

Q4 2023 Interim and Year-end Report

1 January 2023 - 31 December 2023

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

RiskIntelligence

Q4 2023 Interim Report

1 January 2023 – 31 December 2023

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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, 28 February 2024

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

Key figures and selected financial posts

DKK 000'	Q4 2023	Q4 2022	FY 2023	FY 2022
Net sales (invoiced)	9,421	7,342	23,017	18,252
Growth (invoiced net sales)	28%	N/A	26%	N/A
Gross margin (SaaS)*	99.6%	98.7%	98.3%	97.5%
Gross profit (SaaS)*	9,380	7,246	22,635	17,791
System ARR	19,488	15,334	19,488	15,334
ARPU	154	151	154	151
Churn	0.0%	2.0%	0.4%	2.4%
NRR	127%	111%	127%	111%
Net sales (recognised)	5,268	4,803	20,302	17,734
Growth (recognised net sales)	10%	11%	15%	N/A
Gross profit (Reporting)	2,286	1,911	10,657	9,082
Operating profit (EBITDA)	-2,165	-2,452	-6,520	-7,170
Profit after financial items	-4,259	-4,831	-13,604	-13,247
Profit/loss for the period	-3,487	-3,625	-10,776	-10,333
Total assets	42,466	31,962	42,466	31,962
Operating margin	-41%	-51%	-32%	-40%
System ARR (old Definition)	8,139	6,418	18,540	15,394
Cash flow from operating activities	-1,191	-246	-8,007	-7,461
Cash flow from investing activities	-3,421	-1,209	-5,406	-1,542
Cash flow from financing activities	4,619	1,748	13,088	5,513
Cash flow net	6	293	-326	-3,490
Equity ratio	N/A	N/A	N/A	N/A
Number of registered shares	25,986,757	11,082,047	25,986,757	11,082,047
Earnings per share**)	-0.13	-0.33	-0.13	-0.61
Number of employees***)	27	26	27	26

All comparative figures have been updated due to changed revenue recognition in 2022

Definitions

Net sales (recognised): Revenue from licenses is recognised on a straight-line basis over the license period (full periodisation).

Net sales (invoiced): 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.

Operating margin: Operating profit divided by net sales.

Equity ratio: Equity divided by total assets.

*) Gross profit and Gross margin (SaaS) calculation made to compare with other SaaS companies

***) 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 2023 – 31 December 2023

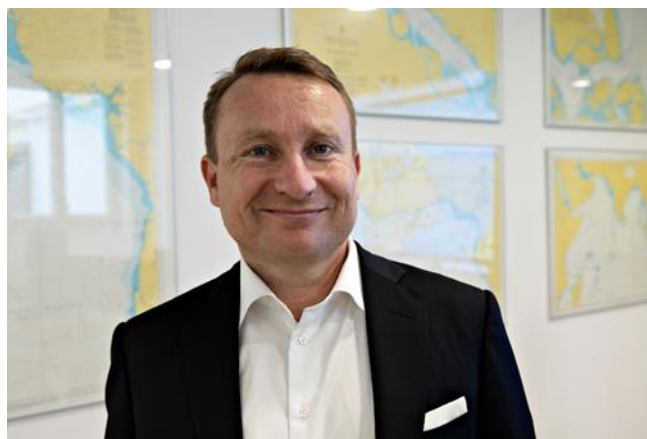
- On 3 October 2023, the Company announced the minutes from the EGM.
- On 4 October 2023, the Company launches a new feature on the Risk Intelligence System to support cruise line security.
- On 11 October 2023, the Company informs about the start of the subscription period and publishes memorandum.
- On 16 October 2023, the Company announced that management and Board of Directors had subscribed in the ongoing rights issue for approx. DKK 2.1 million.
- On 7 October 2023, the Company announced that the Company had signed an agreement with Teekay Tankers providing access to the Risk Intelligence System as well as operational intelligence consultancy.
- On 24 October 2023, the Company announced that it had signed a three-year deal with a major cruise line operator.
- On 27 October 2023, the Company announced the outcome of the rights issue.
- On 6 December 2023, the Company announced the launch of the new Risk Intelligence System Platform

Highlights after the period

- On 15 January 2024, the Company announced that the Company had signed an agreement with major Hamburg-based Container line operator for the Risk Intelligent System
- On 19 January 2024, the Company announced the outcome of long-term loan of approx. DKK 6.7m
- On 12 February 2024, the Company announced that it had changed the ARR definition

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.

Hans Tino Hansen
CEO
Risk Intelligence A/S

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.

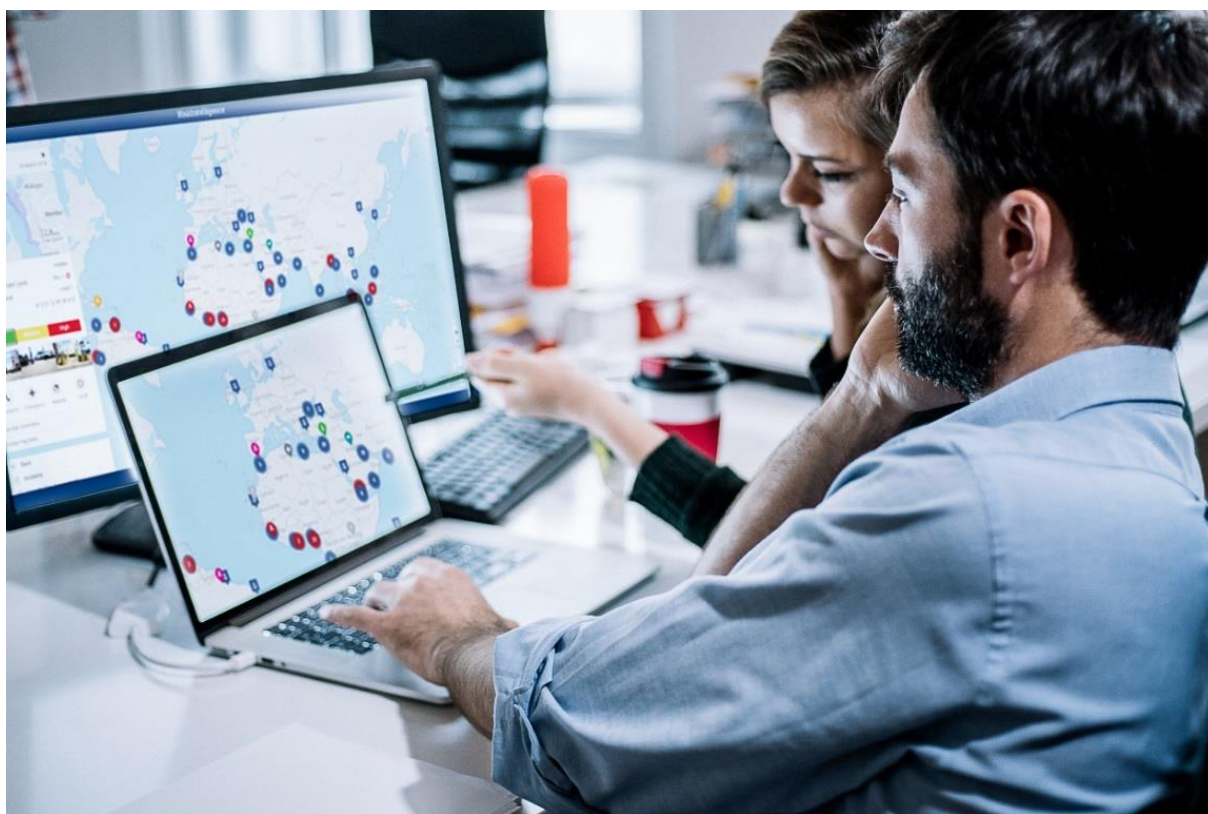
2023: The successful completion of two central milestones in the creation of a stable and sustainable platform for growth. On the financial side the funding strategy was successfully completed to remove all short-term loan debt in the balance sheet. On the business side the new platform for the Risk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

The 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

The Risk Intelligence System is fully scalable and is based on 12-month licenses with pre-paid subscriptions and automatic renewal. The new Risk Intelligence System consists of the following license agreement variables determining the cost of a client's annual license fee:

1. The number of users (and number of vessels operated for ship operating companies) is the basis license
2. The features selected by the client e.g. Voyage Intelligence tool
3. The third-party data selected by the client e.g. MyFleet
4. API integration

An annual 3% price increase or the highest of the Danish Net Price Index and 3% is part of all license agreements.

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 156,000 DKK depending on the type of report and subscription period. Intelligence reports constituted 7% of total revenue in 2023.

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 2023 (including reports).

Commercial cycle

Recurring revenue

The total Risk Intelligence recurring revenue constituted 87% in 2023. The renewal rate in 2023 was 99.4% with a churn of 0.6%. 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 annual 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 2023 was 7.36 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

System Recurring Revenue (ARR) in 2023 increased by 4,154 DKK thousand (27%) to DKK 19,488 thousand (2022 DKK 15,334 thousand).

The total ARR in 2023 increased by 4,231 DKK thousand (26%) to DKK 20,604 thousand (2022 DKK 16,373 thousand).

The annualised System Recurring Revenue (ARR) in Q4 2023 using the old definition increased by 2,496 DKK thousand (16%) to DKK 18,540 thousand (Q4 2022 DKK 16,044 thousand). No Clients churned and the renewal ratio by this ended at 100% (Churn 0%) for the quarter.

Using the old method, the total ARR in Q4 2024 increased by 2,256 DKK thousand (13%) to DKK 19,582 thousand (Q4 2022 DKK 17,326 thousand). The total ARR for the quarter increased by 22%.

The annualised renewal ratio was 99.4% with a corresponding churn of 0.6%. The average revenue per costumer (ARPU) increased to DKK 154 thousand.

NRR (Net Retention Rate) was 127% for Q4 2023 (Q4 2022 111%).

Risk Intelligence System SaaS metrics 2018 - 2023

DKK '000	2023	2022	2021	2020	2019	2018
System ARR	19,488	15,334				
System ARR Net increase	4,154	N/A				
ARR Growth	27%	N/A				
Total ARR	20,604	16,373				
ARR Net increase	4,231	N/A				
ARR Growth	26%	N/A				
ARPU	154	151	138	128	113	115
Renewal Ratio [annualised]	99.4%	97.6%	96.8%	98.6%	99.3%	99%
Renewal Ratio [quarter]	100%	98%				
Churn [annualised]	0.6%	2.4%	3.2%	1.4%	0.7%	1%
Churn [quarter]	0%	2%				
NRR	127%	111%	115%	N/A	N/A	N/A
Old definition						
System ARR	18,540	16,044	14,625	12,767	10,218	8,839
ARR Net increase	2,496	1,420	1,858	1,620	1,283	1,293
ARR growth	16%	10%	15%	25%	14%	15%
Total ARR	19,582	17,326	15,968	13,895	11,147	9,864
ARR Net increase	2,256	1,359	2,072	2,749	1,282	1,744
ARR Growth	13%	9%	15%	25%	13%	21%

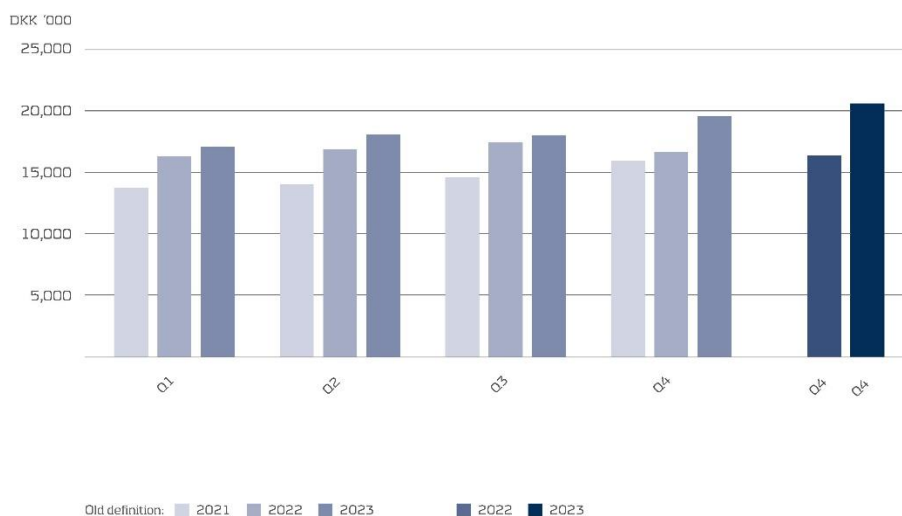
Risk Intelligence System SaaS metrics 2022 (maritime vs. land-based)

DKK '000	Total	Maritime	Land-based
ARR System	19,488	-	-
ARR growth System	26%	-	-
ARPU System	154	154	300*
Churn	0.6%	0.6%	0%
LTV	-	1,290*	2,505**
CAC	-	50	120
Recover CAC	-	0.3 years	0.4 years
LTV/CAC	-	25.8	20.9
TAM	-	528M****	4,000M****

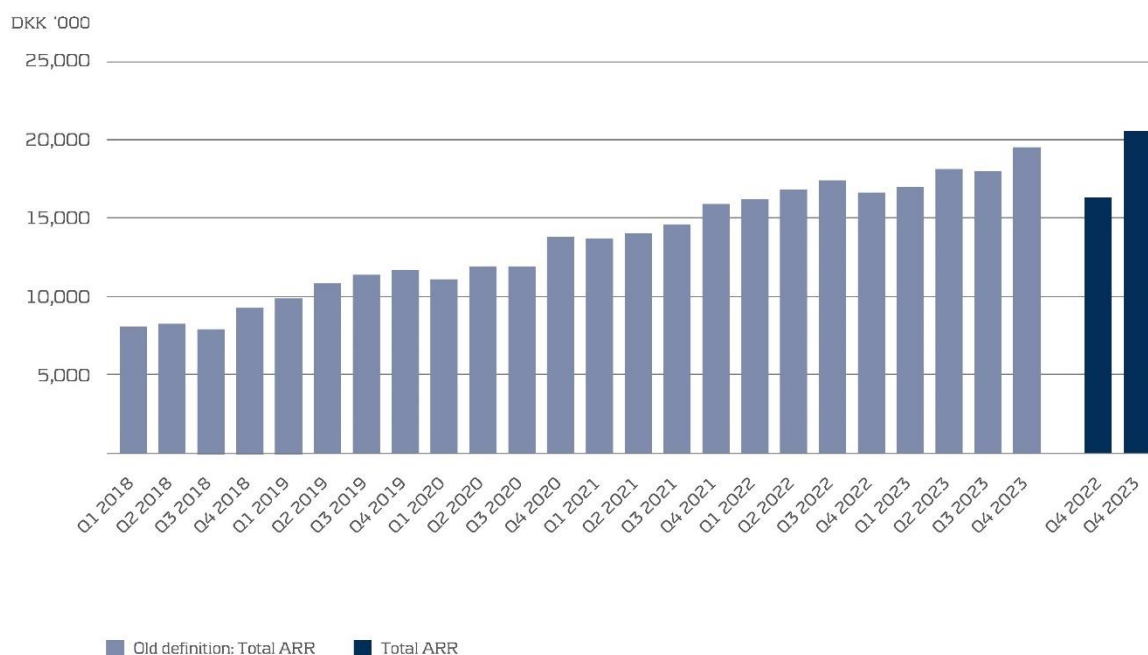
* Estimated
 ** 7.36 years average age in 2023
 *** Based on estimated license average length being similar to MaRisk and PortRisk
 **** USD 76m estimated market in 2022 for commercial market from Maritime Market opportunities report by Thetius for Risk Intelligence A/S. Government market in addition and not estimated in this study

To compare the development quarter by quarter since 2021 for the Total ARR are shown in below tables.

Total ARR by quarters 2021-2023



Total ARR quarter by quarter 2018 - 2023



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.

As for 2023 the definition of calculating ARR has been changed from looking backwards to looking forwards.

For further explanation of ARR please see Key definitions and explanations on page 34 and forward.

Outlook 2024

Financial outlook

System ARR in 2024 is expected to be at a range of 22.4M-25.3M (15-30% growth), based on the current assumptions for the 2024 business climate and taking the war in Ukraine and the situation in the Red Sea into account will impact the business. Risk Intelligence will continue its growth strategy throughout 2024, which is expected to lead to an EBITDA around 0, and negative net result.

Guidance 2024:

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

Capital resources

The Company has negative equity as of 31 December and short-term liabilities are significantly higher than current assets. However, the share capital was increased during Q1 and Q4 2023 by conversion of debt and cash capital increase.

In Q4 2023 the Company increased the share capital through a rights issue of approx. DKK 13.9 million. Based on these factors and the budget for 2024, it is Management's assessment that the company is a going concern. Consequently, the financial statements are presented based on the assumption that the Company is a going concern.

The Company's cash position end Q4 2023 was DKK 16 thousand and should always be seen together with Accounts Receivable, end Q4 2023 DKK 10,698. 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 Q4 2023 was 10,714 DKK thousand.

Furthermore, the Company have secured a long-term loan as per 31 December 2023 of approx. 6.7 million with board members and shareholders.

The Share

Shareholders

The table below presents shareholders with over 5 % of the votes and capital in Risk Intelligence as per 31 December 2023.

Name	Number of shares	Percentage of capital %	Percentage of voting right %
Jan Holm	3,867,242	15	21
Sandbjerg Holding ApS*	3,193,680	12	18
Others	18,925,835	73	61
Total	25,986,757	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	3,867,242
Jens Lorens Poulsen	Member	707,857
Stig Streit Jensen	Member	87,660
Jens Munch Holst	Member	96,144
Hans Tino Hansen	Member	(incl. Sandbjerg Holding ApS) 3,409,574

Senior Management

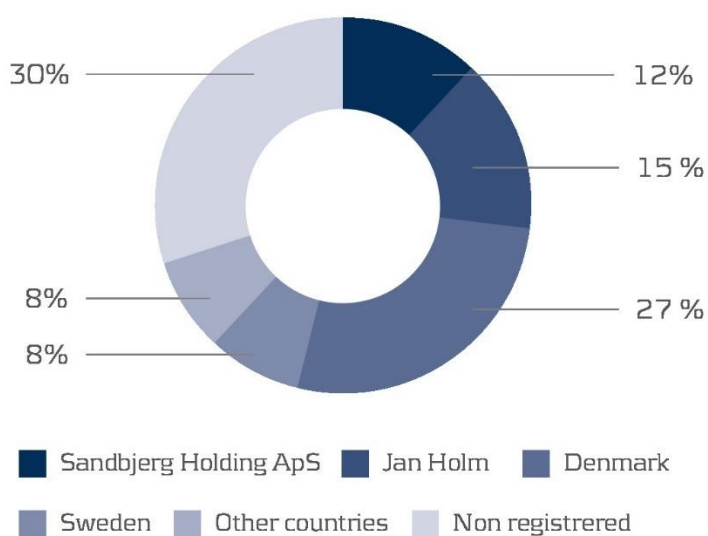
Name	Title	Number of shares
Hans Tino Hansen	CEO	(incl. Sandbjerg Holding ApS) 3,409,574
Jens Krøis	CFO	(incl. Proventa ApS) 401,648
Henrik Ehlers Kragh	SD	93,457
Jim Pascoe	CCO	66,263
Niels Worsøe	COO	35,471

The shares of Risk Intelligence A/S were listed on Spotlight Stock Market 17 August 2018. The short name/ticker is RISK.CO and the ISIN code is DK0061031978. As per 31 December 2023, the number of shares was 25,986,757. Each share represents DKK 0.10 equalling a share capital of DKK 2,598,676. 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 2,234 shareholders, where 979 hereof are registered. Due to legislation the Company does not have access to shareholders trading through custodians such as Swedish Avanza (4.48% of share capital shared between about 297 shareholders), Swedish Nordnet (1.11% and 958 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 two major shareholder into consideration, Sandbjerg Holding ApS and Jan Holm both exceeding 5% ownership.

Shareholder structure Q4 2023



Source: Data from Spotlight Stock Exchange

Share price (DKK)

	2023	2022
1 October	1.32	2.38
31 December	0.98	1.7
High Q4	1.74	2.55
Low Q4	0.87	1.7
High YTD	3.99	6.28
Low YTD	0.87	1.7

Liquidity

In Q4 2023 we saw a significant increase in traded volume of 269% compared to Q4 2022 (2,760,488 shares compared to 748,021 shares in Q4 2022). The turnover in Q4 2023 increased by 91% compared to Q4 2022 (DKK 2,659,944 in Q4 2023 compared to DKK 1,552,694 in Q4 2022).

Table showing the volume, turnover VWAP and closing share price from 2019 to 2023.

As of 1 February, Spotlight Stock Exchange has changed its platform to the Nasdaq platform, which will provide access and visibility to the share to many more banks, trading platforms and potential investors.

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			
Q1	2023	1,559,997	4,308,728	25,574	2.76	2.27
Q2		819,297	1,569,457	29,064	1.96	1.79
Q3		562,680	965,690	15,831	1.72	1.37
Q4		2,760,488	2,959,944	48,524	1.07	0.98
		5,702,462	9,803,819			

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. Further the board have on 1 November 2023 granted 234,845 warrants under above program as well. On board meeting 28 February 2024, the Board of Directors have granted 294,815 warrants under this program for the year 2023.

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

19 April 2024	Annual General Meeting
15 May 2024	Q1 2024 Interim Report
14 August 2024	Q2 2024 Interim Report
20 November 2024	Q3 2024 Interim Report
26 February 2025	Q4 and 2024 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 the current period, no significant changes in risk factors or uncertainties have occurred. For more detailed description of risks and uncertainties, refer to the memorandum published in October 2023. The documents are available on the investor website (investor.riskintelligence.eu).

Principles for Interim Report

The interim report has been made in accordance with Danish jurisdiction for annual accounts.

Auditor's review

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

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Web: investor.riskintelligence.eu

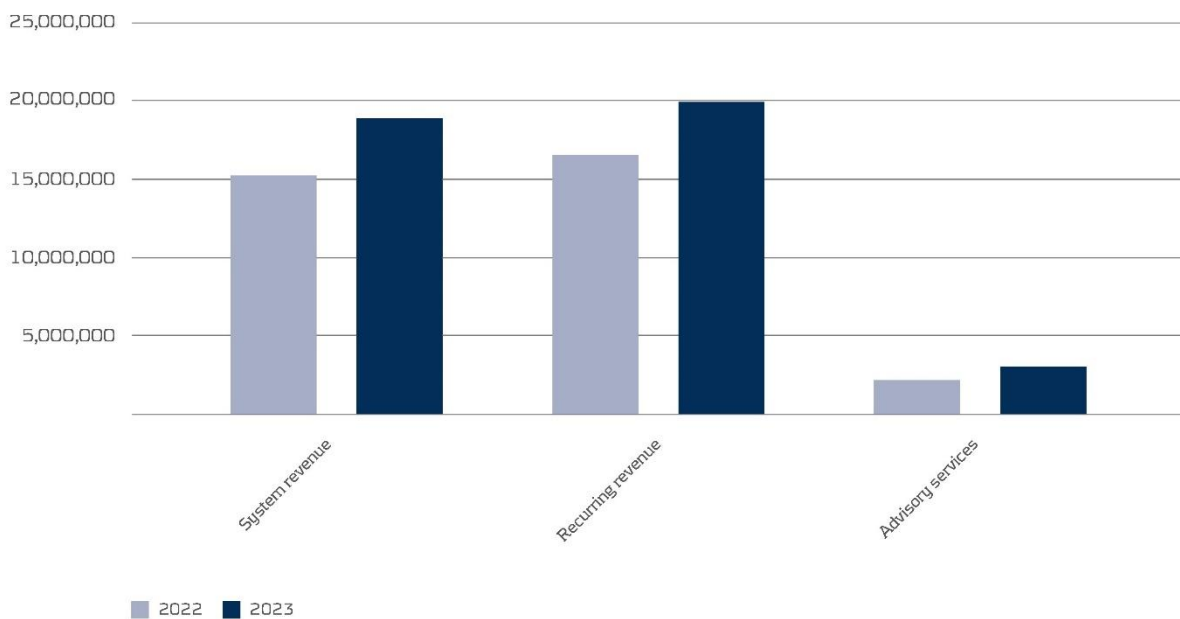
Financial Review

Income Statement

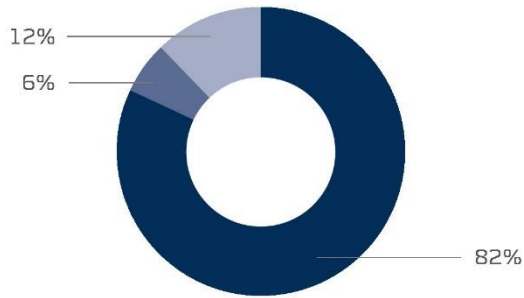
Total recognised revenue increased by 10% in Q4 2023 to DKK 5,268 thousand compared to Q4 2022 (DKK 4,803 thousand). Invoiced revenue increased 28% at DKK 9,421 thousand (Q4 2022 DKK 7,342). Total recurring revenue in Q4 2023 increased by 22% to DKK 8,512 thousand compared to Q4 2022 (DKK 6,965 thousand).

In 2023 total revenue increased by 14% to DKK 20,302 thousand compared to 2022 (DKK 17,734 thousand). Invoiced revenue increased by 26% to DKK 23,017 thousand (2022 DKK 18,252). The total recurring revenue in 2023 ended at DKK 20,604 (new definition) an increase of DKK 4,231. After the old definition recurring revenue was 19,582 thousand for 2023 corresponding an increase of 13% compared to 2022 (2022: DKK 17,326 thousand).

Revenue split 2022 - 2023

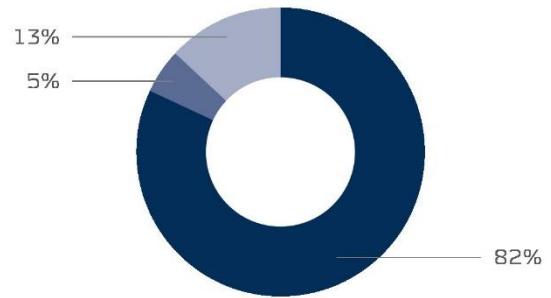


Revenue ratio 2022

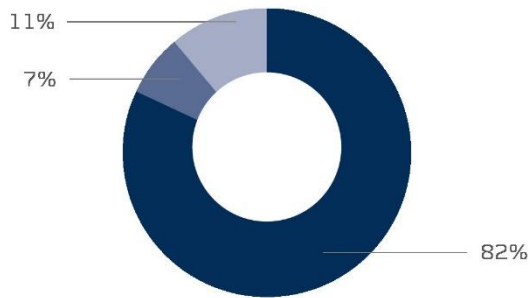


■ System ■ Other subscription ■ Advisory

Revenue ratio 2023

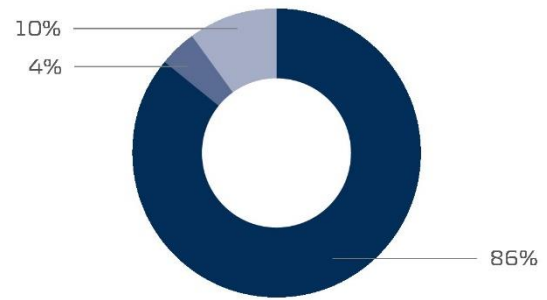


Revenue ratio Q4 2022

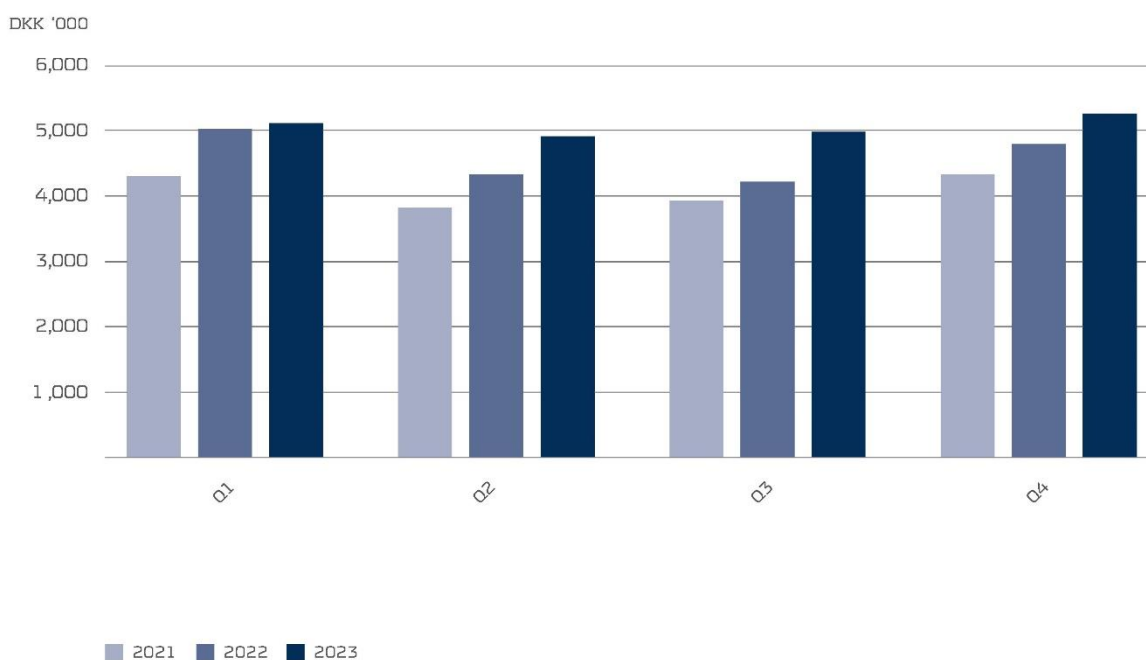


■ System ■ Other subscription ■ Advisory

Revenue ratio Q4 2023



Revenue quarter by quarter 2021 – 2023



The gross profit increased in Q4 2023 by 20% to DKK 2,286 thousand (Q4 2022: DKK 1,911 thousand), corresponding to an increased gross margin of 43% (Q4 2022: 40%). For FY 2023 the gross profit increased by 17% to DKK 10,657 thousand (FY 2022: 9,032 thousand). The gross margin ended at 52% compared to 51% for 2022.

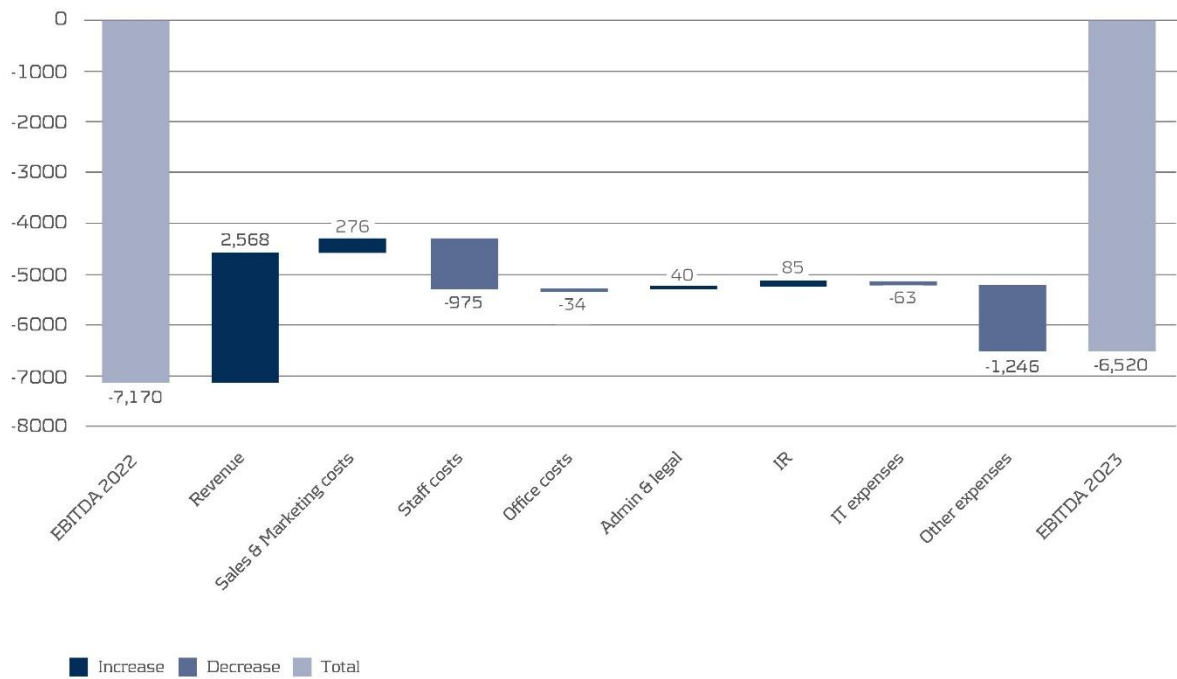
Calculating the gross profit as a SAAS method the gross profit increased in Q4 2023 by 29% to DKK 9,380 thousand (Q4 2022: DKK 7,246 thousand), corresponding to an increased gross margin of 99.6% (Q4 2022: 98.7%). For FY 2023 the gross profit increased by 27% to DKK 22,635 thousand (FY 2022: 17,791 thousand). The gross margin ended at 98.3% compared to 97.5% for 2022.

Other Operating Expenses increased in Q4 2023 by 3% to DKK 2,982 thousand (Q4 2022: 2,892). Staff costs amounted to DKK 4,451 thousand (Q4 2022: DKK 4,363 thousand) which is an increase of 2%. Total costs for Q4 2023 increased by 2% to DKK 7,433 thousand (Q4 2022: DKK 7,255 thousand). As for 2023 in total Other Operating Expenses increased by 11% to DKK 9,645 (FY 2022: 8,702 thousand). Staff costs FY 2023 increased by 6% to DKK 17,177 (2022: DKK 16,202 thousand).

Total costs in total increased by 8% for 2023 to 26,822 (2022: DKK 24,904 thousand).

EBITDA increased in Q4 2023 by DKK 287 thousand (12%) to DKK -2,165 thousand (Q4 2022: DKK -2,452 thousand). As for FY 2023 EBITDA increased by 9% to DKK 6,520 (FY 2022: DKK -7,170). The EBITDA ratio in 2023 increased to -32% (2022: -40%).

EBITDA development from 2022 to YTD 2023



EBITDA 2022

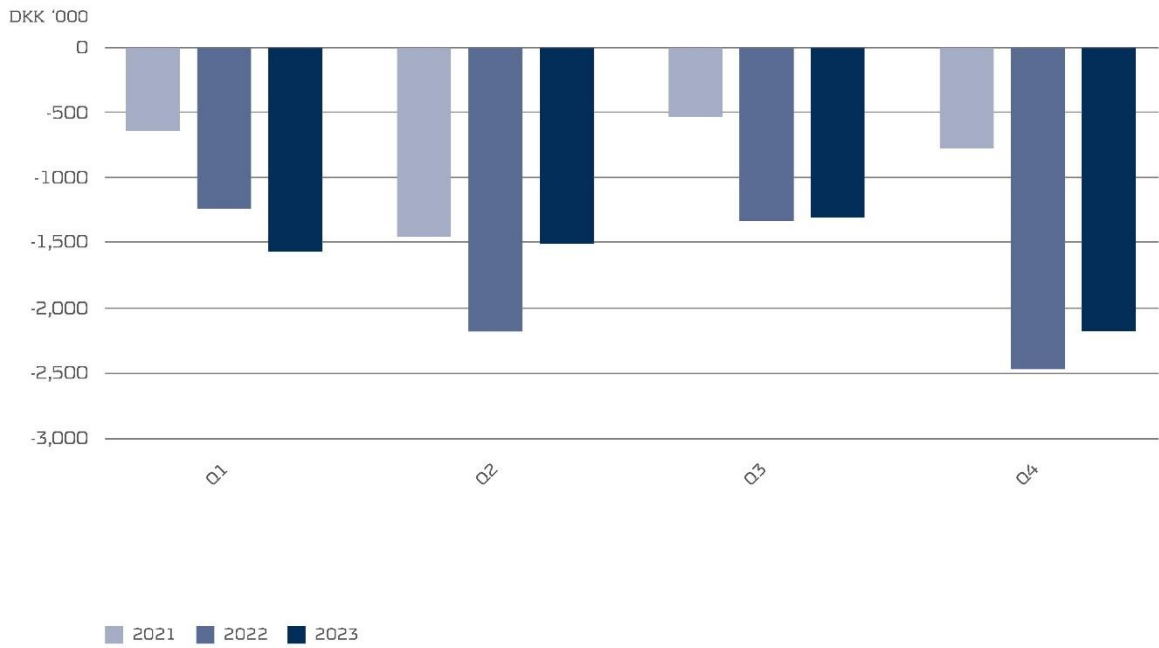
-7,170

Revenue	2,568
Sales & Marketing costs	276
Staff costs	-975
Office costs	-34
Admin & legal	40
IR	85
IT expenses	-63
Other expenses	-1,246

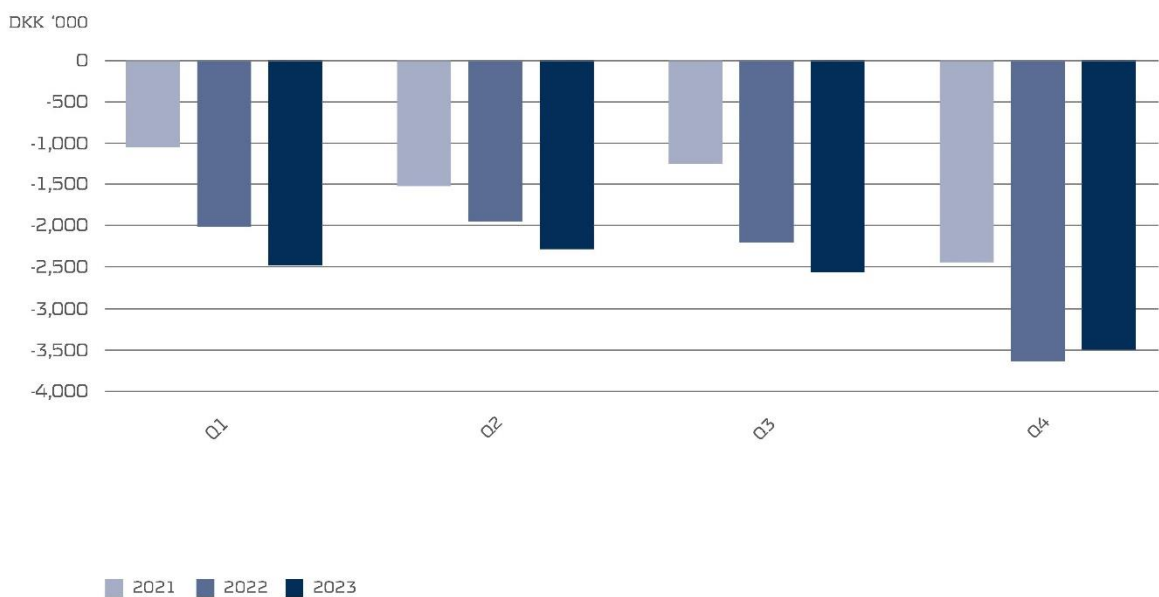
EBITDA 2023

-6,520

EBITDA quarter by quarter 2021 - 2023



Net result quarter by quarter 2021 - 2023



Balance sheet

Equity at the end of 2023 increased to DKK -3,604 thousand (end of 2022: DKK -13,268 thousand). In Q4 2023 the Company increased the share capital through a rights issue of approx. DKK 13.9 million.

Debt

The long-term debt under "Long term liabilities" consists of two loans from "Vækstfonden" (the Danish State Growth Fund), one private loan from shareholders and a new 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 2026 all current long-term loans will be fully repaid. Due to the repayment schedule of the long-term debt DKK 3,746 thousand is payable within 12 months and is subsequently presented under "Short-term liabilities". Compared to end 2022 the long-term debt has increased by DKK 4,856 thousand and total debt has increased by DKK 840 thousand at the end of 2023.

The balance sheet total was DKK 42,466 thousand at the end of 2023 which is an increase of DKK 10,506 thousand compared to end 2022 (DKK 31,962 thousand).

Cash flows

Cash flows from operating activities (CFFO) was in Q4 2023 DKK -1,191 thousand. A decrease of DKK 946 compared to Q4 2022 (DKK -246 thousand). The CFFO would have been positive if a large client had not paid long overdue. One of the reasons why the AR is relatively high end 2023 as well.

Investments in Q4 2023 amounted to DKK 3,421 thousand which is DKK 2,212 thousand higher than Q4 2022 (DKK -1,209 thousand).

Cashflow from financing amounted to DKK 4,619 thousand in Q4 2023 (Q4 2022: DKK 1,748 thousand).

Cash flows from operating activities (CFFO) in 2023 ended at DKK -8,007 thousand (2022: DKK -7,461 thousand).

Investments in 2023 amounted to DKK -5,406 thousand which is DKK -3,864 thousand more than 2022 (DKK -1,542 thousand).

Cashflow from financing (CFFF) amounted in 2023 to DKK 13,088 thousand due to two capital increases (2022: DKK 5,513 thousand).

Income Statement 1 January – 31 December

DKK '000	Q4 2023	Q4 2022	FY 2023	FY 2022
Net sales	5,268	4,803	20,302	17,734
Other operating expenses	-2,982	-2,892	-9,645	-8,702
Gross profit	2,286	1,911	10,657	9,032
Staff costs	-4,451	-4,363	-17,177	-16,202
Earnings before depreciation and amortization (EBITDA)	-2,165	-2,452	-6,520	-7,170
Depreciation / amortization of tangible and intangible fixed assets	-442	-865	-2,537	-2,758
Profit/loss before financial items	-2,608	-3,317	-9,057	-9,927
Financial costs	-1,652	-1,513	-4,547	-3,320
Profit/loss before taxes	-4,259	-4,831	-13,604	-13,247
Tax on profit for the year	772	1,206	2,828	2,914
Net profit	-3,487	-3,625	-10,776	-10,333
Proposed distribution of profit				
Transfer of profits for development projects	5,041	-1,081	4,595	-553
Retained earnings	-8,528	-2,544	-15,371	-9,780

Balance Sheet 31 December

DKK 000'	31-12-2023	31-12-2022
Assets		
Intangible assets		
Completed development projects	7,588	8,703
Ongoing development projects	5,977	1,917
Total intangible fixed assets	13,565	10,619
Tangible fixed assets		
Other facilities, fixtures and accessories	1,239	1,249
Total tangible assets	1,239	1,249
Financial assets		
Investments in subsidiaries	0	0
Deferred tax	15,029	9,926
Other long-term receivables	494	428
Financial assets	15,523	10,354
Total fixed assets	30,327	22,223
Receivables		
Accounts Receivables	10,698	5,791
Other receivables	358	194
Tax	0	2,274
Accruals	1,068	1,137
Total Receivables	12,123	9,397
Assets		
Cash at bank and in hand	16	342
Current assets total	12,140	9,739
Assets total	42,466	31,962

Balance Sheet 31 December

DKK 000'	31-12-2023	31-12-2022
Liabilities and equity		
Equity		
Share capital	2,599	1,108
Reserve for development costs	12,878	8,283
Retained earnings	-19,080	-22,659
Total equity	-3,604	-13,268
Long-term liabilities		
Other credit institutions	1,416	2,089
Shareholders and Management	9,206	3,677
Long-term liabilities	10,622	5,766
Current liabilities		
Short-term part of long-term debt	3,746	3,428
Trade payables	6,475	2,103
Payables to subsidiaries	488	301
Lease obligations	594	751
Shareholders and Management	0	13,491
Other payables	5,447	3,156
Credit institutions	4,409	4,660
Deferred income	14,289	11,575
Short-term liabilities	35,448	39,464
Debt total	46,070	45,230
Liabilities and equity total	42,466	31,962

Cash Flow statement 1 January – 31 December

DKK 000'	Q4 2023	Q4 2022	FY 2023	FY 2022
Profit/loss for the year	-3,487	-3,625	-10,776	-10,333
Adjustments	1,322	1,327	4,256	3,258
Change in working capital	2,626	3,565	3,059	2,934
Cash flows from ordinary activities	460	1,268	-3,460	-4,140
Financial expenses	-1,652	-1,513	-4,547	-3,320
Cash flows from ordinary activities	-1,191	-246	-8,007	-7,461
Corporation tax paid (-)/received	0	0	0	0
Cash flows from operating activities	-1,191	-246	-8,007	-7,461
Purchases of intangible assets	-3,045	-897	-5,012	-1,249
Purchases of property, plant and equipment	-442	-254	-460	-266
Deposits	66	-59	66	-28
Fixed asset investments made etc.	0	0	0	0
Cash flow from investing activities	-3,421	-1,209	-5,406	-1,542
Change in lease obligations	-164	193	-157	134
Loans	-6,178	1,556	-7,063	5,380
Conversion of loans into capital	1,558	0	9,894	0
Cash capital increase	9,475	0	10,547	0
Other financing	-71	0	-133	0
Cash flow from financing activities	4,619	1,748	13,088	5,513
Change in cash and cash equivalents	6	293	-326	-3,490
Cash and cash equivalents beginning	10	49	342	3,832
Cash and cash equivalents	16	342	16	342

Equity

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
1 January 2022 - 31 December 2022					
<i>DKK '000</i>					
Equity 1 January	1,108	0	8,837	-5,059	4,886
Net effect adjustment equity beginning	0	0	0	-7,821	-7,821
Adjusted equity 1 January	1,108	0	8,837	-12,880	-2,935
Cash capital increase	0	0	0	0	0
Profit for the period	0	0	-553	-9,779	-10,333
Transferred from share premium	0	0	0	0	0
Equity 31 December	1,108	0	8,283	-22,659	-13,268
1 January 2023 - 31 December 2023					
<i>DKK '000</i>					
Equity 1 January 2023	1,108	0	8,283	-22,659	-13,268
Cash capital increase	1,491	18,950	0	0	20,440
Profit for the period	0	0	4,595	-15,371	-10,776
Transferred from share premium	0	-18,950	0	18,950	0
Equity 31 December 2023	2,599	0	12,878	-19,080	-3,604

Key definitions and explanations

Income statement

Revenue

Income from the sale of goods for resale, finished goods and licenses is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received. Revenue from licenses is recognised on a straight-line basis over the license period.

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

Explanation: Given Risk Intelligence is a company that delivers intelligence analysis (and not software) the "production" includes analytic man hours 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 to 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. All loans are fully paid back according to pay-back schedule 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.

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

ARR is calculated as all known recurring revenue during the next 12 months based on existing license agreements including all known license agreement-based price increases. Not included is estimates for upsell (additional license value added).

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

A person is holding a tablet computer. The screen displays a map of Europe with various colored markers (red, blue, green, yellow) indicating risk levels. A white circular graphic with a crosshair is overlaid on the map, containing the text 'Knowing Risk'. The background is a blurred office setting.

Knowing
Risk

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