

Results 2018 AND International Publishers NV

in millions of euros (except for figures per share)	2018	2017
Revenue	1,0	1,4
Operating expenses	(3,2)	(3,9)
Net operating result (excluding impairment correction)	(2,2)	(2,6)
Net profit (loss)	(3,1)	(2,8)
Net profit (loss) (excluding impairment correction)	(1,6)	(1,9)
Cash position	2,2	4,1
Basic earnings per share	(0,84)	(0,76)

Capelle aan den IJssel, the Netherlands March 28, 2018 - AND International Publishers NV has realized a revenue of € 1,0 million (2017: € 1,4 million). Net operating result, excluding impairment resulted in € (1,6) million (2017: € (1,9) million). Earnings per share came in at € (0.84) compared with € (0.76) in 2017.

AND Chief Executive Officer Thierry Jaccoud: “2018 proved to be a transformative year for AND. Initiated in 2017, the heart of our transformation is building a new and more consistent revenue stream in the automotive and other innovative verticals. Mapping the real world is more relevant than ever. Highly accurate, rich maps are not only needed for autonomous car, but also for smart cities, IOT technology and new GIS applications. Our objective is to keep strengthening our role in this new mapping arena by investing in advanced technology, such as machine learning, for MapFusion. The economic conditions in Europe in the coming years are uncertain but we do see (as mentioned above) an increasing demand for new, highly customised maps. We will keep investing in technology and our map and continue to expand our reach to new markets.”

Course of events 2018

In February AND reached an agreement to license location and boundary data to Mapbox, a company currently revolutionising mapping and location services for the consumer, enterprise and automotive markets. It provides cloud-based services which enable developers to add location features such as maps, search and navigation to any digital experience. With over a million registered developers, Mapbox reaches in excess of 300 million people every month around the world

By May, we announced a contract with the Dutch government to provide MapFusion for enabling autonomous driving. By collecting information through the on-board sensors in Brabant roadside inspector vehicles, MapFusion can automatically keep map and location data up-to-date.

This led to a collaboration with Talking Maps, a pilot project with the Ministry of Infrastructure and Water Management, the province of Noord-Brabant and V-Tron. AND ensures that data collected by smart cameras in roadside inspector vehicles automatically improves, updates and enriches map and location data via MapFusion. The pilot is focusing on adding and updating road markings and traffic signs in HD maps along the Maasvlakte-Venlo corridor, a distance of around 200 km. The next phase will be finalised based on the results of the pilot.

HD Maps provide a very precise model of the road network which enables self-driving cars to determine their exact location and accurately manoeuvre. This is critical to advanced driving applications, co-operative and autonomous driving. As the project develops, other road authorities are expected to join which will expand the number of vehicles collecting data.

At the beginning of June, we confirmed that map update activities will be concentrated in the Netherlands, with a focus on digital technology. Consequently, our facilities in India, which primarily dealt with manual updates, have been closed. This will bring considerable cost savings. By the end of 2018, all operations in India had stopped with AND India ceasing to trade.

November brought the news that Hugo van der Linde would be leaving the company. Having joined AND over 12 years ago, Hugo had been CEO for the last seven and his resignation became official on 1st March 2019. The Supervisory Board formally appointed Thierry Jaccoud as the new CEO of AND International Publishers NV on 12th December 2018.

Thierry Jaccoud joined AND from TI Automotive, where he successfully managed a turnaround as Commercial Director Europe and Managing Director of TI Automotive (Heidelberg) GmbH. Notably, Thierry spent nine years at NAVTEQ (currently known as HERE) where he held several commercial and general management positions.

Also, in November, AND reached an agreement with LocationSmart Compliance Service. LocationSmart is the world's largest Location-as-a-Service (LaaS) company and the inclusion of AND global maps bolsters its compliance services for international use in applications such as in gaming, lotteries, ecommerce and financial services.

LocationSmart chose AND's Digital World Map Shoreline and International Administrative Boundaries to use in its compliance APIs. The company has expanded its Smart Zone API which allows businesses to confirm whether a device is located within or outside of a given boundary. This API now includes compliance checks against global country boundaries along with other pre-configured and customer specific boundary options.

In addition, AND announced in November joining the ESRI Partner Network where it will offer Content via ESRI's ArcGIS Marketplace. We will also offer our ZIP+4 Code Boundaries (part of AND proprietary digital maps) to existing and new ESRI end users.

ESRI is the global market leader in geographic information system (GIS) software with its own products deployed in over 350,000 organisations. The ESRI Partner Network is a global community sharing common visions, interests, and goals - and applying 'The Science of Where' to help customers gain efficiencies and make smart decisions. All the Partners adhere to geospatial industry best practices and employ innovative business strategies to deliver market leading geospatial solutions and services based on ESRI technology.

The AND ZIP+4 Code Boundaries features unique ZIP+4 codes in the United States. Each of the Code Boundaries typically covers a delivery area - such as a city block, office building and any location or unit receiving high volumes of mail. They are created by integrating different data layers into a proprietary algorithm based on years of experience in map making.

Finally, in December AND announced a strategic agreement with a European automotive OEM subsidiary to create HD Maps from car sensor data for autonomous driving using MapFusion. This contract will contribute substantially to the further development of MapFusion and the creation of unprecedented rich, accurate and affordable HD Maps.

Financial position

Revenue and costs

Revenue decreased from €1,375,000 to €1,005,000.

Costs for maps and data amounted to €26,000 (2017: €79,000). These costs are related to geographical data for the maintenance of the database.

Personnel expenses decreased in 2018 by 11% to €2,161,000 (2017: €2,422,000).

Total investments in maps in 2018 was € 554,000 (2017 € 408,000) The amortisation of intangible fixed assets decreased from €872,000 in 2017 to €824,000 in 2018.

At balance date, an impairment test was executed, resulting in an impairment loss of €1,553,000. This outcome is the result of lowering AND's forecasted future results generated by its' current database. These forecasts have been adjusted following the disappointing results in 2018.

Other operating expenses decreased to €673,000 in 2018 (2017: €910,000).

Cash flow

The net cash flow from operating activities in 2018 amounted to € (1,329,000) compared to € (1,821,000) in 2017. The cash flow from investing activities amounted to € (554,000) (2017: € (421,000)). The cash flow from financing activities amounted to € (37,000) (2017: € (589,000)).

Taxation

Taxes for 2018 amounted to € (564,000) (2017: € 963,000).

Financial position

Total assets decreased by €3,387,000 in 2018 to €14,625,000. The solvency ratio remains almost steady, amounting to 93% of the balance sheet total at the end of 2018 (2017: 94%).

As of 31 December 2018, AND held €2,194,000 in cash and cash equivalents (2017: €4,114,000).

Investments

The total investment in intangible assets amounted to €554,000 in 2018 (2017: €408,000). There was no investment in property, plant and equipment in 2018 (2017: €13,000).

Dividend

Given the results for 2018, AND proposes not paying dividends to shareholders.

Market developments

The availability of free of charge, community-based maps and location services has resulted in a huge increase in businesses applying location to processes and products. The underlying map is now more frequently customised in order to optimise the processes and leverage big data.

We see more mapping companies entering new vertical markets which indicates the strategic importance of maps is greater than ever. There is also a growing demand for cloud-based location services; more frequent map updates; and customised products; plus an increasing readiness from customers to pay for map related services rather than just map licences. AND has the solutions to meet these needs and can offer flexible data layers and formats as well as new business models.

In the automotive market, we envisage a rapidly accelerating requirement for highly customised location data to support the autonomous car and connected car. Developments surrounding autonomous cars can only strengthen the strategic importance of worldwide maps in this sector. AND continues to participate in various pilots and initiatives including promoting MapFusion at the Paris Motor Show and other trade events. MapFusion technologies mean we can offer automotive players effective tools for smart mobility solutions - such as HD maps for advanced assisted and autonomous driving. We offer a business model which enables data from car sensors and other sources to monetised.

Although the need for digital worldwide mapping and location services continues to grow, there is still a limited number of suppliers providing global coverage – AND is one of few mapping companies owning worldwide proprietary maps including detailed and premium maps of the main markets of Europe and North America. We will continue to invest in innovation and technology to expand content and improve quality and freshness.

Strategy

AND is the only independent player in the global map market offering digital mapping for location-based services. This creates good opportunities and AND will accordingly be improving and expanding its existing map seven more effectively. AND will also be focusing on increasing the added value which it offers by providing its maps and data as customised services.

Outlook for 2019

The economic conditions in Europe in the coming years are uncertain but we do see (as mentioned above) an increasing demand for new, highly customised maps for automotive, Smart City, IOT and GIS applications. Due to the nature of these new technologies, the volume of business will depend on market adoption. We will keep investing in technology and our map and continue to expand our reach to new markets. As such we expect 2019 to be a continuation of the transformation period initiated in 2017. However, following more success in the automotive sector in 2018, AND aims to further develop its innovative technology solutions in order to grow this revenue stream. We are positive there will be new opportunities within the current, fast changing, technology and market developments. AND does not provide a financial outlook for 2019.

Risks

For details of the various risks affecting AND International Publishers NV and its subsidiaries, reference is made to the company's 2017 annual report. An updated assessment will be included in the 2018 annual report.

The General Meeting of Shareholders will be held in Rotterdam, the Netherlands on 16 May 2019. Detailed analysis of the results can be found in the 2018 annual report. The annual report will be published on the website www.and.com during the course of the day on April 4th, and thus meeting the statutory period for publishing the accounts applicable to AND.

Rotterdam, 28 March 2019

Management Board
Thierry Jaccoud, CEO

2019	Financial Calendar
28 March	Publication of 2018 results
16 May	General meeting of shareholders
12 September	Publication of half-year results

Editorial note, not for publication. For further information, please contact Thierry Jaccoud, tel 0031-10 8851200, or visit www.and.com.

De in dit persbericht opgenomen jaarcijfers over 2018 zijn ontleend aan de conceptversie van het rapport inzake de jaarrekening 2018. Er is nog geen controleverklaring afgegeven door de externe accountant. De definitieve versie van dit rapport komt beschikbaar op 4 april 2019.

Dit persbericht bevat voorkennis ('insider information') in de zin van Artikel 7(1) van de EU-richtlijn betreffende marktmisbruik.

This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

1. Consolidated statement of profit or loss

(x € 1.000)	2018	2017
Revenue	1.005	1.375
Maps en sources	(26)	(79)
Personnel expenses	(2.161)	(2.422)
Other operating expenses	(673)	(910)
Amortization	(824)	(872)
Depreciation	(28)	(48)
Total operating expenses	(3.712)	(4.331)
Capitalised development costs	554	389
Impairments	(1.553)	(1.231)
Net operating expenses	(4.711)	(5.173)
	-	-
Operating result	(3.706)	(3.798)
Financial expense/income	29	(11)
Result before tax	(3.677)	(3.809)
Income taxes	564	963
Net profit (loss)	(3.113)	(2.846)
Average number of outstanding shares	3.727.137	3.727.137
Average number of outstanding shares after dilution	3.727.137	3.727.137
Basic earnings per share (euro)	(0,84)	(0,76)
Diluted earnings per share (euro)	(0,84)	(0,76)

1. Consolidated statement of comprehensive income

(x € 1.000)	2018	2017
Net result	(3,113)	(2,846)
Other comprehensive income for the year		
Foreign currency translation differences on foreign operations	(122)	(55)
Total comprehensive income for the year (after income tax)	(3,235)	(2,901)
Comprehensive income attributable to:		
Shareholders of the company	(3,235)	(2,901)

2. Consolidated statement of financial position

As of 31 December (before appropriation of result)

(x € 1.000)	2018	2017
Assets		
Intangible assets	10.132	11.955
Property, Plant and equipment	30	73
Deferred tax assets	1.939	1.373
Total non-current assets	12.101	13.401
Trade and other receivables	330	497
Cash and cash equivalents	2.194	4.114
Total current assets	2.524	4.611
Total assets	14.625	18.012
Shareholders' equity		
Issued and paid-up capital	2.795	2.795
Share premium reserve	36.227	36.227
Legal reserve	9.719	11.200
Result for the year	(3.113)	(2.846)
Retained earnings	(31.983)	(30.496)
Total shareholders' equity	13.645	16.880
Liabilities		
Defined benefit plans	12	12
Other liabilities	177	214
Total non-current liabilities	189	226
Trade and other liabilities	791	906
Total current liabilities	791	906
Total shareholders' equity and liabilities	14.625	18.012

3. Consolidated summary 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 31 December 2016	2.795	36.227	10.308	2.780	(31.771)	20.339
Comprehensive income						
Distribution of result 2016	-	-	-	(2.221)	2.221	-
Result for the year	-	-	-	(2.846)	-	(2.846)
Other comprehensive income						
Foreign currency translation differences on foreign operations	-	-	(55)	-	-	(55)
Other movements						
Transfer to legal reserve	-	-	947	-	(947)	-
Total comprehensive income	-	-	892	(5.067)	1.274	(2.901)
Transactions with owners						
Dividend payment	-	-	-	(559)	-	(559)
As at 31 December 2017	2.795	36.227	11.200	(2.846)	(30.497)	16.880
Comprehensive income						
Distribution of result 2017	-	-	-	2.846	(2.846)	-
Result for the year	-	-	-	(3.113)	-	(3.113)
Other comprehensive income						
Foreign currency translation differences on foreign operations	-	-	(122)	-	-	(122)
Other movements						
Transfer to legal reserve	-	-	(1.359)	-	1.359	-
Total comprehensive income	-	-	(1.481)	(267)	(1.487)	(3.235)
Transactions with owners						
Dividend payment	-	-	-	-	-	-
As at 31 December	2.795	36.227	9.719	(3.113)	(31.983)	13.645

4. Consolidated cash flow statement

(x € 1.000)	2018	2017
Operating result:	(3.706)	(3.798)
Adjustments for:		
Depreciation tangible fixed assets	28	48
Amortization intangible fixed assets	824	872
Impairment loss intangible fixed assets	1.553	1.231
Changes in working capital:		
Change in receivables	(186)	102
Change in other liabilities	(156)	40
Cash flow from operating activities	(1.643)	(1.505)
Finance income / (expense)	29	(11)
Income tax received / paid	285	(305)
Net cash flow from investing activities	(1.329)	(1.821)
Investments in intangible fixed assets and capitalized development costs	(554)	(408)
Investments in property, plant and equipment	-	(13)
Cash flow from investing activities	(554)	(421)
Dividend payment	-	(559)
Long-term liabilities	(37)	(30)
Cash flow from financing activities	(37)	(589)
Net decrease in cash and cash equivalents	(1.920)	(2.831)
Opening balance cash and cash equivalents	4.114	4.114
Closing balance cash and cash equivalents	2.194	1.283