

Q4 Interim and Year-End Report 1 January - 31 December 2022

Risk Intelligence A/S ("Risk Intelligence" or "Company") hereby publishes the Q4 Interim and Year-End Report for the period January - December 2022. The report is available on the Company's investor website (investor.riskintelligence.eu).

Highlights:

- The principle for recognising revenue has been changed to full periodisation with impact on revenue, growth figures, P/L, and equity.
- Total revenue according to the new principles up by 8% in 2022
- Total recurring revenue up by 9% in 2022
- Net Retention Rate 111%
- Revenue according to the new principles increased by 8% in Q4
- Costs have increased by 42% in Q4 and by 26% in 2022. For the full year due to higher activity and new staff in sales and marketing. In Q4 due to timing towards end of 2022.
- EBITDA 2022 according to the new principles decreased by 114%
- Net profit in 2022 according to the new principles decreased by 88%
- 6 new maritime clients signed during 2022

The Company has changed its principle in relation to revenue recognition in relation to license fees. Due to this change, revenue, total assets, and equity for 2021 have been restated as well as updated for 2022 compared to quarterly reports. According to the new principle, revenue is recognized over the length of the license agreement rather than the time of invoicing. This means that as of 31 December 2022, a total deferred revenue of DKKm 11.6 exists, which will be recognized as income in future periods.

Reporting period January 2022 - December 2022

DKK '000 (2021)

• Revenue:	17,734	(16,387)	8%
• Costs:	24,904	(19,758)	26%
• EBITDA:	-7,170	(-3,371)	-113%
• EBT:	-13,247	(-7,197)	-84%
• Profit/loss for the period:	-10,333	(-5,511)	-88%
• Earnings per share:	-0.93	(-0.50)	-186%

Reporting period Q4: October 2022 - December 2022

DKK '000 (2021)

• Revenue:	4,803	(4,325)	11%
• Costs:	7,255	(5,093)	42%
• EBITDA:	-2,452	(-768)	-219%
• EBT:	-4,831	(-1,905)	-154%
• Profit/loss for the period:	-3,625	(-1,552)	-134%
• Earnings per share:	-0.33	(-0.14)	-134%

Metrics 2022:

Due to the change in accounting principles to full periodization the ARR is affected negatively with a one-time adjustment in Q4 2022 leading to a 2% decrease in ARR compared to Q4 2021.

DKK '000 (2021)

• ARR total	17,326	(15,968)
• ARR Net increase	1,359	(2,072)
• ARR Growth	9%	(15%)
• System ARR	16,044	(14,625)
• System ARR Net increase	1,419	(1,858)
• System ARR Growth	10%	(15%)
• ARPU	151	(138)
• Renewal Ratio	97.7%	(96.8%)
• Churn	2.3%	(3.2%)
• NRR	111%	(115%)

Metrics Q4 2022:

DKK '000 (2021)

• Total ARR	6,965	(7,098)
• Total ARR Net increase	-133	(1,134)
• Total ARR Growth	-2%	(21%)
• System ARR	6,418	(6,651)
• System ARR Net increase	-233	(1,314)
• System ARR Growth	-4%	(23%)
• Renewal Ratio	98%	(96.1%)
• Churn	2%	(3.9%)

Guidance 2023:

- ARR Growth: 15 - 30%
- System ARR: 18.5M – 20.9M DKK
- EBITDA: Negative
- Net result: Negative
- Net cash-flow: Positive

CEO Hans Tino Hansen

Since the launch of the 2025 Strategy in September of last year, Risk Intelligence has reached its first milestones while increasing the core business. Our development is, in other words, going to plan with core business developing in the right direction, something which will not be affected by the announced change of accounting principles.

The change of accounting principles from revenue recognition at the time of invoicing to full periodisation has, as explained in the press release and presentation published Friday 17 February, had a significant impact in past, present and future reported revenue. The recalculated revenue has resulted in a reduction in turnover and growth, as revenue has been carried forward from 2020 to 2021, 2021 to 2022 and most significantly from 2022 to 2023. Historically, 66% of Risk Intelligence's recurring revenue has been invoiced in the second half of the year, and it is this uneven distribution across the year that now causes significant changes to numbers.

Despite a temporary short to medium term negative impact on figures, the new accounting and reporting principles will be an advantage over time, as it will be easier to compare Risk Intelligence to other companies with a SaaS business model. It is also important to highlight that the changes to accounting principles have no impact on liquidity and cash flow. All licenses will continue to be invoiced for 12 months up front with no option to terminate during the license period. Finally, the changes have no impact on clients and partners.

Q4 saw a focus on preparing and executing the 2025 Strategy with several important milestones reached. Most notably were the launched partnerships with MedAire/International SOS and Geollect. The MedAire partnership has opened Risk Intelligence access to the luxury yacht market through the planned integration of maritime security intelligence into Medaire's super yacht and mega yacht products. The

Geollect partnership involves cooperation on joint projects for insurance and government clients and, at the same time, providing new solutions to protection of critical maritime infrastructure. And we are also working closely with Geollect to develop our new platform for the Risk Intelligence System, as outlined in the strategy.

2022 saw an increase in the important recurring revenue figures with a growth in ARR of 10 percent, an ARPU increasing to 151K and a NRR of 111 percent. Effectively, the revenue from clients in 2022 increased by 11% despite a subtraction of churned licenses of 2.3 percent. The growth in ARR, low churn and, even more importantly, the NRR, are key indicators of client satisfaction with Risk Intelligence's products, service, and relationship management.

Q4 also saw an expansion of the sales team in Europe and in Singapore from 1 January. Growth in sales to existing clients is one of the key building blocks in the 2025 Strategy, while other steps include increased sales and marketing efforts to acquire new clients, execution of partnerships providing access to new markets, and development of a new platform for our System to generate further revenue streams. Therefore, this growth of our commercial team is imperative in order to support the objectives of the 2025 Strategy.

Finally, and since the end of COVID, work has been ongoing to finalise contracts for LandRisk Logistics. This has meant more bespoke solutions, which in turn has led to further development work and adjustments to the existing product. All development has been carried out in connection with client projects, in line with the strategy. As the press releases in January demonstrated, this approach has paid off with two major logistics companies that will be start using LandRisk Logistics in 2023.

With the ongoing execution of the 2025 Strategy, new partnerships, expansion of our commercial team, new LandRisk Logistics clients and initial development of the new platform for the Risk Intelligence, we are on track to reach further milestones during 2023.

Video presentation:

Presentation (in English) with NyhetsByrå Direkt will be available from about 16.00, 22 February, on our [Investor presentations](#) page.

For more information on services and the System:

Please watch our corporate video: [Knowing Risk](#)

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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 model is designed with international scalability in mind and the company is globally regarded as an expert in its field. Risk Intelligence's core product is the 'Risk Intelligence System (MaRisk + PortRisk + LandRisk)', a digital solution 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].