

Q4 2022 Interim and Year-End Report

1 January 2022 - 31 December 2022

Risk Intelligence A/S
Strandvejen 100, 2900 Hellerup
CVR 27475671

RiskIntelligence

Q4 2022 Interim Report

1 January 2022 – 31 December 2022

Change of accounting principles to full periodisation	4
Key figures and selected financial posts	4
About Risk Intelligence	7
Risk Intelligence business model.....	9
Risk Intelligence System SaaS metrics.....	13
Outlook 2023.....	17
The Share.....	18
Financial Review	24
Income Statement 1 January – 31 December.....	30
Balance Sheet 31 December.....	31
Cash Flow statement 1 January – 31 December	33
Key definitions and explanations.....	35

In this document, the following definitions shall apply unless otherwise specified: “the Company” or “Risk Intelligence” refers to Risk Intelligence A/S, CVR number 27475671.

Statement by the Board of Directors

The Board of Directors provide their assurance that the interim report provides a fair and true overview of the Company's operations, financial position, and results.

Hellerup, 22 February 2023

Jan Holm - Chairman of the Board

Hans Tino Hansen - Board member and CEO

Stig Streit Jensen - Board member

Jens Munch Holst - Board member

Jens Lorens Poulsen - Board member

Change of accounting principles to full periodisation

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 updated principle, revenue is recognized over time rather than at a point in time. This means that as 31 December 2022, a total deferred revenue of DKKm 11.6 exists, which will be recognized as income in future periods.

Key figures and selected financial posts

DKK 000'	Q4 2022	Q4 2021	FY 2022	FY 2021
Net sales	4,803	4,325	17,734	16,387
Operating profit (EBITDA)	-2,452	-768	-7,170	-3,371
Profit after financial items	-4,831	-1,905	-13,247	-7,197
Profit/loss for the period	-3,625	-1,019	-10,333	-5,511
Total assets	31,962	32,779	31,962	32,779
Operating margin	-51%	-18%	-40%	-21%
ARPU	151	138	151	138
System ARR	6,418	6,651	16,044	14,625
Churn	2%	3.9%	2.3%	3.2%
NRR	111%	111%	N/A	115%
Cash flow from operating activities	-246	-226	-7,461	-6,112
Cash flow from investing activities	-1,209	-939	-1,542	-2,900
Cash flow from financing activities	1,748	3,316	5,513	12,222
Cash flow net	293	2,151	-3,490	3,210
Equity ratio	N/A	N/A	N/A	16%
Number of registered shares	11,082,047	11,082,047	11,082,047	11,082,047
Earnings per share*)	-0.33	-0.14	-0.69	-0.33
Number of employees**)	26	24	26	24

All comparison numbers have been changed
due to changed revenue recognition

Definitions

Operating margin: Operating profit divided by net sales.

Equity ratio: Equity divided by total assets.

*) Earnings per share is not adjusted for change in number of registered shares

***) Number of employees calculated as FTE (Full Time Employees) from Q1 2022

Highlights during the period 1 October 2022 – 31 December 2022

- On 15 November 2022, the Company calls in for an Extraordinary General Meeting.
- On 15 November 2022, Risk Intelligence A/S and Geollect Limited announce partnership.
- On 9 December 2022, the Company announces the report from the Extraordinary General meeting.

Highlights after the period

- On 17 January 2023, the Company announced that it had delivered a major advisory project to DeepOcean.
- On 20 January 2023, the Company announced that DSV had signed up for LandRisk logistics.
- On 23 January 2023, the Company announced that ongoing negotiations with DHL had entered the final stage.
- On 30 January 2023, the Company announced that it had signed up with Lloyd's underwriter.
- On 14 February 2023, the Company announced that it had strengthened its offshore and renewable portfolio by two new clients.
- On 17 February 2023, the Company announced that it had changed its revenue recognition to full periodisation.

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.

Hans Tino Hansen, CEO

About Risk Intelligence

Risk Intelligence was founded in 2001 by Hans Tino Hansen. The Company has evolved into becoming a leading company within security risk intelligence by delivering threat and risk assessments globally primarily as Intelligence as a Service. Risk Intelligence assists its clients and partners through offices north of Copenhagen and in Singapore as well as staff in Europe, Asia and North America. The business has been designed with scalability in mind and the Company is globally regarded as experts in its field of business. Risk Intelligence provides the Risk Intelligence System (MaRisk + PortRisk + LandRisk) that allows clients to monitor global security risks to enable businesses to plan and implement missions in risk areas. The data is collected from direct local sources, on-site-analysts and from a major international intelligence network.

Risk Intelligence has undergone the following phases:

2001 – 2007: Establishment as a security threat consultancy primarily to government clients and signing of the first commercial maritime clients in 2004 and 2005.

2008 – 2013: Operations were scaled up in 2008 upon launch of the digital platform with the MaRisk product, which was customised to maritime operations.

2014 – 2016: Launch of the new platform and the second digital product - PortRisk (2015) and a new version of MaRisk (2016).

2017: Development of Growth Plan for 2020. Initial internal development of the Company's third module LandRisk has begun, which has been requested by the existing customer base. With LandRisk, the Risk Intelligence System will link a whole industry chain of identification and selection of risks and threats, both on land and at sea. With LandRisk, Risk Intelligence's addressable market will increase more than tenfold.

2018: Launch of Growth Plan for 2020 as well as IPO and listing on Spotlight Stock Exchange. New office in Hellerup north of Copenhagen and hiring of a range of key staff members. End year Risk Intelligence completed the Beta test version phase of LandRisk together with the current pilot project clients.

2019: LandRisk was launched at an event in Düsseldorf, Germany on 1 October. In May Risk Intelligence launched an ambitious data and artificial intelligence (AI) project over the next three years, which will substantially and fundamentally improve the use of data in Risk Intelligence and accelerate pace of operations and reduce production costs. In August Risk Intelligence launched Risk Intelligence Singapore Pte Ltd and the office in Singapore, which serves as a hub for client relations and sales in Asia as well as an analytical centre.

2020: Successfully completes the first and second phase of its data and AI strategy, effectively enabling AI and Machine Learning. In March Risk Intelligence launched webinars to increase client relations and online content delivery in response to the COVID-19 situation and continued during the year to improve digital communication. In January the first client signed up for LandRisk and in December Sony Europe signed up for LandRisk as the first major global client.

2021: Launched the new product LandRisk Logistics, which is a 360-degree solution for logistics security and includes the Lane Threat Assessment Tool with security threat overview of individually selected transport lanes as well as for alternative routes. It provides automated updates and dashboards of selected lanes and parking areas.

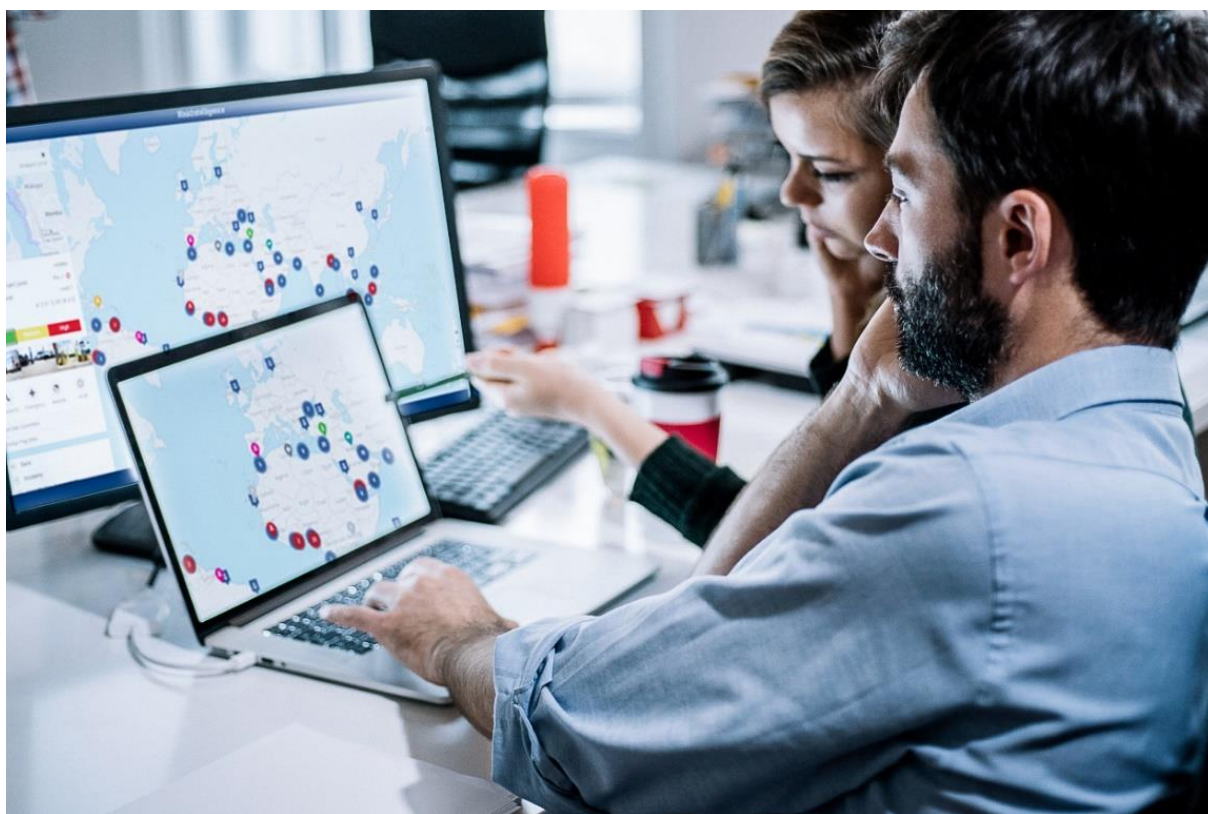
2022: Re-started discussions after COVID with potential clients for LandRisk Logistics. Impact from the Russian invasion on Ukraine with more intelligence analysis related to the war and launch of weekly report. Developed and launched new 2025 Strategy re-focusing on maritime security that will include investments in new platform. First strategy milestones reached in terms of partnerships with Medaire/International SOS and with Geollect.

The Intelligence Cycle



(Main process used by Risk Intelligence)

Risk Intelligence business model



The Risk Intelligence System

Risk Intelligence offers intelligence-based security threat and risk assessments in an Intelligence-as-a-Service model to companies and organisations within both maritime and landside transportation. This primarily through a web-based intelligence product, the Risk Intelligence System, consisting of three risk planning and assessment modules that are seamlessly integrated. The modules: MaRisk (maritime), PortRisk (ports) and LandRisk (landside logistics), are offered through a subscription model which is billed annually in advance, in any combination of one, two, or three modules.

MaRisk has been a part of the Risk Intelligence System since its launch in 2008 and provides security information for companies to plan and execute maritime operations. MaRisk offers a global overview of security incidents and threats at sea and in coastal regions, and various tools for planning and analysis.

PortRisk was added to the Risk Intelligence System in 2015. The module offers updated security information on ports and offshore terminals, primarily in medium to high-risk areas around the world. PortRisk monitors more than 240 selected ports and terminals globally. All ports and terminals have undergone extensive analysis, and up to 20 percent of the ports and terminals have been surveyed onsite by a Risk Intelligence team.

LandRisk was launched October 2019 and covers landside security incidents and alerts, threat analysis of cities, hot spots, regions, and countries for landside transportation. By adding LandRisk to the existing Risk Intelligence System, clients have access to a complete, integrated end-to-end supply chain security intelligence solution that provides a single point of access for all relevant transport-related security risk intelligence. LandRisk Logistics is a 360-degree solution for logistics security and includes the Lane Threat Assessment Tool, enabling comparable security threat overviews of user-built transport

lanes and alternative routes. Users can set up automated incident alerts and access dashboards of selected lanes and parking areas.

License fee

In addition to their chosen System modules, clients can add extra layers to each module, or use API integration into their corporate systems. In total, there are four variables that determine the cost of a client's annual license fee:

1. Number and type of selected modules
2. Number and type of selected layers
3. Number of users (and number of vessels operated for ship operating companies)
4. API integration

The Risk Intelligence System is fully scalable and is based on 12-month licenses with pre-paid subscriptions and automatic renewal. An annual 3% price increase is part of all license agreements. The Risk Intelligence System licenses constitute 82% of total revenue (2022), and the System has a renewal rate of 96-100% (Churn 0-4%). A core of five companies have subscribed since they became founding clients of MaRisk in early 2008.

Intelligence reports

Risk Intelligence also offers weekly and monthly intelligence reports by subscription. These products are also fully scalable, and subscription fees range between 30,000 and 120,000 DKK depending on the type of report and subscription period. Intelligence reports constituted 6% of total revenue in 2022.

Advisory Services

Finally, Risk Intelligence offers advisory services in the form of bespoke or semi-bespoke threat and risk assessment to its clients. Advisory Services constituted 18% of total revenue in 2022 (including reports).

Commercial cycle

Recurring revenue

The total Risk Intelligence recurring revenue constituted 88% in 2022. The renewal rate in 2022 was 97.9% with a churn of 2.1%. The long-term goal of the strategy presented at the IPO in 2018 is to reach 90% turnover of recurring revenue.

Scalability

The current organisation on the production side is fully staffed to produce the intelligence updates and reports for the Risk Intelligence System in its current configuration. In other words, the product is fully scalable.

Planned growth in the landside market will create a need for additional analytical resources for LandRisk in a combination of additional analysts and technical analysis derived from our Data, AI and machine learning project. This will be covered by the higher license fees from LandRisk subscriptions.

Client acquisition process

Risk Intelligence's lead generation is a combination of digital marketing, on and offline client events and meetings, recommendations from clients to potential clients or new employers, and direct approach to identified potential clients.

Digital marketing consists of ongoing content marketing, targeted online marketing campaigns, organic (SEO) and paid search, as well as automated marketing and sales flows. Since March 2020, regular webinars have been central to the online content and are offered both live and on demand.

14-day free trials of the System are used as a central client acquisition asset, where users get access to the Risk Intelligence System modules of interest and are on-boarded through a shot live demo and automated on-boarding content.

When interest is identified, a sales or account manager will address the prospect's needs and present how Risk Intelligence can assist through its full spectrum of products and services. Often the client relationship starts with a subscription to the Risk Intelligence System and other products are added gradually, but occasionally it starts with reports and/or advisory services products, followed by System subscription.

Once a prospect converts to client, the client company is assigned a dedicated client account manager, who is then responsible for all client relations with this company going forward.

In some cases, clients are acquired through partners, and the long-term target is to reach a 30% ratio of the total revenue from partners sales.

Maritime client acquisition

- Inbound marketing including webinars
- Automated sales nurturing
- Client seminars
- Referrals
- User ambassadors
- Partners
- Direct sales by a sales or account manager (transactional sales)

Land based client acquisition

- Inbound marketing including webinars
- Automated sales nurturing
- Industry conferences and exhibitions
- Referrals
- User ambassadors
- Partners
- Direct sales by sales, account or product managers (solution sales or transactional sales)

Clients

Risk Intelligence has had a handful of maritime clients for more than 15 years, who have also subscribed to the Risk Intelligence System since the launch of MaRisk in 2008. Since then, several others have followed and very few have moved on. The System churn is very low (0-4%). The past two-three years have added a significant number of new clients to the Risk Intelligence System, and the average lifetime of each existing maritime client in 2022 was 7.54 years, much due to the loyalty and high renewal rate of the clients.

Maritime

Shipowners
Ship managers
Shipowners' organisations
Offshore companies
Oil and gas companies
Trading companies
Maritime and sub-sea construction companies
Marine insurers
War Risk insurers

Landside

Logistical companies
Freight forwarders
Industrial companies e.g.
Consumer electronics
Pharmaceutical companies
Tobacco companies
Defence industry
Producers of other various high value goods
Insurance companies

Government

Flag states
Ministries of Defence, Defence commands and Joint commands
Navies
Intelligence services
Security and law enforcement

Risk Intelligence System SaaS metrics

The annualised System Recurring Revenue (ARR) in Q4 2022 increased by 1,419 DKK thousand (9%) to DKK 16,044 thousand (Q4 2021 DKK 14,625 thousand). Two Clients churned due to cessation of its business the renewal ratio by this ended at 98% (Churn 2%) for the quarter.

The total ARR in Q4 2022 increased by 1,359 DKK thousand (9%) to DKK 17,326 thousand (Q4 2021 DKK 15,968 thousand). The annualised renewal ratio was 97.7% with a corresponding churn of 2.3%. The average revenue per costumer (ARPU) increased to DKK 151 thousand.

NRR (Net Retention Rate) was 111% for Q4 2022 (Q4 2021 115%)

Risk Intelligence System SaaS metrics 2018 - 2022

DKK '000	2022	2021	2020	2019	2018
System ARR	16,044	14,625	12,767	10,218	8,839
ARR Net increase	1,420	1,858	1,620	1,283	1,293
ARR growth	10%	15%	25%	14%	15%
Total ARR	17,327	15,968	13,895	11,147	9,864
ARR Net increase	1,359	2,072	2,749	1,282	1,744
ARR Growth	9%	15%	25%	13%	21%
ARPU	151	138	128	113	115
Renewal Ratio (annualised)	97.6%	96.8%	98.6%	99.3%	99%
Renewal Ratio (quarter)	98%				
Churn (annualised)	2.4%	3.2%	1.4%	0.7%	1%
Churn (quarter)	2%				
NRR	111%	115%	N/A	N/A	N/A

Risk Intelligence System SaaS metrics 2022 (maritime vs. land-based)

DKK '000	Total	Maritime	Land-based
ARR System	16,044	-	-
ARR growth System	10%	-	-
ARPU System	151	151	425*
Churn	2.4%	2.4%	0%
LTV	-	1,247*	3,510**
CAC	-	93	163
Recover CAC	-	0.6 years	0.4 years
LTV/CAC	-	13.4	21.5
TAM	-	528M****	4,000M****

* Estimated

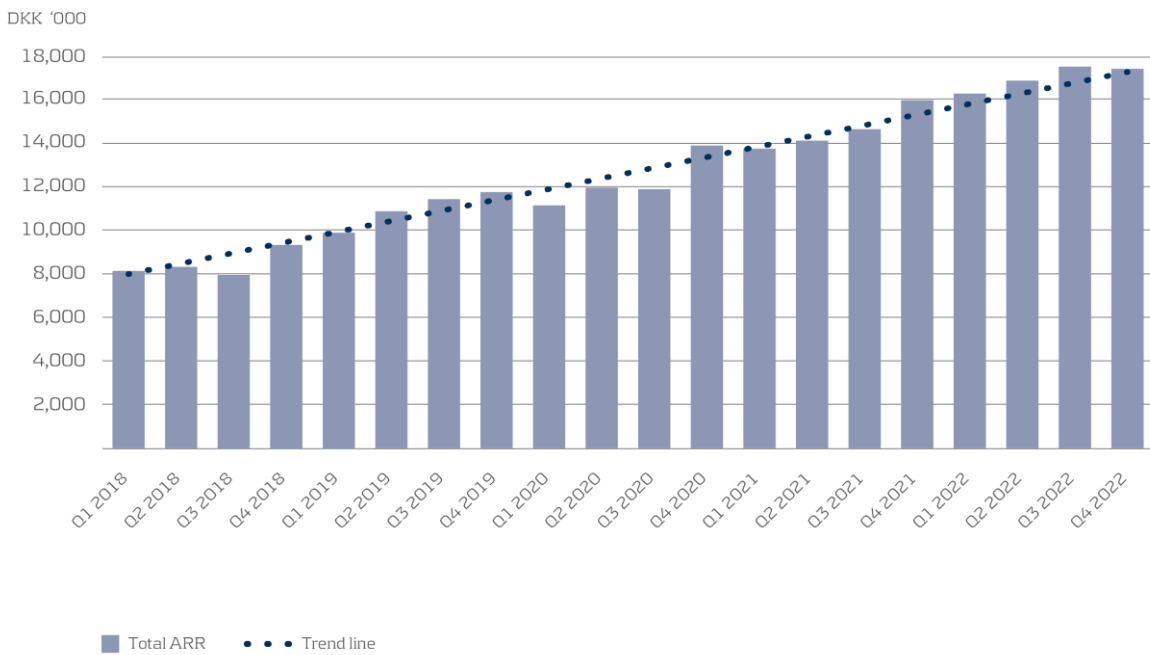
** 7.54 years average age in 2022

*** Based on estimated license average length being similar to MaRisk and PortRisk

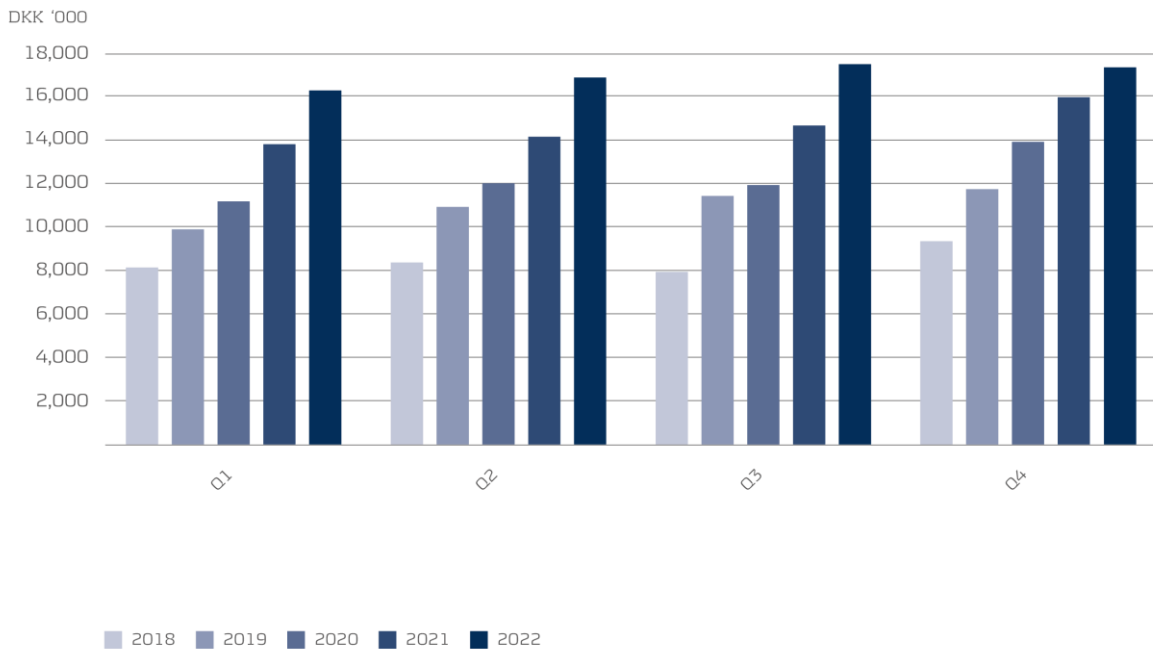
**** USD 76m estimated market in 2022 for commercial market from Maritime Market opportunities report by Thetius for Risk Intelligence A/S. Government market in addition and not estimated in this study

To compare the development quarter by quarter since 2018 for the Total ARR are shown in below tables.

Total ARR by quarters 2018-2022



Total ARR quarter by quarter 2018 - 2022



SaaS Metric methodology

The business model is to deliver intelligence (information and data that has been collected, verified, analysed, and assessed, and thereby turned into intelligence) and not software, and as such the company is not a Software-as-a-Service (SaaS) company, but an Intelligence as a Service company. However, the core of its business is based on subscription licenses and recurring revenue is like a SaaS company, which makes the use of SaaS metrics relevant for comparison.

One of the key metrics for SaaS companies is the Annual Recurring Revenue as it expresses the recurring value of the company's subscriptions (Revenue). Annual Recurring Revenue (ARR) is one of the key figures and value drivers when looking at the performance of a Software as a Service (SaaS) company, because it is the foundation for evaluating the potential recurring revenue a SaaS company can generate over time.

For further explanation of ARR please see Key definitions and explanations on page 35 and forward.

Outlook 2023

Financial outlook

ARR in 2023 is expected to be at a range of 18.5M-20.9M (15-30% growth), based on the current assumptions for the 2023 business climate and taking the war in Ukraine into account will still impact the business. Risk Intelligence will continue its growth strategy throughout 2023, which is expected to lead to negative EBITDA, and negative net result.

Guidance 2023:

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

Capital resources

The Company's cash position end 2022 was DKK 342 thousand and should always be seen together with Accounts Receivable, end 2022 DKK 5,791. The Company has never lost any outstanding amount on clients, which is why Accounts Receivable, seen from the Company perspective, are considered as good as cash. Account Receivable and Cash end 2022 was 6,133 DKK thousand.

Based on the current budget, management will ensure a capital structure sufficient to support operations and planned investments throughout 2023 and into 2024.

The Company's cash policy is at any time to have enough cash to run the company for a period of 12 months according to plans and initiatives decided upon. To achieve that, the Company is on an ongoing basis monitoring the cash flow and at any time will fund the Company further to reach the goals and fulfill the strategy. In 2023 the Company will ensure that the cash position will reflect the cash result throughout a 12-month period by either loan- or credit facilities or further funding if needed.

The equity is still negative and on 31 December 2022 by DKK 13,268 thousand and by that the share capital of DKK 1,082 thousand is lost. The Company had an Extraordinary General Meeting on 8 December. The Board of Directors was authorised to increase the share capital by conversion of debt and by cash contribution.

The Share

Shareholders

The table below presents shareholders with over 5 % of the votes and capital in Risk Intelligence as per 31 December 2022.

Name	Number of shares	Percentage of capital %	Percentage of voting right %
Sandbjerg Holding ApS*	3,000,000	27.07	36.68
Others	8,082,047	72.93	63.32
Total	11,082,047	100.00	100.00

*100% owned by Hans Tino Hansen

Voting right and percentage of capital are not similar as not all capital owners are registered.

Board of Directors

Name	Title		Number of shares
Jan Holm	Chairman		98,207
Jens Lorens Poulsen	Member		214,980
Stig Streit Jensen	Member		87,660
Jens Munch Holst	Member		0
Hans Tino Hansen	Member	(incl. Sandbjerg Holding ApS)	3,102,300

Senior Management

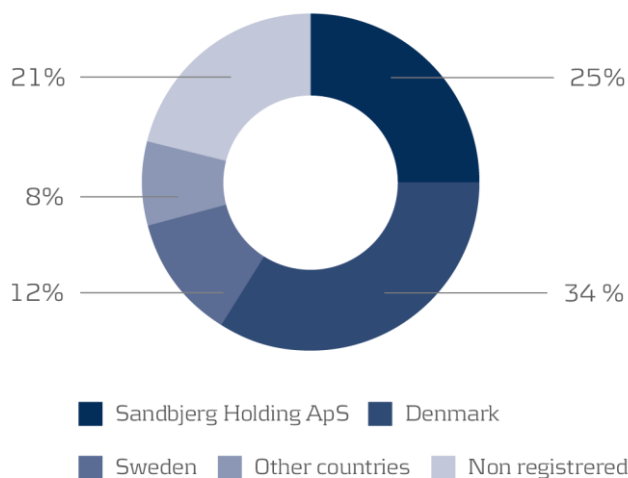
Name	Title		Number of shares
Hans Tino Hansen	CEO	(incl. Sandbjerg Holding ApS)	3,102,300
Henrik Ehlers Kragh	COO		64,383
Jens Krøis	CFO		55,484
Jim Pascoe	CCO		27,803

The shares of Risk Intelligence A/S were listed on Spotlight Stock Market 17 August 2018. The short name/ticker is RISK and the ISIN code is DK0061031978. As per 31 December 2022, the number of shares was 11,082,047. Each share represents DKK 0.10 equalling a share capital of DKK 1,108,205. Every stock share equals the same rights to the Company's assets and results. The Risk Intelligence share is held in 15 different countries throughout Europe, the Middle East, and Southeast Asia.

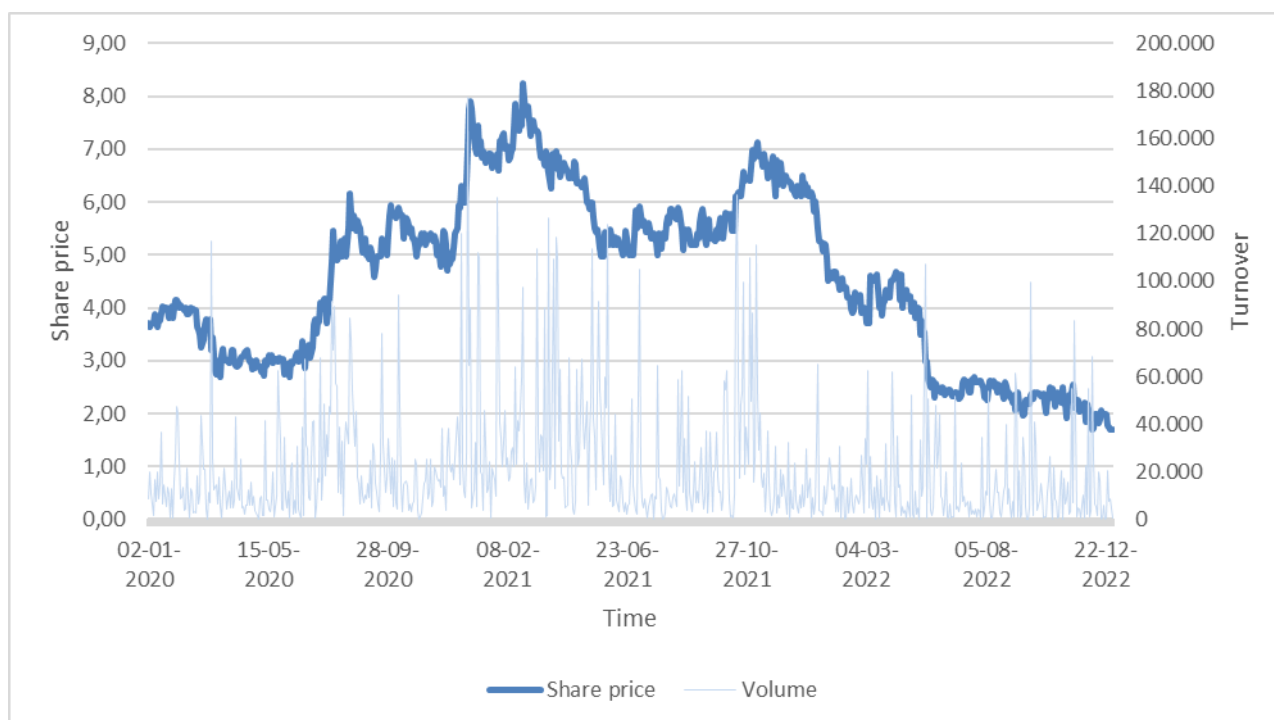
The Company had approximately 2,187 shareholders, where 924 hereof are registered. Due to legislation the Company does not have access to shareholders trading through custodians such as Swedish Avanza (about 324 shareholders), Swedish Nordnet (939 shareholders) and other Swedish and international banks. Finally, several shares are not registered. The majority of these are held by Swedish investors.

The share has a free float of 73% taking the major shareholder into consideration, Sandbjerg Holding ApS exceeding 5% ownership.

Shareholder structure end 2022



Volume and Share price development 2020 to 2022



Source: Data from Spotlight Stock Exchange

Share price (DKK)

	2022	2021
1 October	2.38	5.32
31 December	1.7	6.14
High Q4	2.55	6.90
Low Q4	1.7	5.32
High YTD	6.28	8.25
Low YTD	1.7	5.00

Liquidity

In 2022 we saw a significant decrease in traded volume of 56% compared to 2021 (3,088,378 shares compared to 7,035,591 shares in 2021). In general, all trading in listed shares have also in 2022 decreased. The turnover in 2022 decreased by 79% compared to 2021 (DKK 44,496,733 in 2021 compared to DKK 9,471,286 in 2022). The fall in turnover is a combination of lower share price and the general drop in traded shares.

Table showing the volume, turnover VWAP and closing share price from 2019 to 2022.

Liquidity in the share

Period		Volume	Turnover	Average per day	VWAP	Closing share price
Q1	2019	639,178	2,109,159	10,145	3.30	3.40
Q2		705,202	2,666,542	12,372	3.79	4.00
Q3		576,325	2,072,451	8,732	3.60	3.34
Q4		866,761	300,763	13,989	3.46	3.70
		2,787,466	7,151,915			
Q1	2020	909,920	3,252,693	14,217	3.57	3.00
Q2		673,091	1,990,744	11,605	2.96	3.36
Q3		1,957,042	9,236,589	29,652	4.72	5.95
Q4		1,467,563	8,379,347	23,295	5.71	7.45
		5,007,616	22,859,373			
Q1	2021	2,354,382	16,614,250	37,974	7.06	6.95
Q2		1,854,136	10,807,776	32,529	5.83	5.00
Q3		1,047,088	5,755,844	16,109	5.50	5.48
Q4		1,779,985	11,318,864	27,812	6.36	6.14
		7,035,591	44,496,733			
Q1	2022	814,624	3,681,679	12,931	4.52	4.50
Q2		800,553	2,582,731	13,803	3.23	2.39
Q3		725,180	1,654,181	12,503	2.28	2.29
Q4		748,021	1,552,694	12,897	2.08	1.70
		3,088,378	9,471,286			

Source: Data from Spotlight Stock Exchange

Warrants

At the General Meeting 16 April 2021 Risk Intelligence decided to give the Board authorization to issue up to in total 1,500,000 new warrants. Each warrant providing a subscription right for one share of DKK 0.10 against payment of a price to be determined as the volume weighted average price (VWAP) for a period of 10 trading days prior the time of allotment and deducted 15%, for a period of 5 years expiring on 31 December 2026.

This warrants programme, which is directly connected to the growth strategy, is seen by the Board of Directors as a major incentive for all employees as well as for retention and not least top-level recruitment towards 2026. The allocation of warrants will be associated directly with the results of the long-term strategy and allocation will happen once per year provided milestones have been met. There will be no execution the first two years from this programme and the exercise period will start in 2023 with 2021 and 2022 allocations and 2024 with the 2023 allocation and so forth. The programme includes a reserve for new employees as part of the growth strategy. The share price will be paid to Risk Intelligence and if fully issued and vested the programme will lead to a cash impact of at least DKK 5,000,000 based on current share price. As per above the share price for each year's allotment will be based on the above model and if the growth targets are met then the share price is assumed to increase as well over time.

The Board of Directors have on a board meeting on 23 February 2022 decided to grant 272,564 warrants for the year 2021 and on a board meeting on 22 February 2023 granted 296,172 warrants to employees under above programme for the year 2022.

Risk Intelligence has issued warrants to Gemstone Capital ApS ("Gemstone"). The warrants give Gemstone the right to 76,691 shares (equivalent to 1 percent of the total number of shares in the Company after listing). Each warrant will provide the holder with the right to subscribe for one new share in the Company at a subscription rate of DKK 6.25. If fully vested the program will lead to a cash impact of DKK 479,319.

Financial calendar

14 April 2023	Annual General Meeting
16 May 2023	Q1 2023 Interim Report
16 August 2023	Q2 2023 Interim Report
15 November 2023	Q3 2023 Interim Report
28 February 2024	Q4 and 2023 Year-end Report

Operational risks and uncertainties

The risks and uncertainties that Risk Intelligence operations are exposed to are summary related to factors such as development, competition, technology development, capital requirements, currencies, and interest rates. During 2022 there has been significant impact from the geopolitical situation; the war in Ukraine, continued supply chain challenges, rising inflation, and increasing financial costs due to the turmoil in the financial markets. For more detailed description of general risks and uncertainties, refer to the memorandum published in June 2018. The documents are available on the investor website (investor.riskintelligence.eu).

Principles for Interim Report

The interim report has been prepared in accordance with Danish Financial Statements Act

Auditor's review

The interim report has not been reviewed by the Company's auditor.

For further information, please contact:

CEO Hans Tino Hansen

CFO Jens Krøis

Email: investor@riskintelligence.eu

Tel: +45 70 26 62 30

Web: investor.riskintelligence.eu

Financial Review

Change of accounting principles to full periodisation

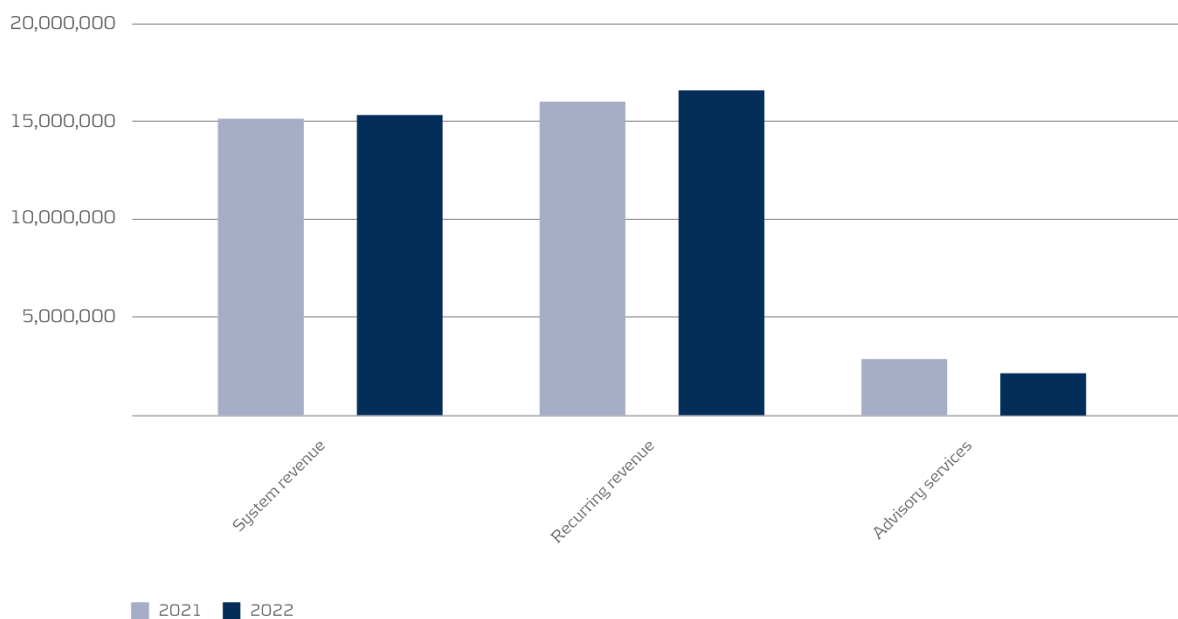
The Company has changed its principle in relation to revenue recognition in relation to license fees. Due to this change, revenue, total assets, and equity for 2021 have been restated as well as updated for 2022 compared to quarterly reports. According to the updated principle, revenue is recognized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

Income Statement

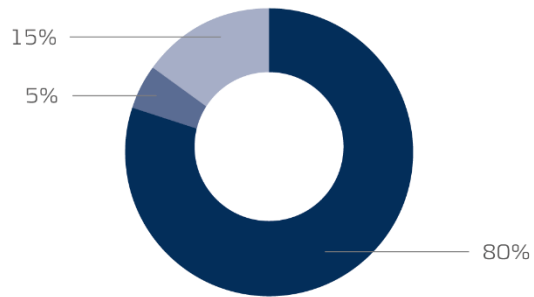
In FY 2022 total revenue increased by 8% to DKK 17,734 thousand compared to 2021 (DKK 16,387 thousand). The total recurring revenue in 2022 ended at DKK 17,327 thousand corresponding an increase of 9% compared to 2021 (2021: DKK 15,968 thousand).

Total revenue increased by 11% in Q4 2022 to DKK 4,803 thousand compared to Q4 2021 (DKK 4,325 thousand). Total recurring revenue in Q4 2022 decreased by 2% to DKK 6,965 thousand compared to Q4 2021 (DKK 7,098 thousand). 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.

Revenue split FY 2021 - 2022

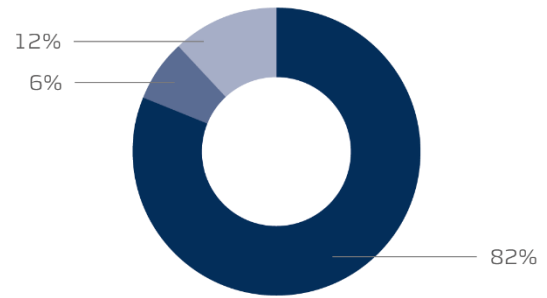


Revenue ratio FY 2021

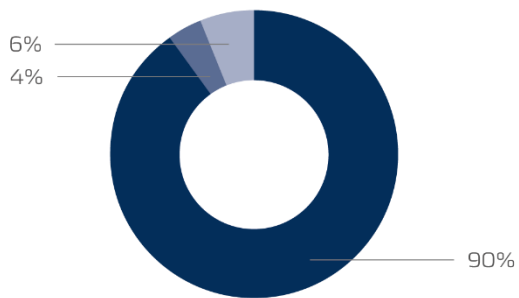


■ System ■ Other subscription ■ Advisory

Revenue ratio FY 2022

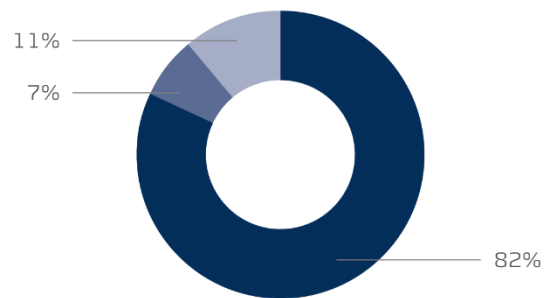


Revenue ratio Q4 2021

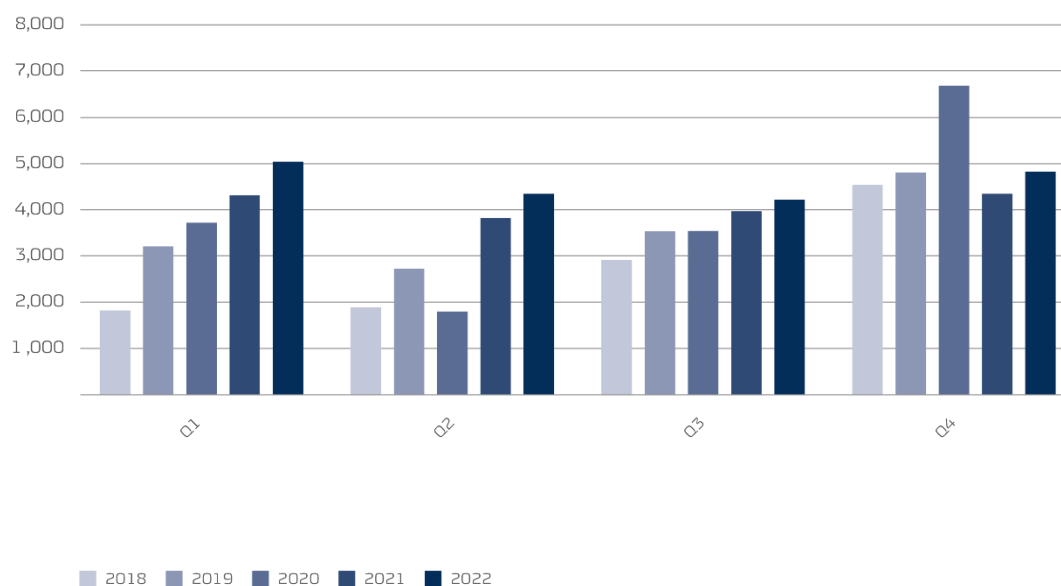


■ System ■ Other subscription ■ Advisory

Revenue ratio Q4 2022



Revenue quarter by quarter 2018 – 2022



Quarters in 2021 and 2022 have been recalculated due to changed income recognition.

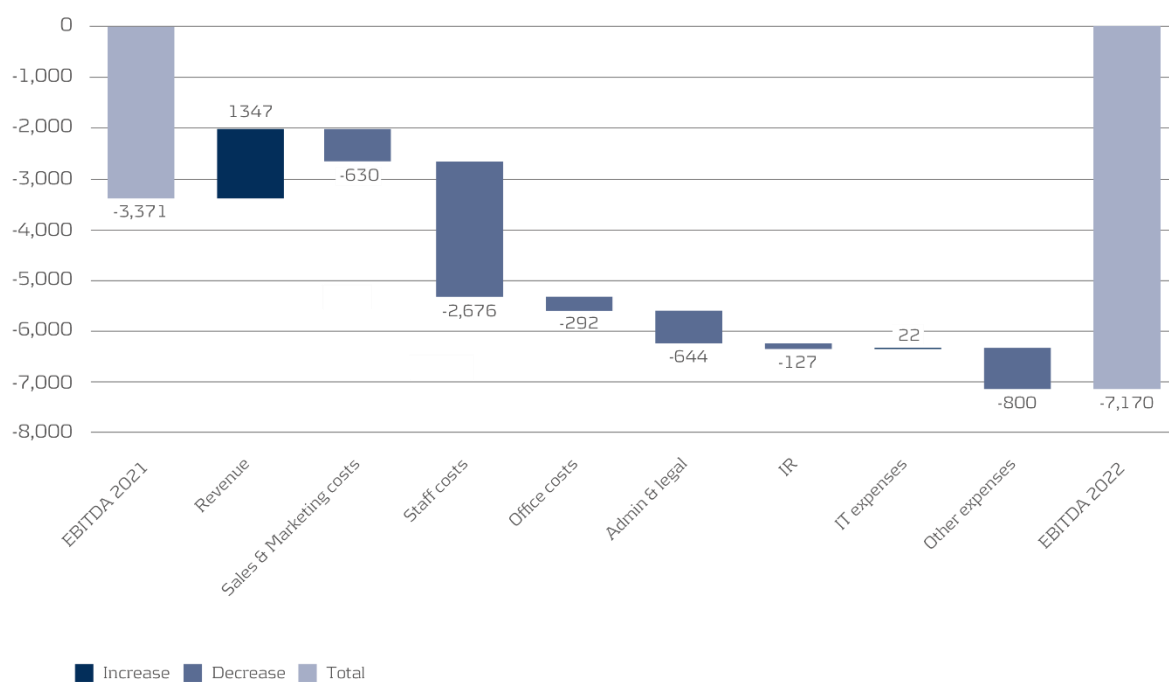
The gross profit decreased in Q4 2022 by 28% to DKK 1,911 thousand (Q4 2021: DKK 2,672 thousand), corresponding to a decreased gross margin of 40% (Q4 2021: 62%). The gross profit in 2022 decreased by 11% to DKK 9,032 thousand (2021: 10,156 thousand). The gross margin ended at 51% compared to 62% for 2021.

Other Operating Expenses increased in Q4 2022 by 75% to DKK 2,892 thousand (Q4 2021: 1,653). Staff costs amounted to DKK 4,363 thousand (Q4 2021: DKK 3,439 thousand) which is an increase by 27%. As for FY 2022 in total Other Operating Expenses increased by 40% to DKK 8,702 (2021 6,232 thousand). Staff costs in 2022 increased by 20% to DKK 16,202 (2021: DKK 13,526 thousand). Total costs FY 2022 increased by 26% to DKK 24,904 thousand (2021: 19,758).

EBITDA decreased in Q4 2022 by DKK 1,684 thousand (219%) to DKK -2,452 thousand (Q4 2021: DKK -768 thousand). EBITDA in 2022 decreased to DKK -7,170 thousand (2021: DKK -3,371). The EBITDA ratio in 2022 decreased to -40% (2021: -21%).

Below figure explains the changes or differences from 2021 to 2022 in nominal numbers:

EBITDA development from 2021 to 2022



EBITDA YTD 2021

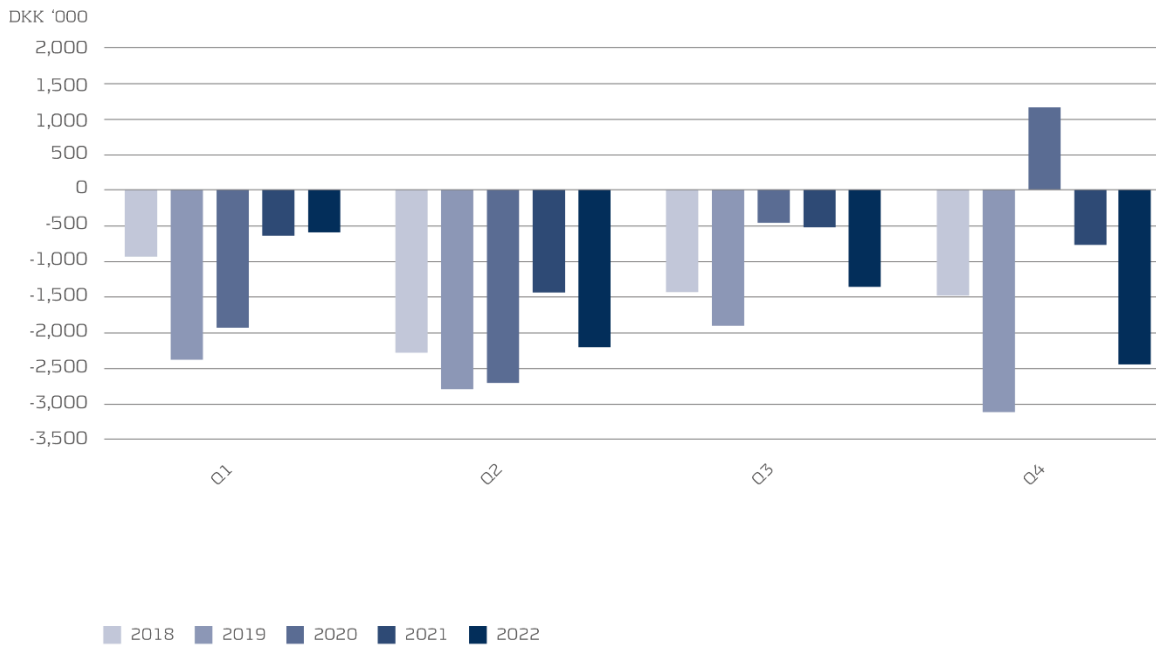
-3,371

Revenue	1347
Sales & Marketing costs	-630
Staff costs	-2,676
Office costs	-292
Admin & legal	-644
IR	-127
IT expenses	22
Other expenses	-800

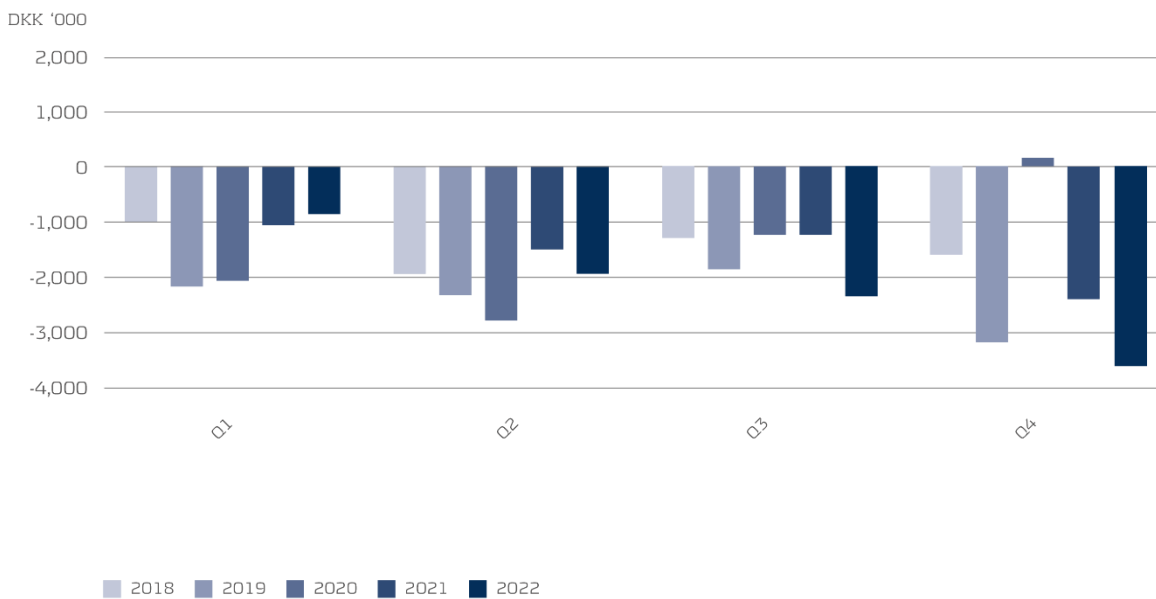
EBITDA YTD 2022

-7,170

EBITDA quarter by quarter 2018 - 2022



Net result quarter by quarter 2018 - 2022



Balance sheet

Equity at the end of 2022 decreased to DKK -13,268 thousand compared to end 2021 (DKK -2,935 thousand) due to the net result of 2022 and the full periodisation. The equity ratio was negative end 2022 as it was end of 2021.

Debt

The long-term debt under "Long term liabilities" consists of two loans from "Vækstfonden" (the Danish State Growth Fund) and one private loan from shareholders. The original long term Vækstfonden loan has been repaid since April 2019 with a moratorium during COVID-19 in 2020. From July 2021 the Company started repaying the two long-term loans. In summer 2026 all current long-term loans will be fully repaid. Due to the repayment schedule of the long-term debt DKK 3,011 thousand is payable within 12 months and is subsequently presented under "Short-term liabilities".

Compared to end 2021 the long-term debt has decreased by DKK 2,360 thousand and total debt has increased by DKK 9,515 at the end of 2022.

Total assets were DKK 31,962 thousand at the end of 2022 which is a decrease of DKK 817 thousand compared to end 2021 (DKK 32,779 thousand). The increase is a result of increased total debt and the decrease in equity (net result for the year).

Cash flows

Cash flows from operating activities (CFFO) was in Q4 2022 DKK -246 thousand. A decrease of DKK 20 compared to Q4 2021 (DKK -226 thousand).

Investments in Q4 2022 amounted to DKK 1,209 thousand which is higher than Q4 2021 (DKK 939 thousand).

Cashflow from financing amounted to DKK 1,748 thousand in Q4 2022 (Q4 2021: DKK 3,316 thousand).

Cash flows from operating activities (CFFO) in 2022 ended at DKK -7,461 thousand (2021: DKK -6,112 thousand).

Investments in 2022 amounted to DKK -1,542 thousand which is DKK 1,358 thousand less than 2021 (DKK -2,900 thousand).

Cashflow from financing (CFFF) amounted in 2022 to DKK 5,513 thousand due to increase in external loans (2021: DKK 12,222 thousand). In 2021 a capital increase made the larger difference in the two years.

Income Statement 1 January – 31 December

DKK '000	Q4 2022	Q4 2021	FY 2022	FY 2021
Net sales	4,803	4,325	17,734	16,387
Other operating expenses	-2,892	-1,653	-8,702	-6,232
Gross profit	1,911	2,672	9,032	10,155
Staff costs	-4,363	-3,439	-16,202	-13,526
Earnings before depreciation and amortization (EBITDA)	-2,452	-768	-7,170	-3,371
Depreciation / amortization of tangible and intangible fixed assets	-865	-543	-2,758	-1,906
Profit/loss before financial items	-3,317	-1,310	-9,927	-5,277
Financial costs	-1,513	-594	-3,320	-1,920
Profit/loss before taxes	-4,831	-1,905	-13,247	-7,197
Tax on profit for the year	1,206	886	2,914	1,686
Net profit	-3,625	-1,019	-10,333	-5,511
Proposed distribution of profit				
Transfer of profits for development projects	-1,081	-54	-553	-1,076
Retained earnings	-2,544	-965	-9,780	-4,435

Balance Sheet 31 December

DKK 000'	31-12-2022	31-12-2021
Assets		
Intangible assets		
Completed development projects	8,703	4,966
Ongoing development projects	1,917	6,656
Total intangible fixed assets	10,619	11,622
Tangible fixed assets		
Other facilities, fixtures and accessories	1,249	1,470
Total tangible assets	1,249	1,470
Financial assets		
Investments in subsidiaries	0	0
Other long-term receivables	428	400
Financial assets	428	400
Total fixed assets	12,297	13,492
Receivables		
Accounts Receivables	5,791	5,175
Other receivables	194	104
Tax	2,274	2,274
Deferred tax	9,926	7,012
Prepaid expenses	1,137	890
Total Receivables	19,324	15,455
Assets		
Cash at bank and in hand	342	3,832
Current assets total	19,666	19,287
Assets total	31,962	32,779

Balance Sheet 31 December

DKK 000'	31-12-2022	31-12-2021
Liabilities and equity		
Equity		
Share capital	1,108	1,108
Reserve for development costs	9,385	8,837
Retained earnings	-23,761	-12,880
Total equity	-13,268	-2,935
Long-term liabilities		
Other credit institutions	2,089	3,474
Shareholders and Management	4,094	5,067
Long-term liabilities	6,182	8,541
Current liabilities		
Short-term part of long-term debt	3,011	2,839
Trade payables	1,541	968
Payables to subsidiaries	301	187
Lease obligations	751	618
Shareholders and Management	13,491	6,018
Other payables	5,222	2,467
Credit institutions	3,156	3,019
Deferred income	11,575	11,057
Short-term liabilities	39,048	27,173
Debt total	45,230	35,715
Liabilities and equity total	31,962	32,779

Cash Flow statement 1 January - 31 December

DKK 000'	Q4 2022	Q4 2021	FY 2022	FY 2021
Profit/loss for the year	-3,625	-1,019	-10,333	-5,511
Adjustments	1,327	957	3,258	2,675
Change in working capital	3,565	430	2,934	-1,356
Cash flows from ordinary activities	1,268	368	-4,140	-4,192
Financial expenses	-1,513	-594	-3,320	-1,920
Cash flows from ordinary activities	-246	-226	-7,461	-6,112
Corporation tax paid (-)/received	0	0	0	0
Cash flows from operating activities	-246	-226	-7,461	-6,112
Purchases of intangible assets	-897	-537	-1,249	-2,508
Purchases of property, plant and equipment	-254	-391	-266	-381
Deposits	-59	-11	-28	-11
Fixed asset investments made etc.	0	0	0	0
Cash flow from investing activities	-1,209	-939	-1,542	-2,900
Change in lease obligations	193	186	134	-92
Loans from credit institutions	1,556	3,158	5,380	1,004
Cash capital increase	0	0	0	11,310
Other financing	0	-28	0	0
Cash flow from financing activities	1,748	3,316	5,513	12,222
Change in cash and cash equivalents	293	2,151	-3,490	3,210
Cash and cash equivalents beginning	49	1,681	3,832	622
Cash and cash equivalents	342	3,832	342	3,832

Equity

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
1 January 2021 – 31 December 2021					
<i>DKK '000</i>					
Equity 1 January	910	0	7,760	-11,135	-2,465
Net effect adjustment equity beginning	0	0	0	-346	-346
Net effect change in income recognition	0	0	0	-7,822	-7,822
Adjusted equity 1 January	910	0	7,760	-19,303	-10,633
Cash capital increase	198	11,112	0	0	11,310
Profit for the period	0	0	1,076	-4,689	-3,613
Transferred from share premium	0	-11,112	0	11,112	0
Equity 31 December	1,108	0	8,837	-12,880	-2,935
1 January 2022 – 31 December 2022					
<i>DKK '000</i>					
Equity 1 January	1,108	0	8,837	-12,880	-2,935
Profit for the period	0	0	-553	-9,780	-10,333
Equity 31 December	1,108	0	8,283	-22,660	-13,268

Key definitions and explanations

Income statement

Revenue

Revenue relating to License fees is recognised over time. The transaction price allocated to these license fees is recognised as a contract liability (deferred income) at the time of the initial sales transaction and is released on a straight-line basis over the subscription agreement period.

As this principle is new, 2021 figures as well as figures for 2022 published in quarterly reports, have been restated accordingly in accordance with this principle.

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc. (according to the rules set out in the Danish Financial Statements Act.). Other external costs also comprise research and development costs that do not qualify for capitalisation.

Gross profit

Revenue deducted by Other External Costs

Given Risk Intelligence is a company that delivers intelligence analysis (not software) the “production” includes analytic manhours why this is part of the Gross Profit. Furthermore, as the Company is a Danish company, it is following the rules and tables set out in the Danish Financial Statements Act. According to this all costs for providing the product, including admin, rent etc. has be included in the Gross Profit.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of any refunds made by public authorities.

Operating profit (EBITDA)

Earnings Before Interest, Taxes, depreciation and Amortisation.

Balance sheet

Liabilities

Long-term liabilities

Explanation: Consists of two loans to “Vækstfonden” and one to private lenders. The first loan by Vækstfonden is repaid by October 2023 and the two other loans are fully repaid summer 2026.

Shareholders and Management

Consist of debt to shareholders

Explanation: “Shareholders and Management” is a term that Danish Financial Statements Act sets out for the Company to use, covering both Management and Shareholders. Risk Intelligence has three long-term loans and two are with Vækstfonden and one with private lenders, where some are shareholders as well. Management (C-level) has no involvement in any lending to Risk Intelligence.

Key figures

Operating margin	$\frac{\text{Operating Profit (EBITDA)} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity}}{\text{Total assets}}$
EPS (Earnings Per Share)	$\frac{\text{Profit/loss for the period}}{\text{Number of registered shares}}$
ARR (Annual Recurring Revenue)	Annualised annual recurring revenue

Explanation: In general, ARR expresses the revenue from subscriptions the SaaS company can generate in a 12-month period from its portfolio of current client agreements. ARR is important because it expresses the recurring value of the company's subscriptions, and as long as these subscriptions are not churned, they will continue to generate revenue year after year.

ARR will in general increase when the SaaS company's subscriptions with existing clients are uplifted and when the company sells new subscriptions. Similarly, ARR will decrease when subscriptions are churned, i.e., not prolonged. Hence, as long as the total value-increase from existing subscriptions and new agreements exceed the value of the agreements churned, ARR will increase, and the revenue generated year after year will increase. As long as the SaaS company can continue to increase its ARR there is – in theory – no limit for the accumulated future revenue. That said, all agreements are expected to churn at some point of time, but as long as the value increase exceeds the value of churned agreements total ARR will increase.

An increase in Annual Recurring Revenue (ARR) from year 1 to year 2 can be summarised as follows:

- + Annual Recurring Revenue (ARR) end of year 1 (value of all existing client agreements)
- + increase in subscriptions and transactions from existing clients
- churn of existing clients
- + agreements with new clients

= Annual Recurring Revenue (ARR) end of year 2

Factors impacting the ARR-development

- Sales of subscriptions to new clients increases the ARR
- Upselling to existing clients:
 - Clients increase the number of communication transactions
 - Clients deploy additional communication channels and/or AI
- When clients churn, i.e. the subscription is discontinued, ARR decreases
- As long as the value of additional sales to existing clients and the sales to new clients exceeds the value of the churning clients, the ARR will increase.
- In terms of additional sales, several clients have added more users to their license agreement during the year.

ARPU (Average Revenue Per Unit)	Average Recurring Revenue calculated on average per client.
LTV (Life-Time Value)	The total value of a subscription based on ARPU, average number of years and any fixed price increases.
Churn	Loss of subscriber revenue in % of total.
CAC	Client Acquisition Costs – the total costs associated by acquiring a new client (direct costs, indirect ratio of sales and marketing costs relevant for new sales).
Recover CAC	The number of years to recover the client acquisitions costs – $ARPU/CAC$
LTV/CAC	Revenue DKK per client for every DKK spent to acquire the client.
TAM	Total Addressable Market – is the estimated total addressable market.
NRR	Net Retention Revenue

RiskIntelligence



Knowing
Risk

Risk Intelligence A/S
Strandvejen 100
2900 Hellerup
Denmark

Tel: +45 7026 6230
investor.riskintelligence.eu