

AS "MAPON"

Unaudited consolidated interim Report

January – March 2024

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General Information

Name of the Company	AS "Mapon"
Legal status of the Company	Joint stock company
Number, place and date of registration	40003800531 Commercial Registry Riga, 6 February 2006
Legal address	Ojāra Vācieša street 6B, Riga, LV-1004
Name and positions of Board members	Edmunds Riekstiņš – Chairman of the Board Andris Dzudzilo – Member of the Board Ingus Rūķis – Member of the Board Aleksi Avanesov – Member of the Board Dāvis Siksnāns – Member of the Board
Names and positions of Council members	Agris Tamanis – Chairman of the Council Lauris Liberts – Deputy chairman of the Council Inga Liberte – Member of the Council
Companies in the Group	Mapon Finland OY (100%) Mapon Estonia OU (100%) Mapon Denmark ApS (100%) CarCops OU (100%) Mapon Sucursal En Espana (representative office)
Financial period	1 January - 31 March 2024

Management report

Mapon is one of the leading fleet management and asset tracking solution providers in Northern Europe and the one of the largest SaaS (Software as a Service) companies in the Baltics. The Company offers a comprehensive end-to-end telemetry solution from widely compatible tracking devices to multiple state-of-the-art management platforms that give actionable outputs and tools for business optimization.

Mapon continuously invests into new and existing product development to further improve customer value propositions and stay ahead of the competition.

Mapon's addressable European market is still highly underpenetrated and it is expected to grow from €5.9bn in 2023 to €10.3bn by 2028, anticipating a CAGR of 11.90%. Fleet management system volume is expected to grow from 14.8m units in 2022 to 26.5m by 2027. (source: Berg Insight)

Overview of the Group's status and results of operation

In the first quarter of 2024 the Group demonstrated solid financial performance with Net Turnover reaching 4.5 mln EUR, growing by 9 % year-over-year. The Recurring Revenue achieved significantly higher growth, whereas non-recurring revenue was not in line with management expectations. One of the reasons for that are certain organizational and financial difficulties of one of the partners in Finland that did not meet its budgeted targets.

EBITDA reached 0.6 mEUR in the first quarter of 2024, corresponding to an EBITDA margin of 14%.



30 000+

Clients



18 years

Experience



200+

Partners worldwide

Consolidated Statement of Comprehensive Income

	01.01.2024 - 31.03.2024 (Unaudited)	01.01.2023 - 31.03.2023 (Unaudited)
Net turnover	4,482,905	4,119,493
Cost of goods sold	-2,782,371	-2,418,665
Gross profit	1,700,534	1,700,828
Selling expenses	-829,038	-814,768
Administrative expenses	-594,383	-460,825
Other operating income	17,322	2,455
Other operating expenses	-7,109	-10,052
Interest income and similar income	4,576	-
Interest expenses and similar expenses	-20,610	-4,204
Profit before tax	271,292	413,434
Corporate income tax	-47,615	-210
Profit for the year	223,677	413,224
Exchange difference on translation of foreign operation	3,038	-3,454
Total comprehensive income for period after tax	226,715	409,770

* depreciation and amortization incl. in Cost of Goods Sold, Selling and Administrative expenses

321,375

231,593

Consolidated statement of Financial position

ASSETS	Notes	31/03/2024	31/12/2023
NON-CURRENT ASSETS			
Goodwill		1,904,195	1,982,125
Other intangible assets		998,545	1,143,438
Property, plant and equipment		1,086,416	1,075,399
Long term finance investments		2,218	
TOTAL		3,991,374	4,200,962
CURRENT ASSETS			
Inventories		931,428	802,857
Trade receivables		2,345,325	2,224,372
Other receivables		361,068	308,718
Own stocks and shares		10,000	10,000
Cash and cash equivalents		5,270,564	1,828,671
TOTAL		8,918,385	5,174,618
TOTAL ASSETS		12,909,759	9,375,580
EQUITY AND LIABILITIES			
EQUITY			
Share capital		230,924	230,924
Share premium		1,888,674	1,888,674
Retained earnings		4,630,868	4,407,291
TOTAL		6,750,466	6,526,889
NON-CURRENT LIABILITIES			
Interest bearing liabilities - Bonds (8 March 2027, 5% +3M EURIBOR)		3,000,000	-
Other interest bearing liabilities		214,618	191,924
Other liabilities		32,981	32,981
Deferred income		158,930	178,072
TOTAL		3,406,529	402,977
CURRENT LIABILITIES			
Interest bearing liabilities		76,999	133,431
Trade payables		553,627	446,892
Taxes and social security costs		863,345	787,841
Other current liabilities		80,884	37,414
Deferred income		373,921	300,964
Accrued liabilities		803,988	739,172
TOTAL		2,752,764	2,445,714
TOTAL LIABILITIES		6,159,293	2,848,691
TOTAL EQUITY AND LIABILITIES		12,909,759	9,375,580

Consolidated statement of Changes in Equity

	Issued capital	Share premium	Retained earnings	Total
BALANCE AS AT 31 DECEMBER 2022	224,674	1,044,924	3,063,294	4,332,892
Increase in share capital	6,250	843,750		850,000
Profit for the reporting period			1,344,371	1,344,371
Foreign currency exchange rate difference			-374	-374
BALANCE AS AT 31 DECEMBER 2023	230,924	1,888,674	4,407,291	6,526,889
Increase in share capital				-
Profit for the reporting period			223,678	223,678
Foreign currency exchange rate difference			-101	-101
BALANCE AS AT 31 MARCH 2024	230,924	1,888,674	4,630,868	6,750,466

Consolidated statement of Cash flows

	3m 2024 EUR	2023 EUR
<i>Cash flows to/from operating activities</i>		
Profit before tax	271,294	1,502,172
Adjustments for:		
Amortization and depreciation	321,375	1,125,592
Interest and similar income	-5,789	-10,634
Interest and similar expense	20,610	20,998
(Gain)/Loss from disposal of property and equipment	-8,227	-27,136
<i>Cash flow from operating activities before working capital change</i>	<i>599,263</i>	<i>2,610,992</i>
(Increase)/ decrease in inventories	-128,569	230,624
(Increase)/ decrease in trade and other receivables	-100,343	-816,650
(Decrease)/ increase in advances received and trade payables	351,588	392,432
Cash flows used in/from operations	721,939	2,417,398
Corporate income tax paid	-3,798	-47,970
Net cash flows used in operating activities	718,141	2,369,428
<i>Cash flows to/from investing activities</i>		
Acquisition of fixed assets and intangibles	-164,368	-2,231,401
Proceeds from sales of fixed assets and intangibles	8,227	53,249
Interest received	5,789	10,634
Cash acquired by acquisition of subsidiary	-	226,155
Net cash flows to/from investing activities	-150,352	-1,941,363
<i>Cash flows to/from financing activities</i>		
Share capital and share premium increase	-	850,000
Bonds issue	2,931,900	-
Finance lease payments	-53,278	-117,025
Interest paid	-4,518	-20,998
Net cash flows to/from financing activities	2,874,104	711,977
Net cash flow of the reporting period	3,441,893	1,140,042
Cash and cash equivalents at the beginning of the reporting period	1,828,671	688,629
CASH AT THE END OF THE PERIOD	5,270,564	1,828,671

Financial indicators

There are restrictions in the prospectus for the senior secured bonds issued (ISIN LV0000860161).

Mapon Group (the group of the legal entities comprising of the Mapon and its direct or indirect Subsidiaries) undertakes to comply with the following financial covenants:

- A.** Interest coverage ratio - The ratio of (i) Consolidated EBITDA to Consolidated Net Finance Charges for the Relevant Period; or (ii) if the Group has performed an Acquisition in the Relevant period, the Pro-Forma EBITDA divided by Pro-Forma Net Finance Charges over the Relevant Period.
- B.** Equity ratio - Ratio of Total Equity to Total Assets, calculated according to the most recent Financial Report.
- C.** Net debt leverage ratio - Net Debt, according to the most recent Financial Report, divided by (i) Consolidated EBITDA; or (ii) if the Group has performed an Acquisition over the Relevant Period, the Pro-Forma EBITDA over the Relevant Period.

	Result as at 31/03/2024
Interest coverage ratio	70
Equity ratio	52%
Net debt leverage ratio	neg.

