

## MapsPeople A/S announces adjusted ARR guidance 2023 and correction to reported ARR in Q1-23 and Q2-23

MapsPeople A/S | Inside Information

Company Announcement No. 27 - 2023

Aalborg, November 10, 2023

### 2023 Expectations

In company announcement 7-2023 MapsPeople announced expectations of ARR in the range of mDKK 77-87 at the end of 2023. The updated ARR guidance is mDKK 58-64. Guidance of Recognised Revenues (mDKK 38 - 45) and ebitda (negative mDKK 52 - 62) remains unchanged.

**Correction to reported ARR.** Having conducted internal analysis on the ARR calculations some misalignments in methodology mainly stemming from the shift from the previous cARR methodology has been incorrectly used after the shift to ARR (invoiced and delivered). MapsPeople has partners with contracted commitments for a given period (reported as cARR) and when an end customer of the partner churns away that contracted commitment remains unchanged. However, the delivered and invoiced ARR is to be reduced with the churned amount, which by error had not been done correctly in some cases. The correction for this has a negative impact on ARR guidance of mDKK 6.5. ARR in Q1 2023 is adjusted from reported mDKK 38.9 to mDKK 34.4. ARR in Q2 2023 is adjusted from reported mDKK 52.9 to mDKK 46.4.

**Lower conversion of Framework Agreements to delivered and invoiced ARR in Q4.** While the company is making progress in utilizing and/or renegotiating the partner framework contracts with partners into new Prepaid Platform licenses the current outlook is that this will take longer than planned and to a larger extent moving into 2024 before it can be materialized. This adjustment results in mDKK 9-13 delayed ARR generation by the end 2023 compared to the plans for the year according to company announcement 7-2023 according to company announcement 7-2023.

**Large customer Renewal.** The company is currently facing a renewal negotiation of a large customer contract from the Point Inside acquisition, which is taking longer than anticipated and if this contract is not concluded by end of 2023 it will have a negative impact of mDKK 3.5 on ARR end of year in regards to the acquired ARR from Point Inside according to company announcement 11-2023 in regards to the acquired ARR from Point Inside according to company announcement 11-2023. If this contract renews we will end 2023 at the high end of the adjusted ARR guidance. If it does not renew we will end in the low end of the adjusted guidance. Should the latter be the outcome the purchase contract with Point Inside protected MapsPeople for such an event and the company will claw back

50% of the purchase price of the Point Inside assets according to the contract equalling 1,570,101 MapsPeople shares, that is currently held in Escrow until clarity of renewal of all customer contracts acquired from Point Inside.

Despite the above adjustments the management continues to see the market growing and demand improving on a solid basis helping deliver quarterly organic growth comparable with Q1 and Q2 in the second half of the year and into 2024 through a more cost efficient organization. The company's revised ARR guidance constitutes an ARR growth in the range of 83-102% for 2023. Realized ARR at the end of Q3 2023 is of mDKK 51.4, corresponding to a growth of 63% in the first 3 quarters of 2023.

## **For additional information, please contact**

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