

# Annual Report

## 2023



RISMA Systems A/S | Ejby Industrivej 34-38, 2600 Glostrup | CVR: 32769713

# Contents

## MANAGEMENT REVIEW

<b>Introduction</b>	<b>4</b>
In brief	4
Letter from Chairman	5
Letter from CEO	6
Key events in 2023	7
<b>Strategy and Business</b>	<b>8</b>
Strategy	9
Milestones 2023	10-11
Outlook and focus areas for 2024	12
<b>Corporate Information</b>	<b>13</b>
Corporate Governance	14
Board of Directors	15-16
Executive Management	16
Management Team	17-18
Statement from the CFO	19-20

## FINANCIAL STATEMENTS

<b>Statements</b>	<b>21</b>
Statement by the Board of Directors and the Executive Board	22
Independent auditor's report	23-24
<b>Financial Statements</b>	<b>25</b>
Income Statement	25
Balance Sheet	26
Equity Statement for the Group	27
Cash Flow Statement	28
Notes	29-36



## About RISMA

---

RISMA is a SaaS company that develops and delivers Governance, Risk, and Compliance (GRC) solutions. Founded in 2014 in Copenhagen and listed on NASDAQ First North in 2021, RISMA proudly serves customers throughout Scandinavia that have any GRC ambitions and initiatives. RISMA offers an all-in-one GRC software suite that includes GDPR, ISMS, risk management, financial controls, ISO standards and separate solutions within ESG and CSRD.

## Proven Concept

---

Our unique platform is proven with +400 customers across Denmark, Norway and Sweden. The customers span across the private and public sector, and the majority are organisations with 25-5,000 employees. In the customer base, the financial and utility industries are strongly represented. Our customers seek to take the pain out of working with GRC and dedicate resources to prepare for better growth – so they turn to using RISMA solutions with broad usage capabilities for their organizations.

## A trusted Provider in GRC & ESG

---

The market for Governance, Risk and Compliance (GRC) software is still immature, with the Nordics as one of the most mature markets. RISMA has, as the only software provider, developed an affordable software suite within the GRC and ESG space, allowing customers to eliminate manual processes and boost collaboration across different functions.

# Summary and Key Figures

			2023	2022
1	<b>Annual Recurring Revenue*</b>	Annual Recurring Revenue (ARR) increased by 49% compared to 2022.	<b>33.8</b> MDKK	<b>22.7</b> MDKK
2	<b>ARR Growth year-to-date</b>	ARR has growth by 11.1 MDKK in 2023 compared to a growth of 7.4 MDKK in 2022.	<b>49%</b> MDKK	<b>49%</b> MDKK
3	<b>Upselling*</b>	Upselling of licenses to existing customers ended at 3.9 MDKK 2023 compared to 2.8 in 2022.	<b>3.9</b> MDKK	<b>2.8</b> MDKK
4	<b>Revenue Churn*</b>	Revenue Churn ended at the expected level and is 2 percent-points lower versus 2022.	<b>5%</b>	<b>7%</b>
5	<b>Net Revenue Retention Rate*</b>	Net Revenue Retention Rate ended at 107% which is unchanged compared to 2022.	<b>107%</b>	<b>107%</b>
6	<b>EBITDA</b>	EBITDA ended at an improved level and significant better compared to 2022.	<b>-7.0</b> MDKK	<b>-19.8</b> MDKK

## FINANCIAL GUIDANCE

The ARR guidance for 2024 is at 45-49 MDKK, equivalent to a growth rate of 30-45% in 2024.

The EBITDA guidance for 2024 is -5,6 to -9,6 MDKK.

\*(See page 20 for definitions of key figures.)

# Letter from the Chairman

In 2023, the focus was on becoming cash-flow neutral. In the future, the focus will be on international growth.

RISMA Systems has been on a fantastic journey to date, and I look forward to the journey in the years to come.

The capital market for Software-as-a-Service companies has changed significantly since 2022. With inflation and increasing interest rates, there is an increasing focus on profitability and decreasing burn rates. RISMA took advantage of these new market conditions by launching a “Sustainable Growth Journey” strategy. RISMA was cash-positive for the first time in H1 2023, and we increased ARR by approx. 50% in the full year 2023. We expect the growth in ARR to be 11-15 MDKK in 2024, and we invest the additional revenue in new growth because we believe it will bring the most value to our shareholders.

According to industry forecasts, the global GRC software market will experience a robust 10-12% CAGR growth towards 2026, resulting in a substantial total market value of USD 26bn. The primary drivers of this growth are the strong demands for proactive and consolidated GRC management and the subsequent need for effective risk management.

The overall mega trends within GRC can be summarized as follows:

- Increasing regulations in the EU and worldwide.
- Increased digitization.
- Lack of resources, e.g., developers and compliance professionals.
- Increased speed in implementation and use of best practices.

Accelerating data generation, increased regulations and the need for compliance, and moving from inefficient labor-heavy approaches to software-supported processes drive robust incremental growth in the global market.

RISMA has one of the best GRC all-in-one platforms, a solid senior team, a strong customer base, and a strong capital structure. RISMA Software solves a massive pain for our customers.

Using the Scandinavian market for RISMA’s initial development and proof of concept has been ideal, as it is among the most digitally developed. This market has given RISMA the experience needed, that will be pivotal to succeed with the international growth journey ahead in 2024 and the years to come.

RISMA has been fully established in Sweden and Norway. We are considering entering Finland but also considering markets south of Denmark.

Yours sincerely,

Lars Ankjer Jensen,  
Chairman of the Board



**RISMA was cash-positive for the first time in H1 2023, and we increased ARR by approx. 50% in the full year 2023.**

# Letter from the CEO

Two consecutive years with almost 50% growth per year.

In August 2022 RISMA launched a new strategy: "Sustainable growth" following a shift in the capital markets, with investors preferring profitability over high growth rates. RISMA has as a result reduced the cash burn from 26 MDKK in 2022 to 1 MDKK in 2023.

With a strong financial position, RISMA has decided to expand the workforce rather than pursuing a positive cash flow in 2024. Most new hires will be in sales, marketing and product development, including AI. Although this expansion is not expected to impact sales in 2024 significantly, it is anticipated to affect sales in 2025 and onwards.

Product wise 2023 has been the year in which RISMA has entered the market for software for compliance with sustainability regulation. Going forward, the markets for compliance with sustainability regulation and other legal regulation will melt into one market, also including risk management, internal controls and vendor management. RISMA is well prepared for this market change, which we foresee will accelerate in the coming years.

In 2023 our engagement in Sweden and Norway both resulted in positive cash flow. It is, therefore, time to consider which country to enter next. In the following country, we benefit from the experiences of entering Norway and Sweden.

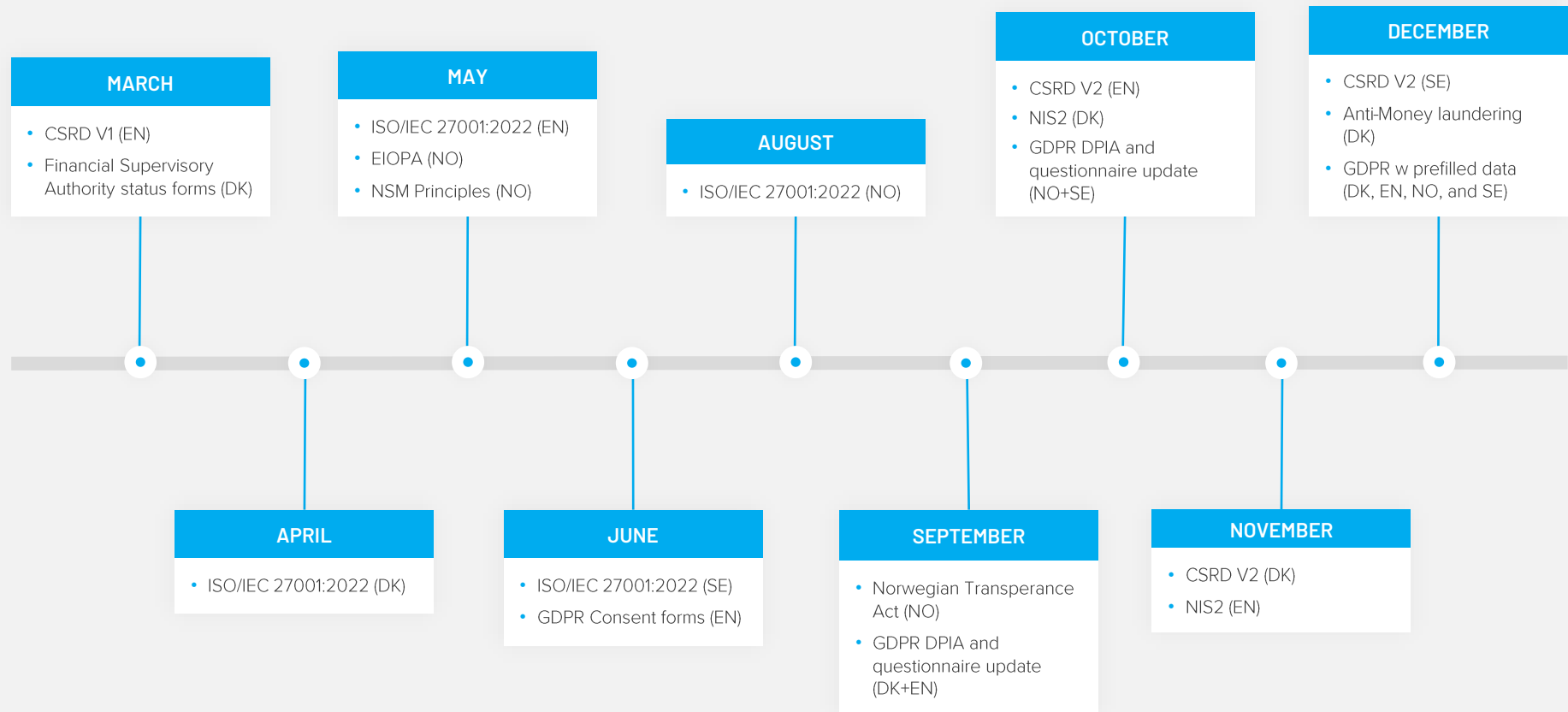
Yours sincerely,

**Lars Nybro Munksgaard,**  
Chief Executive Officer & Founder

**With a strong financial position, RISMA has decided to expand the workforce rather than pursuing a positive cash flow in 2024. Most new hires will be in sales, marketing and product development, including AI.**



# Key product launches in 2023



# Strategy and business



# Strategy

## Focus is now on preparing for international growth.

In Q1 2023, RISMA introduced an ESG-related solution, CSRD. In Q2, we introduced another ESG-related solution, The Norwegian Transparency Act. Going forward, we expect that the software providers within Governance Risk and Compliance will be required to support the customers with solutions related to ESG, legal compliance, risk management, vendor management, and internal controls. Few software suppliers can cover this range of solutions, which puts RISMA in a strong market position.

Danish and Norwegian customers have especially started looking for broad solutions, and RISMA's unique offering will provide us with great opportunities in the coming years. RISMA needs to benefit from the maturity in these two markets and prepare ourselves for the next wave of mature markets, most likely in Sweden, Finland, and the Benelux countries.

In 2023, RISMA's operations became almost cash neutral, following two years with a cash burn of more than 20 MDKK per year. At the end of 2023, the cash position was stronger than expected, with 13 MDKK in cash and 12 MDKK in unused credit facility. With this strong cash position, it has been decided not to pursue cash-positive operations in 2024 but to invest the positive cash flow from the existing operations in new activities.

Consequently, the organization will be strengthened, especially in product development, marketing, and sales in 2024. These investments in headcount and technology are not expected to have a significant impact on new revenue in 2024, but they are expected to form a stronger foundation

for further international growth, most likely in late 2024 or early 2025.

RISMA has had two consecutive years close to 50% growth in ARR. It becomes increasingly difficult to maintain such growth rates, but we invest to maintain high growth rates in the years to come.

With the experiences from entering Norway and Sweden, we know that it most likely requires an investment of 5 MDKK in a new market (or sales office) before it becomes cash-positive. With the planned strengthening of the organization in 2024, we are better situated for international growth in 2025, and depending on the international ambitions, it may make sense to attract new investments. No such decision has, however, been made. For now, we are satisfied with expanding the organization based on what is possible with the present cash flow.

### All-in-one GRC platform strategy

During the past years, RISMA's GRC platform has been further developed, and in 2021, it was consolidated into a state-of-the-art all-in-one GRC suite consisting of eight solutions:

- GDPR – General Data Protection Regulation
- ESG – Environmental, Social and Governance
- ISMS – Information Security Management System
- Risk Management
- Internal controls
- Incident management
- Policy management
- Contract Management

Moreover, RISMA sells other solutions, most notably:

- CSRD – Corporate Sustainability Reporting Directive
- NIS2 - Network and Information Security Directive
- Norwegian Transparency Act
- EIOPA / EBA - Outsourcing regulation for Financial Industry (soon to be supplemented with DORA)

# Milestones 2023

During 2023, the commercial team delivered results in the short term, while settling in the markets. Highlighted below are some of the commercial milestones executed in 2023, which serve as a great foundation for the ambitious commercial milestones for 2024. We are dedicated to building a high-performance culture based on professionalism, reliability, and execution.

## 1 – Nordic professional sales teams

The Danish, Swedish and Norwegian markets are the most mature when it comes to GRC-spend (per capita), so this is the natural market to prove RISMA's ability to scale and succeed.

Since 2018 we have had feet on the ground in Norway, and by the end of 2021 in Sweden.

In Sweden, we have one FTE; in Norway, we have two, and in Denmark, we have three FTE in the sales teams.

Since the end of 2021 a new commercial team has been focusing on setting the GRC scene in the three countries, making sure we have the correct solutions and partners in each market.

Since the launch of our GRC suite mindset, our new deals has increased in size. This applies to all three Nordic markets.

2023 has been used to ensure professionalism in the three three sales offices and to synchronize joint efforts even more than earlier.

The focus for all three teams in 2023 has been to close new agreements and build a pipeline for further growth ambitions in 2024.

STATUS: **DONE**

## 2 – Partner Strategy

Partnerships play an important role in scaling our business and meeting our growth ambitions. The partner strategy adds various benefits, such as accelerated lead generation, and increased customer value creation with both software and consulting, and it makes our business more resilient.

Partnerships are handled by Direct Sales, ensuring both a commercial mindset as well as understanding of value creation for both customers and partners – all with a deep understanding of the various disciplines across the GRC space.

The partner framework consist of four types of partnerships:

- Reference partner
- Sales partner
- Implementation partner
- Knowledge partner

A partner can be one or more of the above, and with the adjusted partner strategy we are now focusing on the partners that generate real value to our business.

STATUS: **DONE**

### 3 – Utilize the platform

During 2023, our deal size has increased, as our Governance, Risk, and Compliance now contains up to 20 different frameworks. Going forward, we expect this trend to continue. All from different ISO standards to regulatory frameworks are handled in one platform where the most crucial is atomized, enabling guidance and assistance and ensuring no double data entering.

Up until 2021, we often sold one solution, but many customers bought into the fact that they could grow into the RISMA platform. Some of these customers now invest in more solutions.

We bundled 8 of our generic solutions called the GRC suite.

This has also been a success, where we now often sell 3-10 solutions instead of one or two in the past.

However, we see a trend where potential customers contact us with one solution in mind but they end up with investing in more solutions, adding to the increased deal size.

STATUS: **DONE**

### 4 – Customer care

When launching many different standards and regulatory frameworks, customer onboarding and good service and support are the heart of our commercial operation.

During 2023, we made the Sales Directors in Norway and Sweden responsible for the Customer Success teams as well as the sales teams, to make sure that the existing and potential RISMA customers are handled as close to the local markets as possible and not from a call center somewhere else in the world.

We still believe that local presence and good collaboration will be a long-term market differentiator for RISMA. In addition to happy and long-lasting customer relationships, this will also allow us to convert even more feedback and input from customers and partners into improved solutions, which will fuel more sales, growth and expansion.

STATUS: **DONE**

# Outlook and focus areas for 2024

We plan to boost our growth ambition in 2024.

<b>Deliver on our significant growth target</b>	RISMA has had two consecutive years close to 50% growth in ARR and even though costs were reduced significantly with a successful reorganization in H2 2022.	The ARR growth target for 2024 is 11.1 - 15.1 MDKK, compared to 11.2 MDKK in 2023 (page 19). The plan is to strengthen the sales organization to prepare for further growth in Denmark, Norway, and Sweden in 2025.
<b>Prepare for further international growth</b>	In 2023, the sales organizations in Norway and Sweden created positive cash flow for the first time. Based on experiences from these sales offices, we estimate that starting a new sales office costs 5 MDKK before it becomes cash flow positive.	In 2024, we expect to prepare our solutions for entrance into the Finnish market. Thus, it requires translations of solutions, documentation, and marketing material as well as identification of specific relevant requirements in Finnish legislation.
<b>Claiming and manifesting GRC thought leadership in Denmark</b>	To an increasing extent, the market in Denmark is moving from single-purpose solutions, e.g., GDPR and ISMS, Risk management, Contract Management, or Internal Controls, to multi-purpose solutions. Being Denmark's only real multi-purpose solution, RISMA is interested in promoting that market development.	RISMA will promote the cross-functional GRC and ESG agenda in Denmark through advertising, seminars, and webinars. The learnings from this effort are expected to form the basis for future marketing activities in Norway and other countries.
<b>Strengthening presence in ESG market</b>	RISMA has, for some time, had a leading position in the GRC market in Denmark. As we believe that the GRC and ESG compliance markets will eventually merge into one software market, it has been a priority to get a strong foothold in the ESG market in 2023.	With more than 30 CSRD solutions sold by the end of 2023 and the main part of the market still, in a waiting position, RISMA will focus on strengthening our existing CSRD solution, building a CSRD solution for SMB, and strengthening our solution for the Norwegian Transparency Act.
<b>Benefit from increasing focus on IT security and resilience</b>	With the increasing cyber threat, the EU focuses on IT security and resilience. As a result, the EU requires that larger companies comply with a new set of IT security regulations, NIS2. Furthermore, new regulations have come into place for the financial industry. Companies in this industry shall comply with this directive, DORA, from the beginning of 2025.	RISMA has had a solution for NIS2 since Q2 2023 but is continuously strengthening this solution, and the customers are now getting ready to invest in software. Customers are most likely ready to purchase software for compliance with DORA in H2 2024. RISMA expects to have the solution ready by the end of H1 2024.

# Corporate information

# Corporate governance

## Board of Directors

RISMA's Board of Directors currently consists of six board members, including the Chairman and the Chief Executive Officer. The primary objective of the Board of Directors is to supervise the work of the Executive Management and the direction of the overall strategy. The Executive Management Team is responsible for planning, leading, and controlling the day-to-day operations of RISMA.

All board members are elected for a term of one year at the Annual General Meeting and may be re-elected. The Board of Directors elects a Chairman and can elect a Vice Chairman, if deemed necessary. In case of parity of votes, the Chairman has the casting vote.

## Board of Practices and Governance

RISMA's Board of Directors has well-defined and established processes for internal controls, processes, and corporate governance. The Board of Directors outlines detailed instructions for the Chief Executive Officer which clearly outlines the distribution of responsibilities and expectations.

The Board of Directors of RISMA is ultimately responsible for the Company and supervision of the Executive Management. The Chairman and Board Members are elected at the Annual General meeting and are elected for a one-year period at a time. In addition to the Annual General Meeting, and quarterly Board meetings, the Board of Directors gathers as the Chairman of the Board of Directors deems necessary.

The Board of Directors is responsible for ensuring that RISMA is managed in an appropriate manner and in accordance with legislation in the jurisdictions in which the company operates. The Board of Directors is responsible for ensuring that bookkeeping and administration of assets is done in a satisfactory manner. Furthermore, the Board of Directors is responsible for ensuring that the financial position is always appropriate in relation to the operation of RISMA.

## Shareholder information

Shareholders	Person	Position	% Ownership	Number of warrants
NB Herlev Holding ApS	<b>Claus Henrik Christiansen</b>	Board Member	32,25	0
Ankjer Holding ApS	<b>Lars Ankjer Jensen</b>	Chairman of the Board	15,97	0
LNM Holding ApS	<b>Lars Nybro Munksgaard</b>	Board Member, founder and chief executive officer	12,86	75,000
Bladt invest ApS	<b>Rolf Bladt</b>	Board Member	11,48	0
Rolf Hall	<b>Rolf Hall</b>	Board Member	0,00	0
Merete Søby	<b>Merete Søby</b>	Board Member	0,00	0

# Board of Directors



Lars Ankjer Jensen  
CHARIMAN OF THE BOARD

**Profession**  
CEO, Ankjer Holding ApS.

**Description**  
Lars Ankjer Jensen is a serial entrepreneur, board member, and business angel. He started his career in 1987-1995 in Deloitte and EY, 1995-1997 working as an auditor. In 1997, he became CFO in C.W.Obel Industrial Services A/S and was part of a successful reconstruction of the group's entities. From 1999-2001, he was CFO in the IT company, Dansk Systempartner A/S, and was responsible of the exit of the company in 2001. Lars founded the Private Equity company, Ankjer Holding ApS, in 2001, and has been part of several companies, reconstruction investments, and start-up investments until today. Lars joined RISMA Systems in 2014 and was the first investor and has since then worked closely with the founder and CEO, Lars Munksgaard. Other key positions: CEO and owner of Visionhouse.dk and Visionhouse Væksthus.

**Education**  
Cand.merc.aud., HD, CBS Copenhagen



Lars Nybro Munksgaard  
FOUNDER & CHIEF EXECUTIVE OFFICER  
AND MEMBER OF THE BOARD

**Description**  
Prior to founding RISMA in 2014, Lars has a background from Deloitte, A.P. Moller-Maersk, and Saxo Bank. He has more than 25 years of professional experience, and more than 20 years of management experience, within areas of auditing, financial reporting, and compliance, risk management, and consultancy. Having worked in both consulting, conglomerates and the financial industry, Lars capitalizes on broad experience and deep insights to his creation and continued development and leadership of RISMA.

**Education**  
HD (R) from CBS Cand.merc.aud from CBS.



Claus Henrik Christiansen  
MEMBER OF THE BOARD

**Profession**  
Medical doctor, scientist, and serial entrepreneur.

**Description**  
Claus Christiansen received his medical degree in 1978, and from 1978 to 1998, he held the position as Chairman and Head of the Department of Clinical Pathology and Clinical Chemistry at Glostrup Hospital. Since 1992, Claus has founded, managed, and also sold several companies, including Osteometer A/S, CCBR A/S, Synarc Inc, Sanos Group A/S, and the Nordic Bioscience Group. Claus has had several board positions and invested in multiple companies, also outside the life science industry.

**Other key positions**  
Director and board member of Den Danske Forskningsfond, founder, majority owner and chairman of Nordic Bioscience Holding A/S.  
Owner of NB Herlev Holding ApS.

**Education**  
Medical Doctor, DMSc. Degree in Clinical Chemistry, 1978.



Rolf Hall  
MEMBER OF THE BOARD

**Profession**  
Vice President of Sales, Salesforce.

**Description**  
Rolf started his IT career in 1986 as a developer and entrepreneur and then joined Intentia (Later Lawson and now Infor) in 1996 as head of development and product management for CRM. During these 13 years, he built a broad experience in product development and product management in an international setting. In 2009 he shifted focus to the commercial side when he joined Salesforce as one of the early employees in the Nordics. He has a deep knowledge of commercial excellence and go-to-market when building a SaaS technology with a subscription-based business model in the mid-market and the enterprise market.



**Rolf Bladt**  
MEMBER OF THE BOARD

**Profession**

Owner of Bladt & Co ApS

**Description**

Rolf Bladt is an experienced business leader and entrepreneur. As the CEO of BLADT & CO. ApS since 2002 and owner of several companies, he has played an active role in Danish business. He has an impressive professional background spanning several decades. He worked for companies such as Oticon, GN, and ISS in his early career. Subsequently, he spent eight years at Mærsk Medical and 20 years as the owner and CEO of Simonsen & Weel A/S. His international experience includes stays in Paris and Malaysia, and the broad range of responsibilities has provided him with a profound understanding of global business practices. Today, he is Chairman of the Board for Molytex A/S and a board member for Unickey, Risma, and IBA.

**Education**

M. Sc. In Engineering from DTU, HD in International Business, MBA from Schiller University, Doctorate in Business Administration from California Coast University.



**Merete Søby**  
MEMBER OF THE BOARD

**Description**

Merete Søby started her career in A.P. Moller-Maersk, and has since 1999 been working in the IT industry. She brings more than 25 years of management experience started out in sales and marketing and later on general management, as managing director for Hitachi from 2008 – 2020. Today Merete heads up 5 independent Software and Service companies in KMD with focus from Energy Solutions, Digital Agency, Analytic and AI solutions to Life & Pension solutions. She has worked in professional boards since 2005, where her focus has been on Digitalization and Commercial & Operational excellence. Merete is dedicated to drive the Sustainability and the Green Transition agenda, and involved in political work to drive Denmark's position within this agenda.

**Other key positions**

Second chairman of DHI. Board member, RelyOn. Chairman of Edlund. Chairman of Charlie Tango. Member of Climate Council, DE

**Education**

HD (A). CBA, AVT institute

# Executive Management



**Lars Nybro Munksgaard**  
FOUNDER & CHIEF EXECUTIVE OFFICER  
AND MEMBER OF THE BOARD

**Description**

Prior to founding RISMA in 2014, Lars has a background from Deloitte, A.P. Moller-Maersk, and Saxo Bank. He has more than 25 years of professional experience, and more than 20 years of management experience, within areas of auditing, financial reporting, and compliance, risk management, and consultancy. Having worked in both consulting, conglomerates and the financial industry, Lars capitalizes on broad experience and deep insights to his creation and continued development and leadership of RISMA.

**Education**

HD (R) from CBS Cand.merc.aud from CBS.



# Management Team

**RISMA's Management Team has broad and deep leadership experience. The team has extensive know-how of the SaaS industry, GRC, and process optimizing software.**

RISMA's Management Team is responsible for the daily management of their respective areas of responsibility. In line with RISMA's culture, they operate in a non-hierarchical and agile manner, focusing on cross-functional collaboration, the individual performance, and development of their respective employees.



**Henrik Flintsø**  
CHIEF FINANCIAL OFFICER

## Role

Henrik has experience within startups and scale-ups SaaS companies and leads the finance department in supporting the business in the international growth journey. Specially implementing and optimizing new systems and processes including reporting of relevant metrics for improving the business.

## Background

Prior to joining RISMA in 2023, Henrik has worked extensively within accounting, financial reporting, business support and held financial leadership positions at large and medium-sized international companies.

## Education

Mini MBA from Aros Business Academy, cand.merc.aud and HD (R) from Copenhagen Business School.



**Gitte Barsøe Pedersen**  
CHIEF PRODUCT OFFICER

## Role

Gitte is dedicated to developing and maintaining RISMA's customer centric culture. She is head of the Product Development & Adoption Team that ensures dedicated configuration and implementation of RISMA's software and supports the customers with their product expertise on a day-to-day basis. Secondly, she is deeply involved with the strategic development of the product and work closely with both customers and partners to make sure RISMA meets market demands.

## Background

Prior to joining RISMA in 2017, Gitte has held leadership positions across customer service, product strategy, R&D, and communications within media and software companies.

## Education

Master of Communication from University of Roskilde



**Nicolai Juhl Ascanius**  
CHIEF INFORMATION OFFICER

## Role

Nicolai is motivated by moving the product forward with the latest features using the best technology surrounded by dedicated and skilled people. Working with legal tech often means that no one has done what we do with software which requires thinking outside the box every day.

## Background

Prior to joining RISMA in 2016, Nicolai has a background in IT consulting, technical development, and project management. Nicolai has worked in software development for 20+ years and has experience in the private and public sector.

## Education

Master of Science in Electronics from DTU and HD 1. part from Copenhagen Business School.



**Steen Rath**  
CHIEF SALES OFFICER

## Role

Steen is responsible for sales in RISMA. One side of this is leading direct sales toward new potential clients, another side is to drive up sales and cross sales to all existing clients. And the third and final side is that Steen is also responsible for sales coming from all RISMA's partners.

## Background

Prior to joining RISMA in 2016, Steen held similar roles within business development, sales and commercial management. Steen has more than 20 years of experience from Security, Accounting Industry and Software sales.

## Education

HD in business administration and Executive Master in Business Administration (E-MBA) from Copenhagen Business School.

## Management Team



**Per Christian Næsset**  
SALES DIRECTOR - NORWAY

### Role

Per Christian strives to make RISMA the number one GRC software in Norway and shares a great experience in growing businesses and creating successful teams.

### Background

Before joining RISMA in 2021, Per Christian held similar positions in the software industry operating both locally in the Nordics and internationally.

He has more than 20 years of experience from various segments and industries.

### Education

Master of Science in Business & Administration from Nord University.



**Anna Fiebig**  
SALES DIRECTOR - SWEDEN

### Role

Anna strives to ensure that RISMA Sweden develops and strengthens RISMA's position in the journey to become a leading player in the Swedish GRC software market and aims to build a strong and successful team in Sweden.

### Background

Prior to joining RISMA, Anna held a position within commercial sales and business development in the Training & Development industry.

Anna started her journey in RISMA working in a two-sided role in customer implementation, and sales. In November 2023, she took on the position as Sales Director of Sweden.

### Education

Business Administration from Santa Monica College, USA.



**Patricia Mellado Brusgaard**  
HEAD OF MARKETING

### Role

Patricia focuses on building the foundation of a solid customer-centric and data-driven marketing team that contributes to scaling the business and reaching company goals.

### Background

Patricia has experience from a US-based SaaS company operating in the advertising and media technology space. She held global and Nordic marketing positions within B2C in healthcare and consumer products goods before that.

### Education

Master of Science in International Marketing & Management from Copenhagen Business School.



**Markus Földvary**  
HEAD OF CUSTOMER SUCCESS

### Role

Markus is dedicated to ensuring that all customers get the desired value of using RISMA for their GRC work. He is head of the Customer Success team in Denmark that ensures dedicated configuration and implementation of RISMA's software. Furthermore, the team conducts regular business reviews with customers, and with their product expertise they support customers on a day-to-day basis.

### Background

Before joining RISMA in 2022 Markus held positions within Customer Success in a SaaS-startup, and previously also worked as an editor at a smaller Danish news website.

### Education

Bachelor of Journalism from Danmarks Medie- og Journalisthøjskole

# Statement from the CFO

## Revenue & EBITDA

RISMA managed to increase the revenue by 37% from 22.3 MDKK in 2022 to 30.7 MDKK in 2023. The revenue consists of recurring licenses sales and revenue related to implementation of our software.

Both revenue items follow the ARR growth closely though with a delay of in average 6 month, since the licenses revenue is evenly spread across 12 month.

The EBITDA was positive impacted by significant cost reductions. Especially staff costs have been reduced with 4.0 MDKK. Together with the improvement in revenue of 8.4 MDKK the EBITDA was improved with total 12.8 MDKK to -7.0 in 2023. EBITDA is considered satisfactory and within the latest and improved guidance of -6,8 to -7,8 MDKK.

Group key figures:

DKK '000	2023	2022
Revenue	30.7	22.3
<b>GROSS PROFIT</b>	<b>18.3</b>	<b>9.4</b>
Staff costs	-25.3	-29.3
<b>EBITDA</b>	<b>-7.0</b>	<b>-19.8</b>
Average no. FTE (excl. outsourced developers)	34	35
Cash end of year	13.1	14.1
Loans	0.0	0.0
Unused loan facility	12.0	12.0

## Tax credit (skattekreditordning)

SKAT has not accepted the application for tax credit for 2021 amounting 881 TDKK. The amount has been repaid to SKAT in December 2023. In consequence hereof, management has decided not to apply for tax credit for 2022 amounting 963 TDKK. As the company does not recognize deferred tax assets, tax for the year in 2023, is negatively affected by 1,847 TDKK including minor adjustments (see note 6).

## Capital Management

RISMA has an unused granted loan facility of 12 MDKK until March 2025 granted by NB Herlev Holding and Ankjer Holding.

With the strong cash position at December 31, 2023, of 13,1 MDKK (see page 28) and the unused loan facility of 12 MDKK RISMA has more than sufficient capital for the planned activities in 2024.

## Risk related to software development

We follow the situation in Ukraine closely. We use an IT supplier that operates out of both Poland and Ukraine. All our front-end development is maintained by our Ukrainian team and the crisis can influence our ability to release software updates as planned.

We have the skillset in Denmark to maintain the front-end development, but a potential transfer of knowledge from Ukraine to Denmark will cause delays of our software updates. However, no delays had occurred in 2023

## Treasury shares

As of December 31, 2023, the nominal value of treasury shares amounts to DKK 1,400 which corresponded to 0,06% of the share capital.

## Key events after balance date

No significant events have occurred after the balance sheet date December 31, 2023.

## 2024 Guidance

With the current updated CSRD-suit, the NIS2 solution and the Norwegian Transparency Act solution the cornerstones are in place for further growth in 2024 and onwards.

The guidance for 2024 is confirmed and unchanged at 45-49 MDKK for ARR end of year and EBITDA of -5,6 to -9,6 MDKK.

## HIGHLIGHTS OF THE ANNUAL RECURRING REVENUE 2023

### Annual recurring revenue 2023

ARR ended with a strong commercial performance and at 33.8 MDKK for 2023, which was an increase of 11.1 MDKK equivalent to 49% growth compared to the 2022 level. The growth was just below the initial expectations between 50%-70% but still very satisfactory taking the market circumstances into consideration.



### New Sales

New sales ended at 9.5 MDKK in 2023 compared to 6.2 MDKK in 2022, which was equivalent to at 50% growth in new sales compared to same period last year. RISMA welcomed 97 new customers with an average ARR deal size of approximately 98 TDKK (2022: 50 TDKK). The growth was well spread across Denmark, Norway and Sweden.

### Upselling

The upselling ended at 3.9 MDKK in 2023, which was higher than last year at 2.8 MDKK. The upselling was impacted by a combination of increasing inflation rate and the fact that customers are choosing to increase the usage and expanding the selection of the different modules in our GRC-Suite, which not only shows the value of our platform solution, but also that our “pay as you grow” model is attractive and viable.

### Revenue Churn

In 2023, the revenue churn ended at 1.7 MDKK which is equivalent to a 5% revenue churn rate and a slightly im-

provement compared to 2022. The revenue churn ended at the expected level and was primarily derived from our smaller customers, hence not from our strategically important customers.

### Net Revenue Retention Rate

The revenue retention rate in 2023 ended at 107% which was a very satisfactory level and unchanged compared to 2022. The high level was driven by our continued high level of upselling combined with the relatively small level of revenue churn during 2023.

### Customer Acquisition Ratio

Our average customer acquisition cost in 2023 ended at 119 TDKK, compared to 129 TDKK in 2022.



**Henrik Flintsø,**  
Chief Financial Officer

## Definitions

### ANNUAL RECURRING REVENUE

The annual recurring revenue, also referred to as ARR, is defined as currently contracted revenue, and can be used to forecast the future annual revenue stream.

### NEW SALES

New sales is defined as revenue derived from new acquired customers. In the ARR the value of new licenses is added, however revenue from the implementation is excluded.

### UPSELLING

Upselling consists of sales of additional licenses or modules and index regulations on existing contracts.

### REVENUE CHURN

Revenue churn is customers with terminated contracts, which have expired and there is no future revenue, hence they are not depicted in the ARR.

### NET REVENUE RETENTION RATE

The Net Revenue Retention Rate is the difference between the positive impact of revenue upselling and the negative impact of revenue churn.

# Financial Statements

# Statement by the Board of Directors and the Executive Board

---

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of RISMA Systems 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 consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's and the Group's financial position.

We recommend that the annual report be approved at the annual general meeting.

Glostrup, 3 April 2024

## **Executive Board**

Lars Nybro Munksgaard

## **Board of Directors**

Lars Ankjer Jensen  
*Chairman*

Claus Henrik Christiansen

Lars Nybro Munksgaard

Rolf Hall

Rolf Bladt

Merete Søby

# Independent auditor's report

To the shareholders of RISMA Systems A/S

## Opinion

We have audited the consolidated financial statements and the parent company financial statements of RISMA SYSTEMS A/S for the financial year 1 January – 31 December 2023 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 consolidated financial statements and the parent company financial statements" section of our report.

We are independent of the Group 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.

## Management's responsibility for the consolidated financial statements and the parent company financial statement

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

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

## Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these consolidated financial statements and parent company 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 consolidated financial statements and the parent company 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 Group's and the Parent Company'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 consolidated financial statements and the parent company 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 Group's and the Parent Company'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 consolidated financial statements and the parent company 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 Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 3 April 2024

**KPMG Statsautoriseret Revisionspartnerselskab**  
CVR no. 25 57 81 98

**Kenn Wolff Hansen**  
State Authorised  
Public Accountant  
nne30154

**Sara Carstensen**  
State Authorised  
Public Accountant  
mne34191



# Income statement

DKK '000	Note	GROUP		PARENT COMPANY	
		2023	2022	2023	2022
<b>Revenue</b>		<b>30,708</b>	<b>22,338</b>	<b>27,173</b>	<b>20,670</b>
Work performed for own account and capitalized		2,880	2,842	2,880	2,842
Cost of sales		-5,194	-6,308	4,123	-4,719
Other external expenses		-10,070	-9,451	-8,810	-8,234
<b>Gross Profit</b>		<b>18,324</b>	<b>9,420</b>	<b>17,120</b>	<b>10,558</b>
Staff costs	3	-25,351	-29,260	-21,101	-24,989
Amortisation/depreciation and impairment of intangible and tangible fixed assets		-3,284	-3,077	-3,284	-3,077
<b>Loss before net financials</b>		<b>-10,311</b>	<b>-22,917</b>	<b>-7,265</b>	<b>-17,508</b>
Loss from investments in group enterprises		0	0	-3,240	-5,745
Financial income	4	121	207	217	168
Financial expenses	5	-139	-807	-41	-432
<b>Loss before tax</b>		<b>-10,329</b>	<b>-23,517</b>	<b>-10,329</b>	<b>-23,517</b>
Tax for the year	6	-1,847	963	-1,847	963
<b>Loss for the year</b>		<b>-12,176</b>	<b>-22,554</b>	<b>-12,176</b>	<b>-22,554</b>
<b>Recommended appropriation of loss</b>					
Reserve for development costs				-40	1,136
Retained earnings/accumulated loss				-12,136	-23,690
				<b>-12,176</b>	<b>-22,554</b>

# Balance Sheet

DKK '000	Note	GROUP		PARENT COMPANY	
		2023	2022	2023	2022
<b>Assets</b>					
Fixed Assets					
Intangible assets	7				
Completed development projects		8,704	8,128	8,704	8,128
Development projects in progress		87	714	87	714
Acquired intangible assets		28	43	28	43
		<b>8,819</b>	<b>8,885</b>	<b>8,819</b>	<b>8,885</b>
Tangible fixed assets	8				
Fixtures and fittings, and equipment		202	330	202	330
		<b>202</b>	<b>330</b>	<b>202</b>	<b>330</b>
Investments	9				
Investment in group enterprises		0	0	0	0
Deposits, investments		310	301	301	301
		<b>310</b>	<b>301</b>	<b>301</b>	<b>301</b>
<b>Total fixed assets</b>		<b>9,331</b>	<b>9,516</b>	<b>9,322</b>	<b>9,516</b>
<b>Current assets</b>					
Receivables					
Trade receivables		7,831	7,926	6,709	7,130
Corporation tax receivable		2	968	2	968
Prepayments		3,061	2,433	1,970	1,912
Other receivables		51	102	50	102
		<b>10,945</b>	<b>11,429</b>	<b>8,731</b>	<b>10,111</b>
Cash		13,113	14,138	10,930	13,339
<b>Total current assets</b>		<b>24,058</b>	<b>25,567</b>	<b>19,661</b>	<b>23,450</b>
<b>TOTAL ASSETS</b>		<b>33,389</b>	<b>35,083</b>	<b>28,983</b>	<b>32,965</b>

DKK '000	Note	GROUP		PARENT COMPANY	
		2023	2022	2023	2022
<b>EQUITY AND LIABILITIES</b>					
Equity	10				
Share capital		2,171	2,171	2,171	2,171
Reserve for development costs		0	0	6,857	6,897
Foreign currency translation reserve		-195	-126	-195	-126
Retained earnings/accumulated loss		2,223	14,249	-4,634	7,352
<b>Total equity</b>		<b>4,199</b>	<b>16,294</b>	<b>4,199</b>	<b>16,294</b>
Provisions					
Provisions, investments in group enterprises	9	0	0	1,172	287
<b>Total provisions</b>		<b>0</b>	<b>0</b>	<b>1,172</b>	<b>287</b>
Current liabilities other than provisions					
Trade payables		3,003	1,804	2,276	1,692
Other payables		4,832	2,663	3,619	1,976
Deferred income		21,355	14,322	17,717	12,716
		<b>29,190</b>	<b>18,789</b>	<b>23,612</b>	<b>16,384</b>
<b>Total liabilities other than provisions</b>		<b>29,190</b>	<b>18,789</b>	<b>23,612</b>	<b>16,384</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33,389</b>	<b>35,083</b>	<b>28,983</b>	<b>32,965</b>
Accounting policies	1				
Events after the balance sheet date	2				
Treasury shares	11				
Contractual obligations and contingencies, etc.	12				
Collateral	13				

# Statement of changes in equity

## GROUP

DKK '000	Share capital	Share premium account	Foreign currency translation reserve	Retained earnings/ accumulated loss	Total
Equity at 1 January 2022	1,807	0	-266	17,167	18,708
Capital increase	364	19,636	0	0	20,000
Transferred from share premium account	0	-19,636	0	19,636	0
Transfer through appropriation of profit/loss	0	0	0	-22,554	-22,554
Foreign exchange adjustments	0	0	140	0	140
<b>Equity at 1 January 2023</b>	<b>2,171</b>	<b>0</b>	<b>-126</b>	<b>14,249</b>	<b>16,294</b>
Transfer through appropriation of profit/loss	0	0	0	-12,176	-12,176
Foreign exchange adjustments	0	0	81	0	81
<b>Equity at 31 December 2023</b>	<b>2,171</b>	<b>0</b>	<b>-45</b>	<b>2,073</b>	<b>4,199</b>

## PARENT COMPANY

DKK '000	Share capital	Share premium account	Reserve for development cost	Foreign currency translation reserve	Retained earnings/ accumulated loss	Total
Equity at 1 January 2022	1,807	0	5,761	-266	11,406	18,708
Capital increase	364	19,636	0	0	0	20,000
Transferred from share premium account	0	-19,636	0	0	19,636	0
Transfer through appropriation of profit/loss	0	0	1,136	0	-23,690	-22,554
Foreign exchange adjustments	0	0	0	140	0	140
<b>Equity at 1 January 2023</b>	<b>2,171</b>	<b>0</b>	<b>6,897</b>	<b>-126</b>	<b>7,352</b>	<b>16,294</b>
Transfer through appropriation of profit/loss	0	0	-40	0	-12,136	-12,176
Foreign exchange adjustments	0	0	0	81	0	81
<b>Equity at 31 December 2023</b>	<b>2,171</b>	<b>0</b>	<b>6,857</b>	<b>-45</b>	<b>-4,784</b>	<b>4,199</b>

# Cash flow statement

GROUP

DKK '000	Note	2023	2022
Profit/loss for the year		-12,176	-22,554
Adjustments	14	5,149	2,714
<b>Cash generated from operations before changes in working capital, interest received and paid, and income taxes received</b>		<b>-7,027</b>	<b>-19,840</b>
Changes in working capital	15	9,919	-1,937
<b>Cash generated from operations before interest received and paid, and income taxes received</b>		<b>2,892</b>	<b>-21,777</b>
Interest received, etc.		121	207
Interest paid, etc.		-139	-807
Income taxes paid/received		-881	774
<b>Cash flows from operating activities</b>		<b>1,993</b>	<b>-21,602</b>
Additions, intangible assets		-3,090	-4,377
Additions, deposits		-9	0
<b>Cash flows from investing activities</b>		<b>-3,099</b>	<b>-4,377</b>
Cash capital increase		0	20,000
<b>Cash flows from financing activities</b>		<b>0</b>	<b>20,000</b>
Net cash flow		-1,106	-5,979
Cash and cash equivalents at 1 January		14,138	19,977
Foreign exchange adjustments		81	140
<b>Cash and cash equivalents at 31 December</b>		<b>13,113</b>	<b>14,138</b>

# Notes to the financial statements

## 1. ACCOUNTING POLICIES

The annual report of RISMA Systems A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities. RISMA Systems A/S has chosen voluntarily to prepare consolidated financial statements for the Group for 2023 with comparative figures for 2022. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

### OMISSION OF A CASH FLOW STATEMENT

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

### REPORTING CURRENCY

The financial statements are presented in Danish kroner (DKK'000).

### CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

### Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated.

### FOREIGN CURRENCY TRANSLATION

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

## Income statement

### REVENUE

The Company has chosen IFRS 15 as interpretation for revenue recognition.

Revenue from the sale of services is recognized in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

On the conclusion of sales contracts which consist of several, separate sales transactions, the contract price is split up into the individual sales transactions based on the relative fair value approach.

A contract is split up into individual transactions when the fair value of each individual sales transaction can be calculated reliably and when each individual sales transaction has a separate value for the purchaser. Sales transactions are deemed to have a separate value for the purchaser when the transaction is individually identifiable and is usually sold separately.

### REVENUE FROM SAAS (SOFTWARE-AS-A-SERVICE)

RISMA Systems A/S sells SaaS (Software-as-a-Service) by hosting the software and related services as cloud-based services. The software is not installed on the customer's own servers, but on cloud servers that RISMA Systems A/S manages. The performance obligation for SaaS is satisfied over time, as the customer continually receives and consumes the benefits of the SaaS during the contract period.

### REVENUE FROM IMPLEMENTATION AND CONSULTING SERVICES

RISMA Systems A/S sells consulting services which are provided on a regular basis (consultancy). RISMA Systems A/S assists customers with the implementation of software. Revenue from implementation is recognized over the period where the revenue from software is recognized.

### COST OF SALES

Cost of sales includes the external direct cost incurred to generating the year's revenue.

## 1. ACCOUNTING POLICIES (CONTINUED)

### OTHER EXTERNAL EXPENSES

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### STAFF COSTS

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

### AMORTISATION/DEPRECIATION

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	5 years
Acquired intangible assets	5 years
Fixtures and fittings, other plant and equipment	3-5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

### PROFIT/LOSS FROM INVESTMENTS IN SUBSIDIARIES

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

The proportionate share of the individual subsidiaries' profit/loss after tax after full elimination of internal gains/losses are recognised in the parent company's income statement.

### FINANCIAL INCOME AND EXPENSES

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities exchange gains and losses and amortisation of financial assets and liabilities.

### TAX

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

### Balance sheet

### INTANGIBLE ASSETS

Other intangible assets include development projects and other acquired intangible assets.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

## 1. ACCOUNTING POLICIES (CONTINUED)

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straightline basis over the estimated useful life. The amortisation period is usually 5 years.

### PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

### LEASES

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under contractual obligations and contingencies.

### INVESTMENTS IN SUBSIDIARIES

Equity investments in subsidiaries are measured according to the equity method.

On initial recognition, equity investments in subsidiaries and associates are measured at cost. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Dividend received is reduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Equity investments in subsidiaries with negative net asset values are measured at DKK 0, and any

receivables from these entities are written down to the extent that the receivables are deemed irrecoverable. To the extent that the Parent Company has a legal or constructive obligation to cover negative balance exceeding the receivable, the residual amount is recognized as provisions.

### IMPAIRMENT OF FIXED ASSETS

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

### RECEIVABLES

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

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 has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

### PREPAYMENTS

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

## 1. ACCOUNTING POLICIES (CONTINUED)

### CASH

Cash comprise cash in banks accounts.

### EQUITY

#### Share based payment

Sharebased payment programs is disclosed in note 11. Granted warrants are classified as equity settled instruments, and are not recognised in the financial statements.

#### Treasury shares

Purchases and sales of treasury shares are taken directly to equity under "Retained earnings".

#### Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

#### Reserve for development costs

The reserve for development costs comprises recognised development costs less amortisation and tax. The reserve cannot be used to distribute dividends or cover losses. The reserve will be reduced or dissolved if the recognised development costs are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

### INCOME TAXES

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively. Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

### LIABILITIES

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

### DEFERRED INCOME

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

### CASH FLOW STATEMENT

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

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

Cash and cash equivalents comprise cash, which are readily convertible into cash and which are subject only to insignificant risks of changes in value.



## 2. EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred after the balance sheet date.

## 3. STAFF COSTS

DKK '000	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Wages/salaries	22,754	26,015	19,579	22,913
Pensions	1,501	1,987	1,283	1,784
Other social security costs	1,096	1,258	239	292
	<b>25,351</b>	<b>29,260</b>	<b>21,101</b>	<b>24,989</b>
Average number of fulltime employees	34	35	27	30

The Company has in total issued warrants with the rights to sign 1,452,078 (2023: 755.000) new shares or DKK 145,208 (2023: 75.500) in nominal value. Warrants has been issued in the period since the IPO of RISMA. Selected key employees have been part of the warrants program and the executive management. The average subscription price is between 6.9 and 9.5 with the possibility for exercise after three years from date of issue, under the condition of the employee still being employed at RISMA, or considered as good leaver.

No warrants have been exercised during 2023 and no warrants are exercisable as of December 31, 2023.

## 4. FINANCIAL INCOME

DKK '000	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Interest income, group entities	0	0	120	148
Other financial income	121	207	97	20
	<b>121</b>	<b>207</b>	<b>217</b>	<b>168</b>

## 5. FINANCIAL EXPENSES

DKK '000	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Other financial expenses	139	807	41	432
	<b>139</b>	<b>807</b>	<b>41</b>	<b>432</b>

## 6. TAX FOR THE YEAR

DKK '000	GROUP		PARENT COMPANY	
	2023	2022	2023	2022
Tax for the year	0	963	0	963
Adjustments previous years	-1,847	0	-1,847	0
	<b>-1,847</b>	<b>963</b>	<b>-1,847</b>	<b>963</b>

SKAT has not accepted the application for tax credit for 2021 (skattekreditordning) amounting 881 TDKK. In consequence hereof, management has decided not to apply for tax credit for subsequent years. Furthermore various adjustments 3 TDKK. As the company does not recognize deferred tax assets, tax for the year in 2023, is negatively affected by 1,847 TDKK.

## 7. INTANGIBLE ASSETS

## GROUP

DKK '000	Completed development projects	Development projects in progress	Acquired intangible assets	Total
Cost at 1 January 2023	20,210	714	71	20,995
Additions	3,003	87	0	3,090
Transferred	714	-714	0	0
<b>Cost at 31 December 2023</b>	<b>23,927</b>	<b>87</b>	<b>71</b>	<b>24,085</b>
Amortisation at 1 January 2023	12,082	0	28	12,110
Amortisation for the year	3,141	0	15	3,156
Amortisation at 31 December 2023	15,223	0	43	15,266
<b>Carrying amount at 31 December 2023</b>	<b>8,704</b>	<b>87</b>	<b>28</b>	<b>8,819</b>

## PARENT COMPANY

DKK '000	Completed development projects	Development projects in progress	Acquired intangible assets	Total
Cost at 1 January 2023	20,210	714	71	20,995
Additions	3,003	87	0	3,090
Transferred	714	-714	0	0
<b>Cost at 31 December 2023</b>	<b>23,927</b>	<b>87</b>	<b>71</b>	<b>24,085</b>
Amortisation at 1 January 2023	12,082	0	28	12,110
Amortisation for the year	3,141	0	15	3,156
Amortisation at 31 December 2023	15,223	0	43	15,266
<b>Carrying amount at 31 December 2023</b>	<b>8,704</b>	<b>87</b>	<b>28</b>	<b>8,819</b>

## COMPLETED DEVELOPMENT PROJECTS

- CSRD

By leveraging RISMA's GRC platform and creating a top-line ESG solution targeted on the mid-market we believe that ESG can be a future differentiator for RISMA and support further growth.

- Scaling of the RISMA suite for large datasets

The RISMA suite has been scaled and optimised to support customers with large datasets. The functionality can now be used on large data without a significant increase in response and processing time.

- Efficiency metric measuring the completion of controls

The RISMA suite improves the risk management through the new efficiency measuring of completion of controls. This new tool not only report the status of the control but also how efficient the controls are carried out.

## DEVELOPMENT PROJECTS IN PROGRESS

- Data flow wizard

A data flow wizard is under development making it easy to comply with rules and document data-streams. The functionality will make it much easier to register data streams and at the same time secure that all necessary information is in place including data storage periode, data responsible etc.

- IMPAIRMENT TEST

Management has prepared an impairment test of the carrying amount of completed development projects and development projects in progress.

Management has not identified any evidence of impairment relative to the carrying amount of the development projects.

## 8. PROPERTY, PLANT AND EQUIPMENT

## GROUP

DKK '000	Fixtures and fittings, other plant and equipment
Cost at 1 January 2023	1,107
Additions	0
<b>Cost at 31 December 2023</b>	<b>1,107</b>
Depreciation at 1 January 2023	777
Depreciation	128
Depreciation at 31 December 2023	905
<b>Carrying amount at 31 December 2023</b>	<b>202</b>

## PARENT COMPANY

DKK '000	Fixtures and fittings, other plant and equipment
Cost at 1 January 2023	1,107
Additions	0
<b>Cost at 31 December 2023</b>	<b>1,107</b>
Depreciation at 1 January 2023	777
Depreciation	128
Depreciation at 31 December 2023	905
<b>Carrying amount at 31 December 2023</b>	<b>202</b>

## 9. INVESTMENTS

## PARENT GROUP

DKK '000	Investments in group enterprises	Deposits, investments	Total
Cost at 1 January 2023	4,756	301	5,057
Additions	562	9	571
Disposals	0	0	0
<b>Cost at 31 December 2023</b>	<b>5,318</b>	<b>310</b>	<b>5,628</b>
Value adjustments at 1 January 2023	-5,647	0	-5,647
Profit/loss for the year	-3,240	0	-3,240
Exchange rate adjustments	123	0	123
Transferred, recognised against receivables	2,274	0	2,274
Transferred, recognised as provisions	1,172	0	1,172
<b>Value adjustments at 31 December 2023</b>	<b>-5,318</b>	<b>0</b>	<b>5,318</b>
<b>Carrying amount at 31 December 2023</b>	<b>0</b>	<b>310</b>	<b>310</b>

## PARENT COMPANY

Name	Legal form	Domicile	Interest
<b>Subsidiaries</b>			
Risma System Sweden AB	AB	Sweden	100%
Risma System Norway AS	AS	Norway	100%

## 10. SHARE CAPITAL

Analysis of changes in the share capital over the past 5 years:

DKK '000	2023	2022	2021	2020	2019
Balance 1 January	2,171	1,807	1,380	1,346	1,339
Capital increase	0	364	427	34	7
<b>Balance 31 December</b>	<b>2,171</b>	<b>2,171</b>	<b>1,807</b>	<b>1,380</b>	<b>1,346</b>

The share capital comprises 21,708,020 shares of DKK 0.10 each. All shares carries the same rights. See note 3 for outstanding warrants.

**11. TREASURY SHARES**

## PARENT COMPANY

Name	Number	Nominal value	Share of capital
Balance of 1 January 2023	14,000	0.10	0.06%
Balance of 31 December 2023	14,000	0.10	0.06%

Treasury shares are acquired, among other reasons, to be used in the incentive plan intended for members of the Executive Board and other executive officers.

**12. CONTRACTUAL OBLIGATIONS AND CONTINGENCIES, ETC.**

## GROUP

## PARENT

DKK '000	GROUP		PARENT	
	2023	2022	2023	2022
Rent commitments	370	361	361	361

**13. COLLATERAL**

The Group and the Parent Company have not provided any security or other collateral in assets at 31 December 2023.

**14. ADJUSTMENTS**

## GROUP

DKK '000	2023	2022
Amortisation/depreciation	3,284	3,077
Financial income	-121	-207
Financial expenses	139	807
Tax for the year	1847	-963
	5,149	2,714

**15. CHANGES IN WORKING CAPITAL**

## GROUP

DKK '000	2023	2022
Change in receivables	146	-4,965
Change in trade payables and other payables	3,367	-1,189
Change in deferred income and other changes	6,406	4,217
	9,919	-1,937

