

Geomatic A/S

**Regnbuepladsen 7, 2.
1550 København V**

Central Business Registration No. 28 86 22 45

Annual Report for 2022

The Annual Report was presented and
approved at the Annual General Meeting
of the company on 24/05 2023

Claus Hovge Andersen
Chairman

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Company details

The company

Geomatic A/S
Regnbuepladsen 7, 2.
1550 København V

CVR no.: 28 86 22 45
Reporting period: 1 January - 31 December 2022
Domicile: Copenhagen

Board of directors

Brian Beattie, chairman
Claus Hovge Andersen, board member
Jesper Ulsted, board member

Executive board

Siri Bendix Steendahl, CEO

Auditors

Roesgaard
Godkendt Revisionspartnerselskab
Sønderbrogade 16
8700 Horsens

Statement by management on the annual report

The board of directors and executive board have today discussed and approved the annual report of Geomatic A/S for the financial year 1 January - 31 December 2022.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report be approved by the company at the general meeting.

Copenhagen, 24 May 2023

Executive board

Siri Bendix Steendahl
CEO

Board of directors

Brian Beattie
chairman

Claus Hovge Andersen

Jesper Ulsted

Independent auditor's report

To the shareholder of Geomatic A/S

Opinion

We have audited the financial statements of Geomatic A/S for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Horsens, 24 May 2023

Roesgaard

Godkendt Revisionspartnerselskab
CVR no. 37 54 31 28

Michael Mortensen
State Authorised Public Accountant
MNE no. mne34108

Management's review

Business review

Geomatic assists their customers with easy, high-performing products to enhance their own data pool with Geomatics Nordic data Universe of 3rd party data and business analytics models. Geomatic offers data packages within property data, conzoom® demographics, and data quality. Geomatic's core competencies include an in-depth understanding of register data, data science for business, direct marketing, and data legislation. In short: Geomatic supports the end-to-end processes from data collection to data utilization for data-driven business strategic initiatives.

Geomatic is strongly committed to data governance and being leading experts within data legislation. Geomatic have high data ethical standards and prioritized high level of data security. The company have both an ISAE 3402 audit, validating the data governance and the secure data environment, and an ISAE 3000 audit, validating that data are kept in a responsible manner within Geomatic.

Geomatic has undertaken several strategic initiatives during 2022 to position the company for future growth and success. In the spring 2022 the flagship product was brought to the next level by launching generation 6 of conzoom®, which features a 30% lift in predictive ability.

Geomatic has also initiated the development of a climate model, which provide customers with more accurate and reliable climate data. This initiative aligns with Geomatics commitment to sustainability and environmental responsibility.

In May, Geomatic's founder Martin Glarvig chose to sell Geomatic to Volaris Group. Volaris Group is a leading technology company with a strong track record of acquiring and growing software businesses. This acquisition has provided Geomatic with access to new resources, expertise, and capabilities that help accelerate the company's growth and expand the market reach.

As one of the first-movers in the data industry Geomatic welcome the future, and expect to continue the successful journey within data science, property and consumer insights, and governance.

Financial review

Geomatic's income statement for the year ended 31 December 2022 shows a profit of DKK 4,843,261 and the balance sheet at 31 December 2022 shows equity of DKK 14,669,135.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Geomatic A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The annual report for 2022 is presented in DKK.

Changes in accounting policies

With effect from 2 May 2022, Geomatic A/S has implemented IFRS 15 Revenue from contracts with customers and IFRS 16 Leasing.

IFRS 15 includes a number of transitional provisions that allow the standard not to be implemented retroactively. Using this method means that the accumulated effect of the implementation of IFRS 15 is recognised in the equity at the beginning of the year of transition and that comparative figures are not restated. When implementing IFRS 15 for the interpretation of the legal framework, it is also allowed to apply the more applicable relaxed rules of IFRS 15 under the law.

The IFRS 15 implementation has no accounting impact.

IFRS 16 contains a number of transitional provisions that allow existing leases to be recognised based on the present value of the remaining lease liabilities and that comparative figures are not to be restated. When implementing IFRS 16 for the interpretation of the legal framework, it is also allowed that the less strict transitional provisions under IFRS 16 also apply within the law.

The accounting impact of the IFRS 16 implementation is that in the financial statements for 2022, the company has recognised DKK 2,700 thousand in the balance sheet as lease liability with effect on the assets being equivalent to DKK 2,656 thousand. The operating effect of the reimplementation of IFRS 16 totals DKK 45 thousand

Geomatic A/S has this year chosen to change the recognition criteria for capital shares in subsidiaries. This is due to the new group formation, which is why the group's current accounting practices are implemented. The company changed its practice from recognizing subsidiaries at the proportionate net asset value to recognizing according to the cost price method.

Changes in classification

The classification of other payables has been changed so that the item only includes liabilities relating to staff and debt to the public sector. This means that liabilities relating to other aspects are presented as trade payables or payables to shareholders and management. Due to the changes, other payables are reduced by DKK 29 thousand in 2021, where trade payables have increased by DKK 5 thousand and payables to shareholders and management have increased by DKK 26 thousand.

Accounting policies

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

The company uses IFRS 15 as basis for the revenue recognition.

Revenue from the sale of data packages and services is recognised in the income statement by reference to the stage of completion. Accordingly, revenue corresponds to the selling price of the work performed during the year (the percentage of completion method). Revenue is recognised when total income and expenses and the stage of completion of the contract at the balance sheet date can be reliably measured and when it is probable that the economic benefits, including payments, will flow to the company. Revenue is measured excluding VAT and taxes.

Revenue from sale of licenses and subscriptions is accrued over the agreement period.

Accounting policies

Cost of sales

Costs of sales include costs used in generating the year's revenue.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, currency exchange gains and losses on foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Income from investments in subsidiaries

Dividend from investments is recognised in the reporting year in which the dividend is declared.

Dividend from participating interests is recognised in the financial year in which the dividend is declared.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Intangible assets

Development projects, patents and licences

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually five years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the term of the licence, however not more than 8 years.

Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Tangible fixed assets

Buildings, leasehold improvements, fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	5 years
Other fixtures and fittings, tools and equipment	3-5 years

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

Accounting policies

Leases

The company uses IFRS 16 as basis for classifications and recognition of leases.

Leases for items of property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the company's other non-current assets.

Investments in subsidiaries

Investment in subsidiaries, associates and participating interests are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Impairment of fixed assets

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Accounting policies

Equity

Reserve for development costs

An amount corresponding to capitalised development costs is recognised in the reserve. The reserve is reduced as development costs are amortised.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

Financial liabilities include the capitalised residual of finance lease commitment.

Other liabilities are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Income statement 1 January - 31 December 2022

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Gross profit		17.161.535	19.710.722
Staff costs	1	<u>(11.555.167)</u>	<u>(8.614.745)</u>
Profit/loss before amortisation/depreciation and impairment losses		5.606.368	11.095.977
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>(573.958)</u>	<u>(319.251)</u>
Profit/loss before net financials		5.032.410	10.776.726
Financial income	2	748.216	137.765
Financial costs		<u>(265.515)</u>	<u>(231.925)</u>
Profit/loss before tax		5.515.111	10.682.566
Tax on profit/loss for the year	3	<u>(663.057)</u>	<u>(2.352.680)</u>
Profit/loss for the year		<u>4.852.054</u>	<u>8.329.886</u>
Extraordinary dividend for the year		0	3.300.000
Reserve for net revaluation under the equity method		(85.408)	0
Transferred to other statutory reserves		(61.669)	61.669
Retained earnings		<u>4.999.131</u>	<u>4.968.217</u>
		<u>4.852.054</u>	<u>8.329.886</u>

Balance sheet at 31 December 2022

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Assets			
Acquired patents		225.000	250.000
Development projects in progress		0	79.063
Intangible assets	4	<u>225.000</u>	<u>329.063</u>
Land and buildings	5	2.655.705	0
Other fixtures and fittings, tools and equipment	5	964.762	67.030
Tangible assets		<u>3.620.467</u>	<u>67.030</u>
Investments in subsidiaries	6	524.408	524.408
Deposits		312.275	404.575
Fixed asset investments		<u>836.683</u>	<u>928.983</u>
Total non-current assets		<u>4.682.150</u>	<u>1.325.076</u>
Trade receivables		1.618.538	3.796.574
Receivable from group entities		19.261.995	2.599.907
Other receivables		0	1.376.913
Deferred tax asset		42.198	67.475
Prepayments		2.831.495	2.704.082
Receivables		<u>23.754.226</u>	<u>10.544.951</u>
Cash at bank and in hand		<u>286.586</u>	<u>10.772.388</u>
Total current assets		<u>24.040.812</u>	<u>21.317.339</u>
Total assets		<u>28.722.962</u>	<u>22.642.415</u>

Balance sheet at 31 December 2022

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Equity and liabilities			
Share capital		500.000	500.000
Reserve for net revaluation under the equity method		0	85.408
Reserve for development expenditure		0	61.669
Retained earnings		<u>14.177.928</u>	<u>9.178.797</u>
Equity		<u>14.677.928</u>	<u>9.825.874</u>
Lease obligations		<u>2.215.609</u>	<u>0</u>
Long-term debt	7	<u>2.215.609</u>	<u>0</u>
Short-term part of long-term debt	7	484.676	0
Trade payables		3.024.965	256.433
Payables to subsidiaries		336.541	335.771
Payables to shareholders and management		0	23.601
Corporation tax		637.780	2.357.412
Other payables		974.506	1.825.778
Deferred income		<u>6.370.957</u>	<u>8.017.546</u>
Total current liabilities		<u>11.829.425</u>	<u>12.816.541</u>
Total liabilities		<u>14.045.034</u>	<u>12.816.541</u>
Total equity and liabilities		<u>28.722.962</u>	<u>22.642.415</u>

Statement of changes in equity

	<u>Share capital</u>	<u>Reserve for net revalua- tion under the equity method</u>	<u>Reserve for development expenditure</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2022	500.000	85.408	61.669	9.178.797	9.825.874
Net profit/loss for the year	<u>0</u>	<u>(85.408)</u>	<u>(61.669)</u>	<u>4.999.131</u>	<u>4.852.054</u>
Equity at 31 December 2022	<u>500.000</u>	<u>0</u>	<u>0</u>	<u>14.177.928</u>	<u>14.677.928</u>

Notes to the annual report

	<u>2022</u>	<u>2021</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	9.709.574	7.439.563
Pensions	1.760.620	1.063.498
Other social security costs	84.973	111.684
	<u>11.555.167</u>	<u>8.614.745</u>
Average number of employees	<u>14</u>	<u>13</u>
2 Financial income		
Interest received from group entites	737.616	28.599
Other financial income	10.600	109.166
	<u>748.216</u>	<u>137.765</u>
3 Tax on profit/loss for the year		
Current tax for the year	637.780	2.357.412
Deferred tax for the year	25.277	(4.732)
	<u>663.057</u>	<u>2.352.680</u>

Notes to the annual report

4 Intangible assets

	Acquired patents	Development projects in progress
Cost at 1 January 2022	425.582	79.063
Disposals for the year	(175.582)	0
Cost at 31 December 2022	250.000	79.063
Impairment losses and amortisation at 1 January 2022	175.582	0
Impairment losses for the year	0	79.063
Amortisation for the year	25.000	0
Reversal of impairment and amortisation of sold assets	(175.582)	0
Impairment losses and amortisation at 31 December 2022	25.000	79.063
Carrying amount at 31 December 2022	225.000	0

5 Tangible assets

	Land and buildings	Other fixtures and fittings, tools and equipment
Cost at 1 January 2022	0	4.357.679
Additions for the year	2.930.433	1.092.899
Disposals for the year	0	(4.057.538)
Cost at 31 December 2022	2.930.433	1.393.040
Impairment losses and depreciation at 1 January 2022	0	4.290.649
Depreciation for the year	274.728	195.167
Reversal of impairment and depreciation of sold assets	0	(4.057.538)
Impairment losses and depreciation at 31 December 2022	274.728	428.278
Carrying amount at 31 December 2022	2.655.705	964.762
Value of leased assets	2.655.705	0

Notes to the annual report

	2022	2021
	DKK	DKK
6 Investments in subsidiaries		
Cost at 1 January 2022	524.408	524.408
Cost at 31 December 2022	524.408	524.408
Carrying amount at 31 December 2022	524.408	524.408

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
Geomatic Marknadsanalys AB	Mölndal, Sverige	100 %	526.866	1.024

7 Long-term debt

	Debt at 1 January 2022	Debt at 31 December 2022	Instalment next year	Debt outstanding after 5 years
Lease obligations	0	2.700.285	484.676	0
	0	2.700.285	484.676	0

Notes to the annual report

8 Contingent liabilities

The company is jointly taxed with Modaxo Europe A/S (management company), and has limited and secondary liability together with other jointly taxed entities for payment of income taxes for income year 2022 onwards as well as for payment of withholding taxes on dividends, interest and royalties.

9 Related parties and ownership structure

Consolidated financial statements

The company is part of the group reporting for Constellation Software Inc., Canada, which is the smallest group in which the company is included as a subsidiary.