

## Risk Intelligence A/S reaches acceptable H1 after challenging Q2 and communicates cautious optimistic outlook for H2

Risk Intelligence A/S (“Risk Intelligence”) announces today that the Company has reached 93% of the revenue for H1 2020 compared to H1 2019 after a challenging Q2.

Risk Intelligence has reached 93% in revenue in H1 2020 (DKK 5.494.770) compared to H1 2019 (5,903,502 DKK). Sales have been derived from both existing as well as new commercial and governmental clients. In H1 January and June was above 2019, but February to May was very much impacted by the global COVID-19 situation with new sales almost coming to a halt in April and May. June saw a fine pick-up in business again. Subsequently, revenue in Q2 2020 decreased by 34% (1.786.612 DKK) compared to Q2 2019 (2,703,652 DKK).

The Company is still expecting a positive EBITDA for the full year of 2020. Due to the difficult market conditions globally under the COVID-19 situation, which has impacted on the acquisition of new clients in February to mid-June, and the ongoing uncertainty in the market the company do not expect to double the maritime business in 2020 as outlined at the IPO in 2018. The Company still expects significant growth in the maritime business during 2020. The promising discussions with potential clients for LandRisk from the beginning of the year also stopped in March as all stakeholders were engaged in securing their own supply chains due to COVID-19. These discussions have been renewed in second half of June.

### CEO Hans Tino Hansen says

“Considering the market situation for most of the reported period Risk Intelligence has reached an acceptable revenue level with only a 7% decrease compared to the same period in 2019. Especially during February to May, the impact of COVID-19 on both clients and potential clients, the conditions have been quite difficult. For existing clients, our services have continued unhindered during the period, but the signing of new clients has been more or less impossible due to their legal and procurement departments being closed or with very limited operations. During June these have started to come back online, and we have been able to sign several new clients for the Risk Intelligence System during the latter part of the month and more are in process to be finalised. The cautious optimism we have witnessed in June and early July makes us believe that we will continue to see an uptake in our business and that we can deliver on our budget during second half of the year. With 9.3m DKK in known/recurring revenue in H2 and a range of potential clients in the pipeline for both the maritime and the land-based business, we have a solid foundation for further growth”.

### COVID-19 impact on Risk Intelligence’s operations

The impact of COVID-19 on Risk Intelligence’s own operations is insignificant as a large part of the global staff are normally working from home or are used to having to do so. Everyone is used to online meetings and remote collaboration. Furthermore, all data-, administrative-, financial- and operational systems are online and can be accessed remotely. Risk Intelligence has worked in an

online environment connecting staff members in Europe, Asia, Middle East, Africa and North America since its very start of the company. However, while the ban on travelling obviously has an impact on both future sales and offsite consultancy projects, it has been partly replaced by an increased online meeting activity. As an example, all client seminars are being replaced by online webinars that have had up to 190 participants, each and several new opportunities have materialised.

Currently, the staff main office in Hellerup, Denmark is back and fully functioning, while the Singapore office staff is fully functioning and working from home due to national guidelines. Other staff members elsewhere are working from home.

### **COVID-19 impact on Risk Intelligence business**

Importantly, security intelligence is still needed, and the threat and risks related to security do not decline because of COVID-19, this results in a constant demand that places Risk Intelligence in an a-cyclical position in the market. The experience from global financial crisis in 2008/2009 and from the shipping crisis in 2015/2016 was that, due to Risk Intelligence's close relation with its clients, the result at the end of the year was unchanged or even with a growth compared to the previous year. The impact has primarily been from the almost halt in getting new clients onboard in all business segments and from the lack of bespoke Advisory Service projects that have been halted due to various reasons such as lock downs, access closure at clients' offices, Risk Intelligence travel ban and general stoppage of travelling.

The recurring revenue from existing license agreements and framework agreements for 2020 as well as sales in Q1 known revenue for 2020 as of 6 July 2020 is about 15M DKK and this provides a solid basis for the revised budget and subsequently also for continued growth compared to 2019.

With the signals of a more challenging business climate in February we initiated a revision of the budget with a significant reduction in planned growth in revenue as well as significant cost savings into a new revised budget for 2020 that is still balanced with a planned positive EBITDA under the current assumptions. The cost savings are designed to preserve the organisation and continue to deliver the same high level of quality to our clients. Our target to double the Maritime business from 2017 to 2020 is unfortunately postponed by the effects from COVID-19.

With a more balanced revenue to cost and investment ratio during 2020 fewer capital reserves are needed in 2020 than in 2019. Due to the uneven distribution of revenues across the year and the even distribution of the costs, the management of Risk Intelligence makes sure to have the company fully funded at any time according to plans.

The full Q2 2020 interim report will be published 19 August 2020.

*This information is information that Risk Intelligence A/S is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact person set out below, on 7 July 2020.*

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*Risk Intelligence A/S was founded in 2001 by Hans Tino Hansen. The company has evolved to become a prominent company in security risk management by delivering threat and risk assessments worldwide. Risk Intelligence operates and assists customers and partners from headquarters located north of Copenhagen, the office in Singapore as well as through representatives in Europe, Asia and North America. The business has been designed with international scalability in mind and the company is globally regarded as an expert in its field. Risk Intelligence provides the 'Risk Intelligence System [MaRisk + PortRisk + LandRisk]' which is a digital platform that allows clients to monitor global security risks and enables them to plan and implement missions in risk areas. Risk Intelligence is listed on the Spotlight Stock market [RISK].*