

Q4 Interim and Year-End Report 1 January - 31 December 2023

Risk Intelligence A/S ("Risk Intelligence" or "Company") hereby publishes the Q4 Interim and Year-End Report for the period January - December 2023. The report is available on the Company's investor website (investor.riskintelligence.eu).

Highlights:

- Total revenue up by 14% in 2023 and 10% in Q4
- Total invoiced revenue up by 26% in 2023 and 28% in Q4
- System recurring revenue (ARR) up by 27% in 2023
- Gross Margin 2023 (SaaS) 98.3% compared to Gross Margin (Reported) 52%
- Churn 2023 0.6% and Q4 0%
- Net Retention Rate 127%
- Costs have increased by 2% in Q4 and by 8% in 2023.
- EBITDA 2023 increased by 8% and 12% in Q4
- Net profit in 2023 decreased by 5% and increased by 4% in Q4
- Cash Flow from ordinary activities and Net Cash Flow in Q4 positive
- 15 new maritime and 2 LandRisk clients signed during 2023

The principle for calculating ARR (Annual Recurring Revenue) has been changed to be more comparable with other SAAS companies. (Press release [Risk Intelligence A/S changes ARR definition](#))

Gross margin (SaaS) is calculated as a SaaS company to be comparable.

Reporting period January 2023 - December 2023

DKK '000 [2022]

• Revenue:	20,302	(17,734)	+14%
• Revenue (Invoiced):	23,017	(18,252)	+26%
• Gross Margin	52%	(51%)	+3%
• Gross Margin (SaaS)	98.3%	(97.5%)	+1%
• Costs:	26,822	(24,904)	+8%
• EBITDA:	-6,520	(-7,170)	+9%
• EBT:	-13,604	(-13,247)	-3%
• Profit/loss for the period:	-10,776	(-10,333)	-4%
• Earnings per share:	-0.41	(-0.93)	+55%

Reporting period Q4: October 2023 - December 2023

DKK '000 [2022]

• Revenue:	5,268	(4,803)	+10%
• Revenue (Invoiced):	9,421	(7,342)	+28%
• Gross Margin	43%	(40%)	+9%
• Gross Margin (SaaS)	99.6%	98.7%	+1%
• Costs:	7,433	(7,255)	+2%
• EBITDA:	-2,165	(-2,452)	+12%
• EBT:	-4,259	(-4,831)	+12%
• Profit/loss for the period:	-3,487	(-3,625)	+4%
• Earnings per share:	-0.13	(-0.33)	+59%

Metrics 2023:

The way of calculating ARR has changed. Old definition was looking backwards when calculating ARR, new definition is looking forward. See Press Release of 12 February 2024 [Risk Intelligence A/S changes ARR definition](#)

DKK '000 (FY 2023)

• ARR total	20,604	(16,373)
• ARR Net increase	4,231	N/A
• ARR Growth	26%	N/A
• System ARR	19,488	(15,334)
• System ARR Net increase	4,154	N/A
• System ARR Growth	27%	N/A
• ARPU	154	(151)
• Renewal Ratio	99.4%	(97.6%)
• Churn	0.6%	(2.4%)
• NRR	127%	(111%)
<i>Old definition:</i>		
• ARR total	19,582	(17,326)
• ARR Net increase	2,256	(1,359)
• ARR Growth	13%	(9%)
• System ARR	18,540	(16,044)
• System ARR Net increase	2,496	(1,420)
• System ARR Growth	16%	(10%)

Metrics Q4 2023:

DKK '000 (2022)

• Renewal Ratio	100%	(98%)
• Churn	0%	(2%)
<i>Old definition:</i>		
• Total ARR	8,512	(6,965)
• Total ARR Net increase	1,547	(-133)
• Total ARR Growth	22%	(-2%)
• System ARR	8,139	(6,418)
• System ARR Net increase	1,722	(-233)
• System ARR Growth	27%	(-4%)

Guidance 2024:

- ARR Growth: 15 - 30%
- System ARR: 22.4M – 25.3M DKK
- EBITDA: Around 0
- Net result: Negative
- Net cash-flow: Positive

CEO Hans Tino Hansen

The year of 2023 saw the successful completion of two central milestones in the creation of a stable and sustainable platform for growth. On the financial side the funding strategy was successfully completed to remove all short-term loan debt in the balance sheet. On the business side the new platform for the Risk Intelligence System was finalised and launched, which will be the basis for growth

in the years to come.

The new platform has turned the Risk Intelligence System into a whole other product from an intelligence product to an operational maritime security product by integration of new features and third-party data such as AIS. With these options, the client and users can now automate a number of security processes from planning via monitoring to active risk management and avoidance.

From a business perspective it means that the license model has changed from the old simple model of users and number of vessels operated to a new model with three revenue streams. One is the original, which still forms the basis of the license. The next is selection of applicable features needed by the specific client and third is the selection of third-party data. Subsequently, nearly all clients will have additional features and data and therefore increased license fees.

The renewal process for 1 January 2024, or calendar-year licenses, during end-Q4 took place at the same time as the new platform was rolled out. Through excellent relations with clients, account managers and the commercial team managed to get all licenses renewed and many with a significant upsell. Some were only renewed with the price increase with decisions on additional features and data postponed to first part of 2024. All other clients will go through the same process no later than during their renewal, which means that upsell will take place throughout the year with a significant growth in ARR as a result.

The last quarter saw positive liquidity from operations as forecasted, but the late renewal process resulted in a relatively high figure for debtors (DKK 10.7M) at the end of the year, which meant that the reported cash-flow was negative.

The outlook for 2024 will be positive liquidity from operations for the full year, while some quarters may be around plus/minus zero. Translated into reported figures this will lead to a reported EBITDA around zero for 2024.

Video presentation:

Live presentation 7 March 15.30 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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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].