

Financial Report Q2 2023

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

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SaaS Highlights End of Q2 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.



52.9M

Total ARR (DKK)

YoY growth mDKK 21,6
(69% YoY growth)

QoQ growth mDKK 14,0
(36% QoQ growth)



38.3M

MapsIndoors ARR (DKK)

YoY growth mDKK 18,9
(97% YoY growth)

QoQ growth mDKK 14,0
(58% QoQ growth)



117%

MapsIndoors NRR

YoY from existing customers
(95% in Q2 2022)



1.026

Total end customers

YoY Growth of 96%
(524 end customers since Q2 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. 24 for definitions



Management Report

Business Summary

In Q2 MapsPeople made solid progress on our ARR growth objective for 2023, as we grew our ARR with tDKK 13,973 (36% QoQ), and YoY ARR grew with tDKK 21,627 to tDKK 52,900 (69% growth YoY). Our main growth product MapsIndoors counted for 87% of the overall growth in ARR YoY. Of the organic growth in Q2, half was additional utilization of existing partner contracts accredited to our investments in Customer Success function supporting our partner growth, and half of the organic growth is from new customers and partners that signed contracts that also got delivered and invoiced in Q2. This organic growth is showing the effects of our investments in signing up a strong partner channel. Finally tDKK 8,000 of the growth in ARR is accredited to the acquisition of Point Inside.

MapsPeople had at the end of Q2 a contracted orderbook from our partner channels of mDKK 26. We will continue our focused efforts to convert this orderbook into new ARR in the coming quarters, while also adding new partners.

In addition, our Sales teams continue 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 existing and signing new partner contracts to a prepaid platform license model, contributed with more than tDKK 3,000 in new ARR during Q2. New Bookings were overall according to plan for the quarter.

Recognised revenue YTD is tDKK 19,479 and up 34% YoY and developing according to our plans. The Point Inside acquisition will start impacting

recognised revenue in accordance with the acquired customer contracts renews and gets invoiced by MapsPeople in the coming 3 quarters.

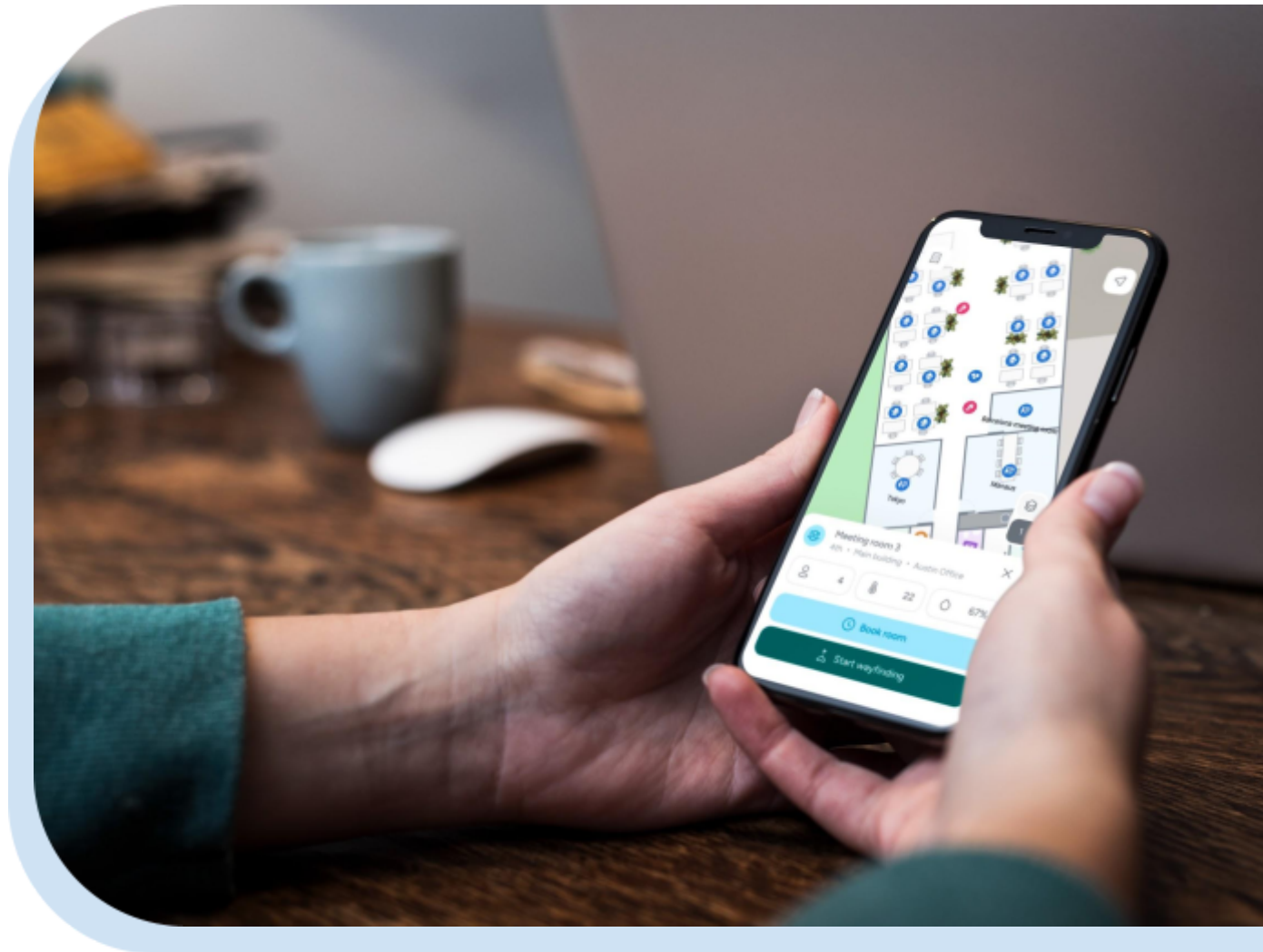
Combining the growth in revenue with the mDKK 21 reduction of the budgeted annual costs that was completed in April, which will begin to take effect from Q3 this year, and fully from Q4, we expect to see the planned improvements in EBITDA through 2023 and 2024, partially driven by the high growth rates in ARR as well as recognised revenues and partially by an improved capital efficiency.

While the general global economic situation, with increasing inflation and interest rates, and the general uncertainty in the market as general, has had a negative impact on our growth in Q1 and Q2, we are starting to see some improvements in the market with a growing sales pipeline for the remaining part of 2023. We also see that the growth pace is beginning to pick up from certain channel partners adding more projects and end customers at a higher pace.

The Corporate Offices vertical continues to have momentum, but we also see renewed momentum in the Sports Venues, Conference and Travel verticals which are rebounding nicely from the pandemic. Newer verticals within Healthcare and Public Safety are showing promising growth signs for 2023 and 2024.

In Q2 MapsPeople completed a capital increase resulting in a Net Capital Injection of mDKK 23.4 after financing costs. We still have an unused debt facility of mDKK 5 that is planned to be called in September, and combined we remain committed to improve our capital efficiency while delivering high growth rates towards cash flow breakeven.

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.



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

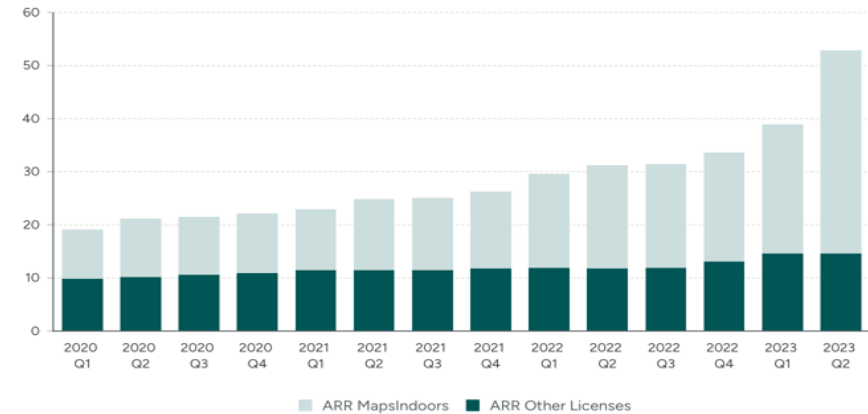
The YoY ARR growth was tDKK 21,627 in Q2, reflecting a growth of 69%, of which tDKK 8,000 is attributed to the Point Inside Acquisition. The QoQ growth was tDKK tDKK 13,973 equalling 36% growth. In Q2 MapsIndoors accounted for 99% of the overall ARR growth.

ARR Development

The YoY growth is delivered by uplift from existing customers with tDKK 8,707 negatively impacted by a churn of tDKK 3,250 corresponding to a ARR growth of 21% in existing customers. New customers have in the period increased ARR with tDKK 15,922 resulting in a YoY growth of 69% in total ARR.

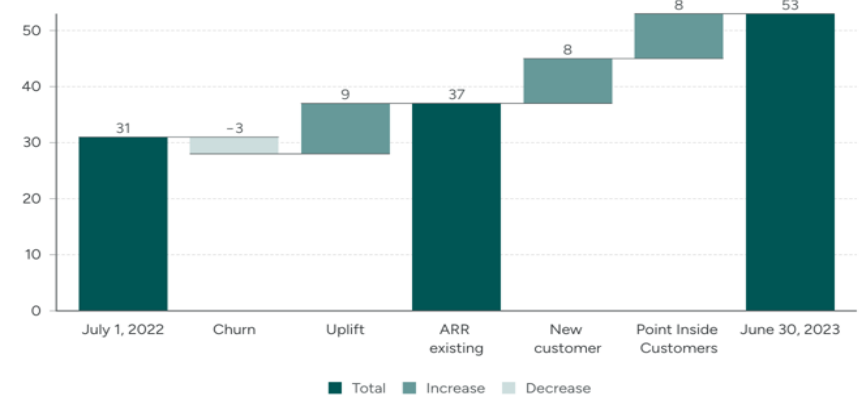
The number of new customers YoY adds up to 524 equalling 96% growth, and MapsIndoors customers are primarily within the Convention, Corporate Offices and Public Safety verticals.

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 97% in ARR mainly within the verticals; Conventions, Education, Corporate Office and Others.

MapsIndoor churn was 4% year-to-date.

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

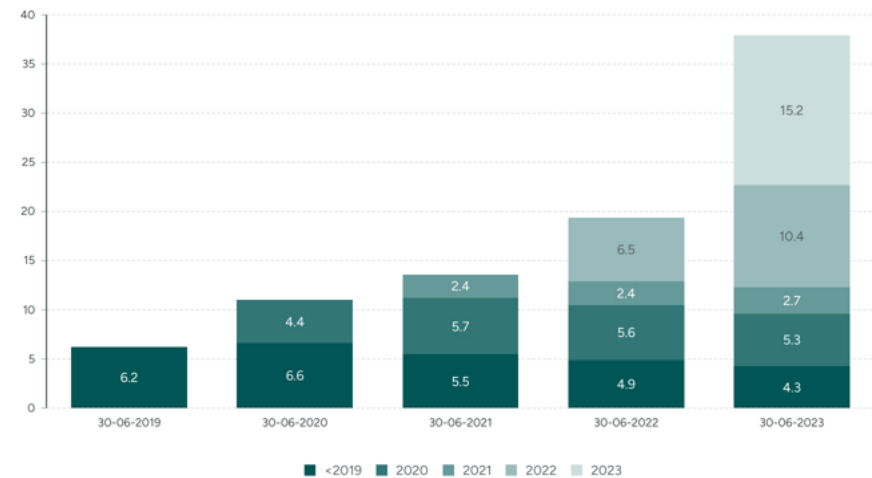
The Net Revenue Retention (NRR) ratio for the quarter is 117%, compared to 95% Q2 2022.

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

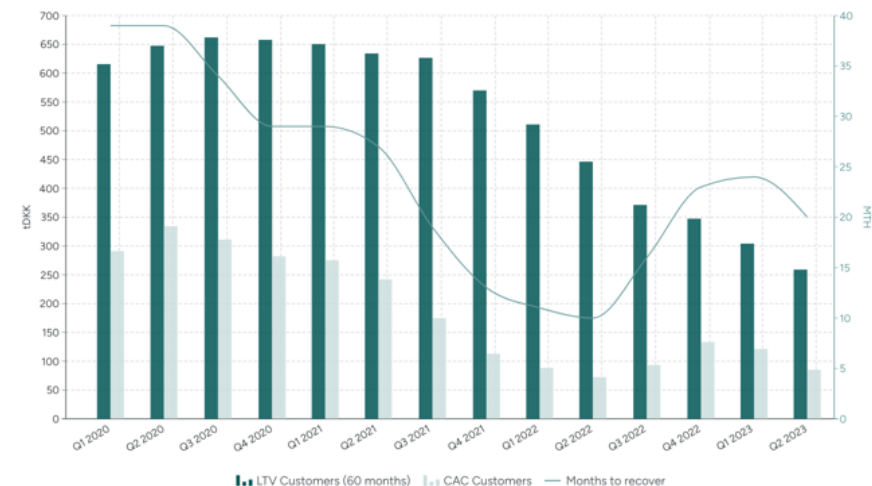
In 2022, MapsPeople made strategic investments by adding commercial resources to their team and increasing marketing efforts to capitalize on market opportunities, particularly in the US and Asia. However, due to changed market conditions towards the end of 2022 and the beginning of 2023, MapsPeople 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 was improved from 25 months in Q1 to 20 months during Q2, driven by high growth in ARR combined with improved capital efficiency in our sales and marketing functions. It remains our ambition to be below 18 months by the end of 2023.

MapsIndoors ARR (mDKK) cohorts



MapsIndoors LTV & CAC (tDKK) 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. 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 Q2 YTD 2023 was tDKK 19,479 compared to tDKK 14,499 in the same period last year which is an increase of 34%.

Recognized revenue for Q2 YTD 2023 from the primary business line, MapsIndoors, increased by 30% 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 8,206 in Q2 YTD 2023 compared to tDKK 5,818 in the same period last year, representing a growth of 41%.

Other external expenses

Other external expenses for Q2 YTD 2023 were tDKK 12,774 compared to tDKK 10,906 in the same period last year. Other external expenses decreased to tDKK 6,088 in Q2 compared to tDKK 6,637 in Q1, which is attributed to our focus on capital efficiency and general cost reduction carried out in April 2023.

Staff costs

Staff costs increased by 62% from tDKK 26,460 for Q2 YTD 2022 to tDKK 42,874 for Q2 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 Q2 is tDKK 1,396 higher than in Q1, which is mainly attributed to the annual salary increase. The cost reduction of staff cost carried out in April will have effect starting from Q3 and fully in Q4.

EBITDA

EBITDA Q2 YTD 2023 amounted to negative tDKK 32,475 compared to negative tDKK 23,145 for Q2 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 Q2 YTD 2023, EBIT was negative tDKK 36,857 compared to negative tDKK 26,220 for Q2 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 June 30, 2023, were tDKK 122,054 compared to 76,914 at March 31, 2023. The principal components of this increase of intangible assets are the result of the Point Inside acquisition in Q2 2023 adding customer contract value of tDKK 22,236 and a capital raise in Q2 2023 resulting in total gross proceeds of tDKK 28,262 as informed in Company Announcement no 20-2023.

Treasury shares

Mapspeople holds 3.000 treasury shares, representing a value of tDKK 8 when closing Q2 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 12,951 for Q2 YTD 2023 compared to an outflow of tDKK 24,110 for Q2 YTD 2022. Net cash flow from operating activities is mainly related to the negative EBIT. In Q2 MapsPeople put additional efforts into optimizing our working capital including new processes for optimized collections that had a positive impact on our cash position.

Cash flow from investing activities

Cash used by investing activities was tDKK 28,010 for Q2 YTD 2023 compared to tDKK 1,895 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 Q2 YTD 2022. Seven projects are under development compared to one project when closing Q2 2022.

Cash flow from financing activities

Cash flow from financing activities resulted in an inflow of tDKK 47,150 in Q2 2023 (Q2 2022: outflow of tDKK 736) 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 is expected to be drawn in Q3 of 2023. The capital increase from the Point Inside acquisition added tDKK 18,841 to the cash flow from financing activities. The transaction was financed by issuing new shares that were transferred to Point Inside at a valuation of DKK 6.00 per share.

Cash flow and Point Inside

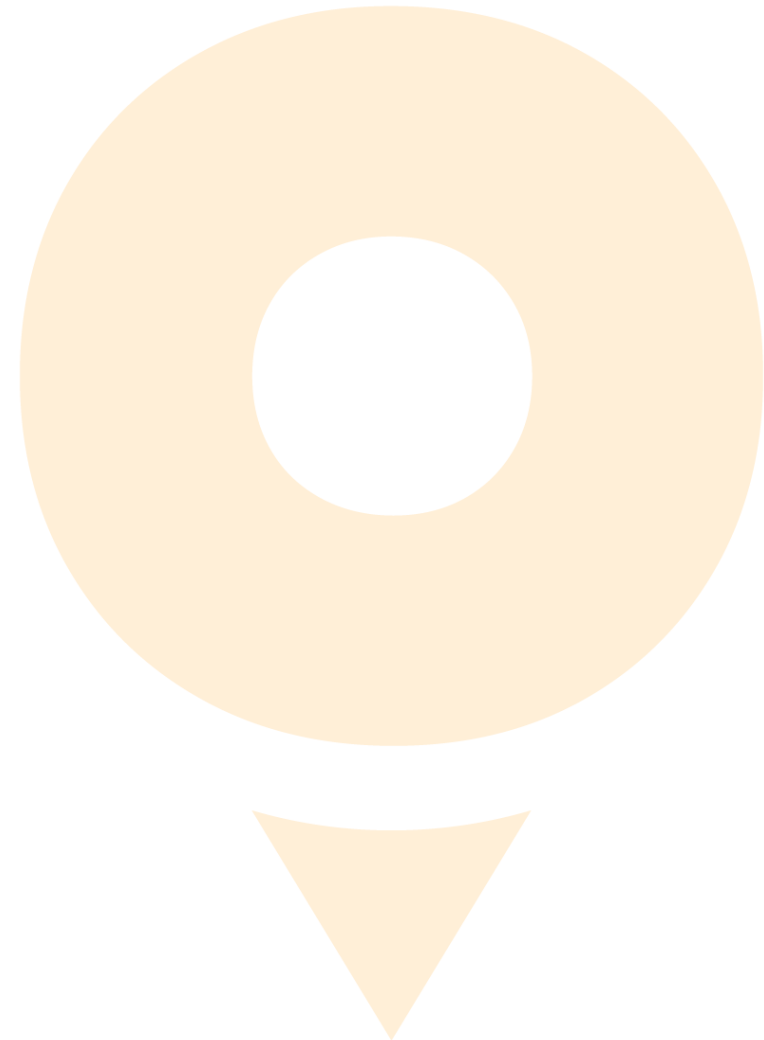
The agreement with Point Inside involved the acquisition of specific identifiable assets and has been recognized as such on the balance sheet. Consequently, the Point Inside acquisition is reflected in the cash flow statement, yet it does not affect net cash flow activities for the reporting period.

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.

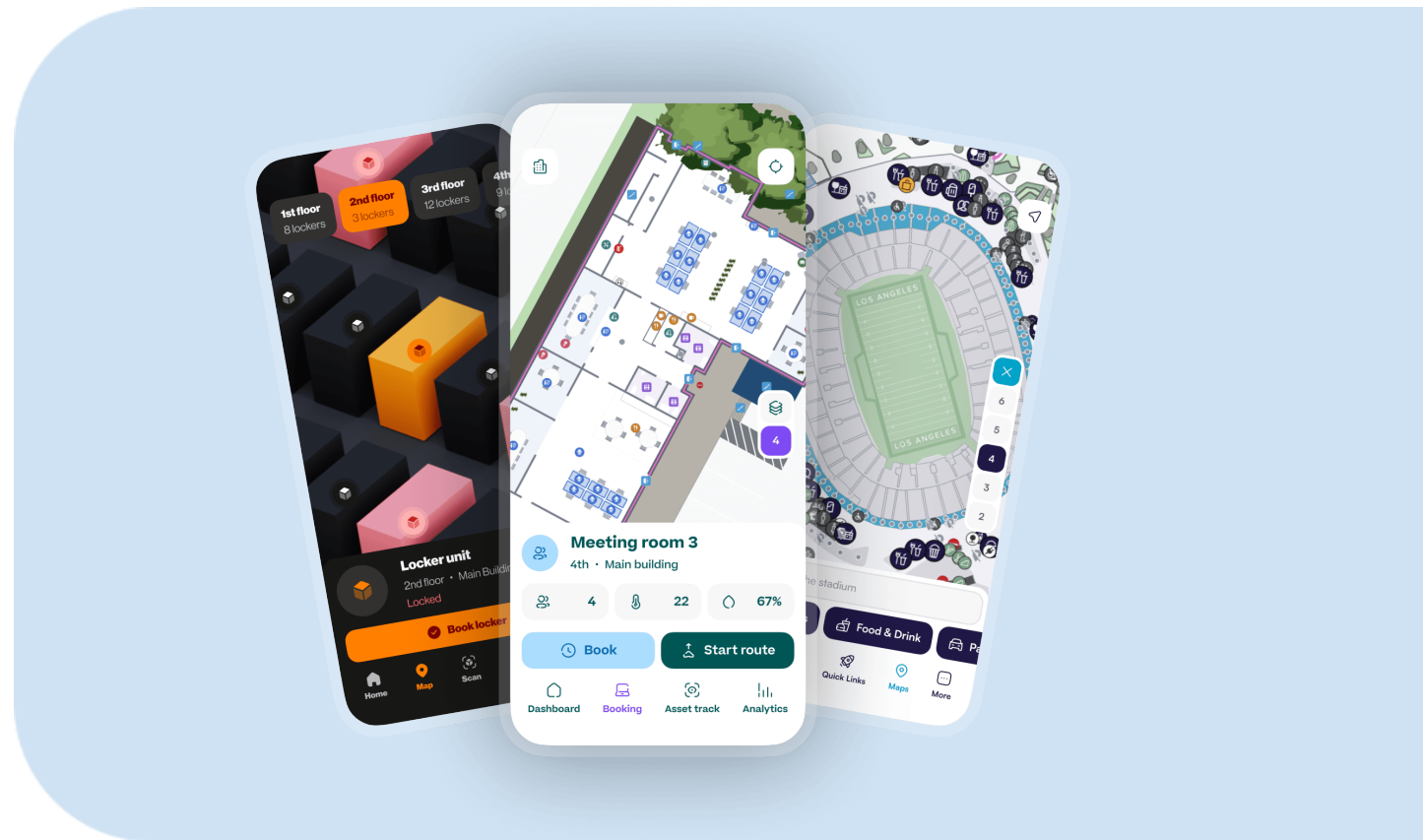
Environment

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

No subsequent events have affected financial results in 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:

01.04.2023 - 30.06.2023

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 (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	Q2 2023	Q2 2022	YTD Q2 2023	YTD Q2 2022
Revenue	1	10.720	7.692	19.479	14.499
Cost of sales		(819)	(850)	(1.896)	(1.665)
Other external expenses		(6.088)	(5.408)	(12.774)	(10.906)
Staff costs		(22.139)	(14.964)	(42.874)	(26.460)
Own Work Capitalised		2.550	621	5.590	1.387
EBITDA		(15.776)	(12.909)	(32.475)	(23.145)
Depreciation and amortization		(2.564)	(1.535)	(4.382)	(3.075)
EBIT (Operating profit/(loss))		(18.340)	(14.444)	(36.857)	(26.220)
Financial income		0	303	0	398
Financial expenses		(777)	(329)	(1.708)	(707)
Profit/(loss) before tax		(19.117)	(14.470)	(38.565)	(26.529)
Tax for the year		1.538	747	3.028	1.662
Profit/(loss) for the year		(17.579)	(13.723)	(35.537)	(24.867)
Total comprehensive income for the year		(17.579)	(13.723)	(35.537)	(24.867)
Earnings per share, basic (DKK)				(0,61)	(0,45)
Earnings per share, diluted (DKK)				(0,56)	(0,43)

Balance sheet

tDKK	30/06/2023	30/06/2022
Intangible assets	47.791	19.179
Property, plant and equipment	1.693	1.680
Contract costs	7.141	5.248
Right of use assets	4.186	3.238
Deposits	1.384	811
Total non-current assets	62.195	30.156
Trade receivables	25.203	18.531
Contract costs	3.001	1.985
Income tax receivables	7.560	4.419
Other receivables	215	263
Prepayments	1.483	1.582
Cash	22.397	29.266
Total current assets	59.859	56.046
Total assets	122.054	86.202

Statement of financial position

tDKK	Note	30/06/2023	30/06/2022
Share capital		1.424	1.098
Retained earnings		7.960	19.805
Total Equity	2	9.384	20.903
Debt to credit institutions		21.773	10.665
Lease liabilities		2.050	1.854
Other payables		2.958	4.901
Total non-current liabilities		26.781	17.420
Debt to credit institutions		3.849	3.578
Contract liabilities		42.786	35.568
Lease liabilities		2.150	1.473
Trade payables		29.483	2.649
Payables to affiliated companies		97	137
Other payables		7.524	4.474
Total current liabilities		85.889	47.879
Total liabilities		112.670	65.299
Total equity and liabilities		122.054	86.202

Cash flow statement

tDKK	Q2 2023	Q2 2022	Q2 2023 YTD	Q2 2022 YTD
Operating profit/(loss)	(18.340)	(14.445)	(36.857)	(26.220)
Depreciation and amortization	2.564	1.535	4.382	3.075
Share-based payments expense	950	528	1.945	1.143
Change in working capital	7.820	(910)	16.309	(4.007)
Financial income received	0	303	0	398
Financial expenses paid	(777)	(329)	(1.708)	(707)
Income taxes refunded/(paid)	199	0	2.978	2.208
Cash flow from operating activities	(7.584)	(13.318)	(12.951)	(24.110)
Investments in intangible assets	(24.786)	(621)	(27.887)	(1.387)
Investments in property plant and equipment	(11)	(312)	(123)	(508)
Cash flows from investing activities	(24.797)	(933)	(28.010)	(1.895)
Proceeds from borrowings	5.000	0	5.000	0
Repayment of loans	(649)	(310)	(1.843)	(1.631)
Payment of principal portion of lease liabilities	(424)	(426)	(1.022)	(852)
Expenses raising capital	(3.880)	0	(3.880)	0
Capital increase	47.103	0	57.101	0
Cash flow from financing activities	47.150	(736)	55.356	(2.483)
Change in cash and cash equivalents				
Cash at the beginning of the period	7.628	44.253	8.002	57.754
Net cash flow	14.769	(14.987)	14.395	(28.488)
Cash at the end of the period	22.397	29.266	22.397	29.266



Notes

1. Revenue

tDKK	2023 Q2	2022 Q2	2023 Q2 YTD	2022 Q2 YTD
MapsIndoors	5.634	4.653	10.334	8.681
MapsIndoors (Point Inside)	939	0	939	0
MapsIndoors, total	6.573	4.653	11.273	8.681
Other licenses				
Google Maps (agent principle), gross	16.523	16.851	32.744	32.938
Netting	(14.533)	(14.760)	(28.703)	(28.908)
Google Maps (agent principle), net	1.990	2.091	4.041	4.030
Other Subscriptions	2.156	948	4.165	1.788
Other licenses, total	4.147	3.039	8.206	5.818
Total	10.720	7.692	19.479	14.499

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	(24.867)	(24.867)
Total Comprehensive income	0	(24.867)	(24.867)
Transaction with owners			
Share-based payments	0	820	820
Total transaction with owners	0	820	820
Balance at 30 June, 2022	1.098	19.805	20.903

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	(35.537)	(35.537)
Total Comprehensive income for the year	0	(35.537)	(35.537)
Transaction with owners			
Capital increase	251	38.009	38.260
Transaction cost	0	(3.880)	(3.880)
Share-based payments	0	1.943	1.943
Point Inside acquisition	63	18.778	18.841
Total transaction with owners	314	54.850	55.164
Balance at 30 June, 2023	1.424	7.960	9.384

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



Other 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	