

# Q4 2021 Interim and Year-end Report

1 January 2021 - 31 December 2021

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

**RiskIntelligence**

## Q4 2020 Interim and Year-end Report

### 1 January – 31 December 2021

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*In this document, the following definitions shall apply unless otherwise specified: “the Company” or “Risk Intelligence” refers to Risk Intelligence A/S, CVR number 27475671.*

## **Statement by the Board of Directors**

The Board of Directors provide their assurance that the interim report provides a fair and true overview of the Company's operations, financial position and results.

Hellerup, 23 February 2022

*Jan Holm - Chairman of the Board*

*Hans Tino Hansen - Board member and CEO*

*Stig Streit Jensen - Board member*

*Jens Munch Holst - Board member*

*Jens Lorens Poulsen - Board member*

## Key figures and selected financial posts

DKK 000'	Q4 2021	Q4 2020	2021	2020
Net sales	7,527	6,676	18,820	15,703
Operating profit (EBITDA)	2,434	1,143	-939	-3,937
Profit after financial items	1,891	691	-2,845	-7,788
Profit/loss for the period	1,478	158	-3,613	-5,952
Total assets	30,194	24,096	30,194	24,096
Operating margin	-32%	17%	-5%	-25%
ARPU	138	128	138	128
System ARR	14,625	12,767	14,625	12,767
Churn	3.2%	1.4%	3.2%	1.4%
Cash flow from operating activities	-228	-1,169	-6,112	-7,373
Cash flow from investing activities	-939	-559	-2,900	-2,157
Cash flow from financing activities	3,317	2,349	12,222	9,326
Cash flow net	2,150	621	3,210	-205
Equity ratio	16%	-%	16%	-%
Number of registered shares*)	11,082,047	9,101,380	11,082,047	9,101,380
Earnings per share	0.13	0.02	-0.33	-0.66
Number of employees	24	25	24	26

\*) Earnings per share is not adjusted for change in number of registered shares

### Highlights during the period 1 October – 31 December 2021

- On 6 October, the Company announced that Q3 revenue is up by 19% and System ARR is up by 24%.
- On 22 October, the Company announces that LandRisk Logistics was fully operational.
- On 2 December, the Company announces that it had signed an agreement with NAVTOR AS to incorporate security risk data into NAVTOR products.
- On 7 December, Carlsquare initiates research on Risk Intelligence.
- On 9 December, the Company announced the agreement with ZEABORN Ship Management for the entire managed ZEABORN fleet.

### Highlights after the period

- On 12 January 2022, the Company announced that it delivers growth in 2021 by 20% in line with guidance.

## CEO Hans Tino Hansen

The most important outcome of 2021 for Risk Intelligence was the delivery of 20% growth from our maritime business, a growth rate we have managed to keep as an average since the launch of the Risk Intelligence System with MaRisk in 2008. With the addition of new clients from the land-based business - several already in the final decision phases as the year drew to a close - I have full confidence that our growth rate will rise well beyond 20% in the coming years.



We expected to close several LandRisk clients in Q4, thus increasing our growth further in an already positive year. However, we were faced with the unpredictable consequences still looming from the pandemic; several of our prospects' management teams were severely affected by the omicron spike, and decisions had to be postponed. This impacted our expected turnover and consequently the expected EBITDA, which ended a bit more negative than expected but improved almost 3M DKK compared to 2020. However, the turnover reached the lower end of our otherwise upwards revised forecast with 20% growth at 18.8M DKK.

Looking back at 2021, we have signed 12 new maritime clients for the Risk Intelligence System and succeeded in increasing license sizes for a range of existing clients which led to the healthy growth in the maritime business. With a churn of 3.2 % for the year - slightly higher than previous years - we remain at the low end compared to our peers, and while a churn of zero percent is a dream scenario for any subscription-based business it is unrealistic, given the restructuring, mergers, change of commercial focus etc. taking place with our clients in these years.

In the land-based business, we undertook a development project with the delivery of a new product, LandRisk Logistics, that was declared fully operational in October. At the same time, our marketing and lead generation team increased the quarter-on-quarter generation of marketing qualified leads by 89%, and the number of qualified free trial requests with 380% from Q3 to Q4. This achievement provided a growth burst across all System pipelines; for LandRisk Logistics, as well as the maritime products, MaRisk and PortRisk. Finally, as published in December 2021, we entered a partnership agreement with NAVTOR, a leading company within maritime navigation systems.

Looking into 2022, we are strongly positioned to maintain our growth in the maritime business with the enhancements to our commercial setup, which will strengthen our acquisition of new clients, increases to existing licenses, as well as increased revenue from partner sales. The new agreement with NAVTOR is expected to play an important role in the latter.

The investments we made in the second half of 2021 to increase the sales pipeline will continue during 2022. Leads generated in Q4 are expected to result in new contracts in both business areas during Q1 and Q2, and to further capitalize on the growing pipeline, we are expanding our sales team with two new sales executives: one in Singapore and one in Europe in the first half of the year. LandRisk Logistics sales from the existing pipeline will initially be covered by the existing resources, and it is currently expected that 3-4 agreements will be closed during Q1 and Q2 2022. At the same time, the management team and the Board of Directors is working on the strategy for 2025, which will be finalised and presented during first half of 2022.

With our track record of 20% growth from our maritime business, and the combination of continued growth in the maritime business as well as new growth in the land-based business, I foresee a higher total growth rate in 2022 than we saw in 2021 based on the current expectations for the global economy.

*Hans Tino Hansen*

*CEO*

*Risk Intelligence A/S*

## About Risk Intelligence



Risk Intelligence was founded in 2001 by Hans Tino Hansen. The Company has evolved into becoming a leading company within security risk intelligence by delivering threat and risk assessments globally primarily as Intelligence as a Service. Risk Intelligence assists its clients and partners through offices north of Copenhagen and in Singapore as well as staff in Europe, Asia and North America. The business has been designed with scalability in mind and the Company is globally regarded as experts in its field of business. Risk Intelligence provides the Risk Intelligence System (MaRisk + PortRisk + LandRisk) that allows clients to monitor global security risks to enable businesses to plan and implement missions in risk areas. The data is collected from direct local sources, on-site-analysts and from a major international intelligence network.

Risk Intelligence has undergone the following phases:

2001 - 2007: Establishment as a security threat consultancy primarily to government clients and signing of the first commercial maritime clients in 2004 and 2005.

2008 - 2013: Operations were scaled up in 2008 upon launch of the digital platform with the MaRisk product, which was customised to maritime operations.

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

2017: Development of Growth Plan for 2020. Initial internal development of the Company's third module LandRisk has begun, which has been requested by the existing customer base. With LandRisk, the Risk Intelligence System will link a whole industry chain of identification and selection of risks and threats, both on land and at sea. With LandRisk, Risk Intelligence's addressable market will increase more than tenfold.

2018: Launch of Growth Plan for 2020 as well as IPO and listing on Spotlight Stock Exchange. New office in Hellerup north of Copenhagen and hiring of a range of key staff members. End year Risk Intelligence completed the Beta test version phase of LandRisk together with the current pilot project clients.

2019: LandRisk was launched at an event in Düsseldorf, Germany on 1 October. In May Risk Intelligence launched an ambitious data and artificial intelligence (AI) project over the next three years, which will substantially and fundamentally improve the use of data in Risk Intelligence and accelerate pace of operations and reduce production costs. In August Risk Intelligence launched Risk Intelligence Singapore Pte Ltd and the office in Singapore, which serves as a hub for client relations and sales in Asia as well as an analytical centre.

2020: Successfully completes the first and second phase of its data and AI strategy, effectively enabling AI and Machine Learning. In March Risk Intelligence launched webinars to increase client relations and online content delivery in response to the COVID-19 situation and continued during the year to improve digital communication. In January the first client signed up for LandRisk and in December Sony Europe signed up for LandRisk as the first major global client.

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



The Intelligence Cycle (main process used by Risk Intelligence)



## Risk Intelligence Business Model



### The Risk Intelligence System

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

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

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

**LandRisk** was launched October 2019 and covers landside security incidents and alerts, threat analysis of cities, hot spots, regions, and countries for landside transportation. By adding LandRisk to the existing Risk Intelligence System, clients have access to a complete, integrated end-to-end supply

chain security intelligence solution that provides a single point of access for all relevant transport-related security risk intelligence. LandRisk Logistics is a 360-degree solution for logistics security and includes the Lane Threat Assessment Tool, enabling comparable security threat overviews of user-built transport lanes and alternative routes. Users can set up automated incident alerts and access dashboards of selected lanes and parking areas.

### License fee

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

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

The Risk Intelligence System is fully scalable and is based on 12-month licenses with pre-paid subscriptions and automatic renewal. An annual 3% price increase is part of all license agreements. The Risk Intelligence System licenses constitute 78% of total revenue (2021), and the System has a renewal rate of 96-100% (Churn 0-4%). A core of five companies have subscribed since they became founding clients of MaRisk in early 2008.

### Intelligence reports

Risk Intelligence also offers weekly and monthly intelligence reports by subscription. These products are also fully scalable, and subscription fees range between 30,000 and 120,000 DKK depending on the type of report and subscription period. Intelligence reports constituted 6% of total revenue in 2021.

### Recurring revenue

The total Risk Intelligence recurring revenue constituted 85% in 2021. The renewal rate in 2021 was 96.8% with a churn of 3.2%. The long-term goal of the strategy presented at the IPO in 2018 is to reach 90% turnover of recurring revenue.

### Advisory Services

Finally, Risk Intelligence offers advisory services in the form of bespoke or semi-bespoke threat and risk assessment to its clients. Advisory Services constituted 22% of total revenue in 2021.

### 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 short 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

Digital 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

Digital marketing including webinars

Automated sales nurturing

Industry conferences and exhibitions

Referrals

User ambassadors

Partners

Direct sales by sales, account or product managers (solution sales or transactional sales)

## Clients

Risk Intelligence has had a handful of maritime clients for more than 15 years, who have also subscribed to the Risk Intelligence System since the launch of MaRisk in 2008. Since then, several others have followed and very few have moved on. The System churn is very low (0-3%). The past two-three years have added a significant number of new clients to the Risk Intelligence System, and the average lifetime of each existing maritime client in 2021 was 7.1 years, much due to the loyalty and high renewal rate of the clients.

## Maritime

Shipowners

Ship managers

Shipowners' organisations

Offshore companies

Oil and gas companies

Trading companies

Maritime and sub-sea construction companies

Marine insurers

War Risk insurers

## Landside

Logistical companies

Freight forwarders

Industrial companies e.g.

Consumer electronics

Pharmaceutical companies

Tobacco companies

Defence industry

Producers of other various high value goods

Insurance companies

## Government

Flag states

Ministries of Defence, Defence commands and Joint commands

Navies

Intelligence services

Security and law enforcement

## Risk Intelligence System SaaS metrics

The total annualised recurring revenue (ARR) in 2021 increased by DKK 2,072 thousand (15%) to DKK 15,968 thousand (2020 DKK 13,895 thousand). The renewal ratio ended at 96.1% (Churn 3.9%) for the quarter and 96.8% (churn 3.2%) for 2021. The average revenue per customer (ARPU) was DKK 138 thousand.

### Risk Intelligence System SaaS metrics 2018-2021

DKK '000	2021	2020	2019	2018
System ARR	14,625	12,767	10,218	8,839
ARR Net increase	1,858	1,620	1,283	1,293
ARR growth	15%	25%	14%	15%
Total ARR	15,968	13,895	11,147	9,864
ARR Net increase	2,072	2,749	1,282	1,744
ARR Growth	15%	25%	13%	21%
ARPU	138	128	113	115
Renewal Ratio (annualised)	96.8%	98.6%	99.3%	99%
Churn (annualised)	3.2%	1.4%	0.7%	1%

### Risk Intelligence System SaaS metrics 2021 (Maritime vs Land-based)

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

\* Estimated

\*\* 7.1 years average age in 2021

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

## SaaS Metric methodology

The business model is to deliver intelligence (information and data that has been collected, verified, analysed, and assessed, and thereby turned into intelligence) and not software, and as such the company is not a Software-as-a-Service (SaaS) company, but an Intelligence as a Service company. However, the core of its business is based on subscription licenses and recurring revenue is like a SaaS company, which makes the use of SaaS metrics relevant for comparison.

One of the key metrics for SaaS companies is the Annual Recurring Revenue as it expresses the recurring value of the company's subscriptions (Revenue). Annual Recurring Revenue (ARR) is one of the key figures and value drivers when looking at the performance of a Software as a Service (SaaS) company, because it is the foundation for evaluating the potential recurring revenue a SaaS company can generate over time.

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

## Outlook 2022

### Financial outlook

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

### Guidance 2022:

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

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

## Capital Resources

The Company's cash position end 2021 was DKK 3,832 thousand and should always be seen together with Accounts Receivable, end 2021 DKK 5,175. 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 2021 was 9,007 DKK thousand.

In order to ensure adequate capital resources, the management did in February 2021 secure a cash capital increase amounting to DKK 10.5 million, which reflected a total value of the Company of DKK 75 million. Furthermore, the employees of Risk Intelligence exercised warrants during July 2021 resulting in a cash capital increase of DKK 1.5 million. Based on the current budget, management will ensure a capital structure sufficient to support operations and planned investments during 2022.



## The Share

### Shareholders

The table below presents shareholders with over 5 % of the votes and capital in Risk Intelligence as per 31 December 2021.

Name	Number of shares	Percentage of capital %	Percentage of voting right %
Sandbjerg Holding ApS*	3,000,000	27.07	36.68
Others	8,082,047	72.93	63.32
<b>Total</b>	<b>11,082,047</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	Chairmann	76,348
Jens Lorens Poulsen	Member	214,980
Stig Streit Jensen	Member	87,660
Jens Munch Holst	Member	0
Hans Tino Hansen	Member (incl. Sandbjerg Holding ApS)	3,102,200

Holding of shares as per 31 December 2021

### Senior Management

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

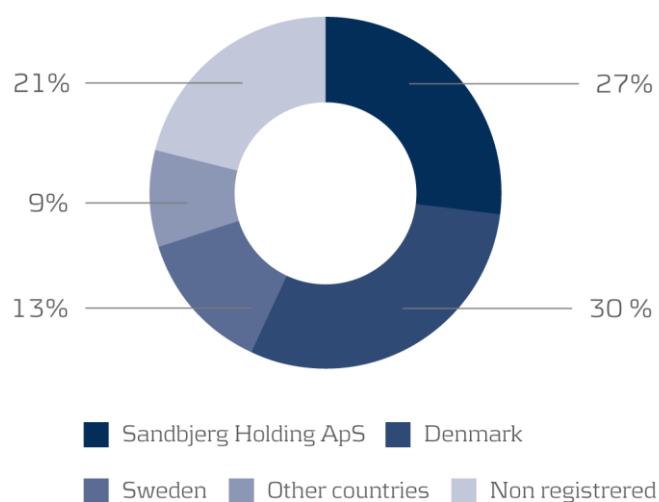
Holding of shares as per 31 December 2021

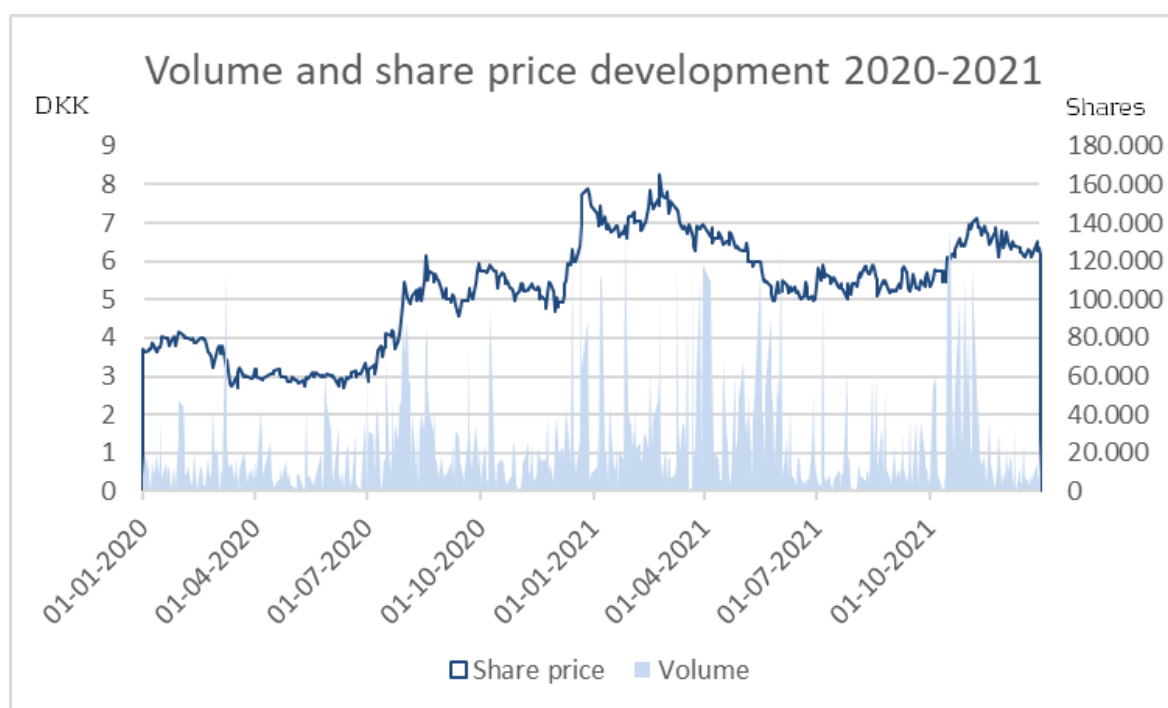
The shares of Risk Intelligence A/S were listed on Spotlight Stock Market 17 August 2018. The short name/ticker is RISK and the ISIN code is DK0061031978. As per 31 December 2021, the number of shares was 11,082,047. Each share represents DKK 0.10 equalling a share capital of DKK 1,108,205. Every stock share equals the same rights to the Company's assets and results. The Risk Intelligence share is held in 15 different countries throughout Europe, the Middle East, and Southeast Asia.

The Company had approximately 2,361 shareholders, where 969 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 382 shareholders), Swedish Nordnet (2.37% and 969 shareholders) and other Swedish and international banks. Finally, several shares are not registered. The majority of these are held by Swedish investors.

The share has a free float of 73% taking the major shareholder into consideration, Sandbjerg Holding ApS exceeding 5% ownership.

### Shareholder structure 2021





Source: Data from Spotlight Stock Exchange

#### Share price (DKK)

	2021	2020
1 October	5.32	5.75
31 December	6.14	7.45
High Q4	6.90	7.90
Low Q4	5.32	4.78
High FY	8.25	7.90
Low FY	5.00	2.72

#### Liquidity

In Q4 2021 we saw an increase in traded volume of 21% compared to Q4 2020 (1,779,985 shares compared to 1,467,563 shares in Q4 2020). The turnover in Q4 2021 increased by 35% compared to Q4 2020 (DKK 8,379,347 in Q4 2020 compared to DKK 11,318,864 in Q4 2021).

For the full year 2021 the volume in traded Risk Intelligence shares increased by 40% and in turnover we saw an almost doubling compared to FY 2020 (increase of 95%).

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

## Liquidity in the share

Period		Volume	Turnover	Average per day	VWAP	Closing share price
Q1	2019	639,178	2,109,159	10,145	3.30	3.40
Q2		705,202	2,666,542	12,372	3.79	4.00
Q3		576,325	2,072,451	8,732	3.60	3.34
Q4		866,761	300,763	13,989	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>			

Source: Data from Spotlight Stock Exchange

## Warrants

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

This warrants programme, which is directly connected to the growth strategy, is seen by the Board of Directors as a major incentive for all employees as well as for retention and not least top-level recruitment towards 2026. The allocation of warrants will be associated directly with the results of the long-term strategy and allocation will happen once per year provided milestones have been met. There will be no execution the first two years from this programme and the exercise period will start in 2023 with 2021 and 2022 allocations and 2024 with the 2023 allocation and so forth. The programme includes a reserve for new employees as part of the growth strategy. The share price will be paid to Risk Intelligence and if fully issued and vested the programme will lead to a substantial cash impact of at least DKK 6,000,000 based on current share price. As per above the share price for each year's allotment will be based on the above model and if the growth targets are met then the share price is assumed to increase as well over time.

The Board of Directors have on a board meeting on 23 February 2022 decided to grant 272.564 warrants for the year 2021 to employees under above programme.

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

## **Financial Calendar**

23 February 2022

22 April 2022

18 May 2022

17 August 2022

16 November 2022

22 February 2023

Q4 and 2021 Year-end Report

Annual General Meeting

Q1 2022 Interim Report

Q2 2022 Interim Report

Q3 2022 Interim Report

Q4 and 2022 Year-end Report

**Operational risks and uncertainties**

The risks and uncertainties that Risk Intelligence operations are exposed to are summary related to factors such as development, competition, technology development, capital requirements, currencies and interest rates. During the current period, no significant changes in risk factors or uncertainties have occurred. For more detailed description of risks and uncertainties, refer to the memorandum published in June 2018. The documents are available on the Risk Intelligence website ([www.Riskintelligence.eu](http://www.Riskintelligence.eu)).

**Principles for Interim Report**

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

**Auditor's review**

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

**For further information, please contact**

CEO Hans Tino Hansen

CFO Jens Krøis

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Cell Phone: (+45) 70 26 62 30

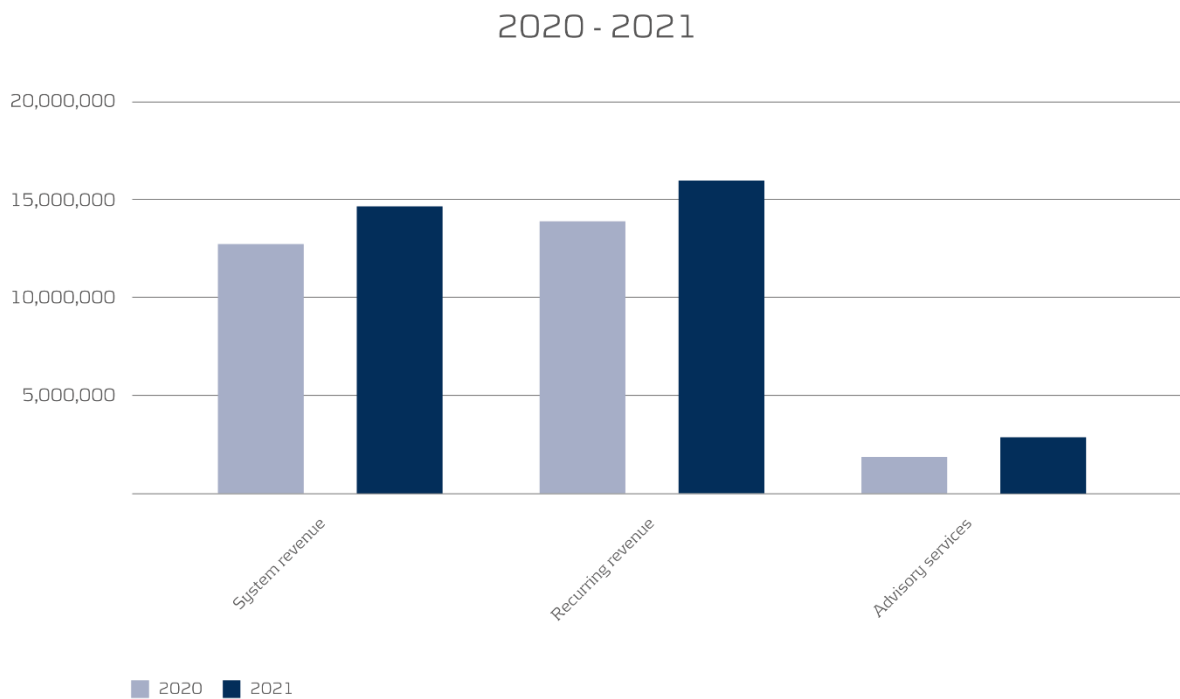
Website: [investor.riskintelligence.eu](http://investor.riskintelligence.eu)

## Financial Review

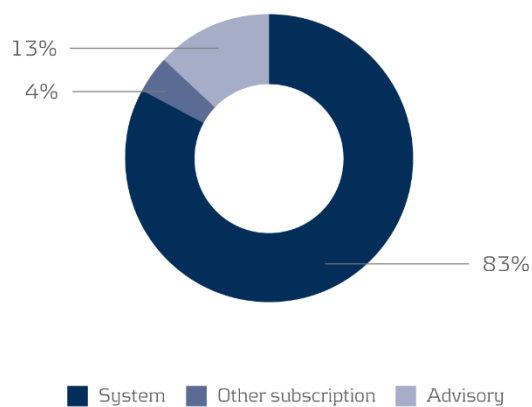
### Income Statement

Total revenue increased by 13% in Q4 2021 to DKK 7,527 thousand compared to Q4 2020 (DKK 6,676 thousand). Total recurring revenue in Q4 2021 increased by 21% to DKK thousand compared to Q4 2020 (DKK 5,784 thousand).

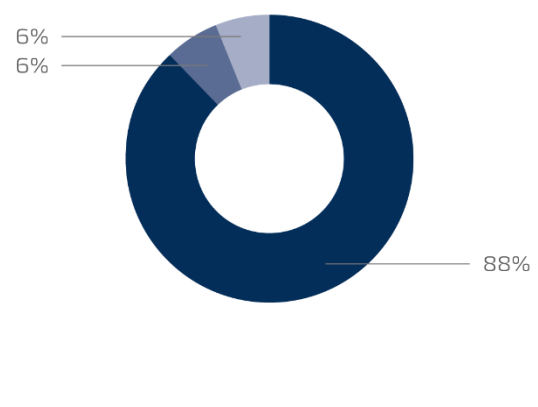
In FY 2021 total revenue increased by 20% to DKK 18,820 thousand compared to 2020 (DKK 15,703 thousand). The total recurring revenue in 2021 ended at DKK 15,968 thousand corresponding an increase of 15% compared to 2020 (2020: DKK 13,895 thousand).



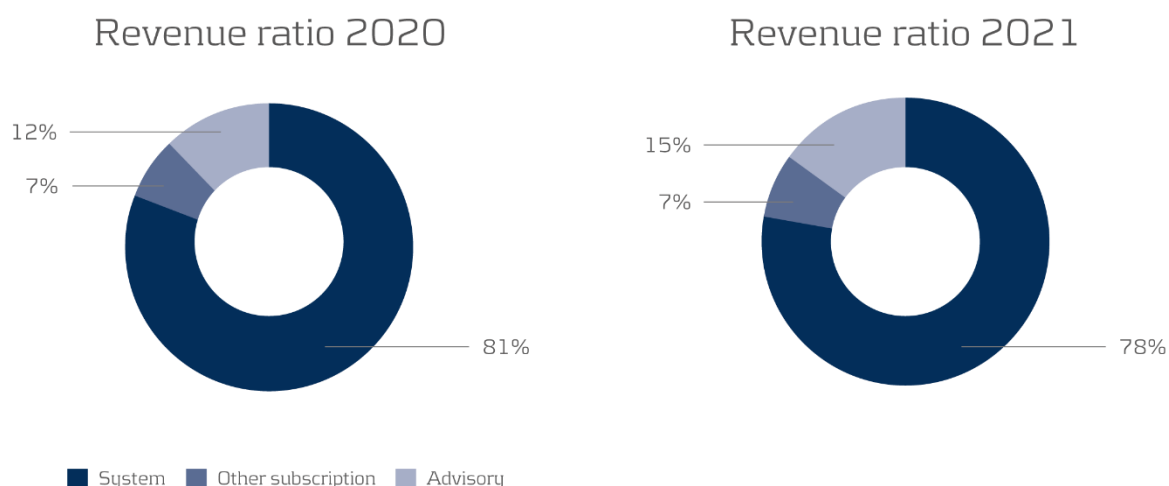
Revenue ratio Q4 2020



Revenue ratio Q4 2021







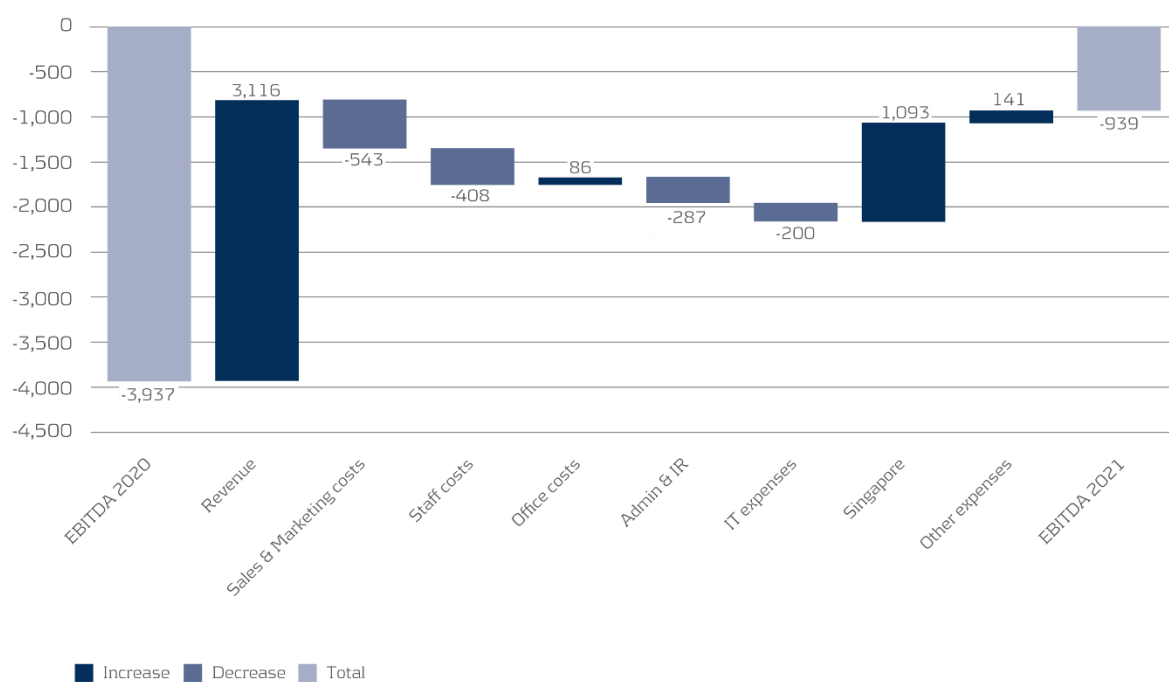
The gross profit increased in Q4 2021 by 34% to DKK 5,873 thousand (Q4 2020: DKK 4,369 thousand), corresponding to an increased gross margin to 78% (2020: 65%). For FY 2021 the gross profit increased by 37% to DKK 12,588 thousand (2020: 9,181 thousand). The gross margin ended at 67% compared to 58% for 2020.

Other Operating Expenses decreased in Q4 2021 by 28% to DKK 1,653 thousand (Q4 2020: 2,308). Staff costs amounted to DKK 3,439 thousand (Q4 2020: DKK 3,227 thousand) which is an increase by 7%. As for FY 2021 in total Other Operating Expenses decreased by 4% to DKK 6,232 (2020 6,522 thousand). Staff costs in 2021 increased by 3% to DKK 13,526 (2020: DKK 13,118 thousand). Total costs in Q4 decreased by 8% to DKK 5,093 thousand (Q4 2020: 5,534) and for FY 2021 total costs increased by 1% to DKK 19,758 thousand (2020: 19,641).

EBITDA increased in Q4 2021 by 113% to DKK 2,434 thousand (Q4 2020: DKK 1,143 thousand). As for FY 2021 EBITDA increased by 76% to DKK -939 thousand (2020: DKK -3,937). The EBITDA ratio in 2021 increased to -5% (2020: -25%).

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

## EBITDA development 2020 - 2021



EBITDA 2020

-3,937

Revenue 3,116

Sales &amp; Marketing costs -543

Staff costs -408

Office costs 86

Admin &amp; IR -287

IT expenses -200

Singapore 1,093

Other expenses 141

EBITDA 2021

-939

## Balance Sheet

### Equity

Equity at the end of 2021 increased to DKK 4,886 thousand compared to end 2020 (DKK -2,465 thousand) due to the capital increase in Q1 2021, the warrants exercise in August deducted the result in 2021. The equity ratio was 16% end 2021 to compare to a negative ratio end of 2020.

### 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 2,839 thousand is payable within 12 months and is subsequently presented under "Short-term liabilities".

Compared to end 2020 the long-term debt has decreased by DKK 2,625 thousand and total debt has decreased by DKK 1,698 at the end of 2021.

The balance sheet in total was DKK 30,194 thousand at the end of 2021 which is an increase of DKK 6,098 thousand compared to end 2020 (DKK 24,096 thousand). The increase is a result of decreased total debt and a higher increase in equity (capital increase).

## Cash Flows

Cash flows from operating activities (CFFO) was in Q4 2021 DKK -228 thousand. An increase of DKK 941 thousand compared to Q4 2020 (DKK -1,169 thousand). CFFO was impacted in Q4 2021 by change in working capital compared to Q4 2020. As for the FY 2021 CFFO ended at DKK -6,112 thousand (end 2020: DKK -7,373 thousand) an increase of 17%.

Investments in Q4 2021 amounted to DKK -939 thousand which is DKK 380 thousand more than Q4 2020 (DKK -559 thousand). The main part is related to development of the Lane Threat Assessment Tool (LTAT) layer for LandRisk.

Cashflow from financing (CFFF) amounted in Q4 2021 to DKK 3,317 thousand due to increase in external loans (Q4 2020: DKK 2,349 thousand). FY 2021 CFFF was DKK 12,222 thousand positive due to the capital increase in Q1 and the warrant exercise program in Q3 (2020: DKK 9,326 thousand)

## Income Statement 1 January – 31 December

DKK '000	Q4 2021	Q4 2020	FY 2021	FY 2020
<b>Net sales</b>	<b>7,527</b>	<b>6,676</b>	<b>18,820</b>	<b>15,703</b>
Other operating expenses	-1,653	-2,308	-6,232	-6,522
<b>Gross profit</b>	<b>5,873</b>	<b>4,369</b>	<b>12,588</b>	<b>9,181</b>
Staff costs	-3,439	-3,227	-13,526	-13,118
<b>Earnings before depreciation and amortization (EBITDA)</b>	<b>2,434</b>	<b>1,143</b>	<b>-939</b>	<b>-3,937</b>
Depreciation / amortization of tangible and intangible fixed assets	-543	-452	-1,906	-1,801
Other operating expenses	0	0	0	0
<b>Profit/loss before financial items</b>	<b>1,891</b>	<b>691</b>	<b>-2,845</b>	<b>-5,738</b>
Financial costs	-594	-666	-1,920	-2,050
<b>Profit/loss before taxes</b>	<b>1,297</b>	<b>25</b>	<b>-4,765</b>	<b>-7,788</b>
Tax on profit for the year	182	133	1,151	1,826
<b>Net profit</b>	<b>1,478</b>	<b>158</b>	<b>-3,613</b>	<b>-5,962</b>
Proposed distribution of profit				
Transfer of profits for development projects	591	392	1,076	1,040
<b>Retained earnings</b>	<b>887</b>	<b>-234</b>	<b>-4,689</b>	<b>-7,002</b>

## Balance Sheet 31 December

DKK 000'	31-12-2021	31-12-2020
<b>Assets</b>		
Intangible assets		
Completed development projects	4,966	6,103
Ongoing development projects	6,656	4,503
<b>Total intangible fixed assets</b>	<b>11,622</b>	<b>10,605</b>
Tangible fixed assets		
Other facilities, fixtures and accessories	1,470	1,504
<b>Total tangible assets</b>	<b>1,470</b>	<b>1,504</b>
Financial assets		
Investments in subsidiaries	0	0
Other long-term receivables	400	389
<b>Financial assets</b>	<b>400</b>	<b>389</b>
<b>Total fixed assets</b>	<b>13,492</b>	<b>12,498</b>
Receivables		
Accounts Receivables	5,175	4,527
Other receivables	104	0
Tax	2,274	1,800
Deferred tax	4,426	3,652
Accruals	890	997
<b>Total Receivables</b>	<b>12,870</b>	<b>10,976</b>
Assets		
Cash at bank and in hand	3,832	622
<b>Current assets total</b>	<b>16,702</b>	<b>11,598</b>
<b>Assets total</b>	<b>30,194</b>	<b>24,096</b>

## Balance Sheet 31 December

DKK 000'	31-12-2021	31-12-2020
<b>Liabilities and equity</b>		
Equity		
Share capital	1,108	910
Reserve for development costs	8,837	7,760
Retained earnings	-5,059	-11,135
<b>Total equity</b>	<b>4,886</b>	<b>-2,465</b>
Long-term liabilities		
Other credit institutions	3,474	4,819
Shareholders and Management*)	5,067	6,347
<b>Long-term liabilities</b>	<b>8,541</b>	<b>11,166</b>
Current liabilities		
Short-term part of long-term debt	2,839	1,600
Trade payables	968	1,161
Payables to subsidiaries	187	494
Lease obligations	618	710
Shareholders and Management*)	6,018	3,896
Other payables	2,467	3,702
Credit institutions	3,019	2,753
Deferred income	650	1,079
<b>Short-term liabilities</b>	<b>16,766</b>	<b>15,395</b>
<b>Debt total</b>	<b>25,308</b>	<b>26,561</b>
<b>Liabilities and equity total</b>	<b>30,194</b>	<b>24,096</b>

\*) Only shareholders

## Cash Flow statement 1 January - 31 December

DKK 000'	Q4 2021	Q4 2020	FY 2021	FY 2020
<b>Profit/loss for the period</b>	1,478	158	-3,613	-5,962
Adjustments	955	1044	2,675	2,025
Change in working capital	-2,067	-1,645	-3,253	-1,386
<b>Cash flows from ordinary activities</b>	<b>366</b>	<b>-444</b>	<b>-4,192</b>	<b>-5,323</b>
Financial expenses	-594	-725	-1,920	-2,050
<b>Cash flows from ordinary activities</b>	<b>-228</b>	<b>-1,169</b>	<b>-6,112</b>	<b>-7,373</b>
Corporation tax paid (-)/received	0		0	0
<b>Cash flows from operating activities</b>	<b>-228</b>	<b>-1,169</b>	<b>-6,112</b>	<b>-7,373</b>
Purchases of intangible assets	-537	-748	-2,508	-2,387
Purchases of property, plant and equipment	-391	200	-381	226
Deposits	-11	-11	-11	4
Fixed asset investments made etc.	0	0	0	0
<b>Cash flow from investing activities</b>	<b>-939</b>	<b>-559</b>	<b>-2,900</b>	<b>-2,157</b>
Change in lease obligations	186	-231	-92	-376
Loans	3,158	1,541	1,004	7,872
Cash capital increase	0	-24	11,310	1,829
Other financing	-28	1,063	0	0
<b>Cash flow from financing activities</b>	<b>3,317</b>	<b>2,349</b>	<b>12,222</b>	<b>9,326</b>
<b>Change in cash and cash equivalents</b>	<b>2,150</b>	<b>621</b>	<b>3,210</b>	<b>-205</b>
Cash and cash equivalents beginning	1,681	1	622	827
<b>Cash and cash equivalents</b>	<b>3,832</b>	<b>622</b>	<b>3,832</b>	<b>622</b>

## Equity

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

1 January 2021 – 31 December 2021	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
<i>DKK '000</i>					
Equity 1 January	910	0	7,760	-11,135	-2,465
Net effect adjustment equity beginning	0	0	0	-346	-346
Adjusted equity 1 January	910	0	7,760	-11,481	-2,811
Cash capital increase	198	11,112	0	0	11,310
Profit for the period	0	0	1,076	-4,689	-3,613
Transferred from share premium	0	-11,112	0	11,112	0
<b>Equity 31 December</b>	<b>1,108</b>	<b>0</b>	<b>8,837</b>	<b>-5,059</b>	<b>4,886</b>



## Key definitions and explanations

### Income statement

#### Revenue

Income from the sale of licenses is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received. The Company's revenue from licenses is assessed to be a "right to use" of the Company's intellectual property, e.g. download of historic data. Accordingly, revenue from licenses is recognized at the point of time for that license.

#### Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc. (according to the rules set out in the Danish Financial Statements Act.)

Other external costs also comprise research and development costs that do not qualify for capitalisation.

#### Gross profit

Revenue deducted by Other External Costs

Explanation: Given Risk Intelligence is a company that delivers intelligence analysis (and not software) the "production" includes analytic man hours why this is part of the Gross Profit. Furthermore, as the Company is a Danish company, it is following the rules and tables set out in the Danish Financial Statements Act. According to this all costs for providing the product including admin, rent etc. has be included in the Gross Profit.

#### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of any refunds made by public authorities.

#### Operating profit (EBITDA)

Earnings Before Interest, Taxes, depreciation and Amortisation.

### Balance sheet

#### Liabilities

##### Long-term liabilities

Explanation: Consists of two loans to "Vækstfonden" and one to private lenders. All loans are fully paid back according to pay-back schedule summer 2026.

#### Shareholders and Management

Consist of debt to shareholders

Explanation: "Shareholders and Management" is a term that Danish Financial Statements Act sets out for the Company to use, covering both Management and Shareholders. Risk Intelligence has three long-term loans and two are with Vækstfonden and one with private lenders, where some are shareholders as well.

## Key figures

Operating margin	$\frac{\text{Operating Profit (EBITDA)} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity}}{\text{Total assets}}$
EPS (Earnings Per Share)	$\frac{\text{Profit/loss for the period}}{\text{Number of registered shares}}$
ARR (Annual Recurring Revenue)	Annualised annual recurring revenue

Explanation: In general, ARR expresses the revenue from subscriptions the SaaS company can generate in a 12-month period from its portfolio of current client agreements. ARR is important because it expresses the recurring value of the company's subscriptions, and as long as these subscriptions are not churned, they will continue to generate revenue year after year.

ARR will in general increase when the SaaS company's subscriptions with existing clients are uplifted and when the company sells new subscriptions. Similarly, ARR will decrease when subscriptions are churned, i.e., not prolonged. Hence, as long as the total value-increase from existing subscriptions and new agreements exceed the value of the agreements churned, ARR will increase and the revenue generated year after year will increase. As long as the SaaS company can continue to increase its ARR there is – in theory – no limit for the accumulated future revenue. That said, all agreements are expected to churn at some point of time, but as long as the value increase exceeds the value of churned agreements total ARR will increase.

An increase in Annual Recurring Revenue (ARR) from year 1 to year 2 can be summarised as follows:

- + Annual Recurring Revenue (ARR) end of year 1 (value of all existing client agreements)
- + increase in subscriptions and transactions from existing clients
- churn of existing clients
- + agreements with new clients

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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.

<b>ARPU (Annual Revenue Per Unit)</b>	Annual Recurring Revenue calculated on average per client.
<b>LTV (Life-Time Value)</b>	The total value of a subscription based on ARPU, average number of years and any fixed price increases.
<b>Churn</b>	Loss of subscriber revenue in % of total.
<b>CAC</b>	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).
<b>Recover CAC</b>	The number of years to recover the client acquisitions costs - $ARPU/CAC$
<b>LTV/CAC</b>	Revenue DKK per client for every DKK spent to acquire the client.
<b>TAM</b>	Total Addressable Market - is the estimated total addressable market.

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