



**AND International Publishers NV**

**Interim financial report**

**30 June 2015**

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## Report on the first six months of 2015 AND International Publishers NV

*AND first half of 2015 profitable, doubling of map coverage in final phase and AND responds to developments within the sector*

- Development map of North-America in final phase
- Revenue for first half of 2015 € 1.8 million compared to € 3.3 million in first half of 2014
- Profit first half of 2015 € 0.7 million compared to € 2.1 million in first half of 2014
- Profit per share first half of 2015 € 0.19 compared to € 0.56 per share in first half of 2014
- AND closely follows the developments within the sector, including the sale of HERE, and is in dialogue with market players to respond to these developments.

**Capelle aan den IJssel, 18 August 2015 - AND International Publishers NV realized a profit in the first half of 2015. Revenue and profit has decreased compared to 2014. AND realized a revenue of € 1.8 million and a profit of € 0.7 million in the first half of 2015. Earnings per share amounted to € 0.19.**

AND CEO Hugo van der Linde: "AND realized a profit in the first half of 2015. In the previous period a lot of attention has been paid to the execution of the development program for the maps of the United States and Canada. This project is in its final phase; meanwhile interested parties have received the first sample data of this new map. AND will now focus on commercializing this important milestone for AND. The market for digital maps is turbulent as shown by the sale of HERE to a consortium of German automotive parties. AND is in dialogue with several market players about these developments and the role of AND therein."

### **Course of events for the first half of 2015**

During the first half of 2015 AND further invested in the development of a high quality premium navigation map of North-America. The upgrade and enrichment program which started in 2014 is in its final stage. The completion of the map of the United States is slightly delayed, but will be commercially available in the course of the third quarter. The coverage of navigation maps from AND will be more than doubled. The first sample data has been offered to interested parties.

In addition AND has executed several customized services and concluded license agreements. For example, together with its client Barloworld Supply Chain Software, part of Barloworld (BAW.JSE), AND has delivered a map in the format of Barloworld. This map can be connected without further editing with the software from Barloworld. As a consequence Barloworld is saving time and costs for development. With the software from Barloworld optimal routes are calculated by which costs and CO2 emission can be limited.

Within another project AND worked together with Ordina and the Dutch Inspectorate of Education to support the search function for their website by using accurate geocodes from schools.

For a supplier of advanced optimization solutions for planning AND has executed a pilot for digitization of unpaved roads.

Also AND executed customized services for which AND accepted full confidentiality with regard to client, content and financials and as such cannot provide further information.

For the second half of 2015 AND expects a partly shift from revenue from map licenses towards customized assignments and services.

On the 3<sup>rd</sup> of August 2015 a consortium of car manufacturers has bought the mapping division HERE from Nokia for an amount of € 2.8 billion. AND already started, among other things at the request of established companies, an investigation for the possibilities within the automotive market. This investigation will be continued and AND will closely follow developments around the sale of HERE.

### **Financial position**

Revenue decreased from € 3.3 million to € 1.8 million. Revenue from the contract for the creation of the navigation map of the United States and Canada contributed an important part to the revenue in the first half of 2015, but contributed less compared to the same period in 2014. In addition a license agreement with a one-off character contributed an important part to the revenue in 2014. AND is highly dependent on a few large customers and new orders to be acquired and the timing within the financial year. For this reason revenue during a certain period can strongly fluctuate compared to the same period in the previous financial year.

Total operating expenses increased from € 1.5 million to € 2.0 million. Personnel expenses, depreciation and amortization on tangible and intangible assets have increased compared to 2014 because of the further development of the map of the United States and Canada.

Internal costs spent to the development of the map of the United States and Canada have been capitalized and amounted to € 0.9 million. Ultimately net operating expenses amounted to € 1.1 million in 2015 compared to € 1.2 million in 2014.

During the first half of 2015 AND further invested in the map of the United States and Canada. The total investment amounts to € 1.0 million. Therefore the intangible fixed assets have increased to € 11.1 million.

Net cash flow amounted € 1.5 million negative resulting in a total balance of cash and cash equivalents of € 2.8 million.

Shareholders' equity of € 13.7 million amounts 91% of total assets. As in previous years AND has no bank debts.

### **Strategy**

AND is the only independent company in the global map market for digital maps for location based services. This offers opportunities and AND will continue to improve and extend its existing maps more effectively. In addition AND will increase its added value by offering its maps and data as customized services.

As reported earlier AND currently investigates opportunities to enter the automotive market and further expand its digital map coverage.

### **Outlook for 2015**

The economic conditions, market developments and business models in the market for digital maps are still highly uncertain. The results will depend among others on the strength of economic recovery, the developments in the market for navigation and location-based services. Also AND is still highly dependent on a few large customers and new orders to be acquired. In the course of 2015 AND expects to complete the enriched map of North-America and to execute test and pilot projects with prospects and therefore expects a more substantial contribution to its revenues from this enriched map no earlier than 2016. AND is positive regarding new opportunities within the current fast changing technology and market developments.

AND is positive about the second half of 2015 but does not provide a financial outlook for 2015.

### **Risks**

For a detailed description of the risk factors that apply to AND International Publishers NV and its subsidiaries, you are referred to page 12 and 13 of the annual report for 2014.

### **Declaration from the Board of Directors**

The Board of Directors hereby declares that, to the best of their knowledge:

- the consolidated, interim financial report, which have been prepared on the basis of IAS 34, Interim financial reporting, give a true and fair view of the assets, liabilities, financial position and the result of AND International Publishers NV and the companies included in the consolidation as a whole; and
- the half year report from the Board of Directors includes a fair review of the information required pursuant to section 5:25d, subsection 8 and 9 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht)

Capelle aan den IJssel, 18 August 2015

H.F. van der Linde  
CEO

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Note for editor, not for publication:

For further information please contact Hugo van der Linde on 0031-10-8851200 or go to [www.and.com](http://www.and.com)

*This is an English translation of the Dutch press release. In the event of any disparity between the Dutch original and this translation, the Dutch text will prevail.*

## **Consolidated interim financial statements**

## Consolidated profit and loss account

| <i>in thousands of euro</i>                             | H1 2015        | H1 2014         |
|---|----------------|-----------------|
| <b>Total revenue</b>                                    | <b>1,837</b>   | <b>3,252</b>    |
| Maps and sources  | (33)           | (63)            |
| Personnel expenses                                      | (1,206)        | (800)           |
| Share-based compensation                                | (44)           | (53)            |
| Other operating expenses                                | (345)          | (361)           |
| Amortization intangible fixed assets                    | (308)          | (205)           |
| Depreciation tangible fixed assets                      | (30)           | (19)            |
| <b>Total operating expenses</b>                         | <b>(1,967)</b> | <b>(1,501)</b>  |
| Capitalized development costs                           | 915            | 323             |
| <b>Net operating expenses</b>                           | <b>(1,052)</b> | <b>(1,178)</b>  |
| <b>Operating result</b>                                 | <b>785</b>     | <b>2,074</b>    |
| Financing income / (expenses)                           | (24)           | 4               |
| <b>Result before taxes</b>                              | <b>761</b>     | <b>2,077.89</b> |
| Taxes   | (55)           | 4               |
| <b>Net result</b>                                       | <b>706</b>     | <b>2,082</b>    |
| Weighted average number of shares issued                | 3,727,137      | 3,727,137       |
| Weighted average number of shares issued after dilution | 3,727,137      | 3,727,137       |
| Basic earnings per share                                | 0.19           | 0.56            |
| Diluted earnings per share                              | 0.19           | 0.56            |

## Consolidated statement of recognised and unrecognised income and expenses

| <i>in thousands of euro</i>  | H1 2015    | H1 2014      |
|--|------------|--------------|
| Net result   | 706        | 2,082        |
| <b>Unrecognised income and expenses</b>                                    |            |              |
| Foreign currency translation differences on foreign operations             | 49         | 24           |
| <b>Total recognised and unrecognised income and expenses (after taxes)</b> | <b>755</b> | <b>2,106</b> |

## Consolidated balance sheet

| <i>in thousands of euro</i>                       | 30-Jun-15     | 31-Dec-14     | 30-Jun-14     |
|---|---------------|---------------|---------------|
| Intangible fixed assets                           | 11,133        | 10,453        | 9,672         |
| Tangible fixed assets                             | 116           | 134           | 63            |
| Deferred tax receivables                          | 1,186         | 1,229         | 1,385         |
| <b>Total non-current assets</b>                   | <b>12,436</b> | <b>11,816</b> | <b>11,120</b> |
| Trade and other receivables                       | 293           | 399           | 1,288         |
| Cash and cash equivalents                         | 2,375         | 3,817         | 3,967         |
| <b>Total current assets</b>                       | <b>2,668</b>  | <b>4,216</b>  | <b>5,255</b>  |
| <b>Total assets</b>                               | <b>15,104</b> | <b>16,032</b> | <b>16,375</b> |
| <b>Shareholders' equity</b>                       | <b>13,742</b> | <b>12,987</b> | <b>12,465</b> |
| <b>Non-current liabilities</b>                    | <b>324</b>    | <b>322</b>    | <b>331</b>    |
| <b>Current liabilities</b>                        | <b>1,038</b>  | <b>2,723</b>  | <b>3,579</b>  |
| <b>Total shareholders' equity and liabilities</b> | <b>15,104</b> | <b>16,032</b> | <b>16,375</b> |



## Consolidated summary of changes in shareholders' equity

| <i>in thousands of euro</i>                           | Issued and paid-up capital | Share premium reserve | Legal reserves | Stock compensation reserve | Other reserves | Total  |
|---|----------------------------|-----------------------|----------------|----------------------------|----------------|--------|
| <b>As at 1 January 2014</b>                           | 2,795                      | 36,600                | 5,866          | 10                         | (34,539)       | 10,732 |
| Total recognised and unrecognised income and expenses | -                          | -                     | 24             | -                          | 24             | 2,106  |
| Withdrawal legal reserve                              | -                          | -                     | 145            | 145                        | -              | -      |
| Dividend paid   | -                          | (373)                 | -              | -                          | -              | (373)  |
| <b>As at 30 June 2014</b>                             | 2,795                      | 36,227                | 6,035          | 155                        | (34,515)       | 12,465 |
| <b>As at 1 January 2015</b>                           | 2,795                      | 36,227                | 6,906          | -                          | (32,941)       | 12,987 |
| Total recognised and unrecognised income and expenses | -                          | -                     | 49             | -                          | 706            | 755    |
| Withdrawal legal reserve                              | -                          | -                     | 738            | -                          | (738)          | -      |
| <b>As at 30 June 2015</b>                             | 2,795                      | 36,227                | 7,693          | -                          | (32,973)       | 13,742 |

## Consolidated cash flow statement

| <i>in thousands of euro</i>                                   | H1 2015        | H1 2014        |
|---|----------------|----------------|
| Operating result  | 785            | 2,073          |
| Adjustment for:   |                |                |
| Depreciation tangible fixed assets                            | 30             | 19             |
| Amortization intangible fixed assets                          | 308            | 205            |
| Financing income / (expenses)                                 | (24)           | 4              |
| Changes in working capital and provisions                     | (1,578)        | (2,786)        |
| <b>Cash flow from operating activities</b>                    | <b>(478)</b>   | <b>(484)</b>   |
| Income tax paid   | (11)           | (9)            |
| <b>Net cash flow from operating activities</b>                | <b>(490)</b>   | <b>(493)</b>   |
| Investments in intangible fixed assets                        | (989)          | (661)          |
| Investments in tangible fixed assets                          | (12)           | (9)            |
| <b>Cash flow from investment activities</b>                   | <b>(1,001)</b> | <b>(671)</b>   |
| Share issue   | -              | (373)          |
| <b>Cash flow from financing activities</b>                    | <b>-</b>       | <b>(373)</b>   |
| <b>Net increase / (decrease) in cash and cash equivalents</b> | <b>(1,490)</b> | <b>(1,536)</b> |
| Opening balance cash and cash equivalents                     | 3,817          | 5,479          |
|   | <b>2,327</b>   | <b>3,943</b>   |
| Effect of exchange rate differences in foreign currencies     | 49             | 24             |
| <b>Closing balance cash and cash equivalents</b>              | <b>2,376</b>   | <b>3,967</b>   |

## Selected explanatory notes

### Reporting entity

AND International Publishers NV ('AND') is a company based in the Netherlands. The consolidated financial statements from the company comprise AND and its subsidiaries and entities over which collective control is exercised.

### Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) for interim financial statements (IAS 34). The condensed consolidated interim statements do not contain all the information that is required for a full annual report and should be read in conjunction with AND's consolidated financial statements as at and for the year ended 31 December 2014.

### Accounting principles for financial reporting

The accounting principles for financial reporting that are applied in the consolidated interim financial statements are the same as the accounting principles applied in the consolidated financial statements for the financial year 2014. The estimates used end of 2014 with regard to the impairment test on the database and recognised carry forward losses have been maintained the same in the first half of 2015.

### Revenue

Revenue decreased from € 3.3 million to € 1.8 million. Revenue from the contract for the creation of the navigation map of the United States and Canada contributed an important part to the revenue in the first half, but contributed less compared to the same period in 2015. In addition a license agreement with a one-off character contributed an important part to the revenue in 2014. AND is highly dependent on a few large customers and new orders to be acquired and the timing within the financial year. For this reason revenue during a certain period can strongly fluctuate compared to the same period in the previous financial year.

### Own work capitalized

Internal costs spent to the development of the map of the United States and Canada have been capitalized and amounted to € 0.9 million in the first half of 2015 (first half of 2014: € 0.3 million).

### Share-based compensation

The expense for share-based compensation amounts € 44,000 (first half of 2014: € 53,000).

### Taxes

Tax expenses in the first half of 2015 amount to € 55,000 (first half of 2014: € 4,000 gain). The end of 2014 estimated future profits will be maintained and the tax burden is offset against the available carry forward tax losses. The balance of both effects is therefore nil in the profit and loss account.

### Intangible fixed assets

In the first half of 2015 AND invested in and further developed the map of the United States and Canada. The total investment amounts to € 1.0 million. Therefore the intangible fixed assets have increased to € 11.1 million.

### Contingent liabilities

The amounts owed under rental and operational lease agreements fall due as follows as per 30 June 2015:

|             |           |
|-------------|-----------|
| < 1 year    | € 89,000  |
| 1 – 5 years | € 388,000 |

For further details of the contingent liabilities, you are referred to section 6.42 on page 39 of the 2014 annual report.

### Related parties

For a definition of related parties, you are referred to section 6.43 on page 39 of the 2014 annual report. During the first half of the year no major changes have taken place.