

Q1 Interim Report 1 January – 31 March 2023

Risk Intelligence A/S ("Risk Intelligence" or "Company") hereby publishes the Q1 Interim Report for the period January - March 2023. The report is available on the Company's investor website (investor.riskintelligence.eu).

Highlights:

- Total reported revenue up by 17% in Q1 2023
- Total invoiced revenue up by 43% in Q1 2023
- Total recurring revenue up by 14% in Q1 2023
- Net Retention Rate 105%
- Costs increased by 19% in Q1 due to higher activity and expansion of sales & marketing
- EBITDA in Q1 -27%
- Net profit in Q1 decreased by 23%
- 4 new clients signed during Q1 2023

In 2022, Risk Intelligence changed the principle for recognising revenue to full periodisation. 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 March 2023, a total deferred revenue of DKKm 11.1 exists, which will be recognized as income in future periods.

The new accounting and reporting principles have no impact on liquidity and cash flow, as all licenses will continue to be invoiced 12 months in advance with no option to terminate during the license period. Finally, the change has no impact on clients and partners.

Furthermore, for comparison and for understanding of liquidity and cash-flow from operations, we will publish figures for the invoiced revenue from Q1 2023 and onwards.

Reporting period Q1: January 2023 – March 2023

DKK '000 (2022)

• Revenue (recognised):	5,123	(4,379)	17%
• Revenue (invoiced)	4,689	(3,274)	43%
• Costs:	6,682	(5,607)	19%
• EBITDA:	-1,559	(-1,228)	-27%
• EBT:	-3,192	(-2,354)	-36%
• Profit/loss for the period:	-2,468	(-2,005)	-23%
• Earnings per share:	-0.22	(-0.18)	-23%

Metrics 2023:

DKK '000 (2022)

• ARR total	17,068	(15,602)
• ARR Net increase	1,465	(2,523)
• ARR Growth	9%	(19%)
• System ARR	15,839	(14,167)
• System ARR Net increase	1,672	(2,377)
• System ARR Growth	12%	(20%)
• ARPU	145	(139)
• Renewal Ratio	99.2%	(99.2%)
• Churn	0.8%	(0.8%)
• NRR	105%	(105%)

Metrics Q1 2023:

DKK '000 (2022)

• Total ARR	3,336	(2,935)
• Total ARR Net increase	402	(296)
• Total ARR Growth	14%	(11%)
• System ARR	2,911	(2,455)
• System ARR Net increase	455	(66)
• System ARR Growth	19%	(3%)
• Renewal Ratio	95.9%	(96.2%)
• Churn	4.1%	(3.8%)

Guidance 2023 (Unchanged):

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

CEO Hans Tino Hansen

The first quarter of 2023 has delivered reported revenue growth of 17% according to the new revenue recognition principles, but more importantly a significant growth of 43% according to the invoiced value, supporting the goal of our 2025 Strategy to deliver 30% annual average growth year-on-year (invoiced revenue) and for understanding cash-flow from operations. Due to the full periodisation of revenue recognition, the impact on the reported figures will only appear with a time lag.

Our clients have also, except for one, renewed their licenses during Q1 leading to an annualised churn of 0.8% and 4.1% isolated to the quarter. This continued strong client loyalty with low churn is fundamental to our 2025 growth strategy as is based on an increasing recurring revenue base, where the Net Retention Rate (NRR) of 105% underlines not only the renewal but also the increased revenue derived from the same clients after churn has been deducted.

Costs have increased by 19% compared to Q1 2022 due to a combination of a reduced cost base during Q1 2022 as it was the last quarter with lower office and travel costs due to COVID-19, general inflation since Q1 2022, and finally, but most importantly, the increase in investments in Sales & Marketing to support the goals of the 2025 Strategy. Risk Intelligence will, except for a few new additions, have the organisation necessary to support the strategy.

Due to the uneven distribution of recurring revenue licenses during the year, with about 66% of the license value falling in the second half of the year, in combination with the launch of the new platform at end of the year creating further revenue growth, cash-flow from operations will remain negative until Q4, when it will turn positive.

Finally, we have reduced debt during Q1 via two directed capital increases.

The above growth and trends are fundamental steps to reach the milestones of 2025 Strategy. Other important milestones that have been reached already are increased commercial partnerships, which will impact revenue from the end of 2023, and not the least the breakthrough into the logistics market during Q1 with the LandRisk Logistics contracts with DHL and DSV.

Video presentation:

Presentation (in English) with NyhetsByrån Direkt will be available from about 17.30, 16 May, on our [Investor presentations](#) page.

For more information on services and the System:

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

For further information about Risk Intelligence, please contact:

Hans Tino Hansen, CEO

Jens Krøis, CFO

Telephone: +45 7026 6230

E-mail: investor@riskintelligence.eu

Website and social media:

Website: investor.riskintelligence.eu

Twitter: twitter.com/riskstaff

LinkedIn: linkedin.com/company/risk-intelligence

Facebook: facebook.com/riskstaff

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].