

Matter DK ApS

Toldbodgade 31 3., 1253 København K

CVR no. 38 40 20 21

**Annual report for the period
1 January to 31 December 2022**

Adopted at the annual general meeting on 26 June
2023

Emil Stigsgaard Fuglsang
chairman



Table of contents

| | Page |
|--|-------------|
| Statements | |
| Statement by management on the annual report | 1 |
| Independent auditor's report | 2 |
| | |
| Management's review | |
| Company details | 5 |
| Management's review | 6 |
| | |
| Financial statements | |
| Income statement 1 January - 31 December | 7 |
| Balance sheet 31 December | 8 |
| Statement of changes in equity | 10 |
| Notes | 11 |
| Accounting policies | 15 |

Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Matter DK ApS 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 should be approved by the company in general meeting.

Copenhagen, 26 June 2023

Executive board

Niels Fibæk-Jensen
CEO

Emil Stigsgaard Fuglsang

Supervisory board

Morten Skovfoged Tinggaard
chairman

Steen Sønderby

Toke Feilberg Friborg

Stine Mølgaard Sørensen

Rebecca Homkes

Independent auditor's report

To the shareholders of Matter DK ApS

Opinion

We have audited the financial statements of Matter DK ApS 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 taken 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.

Independent auditor's report

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.

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.

Copenhagen, 26 June 2023

Baker Tilly Denmark

Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Morten Friis Munksgaard
statsautoriseret revisor
MNE no. mne34482

Company details

| | |
|-------------------|---|
| The company | Matter DK ApS Toldbodgade 31 3. 1253 København K CVR no.: 38 40 20 21 Reporting period: 1 January - 31 December 2022 Incorporated: 1 February 2017 Domicile: Copenhagen |
| Supervisory board | Morten Skovfoged Tinggaard, chairman Steen Sønderby Toke Feilberg Friborg Stine Mølgaard Sørensen Rebecca Homkes |
| Executive board | Niels Fibæk-Jensen, CEO Emil Stigsgaard Fuglsang |
| Auditors | Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby |

Management's review

Business review

The company's main activity is to conduct business within sustainability analysis of investment portfolios and data.

Financial review

The company's income statement for the year ended 31 December 2022 shows a loss of DKK 11.080.258, and the balance sheet at 31 December 2022 shows equity of DKK 12.305.586.

The result and development for 2022 is as expected, as we have had significant development costs for the development of our platform. We have also added new clients, and launched a range of new products.

The company's management is working to continue the development of Matter's products and technological platform, and in the longer run to establish a positive cash flow and a stable revenue base.

Significant events occurring after the end of the financial year

Matter has secured additional capital in May 2023 to extend runway.

Income statement 1 January - 31 December

| | Note | 2022 | 2021 |
|--|------|---------------------------|--------------------------|
| | | DKK | DKK |
| Gross profit | | -2.450.540 | 1.854.975 |
| Staff costs | 1 | <u>-7.035.275</u> | <u>-6.558.620</u> |
| Profit/loss before amortisation/depreciation and impairment losses | | -9.485.815 | -4.703.645 |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | | <u>-3.094.562</u> | <u>-9.996</u> |
| Profit/loss before net financials | | -12.580.377 | -4.713.641 |
| Financial income | | 7.156 | 0 |
| Financial costs | | <u>-387.479</u> | <u>-133.699</u> |
| Profit/loss before tax | | -12.960.700 | -4.847.340 |
| Tax on profit/loss for the year | 2 | <u>1.880.442</u> | <u>1.616.937</u> |
| Profit/loss for the year | | <u>-11.080.258</u> | <u>-3.230.403</u> |
| Recommended appropriation of profit/loss | | | |
| Transferred to reserve for development expenditure | | 4.262.695 | 5.732.778 |
| Retained earnings | | <u>-15.342.953</u> | <u>-8.963.181</u> |
| | | <u>-11.080.258</u> | <u>-3.230.403</u> |

Balance sheet 31 December

| | Note | 2022 DKK | 2021 DKK |
|--|------|-------------------|-------------------|
| Assets | | | |
| Completed development projects | | 16.603.614 | 0 |
| Development projects in progress | | 0 | 11.138.620 |
| Intangible assets | 3 | 16.603.614 | 11.138.620 |
| Other fixtures and fittings, tools and equipment | 4 | 5.241 | 17.332 |
| Tangible assets | | 5.241 | 17.332 |
| Deposits | | 478.225 | 0 |
| Fixed asset investments | | 478.225 | 0 |
| Total non-current assets | | 17.087.080 | 11.155.952 |
| Trade receivables | | 1.598.610 | 2.454.306 |
| Contract work in progress | 5 | 151.000 | 1.062.581 |
| Other receivables | | 408.969 | 138.330 |
| Corporation tax | | 1.880.442 | 1.616.937 |
| Prepayments | | 290.267 | 55.303 |
| Receivables | | 4.329.288 | 5.327.457 |
| Cash at bank and in hand | | 5.540.507 | 10.142.159 |
| Total current assets | | 9.869.795 | 15.469.616 |
| Total assets | | 26.956.875 | 26.625.568 |

Balance sheet 31 December

| | Note | 2022 | 2021 |
|---|------|-------------------|-------------------|
| | | DKK | DKK |
| Equity and liabilities | | | |
| Share capital | | 109.237 | 109.237 |
| Reserve for development expenditure | | 12.950.819 | 8.688.124 |
| Retained earnings | | -754.470 | 14.588.483 |
| Equity | | 12.305.586 | 23.385.844 |
| Convertible and profit-yielding instruments of debt | | 11.445.894 | 0 |
| Other payables | | 148.496 | 339.451 |
| Total non-current liabilities | 6 | 11.594.390 | 339.451 |
| Trade payables | | 410.162 | 132.304 |
| Other payables | | 894.914 | 2.326.237 |
| Deferred income | | 1.751.823 | 441.732 |
| Total current liabilities | | 3.056.899 | 2.900.273 |
| Total liabilities | | 14.651.289 | 3.239.724 |
| Total equity and liabilities | | 26.956.875 | 26.625.568 |
| Contingent liabilities | 7 | | |

Statement of changes in equity

| | Share capital | Reserve for development expenditure | Retained earnings | Total |
|------------------------------|----------------|---|----------------------|-------------------|
| | DKK | DKK | DKK | DKK |
| Equity at 1 January | 109.237 | 8.688.124 | 14.588.483 | 23.385.844 |
| Net profit/loss for the year | 0 | 4.262.695 | -15.342.953 | -11.080.258 |
| Equity at 31 December | 109.237 | 12.950.819 | -754.470 | 12.305.586 |

Notes

| | <u>2022</u> | <u>2021</u> |
|--|--------------------------|--------------------------|
| | DKK | DKK |
| 1 Staff costs | | |
| Wages and salaries | 14.964.410 | 12.127.146 |
| Pensions | 334.623 | 270.151 |
| Other social security costs | 151.559 | 75.830 |
| Other staff costs | 132.148 | 153.251 |
| | <u>15.582.740</u> | <u>12.626.378</u> |
| Capitalized as development projects | <u>-8.547.465</u> | <u>-6.067.758</u> |
| | <u>7.035.275</u> | <u>6.558.620</u> |
| Average number of employees | <u>24</u> | <u>21</u> |
| 2 Tax on profit/loss for the year | | |
| Current tax for the year | <u>-1.880.442</u> | <u>-1.616.937</u> |
| | <u>-1.880.442</u> | <u>-1.616.937</u> |

Notes

3 Intangible assets

| | Completed development projects <u>DKK</u> | Development projects in progress <u>DKK</u> |
|--|--|--|
| Cost at 1 January | 0 | 11.138.620 |
| Additions for the year | 8.547.465 | 0 |
| Transfers for the year | 11.138.620 | -11.138.620 |
| Cost at 31 December | <u>19.686.085</u> | <u>0</u> |
| Depreciation for the year | <u>3.082.471</u> | <u>0</u> |
| AA Impairment losses and amortisation at 31 December | <u>3.082.471</u> | <u>0</u> |
| Carrying amount at 31 December | <u><u>16.603.614</u></u> | <u><u>0</u></u> |

Matter launched a digital platform for portfolio analysis to beta customers in November 2021, and publicly in January 2022. The platform has been enhanced during 2022 with new features (among other things new reporting workflows, addition of fund data and opportunities to analyze data for individual companies), and at the same time Matter has launched 5 new data products for clients during 2022 and the first quarter of 2023. The 5 data products give clients new opportunities to analyze the sustainability of their investment portfolios from different perspectives, and each has required months of work from Matter's data and product team. Finally, development work has focused on making API and data solutions available to partners who want to integrate Matter data into other platforms, including signed partnerships with some of the largest global investment management platforms, and the single largest institutional intelligence platform in the world.

Notes

4 Tangible assets

| | Other fixtures and fittings, tools and equipment <u>DKK</u> |
|---|---|
| Cost at 1 January | <u>37.860</u> |
| Cost at 31 December | <u>37.860</u> |
| Impairment losses and depreciation at 1 January | 20.528 |
| Depreciation for the year | <u>12.091</u> |
| Impairment losses and depreciation at 31 December | <u>32.619</u> |
| Carrying amount at 31 December | <u><u>5.241</u></u> |

| | <u>2022</u> DKK | <u>2021</u> DKK |
|------------------------------------|------------------------------|--------------------------------|
| 5 Contract work in progress | | |
| Work in progress, selling price | <u>151.000</u> | <u>1.062.581</u> |
| | <u><u>151.000</u></u> | <u><u>1.062.581</u></u> |

6 Long term debt

| | Debt at 1 January <u>DKK</u> | Debt at 31 December <u>DKK</u> | Instalment next year <u>DKK</u> | Debt outstanding after 5 years <u>DKK</u> |
|--|------------------------------------|--------------------------------------|---------------------------------------|--|
| Convertible and profit-yielding instruments of debt | 0 | 11.445.894 | 0 | 0 |
| Other payables | <u>339.451</u> | <u>148.496</u> | <u>0</u> | <u>0</u> |
| | <u><u>339.451</u></u> | <u><u>11.594.390</u></u> | <u><u>0</u></u> | <u><u>0</u></u> |

Notes

7 Contingent liabilities

The Company has entered a rental commitment, that can be terminated at the earliest on July 2024 with a notice of 6 months. The rental commitment has been stated at t.DKK 1.514.

Accounting policies

The annual report of Matter DK ApS 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 accounting policies applied are consistent with those of last year.

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 other external expenses.

Revenue

Income from services, comprising service contracts and extended warranties relating to products and contracts sold is recognised on a straight-line basis as the services are provided.

Accounting policies

Other external costs

Other external costs include expenses related to sale, advertising, administration, premises 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 that relate to the financial year. Net financials include interest income and expenses and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

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.

Balance sheet

Intangible assets

Development projects

Development costs comprise costs and wages/salaries that are directly and indirectly attributable to the company's development activities.

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.

Tangible assets

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Accounting policies

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

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

| | |
|--|---------|
| Other fixtures and fittings, tools and equipment | 3 years |
|--|---------|

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.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Prepayments

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

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.

Accounting policies

Provisions

Provisions comprise expected expenses relating to warranty commitments, losses on work in progress, restructuring, etc. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

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.

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

Liabilities, which include trade payables, payables to group entities and other payables, 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.