



Q2 2021

Interim Report

1 January 2021 - 30 June 2021

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

RiskIntelligence

Q2 2021 Interim Report

1 January 2021 – 30 June 2021

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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, 18 August 2021

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'	Q2 2021	Q2 2020	1H 2021	1H 2020	FY 2020
Net sales	2,822	1,787	7,062	5,495	15,703
Operating profit (EBITDA)	-2,450	-2,695	-3,148	4,624	-3,937
Profit after financial items	-3,380	-3,587	-4,940	-6,253	-7,788
Profit/loss for the period	-2,736	-2,800	-3,853	-4,880	-5,952
Total assets	25,617	19,405	25,617	19,405	24,096
Operating margin	-86.8%	-150.8%	-44.6%	-84.2%	-25%
ARPU	123	107	123	107	128
ARR	14,073	11,389	14,073	11,389	12,767
Churn	0%	2%	1.8%	2%	1.4%
Cash flow from operating activities	-1,192	-1,397	-3,029	-2,375	-7,373
Cash flow from investing activities	-538	-402	-1,091	-991	-2,157
Equity ratio	14%	-%	14%	-%	-10,2%
Number of registered shares	10,577,430	8,387,090	10,577,430	8,387,090	9,101,380
Earnings per share*)	-0.26	-0.33	-0.36	-0.58	-0.35
Number of employees	24	24	24	24	26

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

Highlights during the period 1 April 2021 – 30 June 2021

- On 8 April 2021 Risk Intelligence announced that the revenue in Q1 2021 was increased by 14% compared to Q1 2020
- On 16 April 2021 the Annual General Meeting in Risk Intelligence was held
- On 29 April 2021 the Company announces that it had completed a data integration for a major international client with Human Risk ApS
- On 17 May 2021 the Company announces that it had secured a major contract with high profiled London based Law Firm
- On 25 May 2021 the Company announces that it had signed agreement with a leading engineering and technology company.
- On 2 June 2021 the Company announces that it had signed agreement West of England P&I Club.
- On 29 June 2021 the Company announces that it had signed a significant two-year extension with Saipem S.p.A

Highlights after the period

- On 1 July 2021, the Company announces that the CEO had purchased 90,000 shares.
- On 6 July 2021, the Company announces that revenue is up by 58% in Q2.
- On 10 August 2021, The Company announced that management and employees have increased their ownership of the company
- On 15 August, the Company announced the launch of new product LandRisk Logistics.

CEO Hans Tino Hansen

The first six months of 2021 has been characterised by three important developments. One was the initiatives into increased digital marketing and sales lead generation. This both generated increased new sales to existing clients and attracted new clients to our services. This led to a substantial increase in the Advisory Services business area. Furthermore, we completed the development of the LandRisk Lane Threat Assessment tool which has led to the new LandRisk Logistics product. In addition, we have continued our high renewal rate for our license agreements.



The first half year has resulted in a continued strong revenue growth of 29%. Our cost control led to a cost increase of only 1% which obviously had a strong impact on all financial figures. The net cost increase was mainly due to increased investments and activity in sales and marketing.

As a company delivering analysed data in the form of intelligence and based on a SaaS business model with license-based recurring revenue one of the most important metrics is the Annual Recurring Revenue (ARR). The total ARR increased with 24% during the first half year to DKK 14.073M. At the same time the churn was 1.8%. This is a testimony to our high client satisfaction and quality of our products as well as the close relationship with our clients.

The plan for the second half of the year is continue the introduction of new initiatives within sales and marketing and to launch the new LandRisk Logistics product to the market. During the first half year several potential clients for LandRisk Logistics have been testing the product during its development resulting in an increasing pipeline. In addition, new layers will be added to the Risk Intelligence System, which will generate additional recurring revenue.

Based on the first half year financial figures and the assumptions for the business climate for the year, the guidance for 2021 is unchanged with a revenue growth of 15-30%, equating DKK 18.5M to 20.5M, a positive EBITDA and a negative result.

Finally, the management team and the Board of Directors are focusing on the growth strategy for 2025, which will be approved and presented during end Q4.

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. 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 international 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. On 1 October 2019, Risk Intelligence launched the third product within the Risk Intelligence System, LandRisk, to cover landside logistics security risks. Adding LandRisk to the existing maritime and port security modules on the Risk Intelligence System, provides security risk intelligence for the entire supply chain in one integrated system with a single point of access.

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.

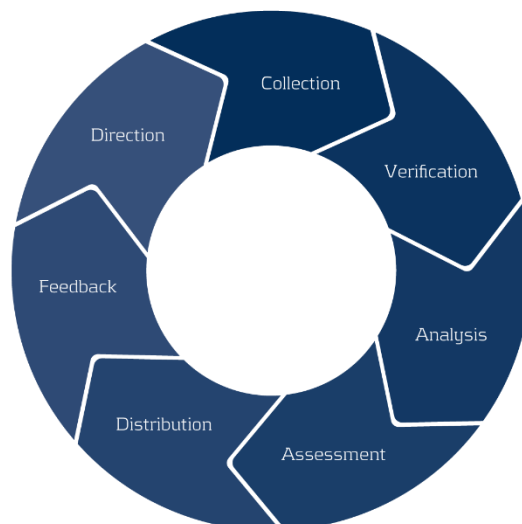
2014 - 2016: Launch of the new platform and the second digital product - PortRisk (2015) and a new version of MaRisk (2016).

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.



The Intelligence Cycle (main process used by Risk Intelligence)

Risk Intelligence Business Model



The Risk Intelligence System

The business model is to offer intelligence-based security threat and risk assessments to companies and organisations within both maritime and landside transportation primarily through a web-based intelligence product, the Risk Intelligence System, consisting of three modules which are seamlessly integrated: MaRisk (maritime), PortRisk (ports) and LandRisk (landside logistics) that can be subscribed with one, or in any combination of 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.

PortRisk has been included in the Risk Intelligence System since 2015. The module presents updated security information on ports and offshore terminals primarily in medium to high-risk areas around the world. PortRisk monitors more than 240 specifically 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 is providing 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, the client gets 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.

License fee

In addition to the selected modules the client may select additional layers and API integration into the client's corporate systems. The final license fee per year is dependent on 1. Number of selected modules and which modules 2. Number of layers and which type of 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 automatic renewal and fully pre-paid subscriptions. The Risk Intelligence System licenses constitutes 81% of total revenue in 2020.

An annual 3% price increase is part of all license agreements.

The Risk Intelligence System has a renewal rate of 98-100% (Churn 0-2%). A core of five companies have been subscribing since they were founding clients of MaRisk in early 2008.

Intelligence reports

In addition, Risk Intelligence offers weekly and monthly intelligence reports for subscription which are also fully scalable. Subscription fees is between 30,000 and 120,000 DKK depending on type of report and subscription period. Intelligence Reports constituted 7.2% of total revenue in 2020.

Recurring revenue

The total Risk Intelligence recurring revenue constituted 88% for 2020. The renewal rate in 2020 was 98.6% with a churn of 1.4%. The long-term goal of the strategy presented at the IPO in 2018 is to reach 90% turnover of recurring revenue.

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 12% of total revenue in 2020.

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.

With the planned growth in the landside market there will be 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 uses a combination of online marketing, client seminars and meetings, word of mouth from clients to potential clients, client ambassadors (users changing jobs and asking new employers to

subscribe to the Risk Intelligence System) and direct approach to identified potential clients for lead generation.

Online marketing consists both of dedicated online marketing campaigns, SEO and similar, but since March 2020 also of weekly webinars. Potential clients are requesting or being offered a free 14-day trial, where they get full access to the Risk Intelligence System modules of interest.

When interest is identified the sales or account managers take over the process and addresses the client's needs and how Risk Intelligence can assist in solving those with the full spectrum of products and services. Often the client relationship starts with a subscription to the Risk Intelligence System and then other products are added, but sometimes it starts with reports and/or advisory services products followed by subscription.

When a potential client has been changed into a client the company is assigned a client account manager, who is responsible to coordinate client relations 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

Online marketing and webinars

Client seminars

Word of mouth referrals

User ambassadors

Partners

Direct sales by a sales- or account manager (transactional sales)

Land based client acquisition

Online marketing and webinars

Industry conferences and exhibitions

Word of mouth referrals

User ambassadors

Partners

Direct sales by a sales- or account manager plus Product Manager and analyst(s) plus Development/IT manager if API or other technical integration is needed (solution sales or transactional sales)

Clients

Risk Intelligence has had a handful of maritime clients for more than 15 years and who also have been subscribing to the Risk Intelligence System since the launch of MaRisk in 2008. In the following years additional clients have been acquired and some have also left again even though the churn is very low (0-3%). Even if the last two-three years have added a significant number of new clients to the Risk Intelligence System, the average age of each maritime client in 2020 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 total annualised recurring revenue (ARR) in Q2 2021 increased by DKK 1,162 thousand (10%) to DKK 14,073 thousand (Q2 2020 DKK 11,389 thousand). The renewal ratio ended at 100% (Churn 0%) for the quarter and 98.2% (churn 1.8%) for the first six month of 2021. The average revenue per costumer (ARPU) was DKK 123 thousand.

Risk Intelligence System SaaS metrics 2018-2021

DKK '000	Q2 2021	Q2 2020	2020	2019	2018
System ARR	12,544	11,023	12,767	10,218	8,839
ARR Net increase	1,162	1,273	1,620	1,283	1,293
ARR growth	10%	13%	15%	14%	15%
Total ARR	14,073	11,389	13,895	11,147	9,864
ARR Net increase	2,683	-54	2,749	1,282	1,744
ARR Growth	24%	-1%	25%	13%	21%
ARPU	123	107	128	113	115
Renewal Ratio	100%	98%	98.6%	99.3%	99%
Churn	0%	2%	1.4%	0.7%	1%

Risk Intelligence System SaaS metrics 2020 (Maritime vs Land-based)

DKK '000	Total	Maritime	Land-based
ARR	12,767	-	-
ARR growth	15%	-	-
ARPU	-	128	425*
Churn	1.4%	1.4%	0%
LTV	-	986**	3,288***
CAC	-	84	232
Recover CAC	-	0.7 years	0.6 years
LTV/CAC	-	11.7	14.7
TAM	-	200M	2,000M (+)

* Estimated

** 7.1 years average length in 2020

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

All metric calculations are based on system licenses

ARR	Annual Recurring Revenue (annualised)
ARR growth	Growth in ARR from year to year or quarter to quarter
ARPU	Annual Recurring Revenue Per Unit (per client)
NRR	Net Revenue Retention (impact on the revenue generation from existing clients)
Churn	Loss of subscriber revenue in % of total
LTV	Life-Time Value - the total value of a subscription based on ARPU, average number of years and any fixed price increases.
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.

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. 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. Equity analysts often apply a multiple to ARR in order to estimate a value of stock exchange listed SaaS companies.

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.

Outlook 2021

Financial outlook

The assumptions for the year are that there will still be impact from COVID-19 during the full year either as direct impact from the pandemic and restrictions or indirectly due to a potential downturn in global economy following due to decreased or ceased government and international COVID-19 support packages. Risk Intelligence assumes that the company will be able to conduct business during the year as during Q4 2020 and the budget and forecast is based on this assumption. Any improvement in the global business climate is assumed to have a positive effect.

The guidance is unchanged

Growth in revenue for 2021 is expected to be in the range 15-30% with a revenue target of DKK 18.0 to DKK 20.5.

The target for 2021 is to reach a positive EBITDA for the full year. Due to the uneven distribution of revenue during the year and almost even distribution of costs, it is expected that some quarters will have negative and some positive EBITDA during the year.

Under the above assumptions the company does not expect a positive net result for 2021.

The company expects a positive net cash-flow for the year.

Guidance 2021:

Unchanged

- Growth: 15-30%
- Revenue: 18.0M-20.5M DKK
- EBITDA: Positive
- Net result: Not positive
- Net cash-flow: Positive

Capital Resources

The Company's cash position end Q2 2021 was DKK 2,617 thousand and should always be seen together with Accounts Receivable, end Q2 2021 DKK 2,801. 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 Q2 2021 was 5,418 DKK thousand.

In order to ensure adequate capital resources, the management has secured in February 2021, a cash capital increase amounting to DKK 10.5 million, which reflects a total value of the Company of DKK 75 million. Based on the current budget, management believes that the cash capital increase is sufficient to secure the operations in 2021.

The Share

Shareholders

The table below presents shareholders with over 5 % of the votes and capital in Risk Intelligence as per 30 June 2021.

Name	Number of shares	Percentage of capital %	Percentage of voting right %
Sandbjerg Holding ApS*	3,000,000	28.36	36.56
Others	7,577,430	71.64	63.44
Total	10,577,430	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.

Boad of Directors

Name	Title	Number of shares
Jan Holm	Chairmann	75,968
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)	3,016,658

Holding of shares as per 30 June 2021

Senior Management

Name	Title	Number of shares
Hans Tino Hansen	CEO (incl. Sandbjerg Holding ApS)	3,016,658
Henrik Ehlers Kragh	COO	8,619
Jens Krøis	CFO	5,000
Jim Pascoe	CCO	0

Holding of shares as per 30 June 2021

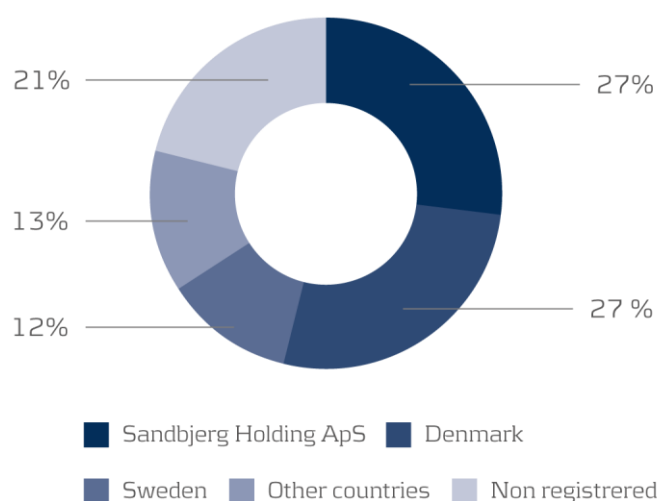
The shares of Risk Intelligence A/S were listed on Spotlight Stock Market 17 August 2018. The short name/ticker is RISK and the ISIN code is DK0061031978. As per 30 June 2021, the number of shares

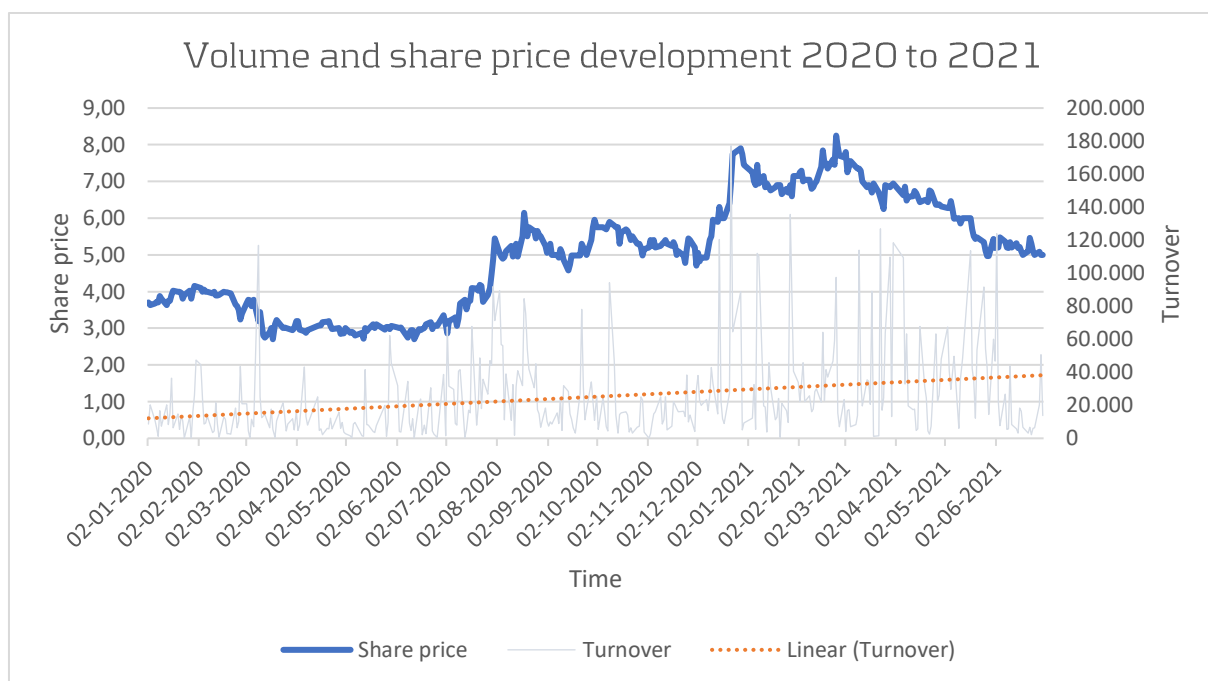
was 10,577,430. Each share represents DKK 0.10 equalling a share capital of DKK 1,057,743. Every stock share equals the same rights to the Company's assets and results. The Risk Intelligence share is held in 14 different countries throughout Europe, the Middle East and South East Asia.

The Company had approximately 929 registered shareholders, but the total number is higher as major holdings are with custodians. Due to legislation the Company does not have access to shareholders trading through custodians such as Swedish Avanza (3.99% of share capital shared between about 383 shareholders), Swedish Nordnet (2.48% 1,010 shareholders) and other Swedish and international banks. Finally, a number of shares is not registered. The majority of these are held by Swedish investors.

The share has a free float of 62% taking the major shareholder into consideration, Sandbjerg Holding ApS exceeding 5% ownership.

Shareholder structure 2021





Source: Data from Spotlight Stock Exchange

Share price (DKK)

IPO 2018	6.25
1 April 2020	3.00
30 June 2020	3.36
1 April 2021	6.95
30 June 2021	5.00
High (6 April 2021)	6.86
Low (29 June 2021)	4.99

Liquidity

In Q2 2021 we saw an increase in traded volume of 175% compared to Q2 2020 (1,854,136 shares compared to 673,091 shares in Q2 2020). The turnover in Q2 2021 increased by 443% compared to Q2 2020 (DKK 1,990,744 in Q2 2020 compared to DKK 10,807,776 in Q2 2021).

Table showing the volume, turnover VWAP and closing share price during 2019, 2020 and 2021

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	4.46	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						
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 1st April 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 10,000,000 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.

On the Annual General meeting 17 April 2020 Risk Intelligence has decided to give the Board the right to issue 600,000 new warrants. Each warrant will provide the holder with the right to subscribe for one new share in the Company at a subscription rate of DKK 3.00. The warrants program is dedicated for allocation to all the Company employees and staff. Under this program and within the authorisation of the 600,000 the Board of Directors has per 1 May 2020 and 3 December 2020 decided to issue 600,000 warrants to employees and staff. 504,617 warrants of the total 600,000 have been exercised as per 31 July 2021.

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

18 August 2021	Q2 2021 Interim Report
17 November 2021	Q3 2021 Interim Report
23 February 2022	Q4 and 2021 Year-end Report
16 April 2022	Annual General Meeting
18 May 2022	Q1 2022 Interim Report
17 August 2022	Q2 2022 Interim Report
16 November 2022	Q3 2022 Interim Report
22 February 2023	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 Risk Intelligence website (www.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

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Website: www.investor.riskintelligence.eu

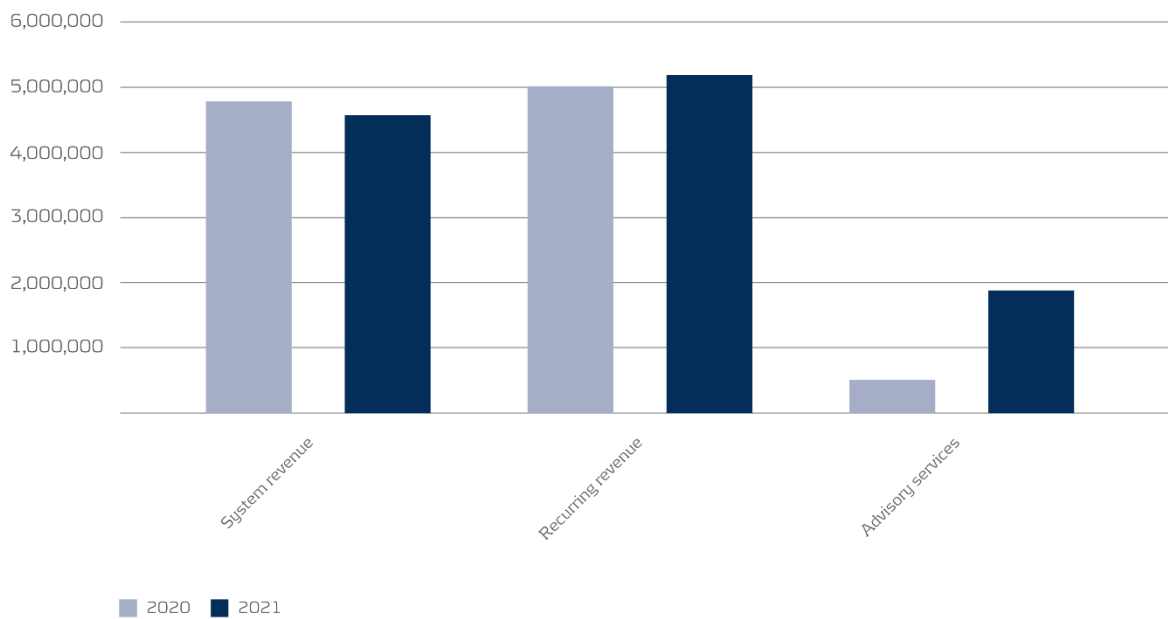
Financial Review

Income Statement

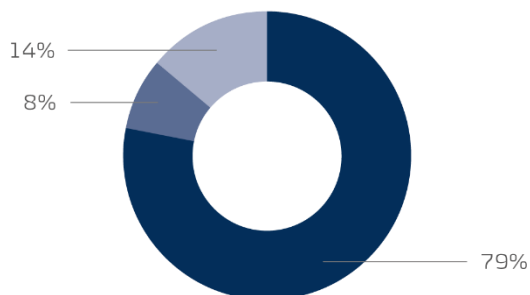
Total revenue increased by 58% in Q2 2021 to DKK 2,822 thousand compared to Q2 2020 (DKK 1,787 thousand). Total recurring revenue in Q2 2021 increased by 22% to DKK 1,875 thousand compared to Q2 2020 (DKK 1,542 thousand).

In 1H 2021 total revenue increased by 29% to DKK 7,062 thousand compared to 1H 2020 (DKK 5,495 thousand). The total recurring revenue in 1H 2021 ended at DKK 5,174 thousand corresponding an increase of 4 % compared to the same period in 2020 (1H 2020: DKK 4,997 thousand).

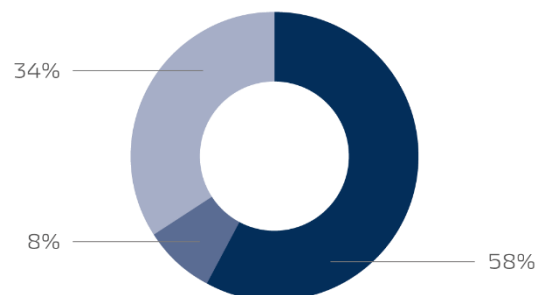
1H 2020 - 1H 2021



Revenue ratio Q2 2020

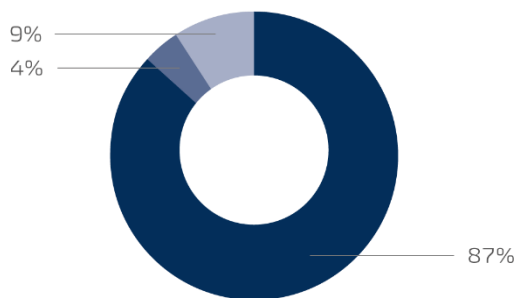


Revenue ratio Q2 2021

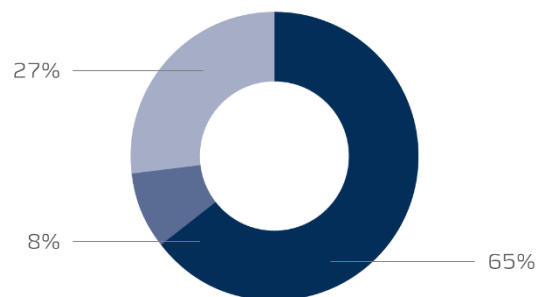


■ System ■ Other subscription ■ Advisory

Revenue ratio 1H 2020



Revenue ratio 1H 2021



■ System ■ Other subscription ■ Advisory

The gross profit increased in Q2 2021 by 95% to DKK 1,226 thousand (Q2 2020: DKK 629 thousand), corresponding to an increased gross margin of 43% (Q2 2019: 35%). For the period of 1H 2020 the gross profit increased by 53% to DKK 3,938 thousand (1H 2020: 2,566 thousand). The gross margin ended at 56% compared to 47% for 1H 2020.

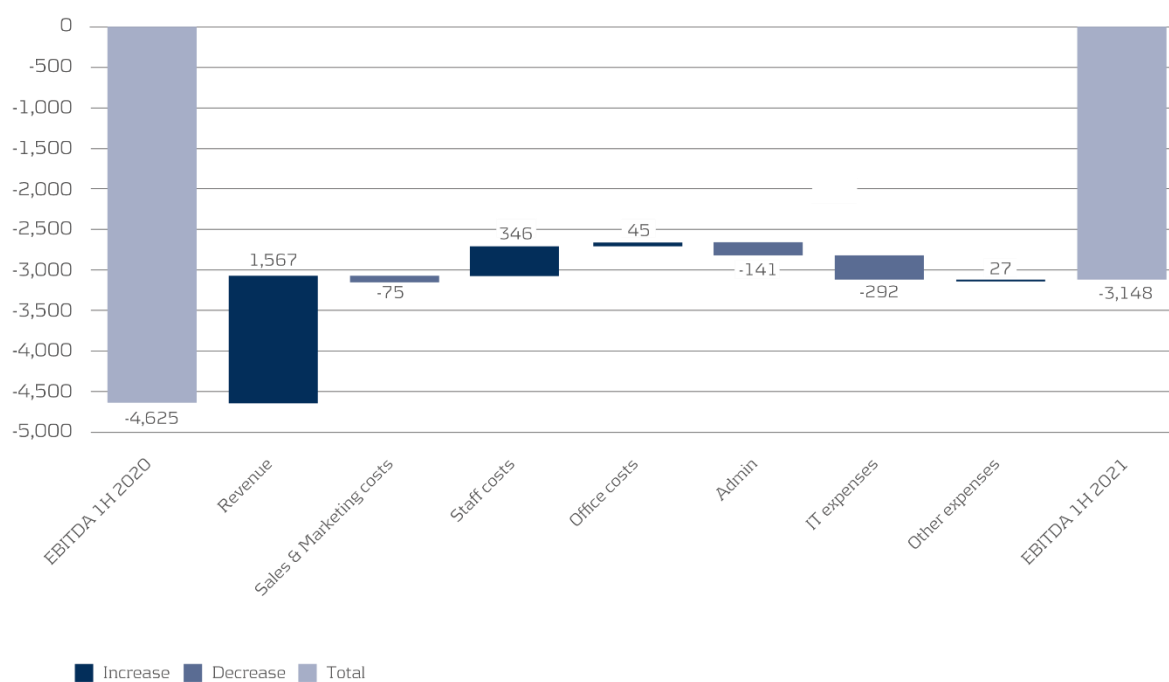
Other Operating Expenses increased in Q2 2020 by 38% to DKK 1,597 thousand (Q2 2020: 1,158). Staff costs amounted to DKK 3,676 thousand (Q2 2020: DKK 3,323 thousand) which is an increase by 11%. As for 1H 2021 in total Other Operating Expenses increased by 7% to DKK 3,124 (1H 2020 2,929 thousand). Staff costs in 1H 2020 increased by 1% to DKK 7,086 (1H 2020: DKK 7,192 thousand).

Total costs in total are just above 2020 level for the first six months in 2021. Due to timing of costs and investment in Sale & Marketing there have not been a decrease in total costs.

EBITDA increased in Q2 2021 by DKK 245 thousand (9%) to DKK -2,450 thousand (Q2 2020: DKK -2,694 thousand). As for 1H EBITDA increased by 32% to DKK -3,148 (1H 2020: DKK -4,624). The EBITDA ratio in 1H 2021 increased to -45% (1H 2020: -84%).

Below figure explains the changes or differences from one comparable period to another in nominal numbers:

EBITDA development 1H 2020 - 1H 2021



EBITDA 1H 2020

-4,625

Revenue

1,567

Sales & Marketing costs

-75

Staff costs

346

Office costs

45

Administrative

-141

IT expenses

-292

Other expenses

27

EBITDA 1H 2021

-3,148

Balance Sheet

The balance sheet total was DKK 25,617 thousand at the end of Q2 2021 which is an increase of DKK 1,521 compared to end 2020 (DKK 24,096 thousand).

Equity at the end of Q2 2021 increased to DKK 3,520 thousand (end of 2020: DKK -2,465 thousand) due to the capital increase in Q1 2021. The equity ratio was 14% end Q2 2021 to compare to a negative ratio end of 2020.

Cash Flows

Cash flows from operating activities (CFFO) was in Q2 2021 DKK -1,192 thousand. An increase of DKK 988 compared to Q2 2020 (DKK -2,180 thousand). CFFO was impacted in Q2 2021 by change in working capital compared to Q2 2020.

Investments in Q2 2021 amounted to DKK 538 thousand which is a bit higher than Q2 2020 (DKK 402 thousand). The main part is related to development of the Lane Threat Assessment Tool (LTAT) layer for LandRisk.

Cashflow from financing amounted to DKK -2,853 thousand in Q2 2021 (Q2 2020 DKK 2,278 thousand).

Income Statement 1 January – 30 June

DKK '000	Q2 2021	Q2 2020	1H 2021	1H 2020	FY 2019
Net sales	2,822	1,787	7,062	5,495	14,221
Other operating expenses	-1,597	-1,158	-3,124	-2,929	-10,720
Gross profit	1,226	629	3,938	2,566	3,500
Staff costs	-3,676	-3,324	-7,086	-7,192	-13,677
Earnings before depreciation and amortization (EBITDA)	-2,450	-2,695	-3,148	-4,624	-10,177
Depreciation / amortization of tangible and intangible fixed assets	-454	-450	-904	-898	-1,287
Other operating expenses	0	0	0	0	0
Profit/loss before financial items	-2,904	-3,145	-4,052	-5,524	-11,464
Financial costs	-476	-442	-888	-729	-867
Profit/loss before taxes	-3,380	-3,587	-4,940	-6,253	-12,331
Tax on profit for the year	644	787	1,087	1,373	2,718
Net profit	-2,736	-2,800	-3,853	-4,880	-9,613
Proposed distribution of profit					
Transfer of profits for development projects	314	102	539	432	4,323
<i>Retained earnings</i>	-3,050	-2,902	-4,392	-5,312	-13,936

Balance Sheet 30 June

DKK 000'	30-06-2021	30-06-2020	31-12-2020
Assets			
Intangible assets			
Completed development projects	5,402	7,473	6,103
Ongoing development projects	5,727	2,530	4,503
Total intangible fixed assets	11,129	10,003	10,605
Tangible fixed assets			
Other facilities, fixtures and accessories	1,167	1,870	1,504
Total tangible assets	1,167	1,870	1,504
Financial assets			
Investments in subsidiaries	0	0	0
Other long-term receivables	389	363	389
Financial assets	389	363	389
Total fixed assets	12,686	12,236	12,498
Receivables			
Accounts Receivables	2,801	1,448	4,527
Other receivables	367	215	0
Tax	1,800	1,340	1,800
Deferred tax	4,739	3,537	3,652
Accruals	608	627	997
Total Receivables	10,315	7,167	10,976
Assets			
Cash at bank and in hand	2,617	2	622
Current assets total	12,932	7,169	11,598
Assets total	25,617	19,405	24,096

Balance Sheet 30 June

DKK 000'	30-06-2021	30-06-2020	31-12-2020
Liabilities and equity			
Equity			
Share capital	1,058	839	910
Reserve for development costs	8,299	6,721	7,760
Retained earnings	-5,837	-10,343	-11,135
Total equity	3,520	-2,783	-2,465
Long-term liabilities			
Other credit institutions	4,158	1,559	4,819
Shareholders and Management	5,634	7,023	6,347
Long-term liabilities	9,792	8,582	11,166
Current liabilities			
Short-term part of long-term debt	1,313	370	1,600
Trade payables	1,359	1,381	1,161
Payables to subsidiaries	103	3	494
Lease obligations	451	978	710
Shareholders and Management	2,873	2,475	3,896
Other payables	3,957	5,467	3,702
Credit institutions	1,974	2,932	2,753
Deferred income	275	0	1,079
Short-term liabilities	12,305	13,606	15,395
Debt total	22,097	22,188	26,561
Liabilities and equity total	25,617	19,405	24,096

Cash Flow statement 1 January – 30 June

DKK 000'	Q2 2021	Q2 2020	1H 2021	1H 2020	FY 2020
Profit/loss for the year	-2,736	-2,800	-3,853	-4,880	-5,962
Adjustments	286	-337	705	-475	-2,025
Change in working capital	1,734	957	1,008	2,197	-1,386
Cash flows from ordinary activities	-716	-2,180	-2,141	-3,158	-5,323
Financial expenses	-476	0	-888	0	-2,050
Cash flows from ordinary activities	-1,192	0	-3,029	0	-7,373
Corporation tax paid (-)/received	0	0	0	0	0
Cash flows from operating activities	-1,192	-2,180	-3,029	-3,158	-7,373
Purchases of intangible assets	-679	-468	-1,224	-1,056	-2,387
Purchases of property, plant and equipment	141	34	133	34	226
Deposits	0	31	0	31	4
Fixed asset investments made etc.	0	0	0	0	0
Cash flow from investing activities	-538	-402	-1,091	-991	-2,157
Change in lease obligations	-268	-106	-259	-108	-376
Loans from credit institutions	-2,535	2,658	-3,463	3,043	7,872
Cash capital increase	-50	0	9,838	0	1,829
Other financing	0	-274	0	390	0
Cash flow from financing activities	-2,853	2,278	6,115	3,324	9,326
Change in cash and cash equivalents	-4,584	-304	1,995	-825	-205
Cash and cash equivalents beginning	7,200	306	622	827	827
Cash and cash equivalents	2,617	2	2,617	2	622

Equity

1 January 2020 – 31 December 2020	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
<i>DKK '000</i>					
Equity at 1 January	839	0	6,721	-5,463	2,097
Net effect adjustment equity beginning	0	0	0	-429	-429
Adjusted equity at 1 January	839	0	6,721	-5,892	1,668
Cash capital increase	71	1,758	0	0	1,830
Transfer, reserves	0	-1,758	0	1,758	0
Net profit/loss for the year	0	0	1,040	-7,002	-5,962
Equity at 31 December 2020	910	0	7,760	-11,135	-2,465

1 January 2021 – 30 June 2021	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
<i>DKK '000</i>					
Equity at 1 January 2021	910	0	7,760	-11,135	-2,465
Cash capital increase	148	9,690	0	0	9,838
Profit for the period	0	0	539	-4,392	-3,853
Transferred from share premium	0	-9,690	0	9,690	0
Equity at 30 June 2021	1,058	0	8,299	-5,837	3,520

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