

AS "MAPON"

# Unaudited consolidated interim Report

January – June 2024

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# General Information

<b>Name of the Company</b>	AS "Mapon"
<b>Legal status of the Company</b>	Joint stock company
<b>Number, place and date of registration</b>	40003800531 Commercial Registry Riga, 6 February 2006
<b>Legal address</b>	Ojāra Vācieša street 6B, Riga, LV-1004
<b>Name and positions of Board members</b>	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
<b>Names and positions of Council members</b>	Agris Tamanis – Chairman of the Council Lauris Liberts – Deputy chairman of the Council Inga Liberte – Member of the Council
<b>Companies in the Group</b>	Mapon Finland OY (100%) Mapon Estonia OU (100%) Mapon Denmark ApS (100%) CarCops OU (100%) Mapon Sucursal En Espana (representative office)
<b>Financial period</b>	1 January - 30 June 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 second quarter of 2024, the Group's Net Turnover growth accelerated compared to the first quarter, reaching €9.5 million for the first half of the year. This reflects a solid 11.4% year-over-year increase, highlighting the Group's strong financial performance. Recurring Revenue showed an even more robust growth rate during this period.

In Q2 2024, the Group successfully completed the acquisition of Trackon Fleet Management UAB, a fleet management solutions company. Following the acquisition, the company was rebranded as Mapon Lithuania UAB in August 2024.

In June 2024, the Group prudently established a bad debt allowance of approximately €198,000, covering 100% of the outstanding debt owed by a Finnish partner who filed for bankruptcy in July 2024. The Group remains well-positioned for continued growth and stability.

Post the bad debt allowance, the Group achieved an EBITDA of €1.2 million in the first half of 2024, resulting in an EBITDA margin of 13%



**30 000+**

Clients



**18 years**

Experience



**200+**

Partners worldwide

# Consolidated Statement of Comprehensive Income

	01.01.2024 - 30.06.2024 (Unaudited)	01.01.2023 - 30.06.2023 (Unaudited)
Net turnover	9,484,324	8,513,504
Cost of goods sold	-5,747,760	-4,924,659
<b>Gross profit</b>	<b>3,736,564</b>	<b>3,588,845</b>
Selling expenses	-1,782,322	-1,661,688
Administrative expenses	-1,179,953	-1,013,102
Other operating income	24,593	17,422
Other operating expenses	-220,762	-34,196
Interest income and similar income	25,634	-
Interest expenses and similar expenses	-92,995	-10,409
<b>Profit before tax</b>	<b>510,759</b>	<b>886,872</b>
Corporate income tax	-130,979	-1,290
<b>Profit for the period</b>	<b>379,780</b>	<b>885,582</b>
Exchange difference on translation of foreign operation	1,968	-1,560
<b>Total comprehensive income for period after tax</b>	<b>381,748</b>	<b>884,022</b>

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

657,924 506,581

# Consolidated statement of Financial position

ASSETS	30/06/2024	31/12/2023
NON-CURRENT ASSETS		
Goodwill	2,491,881	1,982,125
Other intangible assets	987,140	1,143,438
Property, plant and equipment	1,143,708	1,075,399
Long term finance investments	-	-
<b>TOTAL</b>	<b>4,622,729</b>	<b>4,200,962</b>
CURRENT ASSETS		
Inventories	916,121	802,857
Trade receivables	3,486,833	2,224,372
Other receivables	299,006	308,718
Own stocks and shares	10,000	10,000
Cash and cash equivalents	5,351,182	1,828,671
<b>TOTAL</b>	<b>10,063,142</b>	<b>5,174,618</b>
<b>TOTAL ASSETS</b>	<b>14,685,871</b>	<b>9,375,580</b>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	230,924	230,924
Share premium	1,888,674	1,888,674
Retained earnings	4,786,701	4,407,291
<b>TOTAL</b>	<b>6,906,299</b>	<b>6,526,889</b>
NON-CURRENT LIABILITIES		
Interest bearing liabilities - Bonds (8 March 2027, 5% +3M EURIBOR)	3,000,000	-
Other interest bearing liabilities	213,675	191,924
Other liabilities	32,981	32,981
Deferred income	821,917	178,072
<b>TOTAL</b>	<b>4,068,573</b>	<b>402,977</b>
CURRENT LIABILITIES		
Interest bearing liabilities	51,418	133,431
Trade payables	670,019	446,892
Taxes and social security costs	1,228,393	787,841
Other current liabilities	98,593	37,414
Deferred income	451,373	300,964
Accrued liabilities	1,211,203	739,172
<b>TOTAL</b>	<b>3,710,999</b>	<b>2,445,714</b>
<b>TOTAL LIABILITIES</b>	<b>7,779,572</b>	<b>2,848,691</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14,685,871</b>	<b>9,375,580</b>

# Consolidated statement of Changes in Equity

	Issued capital	Share premium	Retained earnings	Total
<b>BALANCE AS AT 31 DECEMBER 2022</b>	<b>224,674</b>	<b>1,044,924</b>	<b>3,063,294</b>	<b>4,332,892</b>
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
<b>BALANCE AS AT 31 DECEMBER 2023</b>	<b>230,924</b>	<b>1,888,674</b>	<b>4,407,291</b>	<b>6,526,889</b>
Increase in share capital				-
Profit for the reporting period			379,780	379,780
Foreign currency exchange rate difference			-370	-370
<b>BALANCE AS AT 30 JUNE 2024</b>	<b>230,924</b>	<b>1,888,674</b>	<b>4,786,701</b>	<b>6,906,299</b>

# Consolidated statement of Cash flows

	6m 2024 EUR	2023 EUR
<i>Cash flows to/from operating activities</i>		
Profit before tax	510,502	1,502,172
Adjustments for:		
Amortization and depreciation	658,478	1,125,592
Interest and similar income	-26,847	-10,634
Interest and similar expense	92,996	20,998
(Gain)/Loss from disposal of property and equipment	-11,002	-27,136
<i>Cash flow from operating activities before working capital change</i>	<i>1,224,127</i>	<i>2,610,992</i>
(Increase)/ decrease in inventories	-113,263	230,624
(Increase)/ decrease in trade and other receivables	-519,643	-816,650
(Decrease)/ increase in advances received and trade payables	909,002	392,432
<i>Cash flows used in/from operations</i>	<i>1,500,223</i>	<i>2,417,398</i>
Corporate income tax paid	-7,361	-47,970
<b>Net cash flows used in operating activities</b>	<b>1,492,862</b>	<b>2,369,428</b>
<i>Cash flows to/from investing activities</i>		
Share acquisition of related, associated or other companies	-335,554	
Acquisition of fixed assets and intangibles	-429,300	-2,231,401
Proceeds from sales of fixed assets and intangibles	8,516	53,249
Interest received	26,847	10,634
Cash acquired by acquisition of subsidiary	0	226,155
<b>Net cash flows to/from investing activities</b>	<b>-729,491</b>	<b>-1,941,363</b>
<i>Cash flows to/from financing activities</i>		
Share capital and share premium increase	0	850,000
Bonds issue	2,931,900	-
Finance lease payments	-164,100	-117,025
Interest paid	-8,661	-20,998
<b>Net cash flows to/from financing activities</b>	<b>2,759,139</b>	<b>711,977</b>
<b>Net cash flow of the reporting year</b>	<b>3,522,510</b>	<b>1,140,042</b>
<b>Cash and cash equivalents at the beginning of the reporting year</b>	<b>1,828,671</b>	<b>688,629</b>
<b>CASH AT THE END OF THE PERIOD</b>	<b>5,351,181</b>	<b>1,828,671</b>



# 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 30/06/2024
Interest coverage ratio	24
Equity ratio	47%
Net debt leverage ratio	neg.

