2023
Annual Report

for the period 1 January to 31 December 2023

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

RiskIntelligence

Annual Report 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.

Adopted at the annual general meeting on

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chairman

Statement by management on the annual report

The Executive Management and Board of Directors have today discussed and approved the annual report of Risk Intelligence A/S for the financial year 1 January - 31 December 2023.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Hellerup, 6 June 2024

Executive Management

Hans Tino Hansen
CEO

Board of Directors

Jan Holm *Chairman of the Board*	*Stig Streit Jensen* *Member of the Board*	*Jens Lorens Poulsen* *Member of the Board*
Hans Tino Hansen *Member of the Board*	*Jens Otto Holst* *Member of the Board*	

Independent auditor’s report

To the shareholders of Risk Intelligence A/S

Qualified opinion

We have audited the financial statements of Risk Intelligence A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, except for the effect of the matter described in the ”Basis for qualified opinion” section, the financial statements give a true and fair view of the Entity’s financial position at 31.12.2023 and of the results of its operations and cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for qualified opinion

In our opinion, the recognised deferred tax asset, DKK 15.0 million, should be measured at DKK 0 because of the material uncertainty connected with the timing of a potential utilisation. Consequently, the equity and the results for the year have been overvalued by the same amount, net result would be reduced to a loss of DKK 26.5 million and the negative equity would amount to DKK 19.3 million. Further reference is made to the disclosures in note 2 to these financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor’s responsibilities for the audit of the financial statements" section of this auditor’s report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We refer to note 1 to the financial statements, which states that the Entity’s ability to continue as going concern is dependent on achieving the expected growth and assumptions related to cash flow.

Management has assumed that the budget will be achieved and that, with the additionally secured loan fundings, that the company is going concern. As stated in note 1, there is material uncertainty related to these assumptions that may cast significant doubt on the Entity’s ability to continue as a going concern.

Our opinion has not been modified with respect to this matter.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity’s ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to

- draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and

- events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

As is evident from the "Basis for qualified opinion" section, we have modified our opinion on the financial statements because of an overstatement of deferred tax assets. We have concluded that, for this reason, the management commentary is materially misstated as, in our opinion, the management commentary should have reflected this circumstance.

Copenhagen 6 June 2024

Deloitte

Statsautoriseret
Revisionspartnerselskab
CVR No. 33963556

Henrik Wolff Mikkelsen

State Authorised Public Accountant
Identification No (MNE) mne33747

Company details

The Company	Risk Intelligence A/S Strandvejen 100 2900 Hellerup	
	CVR no.:	27 47 56 71
	Reporting period:	1 January - 31 December 2023
	Incorporated:	11 December 2003
	Domicile:	Gentofte
Board of Directors	Jan Holm, Chairman Stig Streit Jensen Jens Lorens Poulsen Jens Otto Munch Holst Hans Tino Hansen	
Executive management	Hans Tino Hansen, CEO	
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København	

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2023 TDKK	2022*) TDKK	2021*) TDKK	2020 TDKK	2019 TDKK
Key figures					
Revenue	19,591	17,734	16,387	15,260	14,221
Gross profit	9,946	9,032	10,156	8,738	3,500
Profit/loss before amortisation/depreciation and impairment losses (EBITDA)	-7,231	-7,170	-3,371	-4,381	-10,177
Net financials	-4,547	-3,320	-1,920	-2,050	-867
Profit/loss for the year	-11,487	-10,333	-5,511	-6,308	-9,613
Total assets	35,621	31,962	32,779	24,195	19,827
Equity	-4,315	-13,268	-2,935	-2,811	1,668
Investment in property, plants and equipment	460	266	381	-230	627
Investment in development projects	5,012	1,249	2,508	2,387	5,992
SaaS Metrics					
Net sales (invoiced)	22,305	18,252			
Growth (invoiced net sales)	22%	N/A			
Gross margin (SaaS)*)	98.3%	97.5%			
Gross profit (SaaS)*)	22,635	17,791			
System ARR	19,488	15,334			
ARPU	154	151			
Churn	0.4%	2.4%			
NRR	127%	111%			
Financial ratios					
Solvency ratio	N/A	N/A	N/A	N/A	10.6%
Number of employees	27	26	24	25	22

*) The Company has changed its accounting principle in relation to revenue recognition in relation to license fees. Due to this change, revenue, total assets, and equity for 2021 have been restated as well as updated for 2022 compared to quarterly reports. According to the updated principle, revenue related to license income is recognized over time rather than at a point in time.

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

Key figures for 2019-2020 have not been restated

Management's review

Business activities

The main activity is security risk analysis and consulting services for international shipping, offshore, oil and gas companies and government clients. Risk Intelligence's main activity in 2023 continued to be the delivery intelligence-based security threat and risk assessments to companies and organisations within both maritime and landside transportation primarily through a web-based intelligence product, the Risk Intelligence System, consisting of three modules which are seamlessly integrated: MaRisk (maritime), PortRisk (ports) and LandRisk (landside logistics) that can be subscribed with one, or in any combination of two or three modules.

Recognition and measurement uncertainties

The company has a deferred tax asset as of 31 December 2023 amounting to DKKt 15,029 which primarily relates to tax loss carry forwards. As was the case last year, management has decided to recognise the total tax asset of DKK 15,029 as due to the budget for 2024 and the years ahead, the company expects to be able to utilise all tax loss carry forwards within a period of 5 years. To reach the required turnover based on invoiced figures and profits, the company will have to reach growth levels which are lower than what has been achieved in recent financial periods. Based on our main assumption of reaching our budget for 2024, which is substantiated by our Q1 figures, the company will need an annual average growth of 12% to reach the required growth levels to fully utilise the deferred tax asset. This growth rate is below the average annual growth in recent financial periods and well below the 30% growth target in the 2025 Strategy.

With five-year period budgets there is an inherent uncertainty associated with the assessment of future earnings and this uncertainty will naturally increase especially at the end of the period, and accordingly a related uncertainty with the valuation of the deferred tax asset. Management believes that the required growth levels can be met, and the deferred tax asset can be fully utilised.

Finally, it is important to underline that according to Danish tax legislation the tax deficit can be carried forward with no time limitation and beyond the technical five-year period defined by accounting principles.

The Danish tax authorities have declined the Company's request for payment under the Danish Tax Credit Scheme through "Ligningslovens § 8X. However, Management still considers the requirements for using the rule as met, but have decided not to appeal the Tax authorities' (Skattestyrelsen) decision as it is likely that the company will have profits from 2025 and start utilising the tax deficit. Consequently, the receivable of expected use of the rules in "Skattekreditordningen" of DKK 2,274 in 2023 has been transferred to the Deferred Tax asset therefore totalling DKK 15,029 by 31 December.

Development projects consist of completed development projects, that are amortised over their useful lives. Completed development projects are assessed for impairment whenever there is an indication that the development asset may be impaired. The amortisation period for completed development projects are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement as amortisation. The estimated values of intangible assets are based on Management estimates and assumptions and are by nature subject to uncertainty.

Unusual matters

The company's financial position at 31 December 2023 and the results of its operations for the financial year ended 31 December 2023 are not affected by any unusual matters.

Financial review

The Company's income statement for the year ended 31 December 2023 shows a loss of DKK 11,486,906 and the balance sheet on 31 December 2023 shows a negative equity of DKK 4,314,075.

Highlights

- Total recognised revenue up by 10%
- Total invoiced revenue up by 26%
- System recurring revenue (ARR) up by 27%
- Gross Margin 2023 (SaaS) 98.3% compared to Gross Margin (Reported) 52%
- Churn 2023 0.6%
- Net Retention Rate 127%
- Costs have increased by 8% in 2023.
- EBITDA 2023 increased by 1%
- Net profit in 2023 decreased by 11%
- 15 new maritime and 2 LandRisk clients signed during 2023

CEO Hans Tino Hansen

The year of 2023 saw the successful completion of two central milestones in the creation of a stable and sustainable platform for growth. On the financial side the funding strategy was successfully completed to remove all short-term loan debt derived from short term loans in the balance sheet. On the business side the new platform for the Risk Intelligence System was finalised and launched, which will be the basis for growth in the years to come.

The new platform has turned the Risk Intelligence System into a whole other product from an intelligence product to an operational maritime security product by integration of new features and third-party data such as AIS. With these options, the client and users can now automate a number of security processes from planning via monitoring to active risk management and avoidance.

From a business perspective it means that the license model has changed from the old simple model of users and number of vessels operated to a new model with three revenue streams. One is the original, which still forms the basis of the license. The next is selection of applicable features needed by the specific client and third is the selection of third-party data. Subsequently, nearly all clients will have additional features and data and therefore increased license fees.

The renewal process for 1 January 2024, or calendar-year licenses, during end-Q4 took place at the same time as the new platform was rolled out. Through excellent relations with clients, account managers and the commercial team managed to get all licenses renewed and many with a significant upsell. Some were only renewed with the price increase with decisions on additional features and data postponed to first part of 2024. All other clients will go through the same process no later than during their renewal, which means that upsell will take place throughout the year with a significant growth in ARR as a result.

The last quarter saw positive liquidity from operations as forecasted, but the late renewal process resulted in a relatively high figure for debtors (DKK 10.7M) at the end of the year, which meant that the reported cash-flow was negative.

The outlook for 2024 will be positive liquidity from operations for the full year, while some quarters may be around plus/minus zero. Translated into reported figures this will lead to a reported EBITDA around zero for 2024.

In relation to the deferred tax asset in the balance sheet, Management believes that the required growth levels, which are significantly lower than those outlined in the strategy and lower than achieved growth rates in recent financial periods, are achievable, and the deferred tax asset can be fully utilised. Needless to say, it has no impact on the company's business and ability to achieve the above-mentioned results in 2024 and onwards.

Capital Resources

The Company's cash position end 2023 was DKK 16 thousand and should always be seen together with Accounts Receivable, end 2023 DKK 9,987 (total invoiced receivables). 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 2023 was 10,003 DKK thousand. Based on the current budget, management will ensure a capital structure sufficient to support operations and planned investments throughout 2024 and into 2025.

The Company's cash policy is at any time to have enough cash combined with financing possibilities to run the company for a period of 12 months according to plans and initiatives decided upon. To achieve that, the Company is on an ongoing basis monitoring the cash flow and at any time will fund the Company further to reach the goals and fulfill the strategy. In 2024 the Company will ensure that the cash position will reflect the cash result throughout a 12-month period by either loan- or credit facilities or further funding, if needed.

The Company has negative equity as of 31 December and short-term liabilities are significantly higher than current assets. However, the share capital was increased during Q1 and Q4 2023 by conversion of debt (DKK 9,893,216 in total) and a cash capital increase (DKK 13,486,123 in total) gross.

The Company have secured a new long-term loan as per 31 December 2023 of approx. 6.7 million with board members and shareholders.

Further the Company has secured funding of long-term loans in 2024 of total DKK 4 million and an extended credit line in Danske Bank of total DKK 3 million until Q1 2025. In addition, shareholders have provided commitment for up to DKK 5m in loan financing if and when needed.

Management of Risk Intelligence A/S sees the Company as a going concern and that the capital resources are sufficient for the year 2024.

Research and development activities

Part of the development projects has been the ongoing development of the Risk Intelligence System with the platform and the modules MaRisk, PortRisk and LandRisk.

Risk Intelligence has during 2023 developed a new platform. A major part of development costs has been spent on this project.

The development costs consist of both external and internal development costs. The external development costs are related to development providers as well as external consultants working with the development projects. These have been working on e.g., design, development and testing as well as improvement of performance prior to launch. The internal time spent directly on the projects has been capitalised as development costs (DKK 1,130,762 in total)

Risks and opportunities

Importantly, security is still needed, and the threat and risks related to security do not decline because of Russia invading Ukraine as well as the conflict involving Hamas, Israel as well as Iran and the Houthis in Yemen. This results in a constant demand that places Risk Intelligence in an a-cyclical position in the market. The experience from global financial crisis in 2008/2009 and from the shipping crisis in 2015/2016 was that, due to Risk Intelligence's close relation with its clients, the result at the end of the year was unchanged or even with a growth compared to the previous year. It is difficult to assess if this will be the case for 2024, but developments during Q1 2024 substantiates increasing demand and growth in pipeline and sales.

Special risks apart from generally occurring risks in industry

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 October 2023. The documents are available on the investor website (investor.riskintelligence.eu).

Impact on external environment and measures of preventing, reducing or mitigating damage

The nature of the Company's business does not have any impact on external environment and measures of preventing, reducing, or mitigating damage.

Significant events occurring after end of reporting period

The current situation of the situation in Ukraine is still too complex and the implications on the World economy is still unknown and hence it is not possible to forecast the total impact on Risk Intelligence during 2024. Due to recurring revenue and framework agreements for 2024 as well as sales in forms a solid basis for the budget and subsequently also for continued growth compared to 2023.

The Company has in February and April 2024 secured new long-term loans of DKK 4 million in total and agreed with Danske Bank to temporary increase the credit line by DKK 1 million to 3 million until Q1 2025.

Board of Directors and Executive Management

Jan Holm – Chairman of the Board
Company engagement

Alexandra Road Ventures Pte. Ltd.	Director
Oceanway Holdings Pte. Ltd.	Director
Risk Intelligence Singapore Pte. Ltd.	Director
Rov-Tech Pte. Ltd.	Director
Seaborg Singapore Pte. Ltd.	Director
Sirius Venture Pte. Ltd.	Director
Centre for Strategic Energy and Resources Limited	Director
Sembcorp Marine Ltd.	Director

Jens Otto Holst – Member of the Board
Company engagement

Akademiker Pension, CEO
Livdata P/S, Chairman of the Board
Liv Administration P/S, Chairman of the Board
Akademikerne Ejedomme P/S, Chairmann og the board
PMP Ejendomme II P/S, Chairman of the Board
MP Investment Management A/S, Chairman of the Board
OPP NAU P/S member of the board
UNIP Ejendomme P/S member of the board
UNIP PE K/S member of the board
UNIP PE II K/S member of the board
UNIP INFRA K/S member of the board
UNIP RE K/S member of the board

Stig Streit Jensen - Member of the Board
Company engagement

Streit, CEO
T.O. Holding A/S, Chairman of the Board

Jens Lorens Poulsen - Member of the Board
Company engagement

MarTrust Corporation Limited, Member of the board
Marcura Equities Ltd, Member of the board
DA-Desk FZE, Member of the board
ShipServ Ltd, Member of the board

Hans Tino Hansen- CEO/Member of the Board
Company engagement

Sandbjerg Holding ApS, Managing Director

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.

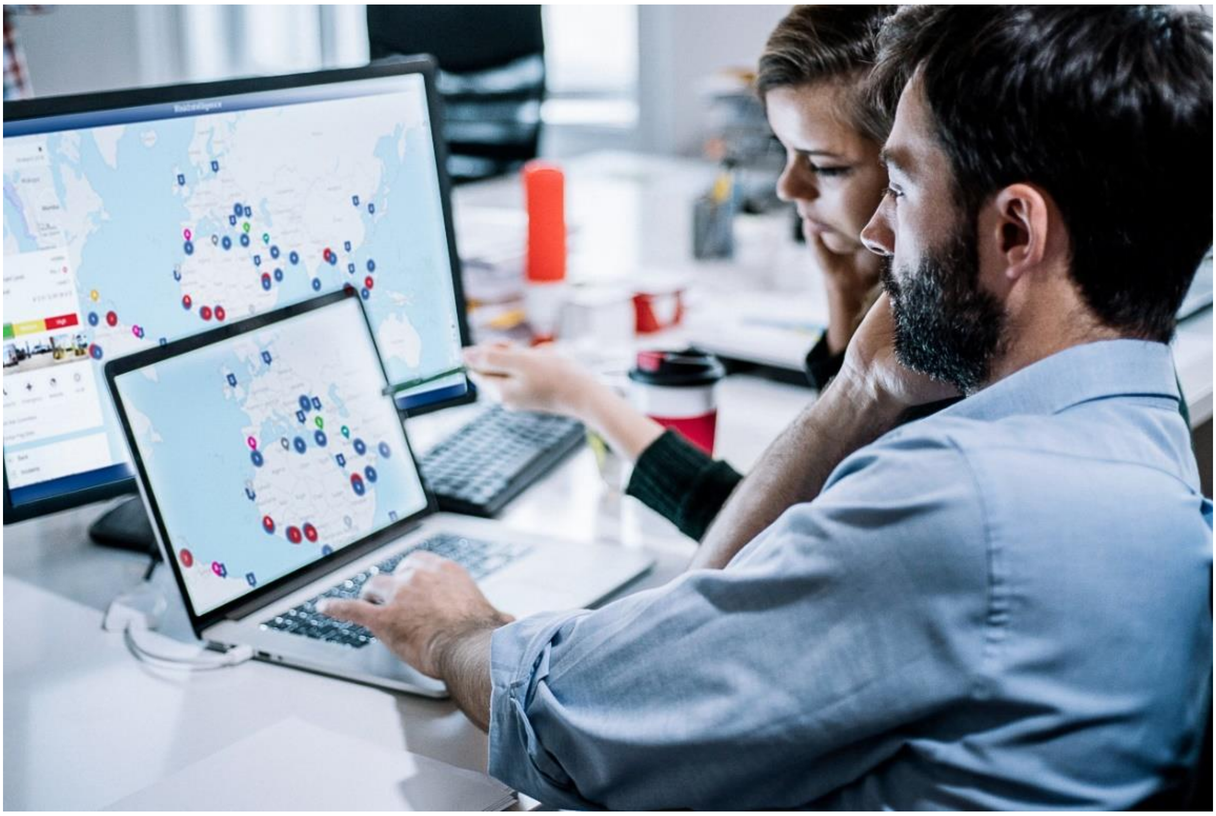
2022: Re-started discussions after COVID with potential clients for LandRisk Logistics. Impact from the Russian invasion on Ukraine with more intelligence analysis related to the war and launch of weekly report. Developed and launched new 2025 Strategy re-focusing on maritime security that will include investments in new platform. First strategy milestones reached in terms of partnerships with MedAire/International SOS and with Geollect.

2023: The successful completion of two central milestones in the creation of a stable and sustainable platform for growth. On the financial side the funding strategy was successfully completed to remove all short-term loan debt in the balance sheet. On the business side the new platform for the Risk Intelligence System was finalised and launched, which will be the basis for growth in the years to come.

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

The Risk Intelligence System is fully scalable and is based on 12-month licenses with pre-paid subscriptions and automatic renewal. The new Risk Intelligence System consists of the following license agreement variables determining the cost of a client's annual license fee:

1. The number of users (and number of vessels operated for ship operating companies) is the basis license
2. The features selected by the client e.g. Voyage Intelligence tool
3. The third-party data selected by the client e.g. MyFleet
4. API integration

An annual 3% price increase or the highest of the Danish Net Price Index and 3% is part of all license agreements.

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 156,000 DKK depending on the type of report and subscription period. Intelligence reports constituted 7% of total revenue in 2023.

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 2023 (including reports).

Commercial cycle

Recurring revenue

The total Risk Intelligence recurring revenue constituted 87% in 2023. The renewal rate in 2023 was 99.4% with a churn of 0.6%. 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 2023 was 7.36 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

System Recurring Revenue (ARR) in 2023 increased by 4,154 DKK thousand (27%) to DKK 19,488 thousand (2022 DKK 15,334 thousand).

The total ARR in 2023 increased by 4,231 DKK thousand (26%) to DKK 20,604 thousand (2022 DKK 16,373 thousand).

The annualised renewal ratio was 99.4% with a corresponding churn of 0.6%. The average revenue per costumer (ARPU) increased to DKK 154 thousand.

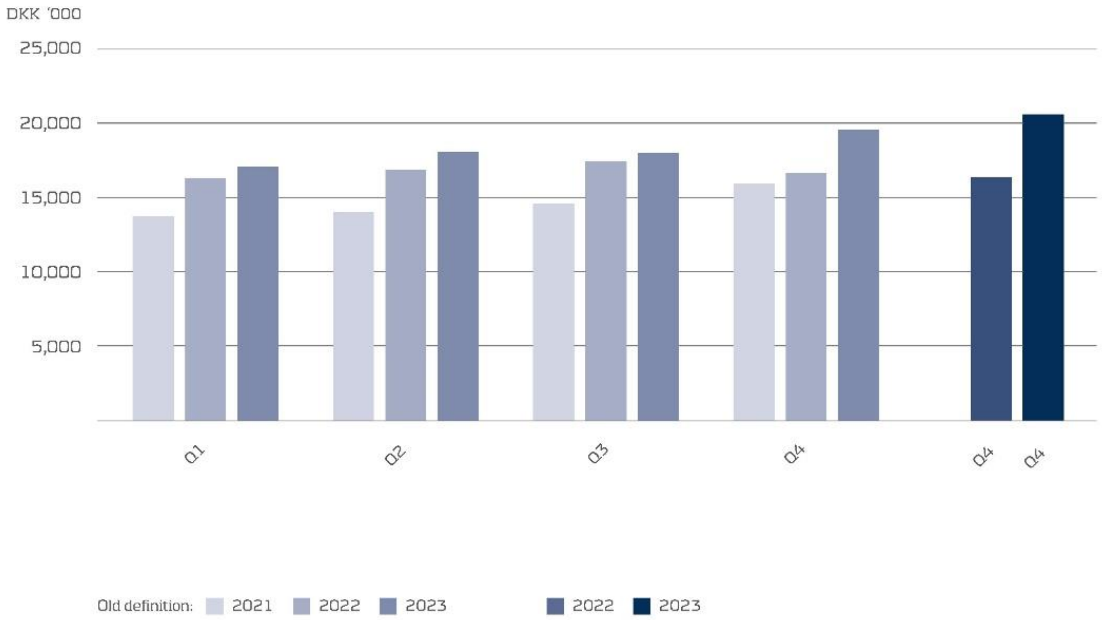
NRR (Net Retention Rate) was 127% for Q4 2023 (Q4 2022 111%).

DKK '000	2023	2022	2021	2020	2019	2018
System ARR	19,488	15,334				
System ARR Net increase	4,154	N/A				
ARR Growth	27%	N/A				
Total ARR	20,604	16,373				
ARR Net increase	4,231	N/A				
ARR Growth	26%	N/A				
ARPU	154	151	138	128	113	115
Renewal Ratio (annualised)	99.4%	97.6%	96.8%	98.6%	99.3%	99%
Renewal Ratio (quarter)	100%	98%				
Churn (annualised)	0.6%	2.4%	3.2%	1.4%	0.7%	1%
Churn (quarter)	0%	2%				
NRR	127%	111%	115%	N/A	N/A	N/A
Old definition						
System ARR	18,540	16,044	14,625	12,767	10,218	8,839
ARR Net increase	2,496	1,420	1,858	1,620	1,283	1,293
ARR growth	16%	10%	15%	25%	14%	15%
Total ARR	19,582	17,326	15,968	13,895	11,147	9,864
ARR Net increase	2,256	1,359	2,072	2,749	1,282	1,744
ARR Growth	13%	9%	15%	25%	13%	21%

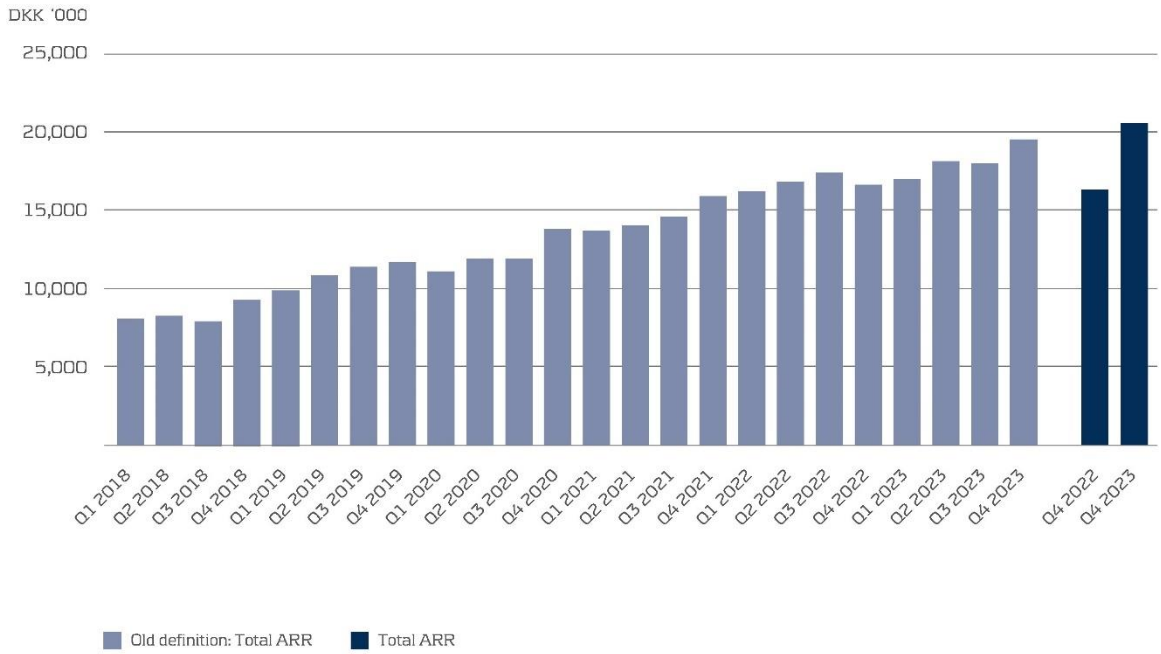
DKK '000	Total	Maritime	Land-based
ARR System	19,488	-	-
ARR growth System	26%	-	-
ARPU System	154	154	300*
Churn	0.6%	0.6%	0%
LTV	-	1,290*	2,505**
CAC	-	50	120
Recover CAC	-	0.3 years	0.4 years
LTV/CAC	-	25.8	20.9
TAM	-	528M****	4,000M****

* Estimated
** 7.36 years average age in 2023
*** 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

Total ARR quarter by quarter 2021 - 2023



Total ARR by quarters 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.

As for 2023 the definition of calculating ARR has been changed from looking backwards to looking forwards.

For further explanation of ARR please see Key definitions and explanations on page 45 and forward.

Outlook 2024

Financial outlook

System ARR in 2024 is expected to be at a range of 22.4M-25.3M (15-30% growth), based on the current assumptions for the 2024 business climate and taking the war in Ukraine and the situation in the Red Sea into account will impact the business. Risk Intelligence will continue its growth strategy throughout 2024, which is expected to lead to an EBITDA around 0, and negative net result.

Guidance 2024:

- ARR Growth: 15 - 30%
- System ARR: 22.4M – 25.3M DKK
- EBITDA: Around zero
- Net result: Negative
- Net cash-flow: Positive

The Share

Shareholders

The table below presents shareholders with over 5 % of the votes and capital in Risk Intelligence as per 31 December 2023.

Name	Number of shares	Pecentage of capital %	Pecentage of voting right %
Jan Holm	3,867,242	15	21
Sandbjerg Holding ApS*	3,193,680	12	18
Others	18,925,835	73	61
Total	**25,986,757**	**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		3,867,242
Jens Lorens Poulsen	Member		707,857
Stig Streit Jensen	Member		87,660
Jens Munch Holst	Member		96,144
Hans Tino Hansen	Member	(incl. Sandbjerg Holding ApS)	3,409,574

Holding of shares as per 31 December 2023

Name	Title		Number of shares
Hans Tino Hansen	CEO	(incl. Sandbjerg Holding ApS)	3,409,574
Jens Krøis	CFO	(incl. Proventa ApS)	401,648
Henrik Ehlers Kragh	SD		93,457
Jim Pascoe	CCO		66,263
Niels Worsøe	COO		35,471

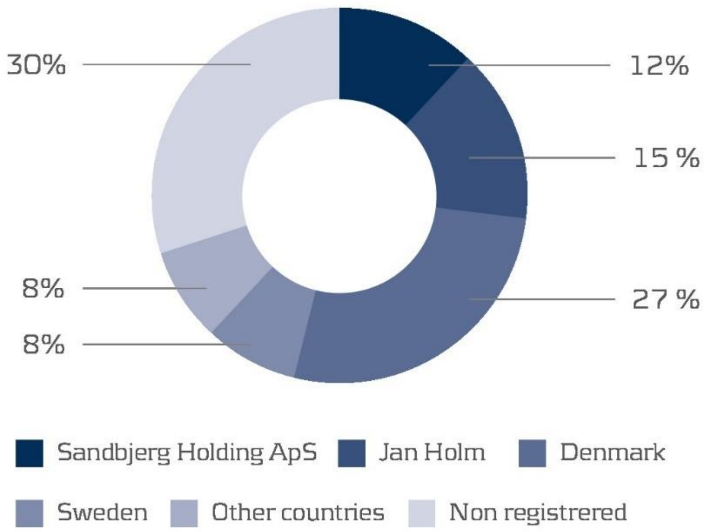
Holding of shares as per 31 December 2023

The shares of Risk Intelligence A/S were listed on Spotlight Stock Market 17 August 2018. The short name/ticker is RISK.CO and the ISIN code is DK0061031978. As per 31 December 2023, the number of shares was 25,986,757. Each share represents DKK 0.10 equalling a share capital of DKK 2,598,676. 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 2,234 shareholders, where 979 hereof are registered. Due to legislation the Company does not have access to shareholders trading through custodians such as Swedish Avanza (4.48% of share capital shared between about 297 shareholders), Swedish Nordnet (1.11% and 958 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 two major shareholder into consideration, Sandbjerg Holding ApS and Jan Holm both exceeding 5% ownership.

Shareholder structure end 2023



Volume and Share price development 2020 to 2023

Source: Data from Spotlight Stock Exchange

Share price (DKK)

	2023	2022
1 October	1.32	2.38
31 December	0.98	1.7
High Q4	1.74	2.55
Low Q4	0.87	1.7
High YTD	3.99	6.28
Low YTD	0.87	1.7

Liquidity

In 2023 we saw a significant increase in traded volume of 85% compared to 2022 (5,702,462 shares compared to 3,088,378 shares in 2022). The turnover in 2023 increased by 4% compared to 2022 (DKK 9,803,819 in 2023 compared to DKK 9,471,286 in 2022). The fall in turnover is due to a lower share price in average.

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
Q4		2,760,488	2,959,944	48,524	1.07	0.98
		5,702,462	**9,803,819**			

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.
On board meeting 28 February 2024, the Board of Directors have granted 294,815 warrants under this program for the year 2023.

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.

Proposed distribution of Risk Intelligences profit and loss

The Board of Directors and the CEO propose that no dividend shall be paid for the financial year 1 January 2023 – 31 December 2023.

Annual general meeting and annual report 2023

The Annual General Meeting of Risk intelligence will be held in Copenhagen, Denmark on 17 June 2024 at 10:00 a.m.

Financial Calendar

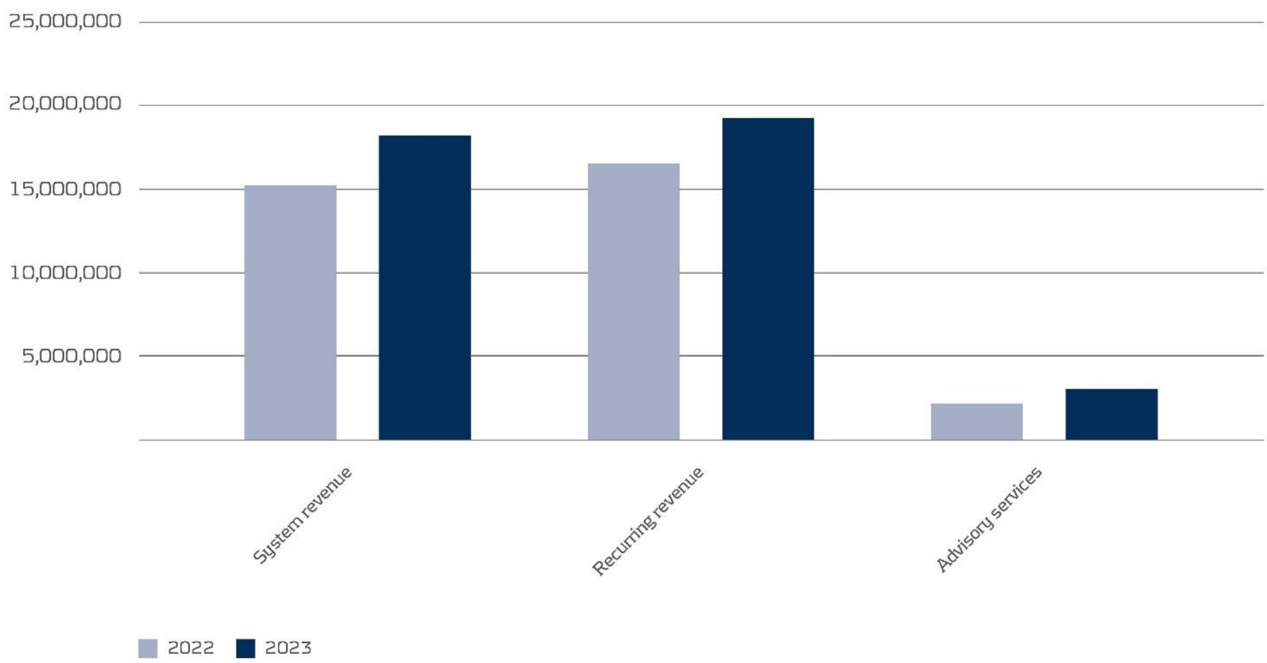
28 February	Q1 2024 Interim Report
28 June 2024	Annual General Meeting
14 August 2024	Q2 2024 Interim Report
20 November 2024	Q3 2024 Interim Report
26 February 2025	Q4 and 2024 Year-end Report

Financial Review

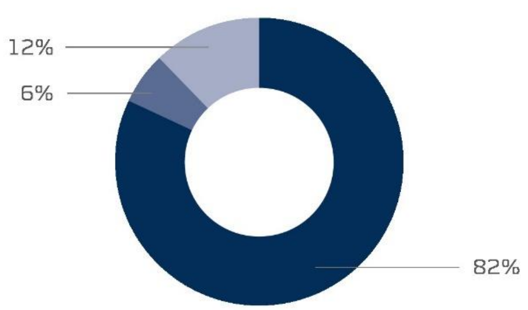
Income Statement

In 2023 total revenue increased by 10% to DKK 19,591 thousand compared to 2022 (DKK 17,734 thousand). Invoiced revenue increased by 26% to DKK 23,017 thousand (2022 DKK 18,252). The total recurring revenue in 2023 ended at DKK 20,604 (new definition) an increase of DKK 4,231. After the old definition recurring revenue was 19,582 thousand for 2023 corresponding an increase of 13% compared to 2022 (2022: DKK 17,326 thousand).

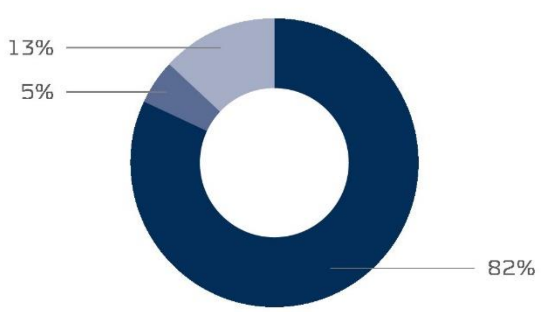
Revenue split 2022 - 2023



Revenue ratio 2022



Revenue ratio 2023

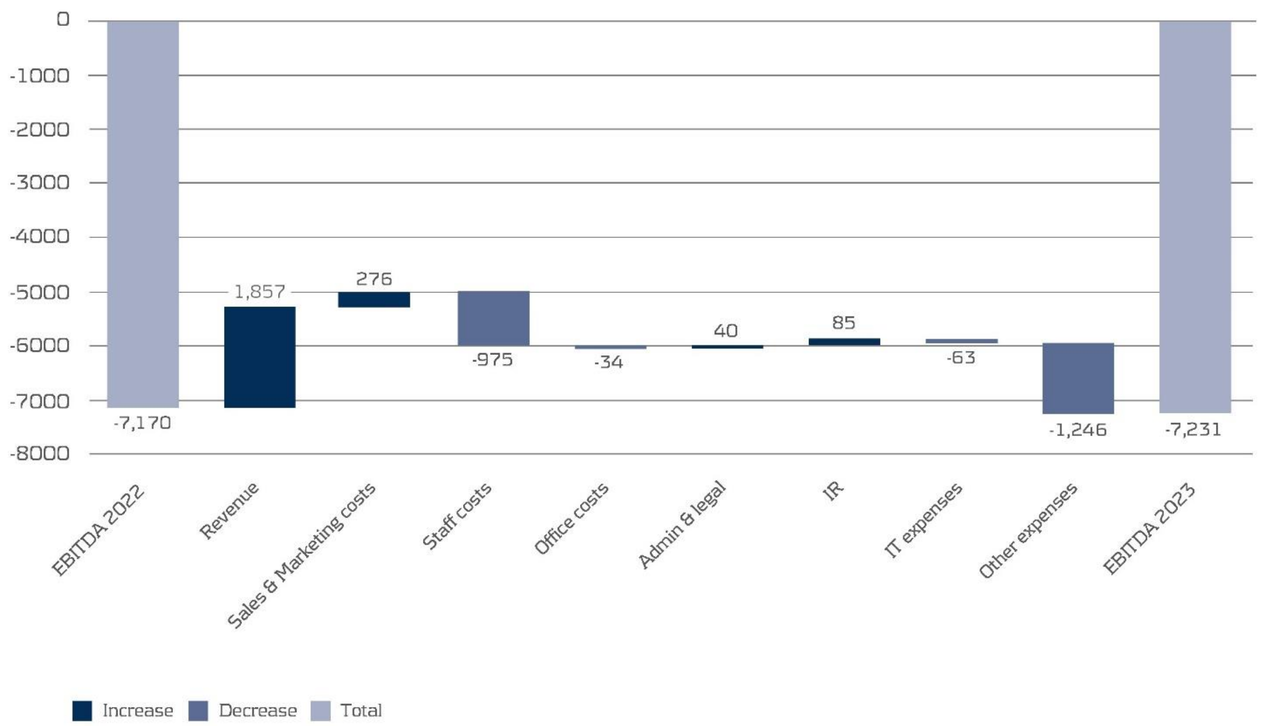


For 2023 the gross profit increased by 10% to DKK 9,946 thousand (2022: 9,032 thousand). The gross margin ended at 51% compared to 51% for 2022.
Calculating the gross profit as a SAAS method the gross profit increased by 27% to DKK 22,635 thousand (FY 2022: 17,791 thousand). The gross margin ended at 98.3% compared to 97.5% for 2022.

In 2023 total Other Operating Costs increased by 11% to DKK 9,645 (2022: 8,702 thousand). Staff costs 2023 increased by 6% to DKK 17,177 (2022: DKK 16,202 thousand).
Total costs in total increased by 8% for 2023 to 26,822 (2022: DKK 24,904 thousand).

EBITDA in 2023 increased by 1% to DKK -7,231 (FY 2022: DKK-7,170). The EBITDA ratio in 2023 increased to -37% (2022: -40%).
Below figure explains the changes or differences from 2022 to 2023 in nominal numbers:

EBITDA development from 2022 to 2023



EBITDA 2022	-7,170
Revenue	1,857
Sales & Marketing costs	276
Staff costs	-975
Office costs	-34
Admin & legal	40
IR	85
IT expenses	-63
Other expenses	-1,246
EBITDA 2023	-7,231

Balance Sheet

Equity

Equity at the end of 2023 increased to DKK -4,315 thousand (end of 2022: DKK –13,268 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), one private loan from shareholders and a new 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 2026 all current long-term loans will be fully repaid. Due to the repayment schedule of the long-term debt DKK 3,746 thousand is payable within 12 months and is subsequently presented under "Short-term liabilities".
Compared to end 2022 the long-term debt has increased by DKK 4,856 thousand and total debt has increased by DKK 840 thousand at the end of 2023.

The balance sheet total was DKK 35,621housand at the end of 2023 which is an increase of DKK 3,958 thousand compared to end 2022 (DKK 31,962 thousand).

Cash Flows

Cash flows from operating activities (CFFO) in 2023 ended at DKK -8,007 thousand (2022: DKK -7,461 thousand).

Investments in 2023 amounted to DKK -5,406 thousand which is DKK -3,864 thousand more than 2022 (DKK -1,542 thousand).

Cashflow from financing (CFFF) amounted in 2023 to DKK 13,088 thousand due to two capital increases (2022: DKK 5,513 thousand).

Income Statement 1 January – 31 December 2023

	Note	2023 DKK	2022 DKK
Revenue		19,590,851	17,734,257
Other external costs		-9.644.823	-8,701,816
Gross profit		9,646,028	9,032,441
Staff costs	3	-17.176.978	-16,202,463
Earnings before interest taxes, depreciation and amortisation (EBITDA)		-7,230,952	-7,170,022
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		-2.536.962	-2,756,706
Profit/loss before financial income and expenses		-9.767,914	-9,926,729
Financial income		0	0
Financial costs	4	-4.547.171	-3,320,472
Net profit/loss for the year		-13.315,087	-13,247,201
Tax on profit/loss for the year	5	2.828.180	2,914,384
Profit/loss for the year		-11,486,906	-10,332,817
Distribution of profit	6		

Balance sheet 31 December

	Note	2023 DKK	2022 DKK
Assets			
Completed development projects		7.587.973	8,702,872
Development projects in progress		5.976.659	1,916,537
Intangible assets	7	13.564.632	10,619,409
Other fixtures and fittings, tools and equipment		1.239.125	1,248,963
Tangible assets	7	1.239.125	1,248,963
Investments in subsidiaries	9	5	5
Deposits	10	494.083	427,942
Deferred tax asset	11	15.028.858	9,926,196
Fixed assets		15.522.946	10,354,143
Total fixed investments		30.326.703	22,222,516
Trade receivables	12	3,852,921	5,791,447
Other receivables		357.558	194,184
Receivables from owners and management		0	6,170
Corporation tax	11	0	2,274,481
Prepayments	13	1.067.847	1,131,180
Receivables		5,278,326	9,397,462
Cash at bank and in hand		16.133	341,993
Current assets total		5,294,460	9,739,455
Assets total		35,621,156	31,961,971

Balance sheet 31 December

	Note	2023 DKK	2022 DKK
Equity and liabilities			
Share capital		2.598.676	1,108,205
Reserve for development projects		10.580.413	8,283,139
Retained earnings		-17,493,839	-22,659,340
Total equity	14	**-4,314,750**	**-13,267,999**
Other credit institutions		1.416.201	2,088,626
Shareholders and management		9.206.088	3,677,103
Total non-current liabilities	15	**10.622.289**	**5,765,729**
Short-term part of long-term debt		3.746.072	3,427,747
Lease obligations		593.775	751,176
Bank debt		4.409.201	3,155,579
Trade payables		6.474.938	2,103,209
Payables to subsidiaries		487.699	300,909
Payables to shareholders and management		0	13,491,193
Other payables		5,446,751	4,659,848
Deferred income	16	8,155,184	11,574,580
Total current liabilities		**29,313,617**	**39,464,241**
Debt total		**39,935,906**	**45,229,970**
Liabilities and equity total		**35,621,156**	**31,961,971**
Going concern	1		
Uncertainty regarding recognition and measurement	2		
Rental commitments	17		
Charges and securities	18		
Capital Ressources	19		

Statement of changes in equity

	Share capital DKK	Share premium account DKK	Reserve for development projects DKK	Retained earnings DKK	Total DKK
Equity at 1 January	1.108.205	0	8.283.139	-22.659.340	-13.267.996
Increase of capital by conversion of debt*	485.385	8.144.570	0	0	8.629.955
Cash capital increase*	1.005.086	10.805.111	0	0	11.810.197
Net profit/loss for the year	0	0	2.297.274	-13.784,180	-11,486,906
Transfer from share premium account	0	-18.949.681	0	18.949.681	0
Equity at 31 December	**2.598.676**	**0**	**10.580.413**	**-17,493,839**	**-4,314,750**

*) Cost for capital increases in total DKK 2.9m

Cash flow statement 1 January – 31 December

	Note	2023 DKK	2022 DKK
Net profit/loss for the year		-11,486,906	-10,332,817
Adjustments*)		4,255,955	3,258,319
Change in working capital**)		3,770,681	2,934,117
Cash flows from operating activities before financial income and expenses		**-3,460,270**	**-4,140,381**
Financial expenses		-4,547,172	-3,320,472
Cash flows from ordinary activities		**-8,007,442**	**-7,460,854**
Corporation tax paid/received		0	0
Cash flows from operating activities		**-8,007,442**	**-7,460,854**
Purchase of intangible assets		-5,011,974	-1,249,039
Purchase of property, plant and equipment		-460,367	-265,658
Fixed asset investments made etc			
Deposits		66,141	-27,619
Cash flows from investing activities		**-5,406,200**	**-1,542,316**
Lease obligations		-157,401	133,586
Raising of loans from credit facilities		-7,062,684	5,379,577
Conversion of loans to capital		9,893,877	0
Cash Capital increase		10,547,123	0
Other adjustments		-133,134	0
Cash flows from financing activities		**13,087,781**	**5,513,163**
Change in cash and cash equivalents		**-325,860**	**-3,490,007**
Cash and cash equivalents beginning		341,993	3,832,000
Cash and cash equivalents		**16,133**	**341,993**
Analysis of cash and cash equivalents:			
Cash at bank and in hand		16,133	341,993
Cash and cash equivalents		**16,133**	**341,993**

*)

Interests	4,547,171
Depreciations	2,536,962
Tax	-2,828,180
Total	4,255,955

**)

Change in Working Capital

Working capital beginning of year DKK 11,515,558 less end of year DKK 14,575,049

Notes

1 Going concern

The Company has a negative equity, and short-term liabilities are significantly higher than current assets as of 31 December 2023, thus significant inherent uncertainty exists in relation to going concern.
The budget for 2024 is based on a growing business including the attraction of new clients. In total, a growth in ARR between 15-30% is expected for 2024, substantiated by growth of 27% in Q1 2024. A process of increasing the company's credit facilities by approx. DKK 4 million in additional long-term loans was finalised on 4 April 2024 as well as the credit-line in Danske Bank has been increased by DKK 1 million until the end of Q1 2025. Further, the company has obtained commitment by 3 current shareholders to provide additional loan financing totalling DKK 5 million if and when needed.

Management acknowledges the inherent uncertainties related to the budget and expected cash flow. It is however Management's assessment that based on the budget as well as possibilities to secure additional loan funding, that the company is a going concern. Consequently, the financial statements are presented based on the assumption that the Company is a going concern.

2 Uncertainty regarding recognition and measurement

The preparation of Risk Intelligence A/S' financial statements require Management to make judgements, estimates and assumptions that affect the reported amounts of expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Management continuously reassesses these estimates and judgements based on several factors in the given circumstances.

Tax assets:
The company has a tax asset as of 31 December 2023 amounting to DKK 15.028k which primarily relates to tax loss carry forward. The Management has decided to recognise the total tax asset of DKK 15.028k due to the budget for 2024 and the years ahead. The company expects to be able to utilize all tax loss carry forwards within a period of 5 years. However, there is an inherent uncertainty associated with the assessment of future earnings, and accordingly a related uncertainty with the valuation of the deferred tax asset.

To reach the required turnover based on invoiced figures and profits, the company will have to reach growth levels which are lower than what has been achieved in recent financial periods. Based on Management's main assumption of reaching our budget for 2024, which is substantiated by the Q1 figures, the company will need an annual average growth of 12% to reach the required growth levels to fully utilise the deferred tax asset. This growth rate is below the average annual growth in recent financial periods and well below the 30% growth target in the 2025 Strategy.

With five-year period budgets there is an inherent uncertainty associated with the assessment of future earnings and this uncertainty will naturally increase especially at the end of the period, and accordingly a related uncertainty with the valuation of the deferred tax asset. Management believes that the required growth levels can be met, and the deferred tax asset can be fully utilised.

Valuation of development projects
Development projects consist of completed development projects, that are amortised over their useful lives. Completed development projects are assessed for impairment whenever there is an indication that the development asset may be impaired. The amortisation period for completed development projects are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement as amortisation. The estimated values of intangible assets are based on Management estimates and assumptions and are by nature subject to uncertainty.

		2023 DKK	2022 DKK
3	**Staff costs**		
	Wages and salaries	15.490.601	14,299,379
	Pensions	1.504.056	1,265,125
	Other social security costs	182.321	155,284
	Other staff costs	0	482,674
		17.176.978	16,202,463

Costs for DKK 1,130,762 have been capitalised as internal time spent on development projects (2022: DKK 449,489).

	2023	2022
Including remuneration to the Executive management and Board of Directors	2.807.841	1,894,000
Average number of employees	27	26

According to section 98 B(3) of the Danish Financial Statements Act, renumeration to the Executive Board has not been disclosed in the comparative figures.

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.
On board meeting 28 February 2024, the Board of Directors have granted 294,815 warrants under this program for the year 2023.

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.

		2023 DKK	2022 DKK
4	**Financial costs**		
	Interests on credit line in bank	227,946	166,119
	Currency loses	318,132	96,676
	Non-deductible interests	159,176	175,321
	Interests on loans	3,098,501	1,979,308
	Other fees and interests	743,417	903,048
		4,547,171	3,320,472
5	**Tax on profit/loss for the year**		
	Deferred tax for the year	-2.828.180	-2,914,384
		-2.828.180	-2,914,384
6	**Distribution of profit**		
	Transferred to other statutory reserves	2.297.274	553,369
	Retained earnings	-13,784,180	-9,779,948
		-11,486,906	-10,332,817

7 **Intangible assets**

	Completed development projects DKK	Development projects in progress DKK
Cost at 1 January	19.125.722	1.916.537
Additions for the year	383.098	4.628.876
	0	0
Transfers for the year	568.754	-568.754
Cost at 31 December	20.077.574	5.976.659
Impairment losses and amortisation on 1 January	10.422.850	0
Depreciation for the year	2.066.751	0
Impairment losses and amortisation on 31 December	12.489.601	0
Carrying amount at 31 December	**7.587.973**	**5.976.659**

Part of the development projects has been the ongoing development of the Risk Intelligence System with the platform and the modules MaRisk, PortRisk and LandRisk.

Risk Intelligence has during 2023 developed a new platform.

The development costs consist of both external and internal development costs. The external development costs are related to development providers as well as external consultants working with the development projects. These have been working on e.g. design, development and testing as well as improvement of performance prior to launch. The internal time spent directly on the projects has been activated as development costs.

8 Tangible assets

	Other fixtures and fittings, tools and equipment DKK
Cost on 1 January	2.599.937
Additions for the year	1.238.149
Disposals for the year	-931.825
Cost on 31 December	2.906.261
Impairment losses and depreciation on 1 January	1.350.974
Depreciation for the year	470.208
Reversal of impairment and depreciation of sold assets	-154.046
Impairment losses and depreciation on 31 December	1.667.136
Carrying amount at 31 December	**1.239.125**
Value of leased assets	600.000

	2023 DKK	2022 DKK
9 Investments in subsidiaries		
Cost on 1 January	5	5
Cost on 31 December	5	5
Carrying amount on 31 December	5	5

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest
Risk Intelligence Singapore Pte. Ltd.	Singapore	100%

10 Fixed asset investments

	Deposits DKK
Cost at 1 January	427.942
Additions for the year	66.141
Cost at 31 December	494.083
Carrying amount at 31 December	**494.083**

	2022 DKK	2021 DKK
11 Provision for deferred tax		
Provision for deferred tax on 1 January	-9.926.196	-7,011,813
Transfered during the year	-2.274.482	
Provision in the year	-2.828.180	-2,914,384
Provision for deferred tax on 31 December	**-15.028.858**	**-9,926,196**
Provisions for deferred tax on:		
Intangible assets	2.984.221	2,336,272
Property, plant and equipment	75.443	-15,208
Deferred revenue	-3.143.604	
Lease	-130.631	
Tax loss carry-forward	-14.814.287	-12,247,260
Transferred to deferred tax asset	15.028.858	9,926,196
	0	0
Deferred tax asset		
Calculated tax asset	15.028.858	9,926,196
Carrying amount	**15.028.858**	**9,926,196**

For further description of uncertainties reference is made to note 2

12 Accounts receivable

Total outstanding receivables from costumers 31 December 2023 was DKK 10,698,041. Of this amount DKK 6,133,927 was not due on the balance day. Due to correct presentation in the Annual accounts an DKK 6,133,927 has been (again for presentation purposes) netted out against Deferred income.

13 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest etc.

14 Equity

The share capital has developed as follows:

	2023 DKK	2022 DKK	2021 DKK	2020 DKK	2019 DKK
Share capital on 1 January	1.108.205	1,108,205	910,138	838,709	766,914
Additions for the year	1.490.471	0	198,067	71,429	71,795
Share capital	2.598.676	1,108,205	1,108,205	910,138	838,709

The share capital consists of 25,986,760 shares of a nominal value of DKK 0.1. No shares carry any special rights.

15 Long term debt

	Debt at 1 January DKK	Debt at 31 December DKK	Instalment next year DKK	Debt outstanding after 5 years DKK
Other credit institutions	2.088.626	2.525.822	1.109.621	0
Shareholders and management	4.093.511	11.842.540	2.636.451	0
	6.182.137	14.368.362	3.746.072	0

16 Deferred income

Deferred income consists of invoiced revenue as per 31 December 2023 to be recognised as income in future periods.

	2023 DKK	2022 DKK

17 Rental commitments

Rental commitments		
Within 1 year	420,383	404,241
Between 1 and 5 years	0	0
After 5 years	0	0
	420,383	404,241

18 Charges and securities

As security for account with credit institution, floating charge of a total of DKK 8,500k has been taken out comprising simple claims, operating equipment and intangible rights with a total carrying amount of DKK 10,698k.

19 Capital Ressources

During the financial year, the company realised a net operating loss of DKK 10.8 million.

The Company has negative equity as of 31 December and short-term liabilities are significantly higher than current assets. However, the share capital was increased during Q1 and Q4 2023 by conversion of debt and cash capital increase.

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 2024, 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 2023 was DKK 16 thousand and should always be seen together with Accounts Receivable, end 2023 DKK 10,698 (total invoiced receivable from costumers). 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 2023 was 10,714 DKK thousand.

Furthermore, the Company have secured a long-term loan as per 31 December 2023 of approx. 6.7 million with board members and shareholders.

Accounting policies

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The annual report for 2023 is presented in DKK

Basis of recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Accounting policies

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 are 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.

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

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 refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Intangible assets

Development projects, patents and licenses

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 7 years.

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual parts of an item of property, plant and equipment have different useful lives, the cost is divided into separate parts, which are depreciated separately.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	1-10	years

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Accounting policies

Leases

Leases for items of property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the company's other non-current assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'.

Investments in subsidiaries and associates

Investment in subsidiaries and associates are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Income tax and deferred tax

Current tax obligations and receivable tax is recognized in the balance sheet as calculated tax on profit/loss for the year, regulated tax from previous years, and account payments.

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Accounting policies

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Cash flow statement

The cash flow statement shows the company's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the company's cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are stated as the company's profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes. Dividend income from investments is recognised under ‘Interest income and dividend received’.

Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities as well as intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the company's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months, and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial highlights

Definitions of financial ratios.

Gross margin ratio	Gross profit x 100 Revenue
Return on assets	Profit/loss before financials x 100 Average assets
Solvency ratio	Equity, end of year x 100 Total assets at year-end
Return on equity	Profit/loss from ordinary operations after tax x 100 Average equity

Key figures

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

ARR is calculated as all known recurring revenue during the next 12 months based on existing license agreements including all known license agreement-based price increases. Not included is estimates for upsell (additional license value added).

Accounting policies

ARPU (Annual Revenue Per Unit)	Annual 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.

Risk Intelligence A/S
Strandvejen 100
2900 Hellerup
Denmark

Tel: +4570266230
info@riskintelligence.eu
www.riskintelligence.eu