



AND International Publishers NV

Half-year 2019 trading update

12 September 2019

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Trading update on first half-year 2019 of AND International Publishers NV

As a result of new leadership and management changes, AND's transition to become a significant content provider and location based services operator, focused mostly on safety and sustainability, is progressing well.

Promising new opportunities were created in the first half year of 2019, but are not yet closed, and therefore, did not yet lead to revenues nor cash in HY1. In this context, AND managed to slightly improve its financial results over the first half-year of 2019 versus 2018, with cash-availability increasingly becoming a constraint:

- Revenues over the first half-year are up by 13% to € 0,6 million;
- Net result improved by 24% to a net-loss of € 0,7 million;
- Net cash-flow equals -/- € 0,7 million, an improvement of € 0,1 million versus last year;
- Consolidated cash-position equals € 1,5 million (June 30, 2018: € 3,2 million). Management have started discussions on a range of financing opportunities with several financiers, in addition to its efforts to secure and grow AND's operating cash-flow. AND aims to have secured its cash-needs for the second half of 2019 and beyond before year-end 2019.;
- Solvency remains very strong, with equity being 93% of balance-sheet total (2018: 93%);
- Closing of AND Products India progressing – expected to finalize in second half-year of 2019;
- AND experiences difficulties in finding a replacement for its auditor Grant Thornton, for reasons beyond control of AND management.

Capelle aan den IJssel, 12 September 2019 – higher sales, improved net-result, negative cash-flow, strong balance sheet, cash-availability increasingly becoming a constraint.

AND Chief Executive Officer Thierry Jaccoud: *“As we have indicated in the 2019 outlook, included in the press-release of 28 March 2019 and confirmed during the Annual General Meeting of Shareholders in May this year, 2019 is going to be a transition year for AND. We have started developing structure and content to support our new direction to become a provider of location-aware content which fosters a safer, more sustainable world. Initial discussions with our long standing customers and new prospects indicate that there is a developing need for such highly tailored content. As part of our internal transformation program, which addresses a stronger product portfolio, we have been hiring new key talents in our office in Capelle a/d IJssel to support the development of this content as well as new APIs. This first half year of 2019, we re-established our map production operations, significantly improving its efficiency by engaging with an external partner.”*

In June, AND completed and delivered another full HD Map to a subsidiary of a large European Automotive OEM, while continuing to improve the maturity of the MapFusion technology.

The TalkingMaps project, announced in 2018, which aims with MapFusion technology to automatically improve, update and enrich map and location-content, has passed first milestones this half year, and will continue in supporting the development of AND's MapFusion technology further in the years to come.

In July, AND re-launched its website www.and.com, showing the new logo, design and direction the company is taking to a larger audience. The refreshed design has been taken positively by the community. AND will continue developing its website as an additional digital channel via which AND's content can be discovered and purchased.

The collaboration with DDS (Digital Data Services GmbH) in Germany is progressing well. Parties have agreed, as a first step, to jointly create and update the School database of Germany, used mainly by marketing companies to control their advertising.

Financial position

For the first six months of 2019, AND realized revenues of € 0,6 million, which is 13% higher than during the first half of 2018.

Total operating expenses decreased by € 0,3 million to € 1,8 million, which primarily relates to the closing of the the Indian operations.

The capitalized development costs, related to the update and upgrade of AND's digital maps, decreased over the first half of 2019 in comparison to the first six half-year of 2018 by over € 0,1 million, which is mainly triggered by the consolidation of the company's development and product portfolio as a result of a revised strategy created by new management.

Net cash-flow for the period January-June 2019 equals -/- € 0,7 million, an improvement of € 0,1 million versus the same period last year. Improvement of the operating result and lower capitalized development costs are the main drivers for this improvement.

At June 30, 2019, the consolidated cash-position of AND equals € 1,5 million (June 30, 2018: € 3,2 million), of which € 0,3 million is considered trapped-cash with AND's Indian subsidiary. AND is taking measures to release this trapped-cash, whereas it also has strong focus on improving its operating cash-flow.

As a result of the new strategy and planned product portfolio of content and services, and knowing the significant opportunities to tap into new markets, management is actively exploring accelerating its strategic and commercial developments by means of new / additional funding. Management have started discussions on a range of financing opportunities with several financiers, in addition to its efforts to secure and grow AND's operating cash-flow.

AND aims to have secured its cash-needs for the second half of 2019 and beyond before year-end 2019.

Solvency meanwhile remains very strong, with equity being at 93% of balance-sheet total (June 30, 2018: 93%).

Strategy

As announced earlier, AND's strategy is to create location-aware content and services which improves safety and sustainability. AND created a short, mid and long term product-roadmap, that it started to execute in the course of 2019. These products, along with the further investment in AND's MapFusion technology, will be at the core of a future where AND will offer unparalleled content and online services.

The demand for bespoke and unique content and services to support the paradigm of new mobility; such as safe scooter routes, utilized by a variety of disparate electric mobility devices, demonstrates the need and the relevance of location based content and services. The mapping industry has seen significant investment during the last 3 years and AND is well positioned to capitalize on its data assets, its technology and its highly experienced team to become a significant player in the personal mobility space.

With our MapFusion platform, we provide *Mapping as a Service* (MaaS) solutions which is at the core of AND's new strategy for map development, incremental updates, attributes, and new content via a defined output, i.e. attribute, content/POI, SD and HD maps. AND's MapFusion allows our Customers and Partners to rapidly deploy products and services with location aware content, focusing on safety and sustainability as well as on conventional maps.

Risk management

Risk management is an integral management task. It takes the size of the company and the character of the business in consideration in identifying the most significant risks to which the company is exposed. They are discussed on a periodic basis and mitigated where possible. Such a system cannot provide absolute certainty that objectives will be realized. Neither can it guarantee prevention of potential cases of material mistakes, damage, fraud or breaches of statutory laws.

The 2018 annual report describes the primary strategic, operational and financial risks. In terms of the risks and uncertainties described in the annual report, there have been no notable changes over the first half of this financial year. There were no cases of material damage, fraud or breaches of law detected in the first half year.

Board of Management statement

The Board of Management hereby declares that, to the best of its knowledge, the summarized interim consolidated half-yearly report as of 30 June 2019, drawn up in accordance with IAS 34 "Interim financial reporting", represents a faithful rendering of the assets, liabilities, financial position and profit of AND International Publishers NV and its subsidiaries as stated in the consolidated financial report, and that the Board report as included in this half-yearly report represents a faithful rendering of the information required in relation to item 5:25d subs 8 and 9 of the Dutch Financial Supervision Act.

Replacement of Grant Thornton as auditor

Because of applicable Dutch legislation applicable to auditors of Public Interest Entities (PIE's) like AND, AND's auditor Grant Thornton is no longer allowed to perform the audit on AND's financial statements from 2019 onwards. For reasons beyond control of AND management, AND is experiencing difficulties in finding a replacement for Grant Thornton. In fact, currently it seems unlikely that AND will find a new auditor before year-end 2019. Discussions with a.o. AFM, NBA and Euronext, aimed to find a timely and suitable solution, are ongoing.

Closing of AND Products India

The closing of AND Products India, communicated in the course of 2018, is progressing well. Management aims to have finalized this process in the 2nd half-yr of 2019.

Outlook for the second half year of 2019

In line with previous years AND International Publishers NV does not make forward looking statements.

Capelle aan den IJssel, 12 September 2019

T.P. Jaccoud
CEO

Consolidated results June 30 – 2019

Consolidated statement of profit and loss

(x € 1.000)	YTD 2019	YTD 2018
Revenue	576	512
Maps en sources	(119)	(36)
Personnel expenses	(802)	(1.229)
Depreciation tangible fixed assets	(11)	(18)
Depreciation intangible fixed assets	(384)	(407)
Other operating expenses	(439)	(369)
Total operating expenses	(1.755)	(2.059)
Capitalised development costs	198	322
Impairment	-	-
Net operating expenses	(1.557)	(1.737)
Operating result	(981)	(1.225)
Financial income (expense)	(0)	26
Result before tax	(981)	(1.199)
Income taxes	241	278
Net profit (Loss)	(740)	(921)

Consolidated statement of comprehensive income

(x € 1.000)	30/06/2019	30/06/2018
Net result	(740)	(921)
Other comprehensive income for the reporting period		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Foreign currency translation differences on foreign operations	12	(32)
Total comprehensive income for the reporting period	(728)	(953)

Consolidated statement of the financial position

(x € 1.000)	30/06/2019	31/12/2018	30/06/2018
Intangible assets	9.975	10.132	11.870
Property, plant and equipment	24	30	55
Deferred tax assets	2.180	1.939	1.649
Total non-current assets	12.178	12.101	13.574
Trade and other receivables	224	330	259
Cash and cash equivalents	1.466	2.194	3.238
Total current assets	1.689	2.524	3.497
Total assets	13.868	14.625	17.071
Total Shareholders' equity	12.918	13.645	15.927
Defined benefit plans	12	12	0
Other liabilities	177	177	214
Total non-current liabilities	189	189	214
Trade and other liabilities	761	791	930
Total current liabilities	761	791	930
Total shareholders' equity and liabilities	13.868	14.625	17.071

Consolidated statement of changes in shareholders' equity

(x € 1.000)	Issued and paid-up capital	Share premium reserve	Legal reserves	Unappropriated result	Retained earnings	Total shareholders' equity
As at January 1st, 2018	2.795	36.227	11.200	(2.846)	(30.496)	16.880
Comprehensive income						
Distribution of result 2017	-	-	-	2.846	(2.846)	-
Result for the period (after taxes)	-	-	-	(921)	-	(921)
Other comprehensive income						
Foreign currency translation differences on foreign operations	-	-	(32)	-	-	(32)
Total comprehensive income	-	-	(32)	1.925	(2.846)	(953)
Translations with owners						
Dividend payment	-	-	-	-	-	-
Other movements						
Transfer to legal reserve	-	-	225	-	(225)	-
As at June 30, 2018	2.795	36.227	11.393	(921)	(33.567)	15.927
As at January 1st, 2019	2.795	36.227	9.719	(3.113)	(31.983)	13.645
Comprehensive income						
Distribution of result 2018	-	-	-	3.113	(3.113)	-
Result for the period	-	-	-	(740)	-	(740)
Other comprehensive income						
Foreign currency translation differences on foreign operations buitenlandse activiteiten	-	-	13	-	-	13
Total comprehensive income	-	-	13	2.373	(3.113)	(727)
Translations with owners						
Dividend payment	-	-	-	-	-	-
Other movements						
Transfer to legal reserve	-	-	123	-	(123)	-
As at June 30, 2019	2.795	36.227	9.855	(740)	(35.219)	12.918

Consolidated cash-flow statement

(x € 1.000)	30/06/2019	30/06/2018
Operating result	(981)	(1.225)
Adjustments for:		
Depreciation tangible fixed assets	11	18
Amortisation intangible fixed assets	384	407
Impairment loss intangible fixed assets		
Changes in working capital:		
Change in receivables	106	238
Change in other liabilities	(30)	24
Operating cash-flow	(509)	(538)
Finance income / (expenses)	9	(7)
Income tax received / paid	5	5
Net cash flow from operating activities	(496)	(540)
Investments in intangible fixed assets and capitalised development	(226)	(322)
Investments in property, plant and equipment	(5)	(2)
Net cash flow from investing activities	(231)	(324)
Dividend payment	-	-
Long-term liabilities	-	(12)
Cash flow from financing activities	-	(12)
Net decrease in cash and cash equivalents	(727)	(876)
Opening balance cash and cash equivalents	2.194	4.114
Closing balance cash and cash equivalents	1.467	3.238

Explanatory notes on the condensed consolidated interim report

General

AND International Publishes NV is a public limited liability company having its registered office in Capelle aan den IJssel, the Netherlands. The Company's consolidated financial statements comprise the financial statements of the Company and of its subsidiary companies. The condensed consolidated interim report comprises the period January 1, 2019 up to and including June 30, 2019 of the Company and its subsidiary companies. Comparative figures consist of the corresponding period in 2018, unless indicated otherwise.

All amounts listed are in thousands of Euros, unless specified otherwise.

The condensed interim financial statements are compiled by the Board of Management of AND International Publishers NV and released for publication by the Supervisory Board on 12 September 2019.

Audit

No audit nor review was performed on the information presented in this half year report.

Statement of compliance

The half year report has been prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union and in accordance with the IAS 34 "Interim Financial Reporting" guideline. The half year report does not contain all information required for a complete annual report, and should be read in combination with the 2018 consolidated annual report of the Company.

Accounting policies

The interim financial information regarding the period ending June 30, 2019, has been compiled in accordance with the principles for consolidation and financial reporting, as described in the annual report of AND International Publishers NV for the fiscal year 2018.

Taxes

In the interim financial information, taxes have been included in the profit and loss account on the basis of the estimated weighted average applicable nominal rate of corporate tax.

Obligations not reflected in the balance sheet

The other liabilities not reflected in the balance sheet as included in the annual report 2018 have not changed substantially in the first half-year of 2019.

Events after the reporting period

There have been no events after closing date.