

AS "MAPON"

Unaudited consolidated interim Report

January – September 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%) Mapon Lithuania UAB (100%) (from 06.2024) Mapon Sucursal En Espana (representative office)
Financial period	1 January - 30 September 2024

Management report

Mapon is one of the leading fleet management and asset-tracking solution providers in Northern Europe and 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 provide 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.

Overview of the Group's status and results of operation

In the third quarter of 2024, the Group's net turnover growth accelerated compared to the first half of the year, achieving €14.4 million for the first nine months. This represents a solid 12.6% year-over-year increase, reflecting the Group's strong financial performance. Recurring revenue demonstrated an even higher growth rate during this period.

In the first nine months of 2024, the Group's Gross Profit Margin reached 60%, demonstrating strong operational efficiency.

In Q3, a portion of the Cost of Goods Sold associated with Research and Development activities was reclassified in the Consolidated Statement of Comprehensive Income to more accurately represent the nature of these expenses. Additionally, costs associated with the Internal Software department were capitalized, as the expected benefits from these investments are anticipated to be utilized over the next several years.

The Group achieved an EBITDA of €1.9 million in the first nine months of 2024, resulting in a healthy EBITDA margin of 13.2%.



30 000+

Clients



18 years

Experience



200+

Partners worldwide

Consolidated Statement of Comprehensive Income

	01.01.2024 - 30.09.2024 (Unaudited)	01.01.2023 - 30.09.2023 (Unaudited)
Net turnover	14,362,367	12,761,397
Cost of goods sold	-5,787,098	-7,344,506
Gross profit	8,575,269	5,416,891
Selling expenses	-2,955,329	-2,436,404
Administrative expenses	-2,245,905	-1,690,095
R&D expenses	-2,236,999	-**
Other operating income	34,801	49,401
Other operating expenses	-263,798	-54,515
Interest income and similar income	48,530	297
Interest expenses and similar expenses	-166,754	-15,604
Profit before tax	789,815	1,269,971
Corporate income tax	-187,192	-2,776
Profit for the period	602,623	1,267,195
Exchange difference in the translation of foreign operation	-12,730	1,663
Total comprehensive income for period after tax	589,893	1,268,858

** R&D expenses for 2023 will be reclassified during the preparation of the 2024 Annual Report

Depreciation and amortization included in Cost of Goods Sold, Selling, and Administrative expenses

983,598	800,087
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Consolidated Statement of Financial Position

ASSETS	30/09/2024	31/12/2023
NON-CURRENT ASSETS		
Goodwill	2,409,608	1,982,125
Other intangible assets	1,193,488	1,143,438
Property, plant and equipment	1,139,923	1,075,399
Long-term finance investments	-	-
TOTAL	4,743,019	4,200,962
CURRENT ASSETS		
Inventories	958,860	802,857
Trade receivables	2,506,838	2,224,372
Other receivables	400,902	308,718
Own stocks and shares	10,000	10,000
Cash and cash equivalents	5,923,902	1,828,671
TOTAL	9,800,502	5,174,618
TOTAL ASSETS	14,543,521	9,375,580
EQUITY AND LIABILITIES		
EQUITY		
Share capital	230,924	230,924
Share premium	1,888,674	1,888,674
Retained earnings	5,014,580	4,407,291
TOTAL	7,134,178	6,526,889
NON-CURRENT LIABILITIES		
Interest-bearing liabilities - Bonds (8 March 2027, 5% +3M EURIBOR)	3,000,000	-
Other interest-bearing liabilities	186,298	191,924
Other liabilities	32,981	32,981
Deferred income	799,170	178,072
TOTAL	4,018,449	402,977
CURRENT LIABILITIES		
Interest bearing liabilities	22,877	133,431
Trade payables	659,113	446,892
Taxes and social security costs	898,794	787,841
Other current liabilities	111,766	37,414
Deferred income	579,376	300,964
Accrued liabilities	1,118,968	739,172
TOTAL	3,390,894	2,445,714
TOTAL LIABILITIES	7,409,343	2,848,691
TOTAL EQUITY AND LIABILITIES	14,543,521	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			602,622	602,622
Foreign currency exchange rate difference			-539	-539
BALANCE AS AT 30 SEPTEMBER 2024	230,924	1,888,674	5,009,374	7,128,972

Consolidated Statement of Cash Flows

	9m 2024 EUR	2023 EUR
<i>Cash flows to/from operating activities</i>		
Profit before tax	789,814	1,502,172
Adjustments for:		
Amortization and depreciation	983,598	1,125,592
Interest and similar income	-49,743	-10,634
Interest and similar expense	166,755	20,998
(Gain)/Loss from disposal of property and equipment	-11,878	-27,136
<i>Cash flow from operating activities before working capital change</i>	<i>1,878,546</i>	<i>2,610,992</i>
(Increase)/ decrease in inventories	-102,849	230,624
(Increase)/ decrease in trade and other receivables	-293,950	-816,650
(Decrease)/ increase in advances received and trade payables	1,201,683	392,432
<i>Cash flows used in/from operations</i>	<i>2,683,430</i>	<i>2,417,398</i>
Corporate income tax paid	-7,495	-47,970
Net cash flows used in operating activities	2,675,935	2,369,428
<i>Cash flows to/from investing activities</i>		
Share acquisition of related, associated or other companies	-335,554	-
Acquisition of fixed assets and intangibles	-960,714	-2,231,401
Proceeds from sales of fixed assets and intangibles	9,392	53,249
Interest received	49,743	10,634
Cash acquired by acquisition of subsidiary		226,155
Net cash flows to/from investing activities	-1,237,133	-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	-263,272	-117,025
Interest paid	-12,200	-20,998
Net cash flows to/from financing activities	2,656,428	711,977
Net cash flow of the reporting year	4,095,230	1,140,042
Cash and cash equivalents at the beginning of the reporting year	1,828,671	688,629
CASH AT THE END OF THE PERIOD	5,923,901	1,828,671

Financial indicators

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

Mapon Group (the group of legal entities comprising 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 of 30/09/2024
Interest coverage ratio	14
Equity ratio	49%
Net debt leverage ratio	neg.

