

Q1 2022 Interim Report

1 January 2022 – 31 March 2022

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

RiskIntelligence

Q1 2022 Interim Report

1 January 2022 - 31 March 2022

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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 from 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.

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

Hellerup, 18 May 2022.

Key figures and selected financial posts

| DKK '000 | Q1 2022 | Q1 2021 | FY 2021 |
|-------------------------------------|------------|------------|------------|
| Net sales | 3,924 | 4,240 | 18,820 |
| Operating profit (EBITDA) | -1,682 | -698 | -939 |
| Profit after financial items | -2,809 | -1,560 | -2,845 |
| Profit/loss for the period | -2,217 | -1,117 | -3,613 |
| Total assets | 24,691 | 30,138 | 30,194 |
| Operating margin | -43% | -16% | -5% |
| ARPU | 139 | 123 | 138 |
| System ARR | 14,828 | 12,314 | 14,625 |
| Churn | 3.8% | 2.7% | 3.2% |
| NRR | 105% | 101% | 115% |
| Cash flow from operating activities | -303 | -1,837 | -6,112 |
| Cash flow from investing activities | -424 | -537 | -2,900 |
| Cash flow from financing activities | -2,573 | 9,888 | 12,222 |
| Cash flow net | -3,300 | 6,577 | 3,210 |
| Equity ratio | 11% | 20% | 16% |
| Number of registered shares | 11,082,047 | 10,577,430 | 11,082,047 |
| Earnings per share *) | -0.20 | -0.11 | -0.33 |
| Number of employees**) | 25 | 24 | 24 |

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 Q1 2022

- On 7 January Risk Intelligence reports 20% growth in revenue in Q4 2021

Highlights after the period

- On 6 April 2022 Risk Intelligence announced that it had signed an agreement for LandRisk Logistic with ESOES.
- On 22 April 2022 the Annual General Meeting in Risk Intelligence was held

Statement from CEO Hans Tino Hansen

2022's first quarter has brought a wide range of developments and outcomes due to the war in Ukraine. Not only for Risk Intelligence, but for everyone globally - and in and around Europe in particular. In addition, the Russian aggression in Ukraine has aggravated existing supply chain challenges and further increased inflation, something that will have an impact on all businesses and consumers.



Risk Intelligence anticipated already in January that the risk of war was increasing, and that the probability for war had become higher than for peace. Hence, as the war broke out on the 24 of February, we were fully prepared to support our clients. Around 100 commercial vessels were caught in Ukrainian ports when the invasion started, and their crews faced increasing difficulty getting out of Ukraine. Our team facilitated and coordinated the evacuation of crews for several clients and non-clients alike in cooperation with a British response company carrying out the actual evacuation. The work from our side was done without charge, as it was more important to save lives than to start discussing remuneration.

In March, Risk Intelligence launched a weekly intelligence report, the Northern Black Sea Report, which provides an overview of the current situation in the northern Black Sea and the ports in Ukraine, Russia and in Romania. This report has been a success and 20% of the proceeds from the report will be donated to support Ukraine and victims of the war, in addition to the 25,000 DKK already donated to The International Red Cross.

With the current outlook, it is our assessment that the war in Ukraine will continue for a considerable time, which means the impact on shipping and supply chains - especially on wheat exports to Africa and Asia - will continue, and possibly worsen. At the same time, Europe is in the process of switching from Russian gas to LNG, which provides increased business for our gas clients, but also brings increased vulnerability and risk. Our role is to continue to advise our clients on how to address the security implications of the increasing crisis.

The quarter ended with a satisfactory 20% increase in Annual Recurring Revenue (ARR) from the Risk Intelligence System and from intelligence reports. The Net Retention Ratio (NRR) reached 105%, including the churn of 3.8%, meaning that the clients delivered net 5% more revenue than in Q1 2021. This mainly from upselling and price increases. It is the first time that we publish the NRR in combination with the churn, as we believe that churn should be seen as a function of the total increase in revenue rather than an isolated metric. The third important metric, the Average Recurring Revenue Per Unit (ARPU), also increased to 139K DKK per client.

Q1 unfortunately also saw an isolated drop in total revenue of 7%, mainly due to a 54% decrease in revenue from Advisory Services. Traditionally, Risk Intelligence have 1-2 large consulting projects in every calendar year, in addition to a wide range of small and medium projects. Last year's major project fell in Q1, while this year we have one scheduled for later quarters, which explains the comparative drop. Costs have been increasing by 14% compared to Q1 2021, mainly due to a combination of higher spending on sales and marketing than in 2021, as well as the costs of getting back to face-to-face operations with full functioning offices.

Despite the first quarter not performing quite as anticipated in some areas, we maintain our full year guidance, as we have full confidence that we will be able to deliver growth in revenue during 2022.

Notwithstanding the global situation; war in Ukraine, supply chain challenges, growing inflation, and volatility in the financial markets, we successfully increased our most important financial figures, the ARR and net retention in this first quarter. At the same time, I believe we succeeded in our two most important core business areas: Saving the lives of shipping crews in need and helping to reduce the risk of exposure to the war for our clients.

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.

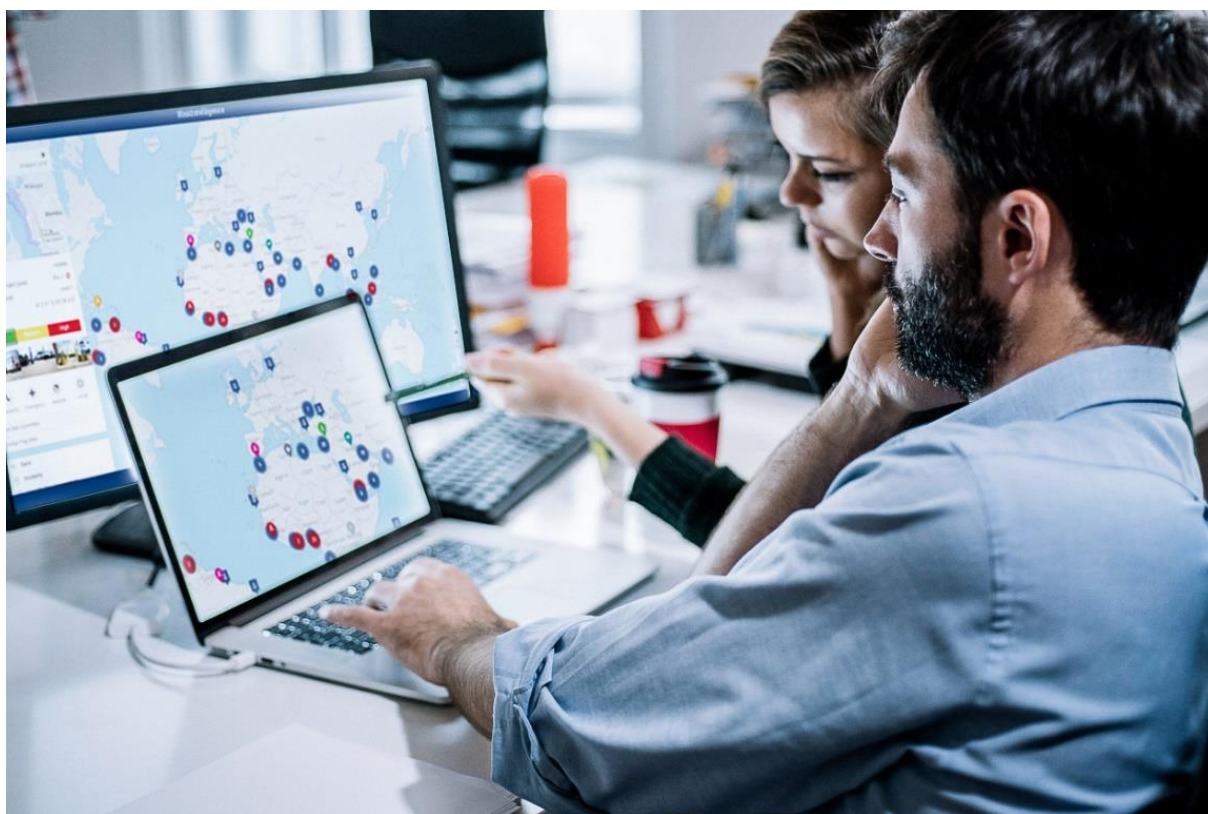
2021: Launched the new product LandRisk Logistics, which is a 360-degree solution for logistics security and includes the Lane Threat Assessment Tool with security threat overview of individually selected transport lanes as well as for alternative routes. It provides automated updates and dashboards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

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 78% of total revenue (2021), 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 2021.

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 22% of total revenue in 2021.

Commercial cycle

Recurring revenue

The total Risk Intelligence recurring revenue constituted 85% in 2021. The renewal rate in 2021 was 96.8% with a churn of 3.2%. 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 2021 was 7.1 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 Q1 2022 increased by 2,514 DKK thousand (20%) to DKK 14,828 thousand (Q1 2021 DKK 12,314 thousand). One Client churned due to cessation of its business the renewal ratio by this ended at 96.2% (Churn 3.8%) for the quarter.

The total ARR in Q1 2022 increased by 2,514 DKK thousand (18%) to DKK 16,264 thousand (Q1 2021 DKK 13,740 thousand). The annualised renewal ratio was 99.2% with a corresponding churn of 0.8%. The average revenue per costumer (ARPU) increased to DKK 139 thousand.

Risk Intelligence System SaaS metrics 2018 - 2022

| DKK '000 | Q1 2022 | Q1 2021 | 2021 | 2020 | 2019 | 2018 |
|----------------------------|---------|---------|--------|--------|--------|-------|
| System ARR | 14,828 | 12,314 | 14,625 | 12,767 | 10,218 | 8,839 |
| ARR Net increase | 2,514 | 1,162 | 1,858 | 1,620 | 1,283 | 1,293 |
| ARR growth | 20% | 10% | 15% | 25% | 14% | 15% |
| Total ARR | 16,264 | 13,740 | 15,968 | 13,895 | 11,147 | 9,864 |
| ARR Net increase | 2,524 | 1,780 | 2,072 | 2,749 | 1,282 | 1,744 |
| ARR Growth | 18% | 15% | 15% | 25% | 13% | 21% |
| ARPU | 139 | 123 | 138 | 128 | 113 | 115 |
| Renewal Ratio (annualised) | 99.2% | 99.3% | 96.8% | 98.6% | 99.3% | 99% |
| Renewal Ratio (quarter) | 96.2% | 97.3% | | | | |
| Churn (annualised) | 0.8% | 0.7% | 3.2% | 1.4% | 0.7% | 1% |
| Churn (quarter) | 3.8% | 2.7% | | | | |
| NRR | 105% | 101% | 115% | N/A | N/A | N/A |

Risk Intelligence System SaaS metrics 2021 (maritime vs. land-based)

| DKK '000 | Total | Maritime | Land-based |
|-------------------|--------|-----------|------------|
| ARR System | 14,426 | - | - |
| ARR growth System | 15% | - | - |
| ARPU System | 138 | 138 | 300* |
| Churn | 3.2% | 3.2% | 0% |
| LTV | - | 1,108** | 2,410*** |
| CAC | - | 62 | 162* |
| Recover CAC | - | 0.5 years | 0.5 years* |
| LTV/CAC | - | 17.9 | 14.9* |
| TAM | - | 400M | 4,000M (+) |

* Estimated

** 7.1 years average age in 2021

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

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 31 and forward.

Outlook 2022

Financial outlook

Revenue growth in 2022 is expected to be at least at the same level as in 2021 equal to a revenue of 21.5M-23.5M (15-25% growth), based on the current assumptions for the 2022 business climate including remaining effects of COVID-19 and taking into account impact of the war in Ukraine. Risk Intelligence will continue its growth strategy throughout 2022, which will lead to negative EBITDA and subsequently a negative net result.

Guidance 2022:

- Growth: 15-25%
- Revenue: 21.5M-23.5M DKK
- EBITDA: Negative
- Net result: Negative
- Net cash-flow: Positive*

**Based on the current budget, management will ensure a capital structure sufficient to support operations and planned investments during 2022.*

Capital resources

The Company's cash position end Q1 2022 was DKK 532 thousand and should always be seen together with Accounts Receivable, end Q1 2022 DKK 2,670. 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 Q1 2022 was 3,202 DKK thousand.

Based on the current budget, management will ensure a capital structure sufficient to support operations and planned investments during 2022.

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 2022 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. At this point the Company has secured funding for all planned initiatives and investments for 2022.

The Share

Shareholders

The table below presents shareholders with over 5 % of the votes and capital in Risk Intelligence as per 31 March 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 | Chairmann | 76,348 |
| 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) | 3,102,200 |

Senior Management

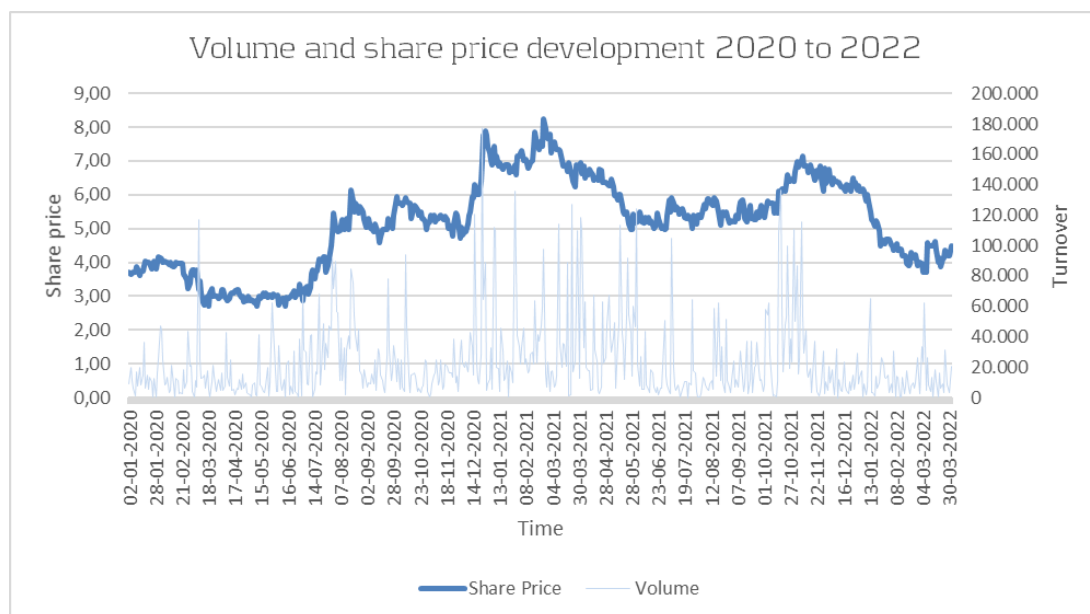
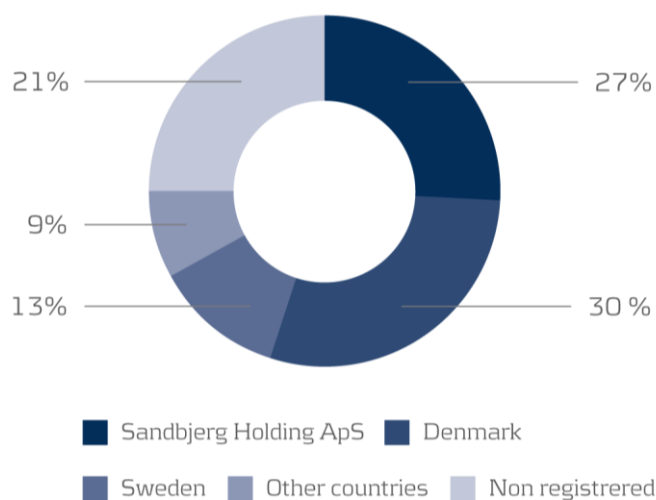
| Name | Title | Number of shares |
|---------------------|-----------------------------------|------------------|
| Hans Tino Hansen | CEO (incl. Sandbjerg Holding ApS) | 3,102,200 |
| Henrik Ehlers Kragh | COO | 64,383 |
| Jens Krøis | CFO | 55,484 |
| Jim Pascoe | CCO | 27,803 |

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 March 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 2,288 shareholders, where 955 hereof are registered. Due to legislation the Company does not have access to shareholders trading through custodians such as Swedish Avanza (3.81% of share capital shared between about 377 shareholders), Swedish Nordnet (2.37% and 956 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 2022



Source: Data from Spotlight Stock Exchange

Share price (DKK)

| | 2022 | 2021 |
|-----------|------|------|
| 1 January | 6.28 | 7.45 |
| 31 March | 4.50 | 6.95 |
| High Q1 | 6.28 | 8.25 |
| Low Q1 | 3.70 | 6.25 |
| High FY | 6.28 | 8.25 |
| Low FY | 3.70 | 5.00 |

Liquidity

In Q1 2022 we saw a significant decrease in traded volume of 65% compared to Q1 2021 (814,624 shares compared to 2,354,382 shares in Q1 2021). In general, all trading in listed shares have in Q1 2022 decreased. The turnover in Q1 2022 decreased by 78% compared to Q1 2022 (DKK 16,614,250 in Q1 2020 compared to DKK 3,681,679 in Q1 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 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 | | | | | | |
| Q3 | | | | | | |
| Q4 | | | | | | |

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 substantial cash impact of at least DKK 6,000,000 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 to employees under above programme.

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

17 August 2022
16 November 2022
22 February 2023

Q2 2022 Interim Report
Q3 2022 Interim Report
Q4 and 2022 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 June 2018. 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.

For further information, please contact

CEO Hans Tino Hansen

CFO Jens Krøis

Email: investor@riskintelligence.eu

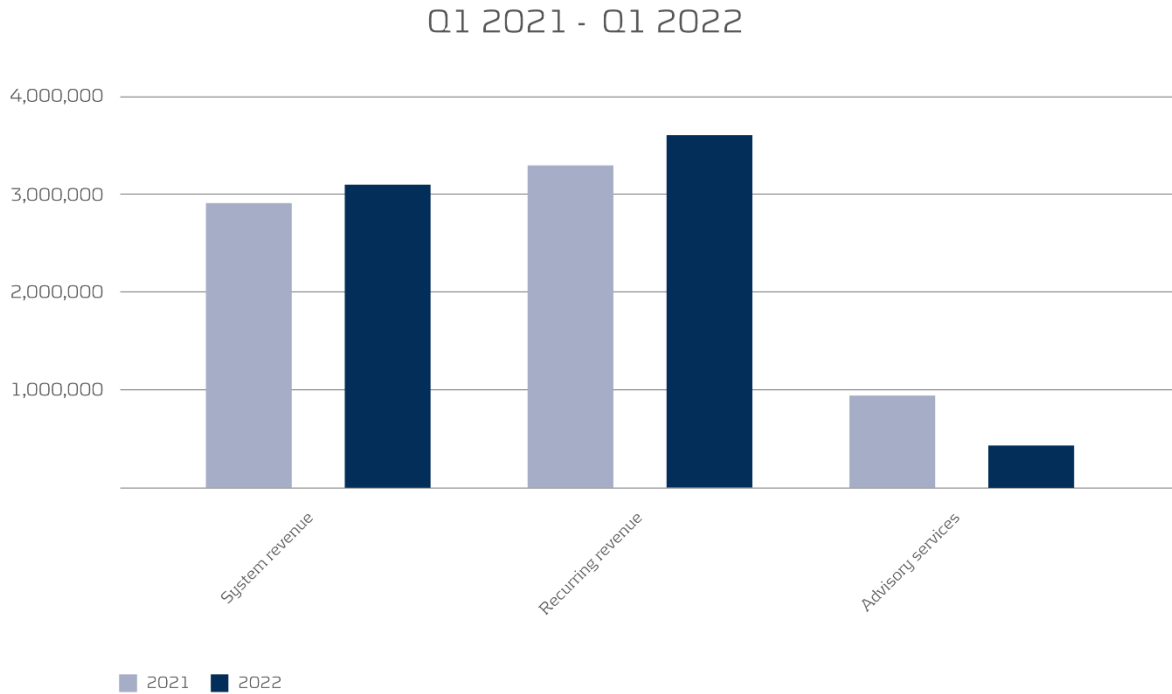
Tel: +45 70 26 62 30

Web: investor.riskintelligence.eu

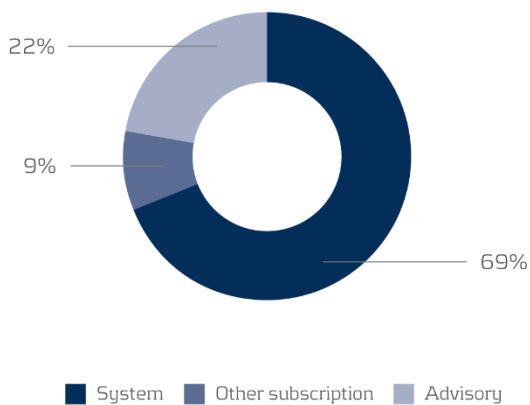
Financial Review

Income Statement

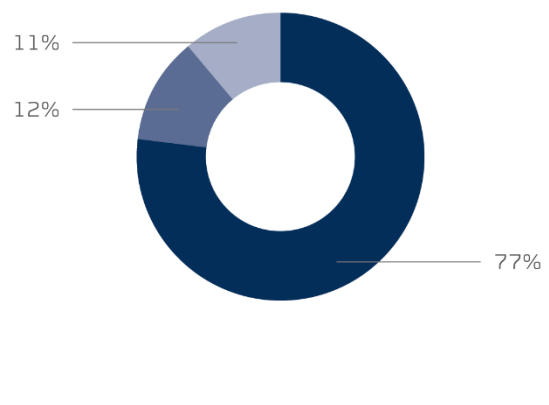
Total revenue decreased 7% to DKK 3,924 thousand compared to Q1 2021 (DKK 4,240 thousand). Total recurring revenue for the quarter increased by 9% to DKK 3,595 thousand compared to Q1 2021 (DKK 3,299 thousand). Advisory Services did not achieve the predicted activity level and more than halved the revenue compared to Q1 2021.



Revenue ratio Q1 2021



Revenue ratio Q1 2022

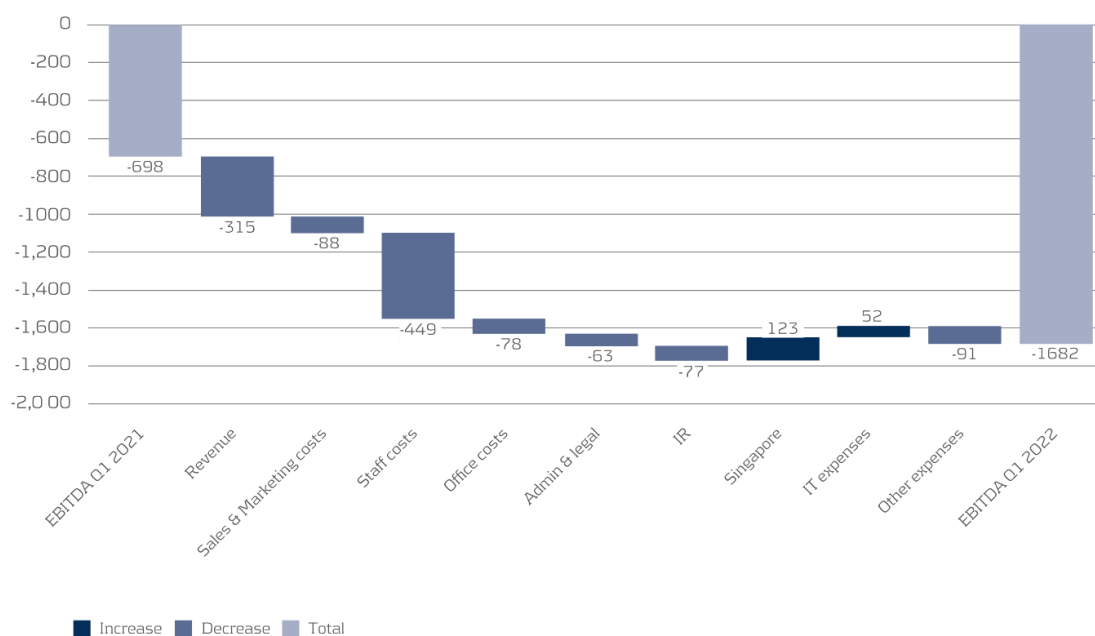


The gross profit decreased by 19% to DKK 2,176 thousand (Q1 2021: DKK 2,712 thousand), corresponding to a decreased gross margin of 55% (Q1 2021: 64%).

Other Operating Expenses increased by 14% to DKK 1,748 thousand (Q1 2021: 1,528). Staff costs amounted to DKK 3,858 thousand (Q1 2021: DKK 3,409 thousand). An increase of DKK 449 thousand or 13%.

EBITDA decreased by DKK 985 thousand (141%) to DKK -1,682 thousand (Q1 2021: DKK -698 thousand). The decrease in EBITDA is the result of a decreased revenue and a higher cost level than in 2021. The EBITDA ratio decreased to -43% (Q1 2021: -16.0%).

EBITDA development Q1 2021 - Q1 2022



| | |
|-------------------------|-------|
| EBITDA Q1 2021 | -698 |
| Revenue | -315 |
| Sales & Marketing costs | -88 |
| Staff costs | -449 |
| Office costs | -78 |
| Admin & legal | -63 |
| IR | -77 |
| Singapore | 123 |
| IT expenses | 52 |
| Other expenses | -91 |
| EBITDA 2022 | -1682 |

Balance sheet

Equity at the end of Q1 2022 decreased to DKK 2,669 thousand (end of 2021: DKK 4,886 thousand). The equity ratio was 11% end Q1 2022 (end of 2021: 16%).

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 2,511 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 364 thousand and total debt has decreased by DKK 3,286 at the end of Q1 2022.

The balance sheet total was DKK 24,691 thousand at the end of Q1 2022 which is a decrease of DKK 5,503 thousand compared to end 2021 (DKK 30,138 thousand).

Cash flows

Cash flows from operating activities (CFFO) was in Q1 2022 DKK -303 thousand. An increase of DKK 1,534 compared to Q1 2021 (DKK -1,837 thousand). CFFO was impacted in Q1 2022 by a lower working capital compared to end 2021.

Investments in Q1 2022 amounted to DKK 424 thousand which is slightly lower than Q1 2021 (DKK 537 thousand).

Cashflow from financing amounted to DKK -2,573 thousand in Q1 2022 (Q1 2021: DKK 8,969 thousand). The negative financing reflects paying back of loans.

Income Statement 1 January – 31 March 2022

| DKK '000 | Q1 2022 | Q1 2021 | FY 2021 |
|---|---------------|---------------|---------------|
| Net sales | 3,924 | 4,240 | 18,820 |
| Other operating expenses | -1,748 | -1,528 | -6,232 |
| Gross profit | 2,176 | 2,712 | 12,588 |
| Staff costs | -3,858 | -3,409 | -13,526 |
| Earnings before depreciation and amortization (EBITDA) | -1,682 | -698 | -939 |
| Depreciation / amortization of tangible and intangible fixed assets | -558 | -450 | -1,906 |
| Other operating costs | - | - | - |
| Profit/loss before financial items | -2,240 | -1,148 | 2,845 |
| Financial costs | -569 | -412 | -1,920 |
| Profit/loss before taxes | -2,809 | -1,560 | -4,765 |
| Tax on profit for the year | 592 | 443 | 1,151 |
| Net profit | -2,217 | -1,117 | -3,613 |
| Proposed distribution of profit | | | |
| Transfer of profits for development projects | 11 | 225 | 1,076 |
| Retained earnings | -2,206 | -1,342 | -4,689 |

Balance sheet 31 March

| DKK '000 | 31-03-2022 | 31-03-2021 | 31-12-2021 |
|--|---------------|---------------|---------------|
| Assets | | | |
| Intangible assets | | | |
| Completed development projects | 6,972 | 5,753 | 4,966 |
| Ongoing development projects | 4,636 | 5,047 | 6,656 |
| Total intangible fixed assets | 11,608 | 10,800 | 11,622 |
| Tangible fixed assets | | | |
| Other facilities, fixtures and accessories | 1,350 | 1,412 | 1,470 |
| Total tangible assets | 1,350 | 1,412 | 1,470 |
| Financial assets | | | |
| Investments in subsidiaries | 0 | 0 | 0 |
| Deposits | 400 | 389 | 400 |
| Financial assets | 400 | 389 | 400 |
| Total fixed assets | 13,358 | 12,602 | 13,492 |
| Receivables | | | |
| Accounts Receivables | 2,670 | 3,406 | 5,175 |
| Other Receivables | 0 | 0 | 104 |
| Tax | 2,274 | 1,800 | 2,274 |
| Deferred tax | 5,018 | 4,095 | 4,426 |
| Accruals | 837 | 1,037 | 890 |
| Total Receivables | 10,800 | 10,337 | 12,870 |
| Assets | | | |
| Cash at bank and in hand | 532 | 7,199 | 3,832 |
| Current assets total | 11,332 | 17,537 | 16,702 |
| Assets total | 24,691 | 30,138 | 30,194 |

Balance sheet 31 March

| DKK '000 | 31-03-2022 | 31-03-2021 | 31-12-2021 |
|-------------------------------------|---------------|---------------|---------------|
| Liabilities and equity | | | |
| Equity | | | |
| Share capital | 1,108 | 1,058 | 1,108 |
| Reserve for development costs | 8,826 | 7,985 | 8,837 |
| Retained earnings | -7,265 | -3,083 | -5,059 |
| Total equity | 2,669 | 5,960 | 4,886 |
| Long-term liabilities | | | |
| Other credit institutions | 3,118 | 4,301 | 3,474 |
| Shareholders | 5,056 | 6,090 | 5,067 |
| Long-term liabilities | 8,174 | 10,391 | 8,541 |
| Current liabilities | | | |
| Short-term part of long-term debt | 2,511 | 2,230 | 2,839 |
| Trade payables | 1,393 | 1,136 | 968 |
| Payables to subsidiaries | 195 | 436 | 187 |
| Lease obligations | 599 | 719 | 618 |
| Credit institutions | 2,155 | 1,971 | 6,018 |
| Shareholders | 4,463 | 3,896 | 2,467 |
| Other payables | 2,530 | 2,641 | 3,019 |
| Deferred income | 0 | 758 | 650 |
| Short-term liabilities | 13,847 | 13,787 | 16,766 |
| Debt total | 22,021 | 24,178 | 25,308 |
| Liabilities and equity total | 24,691 | 30,138 | 30,194 |

Cash flow statement 1 January - 31 March

| DKK 000' | Q1 2022 | Q1 2021 | FY 2021 |
|--|---------------|---------------|---------------|
| Profit/loss for the year | -2,217 | -1,117 | -3,613 |
| Adjustments | 534 | 419 | 2,675 |
| Change in working capital | 1,948 | -727 | -3,253 |
| Cash flow from operating activities before financial expenses | 266 | -1,424 | -4,192 |
| Financial expenses | -569 | -412 | -1,920 |
| Cash flows from ordinary activities | -303 | -1,837 | -6,112 |
| Corporation tax paid (-)/received | 0 | 0 | 0 |
| Cash flows from operating activities | -303 | -1,837 | -6,112 |
| Purchases of intangible assets | -424 | -545 | -2,508 |
| Purchases of property, plant and equipment | 0 | 8 | -381 |
| Fixed asset investments made etc. | 0 | 0 | -11 |
| Deposits | 0 | 0 | 0 |
| Cash flow from investing activities | -424 | -537 | -2,900 |
| Change in lease obligations | -19 | -9 | -92 |
| Loans from credit facilities | -2,561 | -928 | 1,004 |
| Cash capital increase, net | 0 | 9,888 | 11,310 |
| Other loans | 7 | 0 | 0 |
| Cash flow from financing activities | -2,573 | 8,969 | 12,222 |
| Change in cash and cash equivalents | -3,300 | 6,577 | 3,210 |
| Cash and cash equivalents beginning | 3,832 | 622 | 622 |
| Cash and cash equivalents end | 532 | 7,199 | 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 |
| Adjusted equity 1 January | 910 | 0 | 7,760 | -11,481 | -2,811 |
| 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 | -5,059 | 4,886 |
| 1 January 2021 – 31 March 2022 | | | | | |
| <i>DKK '000</i> | | | | | |
| Equity at 1 January 2021 | 1,108 | 0 | 8,837 | -5,059 | 4,886 |
| Cash capital increase | 0 | 0 | 0 | 0 | 0 |
| Profit for the period | 0 | 0 | -11 | -2,206 | -2,217 |
| Transferred from share premium | 0 | 0 | 0 | 0 | 0 |
| Equity at 31 March 2021 | 1,108 | 0 | 8,826 | -7,265 | 2,669 |

Key definitions and explanations

Income statement

Revenue

Income from the sale of 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. The Company's revenue from licenses is assessed to be a "right to use" of the Company's intellectual property, e.g. download of historic data. Accordingly, revenue from licenses is recognized at the point of time for that license.

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 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 |

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

Risk Intelligence A/S
Strandvejen 100
2900 Hellerup
Denmark

Tel: +45 7026 6230
investor.riskintelligence.eu