

## Q3 Interim Report 1 January – 30 September 2023

Risk Intelligence A/S ("Risk Intelligence" or "Company") hereby publishes the Q3 Interim Report for the period January - September 2023. The report is available on the Company's investor website ([investor.riskintelligence.eu](http://investor.riskintelligence.eu)).

### Highlights:

- Total reported revenue up by 18% in Q3 2023 and by 16% YTD
- Total invoiced revenue up by 25% in 2023
- Total recurring revenue up by 7% in Q3 2023
- Net Retention Rate 87%
- Costs increased by 13% in Q3
- EBITDA in Q3 2023 +2% and +8% YTD
- Net profit in Q3 decreased by 16% and 9% YTD
- 5 new clients signed during Q3 2023 or 13 new during 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 30 June 2023, a total deferred revenue of DKKm 10.5 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. Invoiced revenue is revenue from all business streams, which has been invoiced in the period (no periodisation). This is what is the basis for liquidity and cash flow.

### Reporting period YTD: January 2023 – September 2023

DKK '000 (2022)

• Revenue (recognised):	15,034	(12,931)	16%
• Revenue (invoiced)	13,595	(10,910)	25%
• Costs:	19,388	(17,649)	10%
• EBITDA:	-4,354	(-4,718)	8%
• EBT:	-9,344	(-8,416)	-11%
• Profit/loss for the period:	-7,289	(-6,708)	-9%
• Earnings per share:	-0,48	(-0.61)	22%

### Reporting period Q3: July 2023 – September 2023

DKK '000 (2022)

• Revenue (recognised):	4,991	(4,220)	18%
• Revenue (invoiced)	4,604	(4,614)	0%
• Costs:	6,289	(5,543)	-13%
• EBITDA:	-1,298	(-1,323)	2%
• EBT:	-3,269	(-2,848)	-15%
• Profit/loss for the period:	-2,550	(-2,190)	-16%
• Earnings per share:	-0.17	(-0.20)	16%

### Metrics YTD 2023:

DKK '000 (2022)

• ARR total	18,035	(16,878)
• ARR Net increase	1,157	(3,023)
• ARR Growth	7%	(20%)
• System ARR	16,818	(15,697)
• System ARR Net increase	1,121	(2,729)
• System ARR Growth	7%	(21%)
• ARPU	143	(147)
• Renewal Ratio	99%	(98.4%)
• Churn	1%	(1.6%)
• NRR	87%	(122%)

### Metrics Q3 2023:

DKK '000 (2022)

• Total ARR	4,148	(4,285)
• Total ARR Net increase	-137	(726)
• Total ARR Growth	-3%	(5%)
• System ARR	3,932	(4,211)
• System ARR Net increase	-279	(787)
• System ARR Growth	-7%	(23%)
• Renewal Ratio	100%	(100%)
• Churn	0%	(0%)

### 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

As we approach the end of November, the outlook for 2023 looks quite promising. As planned the anticipated revenue growth will be driven by the new Risk Intelligence System platform, characterized by higher license fees and upselling opportunities to our existing clients. This and the substantial renewal scheduled for 1 January 2024 is expected to not only secure growth for the fourth quarter but also establish a solid foundation for further expansion throughout 2024 and onwards.

Despite a less successful growth in revenue during Q3 when compared to previous quarters, the overall picture for the initial 9 months of the year remains positive, with a 16% increase in reported revenue and a 25% growth in invoiced revenue. The negative impact on invoiced revenue and ARR during this quarter is mainly attributed to a significant client changing their license period and another client temporarily reducing their license size. Importantly, however, there have been no client churned in Q3.

Q3 has been quite complex with one of the last major stages in development of the new platform for the Risk Intelligence System, preparations for the rights issue in combination with a temporary reduction in the pace of new sales.

During the quarter a substantial portion of the Company's resources has been dedicated to the final stages of developing the new platform. Meanwhile, the imminent launch of the platform has resulted in a temporary reduction in new sales activity, as both the company and potential clients have awaited its release. However, on a positive note, the soft launch upcoming official launch of the new platform has established a solid groundwork for generating new sales and, notably, allows for upselling to existing clients as part of the renewal process set for 1 January 2024.

Throughout the quarter, the top management and finance team, with support from our corporate finance advisors, Corpura, concentrated on the rights issue. The successful execution of this transaction in late October has proven instrumental in securing the required funding to restore equity, diminish short-term debt, allocate resources for investments, and enhance liquidity. Beyond the immediate positive impact on the balance sheet, this strategic move is anticipated to result in reduced financial costs throughout 2024 and beyond.

With the outlook for Q4 driven by the launch of the new platform with upsell as part of the renewal process, we are looking into a satisfactory 2023.

#### **Presentations:**

Video presentation (in English) with NyhetsByrån Direkt will be available from about 12.00, 30 November, on our [Investor presentations](#) page.

Live presentation 7 December 14.00 at Stokk.io, please subscribe on [Stokk.io live presentation](#)

#### **For more information on services and the System:**

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

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Facebook: [facebook.com/riskstaff](https://facebook.com/riskstaff)

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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].