Annual Report 2020

All-in-one GRC Platform

RISMA

Risma Systems A/S, Lyskær 8, Herlev.

CVR: 32769713

Contents

RISMA is a 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 +350 customers across primarily Denmark and Norway. The customers span across private and public sector and the majority are mid-size organizations with 100-15,000 employees. In the customer base, the financial and utility industries are strongly represented, as there here is, in general, a higher maturity level and regulatory requirements with regards to compliance.

A value driven company

Since RISMA was founded, a set of core values have been the guiding star for all employees across the organization, both with regards to internal collaboration and all interactions externally across customers, partners and suppliers.

RISMA's values are

- We create an exciting workplace
- We are productive and respect shareholders' value
- We show respect for customers,colleagues and business connections
- We keep agreements and meet deadlines
- We always learn and develop
- We consider simplicity to be the keynote of true elegance
- We swiftly address low performanceand evaluate violations

Innovative and Agile

RISMA is a very innovative and agile company where ideas arise across the organization. Decisions regarding new innovations can be made swiftly and the agility of the organization means that they can be executed quickly.

RISMA in brief

1 STRONG GROWTH COMPANY

- RISMA has realized strong growth, corresponding to a CAGR of 53% from 2017-2020. This growth is expected to continue towards 2023.
- RISMA is a Software-as-a-Service platform with substantial recurring revenue, supported by a strong current investor group.

DKK 14.6m
ARR (2021E)

50%
Estimated future growth (towards 2023)

2 VERY ATTRACTIVE MARKET

- The global GRC software market is expected to grow with a CAGR of 11.4% 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.

11.4%
GRC CAGR towards 2026

INCREASING
Amount of regulation and legislations

3 PROVEN BUSINESS MODEL

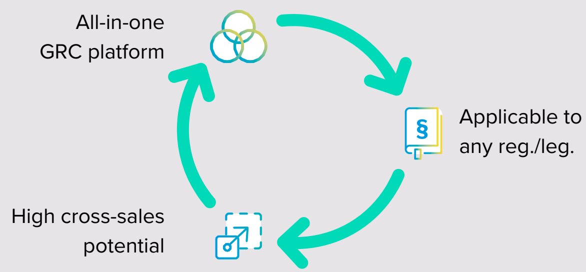
- RISMA has strong customer retention with customer churn rate of 7.0% and a retention rate of 99%. RISMA has more than 350 customers and operates in a highly attractive B2B market.
- The company offers a complete platform for GRC including Risk Management, Internal Controls, GDPR, IT security, and Outsourcing.

+350
Customers (2020)

99%
Retention rate (2020)

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.



5 FUELLED FOR FUTURE GROWTH

- In February 2021 a newly designed version of the platform was launched, which supports a white-label solution.
- The white-label solution can be used by knowledge partners to provide their end-customers with own-branded solutions.

PLESNER
Current knowledge partners

BDO
Current knowledge partners

Letter from the Chairman

From my many years of serving on multiple Boards of Directors, and having been involved in many M&A transactions, I see an increasing trend among Boards and Executive Managements with regards to handling risk and compliance in a structured and system-supported manner. Having seen this development over the years, in parallel to serving as Chairman of the Board of RISMA, has been a continuous source of inspiration, as well as reinforcement of RISMA's vision of becoming an all-in-one GRC platform.

It has been a pleasure to be part of RISMA's journey all the way from the early days as a tech start-up in 2014 up until today where RISMA is now truly an all-in-one GRC platform which is highly scalable and ready for international expansion.

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, and mature when it comes to the use of GRC software. This market has given RISMA the needed experience which will be pivotal to succeed with the international growth journey that lies ahead in 2021 and the years to come.

Over the past years, it has been interesting to follow the global market for GRC software which is developing at exponential speed. According to Reports Intellect, the expected CARG is ~11% which will lead to a global market potential in 2026 of a staggering 26,413 million USD for GRC software, hence the market in which RISMA does business is highly attractive.

This exponential growth in the GRC software market is fueled by a global increase in regulations and compliance requirements, such as GDPR, which we are now all familiar with.

From an industry perspective, especially the financial industry is continuously subject to increasing compliance requirements within the area such as anti-money laundering and out-sourcing, both areas are in the sweet-spot of RISMA's operating space.

When looking at some of the global trends, many of those are to RISMA's favor. However, if I am to point out one thing, I see adherence to the United Nations' 17 Sustainability Goals, also known as ESG, to be of high focus and importance in the years to come. To meet the growing demands for reporting on, and being compliant with, ESG, we expect to launch RISMA's ESG module in the first half of 2021. I see this as one of the great new opportunities for RISMA, both commercially, but also in supporting an important cause and creating awareness.

In addition to the further development of RISMA's platform, I have very high expectations to our internationalization strategy. Here, the first phase will be expanding into Norway and Sweden during 2021.

2021 will in many ways be a turning point for RISMA. Besides from our internationalization, I have high expectations for our upcoming listing on Nasdaq First North in the first part of the year. 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 believe RISMA has been on a fantastic journey to date, and I am looking forward to the journey in the years to come. I think that the GRC market is perhaps one of the most interesting markets to be in.

Lars Ankjer
Chairman of the Board

Letter from the CEO

2020 has been a year focused on preparing for RISMA's international growth journey and listing on Nasdaq First North Growth in the spring of 2021. The entire team at RISMA has been engaged in the preparation work and I am happy to say that I think we are ready for our journey ahead!

As a team, we have achieved a lot in 2020 and I am pleased to share some of the highlights:

- Our solution is now truly a platform which has been our goal since I founded RISMA.
- We have completed a redesign of our platform. We have called it "Project Chanel", as Coco Channel stated that "Simplicity is the keynote of all true elegance" has been a leading star in our development activities for many years.
- We have sharpened our commercial message and I believe we now have a very strong value proposition
- Our new inbound marketing strategy has been developed and tested and we are ready to go live with this in Q1 of 2021
- Through the strategy process we have run in Q4, we have not only identified the two most attractive geographical markets besides Denmark; Norway and Sweden. We have also sharpened our offering.
- We have launched a new and modern visual identity and website

The year 2020 has, as for many other companies, been affected by the Covid-19 pandemic. Back in March, when Denmark and the rest of the world closed down, RISMA faced a high degree of uncertainty with regards to the potential impact on performance against our 2020 budget.

Many of the potential customers we were working on acquiring, paused their decisions and we faced longer customer buying processes as a consequence of the global and local uncertainty. We have, however, managed to almost compensate for the difficult spring with a strong Q4. Lack of ability to travel to support a sole employee in Norway has, however, affected performance on the Norwegian market. I look forward to having complete sales and support teams in place in the markets in which RISMA operates.

All in all, I am proud to say that RISMA is, in all aspects and across all areas of the business, in very good shape for our international growth journey ahead and I much look forward to this and our upcoming listing on Nasdaq First North Growth.

Yours sincerely,

Lars Nybro Munksgaard,
Chief Executive Officer & Founder

I believe that the market for GRC-software will be consolidated as it grows and matures. One of my main priorities is to assure that RISMA is on the forefront in this consolidation.

Lars Nybro Munksgaard
CEO & Founder

Key events in 2020

January

Kasper Hülsen joined as Chief Sales Officer

March

Covid-19 lockdown for seven weeks.

Received the ISAE 3402 type 2-declaration which was performed by an external auditor.

April

New semi-automatic gap-analysis in GDPR was launched.

May

New knowledge base was launched.

July

Launch of Outsourcing solution.

September

Thomas Hermann joined as Chief Financial Officer.

October

Partner agreement regarding ISMS was signed with BDO.

GDPR dataflows were updated to secure compliance with the updated requirements to the records of processing activities from the Data Protection Agency.

November

IPO process was initiated with Grant Thornton and Plesner.

New version of the GDPR solution was launched with new question-naire, gap automation and Data Processor Management.

December

RISMA's new visual identity and website was launched.

New strategic in-bound set-up was ready for launch.

Agreement with Plesner regarding outsourcing solution was signed.

Strategy and business

Strategy

RISMA has an ambitious industry-agnostic growth and internationalization strategy outlined for the years to come. The strategic focus will be centered around the following areas:

- All-in-one GRC platform strategy
- Market strategy
- Partner strategy
- Marketing strategy

All-in-one GRC platform strategy

During the past years RISMA's platform solution has been further developed and in 2020 it has been consolidated to a state-of-the-art all-in-one GRC platform, with 8 core solutions:

1. GDPR – General Data Protection Regulation
2. ESG – Environmental, Social and Governance
3. ISMS – Information Security Management System
4. Risk Management
5. Financial controls
6. Incident management
7. Policy management
8. Vendor management

RISMA has, furthermore, in cooperation with Plesner, developed four industry specific solutions:

- EBA Guidelines for Outsourcing Arrangements in Banks
- EIOPA Guidelines for Outsourcing Arrangements in the Insurance and Occupational Pension industry
- Anti-money laundering
- Anti-bribery and corruption

From a product perspective, the strategic focus will be on selling all-in-one GRC platforms to new customers and up-selling to current customers from single point solutions to all-in-one GRC platforms. With RISMA's current customers this is predicted to drive a higher degree of future loyalty, as they will move from handling multiple single point solutions from several vendors, to benefitting from the advantages of an all-in-one GRC platform.

The industry specific solutions such as EBA and EIOPA, are reactions to new regulations from the EU, which drives a new demand in the market. They are, despite of not being part of the core platform, important from a tactical perspective, as they serve as door-openers into target customers in the financial industry. Going forward, RISMA will keep monitoring which new such EU regulations will impact specific industries and in due-time RISMA will seek to develop more such tactical solutions, which can, in a similar manner, be used as door-openers to new customers.

Up to this point, new solutions have required development. The amount of development required to launch a new solution has, however, been decreasing for each solution, as the platform becomes constantly more generic. It is expected that none or very limited development is required for launching new solutions as from end of 2021.

Market Strategy

The general market for GRC software is maturing across many countries and typically the maturity-journey which organizations undergo is moving from “nothing”, to using generic products such as spreadsheets or other data-repositories, towards using a portfolio of fragmented single point software, to finally moving to the most mature level, where they benefit from using all-in-one GRC solutions, such as RISMA’s platform.

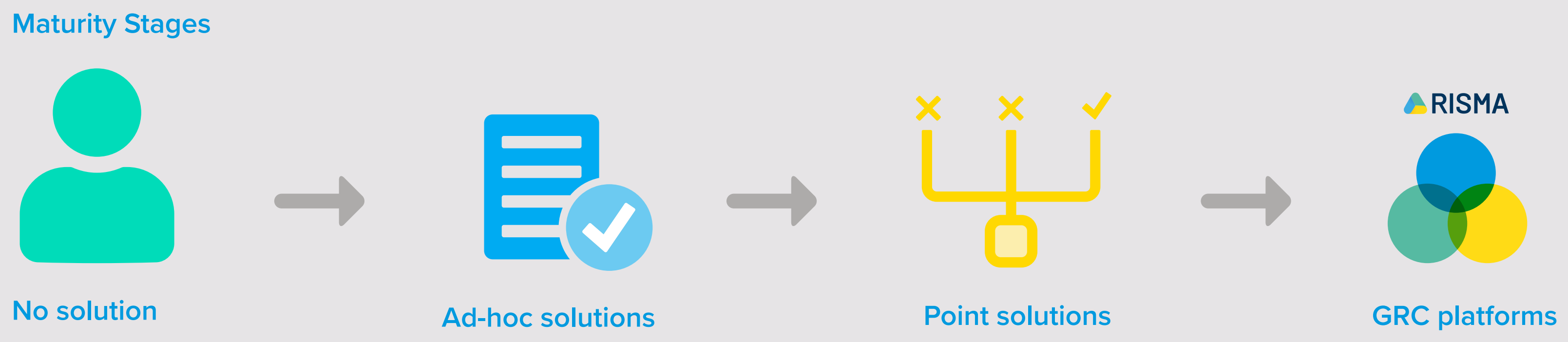
In order to pursue the internationalization strategy, RISMA has set up some high-level strategic market selection criteria:

- The market has a high annual spend on GRC software per capital
- The market has a high level of maturity and proven interest in implementing GRC software solutions
- Organizations in the market focus on being compliant and the government rewards this
- The market must have an attractive size, measured by the level of investment in GRC software
- The market is expected to grow in potential for GRC software in the years to come
- The market structure and the competitive environment are attractive for RISMA which is important in order to make market penetration possible
- The market has professional and well-functioning networks and fora regarding the GRC market – legislation, solutions, best practices, etc. Often in the form of networks, dedicated partnerships, etc.

Based on the criteria above, RISMA will, in addition to the continued focus on the Danish market, in 2021 make a strategic move of entering the Norwegian and Swedish markets.

In addition to the criteria above, Norway and Sweden are especially attractive, as RISMA already has some experience in serving customers in these markets. Additionally, Norway and Sweden are attractive due to their numbers of mid-sized companies and enterprises, which is RISMA’s industry-agnostic sweet spot. Lastly, these markets have some similarities with regards to both culture, ways of doing business, and executing legislation.

It has been decided to have dedicated direct sales and customer support resources in the respective markets. The reason for this decision is partly that we expect that having local resources is an important factor in the decision process for the mid-market, but also because it is an important part of RISMA’s offerings to the customers that we provide a second-to-none implementation service. At this point in RISMAs lifecycle, we cannot expect partners to effectively implement RISMA’s relatively broad product at our customers.



Denmark has, since RISMA was founded in 2014, been the focus market and has served as proof-of-concept market. Among the European markets, the Danish market has the highest spend on GRC software per capita (63.36 USD per year). The Danish market for GRC software is expected to have a +10% CARG between 2020 and 2026, leading to an estimated market value in 2026 of +650 million USD, hence it is therefore still highly attractive for RISMA.

Norway has since mid-2018 been a "soft-test-market" for RISMA with one dedicated salesperson. Among the European countries, Norway has the 3rd highest spend on GRC software per capita (37.87 USD per year), an expected CARG of almost 10% towards 2026, leading to an estimated market value of +350 million USD by 2026. In addition, hereto, Norway has +2,000 companies with 100-10,000 employees which is RISMA's industry-agnostic target group. Of the potential markets, the Norwegian market is seen as one of the most attractive for RISMA. Therefore, RISMA will in 2021 use part of the proceeds from the IPO to make a strategic move of a full-blown entry into the Norwegian market.

Sweden will be RISMA's 3rd strategic market, as it, based on the previously outlined strategic market selection criteria, is seen as a high potential market for RISMA. Among the European countries, Sweden has the 2nd highest spend on GRC software per capita (39,60 USD per year), an expected CARG of +10% towards 2026, leading to a market value of +700 million USD by 2026. In addition, hereto, Sweden is a good fit for RISMA's industry-agnostic target group with +5,000 companies with 100-10,000 employees. Therefore, RISMA will in 2021 make a full-blown entry into the Swedish market, following the same approach as the one outlined for the entry to the Norwegian market. RISMA already has some well-known customers in the Swedish market. These include, for instance, SSAB, NET and SEB Pension.

Partner Strategy

Both in the current market and new geographical markets, RISMA will focus on a partner strategy with key players in the accounting space i.e. EY, KPMG, Deloitte, PWC and BDO, and in the management consulting space.

In order to drive this partner strategy, a new member of the management team will be appointed as Chief Partner Officer. The purpose of this role will be to establish relationships with

key people in the partner organizations, support them in commercial dialogues with their end-customers and help them deliver partner owned solutions, potentially including white label solutions which the partners can sell under their own brand.

The other part of the partner strategy is to utilize the relationships to make sure that, as an all-in-one GRC platform, RISMA will be at the top of their minds and among the potential solutions which the partners recommend to their end-customers, hence be a strong and continuous source of qualified leads.

Once RISMA is ready to expand beyond the first two new geographical markets, the partners will play a key role in analyzing needs and sweet spots in new markets which is predicted to be other European countries which match the previously listed strategic market selection criteria, i.e. Germany, France, UK, The Netherlands and Finland.

For future expansions, RISMA expect to allocate partner function resources to the market 6-12 months before establishing direct sales and customer support functions in the respective markets.

Marketing strategy

In 2020, RISMA has executed a strategic change from outbound to in-bound marketing. This has been developed, tested, and refined, and is ready to be scaled out from the beginning of 2021 – both in Denmark and new markets.

The strategy is built on a solid foundation by analyzing RISMA's buyer journey, many customer interviews, extensive competitor analysis, and elaborate market insights. The content driven inbound marketing strategy is designed for scalability and growth, and based on a data-driven approach.

It is expected that this initiative will generate an ongoing and increasing flow of pre-qualified leads which can be nurtured and converted into active customers in order to support RISMA's growth strategy in both the current Danish market, and in the Norwegian and Swedish markets.

In December 2020, RISMA's visual identity has also been updated from a slightly conservative expression, to become modern, dynamic, and colorful. This updated visual identity has been implemented across the platform, website, and all communications material.

RISMA is ready for international growth

All-in-one software platform

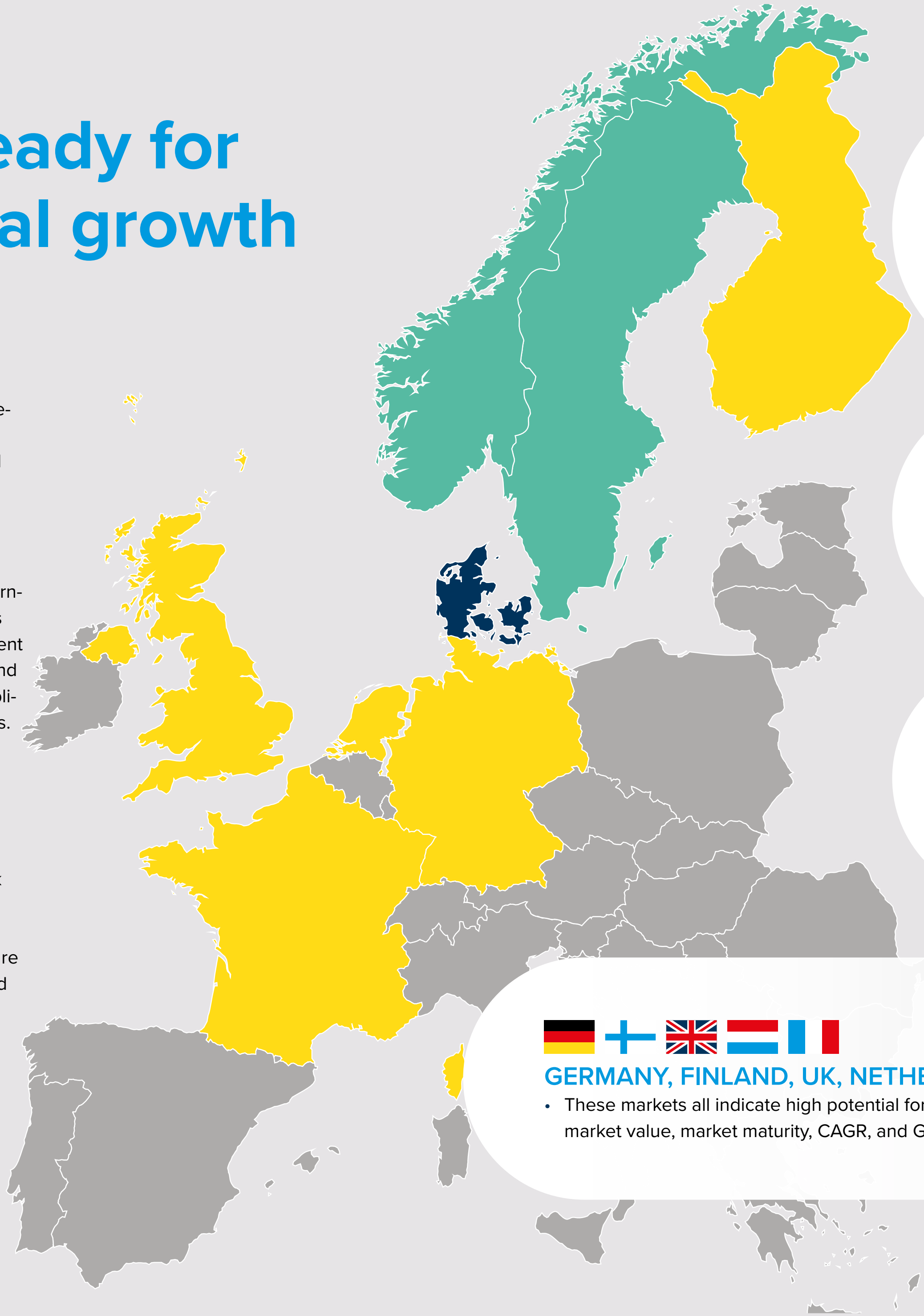
RISMA offers a one-stop suite for all GRC initiatives such as GDPR, ISMS, risk management, financial controls, ISO standards – or any other GRC area that needs streamlined system support.

Flexibility

RISMA's platform is designed for both governance, risk and compliance professionals, as well as non-specialists which secures efficient collaboration across corporate functions, and assures unified data and insights into compliance progress while documenting all efforts.

Automized process

RISMA has successfully helped +350 customers eliminate their chaos in Excel and Outlook, and converted their manual work to automized processes. Hereby, RISMA enables companies and organizations to build a documentation and reporting culture suitable for both management insights and external auditing.



DENMARK

These markets all indicate high potential for RISMA based on criteria like

- Market value
- Market maturity
- CAGR
- GRC software spend per capita.

NORWAY (H1 2021)

- Soft-test-market with dedicated salesperson
- 3rd highest software spend per capita*
- CAGR +10% (2020-26)
- Market value USD +650m (2026)

SWEDEN (H1 2021)

- Strong market potential for RISMA
- 2nd highest software spend per capita*
- CAGR +10% (2020-26)
- Market value USD +700m (2026)

GERMANY, FINLAND, UK, NETHERLANDS & FRANCE

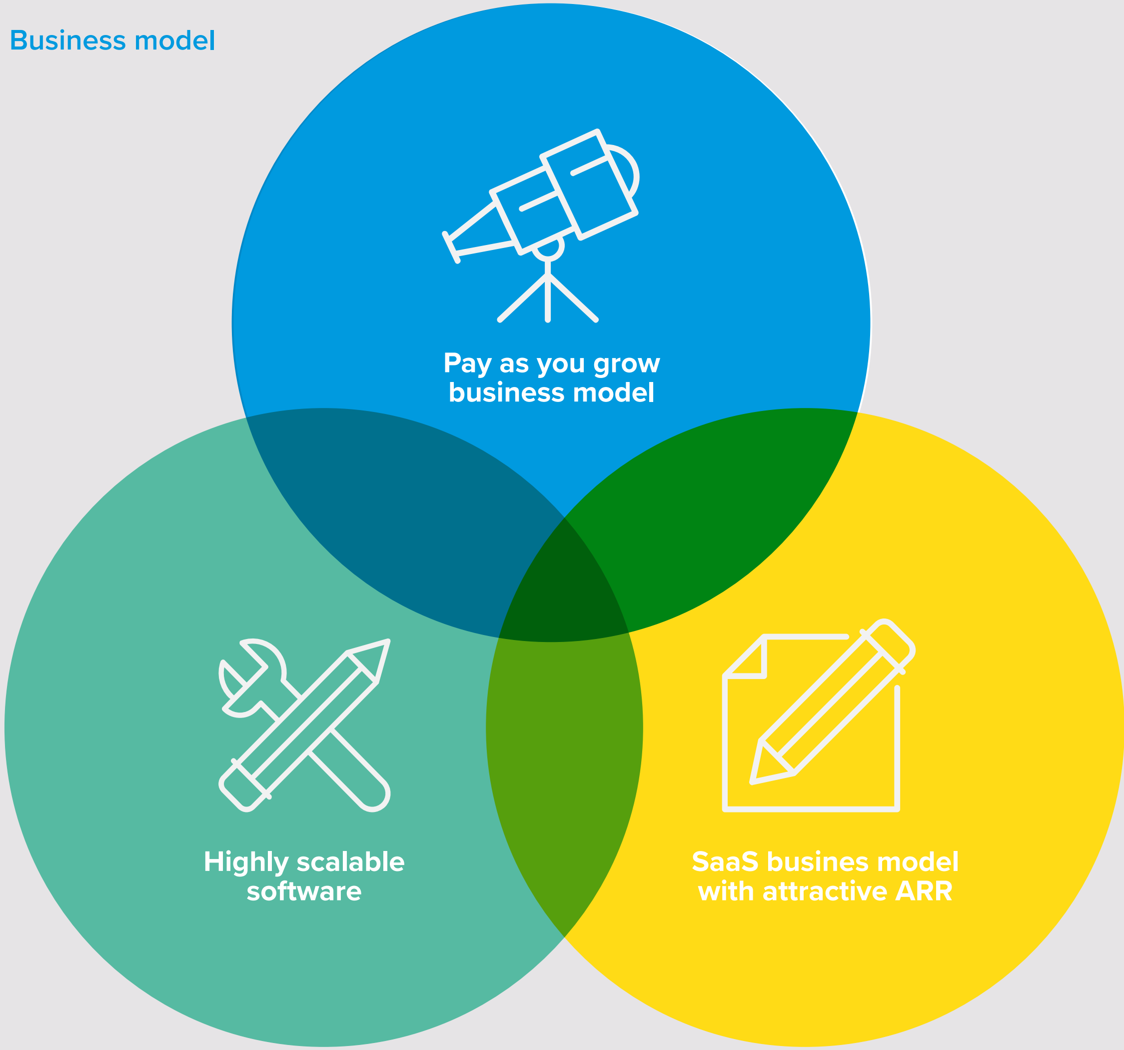
- These markets all indicate high potential for RISMA based on criteria like market value, market maturity, CAGR, and GRC software spend per capita.

RISMA's business model & value creation

RISMA's business model is a classic SaaS (software as a service) model where customers subscribe to the software. In the initial onboarding process, RISMA charges an implementation fee, equivalent to 40% of an annual license. Once the customer is up-and-running, they pay a fixed subscription fee which is annually index regulated with 2.5%

This subscription fee is also what is referred to as ARR (annual reoccurring revenue) which is the center of a classic SaaS business model, and since RISMA has a low churn rate of 7.0%, the ARR can be used to project future revenue in years to come.

Business model



The market for GRC

The market for GRC software is highly attractive and rapidly growing at an expected CAGR of 11.4% from 2014 towards 2026, leading to a total market value of +26,000 million USD by 2026.

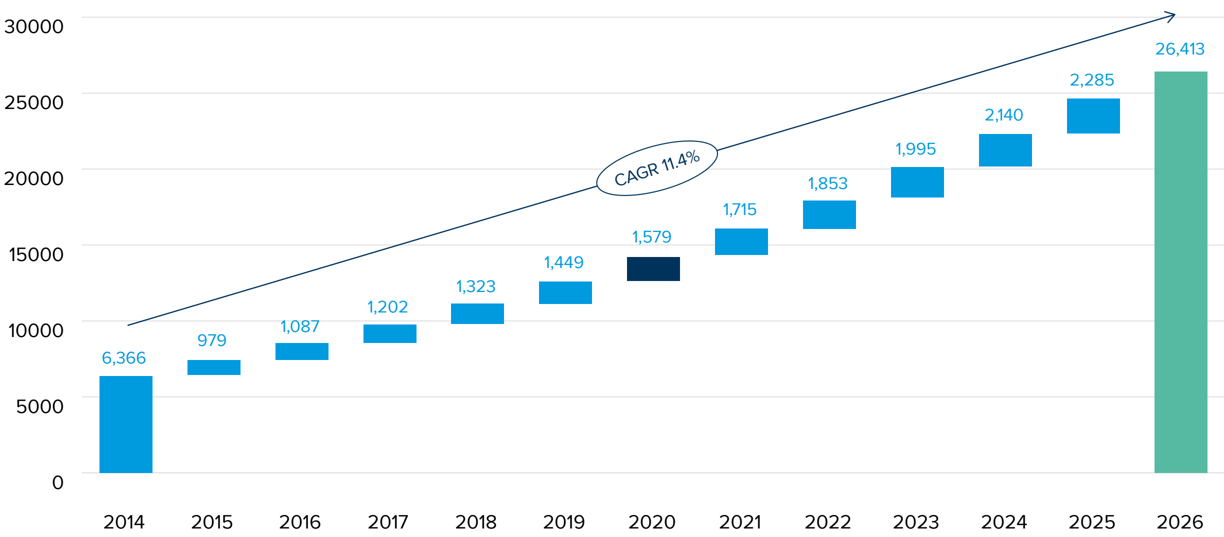
The global market for GRC software is in the process of maturing from an immature level and from geographically differentiated stages. The most mature and rapidly developing geographies are North America and Europe, whereas Latin America, Africa, and Asia-Pacific are behind the curve. Despite being the most mature geographies, many organizations in North America and Europe come from a low level of maturity where they are using spreadsheets and other generic data-repositories to manage their GRC processes.

The global market is projected to see robust incremental growth due to accelerating data generation across the globe, an increase in regulations, the need for compliance, and a desire to move from handheld and labor-heavy work to system-supported processes.

GRC software is an interconnected resource array that helps organizations to:

- Be compliant
- Mitigate risks and potential penalties
- Achieve and report on targets

Global GRC software development (2014-2016)



The global GRC software market is forecast to have a CAGR of 11.4% towards 2026, leading to a total market value of USD 26bn. The major factors driving the growth of the market are demands for proactive and consolidated GRC management and subsequent risk management.

The trend of moving towards using either point-solutions or all-in-one platforms is global, however, most predominant in the highly digitalized and regulated parts of the world, with Europe and Northern America as the front runners.

Despite that the global market for GRC software is considered immature, it is clear that the total GRC market value is already significant, especially in RISMA's current and closest potential markets. Combining this with the attractive growth rates of +10% CAGR in mature markets such as the Nordics, the UK and Germany, RISMA is clearly operating in an attractive space with enormous commercial potential.

RISMA's geographical presence is aligned with market potential:

Spend per capita highest in Denmark, Sweden, and Norway

The total potential in Europe is highest in Germany, UK, and France

Expected CARG of 11.4% towards 2026

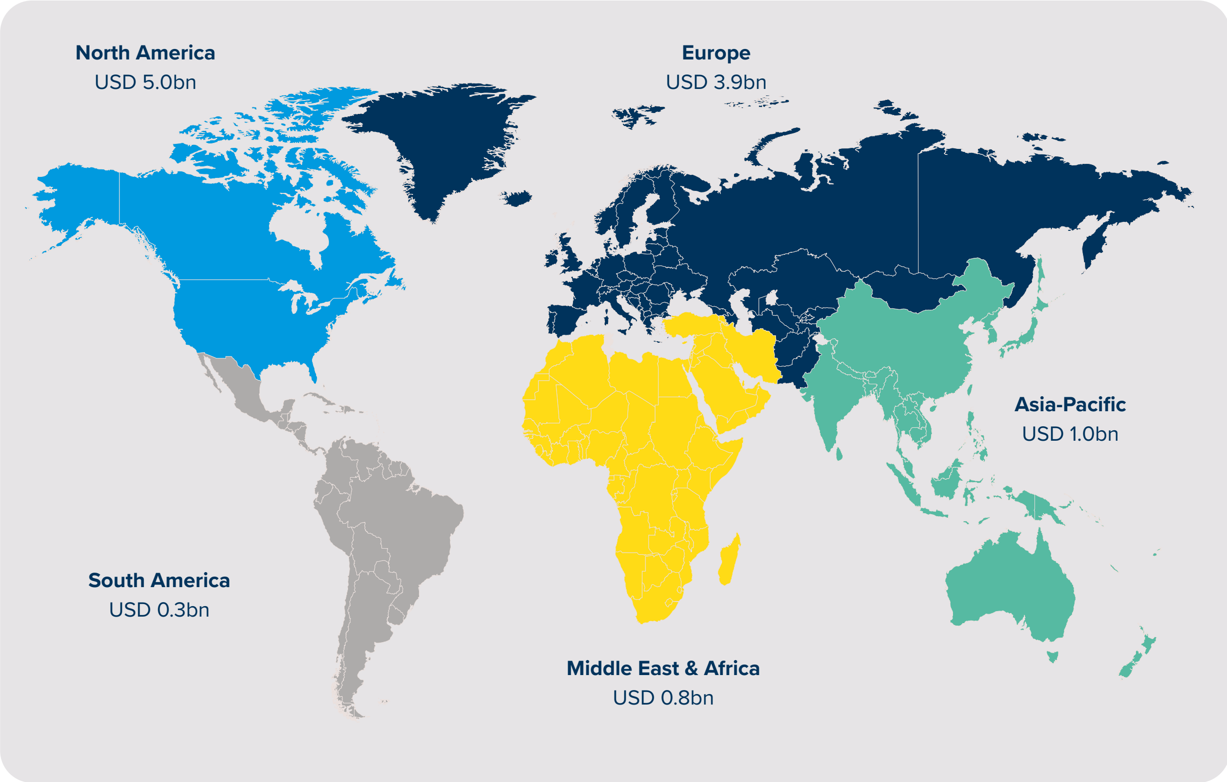
By 2026 the total market for GRC software is expected to be +26,000 milion USD

Competitive landscape

Globally and in Europe, the competitive landscape for providers of GRC software is characterized as being:

- Fragmented between global, regional, and local providers of GRC solutions
- There is not one provider that is seen as the market leader and "owner of the GRC software space", neither globally, regionally, nor locally
- The majority of providers offer stand-alone point-solutions with a narrow capability scope
- Few players provide a full all-in-one GRC platform, and to the knowledge of RISMA, no others can provide the unique "GAP analysis", which RISMA does
- The companies have different go-to-market strategies, e.g., some focus on direct sales to customers in one or more markets, others have partner strategies, and some have a mix of the two

For RISMA, this fragmented market offers the opportunity to pursue international growth by offering a leading one-in-all GRC solution with the unique "GAP analysis" as a key differentiator, and subsequently, market by market, become the "owner of the GRC software space".



Platform

Most organizations handle their compliance efforts in spreadsheets. Some have used point solutions to manage one or more specific compliance areas. Most companies using point solutions acknowledge they, in time, will move unto a GRC-platform.

RISMAs standard solution

RISMA's technology platform is very robust, yet flexible and highly scalable. In addition, hereto, it is future proofed.

The platform can be used for any set of regulation which leaves RISMA with a choice as to which areas to focus on. RISMA has initially decided to develop a standard package, including subjects that are relevant for any industry.

All-in-one GRC platform

During the past years, RISMA's platform solution has been further developed, and in 2020, it has been consolidated to a state-of-the-art all-in-one GRC platform, with eight core solutions:

1. GDPR – General Data Protection Regulation
2. ESG – Environmental, Social and Governance
3. ISMS – Information Security Management System
4. Risk Management
5. Financial controls
6. Incident management
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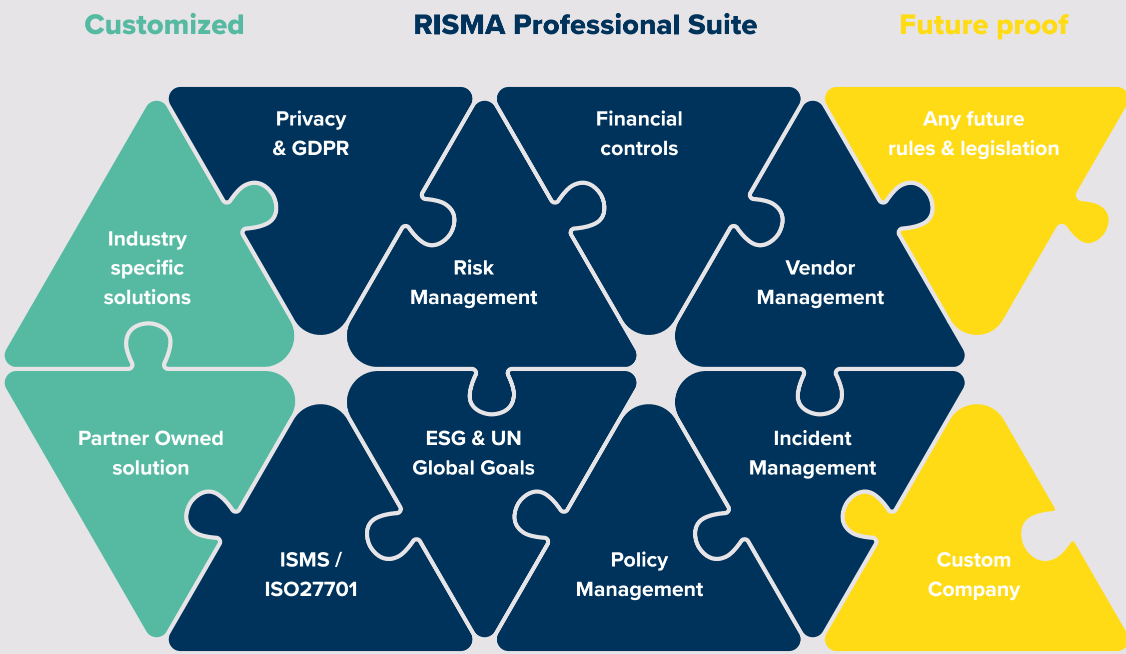
8. Vendor management

RISMA's all-in-one GRC platform



RISMA has, furthermore, in collaboration with Plesner, developed four industry specific solutions:

- EBA Guidelines for Outsourcing Arrangements in Banks
- EIOPA Guidelines for Outsourcing Arrangements in the Insurance and Occupational Pension industry
- Anti-money laundering
- Anti-bribery and corruption

In the first quarter of 2021, RISMA will be able to offer a white label solution which will allow industrial partners such as accounting and law firms to offer their end-customers an own-branded GRC software solution.

Future industry specific solutions

RISMA's software can be used for solutions related to any industry. We do not expect to develop many industry specific solutions ourselves. We do, however, expect that partner developed and partner owned industry specific solutions will provide an increasing share of RISMA's income.

A partner developed and part owned solution is a solution where RISMA only provide the software, but where the content is owned by partners who market this content to their own customers. Presently, two of Denmark's top five audit firms are developing own content to RISMA's platform.

Company specific solutions

RISMA does not develop company specific solutions, but some of RISMA's customers have developed own solutions based on RISMA's platform. Companies that have developed their own solutions include SSAB in Sweden and Top Danmark in Denmark.

We expect that company specific solutions will provide an increasing, but not large, share of RISMA's turnover. Company specific solution can be developed by the customer or by a RISMA partner as a service to their customers.

Corporate information

Risk management

RISMA's Executive Management and Management Team are responsible for risk management, including mapping, assessment of probabilities, potential impacts, as well as taking mitigating measures. The Executive Management reports frequently to the Board of Directors on risk management procedures and findings.

RISMA uses its own software to manage risk and currently the "risk list" contains 44 specific areas which are closely monitored. However, as it is not possible to outline all risks associated with RISMA. This section describes a number of risk factors as of the date of this Annual Report which the company considers to be the most significant known risks.

Competition

RISMA is competing in the space of GRC software which is characterized by high growth predicted to be at 11.4% CARG towards 2026. Currently, the competitive landscape is characterized by multiple players across enterprise- mid-size- and low-end-markets. Most competitors are either point-solution providers or come from a point-solution position and are broadening they offer. To RISMA's knowledge, neither of those currently have the capabilities to offer end-to-end GRC solutions which is able to support gap analyses in any regulative area. Some of the larger global software providers in the GRC space, e.g. SAP or One Trust, have the professional power to build similar functionality. However, no such signs have been detected at this point in time, and even if they did, RISMA considers it unlikely that they will develop local solutions to a large extend. Therefore, RISMA believe that, even in this scenario, there will be a market for GRC software providers with deep insight into specific markets.

Risks related to market development

The market for GRC software has seen strong and increasing year-on-year incremental growth in recent years and there is nothing indicating that this development will slow down in the years to come. By 2026, the global market potential for GRC software is predicted to be 26,413 million USD. However, the future growth is only a prediction, hence there are no guarantees that this will come true, nor that RISMA will benefit from any continued market development.

Expectations are that the market, in the coming years, will shift from spreadsheets to point-solutions and then platforms. Surveys show that approximately 70% of the companies presently using point solutions expect to move to platforms. There are, however, no guarantee that this shift will take place, or take place in the pace which RISMA expects.

In order to execute RISMA's internationalization strategy beyond expanding into a handful of geographical markets, there are future dependencies on countries' continued digitalization. Hence, there is a risk that future geographical markets will not mature in a pace matching RISMA's potential.

Regulatory risk

RISMA is, as a software provider, subject to a variety of EU regulations on data protection, compliance, and information security. There is a risk that changes to those regulations will impose restrictions on RISMA's ability to provide its services.

Risks related to IT security

RISMA's business model is based on hosting software solutions on behalf of the company's customers. When RISMA handles processes, retains data, and stores documentation on behalf of customers, there is a risk of breaches and cyber-attacks leading to unauthorized access from 3rd parties and potential downtime for shorter or longer periods. Such situations could result in fines and prosecutions from customers demanding financial compensation which could both have negative effect on RISMA's business results, value and in addition, hereto, posea reputational risk.

In order to mitigate risk related to IT security, RISMA takes all possible measures into use, as described below. BDO performs an external ISAE 3402 audit, with both "type one documentation", of processes and procedures including documentation hereof, and "type two documentation" which is control of whether the documented processes and procedures are actually followed correctly. The last issued security report by BDO did not contain any major control deficiencies.

In order to reduce risk of cyber-attacks, RISMA uses the most secure firewalls and all data are encrypted. RISMA follows best practice with regards to ongoing reviews, controls, and testing. Security processes are performed once a week and include vulnerability scans and penetration test.

In order to mitigate potential loss of data, RISMA runs daily backups which are stored off-site for three months. Once every month, the entire backup is checked in order to control the quality and detect any potential errors.

The last issued security report by BDO did not contain any major control deficiencies.

Product development

RISMA's platform has undergone constant development and will continue to do so in the future, in order to stay competitive and ensure ongoing product-to-market-fit. RISMA has an, at all times, updated 12-month development roadmap, based on identified needs among customer and market which serves as focal point of the development work.

With RISMA's internalization strategy, the continuous updating of the roadmap will become ever more important. Despite of thorough commercial pre-analysis, there are no guaranties that future developments will deliver the expected commercial value.

Dependency on key individuals

RISMA is dependent on the key individual, founder and CEO Lars Nybro Munksgaard, both in order to operate the business and to pursue the internationalization strategy. Losing this key individual could have a negative impact on RISMA's execution of future growth plans and internationalization strategy, financial performance, and market value, which could have a material adverse effect on the Company's business, results of operations and financial position.

RISMA's future growth journey and entry into new geographical markets is also dependent on the ability to find, attract and retain new employees with the adequate skills and capabilities. As RISMA's future growth and internationalization strategy is dependent on having the right people on the team, there is a risk that if RISMA does not succeed with this, it can slow down the predicted growth rates.

Financial risk

Liquidity risk

The phase which RISMA is in, and will be for the years to come, is centered around growth and entrance into new geographical markets which create a need for access to capital on short- and mid-term. With the proceeds from the IPO on Nasdaq First North Growth, RISMA expects to be able to follow the predicted revenue growth rates and be EBITDA positive in the Scandinavian markets as of from 2023. However, as it is RISMA's strategy to keep growing into more markets, as they mature, this will most likely require additional funding.

Currency risk

Operating from Denmark with customers primarily in Scandinavia, and in the future, in other geographical markets across Europe, RISMA will potentially increase the currency risk, as customers will be invoiced in local currencies. With the increased internationalization, RISMA will be exposed to additional risk related to fluctuation rates in the exchange rates, however, if seen as necessary, hedging of currencies can be made.

Shareholders with significant influence

At the date of this Annual Report, prior to the expected listing on Nasdaq First North Growth in spring 2021, RISMA is owned directly and indirectly by 4 Major. If the Offering is completed the Major Shareholders will own above 50% of the Shares after the Offering.

These Major Shareholders will have the ability to influence or determine the outcome of specific matters submitted to the shareholders for approval. These matters could include election or dismissal of members of the Board of Directors, policy on dividends and amendments to RISMA's articles of association. As a result, the Major Shareholders may have the ability to influence the future direction of RISMA. The interest of the Major Shareholder with significant influence could differ from the interest of other shareholders and may not be aligned with the interest of minority shareholders.

Corporate governance

Board of Directors

RISMA's Board of Directors currently consists of four board members, including the Chariman 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. The business address for the current members of the Board of Directors is Lyskaer 8A, Herlev Denmark.

Board Practices and Governance

RISMA's Board of Directors have 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 Danish legislation. The Board of Directors is responsible for ensuring that book- keeping 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	31,03	0
LNM Holding ApS	Lars Nybro Munksgaard	Board Member	19,84	0
Ankjer Holding ApS	Lars Ankjer	Chairman	13,41	0
Nordic Life Science Consulting ApS	Thomas Nielsen	Board Member	1,70	0

Board of Directors

Lars Nybro Munksgaard,

Founder & Chief Executive Officer

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 at 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 E&Y 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 in 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 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 of the 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 of the Nordic Bioscience Group.

Other key positions

Owner and Director in Nordic Life Science Consulting ApS. Chairman of Descom A/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 is the sole member of the Executive Management of RISMA. He is responsible for the daily operations of RISMA and for leading the Management Team. In addition, hereto, he is responsible for ensuring that RISMA's bookkeeping adheres to rules and regulations and that RISMA is overall compliant.

Management Team

RISMA's Management Team holds broad and deep leadership experience and has extensive know-how of the SaaS industry, GRC, and process optimizing software.
Together with the Chief Executive Officer, The Management Team covers all the competencies needed to ensure that RISMA succeeds on the growth journey that lies ahead in the years to come.

The Management Team consists of five members; Thomas Hermann (Chief Financial Officer), Kasper Holten Hülsen (Chief Sales Officer), Gitte Barsøe Pedersen (Chief Customer Officer) and Nicolai Ascanius (Chief Information Officer).

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.

Thomas Hermann,
Chief Financial Officer

Background
Before joining RISMA in 2020, Thomas has held positions as CFO in media tech and retail companies. Before this, Thomas has worked in a Software company where he was in charge of developing the Finance system part of the ERP system. Thomas started his career in a Big 4 auditor company.

Education
Bachelor of Science in Economics and Business Administration (BSc EBA) from CBS.

Kasper Holton Hülsen,
Chief Sales Officer

Background
Prior to joining RISMA in 2020, Kasper has held similar commercial positions in media and software companies. In addition, he has served on the Executive Committee of FIBEP and as National Chairman of the youth organization of a political party.

Other key positions
Member of the board: Hypefactor and Nordic Legal Tech Hub

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

Gitte Barsøe Pedersen,
Chief Customer Officer

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

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 HD 1. Del from Copenhagen Business School

Statement from the CFO – Thomas Hermann

Covid-19 impact on 2020

Across the globe 2020 was a year impacted by the Covid-19 pandemic and as most other countries, Denmark went into lock-down in the spring and again in the fall. As in most other companies, this meant that RISMA had to rapidly change ways of working towards digital channels, including customer facing meetings and collaboration between colleagues.

This was done swiftly and successfully, however in the first half of 2020, we experienced buying processes being set on hold and taking longer than normally. Due to a strong commercial performance in the second half of 2020, we managed to deliver on our full budget for 2020.

Revenue & EBITDA

Despite the Covid-19 RISMA managed to increase the revenue with 12% from 2019 to 2020 and we managed to improve EBITDA by 2.4 Mdkk. The positive development in EBITDA (without IPO costs), was primarily derived from the increase in revenue and secondly from lower cost of sales due to that most activities were moved online, hence reduction in cost of travel and representation.

Amounts in MDKK	2020	2019
Revenue	13.0	11.6
Cost of sales	-3.6	-4.2
Other external expenses	-4.0	-2.8
IPO cost	1.4	0
Gross profit*	**6.8**	**4.6**
Staff costs	-10.4	-10.6
EBITDA*	**-3.6**	**-6.0**

*Gross profit/EBITDA is without IPO costs of 1.4 MDKK, as fundraising costs is not considered part of normal operations.

Profit/loss for the year 2020

The loss for 2020 is tdkk -7,055 compared to tdkk -7,560 in 2019. The loss has decreased with c. tdkk 500 when comparing 2019 against 2020. In 2020 there is an amount of tdkk 1,389 which are related to the listing of RISMA on Nasdaq Frist North Growth Market (IPO). The profit/loss for 2020 is considered as satisfactory, seen in the light of the covid-19 pandemic and the cost of the IPO.

Key events after balance date 31st December 2020.

Cornerstone investors have presubscribed for c. 18 million DKK. The first draft of the company description has been submitted to Nasdaq.

Changes in accounting policies

Revenue

Effective 1 January 2020, the Group and Parent Company have chosen to adopt IFRS 15 as interpretation for revenue recognition and measurement. Adoption of IFRS 15 regarding recognition and measurement of revenue has been done using the full retrospective application method meaning that the comparison figures are restated and the accumulated effect from adoption of IFRS 15 in respect of recognition and measurement is accumulated effect on the equity as of 1 January 2019.

Investments in subsidiaries

Effective from 1 January 2020, the parent company has changed its accounting policies regarding investments in subsidiaries, so that these are measured at cost and subsequently at the proportionate share of the entities' net asset values (equity method). In prior years, investments in subsidiaries were initially measured at cost, adjusted for impairment, while dividends received were recognised as income.

For full description of changes in accounting policies and the effect hereof, please refer to note 1 to the Financial statements.

Treasury shares

As of 31 December 2020, the nominal value of treasury shares amounts to DKK 1,400, which corresponded to 0,10% of the share capital.

Capital Management

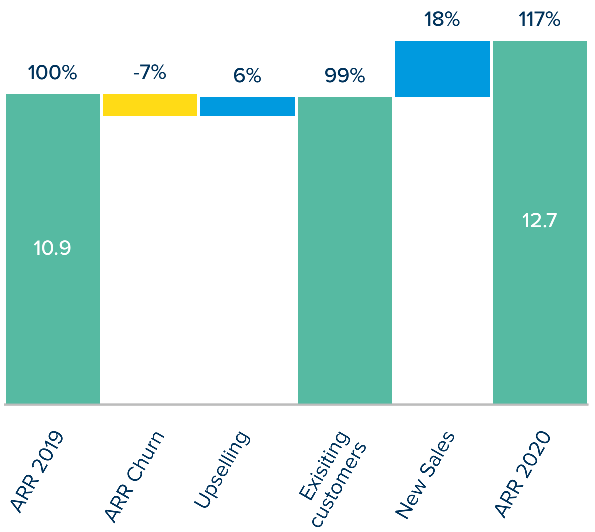
Please refer to note 2 for description of the capital management.

Annual recurring revenue from 2019 to 2020

Annual recurring revenue (ARR) has increased with 17% in 2020. The ARR are 12.7 Mdkk in 2020.

Risma has churned customers for 7% in 2020 and the upselling was 6%. The retention rate is 99%, which is satisfactory where the upselling has been difficult.

FACTORS IMPACTING ARR FROM 2019 TO 2020



Revenue Churn

In 2020 we saw a revenue churn of 0.7 Mdkk. which is equivelant to a 7% revenue churn rate. The revenue churn in 2020 was primarely derived from our smaller customers, hence not from our strategically important focus customers. Going forward, we expect the churn rate to fall, as we are investing in retention management and upselling on existing customers.

Revenue Retention Rate

The revenue retention rate in 2020 was 99 %, and by 2021 we expect the revenue retention rate to be 100% or above due to a fall in Revenue Churn.

Upselling

In 2020 we managed to increase existing contracts with 6% 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 of Covid-19, lock-downs and subsequent slower decisions and longer salesproccesses, we have seen strong commercial performance, especially in the second half of 2020. We have succeded in winning new customers in our target segments and going forward they will account for an annlual value of estimated 2Mdkk in annual recurring value.

Increase in average onboarding revenue per customer

We have sharpened our commercial message and now have a very strong value proposition and product-to-market fit. This has led to an increase in the average revenue per onboarded customer in 2020, with an increase from 61 tdkk in 2019 to 106 tdkk in 2020.

Stable implementation revenue

Despite of covid-19 our customer success team has almost delivered the same amount of implemented hours and subsequent revenue of 1 Mdkk in 2020. The revenue from the implementation hours is invoiced on a running basis as they are delivered to the end-customers.

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 there is 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 statement

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 2020.

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 2020 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 2020.

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.

Herlev, 3 February 2021

Executive Board:

Lars Nybro Munksgaard

Board of Directors:

Lars Ankjer Jensen
Chairman

Thomas Nielsen

Lars Nybro Munksgaard

Claus Henrik Christiansen

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 2020, 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 2020, 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 2020 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" (herinafter 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 re-

quired 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, 3 February 2021

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

		GROUP		PARENT COMPANY	
Amounts in DKK '000	**Note**	**2020**	**2019**	**2020**	**2019**
Revenue		**13,007**	**11,622**	**12,128**	**11,040**
Cost of sales		-3,604	-4,227	-3,495	-4,336
Other operating income		0	0	468	404
Other external expenses		-3,977	-2,808	-3,606	-2,192
Gross profit		**5,426**	**4,587**	**5,495**	**4,916**
Staff costs	5	-10,386	-10,576	-9,824	-9,840
Amortisation/depreciation and impairment of intangible assets and property, plant and equipment		-2,347	-2,017	-2,347	-2,017
Profit/loss before net financials		**-7,307**	**-8,006**	**-6,676**	**-6,941**
Income from investments in group enterprises		0	0	-889	-1,167
Financial income	6	1	0	83	102
Financial expenses	7	-206	-91	-30	-91
Profit/loss before tax		**-7,512**	**-8,097**	**-7,512**	**-8,097**
Tax for the year		457	537	457	537
Profit/loss for the year		**-7,055**	**-7,560**	**-7,055**	**-7,560**
Recommended appropriation of profit/loss					
Other statutory reserves				-22	580
Retained earnings/accumulated loss				-7,033	-8,140
				-7,055	**-7,560**

Balance Sheet at 31 december

Amounts in DKK '000	Note	GROUP 2020	GROUP 2019	PARENT 2020	PARENT 2019
ASSETS					
Fixed assets					
Intangible assets	8				
Completed development projects		6,426	6,580	6,426	6,580
Acquired intangible assets		71	0	71	0
		6,497	6,580	6,497	6,580
Property, plant and equipment	9				
Fixtures and fittings, other plant and equipment		119	153	119	153
		119	153	119	153
Investments	10				
Investments in group enterprises		0	0	0	0
Deposits, investments		15	15	16	16
		15	15	16	16
Total fixed assets		6,631	6,748	6,632	6,749
Non-fixed assets					
Receivables					
Trade receivables		1,950	2,595	1,747	2,568
Receivables from group enterprises		0	0	0	3
Corporation tax receivable		457	537	457	537
Prepayments		1,495	1,533	1,349	1,399
		3,902	4,665	3,553	4,507
Cash		3,373	4,094	3,004	3,932
Total non-fixed assets		7,275	8,759	6,557	8,439
TOTAL ASSETS		13,906	15,507	13,189	15,188

Amounts in DKK '000	Note	GROUP 2020	GROUP 2019	PARENT 2020	PARENT 2019
EQUITY AND LIABILITIES					
Equity					
Share capital	11	1,380	1,346	1,380	1,346
Share premium account		0	0	0	0
Reserve for development costs		0	0	5,012	5,034
Foreign currency translation reserve		152	-13	152	-13
Retained earnings		40	4,549	-4,972	-485
Total equity		1,572	5,882	1,572	5,882
Provisions					
Provision, investments in group enterprises	10	0	0	7	230
Total provisions		0	0	7	230
Liabilities other than provisions					
Non-current liabilities other than provisions	13				
Other payables		901	294	901	294
		901	294	901	294
Current liabilities other than provisions					
Trade payables		1,897	1,087	1,875	1,051
Other payables		2,165	1,621	2,011	1,454
Deferred income		7,371	6,623	6,823	6,277
		11,433	9,331	10,709	8,782
Total liabilities other than provisions		12,334	9,625	11,610	9,076
TOTAL EQUITY AND LIABILITIES		13,906	15,507	13,189	15,188
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	Foreign currency translation reserve	Retained earnings	Total
Equity at 1 January 2019	**1,339**	**0**	**0**	**15,626**	**16,965**
Adjustment of equity through changes in accounting policies	0	0	0	-3,803	-3,803
Adjusted equity at 1 January 2019	**1,339**	**0**	**0**	**11,823**	**13,162**
Capital increase	7	263	0	0	270
Transfer through appropriation of loss	0	0	-13	-7,547	-7,560
Transferred from share premium account	0	-263	0	263	0
Sale of treasury shares	0	0	0	10	10
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 loss	0	0	0	-7,055	-7,055
Transferred from share premium account	0	-2,546	0	2,546	0
Adjustment of investments through foreign exchange adjustments	0	0	165	0	165
Equity at 31 December 2020	**1,380**	**0**	**152**	**40**	**1,572**

PARENT COMPANY

Amounts in DKK '000	Share capital	Share premium account	Reserve for devel-opment costs	Foreign currency translation reserve	Retained earnings	Total
Equity at 1 January 2019	**1,339**	**0**	**4,441**	**0**	**12,211**	**17,991**
Adjustment of equity through changes in accounting policies	0	0	0	0	-4,829	-4,829
Adjusted equity at 1 January 2019	**1,339**	**0**	**4,441**	**0**	**7,382**	**13,162**
Capital increase	7	263	0	0	0	270
Transfer through appropriation of loss	0	0	593	-13	-8,140	-7,560
Transferred from share premium account	0	-263	0	0	263	0
Sale of treasury shares	0	0	0	0	10	10
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 loss	0	0	-22	0	-7,033	-7,055
Transferred from share 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 31 December 2020	**1,380**	**0**	**5,012**	**152**	**-4,972**	**1,572**

Cash flow statement

		GROUP	
Amounts in DKK '000	Note	2020	2019
Profit/loss for the year		-7,055	-7,560
Adjustments	16	2,095	1,571
Cash generated from operations (operating activities)		-4,960	-5,989
Changes in working capital	17	2,962	261
Cash generated from operations (operating activities)		-1,998	-5,728
Interest received, etc.		1	0
Interest paid, etc.		-206	-91
Income taxes received		537	708
Cash flows from operating activities		-1,666	-5,111
Additions of intangible assets		-2,148	-2,442
Additions of property, plant and equipment		-83	-19
Cash flows to investing activities		-2,231	-2,461
Proceeds from long-term liabilities		607	294
Sale of treasury shares		0	10
Cash capital increase		2,580	270
Cash flows from financing activities		3,187	574
Net cash flow		-710	-6,998
Cash and cash equivalents at 1 January		4,094	11,090
Foreign exchange adjustments		-11	2
Cash and cash equivalents at 31 December	18	3,373	4,094

Notes to the financial statements

1 ACCOUNTING POLICIES

The annual report of RISMA Systems A/S for 2020 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 har chosen voluntarily to prepare consolidated financial statements for the Group for 2020 with comparison figures 2019.

CHANGES IN ACCOUNTING POLICIES

Effective 1 January 2020, the Group and Parent Company has adopted act no. 1716 of 27 December 2018 to the Danish Financial Statement Act. Besides the below described adoption of IFRS 15 the implementation of the act has not affected the recognition and measurement of assets and liabilites, but solely affected with new and changed presentation and disclosure requirements.

Effective 1 January 2020, the Group and Parent Company have chosen to adopt IFRS 15 as interpretation for revenue recognition and measurement. Adoption of IFRS 15 regarding recognition and measurement of revenue has been done using the full retrospective application method meaning that the comparison figures are restated and the accumulated effect from adoption of IFRS 15 in respect of recognition and measurement is accumulated effect on the equity as of 1 January 2019.

Revenue related to Software-as-a-Service and direct related cost is according to IFRS 15 recognised linearly over the contract period.

Previously, the non-refundable revenue related to Software-as-a-Service and direct related cost were recognised at the point in time, when the software was delivered to the customer.

The total effect after tax on equity as of 1 January 2019 for the Group and parent company is TDKK -3,803.

For the Group the effect on revenue for 2020 is TDKK -646 (2019 TDKK -979) and the effect on cost of sales for 2020 is TDKK -78 (2019 TDKK -319). The net effect after tax for 2020 is TDKK -568 (2019 TDKK -660). The net effect on the balance sheet for 2020 is TDKK 1,324 (2019 TDKK 1,287).

For the parent company the effect on revenue for 2020 is TDKK -501 (2019 TDKK -720) and the effect on cost of sales for 2020 is TDKK -29 (2019 TDKK -211). The net effect after tax for 2020 is TDKK 1,179 (2019 TDKK -510). The net effect on the balance sheet for 2020 is 1,179 (2019 TDKK 1,153).

Effective from 1 January 2020, the parent company has changed its accounting policies regarding investments in subsidiaries, so that these are measured at cost and subsequently at the proportionate share of the entities' net asset values (equity method). In prior years, investments in subsidiaries were initially measured at cost, adjusted for impairment, while dividends received were recognised as income.

The changes in the accounting principles were made, as management considers it more relevant to present the profit/loss for the year of the investments in subsidiaries in the parent company by presenting according to the equity method. The change of the accounting policies has affected the result of the year (before and after tax) and the balance sheet and equity for the parent company with TDKK -889 (2019 TDKK -951). Equity for the parent company as of 1 January 2019 was affected by TDKK -1,026.

The accounting policies used in the preparation of the financial statements are otherwise consistent with those of last year. Comparative figures have been restated to reflect the policy changes.

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.

Notes to the financial statements

1 ACCOUNTING POLICIES (CONTINUED)

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.

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.

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

Notes to the financial statements

1 ACCOUNTING POLICIES (CONTINUED)

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 straight-line basis over the estimated useful life. The amortisation period is usually 5 years.

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

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

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

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

Notes to the financial statements

1 ACCOUNTING POLICIES (CONTINUED)

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 5. 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.

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, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

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.

Notes to the financial statements

1 ACCOUNTING POLICIES (CONTINUED)

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

The Group is expected to be in a growth and internationalization phase in the coming years, centered around entry into new geographical markets, which require access to capital in the short and mid-term.

To support the growth strategy, the Group is preparing for an Initial Public Offering at Nasdaq First North in Copenhagen in Q1 2021. The listing is expected to provide the Company net proceeds of app. 40 million DKK. Cornerstone investors have presubscribed for app. 18 million DKK.

Based on the expected Initial Public Offering, Management and the Board of Directors are of the opinion that the Company will have sufficient liquidity for the years 2021-2022 to support the growth strategy and has therefore assessed it appropriate to prepare the financial statements for 2020 on a going concern basis.

Should the Initial Public Offering at Nasdaq First North not take place as expected, the Group will need to revise its growth strategy. There is risk that the Group in Q2 2021 will have limited liquidity and therefore may be required to raise additional capital with a low one-digit amount in DKK million through either private placement or external financing, or alternatively reduce its activity level to continue its operations on a going concern basis.

Notes to the financial statements

3 EVENTS AFTER THE BALANCE SHEET DATE

Cornerstone investors have presubscribed for c. 18 million DKK. The first draft of the company description has been submitted to Nasdaq.

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	**2020**	**2019**	**2020**	**2019**
Expenses				
Cost related to the IPO	1,724	0	1,724	0
Hereoff included in prepayments directly attributable to the issuance of new shares (to be posted through equity when the IPO is completed)	-335	0	-335	0
	1,389	**0**	**1,389**	**0**
Special items are recognised in the below items of the financial statements				
Other external expenses	1,389	0	1,389	0
Net profit on special items	**1,389**	**0**	**1,389**	**0**

5 STAFF COSTS

	GROUP		PARENT	
Amounts in DKK '000	**2020**	**2019**	**2020**	**2019**
Wages/salaries	10,769	11,109	10,318	10,514
Pensions	728	732	708	708
Other social security costs	179	274	88	157
Staff costs transferred to non-current assets	-1,290	-1,539	-1,290	-1,539
	10,386	**10,576**	**9,824**	**9,840**
The Company has issued warrants with the rights to sign 15,500 new shares or DKK 15,500 nominal value.				
Average number of full-time employees	17	20	16	19

6 FINANCIAL INCOME

	GROUP		PARENT	
Amounts in DKK '000	**2020**	**2019**	**2020**	**2019**
Interest receivable, group entities	0	0	83	102
Other financial income	1	0	0	0
	1	**0**	**83**	**102**

7 FINANCIAL EXPENSES

	GROUP		PARENT	
Amounts in DKK '000	**2020**	**2019**	**2020**	**2019**
Interest expenses, group entities	0	0	0	47
Other financial expenses	206	91	30	44
	206	**91**	**30**	**91**

Notes to the financial statements

8 INTANGIBLE ASSETS

	GROUP		
Amounts in DKK '000	**Completed development projects**	**Acquired intangible assets**	**Total**
Cost at 1 January 2020	10,953	0	10,953
Additions	2,077	71	2,148
Cost at 31 December 2020	**13,030**	**71**	**13,101**
Impairment losses and amortisation at 1 January 2020	4,373	0	4,373
Amortisation for the year	2,231	0	2,231
Impairment losses and amortisation at 31 December 2020	6,604	0	6,604
Carrying amount at 31 December 2020	**6,426**	**71**	**6,497**

	PARENT COMPANY		
Amounts in DKK '000	**Completed development projects**	**Acquired intangible assets**	**Total**
Cost at 1 January 2020	10,953	0	10,953
Additions	2,077	71	2,148
Cost at 31 December 2020	**13,030**	**71**	**13,101**
Impairment losses and amortisation at 1 January 2020	4,373	0	4,373
Amortisation for the year	2,231	0	2,231
Impairment losses and amortisation at 31 December 2020	6,604	0	6,604
Carrying amount at 31 December 2020	**6,426**	**71**	**6,497**

COMPLETED DEVELOPMENT PROJECTS

Completed projects include the outsourcing compliance module with a new report that gathers all the entered information into one Word document with several customizations possible.

During Q2 2020 the information assets platform was extended to include custom information assets, also with custom fields. This is used as the core of Vendor Management.

In Q3 2020 the Data Processor module was expanded to include handling of more audits and intelligent scoring of audits filled out by the data processor.

Since November the entire development team has been working on redesigning the entire look and feel of the product. The redesign will launch in Q1 2021.

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

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 2020	560
Additions	83
Cost at 31 December 2020	**643**
Impairment losses and depreciation at 1 January 2020	407
Depreciation	117
Impairment losses and depreciation at 31 December 2020	**524**
Carrying amount at 31 December 2020	**119**

	PARENT COMPANY
Amounts in DKK '000	Fixtures and fittings, other plant and equipment
Cost at 1 January 2020	560
Additions	83
Cost at 31 December 2020	**643**
Impairment losses and depreciation at 1 January 2020	407
Depreciation	117
Impairment losses and depreciation at 31 December 2020	**524**
Carrying amount at 31 December 2020	**119**

10 INVESTMENTS

	PARENT COMPANY		
Amounts in DKK '000	Investments in group enterprises	Deposits, investments	Total
Cost at 1 January 2020	89	16	105
Disposals	-65	0	-65
Cost at 31 December 2020	**24**	**16**	**40**
Value adjustments at 1 January 2020	-89	0	-89
Profit/loss for the year	889	0	889
Reversal of impairment losses on assets disposed	65	0	65
Transferred	-889	0	-889
Value adjustments at 31 December 2020	**-24**	**0**	**-24**
Carrying amount at 31 December 2020	**0**	**16**	**16**

	PARENT COMPANY		
Name	Legal form	Domicile	Interest
Subsidiaries			
Risma Systems Norge AS	AS	Norway	100.00%

11 SHARE CAPITAL

The Company has issued warrants with the rights to sign 15,500 new shares or DKK 15,500 nominal value. Analysis of changes in the share capital over the past 5 years:

Amounts in DKK '000	2020	2019	2018	2017	2016
Opening balance	1,346	1,339	1,089	1,008	815
Capital increase	34	7	250	81	193
	1,380	**1,346**	**1,339**	**1,089**	**1,008**

Notes to the financial statements

12 TREASURY SHARES

	PARENT COMPANY		
	Number	Nominal value	Share of capital
Balance at 1 January 2020	1,400	1 DKK	0.10%
Balance at 31 December 2020	**1,400**	**1 DKK**	**0.10%**

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.

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

14 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES, ETC.

OTHER FINANCIAL OBLIGATIONS
Other rent liabilities:

	GROUP		PARENT	
Amounts in DKK '000	**2020**	**2019**	**2020**	**2019**
Rent liabilities	93	90	93	90

15 COLLATERAL

The Group and the Parent Company have not provided any security or other collateral in assets at 31 December 2020.

16 ADJUSTMENTS

	GROUP	
Amounts in DKK '000	**2020**	**2019**
Amortisation/depreciation and impairment losses	2,347	2,017
Financial income	-1	0
Financial expenses	206	91
Tax for the year	-457	-537
	2,095	**1,571**

17 CHANGES IN WORKING CAPITAL

	GROUP	
Amounts in DKK '000	**2020**	**2019**
Change in receivables	645	-534
Change in trade and other payables	1,354	-235
Other changes in working capital	963	1,030
	2,962	**261**

18 CASH AND CASH EQUIVALENTS AT YEAR-END

	GROUP	
Amounts in DKK '000	**2020**	**2019**
Cash according to the balance sheet	3,373	4,094
	3,373	**4,094**

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