

## Press-release

### **Capelle aan den IJssel, the Netherlands, 12 August 2020: AND International Publishers NV (ticker: AND.AS) publishes today its half year results and trading update.**

#### **TRADING UPDATE AND HALF YEAR 2020 RESULTS**

##### **AND grows topline by 22% and reduces net loss by 19% in Covid-19 impacted economic environment.**

Covid-19 and the related measures taken to prevent the spread of the Corona virus have proved to be a significant challenge for the global economy. The AND team and our underlying business have shown resilience: revenue has increased by 22% compared to the same period in 2019. This is mainly due to our success in winning and delivering new service projects, and moderately growing our existing recurring business. The direct impact of the lockdown was felt most in the data sales segment, where it was difficult to connect with key decision makers and win new customers.

#### **OPERATIONAL HIGHLIGHTS AND STRATEGY UPDATE**

The year began with a good sales pipeline, but the anti-pandemic measures initiated by the government in March generally had a significant impact on company decision-making processes. However, as our IT systems and operations are well set up for remote working, we could react quickly to the health risks and maintain operational continuity. We also leveraged our knowledge of distributed working to ensure the tasks carried out for us by our Indian production partner were not negatively impacted by lockdown measures.

Our strategy to limit investment in the automotive industry (such as HD Maps) was reinforced by the intense retrenchment this industry has undergone since the start of the pandemic. As announced at our AGM and consistent with our new focus on providing subscription-based location-aware content and services, we are now concentrating our activities on Location-Aware Services, Data Sales and Premium Content creation and sales. To catch up with a slow Q1, we pushed hard on our enterprise activities, direct marketing and new product launches. Our marketing automation reached out to over 60,000 contacts in key markets which are now being qualified through several campaigns. These targeted activities produced several good, short-term opportunities in service sales, generating revenue and creating the basis for some new premium products to be launched in August 2020.

We are on track with product releases such as GeoCoder, MapTiler, GeoBoundaries - new API suites which will help us attract the interest of developers and tech companies. We continue to improve our operations by overcoming legacy processes. Due to the pandemic and well-established competition, our direct API sales have not materialized in the reporting period.

The TalkingMaps® project, which generates monthly updated authoritative speed limits in cooperation with several provinces in the Netherlands, is now entering its next phase when we will add lane marking recognition features.

We are starting to see traction from our premium products built around safety & sustainability: in the first half of this year, a project with a large tech company led to the development of our new Eco Alert Zones.

Looking forward, we are continuing to focus on the above mentioned three pillars - a strategy which enables us to sustain a strong momentum with our existing client base whilst creating new opportunities in other verticals and markets.

#### **FINANCIAL SUMMARY HALF YEAR 2020 RESULTS**

- Revenues over the first half year are up by 22% to €704 K;
- Operating result improved by 33% to a loss of €656 K, compared to a loss of €981 K in 1H 2019;
- Net result after tax improved by 19% to a net-loss of €598 K;
- Net cash-flow from operating and investing activities equals an outflow of €640 K Euro, an improvement of €88 K versus last year;
- Consolidated cash-position equals €1,031 K (June 30, 2019: €1,466 K).

## OUTLOOK FOR THE FULL YEAR 2020

For the full year 2020, AND expects to generate a revenue in the range of €1,550 K to €1,900 K, which represents a year over year growth in the range of 46% to 79% compared to 2019 revenue. This is expected to result in an operating loss in the range of €1,400 K to €1,100 K, a net loss in the range of €1,100 K to €900 K and a cash outflow in the range of €1,250 K to €950 K.

## KEY FIGURES

(x € 1.000)	1H '20	1H '19	V'to'19	V%'20-19
	Unaudited	Unaudited		
Recurring revenue	423	384	39	10,1%
Service revenue	276	58	218	374,4%
One off data sales	5	133	(129)	-96,4%
<b>Revenue</b>	<b>704</b>	<b>576</b>	<b>128</b>	<b>22,2%</b>
Net operating expenses	(1.359)	(1.557)	197	-12,7%
Operating result	(656)	(981)	325	33,2%
<b>Net Result (Loss) (1)</b>	<b>(598)</b>	<b>(740)</b>	<b>142</b>	<b>19,2%</b>
(1) Fully attributable to equity holders of the parent				
<b>CF from operating &amp; investing activities</b>	<b>(640)</b>	<b>(728)</b>	<b>88</b>	<b>12,1%</b>

## FINANCIAL POSITION

AND is turning its business around from being an automotive map supplier focused on one off large deals, to a location-aware content and service provider with a subscription based “data as a service model”. This transition requires investment in product development and in sales and marketing. The convertible loan closed in February 2020 has provided the funding to kickstart and implement this process. However, additional funding will be required in the second half of 2020 to enable AND to grow with its new business model into a cash generating and profitable organization.

## REPLACEMENT OF EXTERNAL AUDITOR

We continue to explore the options to replace our previous OOB-licensed auditor, Grant Thornton. However, to date no available alternative auditor has yet been identified.

## RISK MANAGEMENT

Risk management is an integral managerial task. Our risk management and control procedures take into consideration the size of the company and the character of the business in order to identify the most significant risks which the company is exposed to. The risks identified are discussed on a periodical 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 2019 annual report describes the principal strategic, operational and financial risks. The risks and uncertainties described in the annual report are still relevant and are deemed incorporated and repeated by reference in this report. There were no cases of material damage, fraud or breaches of law detected in the first half year. However, the Covid-19 outbreak and the associated pandemic controls have had a disruptive effect on the economy and an adverse effect on our business, most noticeably in our data sales business and associated revenues. While we have taken mitigating actions and the gradual lifting of lockdown measures is showing signs of economic recovery, there is no guarantee that the pandemic and its associated control measures will not have a further negative impact on our business, financial position and results.

## BOARD OF MANAGEMENT STATEMENT

The Board of Management hereby declares that, to the best of its knowledge, the summarized consolidated half-year report as of 30 June 2020, drawn up in accordance with IAS 34 “Interim financial reporting”, represents a faithful rendering of the assets, liabilities, financial position, profit and cash flow 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.

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## **GROUP STRUCTURE SIMPLIFICATION**

In order to simplify the structure of the group, speed up the monthly closing process and reduce costs, the decision has been taken to dissolve dormant subsidiaries. Dissolution requests have been filed with authorities for the AND International Publishers PLC (UK) and AND North America LLC (USA) in July. The closing of AND Data India Pvt, LTD, was delayed due to Covid-19 related lockdowns in India, but is on track to complete in Q4 2020.

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## **About AND**

AND is an innovative location-aware content and service provider. Our focus is to create and deliver market leading, relevant, innovative and tailored content which fosters a safer and more sustainable world. Using smart technology, we constantly enrich and update our global database and offer an end-to-end portfolio of location-aware products and services.