Annual Report

2022

RISMA

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


RISMA

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RISMA

Empowering Good Corporate Citizenship

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 affordablesoftware suite within the GRC and ESG space, allowing customers to eliminate manual processes and boost collaboration across different functions.

Summary and key figures 2022

			2022 Full Year	2021 Full Year
1	ANNUAL RECURRING REVENUE*	Annual Recurring Revenue (ARR) increased by 49% compared to 2021.	22.7 MDKK	15.3 MDKK
2	ARR ANNUAL GROWTH	ARR has grown by 7.4 MDKK in 2022 compared to a growth of 2.6 MDKK in 2021.	49%	20%
3	UPSELLING*	Upselling of licenses to existing customers increased by approx. six times compared to 2021.	2.8 MDKK	0.5 MDKK
4	REVENUE CHURN*	Revenue Churn ended at the expected level and is unchanged versus 2021.	7%	7%
5	NET REVENUE RETENTION RATE*	Net Revenue Retention Rate improved by 11%-points in 2022 compared to 2021.	107%	96%
6	EBITDA	EBITDA ended at the expected level and at the same level as in 2021.	-19.8 MDKK	-19.9 MDKK

FINANCIAL GUIDANCE

The ARR guidance for 2023 is at 34-38 MDKK, equivalent to a growth rate of 50-70% in 2023.
The EBITDA guidance for 2023 is -9 to -13 MDKK.

* (See page 21 for definitions of key figures.)

Letter from the Chairman

Focus on scale up in 2022 and developing the RISMA CSRD Solution to focus on international growth.

The capital market for Software-as-a-Service companies has changed significantly during 2022. With inflation and increasing interest rates follows increasing focus on profitability and decreasing burn-rates. RISMA has taken the consequence of these new market conditions by launching a new strategy, "Sustainable Growth Journey". In 2022 RISMA has decreased the yearly cost burn with 5 MDKK with full impact from 2023. But RISMA succeeded with an increase in ARR at 49%, and we expect that ARR will grow at least the same level the years to come.

A strong product-line, a strong senior team, and a capital increase off 20 MDKK during 2022, brings RISMA in a fine position. The capital increase will not only fund the growth journey ahead, and subsequent increase in RISMA's value, but also create awareness of, and focus on RISMA as a Danish listed company with international ambitions.

It has been ideal to use the Scandinavian market for RISMA's initial development and proof of concept, as Scandinavia consists of the digitally most developed countries. This market has given RISMA the needed experience which will be pivotal to succeed with the international growth journey that lies ahead in the years to come.

RISMA has now been fully established in Sweden and Norway. In 2023, RISMA will increase its footprint in these countries, and we continuously assess the possibilities for further international growth.

Over the past years, it has been interesting to follow the global market for Governance, Compliance and Risk Management (GRC) software which is developing at exponential speed. The market in which RISMA operate is highly attractive with a yearly growth of 12-14% across different geographies. The exponential growth in the GRC market is fueled by a global increase in Compliance, driven by more and more business are depending on the internet and digitization. I believe that the GRC market is perhaps one of the most interesting markets.

With one of the broadest and most flexible GRC solution in the market RISMA solve a large and growing pain for companies in various industries. The digitalization of the risk- and compliance work in Scandinavia is higher than in most countries and the software providers in these countries are also among the best in the world. I believe, however, that the digitalization will follow in many other countries and that there are also significant opportunities for RISMA outside Scandinavia.

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

Yours sincerely,

Lars Ankjer Jensen,
Chairman of the Board

I think that the GRC market is perhaps one of the most interesting markets where RISMA solves a huge pain for its customers.

Letter from the CEO

RISMA had a satisfying 2022

The year-on-year growth in ARR improved from 20% end of 2021 to 49% end of 2022.

The growth was primarily related to solutions embedded in RISMA's GRC-suite. This is, for example, products like GDPR, IT-security, Enterprise Risk Management and Contract Management. The majority of the growth came from the Danish market, but Norway contributed significantly as from June 2022. In Sweden, a pipeline was established, and we foresee that the Swedish market will a great driver for RISMAs growth as from Q1 2023.

Looking into 2023, we expect a new business area, ESG (sustainability), to become a significant contributor to RISMAs growth. RISMA launched a new ESG-related product, CSRD, in February 2023. By end of March 2023, the first solutions have been sold in Denmark and a strong pipeline has been built in Denmark and Sweden. We expect the new CSRD solution to be a significant growth driver in the remaining part of 2023 and in 2024, especially H2 2023 and H1 2024.

We also expect a new IT-security-related solution, NIS2, and a Norwegian ESG related solution, Åpenhetsloven, to contribute to RISMAs growth, especially from H2 2023 and H1 2024.

In Q3 2022, we changed the sales organization, merging direct sales with the partner team. In the process, we also performed a cost cut. This resulted in a slightly better EBITDA than anticipated for 2022. With the cost cut and capital raise performed in Q4 2022, RISMA has secured a solid capital base going into 2023 and beyond.

In Q4 2022, we strengthened our customer implementation team to be able to manage a higher customer intake. We have seen an increase in marketing generated leads in the last months of 2022 and the first months of 2023, and are taking steps to further increase the number of inbound leads. We follow this development and continuously consider the need for more sales resources.

Yours sincerely,

Lars Nybro Munksgaard,
Chief Executive Officer & Founder

Key events in 2022

MARCH

RISMA celebrates 1 year anniversay on NASDAQ First North.

APRIL

New partnership with Swedish GRC-advisor, Transcendant Group.

MAY

New partnership with Swedish GRC-advisor, FCG.

JUNE

RISMA initiates product development of new ESG related solution, CSRD.

AUGUST

RISMA launches new strategy "Sustainable growth journey" in light of the new market conditions for capital raises of SaaS companies.

SEPTEMBER

Sales and Partner functions are now one team.

OCTOBER

Capital raise, 20 MDKK in new funding.

NOVEMBER

End of draft of the new EU regulation on CSRD is being approved. This forms the base for RISMAs new CSRD solution.

DECEMBER

New solution for ISO 27001:2022 is launched.

Strategy and business

Strategy

RISMA has an ambitious industry-agnostic growth strategy. For 2023, the objective is to reach a 50% to 70% growth rate and generate positive cash in Denmark, Sweden and Norway in Q4 2023. In 2024, it is expected that operations in the three countries in total becomes cash neutral.

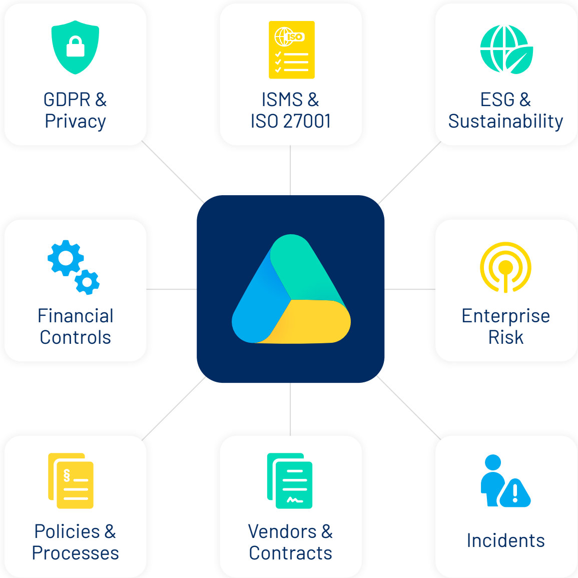
RISMA has, in Q1 2023, introduced a new ESG-related solution built around the requirements specified in the European Sustainability Reporting Standards. The new CSRD solution, is based on the Corporate Sustainability Reporting Directive that requires companies to collect and report on their impact on the environment, social issues and governance.

In Q2 2023, we expect to introduce a new IT-related solution; NIS2. None of these solutions will be included in RISMAs GRC Suite.

All-in-one GRC platform strategy

During the past years, RISMA's GRC platform has been further developed and, in 2021, it was consolidated to 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
- Financial controls
- Incident management
- Policy management
- Vendor management



Our software solutions has broad usage capabilities throughout organizations and can therefore be applied to facilitate, structure and implement any set of regulations. This is why customers and advisory companies frequently approach RISMA with requests to adopt new legislations into our platform and portfolio.

New RISMA solutions often require little or no coding, meaning that content can be built in 100 to 200 manhours in collaboration with knowledge providers making our software and business model easily scalable. We have a strong strategic position as market trends move towards fewer and more integrated solutions.

The last couple of years, the market for GRC tools has increased by 12-14% per year, and we expect this development to continue. We foresee that the market for broader usage solutions, like ours, will increase significantly more. We have already experienced this in 2022, where RISMA with a 49% increase in ARR has managed to outgrow the market significantly. We expect the impact to increase exponentially as far as we, with reasonable certainty, can predict the market trend.

With RISMA operating in what is perceived as the most mature markets regarding software solutions to Governance, Risk and Compliance related issues, we have a solid offering once markets outside Scandinavia reach an equal level of maturity.

The scarce factors in growth are primarily marketing and sales, and eventually, funding. With the current equity market, we have decided to pursue profitability before growth. We expect RISMA to be able to grow significantly even with the restrains of having cash-neutral or positive operations as of 2024.

Milestones 2022

During 2022, the commercial team delivered results in the short term, while adjusting to the strategy. Highlighted below are some of the commercial milestones executed in 2022, which serve as a great foundation for the ambitious commercial milestones for 2023. 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.

2022 has been used as to ensure professionalism in the three three sales offices and to synchronize joint efforts. The focus for all three teams in 2022 has been to close new agreements and build a pipeline for further growth ambitions in 2023.

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

STATUS: ✓ DONE

2 Adjusting the 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.

The strategy from 2021 was ajusted during 2022 after listening to the needs of our common clients and the marketplace in general. The team is now part of the Sales team, 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 was adjusted with a Nordic focus around four types:

- 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 2022, 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 sell 8 solutions instead of one or two in the past.

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 2022, we expanded our Product Development and Adoption team to Norway and Sweden where they, along with their Danish colleagues, make sure that the RISMA customers are handled as close to them 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 2023

We plan to boost our growth ambition in 2023.

Deliver on our significant growth target

Upon increasing year-on-year growth from 20 % to 49% in 2022, RISMA is now in place to embark on the next phase in the ambitious growth plan.

The ARR growth target for 2023 is 50% - 70%. The confidence in the significant leap is based on the strong talent base across the commercial operations, full sales and service presence in our three key markets, and a partner channel with more traction than initially forecasted.

Claiming our spot in the GRC space with sustainability positioning

We believe that a clear vision, message and position in a high-growth SaaS market will be a key differentiator both short and long term – and both in the customer and the partner space.

In 2023, RISMA will focus more on sustainability, tying in market mega trends, customer value perspectives, RISMA platform benefits, and our own company and employee values and culture.

Manifest our foot print in Scandinavia

Upon showcasing our ability to establish teams and enter new markets like Sweden and Norway, RISMA will manifest its footprint in these Scandinavian markets and make these successes even bigger. We already have local partners in Sweden and Norway, and we are planning to expand the scope of our existing partnerships that already have teams in the Nordics.

The potential in these markets is significant and we have to realize that it takes time the unlock the full potential.

The timing of expansion into European main markets will depend on the progression in the markets mentioned above.

Continuing the success of the GRC suite

Based on the successful 2021 launch of the full GRC suite, we see an increasing proportion of customers committing to the full suite in their initial contract rather than buying 1-2 solutions. It is becoming a true differentiator and an accelerator of the average deal size.

In addition, the GRC suite makes RISMA even more attractive in the partner channel, since partners can continue to offer consulting services across multiple GRC disciplines compared to just one with competing point solutions.

Commercial introduction of CSRD

With the launch of the CSRD solution in Q1, 2023, the RISMA solution gains even more relevance for both our “traditional” target users, the specialists, and especially for the C-suite and board level. The CSRD launch will ignite new target audiences, new compelling messages, and yet another differentiator in the market and partner space.

The solution will be included as a new solution in the platform, and we expect the solution to expand both our partner network as well as fuel our GRC suite sales further.

Corporate information

Corporate governance

Board of Directors

RISMA's Board of Directors currently consists of five 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 reelected. 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	Warrants
NB Herlev Holding ApS	**Claus Christiansen**	Board Member	31.85	0
Ankjer Holding ApS	**Lars Ankjer Jensen**	Chairman of the Board	15.54	0
LNM Holding ApS	**Lars Nybro Munksgaard**	Board Member, founder and chief executive officer	12.88	0
Nordic Life Science Consulting ApS	**Thomas Nielsen**	Board Member	1.08	0
Rolf Hall	**Rolf Hall**	Board Member	0.05	0

Board of Directors

Lars Ankjer Jensen
CHAIRMAN 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 an 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 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.

Board of Directors

Thomas Nielsen
MEMBER OF THE BOARD

Profession
CFO, Nordic Bioscience Group.

Description
Thomas Nielsen graduated from Copenhagen Business School in 1994 and started his professional career in the audit firm Coopers & Lybrand that later merged to PwC. From 2000 to 2006, Thomas was financial auditor in a mid-sized audit firm in Copenhagen. During his career as financial auditor, Thomas mainly audited IT and life science companies. From 2006, Thomas has been CFO in the Nordic Bioscience Group.

Other key positions
Owner and Director in Nordic Life Science Consulting ApS. Chairman of Descom A/S. Board member of Electa P/S. Director of NB Herlev Holding ApS. Various board and management positions in the Nordic Bioscience Group.

Education
BA (HD) in Audit and Accounting 1998 and MSc. In Economics and Business Administration, 2001, from Copenhagen Business School.

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.

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.

Jacob Halberg
CHIEF FINANCIAL OFFICER

Role
Jacob finds it very exciting and challenging to join an international growth journey and leads the financial department to support the business in any aspect of this exciting growth journey with the best-in-class support processes and systems.

Background
Jacob brings more than 20 years of experience in various financial leadership positions in various industries, in both large international companies as well as start-ups.

Education
Cand.oecon. from Odense University – University of Southern Denmark.

Gitte Barsøe Pedersen
CHIEF SERVICES 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.

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 RISMAs 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.

Statement from the CFO - Jacob Halberg

The situation in Ukraine

We follow the situation in Ukraine closely and with sadness. We use an IT supplier that operates out of both Poland and Ukraine. During 2022, our five long distance Ukraine employees were safe and able to work. All our front-end development is maintained by our Ukrainian team and the crisis can influence our ability to release software updates as planned, though we do not have any critical front-end releases in the nearest future.

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.

Revenue & EBITDA

RISMA managed to increase the revenue by 49% from 2021 to 2022. 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 for 2022 is considered as satisfactory and within the latest guidance of -19 to -21 MDKK.

Amounts in MDKK	2022	2021
Revenue	22.3	14.9
Cost of sales and capitalized work performed	3.4	1.6
Other external expenses	9.5	12.1
Gross profit*	**9.4**	**1.3**
Staff costs	29.3	21.2
EBITDA*	**19.8**	**19.9**

The cost development in general was impacted by two main topics during 2022. First of all, RISMA continued to be on a growth path increasing headcount in mainly sales and customer success functions, secondly RISMA introduced a new strategy during 2022 "Sustainable Growth" with special focus on making RISMA profitable within the nearest future. The new strategy reduced the cost run-rate on other external expenses and staff cost significantly with immediate impact on the 2022 EBITDA.

Key events after balance date

In 2023, the debt in our companies in Norway and Sweden to our Danish company has been cleared by a group grant from the Danish parent company and the capital has been re-established in the Norwegian and Swedish companies.

Capital Management

In October 2022, RISMA raised capital of 20 MDKK as a private placement of new shares with two existing shareholders and board members, Claus Christiansen through NB Herlev Holding and Lars Ankjer through Ankjer Holding, and one new shareholder, Rolf Bladt through Bladt Invest. RISMA were very pleased with this capital raise taking into consideration the complicated market conditions for SaaS companies in general.

Furthermore, RISMA has an unused granted loan facility of 12 MDKK granted by the two board members Claus Christiansen, NB Herlev Holding and Lars Ankjer, Ankjer Holding as announced on the 2022 Annual General Meeting.

With the new capital raise and loan facility RISMA should have more than sufficient capital until RISMA become cash neutral in 2024.

Treasury shares

As of 31 December, 2022, the nominal value of treasury shares amounts to DKK 1,400 which corresponded to 0,06% of the share capital.

2023 Guidance

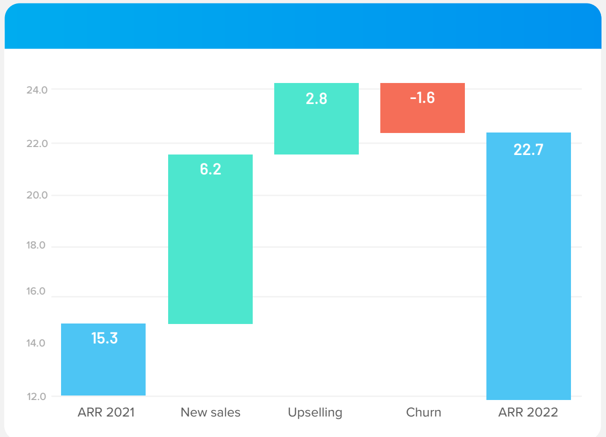
With the current successful GRC-suite that has been the main drive for the growth so far, and the launch of the newly developed software solution for CSRD, that will fuel the growth even further, RISMA has high expectations for 2023 and onwards.

The guidance is confirmed and unchanged at 34-38 MDKK for ARR and EBITDA of -9 to -13 MDKK.

HIGHLIGHTS OF THE ANNUAL RECURRING REVENUE 2022

Annual recurring revenue from 2021 to 2022

ARR ended with a strong commercial performance and at 22.7 MDKK for 2022, which was an increase of 7.4 MDKK equivalent to 49% growth compared to the 2021 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 6.2 MDKK in 2022 compared to 3.1 MDKK in 2021, which was equivalent to at 100% growth in new sales compared to same period last year. RISMA welcomed 126 new customers with an average ARR deal size of approximately 50 TDKK. The growth was well spread across Denmark, Norway and Sweden.

Upselling

The upselling ended at 2.8 MDKK in 2022, which was more than five times higher level than last year at 0.5 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 2022, the revenue churn ended at 1.6 MDKK which is equivalent to a 7% revenue churn rate and at the same level as in 2021. 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 2022 ended at 107% which was a very satisfactory level. The rate increased by 11%-points compared to 2021, which ended at 96%. The improvement was driven by our continued high level of upselling combined with the relatively small level of revenue churn during 2022.

Customer Acquisition Ratio

Our average customer acquisition cost in 2022 ended at 129 TDKK, while our average ARR per new customer was approx. 50 TDKK. Sales and marketing costs associated with acquiring a new customer, compared to the ARR of new customers ended at a ratio of approximately 5:2.

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 2022.

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 2022 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 2022.

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, 30 March 2023

Executive Board:

Lars Nybro Munksgaard

Board of Directors:

Lars Ankjer Jensen
Chairman

Thomas Nielsen

Claus Henrik Christiansen

Lars Nybro Munksgaard

Rolf Hall

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 2022 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 2022 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 2022 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, 30 March 2023

KPMG - Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Jon Wilson Beck	**Kenn Wolff Hansen**
State Authorised	State Authorised
Public Accountant	Public Accountant
mne32169	mne30154

Income statement

Amounts in DKK '000	Note	GROUP 2022	GROUP 2021	PARENT COMPANY 2022	PARENT COMPANY 2021
Revenue		**22,338**	**14,899**	**20,670**	**13,476**
Work performed for own account and capitalized		2,842	2,469	2,842	2,469
Cost of sales		-6,308	-4,114	-4,719	-3,791
Other operating income		0	125	0	302
Other external expenses		-9,451	-12,096	-8,234	-11,181
Gross Profit		**9,420**	**1,283**	**10,558**	**1,275**
Staff costs	4	-29,260	-21,219	-24,989	-19,913
Amortisation/depreciation and impairment of intangible and tangible fixed assets		-3,077	-2,682	-3,077	-2,682
Loss before net financials		**-22,917**	**-22,618**	**-17,508**	**-21,320**
Loss from investments in group enterprises		0	0	-5,745	-1,315
Financial income	5	207	145	168	193
Financial expenses	6	-807	-110	-432	-141
Loss before tax		**-23,517**	**-22,583**	**-23,517**	**-22,583**
Tax for the year		963	774	963	774
Loss for the year		**-22,554**	**-21,809**	**-22,554**	**-21,809**
Recommended appropriation of loss					
Reserve for development costs				1,136	749
Retained earnings/accumulated loss				-23,690	-22,558
				-22,554	**-21,809**

Balance Sheet at 31 December

Amounts in DKK '000	Note	GROUP 2022	GROUP 2021	PARENT COMPANY 2022	PARENT COMPANY 2021
Assets					
Fixed Assets					
Intangible assets	7				
Completed development projects		8,128	7,386	8,128	7,386
Development projects in progress		714	0	714	0
Acquired intangible assets		43	57	43	57
		8,885	**7,443**	**8,885**	**7,443**
Tangible fixed assets	8				
Fixtures and fittings, and equipment		330	472	330	472
		330	**472**	**330**	**472**
Investments	9				
Investments in group enterprises		0	0	0	0
Deposits, investments		301	301	301	301
		301	**301**	**301**	**301**
Total fixed assets		**9,516**	**8,216**	**9,516**	**8,216**
Current assets					
Receivables					
Trade receivables		7,926	2,988	7,130	2,710
Receivables from group enterprises		0	0	0	529
Corporation tax receivable		968	774	968	774
Prepayments		2,433	2,516	1,912	2,045
Other receivables		102	75	102	75
		11,429	**6,353**	**10,111**	**6,133**
Cash		**14,138**	**19,977**	**13,339**	**19,188**
Total current assets		**25,567**	**26,330**	**23,450**	**25,321**
TOTAL ASSETS		**35,083**	**34,546**	**32,965**	**33,537**

Amounts in DKK '000	Note	GROUP 2022	GROUP 2021	PARENT COMPANY 2022	PARENT COMPANY 2021
EQUITY AND LIABILITIES					
Equity	10				
Share capital		2,171	1,807	2,171	1,807
Share premium account		0	0	0	0
Reserve for development costs		0	0	6,897	5,761
Foreign currency translation reserve		-126	-266	-126	-266
Retained earnings/accumulated loss		14,249	17,167	7,352	11,406
Total equity		**16,294**	**18,708**	**16,294**	**18,708**
Provisions					
Provision, investments in group enterprises	9	0	0	287	0
Total provisions		**0**	**0**	**287**	**0**
Liabilities other than provisions					
Non-current liabilities other than provisions	11				
Other payables		0	785	0	785
		0	**785**	**0**	**785**
Current liabilities other than provisions					
Trade payables		1,804	2,091	1,692	2,016
Other payables		2,663	2,780	1,976	2,380
Deferred income		14,321	10,182	12,716	9,648
		18,788	**15,053**	**16,384**	**14,044**
Total liabilities other than provisions		**18,788**	**15,838**	**16,384**	**14,829**
TOTAL EQUITY AND LIABILITIES		**35,083**	**34,546**	**32,965**	**33,537**
Accounting policies	1				
Capital Management	2				
Events after the balance sheet date	3				
Treasury shares	12				
Contractual obligations and contingencies, etc.	13				
Collateral	14				

Statement of changes in equity

GROUP

Amounts in DKK '000	Share capital	Share premium account	Foreign currency translation reserve	Retained earnings/ accumulated loss	Total
Equity at 1 January 2021	1,380	0	152	40	1,572
Capital increase	427	39,923	0	0	40,350
Transfer through appropriation of profit/ loss	0	0	0	-21,809	-21,809
Transferred form share premium account	0	-39,923	0	39,923	0
Transaction cost	0	0	0	-987	-987
Adjustment of investments through foreign exchange adjustments	0	0	-418	0	-418
Equity at 1 January 2022	**1,807**	**0**	**-266**	**17,167**	**18,708**
Capital increase	364	19,636	0	0	20,000
Transferred form share premium account	0	-19,636	0	19,636	0
Transfer through appropriation of profit/ loss	0	0	0	-22,554	-22,554
Adjustment of investments through foreign exchange adjustments	0	0	140	0	140
Equity at 31 December 2022	**2,171**	**0**	**-126**	**14,249**	**16,294**

PARENT COMPANY

Amounts in DKK '000	Share capital	Share premium account	Reserve for develop-ment cost	Foriegn currency translation reserve	Retained earnings/ accumulated loss	Total
Equity at 1 January 2021	1,380	0	5,012	152	-4,972	1,572
Capital increase	427	39,923	0	0	0	40,350
Transfer through appropriation of profit/ loss	0	0	749	0	-22,558	-21,809
Transferred form share premium account	0	-39,923	0	0	39,923	0
Transaction cost	0	0	0	0	-987	-987
Adjustment of investments through foreign exchange adjustments	0	0	0	-418	0	-418
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 form 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
Adjustment of investments through foreign exchange adjustments	0	0	0	140	0	140
Equity at 31 December 2022	**2,171**	**0**	**6,897**	**-126**	**7,352**	**16,294**

Cash flow statement

Amounts in DKK '000	Note	GROUP 2022	2021
Profit/loss for the year		-22,554	-21,809
Adjustments	15	2,714	1,873
Cash generated from operations before changes in working capital, interest received and paid, and income taxes received		**-19,840**	**-19,936**
Changes in working capital	16	-1,937	1,368
Cash generated from operations before interest received and paid, and income taxes received		**-21,777**	**-18,568**
Interest received, etc.		207	145
Interest paid, etc.		-807	-110
Income taxes received		774	457
Cash flows from operating activities		**-21,602**	**-18,076**
Additions, intangible assets		-4,377	-3,517
Additions, property, plant and equipment		0	-464
Additions, deposits		0	-301
Disposals, deposits		0	16
Cash flows to investing activities		**-4,377**	**-4,266**
Transaction cost		0	-987
Cash capital increase		20,000	40,350
Cash flows from financing activities		**20,000**	**39,363**
Net cash flow		-5,979	17,021
Cash and cash equivalents at 1 January		19,977	3,373
Foreign exchange adjustments		140	-417
Cash and cash equivalents at 31 December		**14,138**	**19,977**

Notes to the financial statements

1. ACCOUNTING POLICIES

The annual report of RISMA Systems A/S for 2022 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 2022 with comparative figures for 2021.

The accounting policies used in the preparation of the financial statements are consistent with those of last year. However, reclassification between certain captions in the income statement for 2021 have been made.

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

CONTROL

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.

OTHER OPERATING INCOME

Other operating income comprise items of a secondary nature relative to the Company's core activities, including intercompany fees and gains on the sale of fixed assets and government grants.

Notes to the financial statements

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.

Tax benefit for the year includes tax credits for cost incurred in connection with research and development activities under the Danish Tax Assessment Act (Ligningsloven).

Balance sheet

INTANGIBLE ASSETS

Other intangible assets include development projects and other acquired intangible rights, including patents.

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 areidentifiable 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.

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.

Notes to the financial statements

1. ACCOUNTING POLICIES (CONTINUED)

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.

Offering cost, consisting of legal, accounting, printer and filing fees directly attributable to the issuance of new shares relating to the Company's initial public offering, are deferred and will be offset against proceeds from the IPO upon the effectiveness of the offering.

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 and associates 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.

SHARE PREMIUM

Share premium can be used for dividend.

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

Notes to the financial statements

1. ACCOUNTING POLICIES (CONTINUED)

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, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

2. CAPITAL MANAGEMENT

In October 2022, RISMA raised capital of 20 MDKK as a private placement of new shares with two existing shareholders and board members, Claus Christiansen through NB Herlev Holding ApS and Lars Ankjer through Ankjer Holding ApS, and one new shareholder, Rolf Bladt through Bladt Invest ApS.

Furthermore, RISMA has an unused granted loan facility of 12 MDKK granted by the two board members Claus Christiansen through NB Herlev Holding ApS and Lars Ankjer through Ankjer Holding ApS as announced on the 2022 Annual General Meeting.

With the new capital raise and loan facility RISMA should have more than sufficient capital and liquidity to continue as a going concern.

Notes to the financial statements

3 EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occured after the balance sheet date.

4 STAFF COSTS

Amounts in DKK '000	GROUP 2022	GROUP 2021	PARENT 2022	PARENT 2021
Wages/salaries	26,015	19,574	22,913	18,588
Pensions	1,987	1,256	1,784	1,166
Other social security costs	1,258	389	292	159
	29,260	**21,219**	**24,989**	**19,913**
Average number of full-time employees	35	29	30	27

The Company has issued warrants with the rights to sign 717,078 new shares or DKK 71,708 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. Warrants has not been issues to any Board members. The average subsciption 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.

5 FINANCIAL INCOME

Amounts in DKK '000	GROUP 2022	GROUP 2021	PARENT 2022	PARENT 2021
Interest income, group entities	0	0	148	193
Other financial income	207	145	20	0
	207	**145**	**168**	**193**

6 FINANCIAL EXPENSES

Amounts in DKK '000	GROUP 2022	GROUP 2021	PARENT 2022	PARENT 2021
Other financial expenses	807	110	432	141
	807	**110**	**432**	**141**

Notes to the financial statements

7 INTANGIBLE ASSETS

GROUP

Amounts in DKK '000	Completed development projects	Development projects in progress	Acquired intangible assets	Total
Cost at 1 January 2022	16,547	0	71	16,618
Additions	3,663	714	0	4,377
Cost at 31 December 2022	**20,210**	**714**	**71**	**20,995**
Amortisation at 1 January 2022	9,161	0	14	9,175
Amortisation for the year	2,921	0	14	2,935
Amortisation at 31 December 2022	12,082	0	28	12,110
Carrying amount at 31 December 2022	**8,128**	**714**	**43**	**8,885**

PARENT COMPANY

Amounts in DKK '000	Completed development projects	Development projects in progress	Acquired intangible assets	Total
Cost at 1 January 2022	16,547	0	71	16,618
Additions	3,663	714	0	4,377
Cost at 31 December 2022	**20,210**	**714**	**71**	**20,995**
Amortisation at 1 January 2022	9,161	0	14	9,175
Amortisation for the year	2,921	0	14	2,935
Amortisation at 31 December 2022	12,082	0	28	12,110
Carrying amount at 31 December 2022	**8,128**	**714**	**43**	**8,885**

COMPLETED DEVELOPMENT PROJECTS

GRC Intelligence Center

The GRC Intelligence Center is a brand new dashboard that brings together over 30 brand new KPIs from all of RISMA's solutions.

New compliance projects (4 5 types) - for Internal Controls

A new visual overview has been implemented where business processes are shown in our compliance tree.

Companies - CVR integration

We have implemented a real-time integration in RISMA, so that you can search directly in CVR when you need to create a contract, data processor or simply create master data on a company you work with.

DEVELOPMENT PROJECTS IN PROGRESS

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. CSRD is expected to be completed in Q1 2023.

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.

Notes to the financial statements

8 PROPERTY, PLANT AND EQUIPMENT

GROUP

Amounts in DKK '000	Fixtures and fittings, other plant and equipment
Cost at 1 January 2022	1,107
Additions	0
Cost at 31 December 2022	**1,107**
Depreciation at 1 January 2022	635
Depreciation	142
Depreciation at 31 December 2022	**777**
Carrying amount at 31 December 2022	**330**

PARENT COMPANY

Amounts in DKK '000	Fixtures and fittings, other plant and equipment
Cost at 1 January 2022	1107
Additions	0
Cost at 31 December 2022	**1,107**
Depreciation at 1 January 2022	635
Depreciation	142
Depreciation at 31 December 2022	777
Carrying amount at 31 December 2022	**330**

9 INVESTMENTS

PARENT COMPANY

Amounts in DKK '000	Investments in group enterprises	Deposits, investments	Total
Cost at 1 January 2022	42	301	343
Additions	4,714	0	4,714
Disposals	0	0	0
Cost at 31 December 2022	**4,756**	**301**	**5,057**
Value adjustments at 1 January 2022	-42	0	-42
Profit/loss for the year	-5,745	0	-5,745
Exchange rate adjustments	140	0	140
Transferred, recognised against receivables	604	0	604
Transferred, recognised as provisions	287	0	287
Value adjustments at 31 December 2022	**-4,756**	**0**	**-4,756**
Carrying amount at 31 December 2022	**0**	**301**	**301**

PARENT COMPANY

Name	Legal form	Domicile	Interest
Subsidiaries			
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:

Amounts in DKK '000	2022	2021	2020	2019	2018
Balance 1 January	1,807	1,380	1,346	1,339	1,089
Capital increase	364	427	34	7	250
Balance 31 December	**2,171**	**1,807**	**1,380**	**1,346**	**1,339**

The share capital comprises 21,708,020 shares of DKK 0.10 each. All shares carries the same rights.

Notes to the financial statements

11 TREASURY SHARES

GROUP

Of the long-term liabilities in 2022, DKK 0 thousand falls due for payment after more than 5 years after the balance sheet date.

PARENT COMPANY

Of the long-term liabilities in 2022, DKK 0 thousand falls due for payment after more than 5 years after the balance sheet date

12 NON-CURRENT LIABILITIES OTHER THAN PROVISIONS

	PARENT COMPANY		
Name	Number	Nominal value	Share of capital
Balance of 1 January 2022	14,000	0.10 DKK	0.06%
Balance of 31 December 2022	**14,000**	**0.10 DKK**	**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.

13 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES, ETC.

	GROUP		PARENT	
Amounts in DKK '000	2022	2021	2022	2021
Rent commitments	361	338	361	338

14 COLLATERAL

The Group and the Parent Company have not provided any security or other collateral in assets at 31 December 2022.

15 ADJUSTMENTS

	GROUP	
Amounts in DKK '000	2022	2021
Amortisation/depreciation	3,077	2,682
Financial income	-207	-145
Financial expenses	807	110
Tax for the year	-963	-774
	2,714	**1,873**

16 CHANGES IN WORKING CAPITAL

	GROUP	
Amounts in DKK '000	2022	2021
Change in receivables	-4,965	-1,114
Change in trade payables and other payables	-1,189	692
Change in deferred income and other changes	4,217	1,790
	-1,937	**1,368**

RISMA

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

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