

# Q2 2023 Interim Report

1 January 2023 - 30 June 2023

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

**RiskIntelligence**

## Q2 2023 Interim Report

### 1 January 2023 – 30 June 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, 16 August 2023

Jan Holm – Chairman of the Board

Hans Tino Hansen – Board member and CEO

Stig Streit Jensen – Board member

Jens Munch Holst – Board member

Jens Lorens Poulsen – Board member

## Key figures and selected financial posts

DKK 000'	Q2 2023	Q2 2022	1H 2023	1H 2022	FY 2022
Net sales (recognised)	4,920	4,332	10,043	8,711	17,734
Growth (recognised net sales)	14%		15%		N/A
Net sales (invoiced)	4,301	3,022	11,095	6,296	N/A
Growth (invoiced net sales)	42%		76%		N/A
Operating profit (EBITDA)	-1,497	-2,167	-3,056	-3,395	-7,170
Profit after financial items	-2,884	-3,214	-6,076	-5,568	-13,247
Profit/loss for the period	-2,271	-2,513	-4,739	-4,518	-10,333
Total assets	30,454	28,173	30,454	28,173	31,962
Operating margin	-30%	-50%	-30%	-40%	-40%
ARPU	151	142	151	142	151
System ARR	17,097	15,491	17,097	15,491	16,044
Churn	0.9%	3.4%	0.9%	1.3%	2.3%
NRR	116%	111%			N/A
Cash flow from operating activities	-1,085	-2,531	-3,072	-2,834	-7,461
Cash flow from investing activities	-704	-44	-1,247	-468	-1,542
Cash flow from financing activities	1,485	3,180	3,981	607	5,513
Cash flow net	-304	605	-339	-2,695	-3,490
Equity ratio	N/A	N/A	N/A	N/A	N/A
Number of registered shares	15,338,389	11,082,047	15,338,389	11,082,047	11,082,047
Earnings per share*)	-0.15	-0.23	-0.31	-0.41	-0.69
Number of employees**)	27	25	25	25	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.

\*) 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 April 2023 - 30 June 2023**

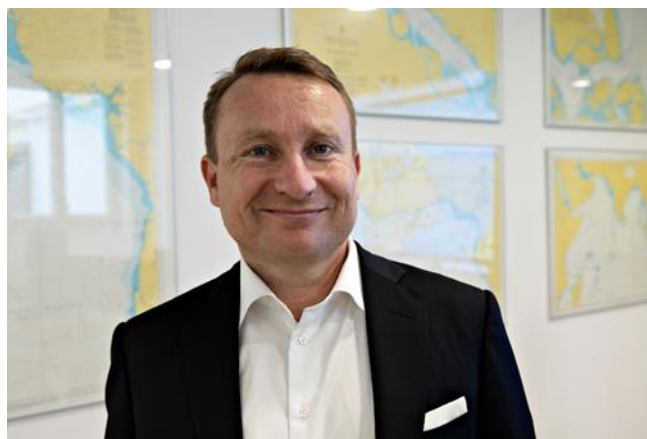
- On 14 April, Annual General Meeting
- On 31 May 2023, the Company announced that it had signed a deal with a major Norwegian Offshore Operator for the Risk Intelligence System and bespoke intelligence support
- On 6 June 2023, the Company announced that it had obtained funding and forecasts positive cashflow from operations in Q4 2023
- On 8 June 2023, the Company announced that it had signed a deal with a Malaysian Energy Infrastructure Company for the Risk Intelligence System and security consultancy
- On 14 June 2023, the Company announced that it had signed a deal with a German Offshore Company for the Risk Intelligence System and reports.

**Highlights after the period**

- On 5 July 2023, the Company announces that it had completed funding package of DKK 6.5 m with a DKK 4 m loan.
- On 19 July 2023, the Company announced that DHL Freight and Risk Intelligence are co-developing a holistic approach to security.
- On 27 July 2023, the Company announced that it had signed a significant three-year contract with Saipem S.p.A.
- On 2 August 2023, the Company announced that it had signed a deal for the Risk Intelligence System and reports with a leading international bulk operator.

## CEO Hans Tino Hansen

In the second quarter, Risk Intelligence has made significant progress towards reaching the break-even point for operational cash flow. As projected, we are successfully driving revenue growth while simultaneously keeping costs in check. This marks a positive direction for the company's financial development and validates our strategic approach. Our ability to achieve revenue growth and maintain budgetary discipline underscores the sustainability of our business model. Continuous vigilance over our financial performance, coupled with resilient strategies, will remain pivotal in achieving our growth and profitability objectives.



The invoiced revenue, which significantly contributes to liquidity and serves as a substantial foundation for forthcoming reported turnover, has demonstrated a significant growth of 42% in the second quarter and an exceptional 76% growth throughout the initial half-year period, both when compared with corresponding periods from the previous year. Concurrently, the reported revenue has exhibited a growth of 14% for Q2 and 15% for the initial six months of this year.

Costs have exhibited a 1% reduction in comparison to the second quarter of 2022 and a notable 4% decrease when compared with the first quarter of 2023. This outcome underscores our successful alignment with the established strategy and budget, effectively stabilizing our cost structure. As a direct consequence of this accomplishment, we anticipate positive operational cash flow during the fourth quarter, in accordance with our prior communication.

Throughout the second quarter, Risk Intelligence achieved growth by selling more to existing clients and securing agreements with five new clients. Notably, these new clients encompass a Malaysian energy infrastructure company and a German offshore company. In the same timeframe, only one license agreement was terminated, resulting in a modest churn rate of 0.9%. This translates into a robust Net Retention Rate (NRR) of 116%, which stands as a pivotal metric. The NRR carries greater significance than churn alone, as it reflects the extent to which the client base from the same period in the prior year contributed to the current period's revenue, accounting for the impact of any terminated agreements.

Regarding the execution of the 2025 Strategy, significant progress has been made in implementing the partnerships established in 2022. A crucial element of this effort involves the collaborative development of a new platform for the Risk Intelligence System with our partner Geollect. This initiative has been actively underway throughout the year, with plans for its official launch scheduled in the final quarter. Finally, I'm pleased to inform you that in the months of June and early July, we successfully secured a funding injection of 6.5 million. This funding positions us well, ensuring financial stability from Q3 through to Q4. As we approach the latter part of the year, we are confident in achieving a positive cash flow from our operational activities, reaffirming our prudent financial management and sustainable growth trajectory.

*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.

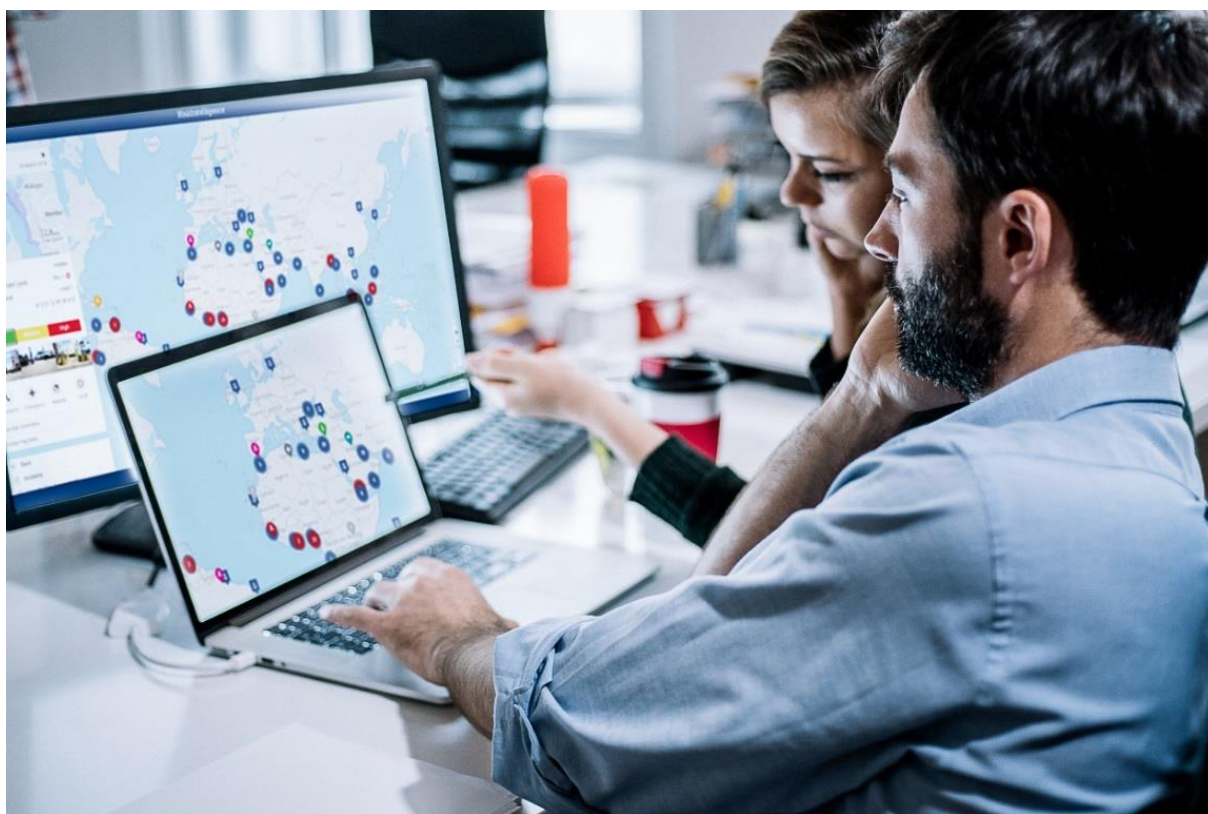
## The Intelligence Cycle



(Main process used by Risk Intelligence)



## Risk Intelligence business model



### The Risk Intelligence System

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

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

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

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

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

### License fee

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

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

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

### Intelligence reports

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

### Advisory Services

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

## Commercial cycle

### Recurring revenue

The total Risk Intelligence recurring revenue constituted 88% in 2022. The renewal rate in 2022 was 97.6% with a churn of 2.4%. 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 2022 was 7.54 years, much due to the loyalty and high renewal rate of the clients.

**Maritime**

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

**Landside**

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

**Government**

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

## Risk Intelligence System SaaS metrics

The annualised System Recurring Revenue (ARR) in Q2 2023 increased by 2,187 DKK thousand (15%) to DKK 17,097 thousand (Q2 2022 DKK 14,910 thousand). Alone for the quarter the System Recurring Revenue increased by 55% compared to Q2 2022. One Client churned and the renewal ratio by this ended at 99.1% (Churn 0.9%) for the quarter.

The total ARR in Q2 2023 increased by 2,020 DKK thousand (13%) to DKK 18,172 thousand (Q2 2022 DKK 16,152 thousand). The total ARR for the quarter increased by 44%. The annualised renewal ratio was 99.1% with a corresponding churn of 0.9%. The average revenue per customer (ARPU) increased to DKK 151 thousand.

NRR (Net Retention Rate) was 116% for Q2 2023 (Q2 2022 111%)

## Risk Intelligence System SaaS metrics 2018 - 2022

DKK '000	Q2 2023	Q2 2022	2022	2021	2020	2019	2018
System ARR	17,097	14,910	16,044	14,625	12,767	10,218	8,839
ARR Net increase	2,187	2,889	1,420	1,858	1,620	1,283	1,293
ARR growth	15%	24%	10%	15%	25%	14%	15%
Total ARR	18,172	16,152	17,326	15,968	13,895	11,147	9,864
ARR Net increase	2,020	2,740	1,359	2,072	2,749	1,282	1,744
ARR Growth	13%	32%	9%	15%	25%	13%	21%
ARPU	151	138	151	138	128	113	115
Renewal Ratio (annualised)	99.1%	98.7%	97.6%	96.8%	98.6%	99.3%	99%
Renewal Ratio (quarter)	99.1%	96.6%					
Churn (annualised)	0.9%	1.3%	2.4%	3.2%	1.4%	0.7%	1%
Churn (quarter)	0.9%	3.4%	2%				
NRR	116%	111%	111%	115%	N/A	N/A	

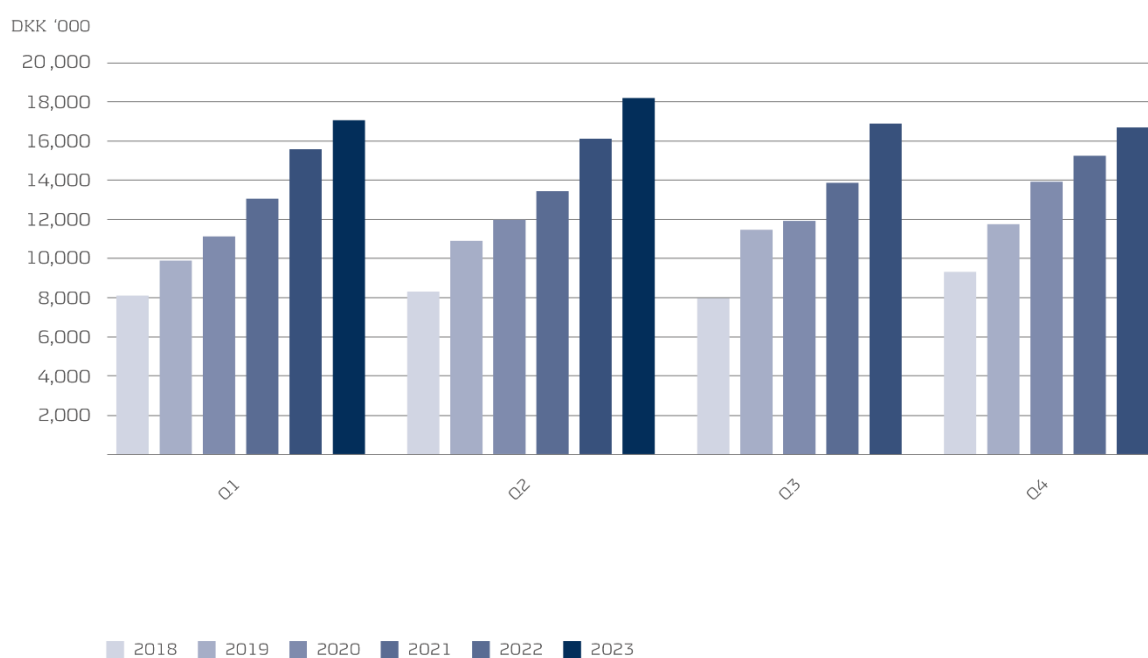
Risk Intelligence System SaaS metrics 2022 (maritime vs. land-based)

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

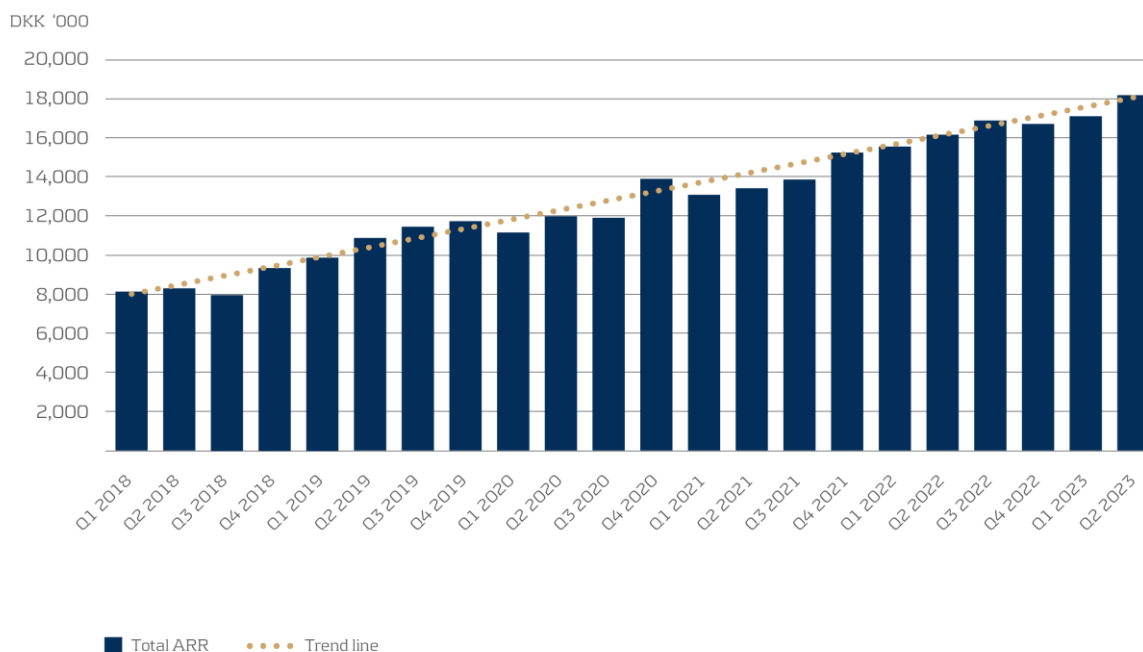
\* Estimated  
 \*\* 7.54 years average age in 2022  
 \*\*\* Based on estimated license average length being similar to MaRisk and PortRisk  
 \*\*\*\* USD 76m estimated market in 2022 for commercial market from Maritime Market opportunities report by Thetius for Risk Intelligence A/S. Government market in addition and not estimated in this study

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

Total ARR by quarters 2018-2023



## 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.

For further explanation of ARR please see Key definitions and explanations on page 33 and forward.

## Outlook 2023

### Financial outlook

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

### Guidance 2023 (Unchanged):

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



## Capital resources

The Company has negative equity and short-term liabilities are significantly higher than current assets. However, the share capital was increased during Q1 2023 by conversion of debt and cash capital increase of DKK 3.9 million and DKK 5.7 million respectively. Further, the company has received binding loan commitments from existing loan providers in the amount of DKK 6.5 million. In July, the Company secured a DKK 4 million loan.

Based on these factors and the budget for 2023, 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 Q2 2023 was DKK 3 thousand and should always be seen together with Accounts Receivable, end Q2 2023 DKK 3,578. 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 2023 was 3,581 DKK thousand.

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

## The Share

### Shareholders

The table below presents shareholders with over 5 % of the votes and capital in Risk Intelligence as per 30 June 2023.

Name	Number of shares	Percentage of capital %	Percentage of voting right %
Sandbjerg Holding ApS*	3,000,000	20	23
Jan Holm	3,424,434	22	27
Others	8,913,955	58	50
<b>Total</b>	<b>15,338,389</b>	<b>100.00</b>	<b>100.00</b>

\*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	3,424,434
Jens Lorens Poulsen	Member	550,177
Stig Streit Jensen	Member	87,660
Jens Munch Holst	Member	0
Hans Tino Hansen	Member (incl. Sandbjerg Holding ApS)	3,115,550

## Senior Management

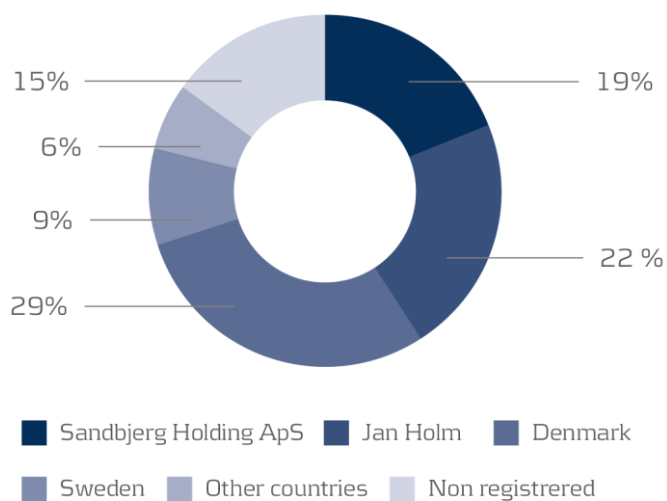
Name	Title	Number of shares
Hans Tino Hansen	CEO (incl. Sandbjerg Holding ApS)	3,115,550
Henrik Ehlers Kragh	SD	64,383
Jens Krøis	CFO	55,484
Jim Pascoe	CCO	27,803
Niels Worsøe	COO	13,691

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 2023, the number of shares was 15,338,389. Each share represents DKK 0.10 equalling a share capital of DKK 1,533,839. 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 2,330 shareholders, where 1,021 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 299 shareholders), Swedish Nordnet (2.37% and 1,010 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 58% taking the two major shareholder into consideration, Sandbjerg Holding ApS and Jan Holm both exceeding 5% ownership.

### Shareholder structure Q2 2023



Source: Data from Spotlight Stock Exchange

### Share price (DKK)

	2023	2022
1 April	2.22	4.50
30 June	1.79	2.39
High Q2	2.68	4.69
Low Q2	1.50	2.30
High 1H	3.99	6.28
Low 1H	1.50	2.30

## Liquidity

In Q2 2023 we saw an increase in traded volume of 2% compared to Q2 2022 (819,297 shares compared to 800,553 shares in Q2 2022). The turnover in Q2 2023 decreased by 39% compared to Q2 2022 (DKK 1,569,457 in Q2 2023 compared to DKK 2,582,731 in Q2 2022). The fall in turnover is due to a lower share price.

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

### 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
		<b>2,787,466</b>	<b>7,151,915</b>			
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
		<b>5,007,616</b>	<b>22,859,373</b>			
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
		<b>7,035,591</b>	<b>44,496,733</b>			
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
		<b>3,088,378</b>	<b>9,471,286</b>			
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

Source: Data from Spotlight Stock Exchange

## Warrants

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

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

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

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

**Financial calendar**

15 November 2023

Q3 2023 Interim Report

28 February 2024

Q4 and 2023 Year-end Report

**Operational risks and uncertainties**

The risks and uncertainties that Risk Intelligence operations are exposed to are summary related to factors such as development, competition, technology development, capital requirements, currencies and interest rates. During 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](http://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**

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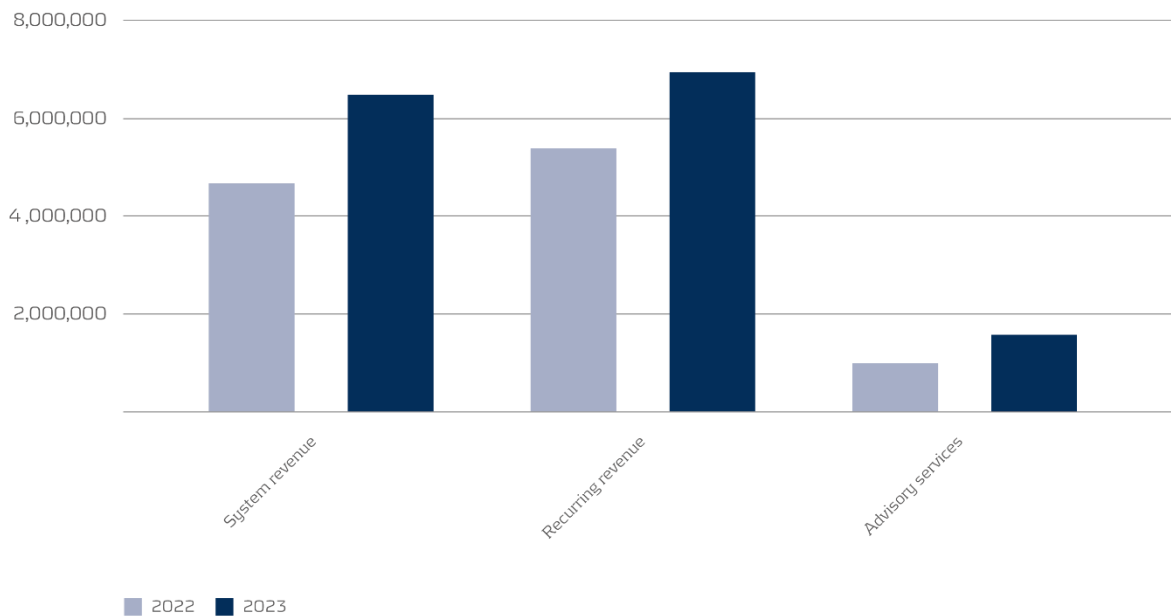
## Financial Review

### Income Statement

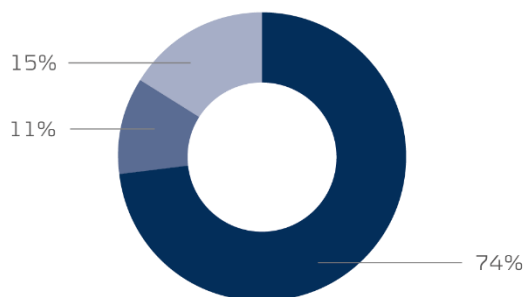
Total recognised revenue increased by 14% in Q2 2023 to DKK 4,920 thousand compared to Q2 2022 (DKK 4,332 thousand). Invoiced revenue increased by 42% to DKK 4,301 thousand (Q2 2022 DKK 3,022). Total recurring revenue in Q2 2023 increased by 44% to DKK 3,586 thousand compared to Q2 2022 (DKK 2,482 thousand).

In 1H 2023 total revenue increased by 15% to DKK 10,043 thousand compared to 1H 2022 (DKK 8,711 thousand). Invoiced revenue increased by 76% to DKK 11,095 thousand (Q2 2022 DKK 6,296). The total recurring revenue in 1H 2023 ended at DKK 6,922 thousand corresponding an increase of 28 % compared to the same period in 2022 (1H 2022: DKK 5,427 thousand).

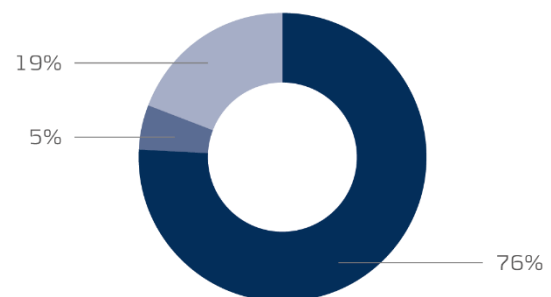
### Revenue split 1H 2022 - 1H 2023



### Revenue ratio 1H 2022

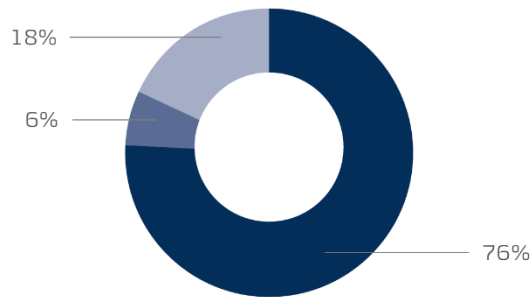


### Revenue ratio 1H 2023

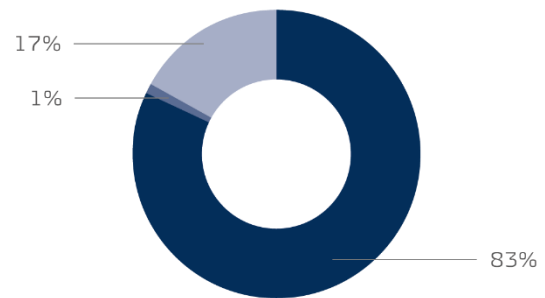


■ System ■ Other subscription ■ Advisory

Revenue ratio Q2 2022

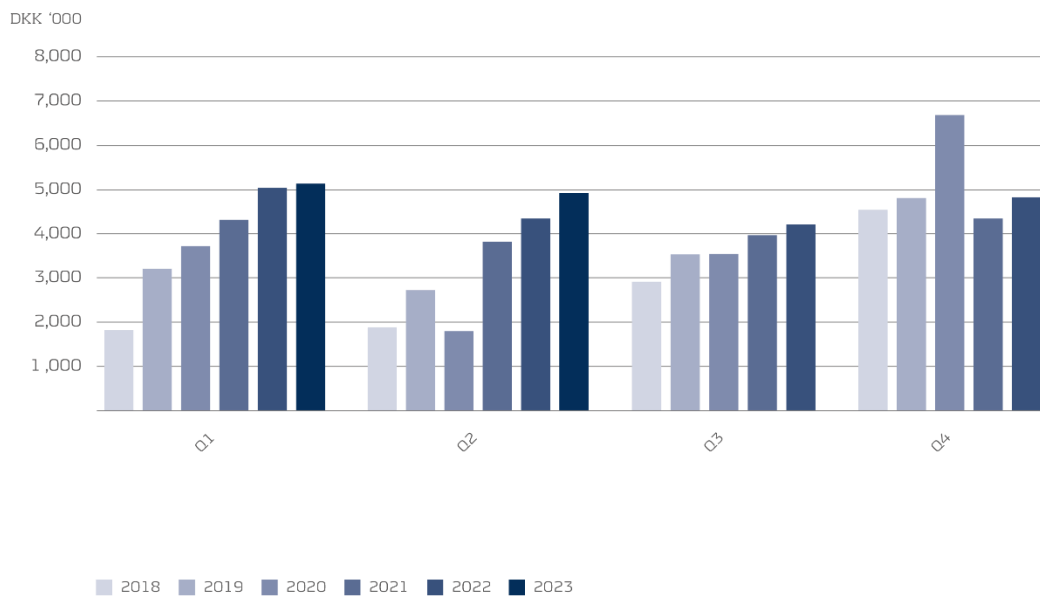


Revenue ratio Q2 2023



■ System ■ Other subscription ■ Advisory

Revenue quarter by quarter 2018 - 2023



The gross profit increased in Q2 2023 by 36% to DKK 2,808 thousand (Q2 2022: DKK 2,070 thousand), corresponding to an increased gross margin of 57% (Q2 2022: 48%). For the period of 1H 2023 the gross profit increased by 19% to DKK 5,582 thousand (1H 2022: 4,701 thousand). The gross margin ended at 56% compared to 54% for 1H 2022.

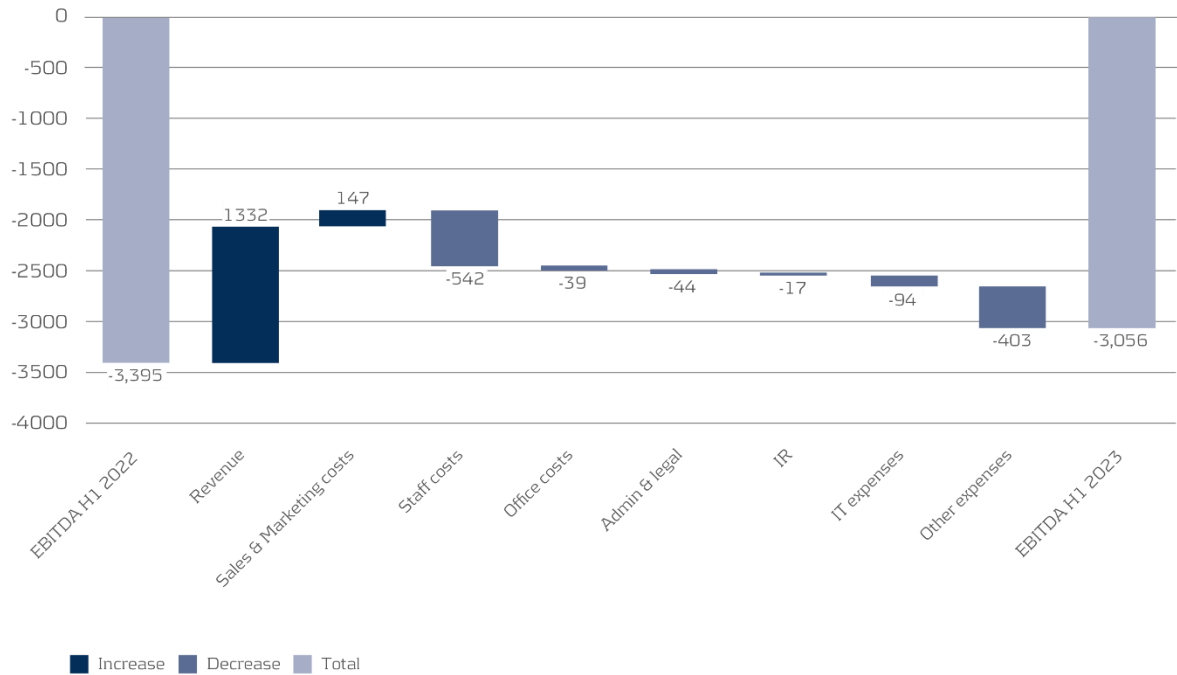
Other Operating Expenses decreased in Q2 2023 by 7% to DKK 2,112 thousand (Q2 2022: 2,262). Staff costs amounted to DKK 4,305 thousand (Q2 2022: DKK 4,237 thousand) which is an increase of 2%. Total costs for Q2 2023 decreased by 1% to DKK 6,417 thousand (Q2 2022: DKK 6,499 thousand). As for 1H 2023 in total Other Operating Expenses increased by 11% to DKK 4,461 (1H 2022 4,010 thousand). Staff costs in 1H 2023 increased by 7% to DKK 8,638 (1H 2022: DKK 8,096 thousand).



Total costs in total increased by 8% for the first six months in 2023.

EBITDA increased in Q2 2023 by DKK 670 thousand (31%) to DKK -1,497 thousand (Q2 2021: DKK -2,167 thousand). As for 1H EBITDA increased by 10% to DKK -3,056 (1H 2022: DKK -3,395). The EBITDA ratio in 1H 2023 increased to -30% (1H 2022: -39%).

**EBITDA development from 2022 to 1H 2023**

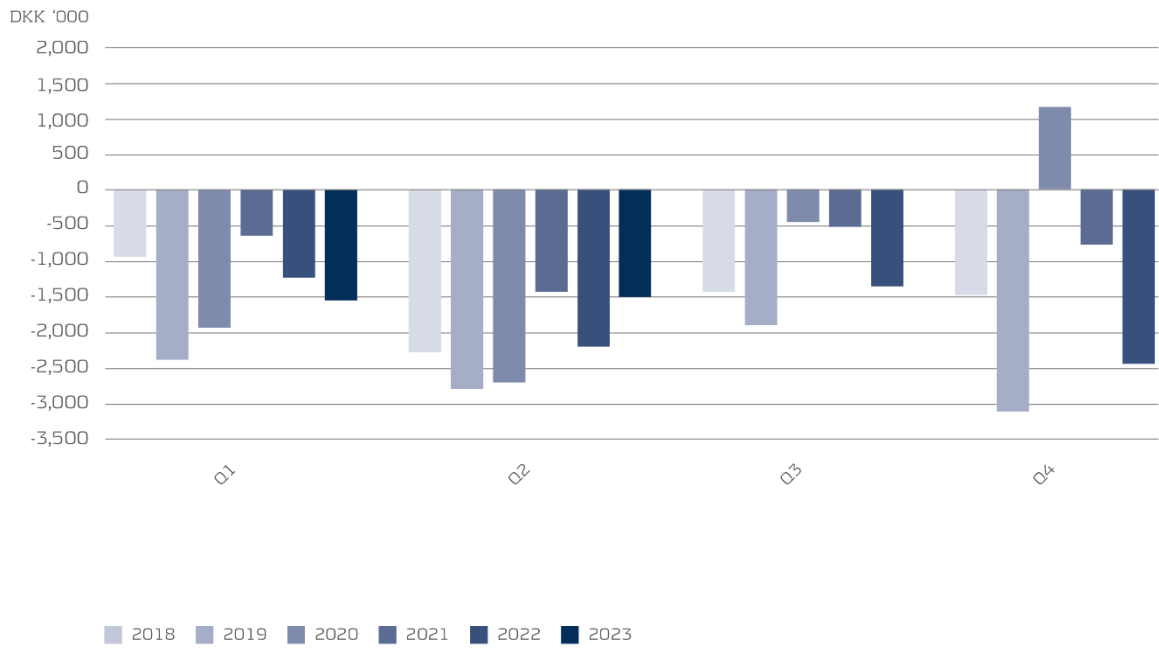


EBITDA H1 2022 -3,395

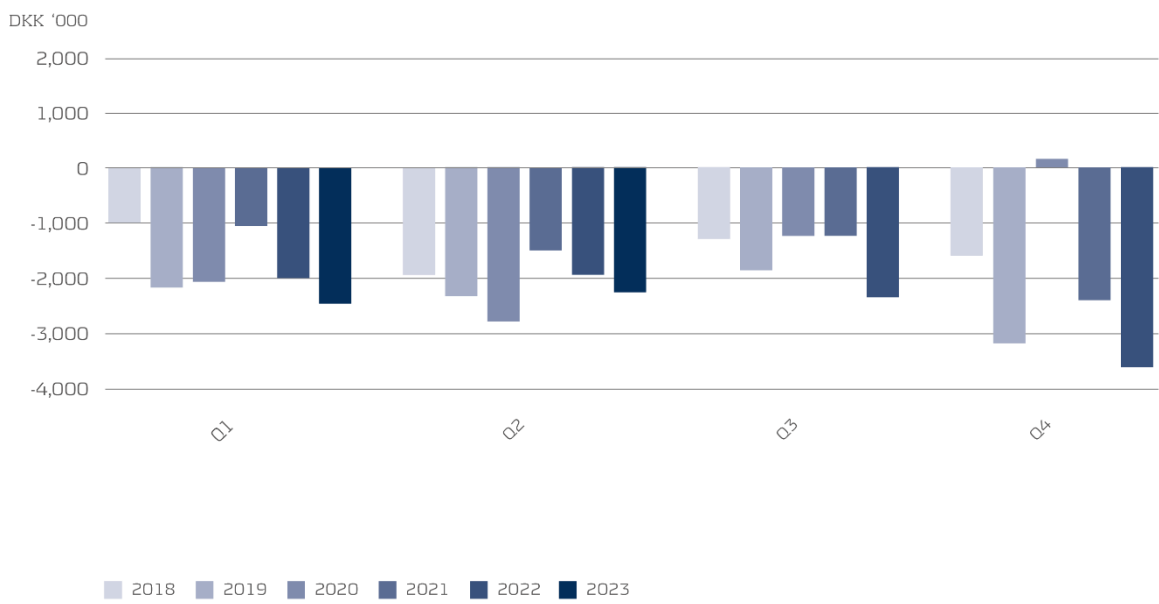
Revenue	1332
Sales & Marketing costs	147
Staff costs	-542
Office costs	-39
Admin & legal	-44
IR	-17
IT expenses	-94
Other expenses	-403

EBITDA H1 2023 -3,056

EBITDA quarter by quarter 2018 - 2023



Net result quarter by quarter 2018 - 2023



**Balance sheet**

Equity at the end of Q2 2023 improved to negative DKK 8,599 thousand (end of 2022: DKK -13,268 thousand).

**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 2,534 thousand is payable within 12 months and is subsequently presented under "Short-term liabilities".

Compared to end 2022 the long-term debt has decreased by DKK 2,362 thousand and total debt has increased by DKK 3,427 at the end of Q2 2023.

The balance sheet total was DKK 30,454 thousand at the end of Q2 2023 which is a decrease of DKK 1,507 thousand compared to end 2022 (DKK 31,962 thousand).

**Cash flows**

Cash flows from operating activities (CFFO) was in Q2 2023 DKK -1,085 thousand. An increase of DKK 1,446 compared to Q2 2022 (DKK -2,531 thousand).

Investments in Q2 2023 amounted to DKK 704 thousand which is DKK 660 thousand higher than Q2 2022 (DKK 44 thousand).

Cashflow from financing amounted to DKK 1,485 thousand in Q2 2023 (Q2 2022: DKK 3,180 thousand).

## Income Statement 1 January – 30 June

DKK '000	Q2 2023	Q2 2022	1H 2023	1H 2022	FY 2022
Net sales	4,920	4,332	10,043	8,711	17,734
Other operating expenses	-2,112	-2,262	-4,461	-4,010	-8,702
<b>Gross profit</b>	<b>2,808</b>	<b>2,070</b>	<b>5,582</b>	<b>4,701</b>	<b>9,032</b>
Staff costs	-4,305	-4,237	-8,638	-8,096	-16,202
<b>Earnings before depreciation and amortization (EBITDA)</b>	<b>-1,497</b>	<b>-2,167</b>	<b>-3,056</b>	<b>-3,395</b>	<b>-7,170</b>
Depreciation / amortization of tangible and intangible fixed assets	-701	-565	-1,382	-1,122	-2,758
<b>Profit/loss before financial items</b>	<b>-2,198</b>	<b>-2,732</b>	<b>-4,438</b>	<b>-4,517</b>	<b>-9,927</b>
Financial costs	-685	-482	-1,637	-1,051	-3,320
<b>Profit/loss before taxes</b>	<b>-2,884</b>	<b>-3,214</b>	<b>-6,076</b>	<b>-5,568</b>	<b>-13,247</b>
Tax on profit for the year	612	701	1,337	1,050	2,914
<b>Net profit</b>	<b>-2,271</b>	<b>-2,513</b>	<b>-4,739</b>	<b>-4,518</b>	<b>-10,333</b>
Proposed distribution of profit					
Transfer of profits for development projects	-297	164	-297	175	-553
<b>Retained earnings</b>	<b>-1,974</b>	<b>-2,677</b>	<b>-4,442</b>	<b>-4,693</b>	<b>-9,780</b>

## Balance Sheet 30 June

DKK 000'	30-06-2023	30-06-2022	31-12-2022
<b>Assets</b>			
Intangible assets			
Completed development projects	8,275	6,523	8,703
Ongoing development projects	1,963	4,876	1,917
<b>Total intangible fixed assets</b>	<b>10,238</b>	<b>11,398</b>	<b>10,619</b>
Tangible fixed assets			
Other facilities, fixtures and accessories	1,496	1,258	1,249
<b>Total tangible assets</b>	<b>1,496</b>	<b>1,258</b>	<b>1,249</b>
Financial assets			
Investments in subsidiaries	0	0	0
Deferred tax	11,263	8,062	9,926
Other long-term receivables	428	400	428
<b>Financial assets</b>	<b>11,691</b>	<b>8,462</b>	<b>10,354</b>
<b>Total fixed assets</b>	<b>23,424</b>	<b>21,118</b>	<b>22,223</b>
Receivables			
Accounts Receivables	3,578	2,874	5,791
Other receivables	222	0	194
Tax	2,274	2,274	2,274
Accruals	951	768	1,137
<b>Total Receivables</b>	<b>7,026</b>	<b>5,917</b>	<b>9,397</b>
Assets			
Cash at bank and in hand	3	1,138	342
<b>Current assets total</b>	<b>7,030</b>	<b>7,054</b>	<b>9,739</b>
<b>Assets total</b>	<b>30,454</b>	<b>28,173</b>	<b>31,962</b>

## Balance Sheet 30 June

DKK 000'	30-06-2023	30-06-2022	31-12-2022
<b>Liabilities and equity</b>			
Equity			
Share capital	1,534	1,108	1,108
Reserve for development costs	7,986	9,012	8,283
Retained earnings	-18,118	-17,572	-22,659
<b>Total equity</b>	<b>-8,599</b>	<b>-7,453</b>	<b>-13,268</b>
Long-term liabilities			
Other credit institutions	1,740	2,753	2,089
Shareholders and Management	3,257	4,607	3,677
<b>Long-term liabilities</b>	<b>4,997</b>	<b>7,359</b>	<b>5,766</b>
Current liabilities			
Short-term part of long-term debt	2,534	2,708	3,428
Trade payables	2,814	1,873	2,103
Payables to subsidiaries	330	220	301
Lease obligations	749	565	751
Shareholders and Management	10,566	6,917	13,491
Other payables	4,222	3,801	3,156
Credit institutions	2,318	3,540	4,660
Deferred income	10,522	8,642	11,575
<b>Short-term liabilities</b>	<b>34,056</b>	<b>28,267</b>	<b>39,464</b>
<b>Debt total</b>	<b>39,053</b>	<b>35,626</b>	<b>45,230</b>
<b>Liabilities and equity total</b>	<b>30,454</b>	<b>28,173</b>	<b>31,962</b>

## Cash Flow statement 1 January – 30 June

DKK 000'	Q2 2023	Q2 2022	1H 2023	1H 2022	FY 2022
<b>Profit/loss for the year</b>	-2,271	-2,513	-4,739	-4,518	-10,333
Adjustments	774	49	1,683	372	3,258
Change in working capital	1,097	416	1,621	2,364	2,934
<b>Cash flows from ordinary activities</b>	<b>-400</b>	<b>-2,048</b>	<b>-1,435</b>	<b>-1,782</b>	<b>-4,140</b>
Financial expenses	-685	-482	-1,637	-1,051	-3,320
<b>Cash flows from ordinary activities</b>	<b>-1,085</b>	<b>-2,531</b>	<b>-3,072</b>	<b>-2,834</b>	<b>-7,461</b>
Corporation tax paid (-)/received	0	0	0	0	0
<b>Cash flows from operating activities</b>	<b>-1,085</b>	<b>-2,531</b>	<b>-3,072</b>	<b>-2,834</b>	<b>-7,461</b>
Purchases of intangible assets	-686	-53	-1,229	-477	-1,249
Purchases of property, plant and equipment	-18	9	-18	9	-266
Deposits	0	0	0	0	-28
Fixed asset investments made etc.	0	0	0	0	0
<b>Cash flow from investing activities</b>	<b>-704</b>	<b>-44</b>	<b>-1,247</b>	<b>-468</b>	<b>-1,542</b>
Change in lease obligations	-10	-34	-2	-53	134
Loans from credit institutions	1,495	3,221	-5,425	660	5,380
Conversion of loans into capital	0	0	8,336	0	0
Cash capital increase	0	0	1,072	0	0
Other financing	0	-7	0	0	0
<b>Cash flow from financing activities</b>	<b>1,485</b>	<b>3,180</b>	<b>3,981</b>	<b>607</b>	<b>5,513</b>
<b>Change in cash and cash equivalents</b>	<b>-304</b>	<b>605</b>	<b>-339</b>	<b>-2,695</b>	<b>-3,490</b>
Cash and cash equivalents beginning	307	532	342	3,832	3,832
<b>Cash and cash equivalents</b>	<b>3</b>	<b>1,137</b>	<b>3</b>	<b>1,137</b>	<b>342</b>

## Equity

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
<b>1 January 2022 - 31 December 2022</b>					
<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
<b>Equity 31 December</b>	<b>1,108</b>	<b>0</b>	<b>8,283</b>	<b>-22,659</b>	<b>-13,268</b>
<b>1 January 2023 - 30 June 2023</b>					
<i>DKK '000</i>					
Equity at 1 January 2023	1,108	0	8,283	-22,659	-13,268
Cash capital increase	426	8,983	0	0	9,409
Profit for the period	0	0	-297	-4,442	-4,739
Transferred from share premium	0	-8,983	0	8,983	0
<b>Equity at 30 June 2023</b>	<b>1,534</b>	<b>0</b>	<b>7,986</b>	<b>-18,118</b>	<b>-8,599</b>



## 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 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

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= Annual Recurring Revenue (ARR) end of year 2

Factors impacting the ARR-development

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

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

RiskIntelligence



Knowing  
Risk

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