

Q3 2023 Interim Report

1 January 2023 - 30 September 2023

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

RiskIntelligence

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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, 30 November 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'	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	FY 2022
Net sales (recognised)	4,991	4,220	15,034	12,931	17,734
Growth (recognised net sales)	18%		16%		N/A
Net sales (invoiced)	4,604	4,614	13,595	10,910	N/A
Growth (invoiced net sales)	0%		25%		N/A
Operating profit (EBITDA)	-1,298	-1,323	-4,354	-4,718	-7,170
Profit after financial items	-3,269	-2,848	-9,344	-8,416	-13,247
Profit/loss for the period	-2,550	-2,190	-7,289	-6,708	-10,333
Total assets	33,407	29,846	33,407	29,846	31,962
Operating margin	-26%	-31%	-29%	-36%	-40%
ARPU	143	147	143	147	145
System ARR	3,932	4,211	16,818	15,697	15,394
Churn	0%	1.4%	1%	1.6%	2.3%
NRR	87%	122%	N/A	N/A	N/A
Cash flow from operating activities	-3,744	-4,381	-6,816	-7,215	-7,461
Cash flow from investing activities	-738	134	-1,985	-334	-1,542
Cash flow from financing activities	4,488	3,158	8,469	3,765	5,513
Cash flow net	7	-1,089	-332	3,784	-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*)	-0.17	-0.20	-0.48	-0.61	-0.61
Number of employees**)	27	26	27	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 July 2023 – 30 September 2023

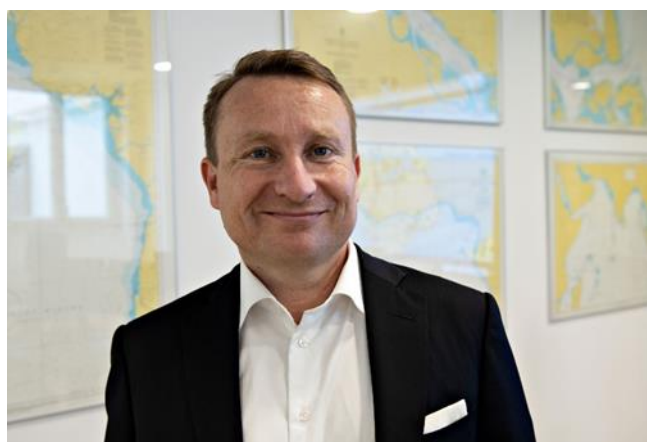
- On 5 July 2023, the Company announces that it had completed funding package of DKK 6.5 m with a DKK 4 m loan.
- On 19 July 2023, the Company announced that DHL Freight and Risk Intelligence are co-developing a holistic approach to security.
- On 27 July 2023, the Company announced that it had signed 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.
- On 11 September 2023, the Company announces that it intends to resolve on a rights issue of shares of approx. DKK 18.4 million.
- On 28 September 2023, the Company announces that it had signed a new deal with a Hamburg based technical cargo ship management company for the Risk Intelligence System.

Highlights after the period

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

CEO Hans Tino Hansen

As we approach the end of November, the outlook for 2023 looks quite promising. As planned the anticipated revenue growth will be driven by the new Risk Intelligence System platform, characterized by higher license fees and upselling opportunities to our existing clients. This and the substantial renewal scheduled for 1 January 2024 is expected to not only secure growth for the fourth quarter but also establish a solid foundation for further expansion throughout 2024 and onwards.



Despite a less successful growth in revenue during Q3 when compared to previous quarters, the overall picture for the initial 9 months of the year remains positive, with a 16% increase in reported revenue and a 25% growth in invoiced revenue. The negative impact on invoiced revenue and ARR during this quarter is mainly attributed to a significant client changing their license period and another client temporarily reducing their license size. Importantly, however, there have been no client churned in Q3.

Q3 has been quite complex with one of the last major stages in development of the new platform for the Risk Intelligence System, preparations for the rights issue in combination with a temporary reduction in the pace of new sales.

During the quarter a substantial portion of the Company's resources has been dedicated to the final stages of developing the new platform. Meanwhile, the imminent launch of the platform has resulted in a temporary reduction in new sales activity, as both the company and potential clients have awaited its release. However, on a positive note, the soft launch upcoming official launch of the new platform has established a solid groundwork for generating new sales and, notably, allows for upselling to existing clients as part of the renewal process set for 1 January 2024.

Throughout the quarter, the top management and finance team, with support from our corporate finance advisors, Corpura, concentrated on the rights issue. The successful execution of this transaction in late October has proven instrumental in securing the required funding to restore equity, diminish short-term debt, allocate resources for investments, and enhance liquidity. Beyond the immediate positive impact on the balance sheet, this strategic move is anticipated to result in reduced financial costs throughout 2024 and beyond.

With the outlook for Q4 driven by the launch of the new platform with upsell as part of the renewal process, we are looking into a satisfactory 2023.

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.

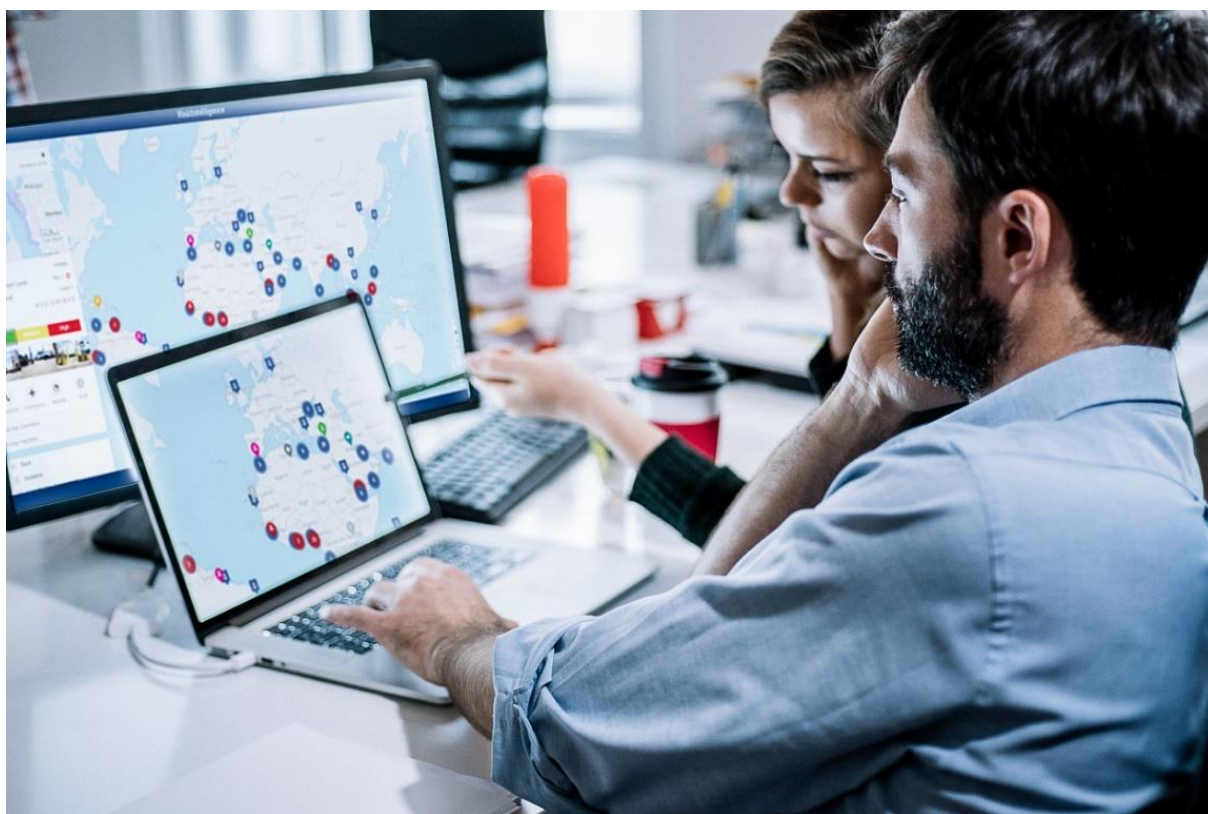
2022: Re-started discussions after COVID with potential clients for LandRisk Logistics. Impact from the Russian invasion on Ukraine with more intelligence analysis related to the war and launch of weekly report. Developed and launched new 2025 Strategy re-focusing on maritime security that will include 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 Q3 2023 increased by 1,121 DKK thousand (7%) to DKK 16,818 thousand (Q3 2022 DKK 15,697 thousand). Alone for the quarter the System Recurring Revenue decreased by 7% compared to Q3 2022. No Clients churned and the renewal ratio by this ended at 100% (Churn 0%) for the quarter.

The total ARR in Q3 2023 increased by 1,157 DKK thousand (7%) to DKK 18,035 thousand (Q3 2022 DKK 16,878 thousand). The total ARR for the quarter increased by 7%. The annualised renewal ratio was 99% with a corresponding churn of 1%. The average revenue per customer (ARPU) increased to DKK 143 thousand.

NRR (Net Retention Rate) was 87% for Q3 2023 (Q3 2022 122%).

Risk Intelligence System SaaS metrics 2018 – 2023

DKK '000	Q3 2023	Q3 2022	2022	2021	2020	2019	2018
System ARR	16,818	15,697	16,044	14,625	12,767	10,218	8,839
ARR Net increase	1,121	2,729	1,420	1,858	1,620	1,283	1,293
ARR growth	7%	21%	10%	15%	25%	14%	15%
Total ARR	18,035	16,878	17,326	15,968	13,895	11,147	9,864
ARR Net increase	1,157	3,023	1,359	2,072	2,749	1,282	1,744
ARR Growth	7%	20%	9%	15%	25%	13%	21%
ARPU	143	147	151	138	128	113	115
Renewal Ratio (annualised)	99%	98.4%	97.6%	96.8%	98.6%	99.3%	99%
Renewal Ratio (quarter)	100%	98.6%					
Churn (annualised)	1%	1.6%	2.4%	3.2%	1.4%	0.7%	1%
Churn (quarter)	0%	1.4%	2%				
NRR	87%	122%	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

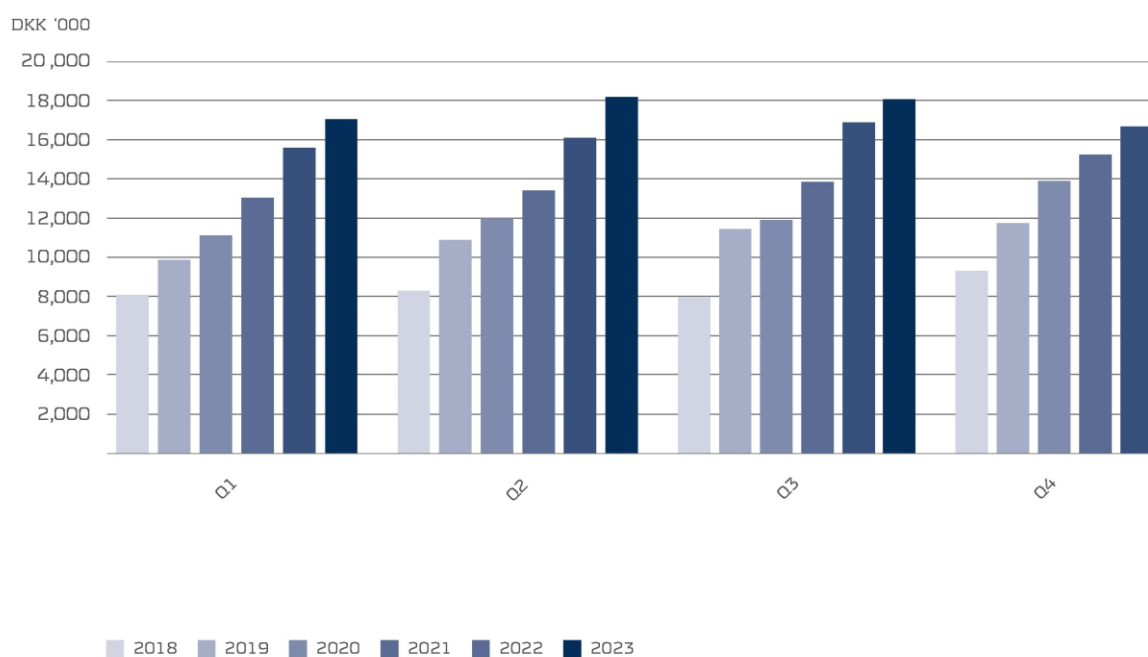
** 7.54 years average age in 2022

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

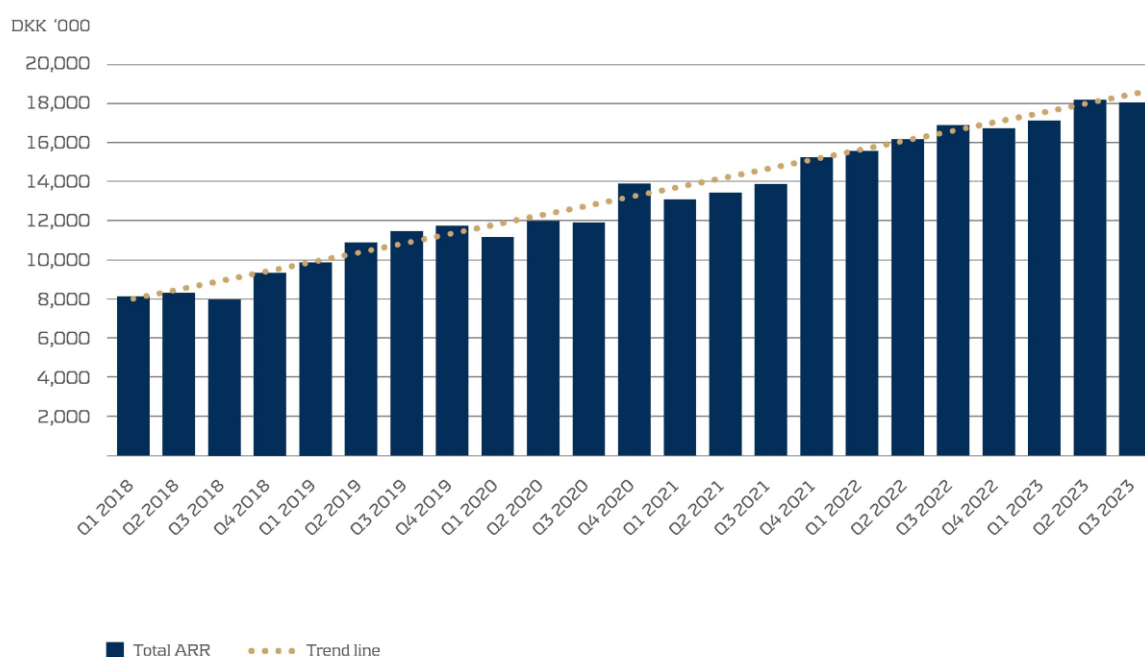
**** USD 76m estimated market in 2022 for commercial market from Maritime Market opportunities report by Thetius for Risk Intelligence A/S. Government market in addition and not estimated in this study

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 34 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 as of 30 September 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.

In Q4 2023 the Company increased the share capital through a rights issue of approx. DKK 13.9 million. Based on these factors and the budget for 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 Q3 2023 was DKK 10 thousand and should always be seen together with Accounts Receivable, end Q3 2023 DKK 5,655. 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 Q3 2023 was 5,665 DKK thousand.

The Share

Shareholders

The table below presents shareholders with over 5 % of the votes and capital in Risk Intelligence as per 30 September 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
Total	15,338,389	100.00	100.00

*100% owned by Hans Tino Hansen

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

Board of Directors

Name	Title	Number of shares
Jan Holm	Chairman	3,424,434
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

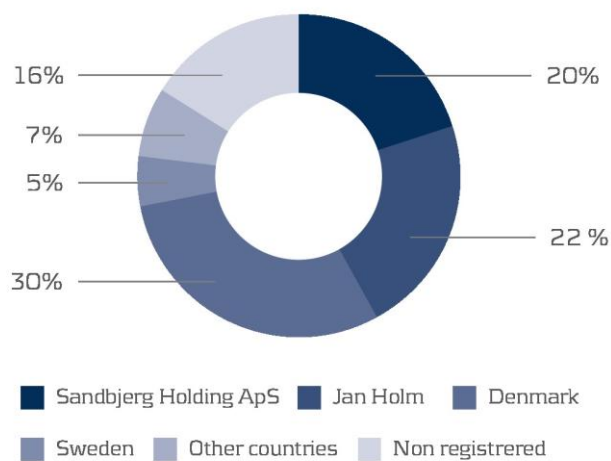
Name	Title	Number of shares
Hans Tino Hansen	CEO (incl. Sandbjerg Holding ApS)	3,115,550
Henrik Ehlers Kragh	SD	64,383
Jens Krøis	CFO	55,484
Jim Pascoe	CCO	27,803
Niels Worsøe	COO	13,691

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 September 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 Q3 2023



Source: Data from Spotlight Stock Exchange

Share price (DKK)

	2023	2022
1 July	1.81	2.39
30 September	1.37	2.29
High Q3	2.31	4.69
Low Q3	1.28	2.30
High YTD	3.99	6.28
Low YTD	1.28	1.96

Liquidity

In Q3 2023 we saw a decrease in traded volume of 22% compared to Q3 2022 (562,680 shares compared to 725,180 shares in Q3 2022). The turnover in Q3 2023 decreased by 42% compared to Q3 2022 (DKK 965,690 in Q3 2023 compared to DKK 1,654,181 in Q3 2022). The fall in turnover is due to a lower share price and lower traded volume.

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
		2,787,466	7,151,915			
Q1	2020	909,920	3,252,693	14,217	3.57	3.00
Q2		673,091	1,990,744	11,605	2.96	3.36
Q3		1,957,042	9,236,589	29,652	4.72	5.95
Q4		1,467,563	8,379,347	23,295	5.71	7.45
		5,007,616	22,859,373			
Q1	2021	2,354,382	16,614,250	37,974	7.06	6.95
Q2		1,854,136	10,807,776	32,529	5.83	5.00
Q3		1,047,088	5,755,844	16,109	5.50	5.48
Q4		1,779,985	11,318,864	27,812	6.36	6.14
		7,035,591	44,496,733			
Q1	2022	814,624	3,681,679	12,931	4.52	4.50
Q2		800,553	2,582,731	13,803	3.23	2.39
Q3		725,180	1,654,181	12,503	2.28	2.29
Q4		748,021	1,552,694	12,897	2.08	1.70
		3,088,378	9,471,286			
Q1	2023	1,559,997	4,308,728	25,574	2.76	2.27
Q2		819,297	1,569,457	29,064	1.96	1.79
Q3		562,680	965,690	15,831	1.72	1.37

Source: Data from Spotlight Stock Exchange

Warrants

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

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

The Board of Directors have on a board meeting on 23 February 2022 decided to grant 272,564 warrants for the year 2021 and on a board meeting on 22 February 2023 granted 296,172 warrants to employees under above programme for the year 2022. Further the board have on 1 November 2023 granted 234,845 warrants under above program as well.

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

28 February 2024	Q4 and 2023 Year-end Report
19 April 2024	Annual General Meeting
15 May 2024	Q1 2024 Interim Report
14 August 2024	Q2 2024 Interim Report
20 November 2024	Q3 2024 Interim Report
26 February 2025	Q4 and 2024 Year-end Report

Operational risks and uncertainties

The risks and uncertainties that Risk Intelligence operations are exposed to are summary related to factors such as development, competition, technology development, capital requirements, currencies and interest rates. During the current period, no significant changes in risk factors or uncertainties have occurred. For more detailed description of risks and uncertainties, refer to the memorandum published in 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

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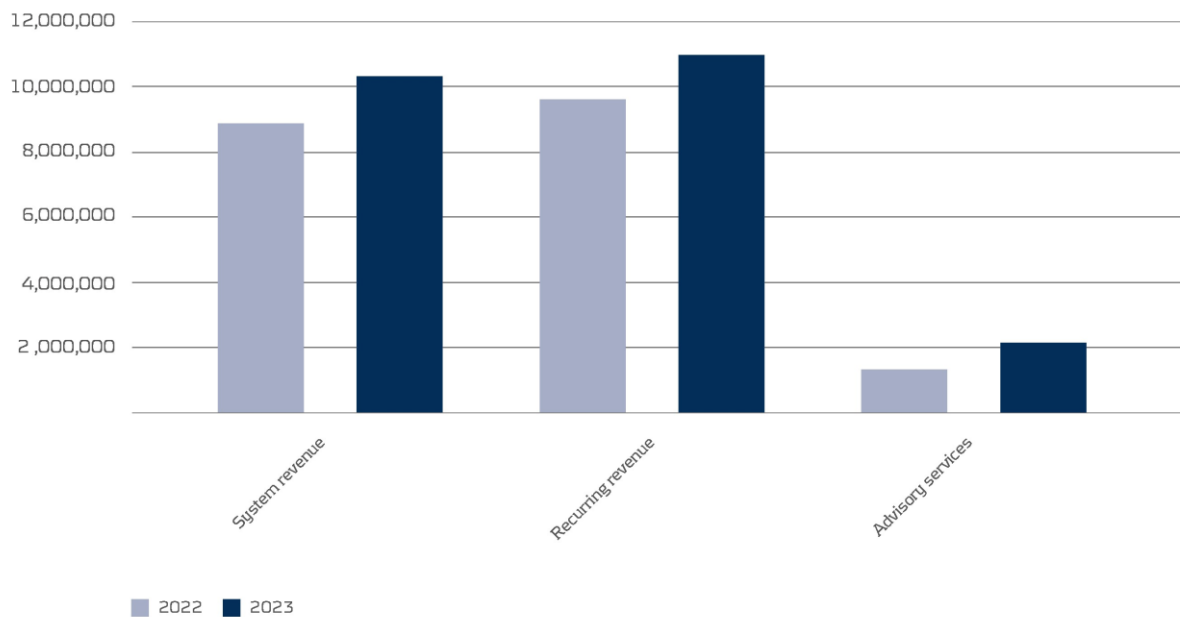
Financial Review

Income Statement

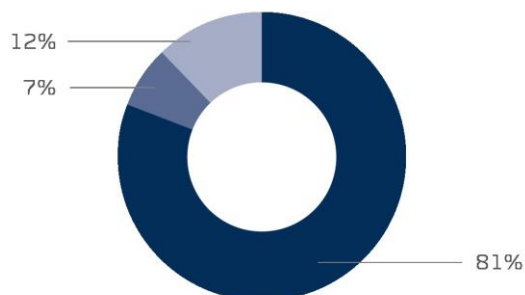
Total recognised revenue increased by 18% in Q3 2023 to DKK 4,991 thousand compared to Q3 2022 (DKK 4,220 thousand). Invoiced revenue was on par at DKK 4,604 thousand (Q3 2022 DKK 4,614). Total recurring revenue in Q3 2023 decreased by 3% to DKK 4,148 thousand compared to Q3 2022 (DKK 4,285 thousand).

In Q1-Q3 2023 total revenue increased by 16% to DKK 15,034 thousand compared to 2022 (DKK 12,931 thousand). Invoiced revenue increased by 25% to DKK 13,595 thousand (Q3 2022 DKK 10,910). The total recurring revenue in Q1-Q3 2023 ended at DKK 11,070 thousand corresponding an increase of 14 % compared to the same period in 2022 (Q1-Q3 2022: DKK 9,711 thousand).

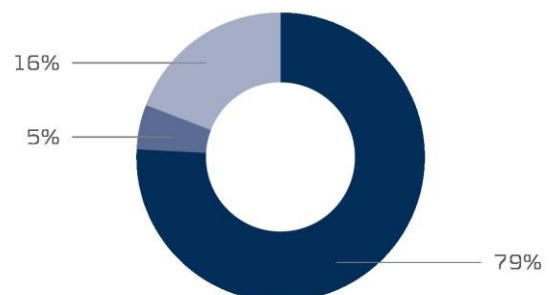
Revenue split Q1-Q3 2022 - Q1-Q3 2023



Revenue ratio Q1-Q3 2022

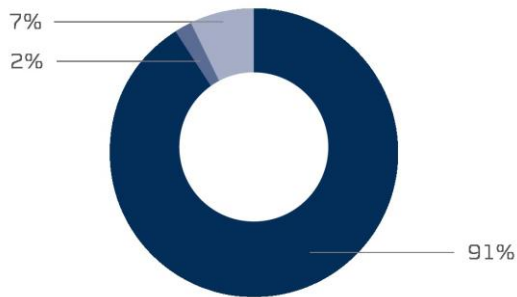


Revenue ratio Q1-Q3 2023

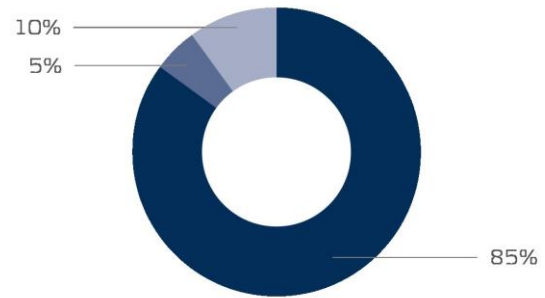


■ System ■ Other subscription ■ Advisory

Revenue ratio Q3 2022

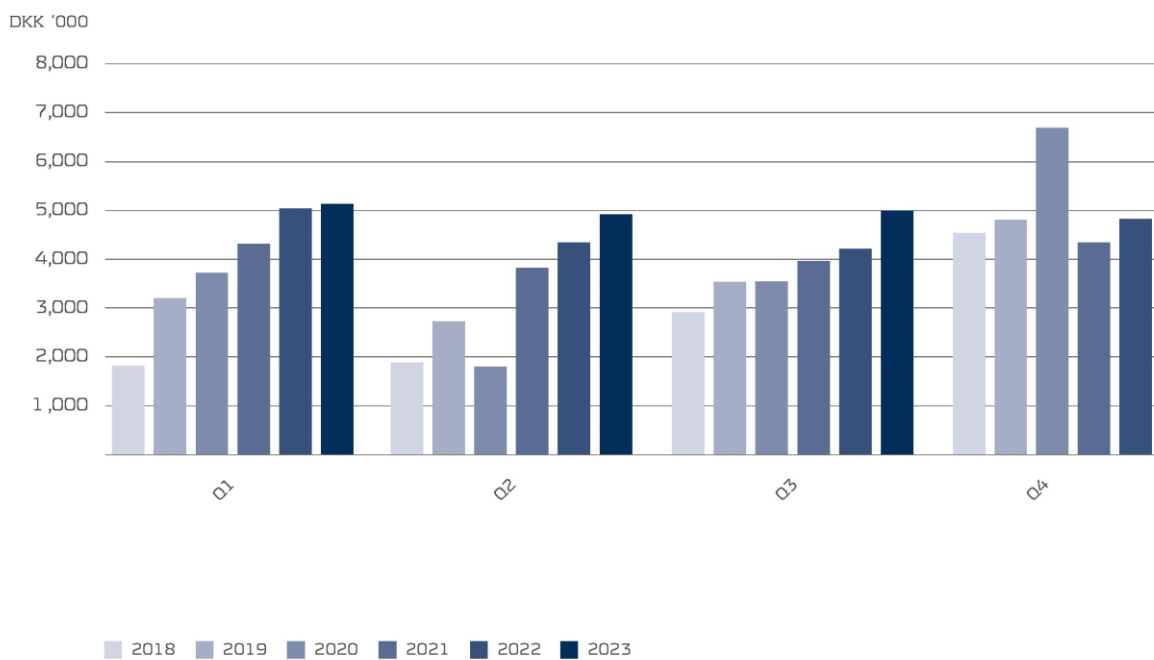


Revenue ratio Q3 2023



■ System ■ Other subscription ■ Advisory

Revenue quarter by quarter 2018 - 2023



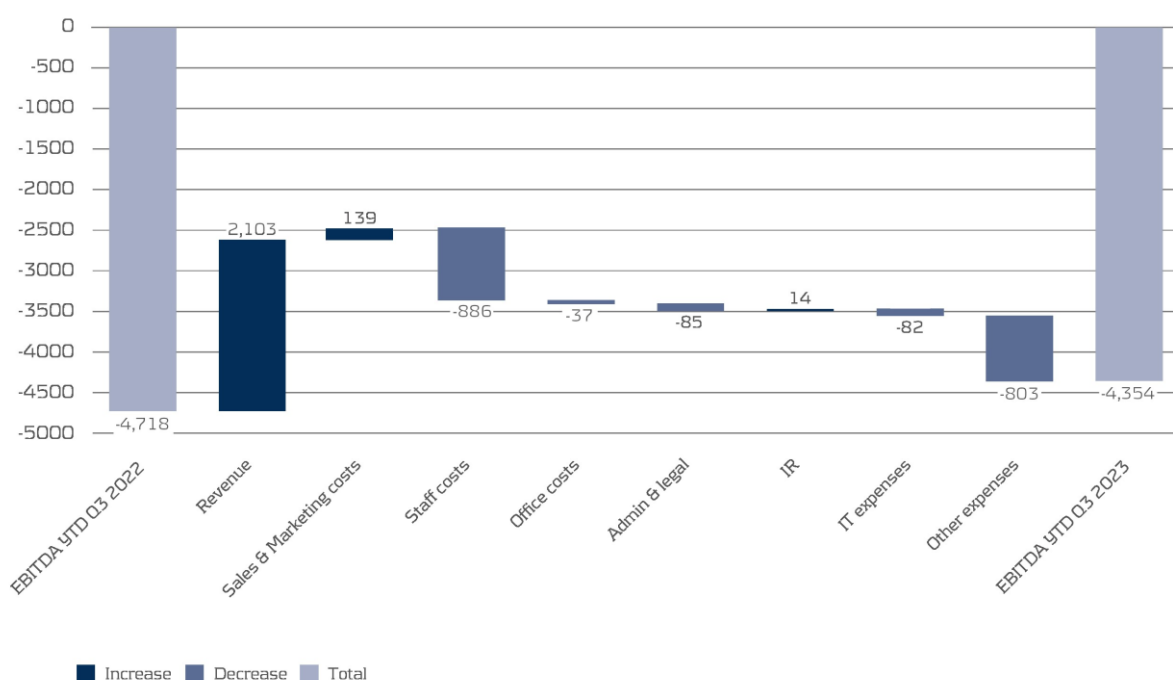
The gross profit increased in Q3 2023 by 15% to DKK 2,789 thousand (Q3 2022: DKK 2,421 thousand), corresponding to a decreased gross margin of 56% (Q2 2022: 57%). For the period of Q1-Q3 2023 the gross profit increased by 18% to DKK 8,371 thousand (YTD 2022: 7,122 thousand). The gross margin ended at 56% compared to 55% for Q1-Q3 2022.

Other Operating Expenses increased in Q3 2023 by 22% to DKK 2,202 thousand (Q3 2022: 1,799). Staff costs amounted to DKK 4,088 thousand (Q3 2022: DKK 3,744 thousand) which is an increase of 9%. Total costs for Q3 2023 increased by 13% to DKK 6,289 thousand (Q3 2022: DKK 5,543 thousand). As for Q1-

Q3 2023 in total Other Operating Expenses increased by 15% to DKK 6,663 (YTD 2022 5,809 thousand). Staff costs in Q1-Q3 2023 increased by 8% to DKK 12,726 (YTD 2022: DKK 11,840 thousand). Total costs in total increased by 10% for the first nine months in 2023.

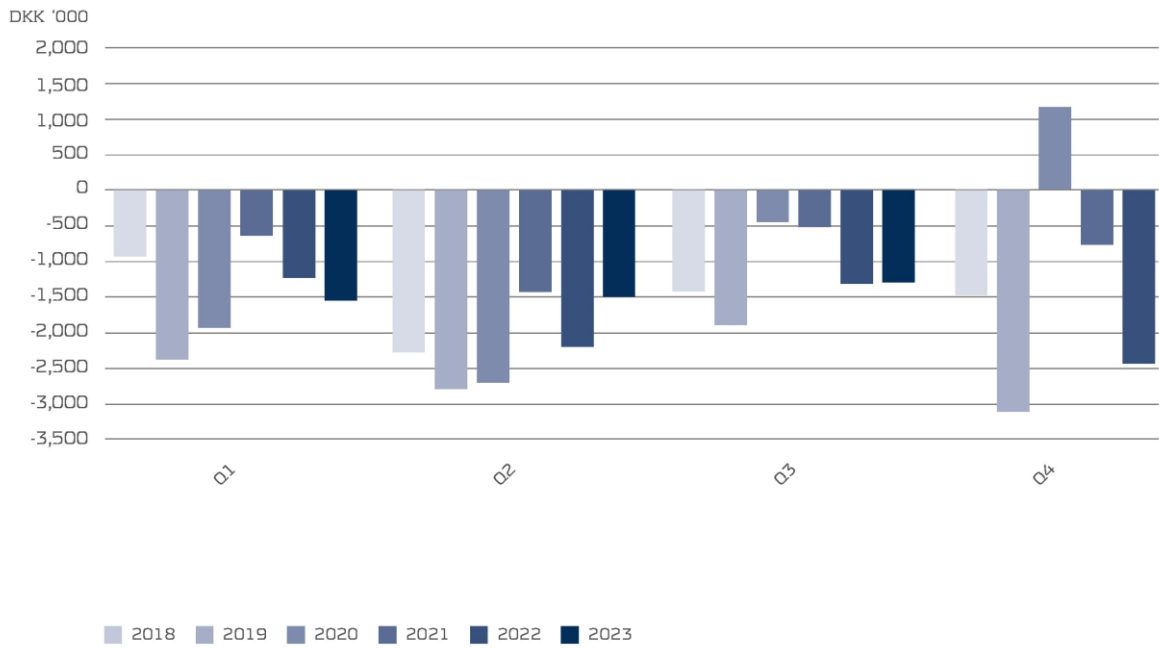
EBITDA increased in Q3 2023 by DKK 25 thousand (2%) to DKK -1,298 thousand (Q3 2022: DKK -1,323 thousand). As for Q1-Q3 EBITDA increased by 8% to DKK -4,354 (YTD 2022: DKK-4,718). The EBITDA ratio in Q1-Q3 2023 increased to -29% (YTD 2022: -36%).

EBITDA development from 2022 to YTD 2023

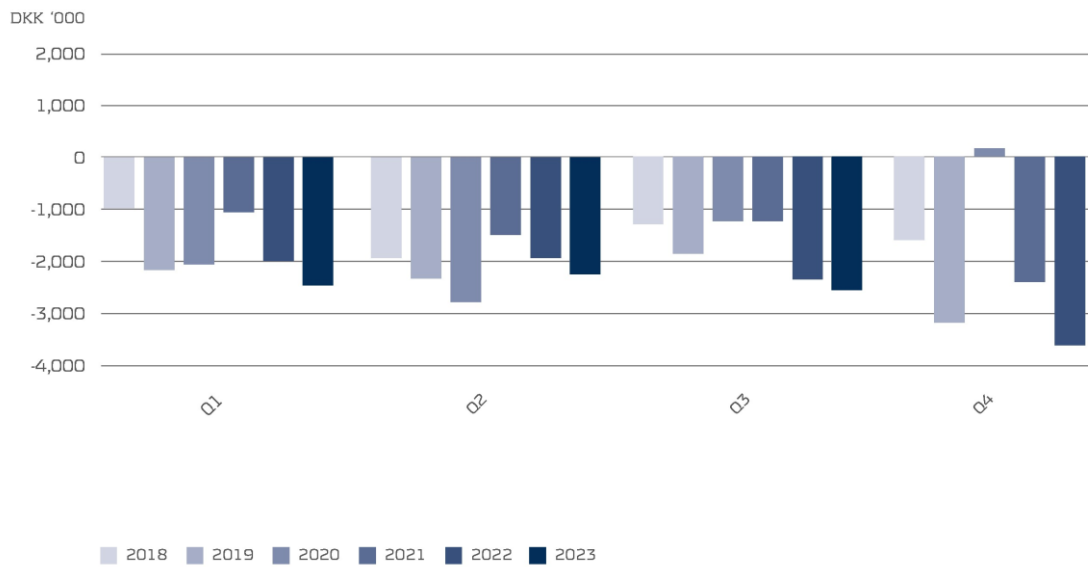


EBITDA YTD Q3 2022	-4,718
Revenue	2,103
Sales & Marketing costs	139
Staff costs	-886
Office costs	-37
Admin & legal	-85
IR	14
IT expenses	-82
Other expenses	-803
EBITDA YTD Q3 2023	-4,354

EBITDA quarter by quarter 2018 - 2023



Net result quarter by quarter 2018 - 2023



Balance sheet

Equity at the end of Q3 2023 decreased to DKK -11,210 thousand (end of 2022: DKK -9,643 thousand). In Q4 2023 the Company increased the share capital through a rights issue of approx. DKK 13.9 million.

Debt

The long-term debt under "Long term liabilities" consists of two loans from "Vækstfonden" (the Danish State Growth Fund) 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 4,272 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 2,834 thousand and total debt has decreased by DKK 612 at the end of Q3 2023.

The balance sheet total was DKK 33,407 thousand at the end of Q3 2023 which is an increase of DKK 1,445 thousand compared to end 2022 (DKK 31,962 thousand).

Cash flows

Cash flows from operating activities (CFFO) was in Q3 2023 DKK -3,744 thousand. A decrease of DKK 638 compared to Q3 2022 (DKK -4,381 thousand).

Investments in Q3 2023 amounted to DKK 738 thousand which is DKK 872 thousand higher than Q3 2022 (DKK -134 thousand).

Cashflow from financing amounted to DKK 4,488 thousand in Q3 2023 (Q3 2022: DKK 3,158 thousand).

Income Statement 1 January – 30 September

DKK '000	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	FY 2022
Net sales	4,991	4,220	15,034	12,931	17,734
Other operating expenses	-2,202	-1,799	-6,663	-5,809	-8,702
Gross profit	2,789	2,421	8,371	7,122	9,032
Staff costs	-4,088	-3,744	-12,726	-11,840	-16,202
Earnings before depreciation and amortization (EBITDA)	-1,298	-1,323	-4,354	-4,718	-7,170
Depreciation / amortization of tangible and intangible fixed assets	-713	-769	-2,095	-1,891	-2,758
Profit/loss before financial items	-2,011	-2,092	-6,449	-6,609	-9,927
Financial costs	-1,258	-756	-2,895	-1,807	-3,320
Profit/loss before taxes	-3,269	-2,848	-9,344	-8,416	-13,247
Tax on profit for the year	719	658	2,056	1,709	2,914
Net profit	-2,550	-2,190	-7,289	-6,708	-10,333
Proposed distribution of profit					
Transfer of profits for development projects	-149	372	-446	548	-553
Retained earnings	-2,401	-2,562	-6,843	-7,256	-9,780

Balance Sheet 30 September

DKK 000'	30-09-2023	30-09-2022	31-12-2022
Assets			
Intangible assets			
Completed development projects	7,885	8,570	8,703
Ongoing development projects	2,543	2,351	1,917
Total intangible fixed assets	10,428	10,921	10,619
Tangible fixed assets			
Other facilities, fixtures and accessories	1,330	1,171	1,249
Total tangible assets	1,330	1,171	1,249
Financial assets			
Investments in subsidiaries	0	0	0
Deferred tax	11,982	8,720	9,926
Other long-term receivables	428	400	428
Financial assets	12,410	9,121	10,354
Total fixed assets	24,168	21,213	22,223
Receivables			
Accounts Receivables	5,655	5,189	5,791
Other receivables	391	170	194
Tax	2,274	2,274	2,274
Accruals	909	951	1,137
Total Receivables	9,229	8,585	9,397
Assets			
Cash at bank and in hand	10	48	342
Current assets total	9,239	8,633	9,739
Assets total	33,407	29,846	31,962

Balance Sheet 30 September

DKK 000'	30-09-2023	30-09-2022	31-12-2022
Liabilities and equity			
Equity			
Share capital	1,534	1,108	1,108
Reserve for development costs	7,986	9,012	8,283
Retained earnings	-20,730	-19,763	-22,659
Total equity	-11,210	-9,643	-13,268
Long-term liabilities			
Other credit institutions	729	2,385	2,089
Shareholders and Management	2,203	4,499	3,677
Long-term liabilities	2,932	6,884	5,766
Current liabilities			
Short-term part of long-term debt	4,272	2,624	3,428
Trade payables	3,269	2,125	2,103
Payables to subsidiaries	270	220	301
Lease obligations	758	559	751
Shareholders and Management	10,893	10,783	13,491
Other payables	5,229	3,861	3,156
Credit institutions	6,859	3,397	4,660
Deferred income	10,136	9,036	11,575
Short-term liabilities	41,685	32,605	39,464
Debt total	44,617	39,489	45,230
Liabilities and equity total	33,407	29,846	31,962

Cash Flow statement 1 January – 30 September

DKK 000'	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	FY 2022
Profit/loss for the year	-2,550	-2,190	-7,289	-6,708	-10,333
Adjustments	1,251	909	2,934	1,281	3,258
Change in working capital	-1,187	-2,345	434	19	2,934
Cash flows from ordinary activities	-2,486	-3,626	-3,921	-5,408	-4,140
Financial expenses	-1,258	-756	-2,895	-1,807	-3,320
Cash flows from ordinary activities	-3,744	-4,381	-6,816	-7,215	-7,461
Corporation tax paid (-)/received	0	0	0	0	0
Cash flows from operating activities	-3,744	-4,381	-6,816	-7,215	-7,461
Purchases of intangible assets	-738	125	-1,967	-352	-1,249
Purchases of property, plant and equipment	0	-21	-18	-12	-266
Deposits	0	30	0	30	-28
Fixed asset investments made etc.	0	0	0	0	0
Cash flow from investing activities	-738	134	-1,985	-334	-1,542
Change in lease obligations	8	-6	7	-59	134
Loans from credit institutions	4,541	3,164	-884	3,824	5,380
Conversion of loans into capital	0	0	8,336	0	0
Cash capital increase	0	0	1,072	0	0
Other financing	-60	0	-62	0	0
Cash flow from financing activities	4,489	3,158	8,469	3,765	5,513
Change in cash and cash equivalents	7	-1,089	-332	-3,784	-3,490
Cash and cash equivalents beginning	3	1,137	342	3,832	3,832
Cash and cash equivalents	10	48	10	48	342

Equity

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
1 January 2022 – 31 December 2022					
<i>DKK '000</i>					
Equity 1 January	1,108	0	8,837	-5,059	4,886
Net effect adjustment equity beginning	0	0	0	-7,821	-7,821
Adjusted equity 1 January	1,108	0	8,837	-12,880	-2,935
Cash capital increase	0	0	0	0	0
Profit for the period	0	0	-553	-9,779	-10,333
Transferred from share premium	0	0	0	0	0
Equity 31 December	1,108	0	8,283	-22,659	-13,268
1 January 2023 – 30 September 2023					
<i>DKK '000</i>					
Equity at 1 January 2023	1,108	0	8,283	-22,659	-13,268
Cash capital increase	426	8,921	0	0	9,347
Profit for the period	0	0	--446	-6,843	-7,289
Transferred from share premium	0	-8,921	0	8,921	0
Equity at 30 September 2023	1,534	0	7,837	-20,581	-11,210

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

= Annual Recurring Revenue (ARR) end of year 2

Factors impacting the ARR-development

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

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

RiskIntelligence



Knowing
Risk

Risk Intelligence A/S

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