

Financial Report Q1 2023

MapsPeople A/S

Stigsborgvej 60

9400 Nørresundby

Business Registration No. 84 05 95 28

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SaaS Highlights End of Q1 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.



38.9M

Total ARR (DKK)

YoY growth mDKK 9.3
(31% YoY growth)

QoQ growth mDKK 5.3
(16% QoQ growth)



24.3M

MapsIndoors ARR (DKK)

YoY growth mDKK 6.5
(37% YoY growth)

QoQ growth mDKK 3,7
(18% QoQ growth)



105%

MapsIndoors NRR

YoY from existing customers
(110% in Q1 2022)



828

Total customers

YoY Growth of 83%
(376 customers since Q1 2022)

Guidance

In the company announcement no. 15-2023, MapsPeople has set a full year 2023 ARR guidance of mDKK 77-87, revenue of mDKK 38-45 and EBITDA of negative mDKK 52-62.

See p. 23 for definitions



Management Report

Business Summary

In Q1 MapsPeople made solid progress on our ARR growth objective for 2023, we grew our QoQ ARR 16% during Q1 with tDKK 5,295, and the YoY ARR with 31% or tDKK 9,309 to tDKK 38,913. Our main growth product MapsIndoors counted for 70% of the overall growth in ARR YoY. This was mainly due to more new ARR being delivered through our partner channels, accredited to our investments in Customer Success function supporting our partner growth.

MapsPeople had at the end of Q1 a contracted orderbook from our partner channels of more than mDKK 30 and a combined orderbook (partners and direct customers) of more than mDKK 32, and is continuing our focused efforts to convert this orderbook to new ARR in the coming quarters.

In addition our Sales teams have worked to optimize the structure and terms for new partner contracts to provide a faster and more predictable contract to new ARR process. These initiatives, switching our partner contracts from a traditional committed framework agreement to a prepaid platform license model resulted in some encouraging initial success during Q1.

However, during Q1 our sales team continues to see a somewhat cautious buying behavior from large customers. The prolonged decision process is due to the general global economic situation with increasing inflation and interest rates and the general uncertainty in the market as general. We are seeing the same trends for most of our partner channels as well.

Looking ahead we remain optimistic around an unchanged large growth potential, being driven through various Smart building trends that all require an underlying indoor map including employee engagement and desk booking solutions. And we have also started to see encouraging post covid trends with ARR growth returning for our MapsIndoors product within verticals like conferences and sports venues.

In the light of the above growth trends MapsPeople is working to secure a better balanced cost structure, and as announced in Company Announcement 15 from May 3, 2023, in the beginning of Q2 has taken steps to reduce our annual cost run rate with mDKK 21. We will continue to work with our structure and processes through 2023 to drive further efficiency gains and optimizations going forward.

SaaS Highlights

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

Total ARR

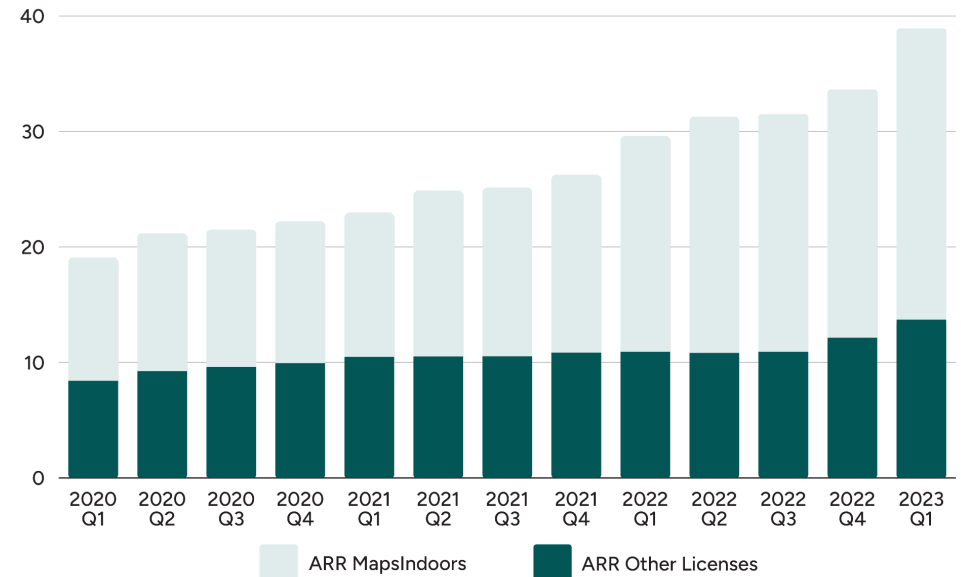
The YoY ARR growth was tDKK 9,309 in Q1, reflecting a growth of 31%. The QoQ growth was tDKK 5,295 equalling 16% growth. In Q1 MapsIndoors accounted for 70% of the overall ARR growth, while the remaining 30% came from Other Licenses.

ARR Development

The YoY growth is delivered by uplift from existing customers with tDKK 5,620 negatively impacted by a churn of tDKK 3,673 corresponding to a ARR growth of 7% in existing customers. New customers have in the period increased ARR with tDKK 7,353 resulting in a YoY growth of 31% in total ARR.

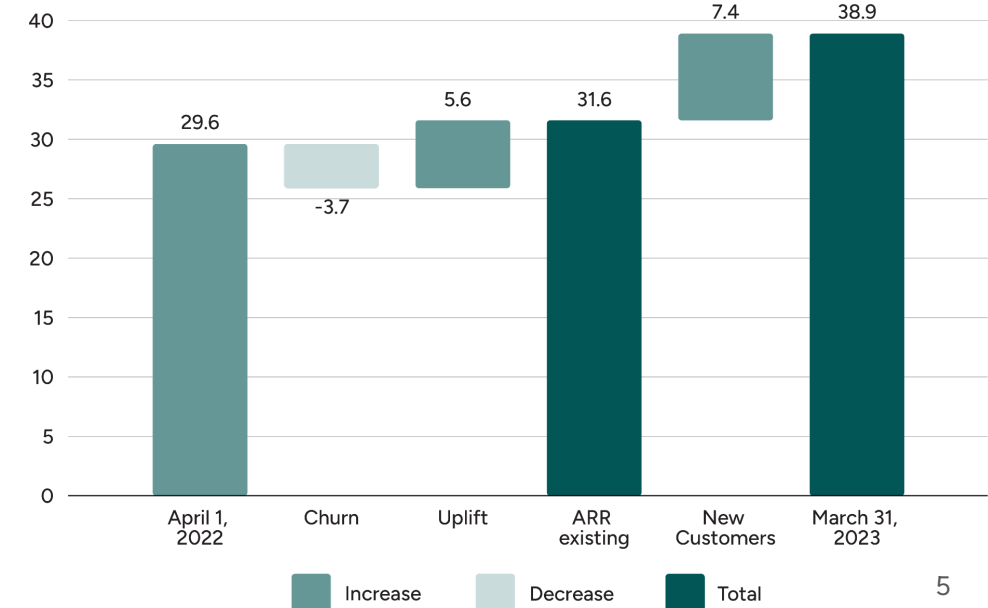
The number of new customers YoY adds up to 336, and MapsIndoors customers are primarily within the Conventions and Corporate Offices.

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 37% in ARR primarily within the verticals; Conventions, Education, Corporate Office and Others.

Churn was observed in the corporate office, education, and retail verticals, accumulating to a year-to-date total of 3%.

The cohort demonstrates robust growth from the beginning of 2023, driven by both existing and new partners and customers.

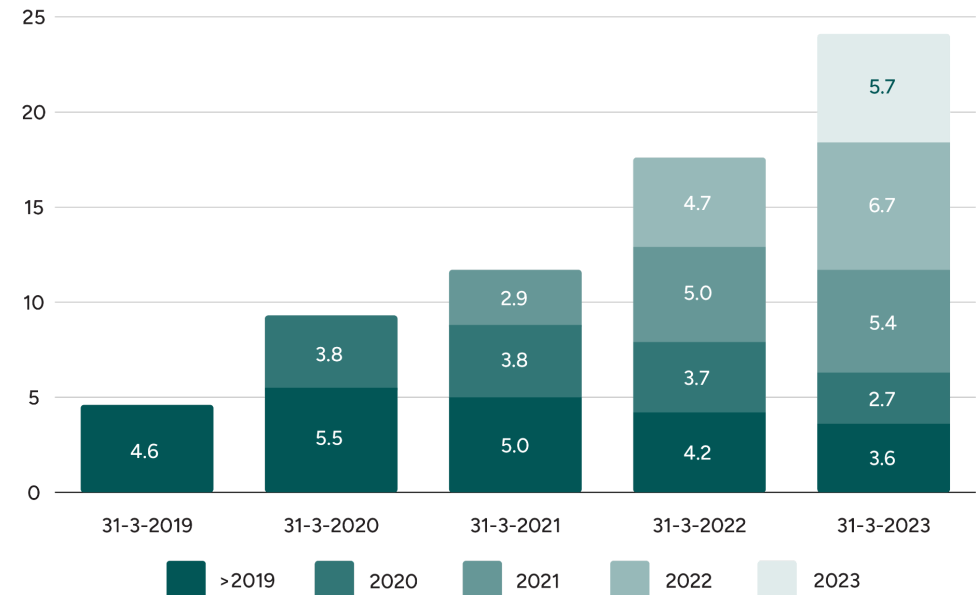
The Net Revenue Retention (NRR) ratio for the quarter is 105%, compared to 110% Q1 2022.

Life Time Value (LTV) & Customer acquisition Costs (CAC)

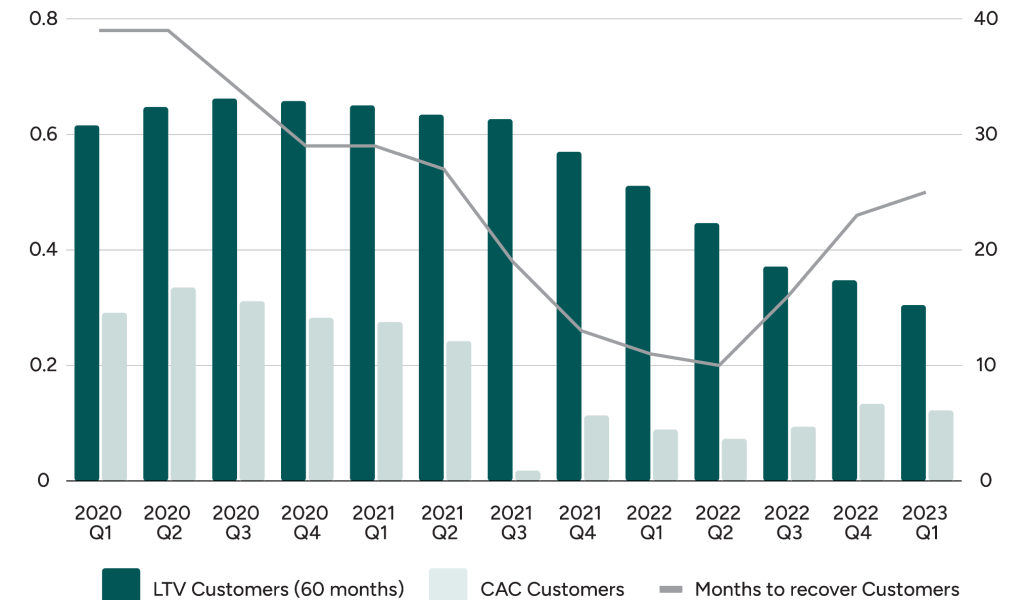
In 2022, MapsPeople made strategic investments by adding commercial resources to their team and increasing marketing efforts to capitalize on market opportunities, particularly in the US and Asia. However, due to changed market conditions towards the end of 2022 and the beginning of 2023, MapsPeople 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 is currently at 25 months. With the current initiatives we expect to be below 18 months to recover by the end 2023.

MapsIndoors ARR (mDKK) cohorts



MapsIndoors LTV & CAC (mDKK) and 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.

Total recognized revenue for Q1 2023 was tDKK 8.759 compared to tDKK 6.807 in the same period last year which is an increase of 29%. Recognized revenue for Q1 2023 from the primary business line, MapsIndoors, increased by 17% compared to the same period in 2022, but was lower than expected. This is due to a less than planned order intake from Direct customers (1-4 months from order to revenue), compensated with a higher than planned order intake from New Partner Framework Agreements (12-24 months from order to revenue).

Recognized revenue for Other Licenses was tDKK 4.059 in Q1 2023 compared to tDKK 2.780 in the same period last year, representing a growth of 46%.

Other external expenses

Other external expenses were tDKK 6.637 compared to tDKK 5.853 in the same period last year. The type of cost is unchanged from Q1 2022. In Q1 2023, marketing spend as well as rental agreements for new offices in Austin and Singapore contributed to the increase in other external expenses.

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.

The cost of the development is capitalized if the development is characterized as a new product or if it is a new feature expected to avoid or reduce churn. MapsPeople A/S holds the IP rights for all developed software. The cost of development not capitalized is presented in the staff cost.

Staff costs

Staff costs increased by 86% from tDKK 11.141 in Q1 2022 to tDKK 20.141 in Q1 2023. The increase in the period is related to new hirings globally during 2022, especially within Sales & Marketing.

EBITDA

EBITDA Q1 2023 amounted to negative tDKK 16.650 compared to negative tDKK 10.236 in Q1 2022, which is as expected.

MapsPeople maintains an ambitious long term growth plan to become the 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 Q1 2023, EBIT was negative tDKK 18.469 compared to negative tDKK 11.775 for Q1 2022.

Statement of financial position

MapsPeople's total assets at March 31, 2023, were tDKK 76.914 (Q1 2022: tDKK 99.577). The principal component of this is a decrease in cash from tDKK 44.253 in Q1 2022 to tDKK 8.146 in 2023.

Equity

The Group incurred a net loss of tDKK 17.910 during the first quarter of 2023, resulting in a negative equity position of tDKK 17.162 as of March 31, 2023.

The Group's financial statements have been prepared on a going concern basis and the Management believes that the Group's equity will recover in the coming years.

Treasury shares

Mapspeople holds 3.000 treasury shares, representing a value of tDKK 14 when closing Q1 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 3.548 in Q1 2023 compared to an outflow of tDKK 10.792 in Q1 2022. Net cash flow from operating activities is mainly related to the negative EBIT.

Cash flow from investing activities

Cash used by investing activities was tDKK 3.213 in Q1 2023 compared to tDKK 962 in 2021. In Q1 2023, the development of new products and new

features made up a larger share compared to Q1 2022. Seven projects are under development compared to one project when closing Q1 2022.

Cash flow from financing activities

Net cash flow from financing activities resulted in an inflow of tDKK 7.191 in Q1 2023 (Q1 2022: outflow of tDKK 1.747) positively impacted by the completion of a private placement of new shares directed to the current shareholders EIFO and BankInvest resulting in gross proceeds of approx. tDKK 10.000 as mentioned in company announcement no. 3-2023. Additionally a loan facility agreement of tDKK 10.000 has been established with EIFO and the last tDKK 5,000 is expected to be drawn in Q3 of 2023, tDKK 5,000 was drawn in Q2.

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

Commercial update

On April 19, 2023, in company announcement no. 14-2023, MapsPeople announced the completion of the acquisition of activities and assets from Point Inside Inc.

With the acquisition of the Point Inside business, MapsPeople gains a roster of high-profile global brands. The indoor mapping assets from Point Inside include indoor maps of more than 1,800 shopping malls in the US and more than 200 airports globally, which will help accelerate the growth opportunities for MapsPeople's partners that provide solutions to these strategic verticals. Furthermore, MapsPeople adds new products to the MapsIndoors current portfolio by providing accurate Point of Interests (POI) data for location-based services and last mile delivery services.

Additionally, the transaction strengthens MapsPeople's presence in the retail sector that increasingly depends on new technology to attract and engage consumers by enhancing their shopping experience. Through the acquisition MapsPeople gains more than 170 large retail stores for MapsIndoors, mainly in the UK. All customer services will continue without change to their current agreement or services level.

The transaction is expected to have a contribution to MapsPeople's ARR of mDKK 8, a contribution on revenues in 2023 of mDKK 4-5 (Annualized impact of mDKK 8), as well as a positive impact on 2023 EBITDA of mDKK 2-3 (Annualized mDKK

4). The transaction is expected to have a positive impact on MapsPeople's cash flow from operations already in 2023.

Revised 2023 Outlook

As informed on May 3, 2023, in company announcement no. 15-2023, MapsPeople has identified a need to revise its guidance for revenue in 2023. Consequently, the revenue guidance of mDKK 52-62, as informed in Company Announcement no 7-2023, is revised to mDKK 38-45. The revised guidance for revenue is due to a change in some of the underlying key assumptions for the 2023 budget, in regards to the order intake where both Q4 2022 and Q1 2023 were less than planned from Direct customers (1-4 months from order to revenue), compensated with a higher than planned order intake from New Partner Framework Agreements (12-24 months from order to revenue), which has delayed the planned revenue uptake.

The EBITDA guidance is revised from negative mDKK 45-55 to negative mDKK 52-62, helped by implemented cost reductions initiatives eliminating annual cost run rates of mDKK 21 that will have a mDKK 9 positive impact on the EBITDA in 2023, and the acquisition of Point Inside that has a mDKK 3 positive impact on EBITDA in 2023. MapsPeople continues to guide ARR (invoiced and delivered ARR) at the end of 2023 to be mDKK 77 - 87. As mentioned in company announcement no-15-2023 the company stated that it had reached mDKK 48 in ARR per May 3rd, including the acquisition of Point Inside.

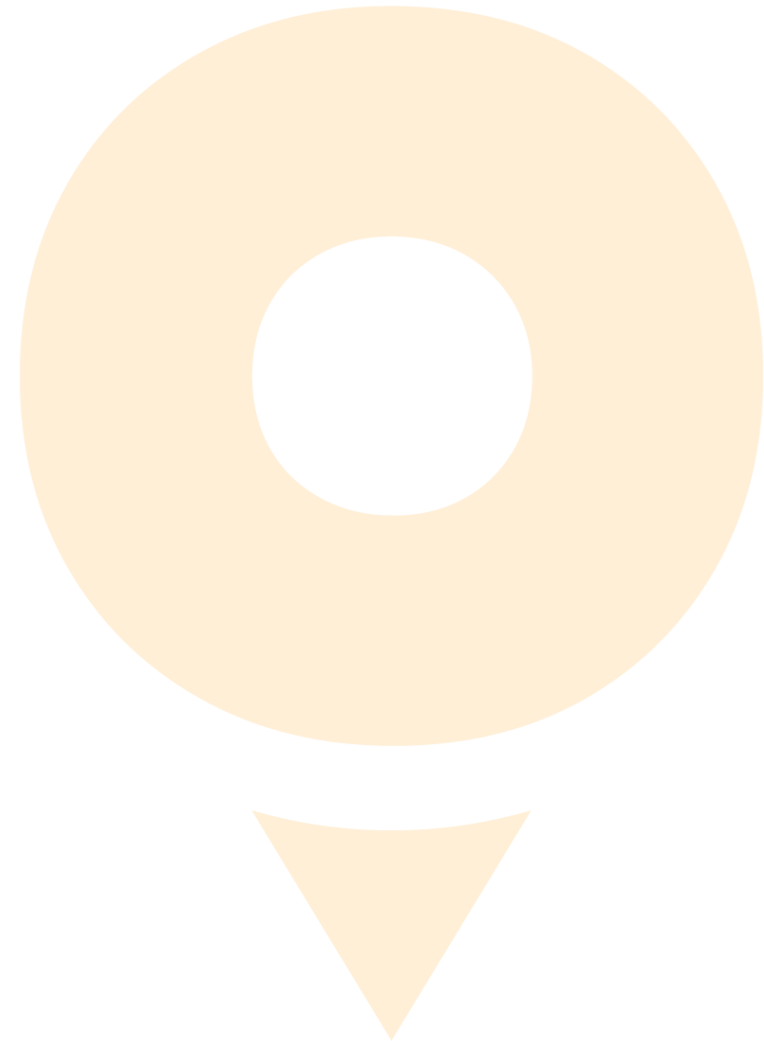
The key drivers of the plan for 2023 is a more cost efficient structure with less employees and more lean processes that can be adjusted to changes in the external market conditions. Another key component for the plan is that there will

be an immediate and focused effort through 2023 to renegotiate the current contracted order partner backlog to contracts with much higher predictability in how and when they transition into revenue.

Funding

As mentioned above, a loan facility agreement of mDKK 10 has been established with EIFO, and the last tranche of tDKK 5,000 is expected to be drawn in Q3 of 2023 (tDKK 5,000 was drawn in Q2). In Company Announcement no 8-2023 MapsPeople informed that it expected to be fully funded until cash positive from the operation towards the end of 2023. However, as an outcome of the above mentioned changes to some key budget assumptions, in particular due to the slower than expected utilization of signed and committed partner framework agreements, MapsPeople now expects to initiate a new capital raise of mDKK 20-25 as soon as possible. The capital to be raised is to finance the transformation from Framework Orderbook to high ARR growth in 2023, that subsequently is expected to deliver the high revenue growth, and fully finance operations through 2024 until profitability. The Board will with its advisors initiate the structure of the capital raise.

From the statement of financial position date and until today, no further matters, which would influence the evaluation of the Financial Report Q1 2023 has occurred.





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:

01.01.2023 - 31.03.2023

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

Quarterly Report (H1)
22.08.2023

Quarterly Report (Q3)
14.11.2023

Annual Report 2023
19.03.2024



Consolidated Financial Statements

Consolidated statement of profit or loss and other comprehensive income

tDKK	Note	Q1 2023	Q1 2022	YTD Q1 2023	YTD Q1 2022
Revenue	1	8.759	6.807	8.759	6.807
Other operating income		0	0	0	0
Cost of sales		(1.077)	(815)	(1.077)	(815)
Other external expenses		(6.637)	(5.853)	(6.637)	(5.853)
Staff costs		(20.735)	(11.141)	(20.735)	(11.141)
Own Work Capitalised		3.040	766	3.040	766
EBITDA		(16.650)	(10.236)	(16.650)	(10.236)
Depreciation and amortization		(1.819)	(1.539)	(1.819)	(1.539)
EBIT (Operating profit/(loss))		(18.469)	(11.775)	(18.469)	(11.775)
Financial income		(401)	95	(401)	95
Financial expenses		(530)	(378)	(530)	(378)
Profit/(loss) before tax		(19.400)	(12.058)	(19.400)	(12.058)
Tax for the year		1.490	915	1.490	915
Profit/(loss) for the year		(17.910)	(11.143)	(17.910)	(11.143)
Total comprehensive income for the year		(17.910)	(11.143)	(17.910)	(11.143)
Earnings per share, basic (DKK)				(0,32)	(0,34)
Earnings per share, diluted (DKK)				(0,29)	(0,32)

Balance sheet

tDKK	YTD Q1 2023	YTD Q1 2022
Intangible assets	24.748	19.568
Property, plant and equipment	1.894	1.532
Contract costs	7.191	4.948
Right of use assets	4.795	3.588
Deposits	1.384	811
Total non-current assets	40.012	30.447
Trade receivables	16.216	17.830
Contract costs	2.861	1.811
Income tax receivables	7.627	3.672
Receivable from shareholders	0	0
Receivable from affiliated companies	0	0
Other receivables	248	180
Prepayments	1.804	1.384
Cash	8.146	44.253
Total current assets	36.902	69.130
Total assets	76.914	99.577

Statement of financial position

tDKK	Note	YTD Q1 2023	YTD Q1 2022
Share capital		1.159	1.098
Retained earnings		(18.321)	33.003
Total Equity	2	(17.162)	34.101
Debt to credit institutions		16.331	11.292
Lease liabilities		2.381	2.223
Other payables		2.958	2.912
Total non-current liabilities		21.670	16.427
Debt to credit institutions		4.859	3.311
Bank Borrowings		518	0
Contract liabilities		37.885	24.664
Lease liabilities		2.325	1.479
Trade payables		19.991	12.872
Payables to affiliated companies		97	137
Other payables		6.731	6.586
Total current liabilities		72.406	49.049
Total liabilities		94.076	65.476
Total equity and liabilities		76.914	99.577

Cash flow statement

tDKK	Q1 2023	Q1 2022	Q1 2023 YTD	Q1 2022 YTD
Operating profit/(loss)	(16.650)	(11.775)	(16.650)	(11.775)
Depreciation and amortization	1.819	1.539	1.819	1.539
Share-based payments expense	995	615	995	615
Change in working capital	9.848	(3.096)	9.848	(3.096)
Financial income received	(401)	95	(401)	95
Financial expenses paid	(530)	(378)	(530)	(378)
Income taxes refunded/(paid)	1.371	2.208	1.371	2.208
Cash flow from operating activities	(3.548)	(10.792)	(3.548)	(10.792)
Investments in intangible assets	(3.101)	(766)	(3.101)	(766)
Investments in property plant and equipment	(112)	(196)	(112)	(196)
Deposits	-	-	-	-
Cash flows from investing activities	(3.213)	(962)	(3.213)	(962)
Repayment of loans	(1.194)	(1.321)	(1.194)	(1.321)
Payment of principal portion of lease liabilities	(598)	(426)	(598)	(426)
Change in borrowings on line of credit	(1.015)	0	(1.015)	0
Capital increase	9.998	0	9.998	0
Cash flow from financing activities	7.191	(1.747)	7.191	(1.747)
Change in cash and cash equivalents				
Cash at the beginning of the period	9.535	57.754	9.535	57.754
Net cash flow	430	(13.501)	430	(13.501)
Cash at the end of the period	9.965	44.253	9.965	44.253



Notes

1. Revenue

tDKK	2023 Q1	2022 Q1	2023 Q1 YTD	2022 Q1 YTD
MapsIndoors	4.700	4.027	4.700	4.027
Other licenses				
Google Maps (agent principle), gross	16.200	16.087	16.200	16.087
Netting	(14.150)	(14.148)	(14.150)	(14.148)
Google Maps (agent principle), net	2.050	1.939	2.050	1.939
Other Subscriptions	2.009	841	2.009	841
Other licenses, total	4.059	2.780	4.059	2.780
Total	8.759	6.807	8.759	6.807

2. Equity

tDKK	Share capital	Retained earnings	Total
2022			
Balance at 1 January	1.098	43.852	44.950
Total Comprehensive income			
Profit/loss for the year	0	(11.143)	(11.143)
Total Comprehensive income	0	(11.143)	(11.143)
Transaction with owners			
Share-based payments	0	294	294
Total transaction with owners	0	294	294
Balance at 31 March, 2022	1.098	33.003	34.101

2. Equity (continued)

tDKK	Share capital	Retained earnings	Total
2023			
Balance at 1 January	1.110	(11.353)	(10.243)
Total Comprehensive income			
Profit/loss for the year	0	(17.910)	(17.910)
Total Comprehensive income for the year	0	(17.910)	(17.910)
Transaction with owners			
Shares issued	49	9.948	9.997
Share-based payments	0	994	994
Total transaction with owners	49	10.942	10.991
Balance at 31 March, 2023	1.159	(18.321)	(17.162)

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



Other information

Glossary

ARR	Annual Recurring Revenue	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	