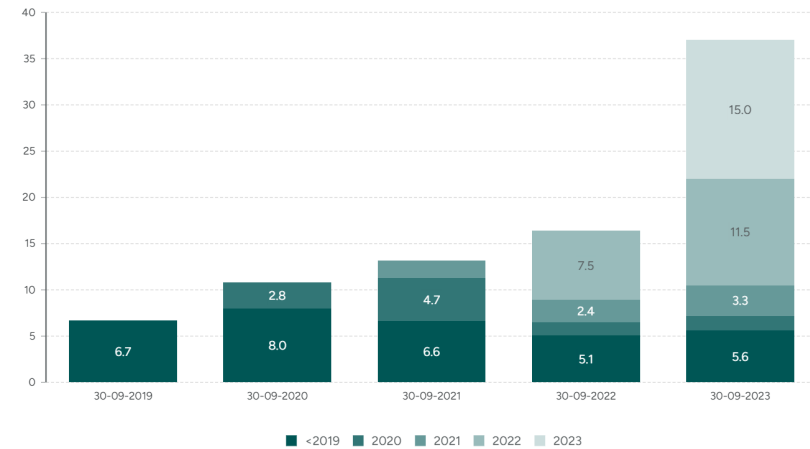
The Net Revenue Retention (NRR) ratio Q3 YOY is 129%, mainly due to growth from our partner channels and a large expansion of an Enterprise customer during Q.

### Customer Acquisition Costs (CAC)

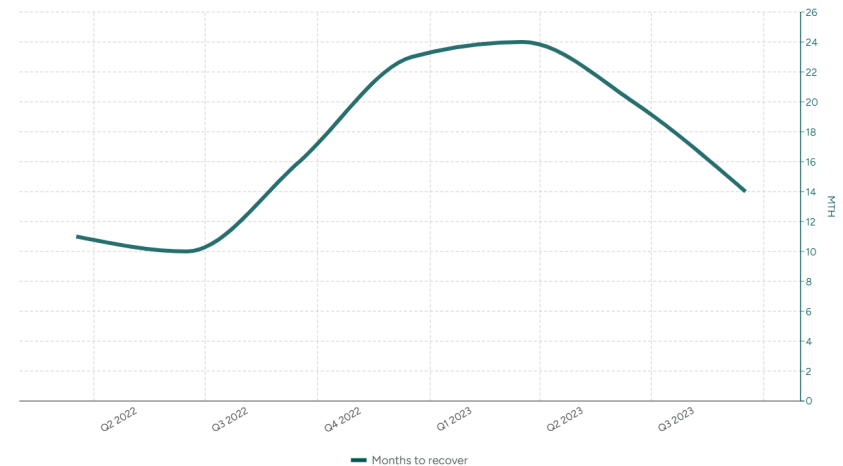
In 2022, MapsPeople made strategic investments by adding commercial resources to the sales team and increasing marketing efforts to capitalize on market opportunities in the US and Asia. However, due to changed market conditions towards the end of 2022 and the beginning of 2023, MapsPeople has shifted its focus towards achieving a more cost-efficient structure.

Historically, MapsPeople has followed a development pattern with initially substantial investments, both in terms of resources and marketing spend, to establish and expand the presence in new markets. Afterward, MapsPeople shifts its focus towards leveraging the benefits of these investments. The cost recovery period for acquiring a new MapsIndoors customer was improved from 25 months in Q1 to 14 months during Q3, driven by growth in ARR combined with improved capital efficiency in our sales and marketing functions. It was our ambition to be below 18 months by the end of 2023, and we have reached a satisfactory level one quarter ahead of time and will focus on maintaining this level going forward.

### MapsIndoors ARR (mDKK) cohorts



### MapsIndoors months to recover CAC



## Financial Review

### Recognized revenue

MapsPeople has 2 revenue streams; MapsIndoors and Other Licenses. Other Licenses is a combination of previously separate revenue streams; Google Maps and Other Subscriptions. As of Q2 2023, Point Inside assets are acquired and the revenue from these new customers are added to MapsIndoors and shown separately in note 1. As the acquired customers from Point Inside get renewed and invoiced by MapsPeople this will increase our recognised revenue growth in the coming 9 months.

Total recognized revenue for Q3 YTD 2023 was tDKK 30,172 compared to tDKK 21,580 in the same period last year which is an increase of 40%.

Recognized revenue for Q3 YTD 2023 from the primary business line, MapsIndoors, increased by 48% compared to the same period in 2022, which is in line with our plans and our growth focus.

Recognized revenue for Other Licenses was tDKK 11,391 in Q3 YTD 2023 compared to tDKK 8,780 in the same period last year, representing a growth of 30%.

### Other external expenses

Other external expenses for Q3 YTD 2023 were tDKK 18,177 compared to tDKK 15,629 in the same period last year. Other external expenses decreased to tDKK 5,403 in Q3 compared to tDKK 6,088 in Q2, which is attributed to our focus on capital efficiency and general cost reduction carried out in April 2023.

### Staff costs

Staff costs increased by 44% from tDKK 43,598 for Q3 YTD 2022 to tDKK 62,963 for Q3 YTD 2023. The YoY increase in the period is related to new hirings globally during 2022, especially within Sales & Marketing (US and APAC). The staff costs in Q3-2023 is tDKK 2,050 lower than the previous quarter, Q2-2023, which is mainly attributed to the vacation and cost reduction carried out in April, that will have a full year effect in Q4.

### EBITDA

EBITDA Q3 YTD 2023 amounted to negative tDKK 45,236 compared to negative tDKK 39,873 for Q3 YTD 2022, which is as planned.

MapsPeople maintains an ambitious long term growth plan to be a global market leader within indoor mapping and navigation. It is expected that investments supporting the plan will generate negative EBITDA in the short term, but will strengthen the company's financial position long term.

### EBIT

For Q3 YTD 2023, EBIT was negative tDKK 52,555 compared to negative tDKK 44,676 for Q3 YTD 2022.



### **Knowledge Resources, Research, and Development**

Investment in the development of the MapsIndoors platform continues to be a strategic focus in order to secure and strengthen the current market advantage.

### **Statement of financial position**

MapsPeople's total assets at September 30, 2023, were tDKK 105,285 compared to 122,054 at June 30, 2023. The principal component of this decrease is cash balance in Q3 decreasing with tDKK 19,773.

### **Treasury shares**

Mapspeople holds 3.000 treasury shares, representing a value of tDKK 8 when closing Q3 2023. The shares were issued in 2021 as part of a retention share bonus program and are expected to be sold in 2023.

### **Cash flow from operating activities**

Net cash flow provided by operating activities resulted in an outflow of tDKK 28,919 for Q3 YTD 2023 compared to an outflow of tDKK 33,447 for Q2 YTD 2022. Net cash flow from operating activities is mainly related to the negative EBIT. In Q3 YTD 2023 MapsPeople put additional efforts into optimizing our working capital including new processes for optimized collections that had a positive impact on our cash position. We are in Q4 2023 increasing our focus further on cash flow from our working capital.

We are expecting payments related to the tax credit scheme in Q4 2023. We also work on further optimizations of our working capital including collections

from accounts receivables, and Q4 is traditionally our largest invoicing quarter of the year.

### **Cash flow from investing activities**

Cash used by investing activities was tDKK 30,205 for Q3 YTD 2023 compared to tDKK 5,852 for the same period in 2022. The Point Inside acquisition in Q2 2023 added an outflow of tDKK 22,236 to the investing activities. Furthermore, the development of new products and new features made up a larger share compared to Q3 YTD 2022. Seven projects are under development compared to one project when closing Q3 2022.

### **Cash flow from financing activities**

Cash flow from financing activities resulted in an inflow of tDKK 53,746 in Q3 2023 YTD (Q3 2022 YTD: outflow of tDKK 4,223) positively impacted by the completion of a capital raise in Q2 2023 resulting in total gross proceeds of tDKK 28,262 as informed in Company Announcement no 20-2023. The net cash impact after financing costs from the capital increase was tDKK 23,400. Additionally a loan facility agreement of tDKK 10.000 has been established with EIFO of which tDKK 5,000 was drawn in Q2.

The last tDKK 5,000 has not yet been drawn.

### **Cash risk - funding**

If we do not succeed with entering into new terms with EIFO on the milestones for drawing the last tDKK 5,000, we will have to seek new capital to secure the runway into 2024.

Due to the recent downscaling of the ARR expectations for 2023, the management will work to provide needed capital to finance operations in 2023-2024 towards profitability and positive cash flow.

The total capital requirement until positive cash flow is in the range of mDKK 15-20. As mentioned in company announcement 28-2023

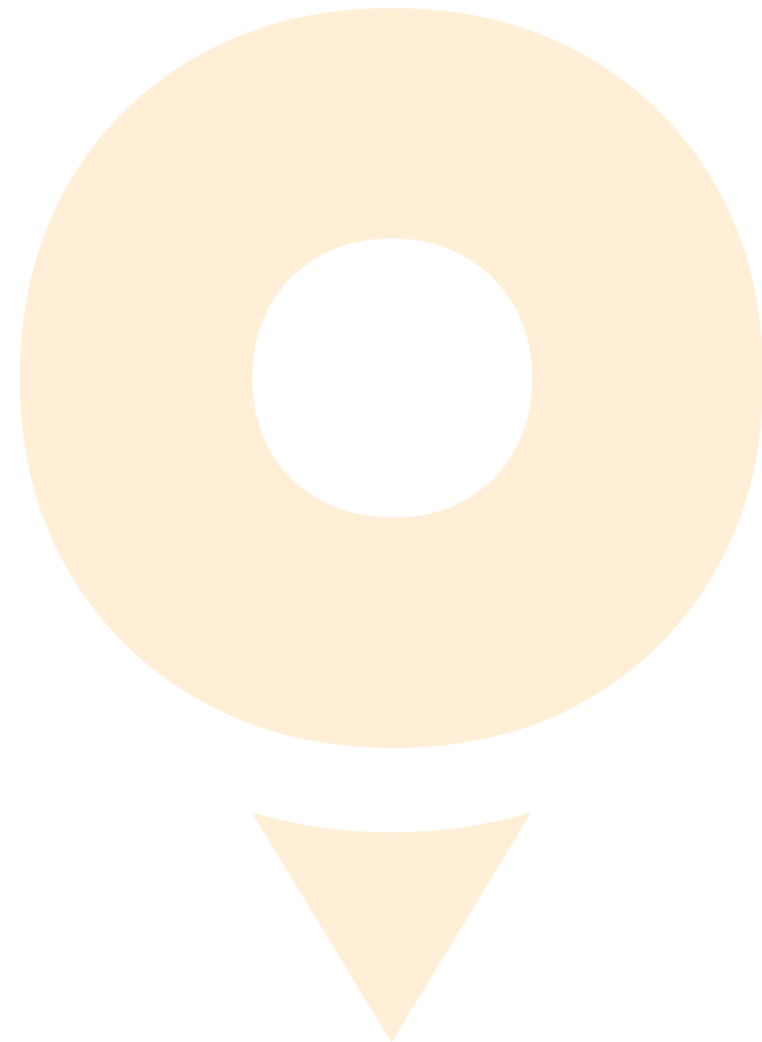
### **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

MapsPeople primarily has transactions in EUR, DKK, USD and the material income and costs are balanced in the same currency, resulting in limited currency exposure.

### **Environment**

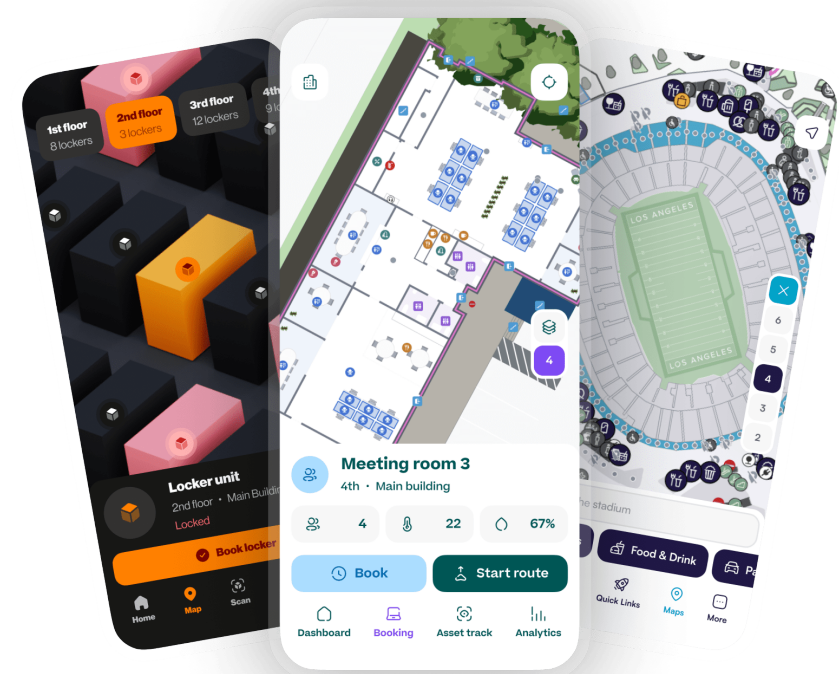
MapsPeople's offerings are focused on cost savings and resource optimization, including reduction of the environmental impact. MapsPeople's work with indoor mapping is largely driven by current trends in sustainability, the work environment, and digitization. MapsPeople plans to initiate the groundwork for ESG reporting and establish future targets in this domain starting in 2023.



## Events after the reporting period

On November 10th MapsPeople sent out a company announcement 27-2023 adjusting ARR guidance for 2023 and correction to reported ARR in Q1-23 and Q2-23. These adjustments have been included in the Q3 Financial report.

No other subsequent events have affected financial results after the reporting period.





# Governance

## Company Information

### The Company

MapsPeople A/S  
Stigsborgvej 60  
DK-9400 Nørresundby

### Business Registration

No.: 84 05 95 28

### Registered office

Nørresundby

### Date of incorporation:

20.04.1978

### Financial period:

01.07.2023 - 30.09.2023

### Board of Directors

Lars Henning Brammer, Chairman  
Jacob Bratting Pedersen  
Christian Samsø Dohn  
Rasmus Mencke  
Michael Gram

### Executive Board

Morten Brøgger, CEO

### Auditors

Deloitte  
Statsautoriseret Revisionspartnerselskab  
City Tower, Værkmestergade 2  
8000 Aarhus C

Lead Client Service Partner:  
Mads Fauerskov

### Financial calendar

Annual Report 2023  
19.03.2024



# Consolidated Financial Statements

## Consolidated statement of profit or loss and other comprehensive income

tDKK	Note	Q3 2023	Q3 2022	YTD Q3 2023	YTD Q3 2022
Revenue	1	10.693	7.082	30.172	21.580
Cost of sales		(146)	(561)	(2.042)	(2.226)
Other external expenses		(5.403)	(4.724)	(18.177)	(15.629)
Staff costs		(20.089)	(18.525)	(62.963)	(43.598)
Own Work Capitalised		2.184	0	7.774	0
<b>EBITDA</b>		<b>(12.761)</b>	<b>(16.728)</b>	<b>(45.236)</b>	<b>(39.873)</b>
Depreciation and amortization		(2.937)	(1.728)	(7.319)	(4.803)
<b>EBIT (Operating profit/(loss))</b>		<b>(15.698)</b>	<b>(18.456)</b>	<b>(52.555)</b>	<b>(44.676)</b>
Financial income		10	525	10	923
Financial expenses		(893)	(339)	(2.606)	(1.046)
<b>Profit/(loss) before tax</b>		<b>(16.581)</b>	<b>(18.270)</b>	<b>(55.151)</b>	<b>(44.799)</b>
Tax for the year		480	874	3.508	2.537
<b>Profit/(loss) for the year</b>		<b>(16.101)</b>	<b>(17.396)</b>	<b>(51.643)</b>	<b>(42.262)</b>
<b>Total comprehensive income for the year</b>		<b>(16.101)</b>	<b>(17.396)</b>	<b>(51.643)</b>	<b>(42.262)</b>
Earnings per share, basic (DKK)				(0,82)	(0,77)
Earnings per share, diluted (DKK)				(0,76)	(0,72)

## Balance sheet

<b>tDKK</b>	<b>30/09/2023</b>	<b>30/09/2022</b>
Intangible assets	47.861	20.874
Property, plant and equipment	1.490	2.044
Contract costs	7.141	6.149
Right of use assets	3.577	5.925
Deposits	1.384	1.506
<b>Total non-current assets</b>	<b>61.453</b>	<b>36.498</b>
Trade receivables	28.598	13.290
Contract costs	3.001	2.320
Income tax receivables	8.041	5.293
Receivable from affiliated companies	124	0
Other receivables	217	284
Prepayments	1.227	1.318
Cash	2.624	14.232
Total current assets	43.832	36.737
<b>Total assets</b>	<b>105.285</b>	<b>73.235</b>



## Statement of financial position

tDKK	Note	30/09/2023	30/09/2022
Share capital		1.424	1.110
Retained earnings		(6.834)	5.895
<b>Total Equity</b>	<b>2</b>	<b>(5.410)</b>	<b>7.005</b>
Debt to credit institutions		20.579	9.669
Lease liabilities		1.600	3.527
Other payables		2.958	3.112
<b>Total non-current liabilities</b>		<b>25.137</b>	<b>16.308</b>
Debt to credit institutions		4.426	3.362
Contract liabilities		47.735	28.629
Lease liabilities		1.977	2.462
Trade payables		21.165	10.499
Payables to affiliated companies		97	137
Other payables		10.158	4.833
<b>Total current liabilities</b>		<b>85.558</b>	<b>49.922</b>
<b>Total liabilities</b>		<b>110.695</b>	<b>66.230</b>
<b>Total equity and liabilities</b>		<b>105.285</b>	<b>73.235</b>

## Cash flow statement

tDKK	Q3 2023	Q3 2022	Q3 2023 YTD	Q3 2022 YTD
Operating profit/(loss)	(15.617)	(18.457)	(52.555)	(44.676)
Depreciation and amortization	2.937	1.728	7.319	4.803
Share-based payments expense	1.680	963	3.626	2.106
Change in working capital	(4.085)	6.241	12.309	2.235
Financial income received	10	525	10	923
Financial expenses paid	(893)	(339)	(2.606)	(1.046)
Income taxes refunded/(paid)	0	0	2.978	2.208
<b>Cash flow from operating activities</b>	<b>(15.968)</b>	<b>(9.339)</b>	<b>(28.919)</b>	<b>(33.447)</b>
Investments in intangible assets	(2.184)	(2.706)	(30.071)	(4.093)
Investments in property plant and equipment	(11)	(556)	(134)	(1.064)
Deposits	-	(695)	-	(695)
<b>Cash flows from investing activities</b>	<b>(2.195)</b>	<b>(3.957)</b>	<b>(30.205)</b>	<b>(5.852)</b>
Proceeds from borrowings	0	0	5.000	0
Repayment of loans	(706)	(1.156)	(2.548)	(2.787)
Payment of principal portion of lease liabilities	(535)	(596)	(1.558)	(1.448)
Expenses raising capital	(369)	12	(4.249)	12
Capital increase	-	0	57.101	0
<b>Cash flow from financing activities</b>	<b>(1.610)</b>	<b>(1.740)</b>	<b>53.746</b>	<b>(4.223)</b>
Change in cash and cash equivalents				
Cash at the beginning of the period	22.397	29.268	8.002	57.754
Net cash flow	(19.773)	(15.036)	(5.378)	(43.522)
<b>Cash at the end of the period</b>	<b>2.624</b>	<b>14.232</b>	<b>2.624</b>	<b>14.232</b>



# Notes

## 1. Revenue

tDKK	Q3 2023	Q3 2022	Q3 2023 YTD	Q3 2022 YTD
MapsIndoors	6.022	4.120	16.356	12.800
MapsIndoors (Point Inside)	1.486	0	2.425	0
<b>MapsIndoors, total</b>	<b>7.508</b>	<b>4.120</b>	<b>18.781</b>	<b>12.800</b>
<b>Other licenses</b>				
Google Maps (agent principle), gross	16.246	17.274	49.917	50.212
Netting	(14.297)	(15.160)	(43.927)	(44.068)
Google Maps (agent principle), net	1.949	2.114	5.990	6.144
Other Subscriptions	1.236	848	5.401	2.636
<b>Other licenses, total</b>	<b>3.185</b>	<b>2.962</b>	<b>11.391</b>	<b>8.780</b>
<b>Total</b>	<b>10.693</b>	<b>7.082</b>	<b>30.172</b>	<b>21.580</b>

## 2. Equity

tDKK	Share capital	Retained earnings	Total
<b>2022</b>			
<b>Balance at 1 January</b>	1.098	43.852	44.950
<b>Total Comprehensive income</b>			
Profit/loss for the year	0	(42.262)	(42.262)
<b>Total Comprehensive income</b>	<b>0</b>	<b>(42.262)</b>	<b>(42.262)</b>
<b>Transaction with owners</b>			
Shares issued	12	2.527	2.539
Share-based payments	0	1.778	1.778
<b>Total transaction with owners</b>	<b>12</b>	<b>4.305</b>	<b>4.317</b>
<b>Balance at 30 September, 2022</b>	<b>1.110</b>	<b>5.895</b>	<b>7.005</b>

## 2. Equity (continued)

tDKK	Share capital	Retained earnings	Total
<b>2023</b>			
<b>Balance at 1 January</b>	1.110	(11.353)	(10.243)
<b>Total Comprehensive income</b>			
Profit/loss for the year	0	(51.643)	(51.643)
<b>Total Comprehensive income for the year</b>	<b>0</b>	<b>(51.643)</b>	<b>(51.643)</b>
<b>Transaction with owners</b>			
Shares issued			0
Capital increase	251	38.007	38.258
Transaction cost	0	(4.249)	(4.249)
Other adjustments	0	0	0
Share-based payments	0	3.626	3.626
Point Inside acquisition	63	18.778	18.841
<b>Total transaction with owners</b>	<b>314</b>	<b>56.162</b>	<b>56.475</b>
<b>Balance at 30 September, 2023</b>	<b>1.424</b>	<b>(6.834)</b>	<b>(5.410)</b>

The Group holds 3.000 treasury shares at a nominal value of DKK 60



# Information

## Glossary

ARR	Annual Recurring Revenue	Invoiced and delivered subscription value at a given date
CAC	Customer Acquisition Cost	Cost to acquire new customers; sales & marketing cost, direct & indirect costs
Churn		Canceled subscriptions from existing customers in a period
FTE	Full-time employees	Conversion of work hours into a full-time equivalent
LTV	Life Time Value	The predicted value a customer will generate in an estimated life time
NRR	Net Revenue Retention	The development of customers year over year
QoQ	Quarter over Quarter	Quarterly comparison with previous quarter
SaaS	Software as a Service	Software license sale based on a subscription model
YoY	Year over Year	Last 12 month from the given status day
YTD	Year to date	