Annual Report

2021

RISMA

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

Contents

Because being a good business is really great for business

RISMA

Empowering Good Corporate Citizenship

About RISMA

RISMA is a listed Danish SaaS (Software as a service) company founded in 2014 by Lars Nybro Munksgaard. RISMA offers an all-in-one GRC software suite for all GRC initiatives (governance, risk and compliance), such as GDPR, ISMS, risk management, financial controls, ISO standards – or any other GRC area which needs streamlined system support.

Proven concept

RISMA has developed a unique platform and has a proven concept with +400 customers across Denmark, Norway and Sweden. The customers span across the private and public sector, and the majority are mid-size organisations with 25-5,000 employees. In the customer base, the financial and utility industries are strongly represented.

On the forefront in GRC

The market for Governance, Risk and Compliance (GRC) software is still immature, with the Nordics as the most mature markets. RISMA has, as the only software provider, developed an affordable software suite, thereby allowing customers to replace numerous homemade or externally developed software within the GRC space with one solution.

RISMA in brief

1	STRONG GROWTH COMPANY	RISMA's growth in 2021 exceeded expectations. In 2021, RISMA strengthened the sales organisation significantly to support further growth. RISMA is a Software-as-a-Service platform with substantial recurring revenue, supported by a strong investor group. Cash positive operation expected as from Q4 2023.	**DKK 25-28m** ARR (2022E) **60-70%** Estimated future growth (towards 2024)
2	ATTRACTIVE MARKET	The global GRC software market is expected to grow with a CAGR of 13-14% towards 2026 and the competitive landscape is fragmented, hence a unique opportunity for RISMA. The majority of potential customers are still not platform supported with regards to GRC, but maturity is increasing rapidly.	**13-14%** GRC CAGR towards 2026 **Increasing** Amount of regulation and legislations
3	PROVEN BUSINESS MODEL	RISMA has strong customer retention with customer churn rate of 7.8% and a retention rate of 97%. RISMA has more than 400 customers and operates in a highly attractive B2B market. The company offers a complete platform for GRC, including Risk Management, Internal Controls, GDPR, IT security, and Outsourcing.	**+400** Customers (2021) **97%** Retention rate (2021)
4	SCALABLE SOFTWARE SOLUTION	RISMA's platform is a generic solution that can be tailored to any type of regulation or legislation. High potential for cross sale across RISMA's entire platform. RISMA is unique in delivering an all-in-one GRC software platform.	All-in-one GRC platform High cross-sales potential Applicable to any reg./leg.
5	FUELLED FOR FUTURE GROWTH	In Q2 2021, RISMA launched a new GRC suite. As from Q4 2021, a majority of new customers have bought multiple solutions. In 2021, we went from two to seven partnerships.	Deloitte. · Nordic Compliance Group · DAHL · ASGOT · PLESNER · BDO · Contractbook Current partners

Letter from the Chairman

From focus on developing the RISMA GRC software up until 2021 to focus on scale up in 2022.

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

It has been ideal to use the Danish market for RISMA's initial development and proof of concept, as it is among the most digitally developed. This market has given RISMA the needed experience which will be pivotal to succeed with the international growth journey that lies ahead in 2022 and the years to come. In 2021, the sales organisation has been strengthened, and RISMA has been fully established in Sweden and Norway. With reference to the IPO Company Description, we have reached the expected ARR for 2021, and we believe that 2022 will bring exponential speed in the ARR.

Over the past years, it has been interesting to follow the global market for Governance, Risk Management and Compliance Software which is developing at exponential speed. According to Research and Markets, the expected CAGR is ~14% which will lead to a global market potential in 2025 of a staggering 24,1 billion USD for GRC, hence the market in which RISMA operates is highly attractive. This exponential growth in the GRC market is fueled by a global increase in compliance, driven by more and more business are being dependent on the internet and digitization.

RISMA software includes a unique all-in-one solution that unifies the main compliance areas with excellent end-user experience and smooth implementation. I think that the GRC market is perhaps one of the most interesting markets. And RISMA software solves a huge pain for its costumers.

During 2021, we have prepared RISMA Systems for the growth in the years to come. A strong product, a strong senior team, and an IPO with a successful capital increase of DKK 40m. This 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 company with international ambitions.

Yours sincerely,

Lars Ankjer Jensen,
Chairman of the Board

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

Letter from the CEO

RISMA shifts focus from preparation of growth to execution of growth.

In 2021, the main objective for RISMA was to prepare for growth. We spent time and resources on recruitments, signing new partner agreements, training, sharpening our value proposition, translating solutions and many other activities that are prerequisites for the significant growth we expect in 2022.

At the same time, we have improved our software, which is now de facto the only full affordable GRC platform on the Scandinavian market. Our known competitors are most likely years from providing an integrated software solution that can accommodate as many relevant GRC related subjects as RISMA can.

User-friendly platform providing unique insights for management

On 17 March, 2022, we launched a multi-disciplinary performance overview that can be used for management reporting. We consider it likely that multi-disciplinary performance overviews will become an industry standard sometime in this decade.

With that in place, we have accomplished our initial design ambition of having a user-friendly platform, robust enough to support specialists and being able to provide insights for management decisions.

Overall, we think that our product gives us a competitive advantage that is rather significant. Now, our task is to translate that into high growth rates.

Sales and Customer Success teams fully established and ready for growth

We began 2021 with only having one salesperson. As of 1 March, 2022, we have a sales organisation consisting of 12 salespeople across Denmark, Norway and Sweden. The potential in these markets is significant and during 2022, RISMA will focus on making these markets a great success. Furthermore, we have strengthened our Customer Success team which is now also represented in Norway and Sweden.

With this team and our partners, we expect to increase our Annual Recurring Revenue from 15,3 MDKK to 25-28 MDKK, equivalent to a growth from 63% to 78%, in 2022.

Finally, I would like to use the opportunity to express my gratitude to our employees. Without their unique dedication and passion, it would not have been possible to become a listed company and transform RISMA from an organization with a product focus to an organization with focus on growth in such a short period of time. For me it demonstrates the strength of our team that no matter what task or challenge we are up against – the team deliver at a very high level and quality.

Yours sincerely,

Lars Nybro Munksgaard,
Chief Executive Officer & Founder

Overall, we think that our product gives us a competitive advantage that is rather significant. Now, our task is to translate that into high growth rates.

Key events in 2021

MARCH

RISMA was listed on NASDAQ First North and received 40 MDKK in new funding.

RISMA was ISAE type 2 certified.

APRIL

New solution for outsourcing compliance in the financial sector launched together with Plesner Lawfirm.

MAY

New partnership with DAHL Law Firm and their new legaltech company, Asgot.

JUNE

Increased guidance for ARR, end of 2021.

RISMA sold the first full GRC suite.

Launch of new ISMS solution in collaboration with BDO Audit Firm.

AUGUST

Sales Directors in place in both Sweden and Norway.

Jan Jansson joined RISMA's Executive Management as CCO.

SEPTEMBER

A new price model supporting the sales of GRC suites were introduced.

New partnership with Nordic Compliance Group.

OCTOBER

New partnership with Asgot and Contractbook on solutions for trade associations.

Major update on Vendor & Contract solution, with PFA as the first customer.

NOVEMBER

First GRC suite sold to a company with more than 1,000 employees.

New partnership with Deloitte Denmark.

DECEMBER

App for mobile devices launched for two solutions.

New NSIS solution launched for municipalities.

Strategy and business

Strategy

RISMA has an ambitious industry-agnostic growth strategy. For 2022 and 2023, the objective is to reach approximately 70% growth rate and become cash positive in Denmark, Sweden and Norway.

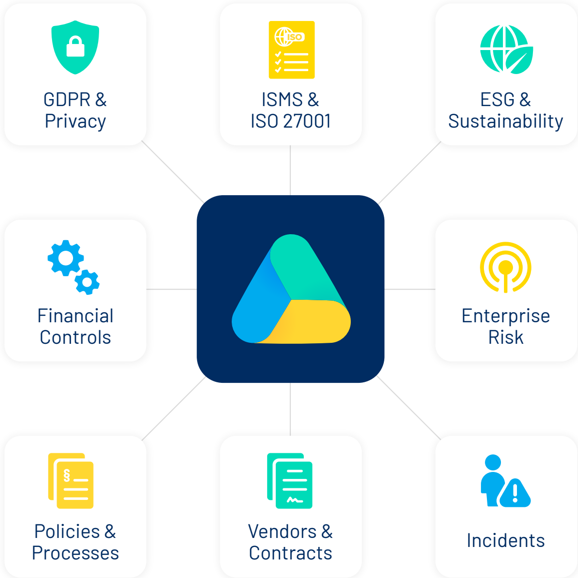
RISMA has, furthermore, in collaboration with knowledge partners developed a number of industry specific solutions. These solutions are often used as "door openers" towards a specific industry in which RISMA also sell the suite.

One example of such an industry specific solution is the EIOPA Guidelines for Outsourcing Arrangements in the Insurance and Occupational Pension industry. This solution has been the main driver for RISMA building a strong presence in this industry.

All-in-one GRC platform strategy

During the past years, RISMA's GRC platform has been further developed and, in 2021, it has been 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



Another example of an industry specific solution is a recently developed solution for a regulation relevant for Danish municipalities in the transfer to "MitID". This is used to get stronger foothold within the Danish local municipalities.

RISMA's software can be used for any set of regulation, and we are continuously approached by customers and advisory companies that suggest RISMA to develop solutions for other legislations. A new solution seldom requires any coding, and the content, most often, can be built in 100 to 200 manhours in collaboration with a knowledge provider. It is, therefore, marketing and sales resources that are the scarce factor. With presence in more markets, and with an increasing number of strong partners, choosing the most profitable solution becomes continuously more complex, but not less important.

On 17 March 2022, RISMA launched a new management reporting functionality. Here, management get a total overview of performance within all GRC-related areas.

With this overview, customers, and not least the customers' management, benefit from having all GRC related subjects covered in one platform. Except for a few very expensive solutions that in reality is out of scope for most companies, RISMA is to the best of our knowledge the only software provider that can provide such an overview.

From a RISMA perspective, the overview is not only important as a management tool, it also effectively highlights the difference between RISMA and the alternatives. The alternatives is often a combination of a number of point solutions (solutions covering one or two GRC related subjects) and a number of spreadsheets.

Milestones 2021

During 2021, the commercial team has managed to deliver the results in the short term, while, at the same time, build the strategy and planned for the longer term. Highlighted below are some of the commercial milestones executed in 2021, and they serve as a great foundation for the new, ambitious commercial milestones for 2022. We are dedicated to build a high-performance culture based on professionalism, strategic thinking and reliability.

1 Establishment of Nordic sales teams

In accordance with the growth strategy, it was decided to expand our presence in Norway and enter the market in Sweden, as well as strengthen our sales capacity in Denmark. These three Nordic 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.

During 2021, we have managed to establish offices and complete teams of three FTEs in both countries – according to plan. The Danish sales team has grown from one to four experienced sales capabilities.

The teams in Norway and Sweden have already in 2021 managed to close new deals, but the main focus has been on pipeline building for the growth ambitions in 2022.

STATUS: ✓ DONE

2 Launching and executing 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, increased customer value creation with both software and consulting, and it makes our business more resilient.

During 2021, we have established the partner team to execute on our partner strategy. By year-end, the newly established team consists of three seasoned members with experience from professional services, GRC and software. The team delivers on the vital combination of commercial mindset, understanding value creation for both customers and partners - all with deep understanding of the various disciplines across the GRC space.

The partner framework was launched with a Nordic focus around six verticals:

- Consulting
- Audit & Assurance
- Legal
- Engineering
- Niche Advisors
- Software Providers

Each partner is classified as either knowledge partner, implementation partner or sales partner.

Furthermore, we have established a partner portal that will allow us to work more strategically and structured with the go-to-market approach for our partners.

STATUS: ✓ DONE

3 Rapid growth in new partnerships

During 2021, we have signed five new partner agreements (2020: one) and the total number of partnerships is now seven. The existing partnerships are listed below:

Deloitte. Nordic Compliance Group

DAHL ASGOT PLESNER

BDO Contractbook

We have also established a pipeline of potential partners, however, the current focus is on developing the existing partnerships before hunting more partners beyond our partner pipeline.

STATUS: ONGOING

4 Introduction and successful sale of the GRC suite

Mid-2021, RISMA introduced the GRC suite to the market. The suite consists of eight solutions considered to be relevant for all companies and organisations – regardless of their industry or size, from small to enterprise.

The introduction of the GRC suite has been a game changer for RISMA because the market fully understands RISMA's unique value compared to other GRC vendors and the point solutions.

RISMA still offers customers to buy individual solutions as stand-alone, but even here, customers see the potential in a stand-alone GDPR solution from RISMA, because they know that they can grow within RISMA rather than having to find a second, third, and fourth GRC vendor over time.

The GRC suite is priced attractively as a bundle purchase, and just six month after market launch, the GRC suite now accounts for 20% of all new contracts, and 25% of the ARR growth. We are very pleased with these metrics in this very short time frame, and it brings optimism for future sales of GRC suites.

STATUS: ✓ DONE

5 Great service and proximity as a differentiator

Great customer onboarding and good service and support have always been at the heart of our commercial operation. We also believe that the best collaboration is done as close to the customers as possible – and not from a call center in London or the Americas. Therefore, our expansion plan into Sweden and Norway also included hiring great talent – locally - into our Customer Success Team, bringing skills within pre-sales, customer onboarding and ongoing service.

We believe that proximity, 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 partner into improved solutions, which will fuel more sales, growth and expansion.

STATUS: ONGOING

Outlook and focus areas for 2022

According to our strategy released together with the IPO in March 2021, we plan to boost our growth ambition in 2022.

Deliver on our significant growth target

Upon delivering successfully on the 2021 strategic commercial goals, RISMA is now in place to embark on the next phase in the ambitious growth and expansion plan.

The ARR growth target for 2022 is approximately 70% - compared to 20% in 2021. 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 re-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 2022, RISMA will launch a new core story, tying in market mega trends, customer value perspectives, RISMA platform benefits, and our own company and employee values and culture.

Expand our foot print in Scandinavia

Upon showcasing our ability to establishing teams and enter into new market like Sweden and Norway, RISMA will expand its foot print into these Scandinavian markets and make these successes even bigger.

We have already initiated dialogues with new potential local partners in Sweden and Norway. We are also 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 of 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 GRC Intelligence Center

With the launch of the GRC Intelligence Center in Q1, 2022, the RISMA solution gains even more relevance for both our “traditional” target users, the specialists, but especially for the C-suite and on board level. The commercial 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 feature in the platform (at no extra license fee), and with its holistic approach to GRC-reporting, we expect the launch to fuel our GRC suite sales further.

Corporate information

Corporate governance

Board of Directors

RISMA's Board of Directors currently consists of four 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 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	32.89	0
LNM Holding ApS	**Lars Nybro Munksgaard**	Board Member, founder and chief executive officer	15.46	0
Ankjer Holding ApS	**Lars Ankjer Jensen**	Chairman of the Board	15.15	0
Nordic Life Science Consulting ApS	**Thomas Nielsen**	Board Member	1.30	0

Board of Directors

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.

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.

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.

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.

Executive Management

Lars Nybro Munksgaard serves as Chief Executive Officer and constitutes the Executive Management of RISMA alongside Jan Axel Jansson who serves as Chief Commercial Officer. Lars Nybro Munksgaard founded RISMA in 2014.

Jan Axel Jansson
CHIEF COMMERCIAL OFFICER

Role

The key driver for Jan is to develop and expand the commercial team in RISMA, both in Denmark and in Scandinavia, to ensure that we deliver a customer centric approach and understand the business of our partners. Furthermore, his focus is to brand RISMA and the value we can deliver to our customers with our GRC suite.

Background

Jan has 30 years of experience from various positions within professional services (Big 4) and in the industry. During the past five years, Jan has held positions as Equity Partner in Deloitte and EY.

Education

Jan has a master's degree in Business Economics and Auditing from Copenhagen Business School.

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.

Kasper Holton Hülsen
CHIEF MARKET DEVELOPMENT OFFICER

Role
Kasper finds his drive in developing market opportunities. Kasper manages two areas within the commercial team – the partner channel department and the marketing & communication unit. The partnership strategy is now in place and the focus for Kasper and the team is to build and execute the commercial success with the partners. In marketing, RISMA is dedicated to an inbound marketing strategy focusing on lead-generation, content and thought leadership.

Relevant key positions
Board memberships:: Hypefactor and Nordic Legal Tech Hub

Education
HD in business administration from CBS and a Master's in cross media communications (one exam pending) from University of Copenhagen.

Gitte Barsøe Pedersen
CHIEF CUSTOMER OFFICER

Role
Gitte is dedicated to developing and maintaining RISMA's customer centric culture. She is head of the Customer Success 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
SALES DIRECTOR - DENMARK

Role
Steen possesses a two-sided role. One is leading direct sales toward new potential clients, and the other is to drive up sales and cross sales to all existing clients. Steen likes to see RISMA grow through satisfied customers.

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 from CBS and Executive Master in Business Administration (E-MBA) also from CBS.

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.

Oskar Sinha
VICE PRESIDENT OF NEW MARKETS AND GROWTH STRATEGY, INTERIM SALES DIRECTOR - SWEDEN

Role
Oskar is responsible of setting the go-to-market strategy and accelerate growth in new markets based on market drivers. He strives to build winning teams and collaboration across functions to deliver a great customer experience.

Background
Before joining RISMA in 2022, Oskar recently worked as a senior account executive within the enterprise segment at Salesforce. Here, he helped customers to enhance their go-to-market governance across all sales channels. Oskar has a background as management consultant for Big 4 companies for 10 + years with a primary focus on the GRC agenda in multiple industries.

Education
Bachelor of Science in Business and Economics from Lunds University in Sweden.

Statement from the CFO - Jacob Halberg

Covid-19 impact on 2021

Across the globe, 2021 was a year impacted by the Covid-19 pandemic and as most other countries, Denmark, Norway and Sweden went into lock-down during that year. This meant that RISMA continued the new normal of working i.e. through digital channels, including customer meetings and collaboration between colleagues.

Due to the 2021 pandemic, the customers' decision and buying process took longer than expected, however we managed to deliver on target for the year.

Revenue & EBITDA

Despite Covid-19, RISMA managed to increase the revenue with 15% from 2020 to 2021 which was better than expected. Following the plan from the company description in the IPO material, EBITDA was significantly impacted by the investment to accelerate the growth in Scandinavia. 2021 cost was also impacted by movement costs of the Danish head office which led to an EBITDA slightly lower than expected.

The EBITDA for 2021 is considered as satisfactory, seen in the light of the Covid-19 pandemic.

Amounts in MDKK	2021	2020
Revenue	14.9	13.0
Cost of sales	-4.1	-3.6
Other external expenses	-12.1	-4.0
IPO cost	4.1	1.4
Gross profit*	2.8	6.8
Staff costs	-18.7	-10.4
EBITDA*	-15.9	-3.6

*Gross profit/EBITDA is without IPO cost of 4.1 MDKK in 2021 and 1.4 MDKK in 2020, as fundraising cost is not considered as part of normal operations

Key events after balance date, 31st December 2021

We follow the situation in Ukraine closely and with sadness. We use an IT supplier that operates out of both Poland and Ukraine, and so far, our six long distance Ukraine employees are 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.

On the financial side, the crisis in Ukraine has caused increased inflation in the Nordics. In our client contracts, we are able to adjust the prices accordingly, and so far, we do not expect any negative or positive impact on our EBITDA as a result of the crisis in Ukraine.

In 2022, the debt in our companies in Norway and Sweden to our Danish company has been cleared by a group grant from the Danish mother company and the capital has been re-established in the Norwegian and Swedish companies.

Treasury shares

As of 31 December, 2021, the nominal value of treasury shares amounts to DKK 1,400 which corresponded to 0,08% of the share capital.

Capital Management

In order to bridge the potential capital need in 2023, before the expected cash-positive operation as from Q4 2023, RISMA Systems has been granted a loan facility of 12 MDKK in total; 8 MDKK from the shareholder and board member's company: Claus Christiansen, NB Herlev Holding ApS, and 4 MDKK from the shareholder and chairman, Lars Ankjer's company: Ankjer Holding ApS. The agreed terms are: 2% down payment of the full loan facility value and the National Bank of Denmark's discount rate + 4% for any potential withdrawal. The loan runs for 36 months. The intention is to allow RISMA to choose between either a capital raise, with a timing convenient for the existing shareholders, or no capital raise at all.

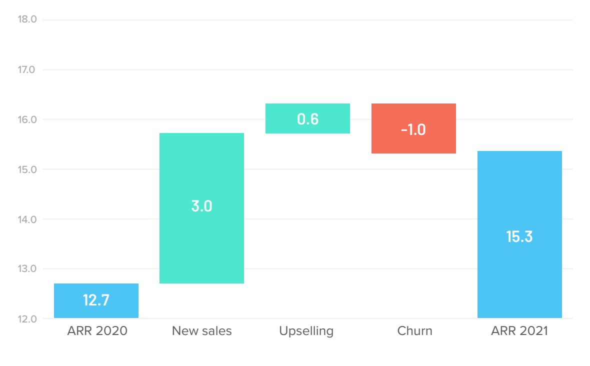
The loan arrangement is subject to approval on the Annual General Meeting the 22. April 2022.

Annual recurring revenue from 2020 to 2021

Annual recurring revenue (ARR) has increased with 20% in 2021. The ARR is 15.3 MDKK as per 31 December, 2021.

RISMA had in 2021 an upselling of 0.5 MDKK and churn of -1.0 MDKK. In other words the retention rate was 97% which is at a satisfactory level.

Factors impacting ARR from 2020 to 2021



Revenue Churn

In 2021, we saw a revenue churn of 1 MDKK which is equivalent to an 7.8% revenue churn rate. The revenue churn in 2021 was primarily derived from our smaller customers, hence not from our strategically important customers. Going forward, we expect the churn rate to decline, as we are investing in retention management and upselling of existing customers.

Revenue Retention Rate

The revenue retention rate in 2021 was 97%, and we expect the revenue retention rate to increase in 2022.

Upselling

In 2021, we managed to increase existing contracts with 5% to our existing customers, which not only shows the value of our platform solution, but also that our "pay as you grow" model is attractive and viable.

New Sales

Despite Covid-19, lockdowns and subsequent slower decisions and longer sales processes, we have seen a strong commercial performance throughout 2021. We have succeeded in winning new customers in our target segments and, going forward, they will account for an annual value of estimated 3 MDKK in annual recurring value, equivalent to a 24% increase. We expect to see a significant increase in that number during 2022.

Customer Acquisition Ratio

Our average customer acquisition cost has in 2021 been 119 TDKK, while our average ARR per new customer has been 67 TDKK. Sales and marketing costs associated with acquiring a new customer, compared to the ARR of new customers, is at a ratio of approximately 2:1, while our expected customer lifetime is 10 years.

DEFINITIONS

DEFINITION 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.

REVENUE CHURN

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

UP-SELLING

In RISMA's contracts with customers, there is an annual index regulation equivalent to 2.5% per year. In addition, hereto up-selling consists of sales of additional licenses or modules

RETENTION REVENUE RATE

The revenue retention rate is the difference between negative impact of revenue churn and positive impact of revenue upselling.

NEW SALES

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

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 2021.

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 2021 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 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Glostrup, 25 March 2022

Executive Board:

Lars Nybro Munksgaard

Jan Axel Jansson

Board of Directors:

Lars Ankjer Jensen
Chairman

Thomas Nielsen

Claus Henrik Christiansen

Lars Nybro Munksgaard

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 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the 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 financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2021 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" (hereafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Management's responsibilities for the financial statements

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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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 financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the 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 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 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 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 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, 25 March 2022

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Thomas Bruun Kofoed	**Peter Andersen**
State Authorised	State Authorised
Public Accountant	Public Accountant
mne28677	mne34313

Income statement

Amounts in DKK '000	Note	GROUP 2021	GROUP 2020	PARENT COMPANY 2021	PARENT COMPANY 2020
Revenue		**14,899**	**13,007**	**13,476**	**12,128**
Cost of sales		-4,114	-3,604	-3,791	-3,495
Other operating income		125	0	302	468
Other external expenses	4	-12,096	-3,977	-11,181	-3,606
Gross Profit		**-1,186**	**5,426**	**-1,194**	**5,495**
Staff costs	5	-18,750	-10,386	-17,444	-9,824
Amortisation/depreciation and impairment of intangible assets and property, plant and equipment		-2,682	-2,347	-2,682	-2,347
Profit/loss before net financials		**-22,618**	**-7,307**	**-21,320**	**-6,676**
Income from investments in group enterprises		0	0	-1,315	-889
Financial income	6	145	1	193	83
Financial expenses	7	-110	-206	-141	-30
Profit/loss before tax		**-22,583**	**-7,512**	**-22,583**	**-7,512**
Tax for the year		774	457	774	457
Profit/loss for the year		**-21,809**	**-7,055**	**-21,809**	**-7,055**
Recommended appropriation of profit/loss					
Other statutory reserves				749	-22
Retained earnings/accumulated loss				-22,558	-7,033
				-21,809	**-7,055**

Balance Sheet at 31 December

		GROUP		PARENT COMPANY	
Amounts in DKK '000	**Note**	**2021**	**2020**	**2021**	**2020**
Assets					
Fixed Assets					
Intangible assets	8				
Completed development projects		7,386	6,426	7,386	6,426
Acquired intangible assets		57	71	57	71
		7,443	**6,497**	**7,443**	**6,497**
Property, plant and equipment	9				
Fixtures and fittings, other plant and equipment		472	119	472	119
		472	**119**	**472**	**119**
Investments	10				
Investments in group enterprises		0	0	0	0
Deposits, investments		301	15	301	16
		301	**15**	**301**	**16**
Total fixed assets		**8,216**	**6,631**	**8,216**	**6,632**
Non-fixed assets					
Receivables					
Trade receivables		2,988	1,950	2,710	1,747
Receivables from group enterprises		0	0	529	0
Corporation tax receivable		774	457	774	457
Prepayments		2,516	1,495	2,045	1,349
Other receivables		75	0	75	0
		6,353	**3,902**	**6,133**	**3,553**
Cash		**19,977**	**3,373**	**19,188**	**3,004**
Total non-fixed assets		**26,330**	**7,275**	**25,321**	**6,557**
TOTAL ASSETS		34,546	13,906	33,537	13,189

		GROUP		PARENT COMPANY	
Amounts in DKK '000	**Note**	**2021**	**2020**	**2021**	**2020**
EQUITY AND LIABILITIES					
Equity	11				
Share capital		1,807	1,380	1,807	1,380
Share premium account		0	0	0	0
Reserve for development costs		0	0	5,761	5,012
Foreign currency translation reserve		-266	152	-266	152
Retained earnings/accumulated loss		17,167	40	11,406	-4,972
Total equity		**18,708**	**1,572**	**18,708**	**1,572**
Provisions					
Provision, investments in group enterprises		0	0	0	7
Total provisions		**0**	**0**	**0**	**7**
Liabilities other than provisions					
Non-current liabilities other than provisions					
Other payables		785	901	785	901
		785	**901**	**785**	**901**
Current liabilities other than provisions					
Trade payables		2,091	1,897	2,016	1,875
Other payables		2,780	2,165	2,380	2,011
Deferred income		10,182	7,371	9,648	6,823
		15,053	**11,433**	**14,044**	**10,709**
Total liabilities other than provisions		**15,838**	**12,334**	**14,829**	**11,610**
TOTAL EQUITY AND LIABILITIES		**34,546**	**13,906**	**33,537**	**13,189**
Accounting policies		1			
Capital Management		2			
Events after the balance sheet date		3			
Special items		4			
Treasury shares		12			
Contractual obligations and contingencies, etc.		14			
Collateral		15			

Statement of changes in equity

GROUP

Amounts in DKK '000	Share capital	Share premium account	Foriegn currency translation reserve	Retained earnings/ accumulated loss	Total
Equity at 1 January 2020	**1,346**	**0**	**-13**	**4,549**	**5,882**
Capital increase	34	2,546	0	0	2,580
Transfer through appropriation of profit/ loss	0	0	0	-7,055	-7,055
Transferred form shared premium account	0	-2,546	0	2,546	0
Adjustment of investments through foreign exchange adjustments	0	0	165	0	165
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 shared 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 31 December 2021	**1,807**	**0**	**-266**	**17,167**	**18,708**

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 2020	**1,346**	**0**	**5,034**	**-13**	**-485**	**5,882**
Capital increase	34	2,546	0	0	0	2,580
Transfer through appropriation of profit/loss	0	0	-22	0	-7,033	-7,055
Transferred form shared premium account	0	-2,546	0	0	2,546	0
Adjustment of investments through foreign exchange adjustments	0	0	0	165	0	165
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 shared 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 31 December 2021	**1,807**	**0**	**5,761**	**-266**	**11,406**	**18,708**

Cash flow statement

Amounts in DKK '000	Note	GROUP 2021	2020
Profit/loss for the year		-21,809	-7,055
Adjustments	16	1,873	2,095
Cash generated from operations before changes in working capital, interest received and paid, and income taxes received		**-19,936**	**-4,960**
Changes in working capital	17	1,368	2,962
Cash generated from operations before interest received and paid, and income taxes received		**-18,568**	**-1,998**
Interest received, etc.		145	1
Interest paid, etc.		-110	-206
Income taxes received		457	537
Cash flows from operating activities		**-18,076**	**-1,666**
Additions of intangible assets		-3,517	-2,148
Additions of property, plant and equipment		-464	-83
Additions of deposits		-301	0
Disposals of deposits		16	0
Cash flows to investing activities		**-4,266**	**-2,231**
Proceeds from long-term liabilities		0	607
Transaction cost		-987	0
Cash capital increase		40,350	2,580
Cash flows from financing activities		**39,363**	**3,187**
Net cash flow		**17,021**	**-710**
Cash and cash equivalents at 1. January		3,373	4,094
Foreign exchange adjustments		-417	-11
Cash and cash equivalents at 31. December	18	**19,977**	**3,373**

Notes to the financial statements

1. ACCOUNTING POLICIES

The annual report of RISMA Systems A/S for 2021 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 2021 with comparative figures 2020.

There has not been changes to accounting policies during 2021.

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. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

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 RISMA Systems A/S. Revenue from implementation is recognized on the amount of services delivered out of the total services to be delivered.

Notes to the financial statements

1. ACCOUNTING POLICIES (CONTINUED)

Revenue from consultancy is where hours are delivered on a regular basis and is recognized when the worked hours have been delivered.

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.

COST OF SALES

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

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 "Contingent liabilities".

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.

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.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

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.

If negative net assets in the subsidiaries, the share of the negative net assets is recognised as a provision when there are factual or legal obligation.

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 planned initial public offering, are deferred and will be offset against proceeds from the IPO upon the effectiveness of the offering. In the event the offering is terminated, all deferred offering costs will be expensed.

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.

Notes to the financial statements

1. ACCOUNTING POLICIES (CONTINUED)

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, 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 order to bridge the potential capital need in 2023, before the expected cash-positive operation as from Q4 2023, RISMA Systems has been granted a loan facility of 12 MDKK in total; 8 MDKK from the shareholder and board member's company: Claus Christiansen, NB Herlev Holding ApS, and 4 MDKK from the shareholder and chairman, Lars Ankjer's company: Ankjer Holding ApS. The agreed terms are: 2% down payment of the full loan facility value and the National Bank of Denmark's discount rate + 4% for any potential withdrawal. The loan runs for 36 months. The intention is to allow RISMA to choose between either a capital raise, with a timing convenient for the existing shareholders, or no capital raise at all.

The loan arrangement is subject to approval on the Annual General Meeting the 22. April 2022.

Notes to the financial statements

3 EVENTS AFTER THE BALANCE SHEET DATE

We follow the situation in Ukraine closely and with sadness. We use an IT supplier that operates out of both Poland and Ukraine, and so far, our six long distance Ukraine employees are 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.

On the financial side, the crisis in Ukraine has caused increased inflation in the Nordics. In our client contracts, we are able to adjust the prices accordingly, and so far, we do not expect any negative or positive impact on our EBITDA as a result of the crisis in Ukraine.

In 2022, the debt in our companies in Norway and Sweden to our Danish company has been cleared by a group grant from the Danish mother company and the capital has been re-established in the Norwegian and Swedish companies.

Further reference is made to note 2 Capital Management.

4 SPECIAL ITEMS

Special items consits of non-recurring income and expenses in connection with the IPO and other non-recurring costs.

	GROUP		PARENT	
Amounts in DKK '000	**2021**	**2020**	**2021**	**2020**
Expenses				
Cost related to the IPO	4,730	1,724	4,730	1,724
Directly attributable to the issuance of new shares, posted through equity.	-652	-335	-652	-335
	4,078	**1,389**	**4,078**	**1,389**
Special items are recognised in the below items of the income statement				
Other external expenses	4,078	1,389	4,078	1,389
Net profit/loss on special items	**-4,078**	**-1,389**	**-4,078**	**-1,389**

5 STAFF COSTS

	GROUP		PARENT	
Amounts in DKK '000	**2021**	**2020**	**2021**	**2020**
Wages/salaries	19,574	10,769	18,588	10,318
Pensions	1,256	728	1,166	708
Other social security costs	389	179	159	88
Staff costs transferred to non-current assets	-2,469	-1,290	-2,469	-1,290
	18,750	**10,386**	**17,444**	**9,824**
Average number of full-time employees	29	17	27	16

The Company has issued warrants, cf. note 11 Share capital.

6 FINANCIAL INCOME

	GROUP		PARENT	
Amounts in DKK '000	**2021**	**2020**	**2021**	**2020**
Interest receivable, group entities	0	0	193	83
Other financial income	145	1	0	0
	145	**1**	**193**	**83**

7 FINANCIAL EXPENSES

	GROUP		PARENT	
Amounts in DKK '000	**2021**	**2020**	**2021**	**2020**
Interest expenses, group entities	0	0	0	0
Other financial expenses	110	206	141	30
	110	**206**	**141**	**30**

Notes to the financial statements

8 INTANGIBLE ASSETS

GROUP

Amounts in DKK '000	Completed development projects	Acquired intangible assets	Total
Cost at 1 January 2021	13,030	71	13,101
Additions	3,517	0	3,517
Cost at 31 December 2021	**16,547**	**71**	**16,618**
Amortisation at 1 January 2021	6,604	0	6,604
Amortisation for the year	2,557	14	2,571
Amortisation at 31 December 2021	9,161	14	9,175
Carrying amount at 31 December 2021	**7,386**	**57**	**7,443**

PARENT COMPANY

Amounts in DKK '000	Completed development projects	Acquired intangible assets	Total
Cost at 1 January 2021	13,030	71	13,101
Additions	3,517	0	3,517
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Amortisation for the year	2,557	14	2,571
Amortisation at 31 December 2021	**9,161**	**14**	**9,175**
Carrying amount at 31 December 2021	**7,386**	**57**	**7,443**

COMPLETED DEVELOPMENT PROJECTS

In Q1, we released a new design of our software. This project involved streamlining functionalities within the individual solutions/modules as well as a navigation that complimented the GRC suite. During this process, we transitioned the remaining code architecture from the previous, to the new.

In Q2, we spent a great deal of resources on enhancing the relationship across solutions/modules. Furthermore, we developed functionality and content for the ESG & sustainability solution.

We released another solution in the RISMA GRC suite: Contract Management as well as an application for RISMA Controls for phones and tablets.

Q4 was the release of an application for RISMA Incidents for phones and tablets. During the fourth quarter, we released the projects 'KPI's' and 'Solutions ID's' which functioned as the cornerstones for the release of the GRC Intelligence Center in Q1, 2022.

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

Notes to the financial statements

9 PROPERTY, PLANT AND EQUIPMENT

GROUP

Amounts in DKK '000	Fixtures and fittings, other plant and equipment
Cost at 1 January 2021	643
Additions	464
Cost at 31 December 2021	**1,107**
Depreciation at 1 January 2021	524
Depreciation	111
Depreciation at 31 December 2021	**635**
Carrying amount at 31 December 2021	**472**

PARENT COMPANY

Amounts in DKK '000	Fixtures and fittings, other plant and equipment
Cost at 1 January 2021	643
Additions	464
Cost at 31 December 2021	**1,107**
Depreciation at 1 January 2021	524
Depreciation	111
Depreciation at 31 December 2021	**635**
Carrying amount at 31 December 2021	**472**

10 INVESTMENTS

PARENT COMPANY

Amounts in DKK '000	Investments in group enterprises	Deposits, investments	Total
Cost at 1 January 2021	24	16	40
Additions	18	301	319
Disposals	0	-16	-16
Cost at 31 December 2021	**42**	**301**	**343**
Value adjustments at 1 January 2021	-24	0	-24
Profit/loss for the year	-1,315	0	-1,315
Exchange rate adjustments	-418	0	-418
Transferred	1,715	0	1,715
Value adjustments at 31 December 2021	**-42**	**0**	**-42**
Carrying amount at 31 December 2021	**0**	**301**	**301**

PARENT COMPANY

Name	Legal form	Domicile	Interest
Subsidiaries			
Risma Systems Sweden AB	AB	Sweden	100%
Risma Systems Norway AS	AS	Norway	100%

11 SHARE CAPITAL

The Company has issued warrants with the rights to subscribe for 1,102,890 new shares of DKK 0.10 per share or DKK 110,289 nominal value.
Analysis of changes in the share capital over the past 5 years:

Amounts in DKK '000	2021	2020	2019	2018	2017
Opening balance	1,380	1,346	1,339	1,089	1,008
Capital increase	427	34	7	250	81
	1,807	**1,380**	**1,346**	**1,339**	**1,089**

The share capital comprises 18,071,656 shares of DKK 0.10 each. All shares carries the same rights.

Notes to the financial statements

12 TREASURY SHARES

PARENT COMPANY

Name	Number	Nominal value	Share of capital
Balance of 1 January 2021	14,000	0.10 DKK	0.08%
Balance of 31 December 2021	**14,000**	**0.10 DKK**	**0.08%**

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 NON-CURRENT LIABILITIES OTHER THAN PROVISIONS

GROUP

Of the long-term liabilities, DKK 0 thousand falls due for payment after more than 5 years after the balance sheet date (2020: DKK 0 thousand).

PARENT COMPANY

Of the long-term liabilities, DKK 0 thousand falls due for payment after more than 5 years after the balance sheet date (2020: DKK 0 thousand).

14 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES, ETC.

OTHER FINANCIAL OBLIGATIONS

Other rent liabilities:

	GROUP		PARENT	
Amounts in DKK '000	2021	2020	2021	2020
Rent liabilities	338	93	338	93

15 COLLATERAL

The Group and the Parent Company have not provided any security or other collateral in assets at 31 December 2021.

16 ADJUSTMENTS

GROUP

Amounts in DKK '000	2021	2020
Amortisation/depreciation	2,682	2,347
Financial income	-145	-1
Financial expenses	110	206
Tax for the year	-774	-457
	1,873	**2,095**

17 CHANGES IN WORKING CAPITAL

GROUP

Amounts in DKK '000	2021	2020
Change in receivables	-1,114	645
Change in trade and other payables	692	1,354
Other changes in working capital	1,790	963
	1,368	**2,962**

18 CASH AT YEAR-END

GROUP

Amounts in DKK '000	2021	2020
Cash according to the balance sheet	19,977	3,373
	19,977	**3,373**

RISMA