



# RISMA

ALL-IN-ONE GRC SOFTWARE PLATFORM

FINANCIAL AND CERTIFIED ADVISER



SELLING AGENT



Nasdaq First North Growth Market is a registered SME growth market, in accordance with the Directive on Markets in Financial Instruments (EU 2014/65) as implemented in the national legislation of Denmark, Finland and Sweden, operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Growth Market are not subject to all the same rules as issuers on a regulated main market, as defined in EU legislation (as implemented in national law). Instead, they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on Nasdaq First North Growth Market may therefore be higher than investing in an issuer on the main market. All issuers with shares admitted to trading on Nasdaq First North Growth Market have a Certified Adviser who monitors that the rules are followed. The respective Nasdaq exchange approves the application for admission to trading.



RISMA Systems A/S (the “**Company**” or “**RISMA**”) is a Danish public limited liability company incorporated under the laws of the Kingdom of Denmark with company registration number CVR 32769713.

**Initial Public Offering of 4,210,526 Offer Shares**  
**Offer price: DKK 9.50 per Offer Share**

This Company Description (the “**Company Description**”) has been prepared in connection with an application for admission to trading of the Company’s existing shares (the “**Existing Shares**”) and an initial public offering (the “**Offering**”) of 4,210,526 new shares (“**Offer Shares**”) of nominal DKK 0.1 each. If the Offering is completed and the 4,210,526 Offer Shares are subscribed, the gross proceeds from the Offering will be DKK 40 million. The Existing Shares and Offer Shares are jointly referred to as (the “**Shares**”) in the Company. As of the date of this Company Description (the “**Company Description Date**”), but prior to the Offering, the registered share capital of the Company is nominal DKK 1,386,113 and consists of 13,861,130 Existing Shares of nominal DKK 0.1 each, all of which are fully paid. The Company has one share class.

If 4,210,526 Offer Shares are not subscribed during the subscription period, the Offering will not be completed. The Offering is not guaranteed, but prior to publication of this Company Description, the Company has obtained subscription undertakings for a total of DKK 20.07 million from pre-subscribers (the “**Pre-subscribers**”). Pre-subscribers will be allocated the full amount of subscribed shares in connection with the allocation of Offer Shares.

The offer price (the “**Offer Price**”) is DKK 9.50 per nominal DKK 0.1 Offer Share. The Offer Price is fixed. The offer period (the “**Offer Period**”) is expected to begin on March 2, 2021 and end on March 15, 2021. The Offer Shares will be delivered electronically against payment under the temporary ISIN DK0061534294 to investors’ accounts with VP Securities A/S (“**VP Securities**”). The temporary ISIN will not be applied for trading on Nasdaq First North Growth Market Denmark but will only be registered in VP Securities for the purpose of subscribing for New Shares. The temporary ISIN code will be replaced by the permanent ISIN code DK0061534377. It is expected that delivery against cash payment of the Offer Shares will take place on or around March 19, 2021 (the “**Closing Date**”).

Prior to the Offering, the Shares have not been publicly traded. The Company has applied for admission to trading for all Shares on Nasdaq First North Growth Market Denmark under the ticker “RISMA”. First day of trading is expected to be on March 23, 2021. The Offer Shares will have the same rights as the Existing Shares and will rank *pari passu* in every respect.

Investing in the Offer Shares involves significant risks. Potential investors are advised to seek independent advice on legal, financial, accounting and tax matters that apply to the individual investor before deciding to invest in the Offering. Reference is made to section 4 “Risk factors” for a review of the primary risk factors that could have an impact on potential investors’ investment in the Offering. The provided information regarding the outlined risk factors and the Company’s historical operating performance is non-exhaustive and potential investors should thus carefully consider putting disproportionate emphasis on the Company’s expectations for future growth opportunities, earnings, and financial position.

The distribution of this Company Description is only intended to be for the use by investors in Denmark. The distribution of this Company Description is, in certain jurisdictions, restricted by law, and this Company Description may not be used for the purpose of, or in connection with, any offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. This Company Description does not constitute an offer of, solicitation of interest or an invitation to subscribe for Offer Shares in any jurisdiction in which such offer or invitation would be unlawful. Persons into whose possession this Company Description comes shall inform themselves of and observe all such restrictions. The Company does not accept any legal responsibility for any violation by any person, of any such restrictions.

**Certified Adviser**



**This Company Description is dated March 2, 2021**

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# 1. Key information about the Company

## 1.1 INTRODUCTION

RISMA is a Danish SaaS (Software-as-a-service) company founded in 2014 by Lars Nybro Munksgaard. RISMA offers an all-in-one 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 that needs streamlined system support.

The software market for GRC is still very immature. Most organizations, even among large enterprises, still use spreadsheets for their GRC processes. However, over the past decade, more and more point solutions have emerged.

From the beginning, RISMA has aimed towards becoming an all-in-one solution based on the belief that customers will gradually move from spreadsheets and point solutions to all-in-one platforms as the overall market matures. This development has been observed in other software areas as markets and customers have gradually matured. Some well-known examples of this development towards platforms include:

- ▲ Office software – where Microsoft Office replaced point solutions such as Lotus and Word Perfect
- ▲ Finance – where ERP systems such as SAP, Oracle, and Microsoft have gained increasing market shares
- ▲ Commercial areas – where CRM systems such as Salesforce, Dynamics 365, and HubSpot have won most of the market during the past 15 years

As an all-in-one software platform provider, RISMA has continuously faced the challenge of staying competitive against point solutions within any specific area of GRC. However, by maintaining the platform approach, RISMA has secured the necessary broad customer input across the entire GRC

spectrum to be able to develop an all-in-one platform, which is competitive with point solutions in all relevant GRC areas.

Since the beginning, it has been part of RISMA's strategy to build strong collaborations with subject matter expert partners such as Plesner and BDO.

From an early-stage Lars Ankjer Jensen and Claus Christiansen have been investors in RISMA, continuously financing the development of RISMA's core technology platform and market entrance. Today, they serve as Chairman of the Board of Directors and Member of the Board of Directors, respectively.

As RISMA's software platform is now competitive against point solutions across all major GRC areas, the Company is now ready to initiate an ambitious international growth strategy, starting with an expansion of the Norwegian market presence and entry into Swedish markets in 2021.

## 1.2 PROVEN CONCEPT IN GROWING MARKET

RISMA has developed a unique platform and has a proven concept with +350 customers primarily in Denmark. The customers cover both the private and public sector with a majority being mid-sized organizations between 100 to 15,000 employees. The financial and utility industries are strongly represented in RISMA's customer portfolio as the level of maturity in these industries is generally high due to relatively high levels of regulatory requirements on compliance.

The global market for GRC software is highly attractive and rapidly growing at an expected CAGR of 11.2% from USD 14bn in 2020 towards USD 26bn in 2026.

RISMA is a strong growth company with predicted annual growth rates of +50% towards 2023.

As a SaaS company, RISMA expects that onboarded customers have an average customer lifetime of 10 years. Given that RISMA has only existed since 2014, the average customer lifetime is based on the present churn rate. Based on the 7% ARR churn rate in 2020, the average customer lifetime has conservatively been estimated to 10 years.

### 1.3 THE PLATFORM

RISMA has managed to build a robust, yet flexible and highly scalable technology platform, which supports any area within governance, risk, and compliance. Tasks managed in the platform include among others:

- ▲ Risk Management
- ▲ Financial Controls and other recurring tasks
- ▲ GDPR
- ▲ IT Security Management
- ▲ ESG (expected to be finalized in Q2 2021)
- ▲ Vendor Management
- ▲ Policy Management
- ▲ Incident Management
- ▲ Governance of Outsourcing Arrangements

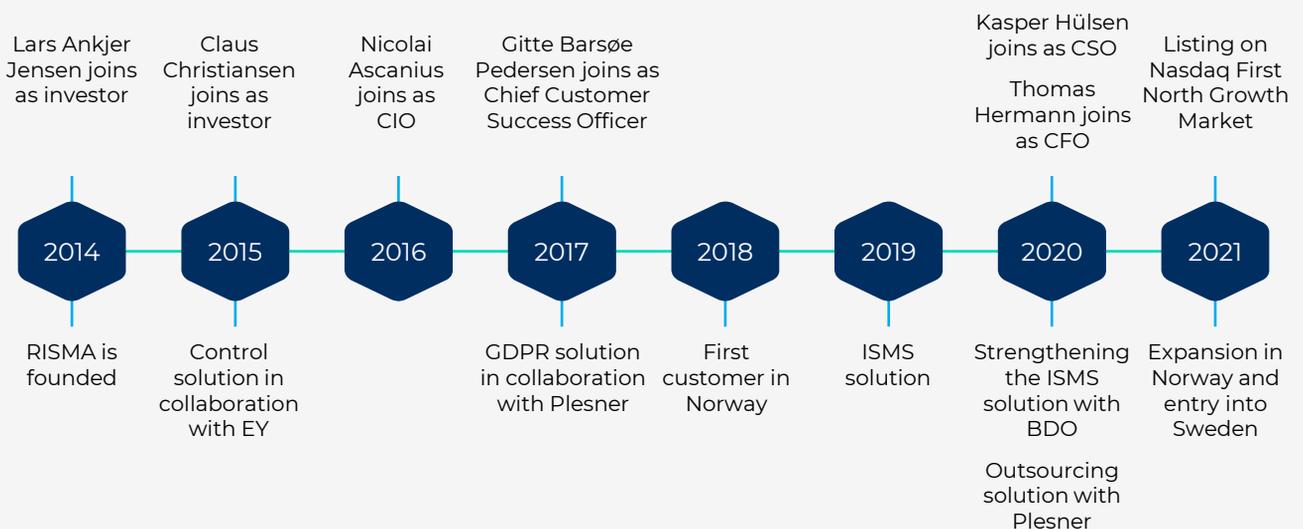
In February 2021, RISMA also introduced a white label solution, which will allow industrial partners such as accounting and law firms to support their end-customers with an own-branded GRC software solution.

### 1.4 THE ORGANIZATION

Lars Nybro Munksgaard, who founded RISMA in 2014, still leads the Company as CEO and reports to the Board of Directors, of which two members are early-stage investors. In addition, RISMA has an experienced management team, which has been strengthened even further during 2020 with a new Chief Sales Officer and a new Chief Financial Officer. The Executive Management and full Management Team consists of Lars Nybro Munksgaard, Chief Executive Officer, Thomas Hermann, Chief Financial Officer, Kasper Hülsem, Chief Sales Officer, Gitte Barsøe Pedersen, Chief Customer Success Officer, and Nicolai Ascanius, Chief IT Officer.

In addition, RISMA has recruited a new Chief Commercial Officer to join RISMA's Management Team from September 2021 and a new sales director with responsibility for the Danish market to join the organization from May 2021. RISMA has 24 employees and is headquartered in Denmark with a sales company in Norway and developers in Ukraine. The Board of Directors consists of Chairman, Lars Ankjer Jensen, Claus Christiansen, Thomas Nielsen, and Lars Nybro Munksgaard.

### RISMA's journey at a glance



## 1.5 REASON FOR THE OFFERING

### 1.5.1 Internationalization and growth strategy

With a fully developed and highly scalable all-in-one GRC platform, RISMA now has a unique opportunity to capitalize on a significant first-mover advantage in the growing global GRC software market. In the Nordic countries, RISMA has already proven that the platform can be applied to multiple sets of regulation, and the Company is thus ready to proceed further with its ambitious internationalization strategy. In 2021, RISMA expects to expand in Norway and enter Sweden. Simultaneously, the Company intends to strengthen its position in Denmark.

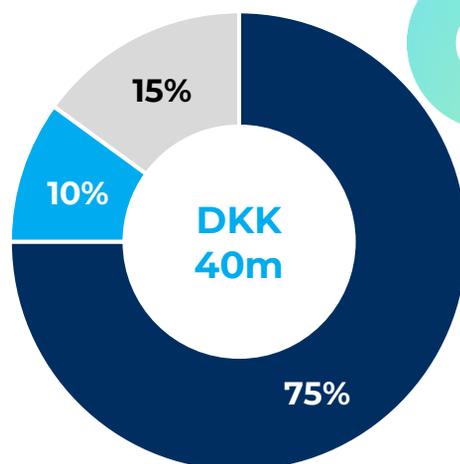
The primary reason behind RISMA's listing on Nasdaq First North Growth Market is thus to raise capital to fund the Company's growth and internationalization strategy with the aim to become a truly international player in the GRC software market.

With the proceeds from the Offering, RISMA will be able to accelerate revenue growth by increasing sales and marketing efforts in both existing and new markets. With the strategy and business plan presented in this Company Description, RISMA will be able to become EBITDA positive by 2023 without any further funding. Alternatively, additional capital raises will allow RISMA to accelerate growth even further. An opportunity could thus be to consider raising capital again already within the first 12-18 months after the Offering to strengthen the presence in existing markets and accelerate the internationalization strategy with entry into other major European markets. However, the proceeds from the Offering are sufficient to cover the market entries and financial forecast described in this Company Description. If additional capital is raised within the first 12-18 months after the Offering, the proceeds will thus be allocated to additional market entries that have not been included in the forecast in this Company Description.

### 1.5.2 Use of proceeds

RISMA expects to allocate 75% of the proceeds to finance sales development and marketing efforts related to the internationalization strategy. In addition, 10% of the proceeds will be allocated to the technological development and 15% to IPO-related costs, which includes thorough analysis and work on the optimal strategic direction and expansion following the IPO.

## Use of IPO proceeds



- ▲ Sales and marketing – 75%
- ▲ IPO – 15%
- ▲ Technology – 10%

In H1 2021, RISMA expects to initiate the establishment of a full sales and support setup in Sweden and Norway. In Norway this will be a significant expansion of the existing but very limited sales department in the country. In addition, RISMA also plans for a simultaneous expansion of the development team and sales force in Denmark.

RISMA expects to spend half of the proceeds in 2021 and the second half in 2022.

### RISMA's expected FTE development (2020-2022)

FTE	2020	2021	2022
Management	5	6	6
Sales	1	16	17
Customer Success	4	6	6
Marketing	3	3	3
Technology	9	15	15
Finance & HR	1	1	1
<b>Total</b>	<b>23</b>	<b>47</b>	<b>48</b>

## Governance

In the Governance solutions, Actions and Controls **manage tasks and recurring controls**, respectively. Thereby, it is ensured that identified gaps and unwanted risks are mitigated.

## Risk

In this solution, you **document risks and measure against risk appetite**. The customer gets a total overview of risks, tasks and controls that need to be performed to mitigate the risks.

## Compliance

In the compliance solution, you **document what is done to comply with a specific set of regulations**. This is compared to the regulation itself to identify gaps, and to identify tasks and recurring controls that need to be performed.



## 2. Liability Statement

### 2.1 LIABILITY STATEMENT FROM THE BOARD OF DIRECTORS

We declare that, to the best of our knowledge, the information provided in this Company Description is accurate and that, to the best of our knowledge, this Company Description is not subject to any omissions that may serve to distort the picture this Company Description is to provide, and that all relevant information in the minutes of Board meetings, auditors' records and other internal documents is included in this Company Description.

Copenhagen, March 2, 2021

### Board of Directors and Executive Management of RISMA Systems A/S

Lars Ankjer Jensen  
*Chairman of the Board*

Claus Henrik  
Christiansen  
*Board member*

Thomas Nielsen  
*Board member*

Lars Nybro Munksgaard  
*CEO and Board member*

*See end of document for digital signatures from the Board of Directors*

## 3. Certain information about this Company Description

*This Company Description has been drawn up under the responsibility of the Issuer and has been reviewed by Nasdaq.*

### 3.1 APPLICABLE LEGISLATION

This Company Description has been prepared for the Offering in compliance with the rules and requirements of Nasdaq First North Growth Market – Rulebook, dated September 1, 2019. As the capital raise with the Offering amounts to less than EUR 8 million, there are no requirement to prepare a Prospectus in accordance with the Consolidated Act no. 1767 of November 27, 2020 on Capital Markets, as amended (the “**Danish Capital Markets Act**”).

The Company Description is available on RISMA’s website:  
[www.rismasystems.com/investors](http://www.rismasystems.com/investors)

### 3.2 LANGUAGE

This Company Description has been prepared in the English language only.

### 3.3 DISTRIBUTION

The distribution of this Company Description is only intended to be for the use by and is only directed at investors in Denmark.

The distribution of this Company Description may be restricted by law in certain jurisdictions. This Company Description may not be used for the purpose of, or in connection with, any offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is unlawful.

This Company Description does not constitute an offer or an invitation to subscribe for Offer Shares in any jurisdiction in which such offer or invitation would be unlawful. The Company does not accept any legal responsibility for any violation by any person, subject to such restrictions. No action has been taken, or will be taken, by the Company to allow a public offering in any country other than Denmark.

Neither the Existing Shares nor the Offer Shares have been, or will be, registered under the United States Securities

Act of 1933, as amended (“**Securities Act**”). The Shares may not be offered or sold, directly or indirectly, in or into the United States or to persons residing there. Moreover, the Offering is not made to persons resident in Australia, Hong Kong, Japan, Canada, New Zealand, South Africa, Switzerland, or Singapore or to persons whose participation would require the publication up of a prospectus, registration or other measures. Any application to subscribe for the Offer Shares in violation of these restrictions may be void. Persons who receive copies of the Company Description are required to inform themselves about, and comply with, such restrictions. Any failure to comply with the restrictions described may result in a violation of securities regulations.

### 3.4 FORWARD-LOOKING STATEMENTS

The Company Description contains certain forward-looking statements based on the current views and expectations by the Board of Directors and the Executive Management, as well as assumptions made by the Board of Directors and the Executive Management Team, which may constitute statements regarding the future. These statements regarding the future events, financial results, operational performance, business strategy, and the plans and objectives of the Board of Directors, and Executive Management Team can generally be identified by terminology such as “believes”, “expects”, “targets”, “aims”, “intends”, “plans”, “seeks”, “will”, “anticipates”, “would”, “could”, “estimates” or similar expressions or the negatives thereof.

Forward-looking information does not constitute a guarantee of future results or performance. Such statements regarding the future involve known and unknown risks, uncertainties and other important factors that could cause the actual result, performance or achievements to differ materially from any future results,

performance or achievements to differ materially from any future results, performance or achievements expressed or implied by such statements regarding the future. Factors that could cause the Company's future results or performance to differ from what is expressed in the forward-looking statements include, but are not limited to, those described in the section "Risk Factors". If one or more of the risk factors described in this Company Description materializes, it may have a material adverse effect on the Company's business, position, results of operations or objectives.

In addition, even if the Company's result of operations, financial position and cash flows, and the development of the industry in which it operates, are consistent with the forward-looking statements contained in this Company Description, those results or developments may not be indicative of results or developments in subsequent periods.

Forward-looking statements in this Company Description apply only in respect of the Company Description Date. The Company does not intend or assume any obligation to update any statements regarding the future contained in this Company Description, except as may be required by law or the rules of First North Growth Market. All subsequent written and oral statements regarding the future attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained in this Company Description.

### 3.5 MARKET AND INDUSTRY INFORMATION

This Company Description contains historical market data and industry forecasts, including information related to the size of the markets, in which the Company operates. This information has been obtained from a variety of sources, including companies providing business intelligence products and services, literature, market reports, company websites and other publicly available information as well as the Company's knowledge of the markets.

Professional data suppliers state sources of historical data and aggregated by methods believed to be reliable, but that they do not guarantee the accuracy and completeness of this information.

Similarly, industry forecasts and market research, while believed to be reliable,

have not been independently verified by the Company and the Company does not guarantee the historical information is accurate. Industry forecasts are subject to significant uncertainty by nature. There can be no assurance that any of the forecasts will materialize.

Market statistics are inherently subject to uncertainty and are not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what type of products and transaction should be included in the relevant market or market segment definitions.

The Company makes no representation as to the accuracy of such information that was extracted or derived from these external sources. Thus, any development in the Company's activities may deviate from the market developments stated in this Company Description. The Company does not assume any obligation to update such information. As a result, prospective investors should be aware that market information and industry forecasts from third parties, including information regarding the size of the markets in which the Company operates, in this Company Description (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described under "Risk Factors", included elsewhere in this Company Description.

The Company confirms that information from third parties have been accurately cited and reproduced. To the best of the Company's knowledge and belief the information published by such third parties, no facts have been omitted which would render the information provided inaccurate or misleading.

### 3.6 COMPANY VIEWS AND OPINIONS

This Company Description makes use of an array of sources to provide transparency and information to the investor and/or reader. If no source of information is stated, the information and views are from the Company itself.

# 70%

of risk managers leverage  
new technology to gain  
more real-time information  
views of security activities.

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**Nicolai Ascanius**  
CHIEF INFORMATION OFFICER



**Thomas Hermann**  
CHIEF FINANCIAL OFFICER

## 4. Risk factors

### 4.1 INTRODUCTION

An investment in the Company's Shares is inherently associated with economic risk for the investor. Investors should carefully consider the risks outlined below before deciding to invest in the Company and are advised to seek independent advice on legal, financial, accounting, and tax matters that apply to the individual Investor before investing in the Offering. The Company is subject to multiple risk factors, including risk factors outside the control of the Company. If any risk factors were to materialize, it could have a material adverse effect on the Company's business, results of operations and/or financial position which may negatively impact the value of the Company and its Shares and cause investors to lose part of or the entire capital invested.

It is not possible to outline all risks associated with investing in RISMA. This section describes the risk factors which as of the date of this Company Description, the Company considers to be the most significant known risks. Other risks and uncertainties that RISMA is not aware of at present may also have a negative effect on the Company. The risk factors are presented in a prioritized order of importance and the possibility that the risk will materialize and the impact thereof.

### 4.2 INDUSTRY RISKS

#### 4.2.1 Competition

RISMA provides an all-in-one GRC (governance, risk and compliance) software platform and competes against platform solutions and single point solutions.

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 an initial point solution position and are broadening their offer.

Select large global software providers in the GRC industry, e.g., SAP or One Trust, may acquire knowledge allowing them to build similar functionalities and such competitors may have financial and strategic resources that exceeds those of the Company.

If the Company is unable to compete successfully, it could lose market shares and customers to competitors, which could have a material adverse effect on the Company's business, results of operations and/or financial position. Should such a situation materialize, RISMA believes that there will be a market for GRC software providers with deep insight in specific markets.

#### 4.2.2 Market development

The market for GRC software has seen strong and increasing year-on-year growth in recent years. RISMA does not believe this development will slow down in the foreseeable future.

Today, the global GRC software market is estimated to be USD 13.99bn and is forecasted to grow to USD 26.41bn in 2026. Forecasts and other expectations of the future are not certain and there are no guarantees the market will develop as expected, nor that RISMA will benefit significantly from any market developments.

RISMA expects the market to continue evolving from spreadsheets to point solutions and onward to GRC platforms. Surveys shows that c. 70% of the companies presently using point solutions expect to move to GRC platforms. There are no guarantees that these changes will occur nor at the expected pace.

RISMA's internationalization strategy is based on expansion to new markets. Hence, RISMA is dependent on continued digitalization among potential new markets.

However, there can be no assurance that markets will mature at the expected pace, which may impact RISMA's growth rates negatively and could have a material adverse effect on the Company's business, results of operation and/or financial position.

#### 4.2.3 Regulatory risks

RISMA is subject to numerous laws, regulations and rules, including with respect to data protection, compliance, and information security, such as the General Data Protection Regulation ("GDPR"). Changes to existing laws, regulations, and rules, or the implementation of new laws, regulations and rules, may negatively affect the Company's ability to provide its services which could have a material adverse effect on the Company's business, results of operations and/or financial position.

Such changes may require RISMA to invest in additional product development for the platform to remain compliant. This might negatively impact RISMA's business, earnings, and financial position.

In addition, as part of the Company's growth strategy, the Company may expand operations outside its current geographical markets which could expose it to laws, regulations and rules of foreign jurisdictions. This may increase the compliance costs of the Company which could impact the profitability of the Company negatively and have a material adverse effect on the Company's business, results of operations and/or financial position.

### 4.3 OPERATIONAL RISKS

#### 4.3.1 IT security and operations

RISMA's business model is based on hosting the platform and software solutions on behalf of the Company's customers.

RISMA handles processes, retains data, and stores documentation on behalf of customers. There is a risk of breaches and cyberattacks, which may lead to unauthorized access from 3<sup>rd</sup> parties and potential downtime of services for shorter or longer periods. Cyberattacks may cause RISMA to be subject of fines from authorities, lawsuits from customers and significant reputational risk. All these outcomes may have a material adverse effect on the Company's business, results of operations and/or financial position.

To reduce the probability of a 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.

#### 4.3.2 Patents, trademarks, and intellectual property rights

As a SaaS provider, RISMA relies on the protection of its intellectual property rights.

Other than its trademarks and design rights, RISMA does not hold or rely on any registered intellectual property, but instead relies on the general copyright protection, know-how, trade secrets, applicable laws, and regulations related to the use of proprietary information.

While RISMA generally enters into agreements with its employees and contractors to limit access to and disclosure of its proprietary information, as well as to clarify rights to intellectual property associated with its business, this may not be sufficient to protect RISMA in case the employee or the contractor violates the agreements entered. To protect its intellectual property rights and to maintain its competitive advantage, RISMA may file lawsuits against parties that it believes are infringing its intellectual property. Any infringement or misuse of the Company's intellectual or proprietary property could result in increased costs, loss of operating revenue, and damage to its reputation and brand. In addition, litigation can be expensive and time consuming and could divert management's attention from the Company's business which could have a material adverse effect on the Company's business, financial condition and/or results of operations. Furthermore, the Company's enforcement of its rights to proprietary information may not be successful.

In addition, RISMA's services, or the services of others, that RISMA offers to its customers by incorporation into its offerings, could infringe on third-party intellectual property rights. Third parties may in the future assert claims against the Company or its customers alleging infringement of patent, copyright, trademark, or other intellectual property rights. Infringement claims could harm the Company's reputation, result in liability for the Company or prevent it from offering its services. In the Company's customer contracts, it generally agrees to

indemnify its customers for certain expenses, costs or liabilities resulting from potential infringement of the intellectual property rights of third parties.

The amount of the Company's liability under these indemnities could be substantial. Any claims that the Company's services infringe the intellectual property rights of third parties, regardless of the merit or resolution of such claims, may result in significant costs in defending and resolving such claims, and may divert the efforts and attention of the Company's management and technical personnel from the business. In addition, the Company's reputation may be negatively impacted as a result of such claims. If such claims relating to infringement of intellectual property rights of third parties are brought against the Company, it could have a material adverse effect on the Company's business, results of operations and/or financial position.

#### 4.3.3 Product development

RISMA has a continually updated 12-month development roadmap, based on identified needs among customers and market demands, which serves as focal point of the development work.

The development roadmap is a core part of RISMA's internalization strategy and future success. Despite thorough commercial pre-analysis, there are no guarantees that future developments will deliver the expected commercial value.

#### 4.3.4 Liability under contracts with customers and product liability

Any failure in a customer's infrastructure or applications attributable to, or alleged to be attributable to, the software delivered by the Company could result in penalties, claims for substantial damages, require corrective measures and/or cause significant reputational harm and the Company may indemnify customers or other contractual parties for claims, which could lead to significant losses for the Company and have a material adverse effect on the Company's business, results of operations and/or financial position. While the Company may try to contractually limit its exposure under customer contracts, there can be no assurance that such limitations will be upheld or enforceable.

In addition, any such errors, defects or failures in the software delivered by the Company could result in the loss of future demand, delays in market acceptance, diversion of development and managerial resources, product liability claims other legal claims as well as increased costs, any of which could, individually or in the aggregate, have a material adverse effect on the Company's business, results of operations and/or financial position.

#### 4.3.5 Dependency on key individuals

RISMA is dependent on the 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/or financial position.

RISMA's future growth journey and entry into new geographical markets is dependent on the ability to find, attract and retain new employees with adequate skills and capabilities. As RISMA's internationalization strategy and future is dependent on having the right people in the team, there is a risk RISMA may have to reduce the pace of expansion.

The success of RISMA depends on its ability to retain its CEO and founder, Lars Nybro Munksgaard, both in order to operate the business and to further pursue its strategic objectives of internationalization. Should RISMA not be able to retain this key individual, it is likely to have a material negative effect on the Company's business, results of operations and/or financial position.

As part of its retention strategy, RISMA has established a long-term incentive program with the aim of (i) ensuring a focus on long-term value creation by the participants, including the CEO and founder and (ii) incentivizing the participants to remain with the company.

In order to protect the goodwill, know-how and competitive position of the Company, certain individuals, including the CEO and founder are subject to customary competition and non-solicitation clauses. The notice for termination of the CEO and founder is 12 months from the Company and 6 months from the CEO and founder.

## 4.4 FINANCIAL RISKS

### 4.4.1 Liquidity risk

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

With the proceeds from the Offering, RISMA expects to be EBITDA positive in the Scandinavian markets from 2023. It is RISMA's strategy to continue growing aggressively and expand into additional markets as required. However, there can be no assurance that the proceeds from the Offering will provide RISMA with sufficient capital and liquidity to reach its strategic objectives. There is a risk that RISMA will have limited liquidity and may be required to raise additional capital. Furthermore, there can be no assurance that such additional capital will be available to the Company on commercially favorable terms or at all. Additional capital increases may dilute the shareholders of the Company and could negatively impact the price of the Shares.

### 4.4.2 Currency risks

RISMA is based in Denmark with customers primarily from Denmark and some in Scandinavia. In the future, when expanding into other geographical markets across Europe, RISMA is likely to have increasing currency risk, as customers will be invoiced in local currencies. With the increased internationalization, RISMA will be exposed to additional risk related to fluctuation in the exchange rates. While the Company may try to mitigate its currency risks by applying an active currency hedging strategy, there can be no assurance that the Company will be able to eliminate such currency risks completely. The costs associated with such hedging may also significantly impact the results of operations of the Company.

## 4.5 RISKS RELATED TO THE OFFERING AND THE SHARES

### 4.5.1 The Offering of the Shares

The Company has applied for admittance to trading on Nasdaq First North Growth Market. Admission and continued admission to trading on Nasdaq First North Growth Market are subject to admission requirements as defined by Nasdaq.

Admission requirements include minimum free float and sufficient distribution among qualified investors of the Company's Shares which must be met before the first day of trading. If admission requirements are not met, the admittance to trading by Nasdaq will be declined. Withdrawal of the Offering can also occur as a decision made by the Company, this event can take place any time prior to the announcement of the result of the Offering. In the event of a withdrawal, such information will be announced immediately through Nasdaq First North Growth Market.

Nasdaq First North Growth Market is a multilateral trading platform operated by Nasdaq and does not have the same legal status as a regulated main market.

Companies trading on Nasdaq First North Growth Market are subject to a regulatory framework that is less extensive than the framework applicable to companies trading on the regulated main market. However, on both the regulated main market and Nasdaq First North Growth Market, the Market Abuse Regulation applies. Investing in a company listed on Nasdaq First North Growth Market may be riskier than investing in a company listed on the regulated main market, and investors risk losing part or all of the investment.

### 4.5.2 Share price development

Investing in shares and securities is always associated with risk. There is a risk that an active and liquid trading market may not develop, or if developed, will not be sustained after the Offering.

If an active and liquid market does not develop or remain developed, there is a risk that the liquidity and trading price of the Shares could be materially affected, and investors may have difficulty selling their Shares. The market price of the Shares may vary from the Offer Price and may be higher or lower than the price paid by investors.

There may be fluctuations in the trading price of the Shares as a result of many factors, including external factors such as financial results varying from expectations, changes in expectations to future performance, economic downturns, changes in business, regulatory, or geopolitical conditions. There is also a risk that the global securities market may experience significant price and volume fluctuations which may have a material adverse effect on the market price of and liquidity in RISMA's Shares.

### 4.5.3 Sale of Shares by Major and Existing Shareholders

The share price may be negatively affected by substantial sales of shares by the Company's Board of Directors, Executive Management, dependent or independent Major Shareholders, or the perception that substantial sales may occur. Substantial sales of shares may affect the Company's ability to issue new shares and raise additional capital in the future.

In connection with the Offering, the Existing Shareholders holding 100% of the Existing Shares before the Offering have agreed to enter into lock-up agreements, obligating the existing Shareholders to not sell, offer for sale, enter into any agreements regarding the sale of, pledge or in any other way directly or indirectly transfer the Existing Shares in the Company or to announce the intention to make any such act without the prior written consent of Grant Thornton acting as Certified Adviser in the Offering (the "**Lock-Up Obligation**").

Such consent may be granted if deemed reasonable and necessary due to specific matters, e.g., for tax reasons and is not to be unreasonably withheld or delayed by the Certified Adviser. The Lock-Up Obligation shall apply from the first day of trading and for a period until after the publication of the Company's half-year financial report regarding the six months ending June 30, 2021 (the "Initial Lock-Up Obligation"). After expiry of the Initial Lock-Up Obligation, the Existing Shares are released from the Lock-Up Obligation in five installments of equal size at the end of each subsequent quarter with the first instalment being released after the publication of the Company's interim report for the six months ending June 30, 2021.

Prior to the Offering, the Major Shareholders have agreed to enter into lock-up agreements with their Existing Shares:

### Major Shareholders with lock-up agreement

Shareholder	Number of Shares under Lock-up
NB Herlev Holding ApS <sup>1)</sup>	4,280,660
LNM Holding ApS <sup>2)</sup>	2,737,760
Ankjer Holding ApS <sup>3)</sup>	1,850,010
AKPK A/S	1,414,260

- 1) NB Herlev Holding ApS is ultimately owned by Claus Henrik Christiansen who is a member of the Board of Directors.
- 2) LNM Holding ApS is ultimately owned by Lars Nybro Munksgaard who is CEO and member of the Board of Directors.
- 3) Ankjer Holding ApS is ultimately owned by Lars Ankjer Jensen who is Chairman of the Board of Directors.

### 4.5.4 Shareholders with significant influence

At the date of this Company Description, but prior to the Offering, the Company is owned directly and indirectly by four Major Shareholders (See Ownership structure in section 11).

If the Offering is completed the Major Shareholders will own 63.02% of the Shares after the Offering.

These Major Shareholders 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 the Company's articles of association. As a result, the Major Shareholders may have the ability to influence the future direction of the Company. The interest of the Major Shareholder with significant influence could differ from the interest of other shareholders and may not be aligned with the interests of minority share-holders.

#### 4.5.5 Offering of additional shares

The Company may decide to raise additional capital in the future in order to pursue growth opportunities such as aggressive international expansion, invest in current business ventures or for other purposes deemed relevant and necessary by the Board of Directors, and is contemplating raising additional capital within 12-18 months following the Offering. In its pursuit to raise additional capital, the Company may decide to issue additional equity which may dilute shareholders significantly. There can be no assurance that the Company will be able to successfully raise such additional equity or that it will be able to raise such additional equity on commercially favourable terms.

#### 4.5.6 Future dividends

The Company's ability to pay dividends will depend, among other things, on its financial condition, working capital requirements and the availability of distributable profits and reserve, and cash available, and other factors as the Board of Directors may deem relevant. The Company has no intention to pay dividends in the coming years. The Company is in a growth phase and intends to reinvest any profit in activities to continue growing. Dividends are decided by the Annual General Meeting following a proposal from the Board of Directors.

#### 4.5.7 Unsecured subscription undertakings

The Company has obtained subscription under-takings for a total of DKK 20.07m in share value from Pre-subscribers. No compensation will be given to the Pre-subscribers for the undertaking and the pre-subscription occurs on equal terms and conditions offered to investors in the subscription period.

The subscription undertaking is not secured by blocked funds or pledge of collateral, bank guarantee or similar arrangement.





Looking forward, **70%**  
of GRC professionals prefer  
a single GRC platform or a  
central GRC solution that  
integrates other solutions.

**OCEG, 2019**

Penneo dokumentnøgle: HDVUE-4Y01Z-87/20-5DJM1-A1ZYN-ZQ7WH

**Lars Ankjer**  
CHAIRMAN OF THE BOARD

**Lars Nybro Munksgaard**  
FOUNDER AND CEO



## 5. Industry overview

### 5.1 GLOBAL PERSPECTIVE

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.

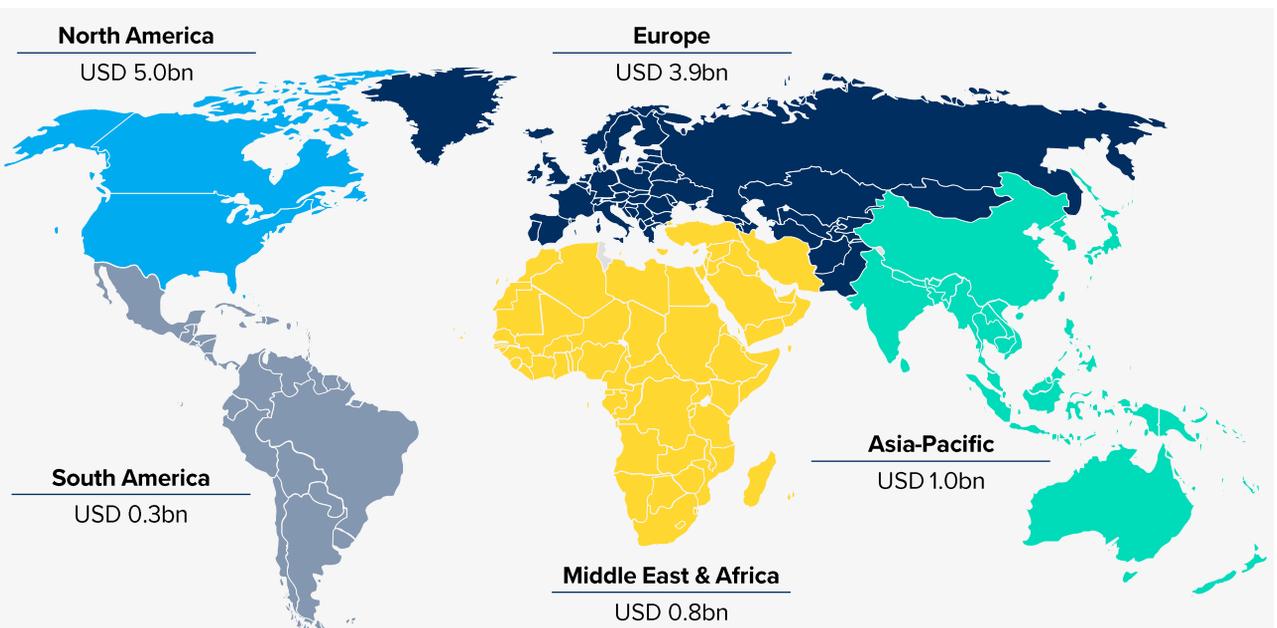
GRC software is an interconnected resource array that helps organizations to:

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

The global GRC software market is forecast to grow at a CAGR of 11.2% 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.

#### Global GRC software market – regional comparison



Source: Reports Intellect Analysis

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.

## 5.2 EUROPEAN PERSPECTIVE

The European GRC software market was in 2019 the second largest with a 35% global market share, only surpassed by North America. By 2026, the European GRC software market is estimated to reach USD c. 8.8bn, reflecting a CAGR of 10.4% from 2019 to 2026.

A key driver has been, and still is, the European Union's implementation of the General Data Protection Regulation (GDPR) in 2018. This regulation requires organizations to prevent data leaks and process data in accordance with the regulation. Non-compliant organizations may face penalties of up to USD 20m or 4% of their global revenue. Therefore, organizations across Europe have been, and still are, highly inclined to invest in the area of GRC and supporting GRC software.

Another key driver is the increasing demand for reporting on areas such as ESG, which, similarly to GDPR, is expected to encourage more organizations to move from handheld reporting towards either point-solutions or broader all-in-one GRC platforms.

Non-regulatory key drivers are high cost of labor and a general culture of striving to be compliant and act as "bonus pater".

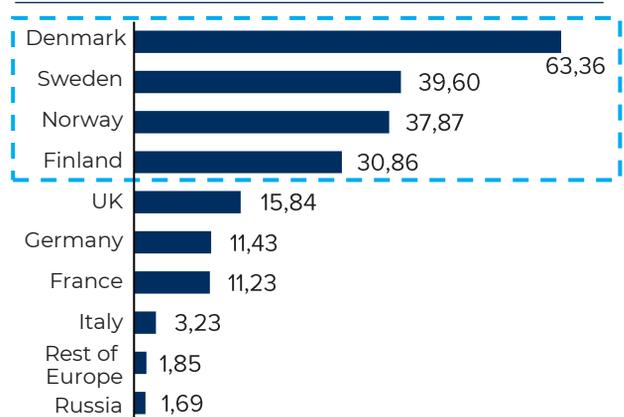
Especially the Nordic countries, Germany and the UK have witnessed strong development in terms of GRC maturity and are today the most mature markets in Europe and those with the highest spend on GRC software per capita.

The UK is, with an estimated value of USD c. 1bn, the largest market for GRC software in Europe. This is partially due to the high concentration of organizations within finance and commerce. The UK market is expected to grow with a CAGR of 10.4% and reach a value of USD c. 1.95bn by 2026. With regards to Brexit, RISMA expects that this will have a limited impact on the Company. Currently, only one customer of RISMA is located in the UK and RISMA does not have other business relations in the UK.

Germany holds the second largest market share of spend on GRC in Europe with a value of USD c. 750m in 2018 and is estimated to grow at a CAGR of 11.2% and reach USD c. 1.8bn by 2026.

However, when viewing the Nordics as a whole, the market is USD c. 1.15bn and hereby surpasses both the UK and German markets. Despite of the Nordic consisting of four individual countries, there are some clear characteristics which means that they can be viewed upon in unification. One is that the spending on GRC software per capita is significantly higher than the rest of Europe. Denmark takes first place with a staggering USD 63.4, followed by Sweden with USD 39.6, Norway with USD 37.9, and finally Finland with USD 30.9, all significantly higher than the UK with USD 15.8 and Germany with USD 11.4. In addition, the Nordic countries have similar digital maturity in the private and public sectors which is at a higher level than both the UK and Germany. Furthermore, the Nordic countries share a strong culture of being compliant and transparent.

### GRC software market value per capita (USD)



Source: Reports Intellect, Implement Consulting Group analysis, Worldometers

## 5.3 MARKET TRENDS

The market for GRC software is considered relatively immature. However, multiple strong underlying trends are expected to facilitate fast maturation and subsequent high growth in the European market for GRC software in the years to come.

### 5.3.1 Introduction of new regulation

The introduction of new regulatory initiatives is one of the main trends driving the expected growth in the GRC software market. These regulations may come from the European Union, individual countries, stock exchanges or be targeted towards specific segments as it is the case with the financial sector with regards to e.g., AML, KYC, MiFID II, and outsourcing.



**Kristine Lemche**  
SENIOR CUSTOMER  
SUCCESS MANAGER

**Gitte Barsøe Pedersen**  
CHIEF CUSTOMER  
SUCCESS OFFICER

” Notable improvement in GRC solution adoption within organizations, with 50% reporting that utilization is good or excellent, as compared to 35% in 2016. ”

- OCEG, 2019

A well-known example of the significant impact that introduction of new regulatory initiatives have is the implementation of GDPR in 2018. This forced companies across the EU to carefully consider how they handle sensitive and personal data as failure to comply can bring significant penalties.

Development in other areas of regulation such as, IT security, E-privacy (transformation of data and treatment of metadata), and customer intelligence is expected to drive demand for efficient GRC software solutions.

Corporate Social Responsibility (CSR) reporting is growing in Europe and is especially driven by regulation from governments or stock exchange requirements. In most European countries, the integration of the EU Non-Financial Reporting Directive into national laws has been a strong driver of increased sustainability reporting requirements.

Scrutiny over sustainability, environmental, social, and corporate governance (ESG) data from financial stakeholders such as asset owners and managers has increased over the recent years. This trend drives an increased demand for GRC software to decrease the complexity and structure and continuously improve the reporting processes.

### 5.3.2 Labor cost incentivize the use of GRC software

Across many European markets, and especially the Nordics and Germany, a high level of, as well as increasing, labor cost incentivizes the use of automated solutions for improved process efficiency when it comes to handling GRC processes.

### 5.3.3 Mitigating risk of penalties and reputational damage

Important motivation among organizations when it comes to investing in GRC software is to mitigate the risk of penalties and the reputational damage of being non-compliant.

## 5.4 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 all-in-one GRC solution with the unique “GAP analysis” as a key differentiator, and subsequently, market by market, to become the “owner of the GRC software space”.

The majority of providers offer stand-alone point-solutions with a narrow capability scope. This means that RISMA has competitors on specific modules (examples below):

- ▲ GDPR: ComplyCloud, ComplyOn, WiredRelations, DPOrganizer, OneTrust
- ▲ ISMS: Neupart, Siskon
- ▲ Financial controls: Impero, Deloitte Control Intelligence, Powered\*IC (PWC)
- ▲ Risk Management: LinkGRC, RAMRISK (Rambøll)

## 5.5 CUSTOMERS

Customers of GRC solutions are typically large and mid-market organizations in sectors that are heavily regulated, e.g., finance, banking, and insurance. However, the need for GRC software is not limited to those, and a growing number of other sectors are starting to focus on GRC software.

A large number of organizations find that complying with rules and regulations is problematic, cumbersome, and time-consuming. Continuously changing legislation and policies lead to increased administrative work and administrative procedures.

The organizations that either have or consider investing in GRC software are looking for solutions that can solve the above-mentioned pain points in a cost and labor efficient manner.



## 6. Company overview

### 6.1 COMPANY INTRODUCTION

RISMA was founded in 2014 with the purpose of supplying organizations with a risk management solution, hence the inspiration for the name RISMA, which is a contraction of risk and management. RISMA is now a Governance, Risk, and Compliance (“GRC”) platform, which helps organizations automate, report, and document controls across the organization through an all-in-one solution.

Already back in 2015, RISMA expanded the solution from the initial version by developing a controls solution in collaboration with EY. RISMA has since then developed multiple other solutions for the platform in collaboration with knowledge partners such as the law firm Plesner and the accounting firm BDO.

In 2017, RISMA began to develop the GAP analysis solution in collaboration with Plesner. The GAP analysis module was initially solely used for GDPR. The GAP solution has since been developed into a broader solution, which can be used for any regulation, e.g., legislation, international standards, internal policies, or initiatives. Initiatives could be internal sustainability goals which is an area that RISMA is currently developing further. Furthermore, the core RISMA platform can be used for other GRC-related subjects such as incident management, policy management, and vendor management.

RISMA's platform supports specialist and non-specialist personnel, meaning that only one GRC solution is needed, all GRC processes are supported, and data is gathered in one place in the customers' organizations.

Today, the RISMA platform offers an all-in-one GRC software solution which has the capabilities to handle almost any relevant area of compliance.

RISMA's solutions can serve organizations of any size, ranging from 100 to more than 15,000 employees.

Today, RISMA's solution is used nationally and across the Nordics by more than 350 well-known public and private organizations including:

-  Danmarks Nationalbank, Topdanmark, Spar Nord, Codan, GN Store Nord, SEAS-NVE, Hofo, EWII, Metroselskabet, Sund & Bælt and Bavarian Nordic
-  Gjensidige, SATS & USN
-  SSAB & SEB
-  Pisiffik

RISMA is planning to continue to grow alongside the existing customers by cross-and upselling the full GRC platform while acquiring new customers in both existing and new markets.

#### 6.1.1 The solution – Software-as-a-Service (SaaS)

RISMA has developed a user-friendly GRC platform for both private and public organizations, making it possible for customers to combine all governance, risk, and compliance efforts into one software solution.

The RISMA GRC platform is a cloud-based SaaS-solution, which can easily be implemented for customers and accessed by multiple users across the organization.

As a SaaS company, RISMA utilizes the one-to-many model allowing to onboard both additional customers and users easily, and to make new features and product updates available to all customers simultaneously.

RISMA's Customer Success team helps customers to implement the solution, streamline the process, and take ownership of the solution.

RISMA SaaS solution utilizes a subscription-based pricing model with a fixed monthly fee and long commitment. Until Q2 2019, customers typically signed up for 12 months. Today, customers typically sign contracts for 24 or 36 months at a time.

## 6.2 STRONG BUSINESS CASE

### 6.2.1 RISMA's all-in-one platform solution

RISMA has continuously focused on becoming one of the leading all-in-one GRC platforms available on the market. RISMA has had multiple opportunities to "settle" as a successful point solution e.g., on internal controls, which constituted the majority of RISMA's growth from 2015 to mid-2017, or as a privacy solution, which constituted the majority of RISMA's growth from mid-2017 to 2019. However, RISMA has remained determined on the overall strategy of becoming a leading all-in-one solution.

RISMA's clear prediction is that more and more companies will move to platform solutions as the GRC market matures. In the future, point solutions will become obsolete, similar to companies today working with unintegrated account systems, office and marketing tools are considered behind the curve. The development of GRC maturity is, according to the management, believed to be a gradual process during the 2020's.

A significant share of RISMA's development resources have been used to become a preferred all-in-one platform which has required ongoing development across a wide range of GRC areas. The goal to develop best-in-class functionality across all GRC-areas is undeniably a very timely process as a substantial amount of customers input is required to develop solutions that solve customer problems in an efficient manner.

### 6.2.2. Market taker vs market maker

Until now, RISMA has primarily acted as market taker rather than market maker. Until 2019, a significant part of new sales came from either internal controls or GDPR. However, RISMA has now changed position to market maker as customers and potential customers are gradually becoming aware of RISMA's platform approach and the benefits to be gained from it.

According to the management, the 2020s will be the decade in which mid-sized organizations in most Western European countries will move to GRC platforms. The planned expansion in Denmark, Sweden, and Norway will thus be followed by expansion into more European markets. RISMA has determined that the best internationalization strategy is to focus efforts on selected key markets and then gradually expand with only a few new markets at a time, as maturity increases.

### 6.2.3 RISMA's growth

From 2014 until 2018, RISMA's year-on-year revenue growth rates exceeded 100%. After 2018, RISMA has focused its resources on finalizing the platform and sharpening the value proposition. During this process, the commercial team has been changed, so has the lead generation which is being changed from outbound sales-driven efforts to an inbound marketing-driven process. Given that 2020 has been a transition year, and a year which to some extent has been affected by the COVID-19 crisis, the ARR growth rate of approx. 17% is considered satisfactory. The achieved revenue retention rate of approx. 98.7% is considered satisfactory as well. Both ARR growth and the retention rate were higher than estimated in March 2020 when the COVID-19 related lockdowns started.

Approximately 75% of the proceeds from the IPO will be used for sales and marketing initiatives. With an average sales cycle of approximately 6 months, it is expected to have a positive impact on growth rates from 2022. As a consequence, the ARR growth rate is expected to exceed 50% in 2022 and 2023.

The strategic change from outbound to inbound marketing strategy in 2020 has already led to a slight increase in the number of pre-qualified leads. From 2021, the impact of the strategic change is expected to significantly increase the number of pre-qualified leads.

In Q4 2020, RISMA signed a partnership agreement with BDO. Moreover, a Big4 started developing their own tax compliance content for the platform in Q4 2020. Part of the proceeds from the IPO will be used to establish a separate partnership function in RISMA. It is expected that income from the partnership channel will provide an increasing share of revenue in the future.

### 6.2.4 Compelling SaaS metrics

RISMA has managed to achieve compelling SaaS metrics while developing the leading all-in-one GRC platform.

#### Key SaaS metrics

<p><b>ARR (2020)</b></p> <p style="font-size: 24px; font-weight: bold; color: #0070C0;">12.7m</p> <p>Annual recurring revenue in DKK (2020)</p>	<p><b>ARR growth rate</b></p> <p style="font-size: 24px; font-weight: bold; color: #0070C0;">~50%</p> <p>Expected annual recurring revenue growth (2020-2023)</p>
<p><b>ARR per customer</b></p> <p style="font-size: 24px; font-weight: bold; color: #0070C0;">75k</p> <p>Average ARR per customer onboarded in 2020 in DKK</p>	<p><b>ARR, % of revenue</b></p> <p style="font-size: 24px; font-weight: bold; color: #0070C0;">86%</p> <p>Share of recurring revenue in 2020</p>

#### 6.2.4.1 Annual Recurring Revenue

In 2020, 86% of the revenue came from ARR customers. Across the customer portfolio, the annual recurring revenue (ARR) has increased from DKK 1.4m in 2016 to DKK 12.7m in 2020 and RISMA is expecting to reach approximately DKK 42m by 2023.

#### 6.2.4.2 Annual contract value

The average ARR per customer onboarded in 2020 was DKK 75k. In 2019 the average ARR was DKK 43k. The potential for upselling rises with the increase in average ARR. Large customers has the potential to buy the full platform.

In 2019, average implementation fee invoiced to onboarded customers was DKK 26k. In 2020, the average invoiced implementation fee increased to DKK 31k.

Empirical data from RISMA shows that higher implementation results in better implementation and higher customer retention.

RISMA is not exposed to significant risk of losing one or few customers as revenue is distributed across the customer portfolio and no single customer accounts for more than 4% of the ARR. The top-10 customers account for 22% of the revenue and the top-100 customers account for 80% of the revenue.

### Factors impacting ARR from 2019 to 2020



#### 6.2.4.3 17% ARR growth from 2019 to 2020

During 2020, new sales increased the ARR by 18% 2020, which constituted a conservative sales year due to COVID-19. In the financial forecast, the sales capacity of the sales team has been calculated with 2020 as reference point i.e., based on sales performance in 2020.

#### 6.2.4.4 Revenue Retention Rate

##### Annual Recurring Revenue (ARR) churn rate

In 2020, 7% of RISMA's ARR churned. The churn primarily occurred among the customers onboarded between late 2017 and early 2018. During this period, RISMA had limited resources to provide strong onboarding for each new customer. Consequently, Management expects to be able to reduce the revenue churn rate going forward.

Generally, the 2020 churn was slightly higher than expected, but acceptable in the light of the COVID-19 impact.

##### Upselling

Upselling to existing customers increased the ARR by 6%, which combined with the described revenue churn results in a revenue retention rate of 99%. In other words, RISMA maintained 99% of the existing revenue from 2019 in 2020. In 2020, RISMA focused sales capacity on the new sales.

In 2021, RISMA are hiring further to take care of the existing customers and thereby reduce churn and increase upselling. From 2021, RISMA expects to achieve a revenue retention rate of above 100%.

### 6.2.5 Strategic focus

RISMA has developed an ambitious industry-agnostic growth and international expansion strategy. The clear strategic product focus for RISMA will be on the all-in-one GRC platform, onboarding new customers to the full platform from day one, and upselling to current customers from single point solutions to the full platform.

RISMA's international expansion targets the Nordic countries as the first target markets. However, Germany, Finland, France, the UK, and the Netherlands have strong market potentials for RISMA based on criteria such as market value, market maturity, CAGR, and GRC software spend per capita, which make them highly relevant for RISMA's all-in-one platform.

## 6.3 CUSTOMERS

With +350 customers across primarily Denmark, RISMA has a proven track record on the market. The customers span across private and public sector, and the majority are mid-size organizations with 100 to 15,000 employees.

Even though RISMA's customer base stretches across multiple sectors, the three dominant industries are; financial services, pharma, and energy and utilities. These industries are heavily regulated with a built-in focus on compliance, risk and governance in their core business, which increases their general maturity towards GRC-platforms such as RISMA's.

When RISMA was founded in 2014, the initial sales focus was on the few modules built, as the full GRC-platform was still under development. However, from 2020 the strategic market focus has been to acquiring new customers which can benefit from RISMA's broad platform solution. Such customers will typically be in industries characterized by one or more factors:

- ▲ Dedicated to digital transformation and see tech-investment as a natural part of their future business strategy
- ▲ Committed to or exploring one or more standards e.g., ISO

- ▲ Focusing on improving general corporate governance due to general or industry specific legislation
- ▲ Compliance and transparency are perceived as a competitive advantage

The strategy of selling a broad platform solution provides RISMA with a unique competitive advantage. When looking at RISMA's top 20 customers in 2020, it shows that this strategic focus is already turning into commercial results. Eight of the top 20 accounts have been acquired in 2020, which represent a first-year revenue of approx. DKK 1.5m.

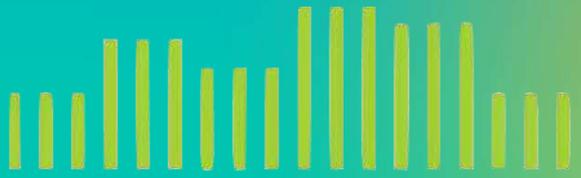
### 6.3.1 Customer lifetime value

Given that RISMA only has existed for a short span of years, the average customer lifetime has been based on the present churn. Given a churn of 7%, the average customer lifetime has conservatively been estimated to be 10 years. The expected customer lifetime value is calculated to around DKK 0.8m on a calculated period of 10 years.

### 6.3.2 Cross- and upselling

In 2020, the top three drivers of revenue in cross- and upselling are:

- ▲ Additional licenses for more users – increased adoption of customers' existing modules
- ▲ Adding additional modules – pay as you grow-model, where e.g., customers with a GDPR module purchase an ISMS module
- ▲ Upgrading to full RISMA Professional Suite – enterprise approach where customers starts with one or two modules to confirm business case, and then commits to RISMA as their full GRC platform



# HOFOR



## Key Facts

**2018**

Onboarded  
RISMA's platform

**1,200**

Employees  
at HOFOR

**1.1m**

Customers  
at HOFOR

## The benefits for HOFOR using RISMA



Saves time  
and resources



Structured approach  
towards compliance



Everything is handled and  
documented in one solution



Supports organizational  
involvement and collaboration



Detailed reporting - from  
overview to specific issues



RISMA client's best practice  
and legal content framework

## All Efforts on One Platform

- In 2018, HOFOR started with multiple solutions to handle various parts of the GDPR processes
- HOFOR realized that this setup did not work for them, as maintenance was time consuming, it was difficult to get an overview and gaining insight into their journey towards being GDPR compliant was too difficult
- HOFOR wanted to bring all GDPR efforts into one platform, and found RISMA to be the right match

## Simple and Practical Solution

”RISMA showed us that we did not have to compromise when it came to our needs. When working with the GDPR across different departments and levels, it is essential that the process is made simple to avoid confusion among those involved. RISMA helps with this by translating the legal requirements into practical tasks and procedures, making it more understandable to everyone.”

- Diana Hierbæk, GDPR Coordinator

The HOFOR logo is located at the bottom right of the page. It consists of a horizontal bar with a gradient from yellow on the left to teal on the right. Above the bar is a stylized bar chart with vertical lines of varying heights. Below the bar, the word "HOFOR" is written in a bold, black, sans-serif font.

HOFOR

# RelyOn Nutec

360° Safety



## Key Facts

**2017**

Onboarded  
RISMA's platform

**1,100**

Employees  
at RelyOn Nutec

**33**

Operating  
cities worldwide

## The Benefits for RelyOn Nutec using RISMA



Saves time  
and resources



Reduce travel costs by  
having a digital platform



Unified approach  
across all countries



Transparency increases  
effectiveness and reporting



Foundation for best practice  
and further benefits



Common framework  
supports better collaboration

## Streamlining Group Risk Management

- As a global company, RelyOn Nutec needed to streamline group risk management and improve controls
- Earlier, operations were executed through manual processes and spreadsheets – which needed to change
- RelyOn Nutec needed increased efficiency, more transparency, and better documentation and reporting – RISMA was found as the best fit to support this

## Maturity is Key

” We looked at different solutions. However, we concluded that RISMA was more mature than other providers and could better accommodate what we needed. With their platform, we can link between the different parts and units. We can define processes and risks, identify gaps, and set up mitigating actions - all in the same system. ”

- Christian Uhrenholt, CFO

## 6.4 VALUE CREATION FOR THE CUSTOMER

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

The use of an all-in-one GRC platform does not only save resources, but also ensures that employees do not have to handle different solutions for individual compliance areas and that the organization has a complete overview of the combined compliance effort.

RISMA's GRC platform is scalable, flexible and future-proof as it can support current or future rules, regulations, legislations, standards or internal policies. This makes RISMA an all-in-one software suite for all GRC initiatives such as GDPR, ISMS, risk management, financial controls, ISO-standards, or any other GRC area which needs streamlined system support. RISMA's platform provides customers with a practical way to approach GRC by making otherwise complicated areas of regulation tangible to the user by translating legal requirements into practical tasks and procedures that are understandable to everyone in the organization.

The generic GAP analysis module allows RISMA's software to be used for compliance subjects for which it would not otherwise be profitable to develop software support. These subjects could either be a subject that is only relevant for a specific industry or even a specific company or group.

RISMA's all-in-one GRC platform thus provides customers across all industries with an efficient solution for handling GRC efforts across the entire organization. By being able to provide a full GRC platform but also allow customers to purchase access only to some modules in the platform, RISMA can serve customers across all GRC maturity stages. As described in section 6.3, RISMA's customer base includes large organizations from the most heavily-regulated industries such as financial services, pharma, and energy and utilities, where the full range of areas on the platform might be relevant, to smaller organizations that only use RISMA as a point-solution for one of more specific areas in GRC such as GDPR. This very broad customer group is a direct result of RISMA's efforts in developing an industry and maturity agnostic GRC platform.

### RISMA's value creation for customers



**Secures efficient collaboration across functions**



**Documents all GRC efforts and assures unified data and insights**



**Saves resources by replacing manual and tedious processes**



**Supports any set of rules, regulations, or standards**



**Unique GAP analysis tool can be adjusted to any area of GRC**

**RISMA's all-in-one platform provides customers with the best possible way to stay compliant in an efficient manner**

## 6.5 CULTURE AND ORGANIZATION

### 6.5.1 Values

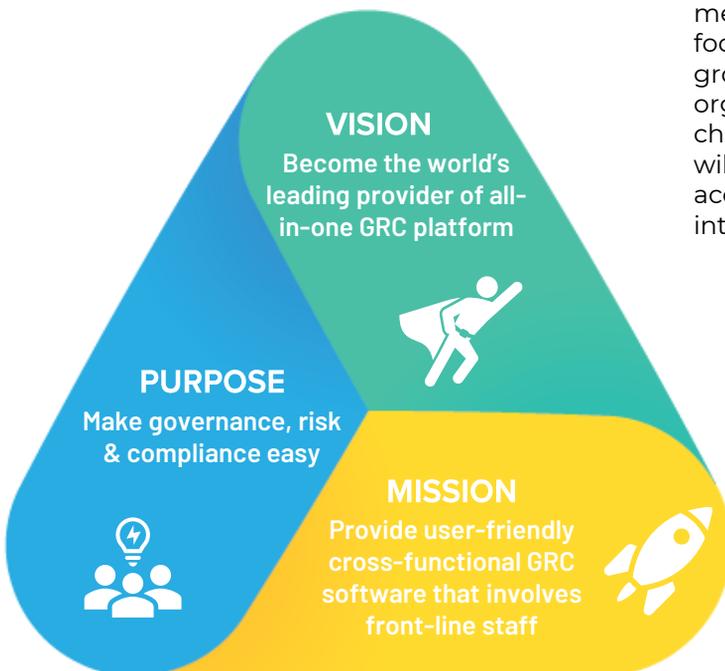
Since the foundation in 2014 by the current CEO, Lars Nybro Munksgaard, RISMA's development has been based on a set of strong values which remain in focus in the Company today:

RISMA aims at:

- ▲ Creating an exciting workplace
- ▲ Being productive and respect shareholder's value
- ▲ Show respect for customers, colleagues, and business connections
- ▲ Keep agreements and meet deadlines
- ▲ Always learn and develop
- ▲ "Simplicity is the keynote of all true elegance" – Coco Chanel
- ▲ Swiftly address low performance and violations of RISMA's values

These values remain the guiding stars for all employees across the organization, both with regards to internal collaboration and in all external interactions with customers, partners, and suppliers.

### RISMA's purpose, vision, and mission



### 6.5.2 Innovation and agility in focus

RISMA is a very innovative and agile company where ideas arise from across the organization and decisions can be made swiftly to secure rapid execution. RISMA's organization has clearly defined roles and responsibilities but is still characterized by a non-hierarchical culture where cross-functional collaboration thrives throughout the organization.

### 6.5.3 International collaboration

With the headquarter in Denmark and developers in Ukraine, international cross-border collaboration is already a well-managed discipline in RISMA. These organizational learnings and capabilities will be utilized when entering new geographical markets as part of the international entries and expansions which will be initiated in Sweden and Norway in 2021.

### 6.5.4 Leadership team

RISMA is led by founder and Chief Executive Officer, Lars Nybro Munksgaard, and a strong Management Team consisting of:

- ▲ Thomas Hermann, Chief Financial Officer
- ▲ Kasper Hülse, Chief Sales Officer
- ▲ Gitte Barsøe Pedersen, Chief Customer Success Officer
- ▲ Nicolai Ascanius, Chief IT Officer

In the Management Team, two out of five members are commercially and customer-focused to ensure that RISMA is organized to grow the commercial part of the organization. This has been a clear strategic choice as this part of the Management Team will be pivotal for RISMA's success when accelerating the growth journey with entry into multiple geographical markets.

**RISMA offers an all-in-one GRC platform which is ready to onboard customers as they move from spreadsheets and point solutions to all-in-one platforms as the market matures.**

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**Kristine Lemche**  
**SENIOR CUSTOMER**  
**SUCCESS MANAGER**

## 7. Platform overview

### 7.1 PRODUCT DESCRIPTION

Many organizations handle their compliance efforts through manual and inefficient tools such as spreadsheets. However, more and more have realized the efficiency and structure that compliance software solutions can provide to a specific area of the company's compliance efforts and have thus adopted a point solution to manage one or more specific compliance areas. Over time, most users of the point solutions acknowledge that it is more efficient for them to shift towards a GRC platform that covers all governance, risk, and compliance efforts in one platform. However, only very few all-in-one GRC platforms exist in the market today with RISMA's being one of the leading.

#### 7.1.1 Modular and future proof

RISMA's GRC platform is a combination of three main solutions; governance, risk, and compliance. Each area can be used as a standalone solution but are integrated to leverage functionality across the many disciplines within governance, risk and compliance.

Within each solution, RISMA offers various modules to support specific compliance areas e.g., GDPR and ISMS. These modules can be purchased and used on a standalone basis. This flexibility in RISMA's offerings support the addition of any future regulatory frameworks, rules, or policies (both external and internal), providing customers with the opportunity to grow in their usage of RISMA's platform as their needs for continued system support gradually increase.

Both in general and with RISMA, organizations have historically purchased point solutions targeted at a specific need. However, once a company realizes the benefits and business case in using all-in-one GRC software, they typically want to leverage these advantages in other areas of governance, risk, and compliance, hence making the need and aspiration for an all-in-one platform clear. In addition to this, the growing market maturity across the full spectrum of GRC also supports the demand for all-in-one platforms rather than just point solutions and single modules.

This development has led to RISMA's current flagship offering RISMA Professional Suite. This is a full all-in-one GRC suite, which includes the modules and functionality that any mid-sized organization should work seriously on and with.

However, the offering of the RISMA Professional Suite does not prevent customers from purchasing standalone modules from RISMA. Instead, the suite is a platform aimed towards organizations committed to work professionally with privacy, security, risk, and sustainability from a governance, risk and compliance perspective.

# RISMA's core platform

1

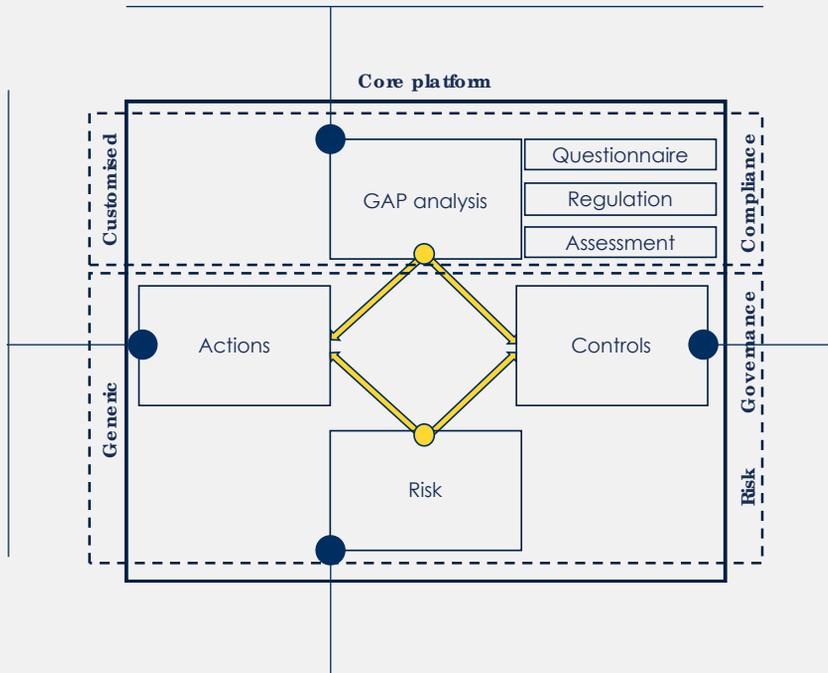
## GAP analysis

Identify the needed information and then choose a questionnaire, which can either be based on RISMA's template or completely customized. Then identify stakeholders and assign questionnaires. Based on the answers from the questionnaires, GAPs are rated and scored for each section of the compliance area. Based on scores, the scale of the GAPs are analyzed and are divided between "what should be done" versus "what has been done".

2

## Actions

Based on identified GAPs, actions and responsibilities are assigned accordingly.



3

## Controls

Once "Actions" has been completed and GAPs eliminated, a control is created to mitigate future GAPs.

4

## Risk

Finally, risks are identified and scored based on relevant impact areas. Likelihood is also set, and the risk score is calculated. If the risk score is higher than the chosen risk appetite, then tasks are created in "Actions", in order to mitigate risk. The "Controls" part can then be used to keep risk at an acceptable level going forward.

### 7.1.2 The Professional Suite or pay as you grow

RISMA covers all major and relevant areas within governance, risk and compliance. Customers can start with a single module for their current GRC pains and still know that they can grow with the solution as future needs or ambitions in other GRC areas arise.

However, the market shows a clear tendency towards investing in GRC platforms to secure the benefits of one solution for all needs, e.g., unified management reporting and documentation, efficient collaboration and cross GRC functionality and content.

This has led to the RISMA Professional Suite. A set of modules aimed at all the universal GRC-areas that all mid-sized companies and organizations highly benefit from when working on actively. The RISMA Professional Suite is the main GRC platform for customers dedicated to taking their customer and privacy data seriously, having a professional approach to information management and cyber security, and have a clear and ambitious position on sustainable development and our globe's future. Of course, combined with a general dedication to governance, risk and compliance as a natural part of the organization's license to operate – or perhaps even see GRC as a current or future competitive advantage. The RISMA Professional Suite covers 8 modules, which are relevant to all mid-sized companies and organizations (see model below).

While the RISMA Professional Suite covers the common GRC-areas relevant to all mid-sized companies and organizations, the platform also offers specialized add-on modules for specific industries.

Since the flexibility of RISMA's GAP module makes it possible to load any type of rules or regulations, it is easy to launch new modules – giving RISMA an opportunity to cater to specific needs in various industries.

Example on industry specific modules for the financial sector; Anti Money Laundering (AML), Anti Bribery and Corruption (ABC). Cloud Outsourcing for banks (EBA guidelines), Cloud Outsourcing for Pension and Insurance (EIOPA guidelines).

The flexibility secures that customers have future proof solution, since RISMA will be able to support any future rules and regulations, which could benefit from efficient platform support – both general compliance and industry specific. In addition, customer can also load any internal compliance areas into RISMA if they want to streamline all of their internal and external governance, risk and compliance efforts in one platform.

#### RISMA's all-in-on GRC platform



## 7.2 RISMA PROFESSIONAL SUITE

The RISMA Professional Suite represents the common areas of governance, risk, and compliance which any mid-sized to large organization, regardless of industry, should be committed to in order to handle, structure, and document professionally. The RISMA Professional Suite covers:

- ▲ Privacy & General Data Protection Regulation (GDPR)
- ▲ Sustainability & ESG (new module expected Q2, 2021)
- ▲ Information security
- ▲ Risk Management
- ▲ Financial controls

In order to handle these areas, the suite also comes with imbedded functionality within:

- ▲ Incident management
- ▲ Policy management
- ▲ Vendor management

The RISMA Professional Suite can be used in any industry in any part of the world. The only part of the solution that requires country specific adjustments is the GDPR solution. The other seven components are generic for all industries in all countries.

### 7.2.1 GDPR – General Data Protection Regulation

The complexity of tracking data and processes across departments and manually document everything in spreadsheets is cumbersome and time consuming for any compliance officer. In collaboration with leading Danish experts in the field of Personal Data from the law firm Plesner, RISMA has developed an advanced GDPR compliance platform to ensure compliance with data protection regulations. In Norway, this solution has been adjusted to Norwegian legislation by the law firm Kvale.

The GDPR solution is designed to help organizations become and remain compliant through guidance and a set of practical tasks, which need to be conducted. The GDPR solution comes with a complete overview of all employees' work with GDPR across the different departments and countries.

RISMA's GDPR module makes it easy to achieve a complete business overview,

delegate roles and responsibilities and generate on-demand reporting and documentation both internally and externally e.g., on GDPR article 30; records of processing activities.

### 7.2.2 ESG – Environmental, Social and Governance (expected launch Q2, 2021)

RISMA is in the process of launching a new compliance module for ESG. Like many other business critical areas, the sustainability agenda needs effective system support from a compliance, governance, and risk perspective. Just like GDPR, ISO-standards etc., ESG is based on policies, risk assessments, internal awareness, vendor and value chain supervision, initiatives, controls, action plans, reporting, and much more. The sustainability area is thus a natural fit for extension of RISMA's GRC engine.

Once launched in Q2 2021, the ESG module will help organization's structure, handle, and document their sustainability initiatives effectively by replacing manual workloads, text-files, spreadsheets, and e-mails with automated processes and easy reporting both internally and externally, e.g., in the form of the annual sustainability report.

### 7.2.3 ISMS – Information Security Management System

With the increasing focus on information and cyber security, more companies are leaning towards known frameworks such ISO 27001 or ISAE 3402 types 1 and 2 (in EU) to embark on a compliance journey within this area. RISMA supports these frameworks, providing the needed functionality to conduct information risk assessments, policy governance, handling of information assets, the required controls (e.g., Annex A), and general governance. In addition, it is possible to extract the data in the form of a SoA (Statement of Application), providing the necessary documentation e.g., for IT security auditors. Furthermore, the platform can help manage information security according to ISO 27701 as part of the work with GDPR compliance.

### 7.2.4 Risk Management

Organizations must continuously assess strategic, regulatory, and financial risks which may potentially threaten their business. For example, organizations need to estimate their risk appetite and tolerance to future financial crises, cyber attacks, pandemics, or disruptions within their given industry.

In addition, organizations must also address internal risks such as critical staff leaving the organization, union issues, or lack of digital transformation. For most organizations, risk management is an integrated and regulated part of the ongoing dialogue between Executive Management and the Board of Directors.

RISMA supports organizations in getting a total overview of the entire risk landscape and helps them target and prioritize the most relevant areas. Furthermore, RISMA supports the on-going progress in mitigating actions and maintaining continued controls.

## 7.2.5 Financial controls

RISMA's governance solution helps organizations structure, handle, and document any kind of reoccurring event. The most common use of RISMA governance is for financial controls where finance departments use RISMA's solution to track, monitor, document, and report on specific tasks on a monthly, quarterly or annual basis.

The solution can be customized to all types of controls and customers can have several different control layouts/settings to support different levels of documentation, delegation, and reporting.

The solution helps create a complete overview of the control environment, document the work efforts, identify pitfalls of low performance, and maintain the desired level of governance. The controls engine also supports the many controls connected to compliance areas, e.g., GDPR and ISMS.

## 7.2.6 Supporting imbedded functionalities

### 7.2.6.1 Incident management

All types of incidents can be managed in the incident management solution. GDPR is one example of an area, where this part of the platform is often used to handle various aspects of incidents i.e., exceeded deadlines, handling leakage of data, or requests for sharing data. Another example is for management of irregular incidents at work sites with security regulations.

RISMA has experienced demand for a mobile app to facilitate immediate documentation of incidents in the moment where they are discovered. The mobile app is thus currently under development and is expected to be available for customers in Q3 2021.

## 7.2.6.2 Policy management

RISMA's platform provides customers with structure and governance for handling internal policies and procedures as well as external regulatory requirements.

Customers can e.g., use the functionality to ensure that employees confirm that they have read internal policies and procedures. Examples include work instructions, safety policies, HR-policies, etc. RISMA has in corporation with partners developed templates in areas such as IT Security, Covid-19, and Data Processor Agreement.

## 7.2.6.3 Vendor management

This part of the platform enables customers to manage contracts with external vendors. Furthermore, it includes a questionnaire functionality, which can be used to collect information from vendors. This can for example be used for collecting information from Data Processors about GDPR or IT-security-related issues, or for collecting information from suppliers about their efforts to support better sustainability.

## 7.2.7 Industry specific and niche solutions

Besides the RISMA Professional Suite, which can be used across all industries, RISMA has launched a number of additional industry-specific modules – some by RISMA alone and others with relevant partners.

### 7.2.7.1 EBA Guidelines for Outsourcing Arrangements in Banks

In collaboration with the law firm Plesner, RISMA has developed a module, in which the customer can structure and support work with outsourcing arrangements in banks. Customers can thus ensure compliance with the new outsourcing requirements for Danish Banks. These requirements will be effective from end of 2021.

### 7.2.7.2 EIOPA Guidelines for Outsourcing Arrangements in the Insurance and Occupational Pension industry

In collaboration with the law firm Plesner, RISMA has prepared an outsourcing module, which structures and supports the work with outsourcing arrangements in Danish companies in the Insurance and Occupational Pension industry. These EU requirements are expected to be imbedded in Danish legislation in Q1 2021 and are expected to be effective from July 1, 2021.

### 7.2.8 Anti-Money Laundering (AML)

RISMA's AML module has been developed in collaboration with Plesner and serves to streamline efforts to make it easier to identify pitfalls and areas of action while documenting the mitigating activities and compliance.

The module guides the customer to focus on the areas that are relevant to their activities. At the same time, the information flow becomes less complicated as the module makes it easy to involve all relevant parties and delegate tasks. This helps strengthen the internal awareness of the Anti-Money Laundering efforts and ensures that everyone involved continuously comply with procedures and their individual responsibilities.

### 7.2.9 Anti-Bribery & Corruption (ABC)

RISMA's ABC module developed in collaboration with Plesner can help target organizations' efforts regarding collecting, analyzing, and reporting data in order to be able to discover and prevent corrupt behavior. The module guides users through the process while making it easy to document strengths and mitigate weaknesses.

### 7.2.10 Occupational Health & Safety (OHS)

With RISMA's ISO 45001 module, companies can handle all health and safety data as well as identify strengths and weaknesses.

### 7.2.11 Quality Management System (QMS)

RISMA's ISO 9001 compliance module helps create the best foundation for good quality management by focusing on the maintenance and development of the quality processes.

### 7.2.12 Future industry specific solutions

In the future, RISMA does not expect to develop many industry specific modules alone. However, it is expected that partner-developed and partner-owned industry specific solutions will provide an increasing share of RISMA's revenue.

In a partner-developed and part-owned solution, RISMA only provides the software, while the content is owned by partners, who market this content for their own end-customers. Presently, two of Denmark's top five audit firms are developing own solutions based on RISMA's platform.

### 7.2.13 Company specific solutions

RISMA does not develop custom solutions, but some of RISMA's customers have developed their own solutions based on RISMA's GRC engine.

Companies who have developed own solutions include SSAB in Sweden and Topdanmark in Denmark. RISMA expects that company specific solutions will provide an increasing, but not large, share of RISMA's revenue. Company specific solutions can be developed by the customer or by a RISMA partner as a service to their respective customers.

## 7.3 PRODUCT DEVELOPMENT

Since being founded in 2014, RISMA has worked towards the goal of developing the leading all-in-one GRC platform. In the process, RISMA has shown a strong ability to foresee and act upon new trends and needs in the market, such as the introduction of the new GDPR requirements in 2018.

A key focus in product development has been on creating standardized solutions that not only solve the task at hand, but also brings RISMA closer to becoming a leading all-in-one GRC platform. On multiple occasions this has meant that a more straight-forward solution has been disregarded in favor of a more extensive solution that can be expected to solve foreseeable future issues as well. Consequently, RISMA has managed to develop a highly scalable solution where a library of components are reused across the platform. The component-based approach was implemented together with the launch of a new and improved user interface in January 2021. This means that customers find the same functionality regardless of which section of the platform they are using. In addition, it allows RISMA to deploy improvements across the entire platform in a more efficient manner.

### 7.3.1 Customer-centric development

RISMA's development team consists of four developers in Denmark and four developers in Ukraine. All back-end functionality is developed in Denmark, while the team in Ukraine solely works on the user interface. Additionally, the team includes a product designer, a machine learning specialist and two testers. RISMA has a customer-centric approach to product development which is maintained through a biweekly meeting chaired by the CEO where both Customer Success and Sales are also present.

Here, the allocation of development resources is decided based on the latest customer feedback. RISMA maintains a continuous dialogue with the customers which includes that the Customer Success Team reverts to customers regarding the status of any new development requests relevant to the customer, including the timing hereof. A new version of the platform is released once a week to ensure that RISMA is able to react quickly on customer feedback.

### 7.3.2 ISMS version 2

RISMA signed a partner agreement with the audit firm BDO in October 2020. As part of the agreement, BDO will assist RISMA in strengthening the IT security solution. Some of the improvements will not require development resources and have already been implemented. However, development resources have also been allocated and a revised version of the IT security solution will be launched in April 2021. The improvements to the solution are primarily related to the risk assessments performed on systems and hardware.

### 7.3.3 Vendor management version 2

Over the past year, RISMA has imbedded functionality in the platform which allows customers to use the platform for vendor management. RISMA has now received feedback from customers and have a backlog of functionality which is necessary to match the available point solutions. This functionality is expected to be imbedded in Q1 and Q2 of 2021.

### 7.3.4 GDPR version 2

RISMA has developed the GDPR solution in

collaboration with Plesner who has served as knowledge partner. During Q4 of 2020, both RISMA and Plesner have evaluated the GDPR solution and have found that customers are typically in a more mature state when it comes handling GDPR-related processes. As customers to an increasing extent focus more on data processor management, the next version of the GDPR solution will include a completely new state-of-the-art approach to managing data processors. This version is expected to be launched in Q2 of 2021.

### 7.3.5 Mobile apps

RISMA has received multiple requests from customers regarding mobile apps for the incident management solution and the control solution where all recurring tasks can be handled. RISMA expects to accommodate this request in Q3 of 2021. Development of the initial version of the apps will be outsourced while the continuous maintenance and improvement of the mobile apps will be handled internally.

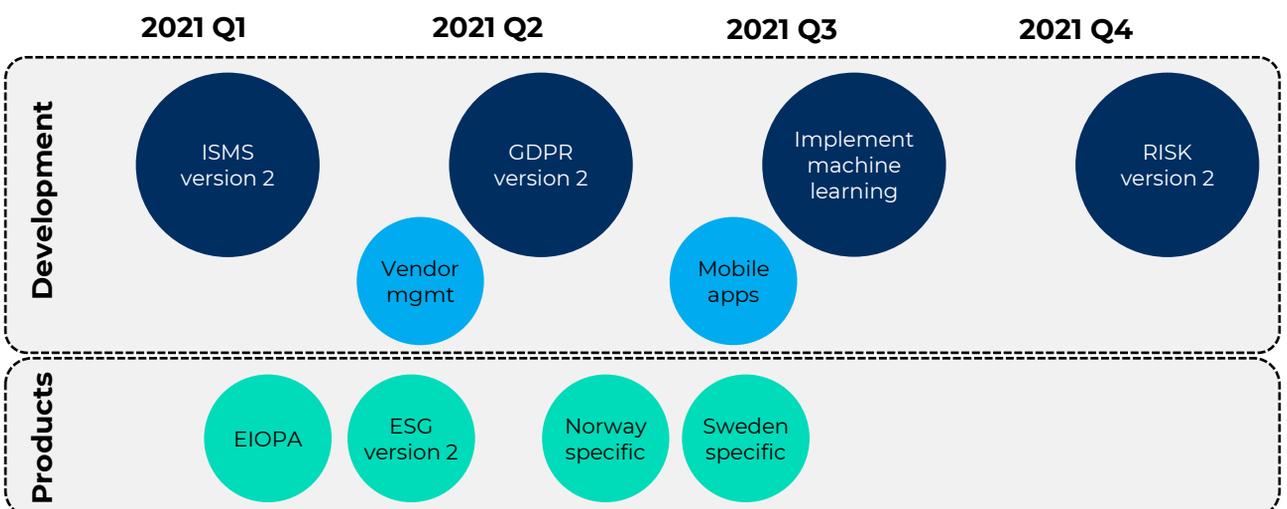
### 7.3.6 Implement machine learning

In October 2020, RISMA employed a machine learning specialist who is currently analyzing customer usage of RISMA's platform. Based on this analysis, RISMA expects to start implementing machine learning functionality in Q3 of 2021 which will be a continuous process going forward.

### 7.3.7 Risk version 2

In the beginning of 2022, RISMA expects to launch a revised version of the risk solution. The intention is that this version will be able to accommodate the international risk standards ISO 31001 and IRAM2.

## Product development roadmap for 2021



” The law of governance, risk management, and compliance is the body of rules, regulations, and best practices which, individually and collectively, are intended to ensure that organizations are managed effectively and in such a way as to enhance social welfare. ”

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**Geoffrey P. Miller,**  
Author of The Law of Governance,  
Risk Management and Compliance



**Ali Anber**  
**SENIOR GROWTH MANAGER**

## 8. Growth strategy

### 8.1 INTRODUCTION

RISMA has an ambitious industry-agnostic growth and international strategy. RISMA's growth strategy revolves around the following main pillars.

- ▲ All-in-one GRC platform strategy
- ▲ Focused market strategy
- ▲ Partner sales strategy
- ▲ In-bound focused marketing strategy

### 8.2 ALL-IN-ONE GRC PLATFORM STRATEGY

Over the past years, RISMA's platform has been further developed and was in 2020 consolidated to a state-of-the-art all-in-one GRC platform with eight core solutions as described in section 7.2. In addition to these, RISMA has developed four industry specific solutions in collaboration with the law firm, Plesner.

Going forward, the strategic focus for RISMA will be on the all-in-one GRC platform – both regarding the onboarding of new customers to the full platform and upselling current customers from single point solution use to the full GRC platform. RISMA expects to be able to increase future customer loyalty with more customers using the full GRC platform 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.

Industry specific solutions such as EBA and ELOPA are reactions to new regulation from the EU which drives new demands in the market. They are, despite of not being part of the core platform, important from a strategic perspective as they serve as strong point of entry into target customers in the financial industry. RISMA will continue to monitor the impact of new EU regulations on specific industries and in due time seek to develop

more relevant strategic solutions to be used as a point of entry to new customers.

When adding new compliance modules to support new regulation, RISMA starts out by evaluating the level of complexity in the specific area, and formulate a business case to determine the potential for adding a new module. Upon assessment it is determined if the compliance module can be implemented and updated by RISMA, or it needs a knowledge partner (like Plesner for GDPR or BDO for ISMS).

For simpler frameworks handled by RISMA, the ongoing updates to modules are based on a continuous monitoring of the specific regulation/legislation.

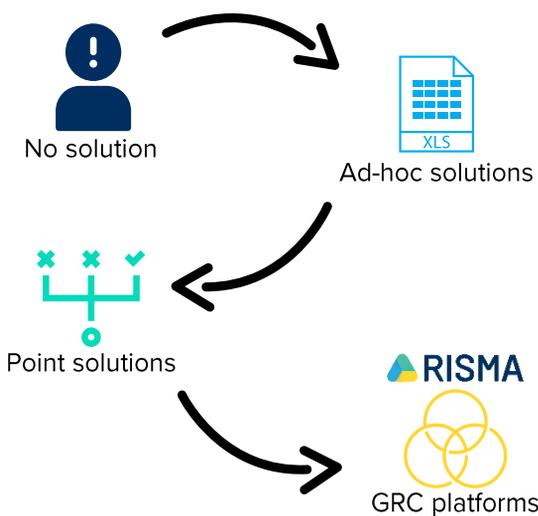
For more complex modules in need of a knowledge partner, RISMA scans the market for suitable partners with documented competencies in the specific areas. Then RISMA and the knowledge partner sign a mutual binding partner agreement, where the knowledge partner is obligated to integrate the initial knowledge for the module, but also has the obligation to deliver ongoing updates/changes as the regulation potentially evolves. This is case for all current modules requiring knowledge partner. The agreements have at least 12 months mutual binding.

Complex modules have some natural dependency on the knowledge partners, however, RISMA should be able to find suitable substitutes if a knowledge partner exits. If no knowledge partner can be found, RISMA will always have the opportunity to contract a company (legal, consulting etc.) to maintain the content for the given module, which secures that no modules/solutions become outdated with or without a knowledge partner.

In most cases, RISMA would prefer to have a knowledge partner, since these relationships also bring some validation to RISMA's solution, and the partner strategy is an integrated part of the future market and solution development.

Previously, new solutions have required some platform development. However, the development required to launch new solutions has been decreasing as the platform standardizes the workflow and scales across rules and regulations. By the end of 2021, RISMA expects that no or only minimal development is required to launch new solutions.

### Maturity Stages



### 8.3 FOCUSED MARKET STRATEGY

The general market for GRC software is gradually maturing across many countries with a typical maturity process which develops from using “nothing”, to using ad hoc solutions such as spreadsheets or other data-repositories, to using a portfolio of fragmented single point solutions, to finally moving to the most mature level where customers are ready to benefit from using all-in-one GRC solutions such as RISMA's platform.

When selecting potential markets as part of the execution of the ambitious internationalization strategy, RISMA will carefully consider the level of GRC maturity of each market before entry. To ensure optimal conditions for success at new market entries, RISMA has adopted some high-level strategic market selection criteria:

- ▲ The market has a high level of maturity and proven interest in implementing GRC software solutions

- ▲ The market has a high annual spend on GRC software per capita
- ▲ 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 GRC software in the given market is expected to grow in potential during the years to come
- ▲ The market structure and the competitive environment is attractive for RISMA
- ▲ The market has professional and well-functioning networks and fora regarding the GRC market within legislation, solutions, best practices, etc. and often in the form of networks, dedicated partnerships, etc.

#### 8.3.1 Sweden and Norway in focus

RISMA has decided to enter the Swedish and expand the presence in the Norwegian market during H1 of 2021 with the establishment of full sales and support teams, while maintaining continued focus on improving the current market position in Denmark. In addition to fulfilling the selection criteria, Norway and Sweden are especially attractive as RISMA has already gained some experience from serving customers in these markets. In addition, both countries are attractive due to a high number of mid-sized companies, which constitutes RISMA's customer sweet-spot and because both Norway and Sweden are somewhat similar to Denmark with regards to culture, ways of doing business, and execution of legislation.

#### 8.3.2 Partner sales strategy

Both in Denmark and in the new geographical markets, RISMA will prioritize a partner strategy targeted at key players in relevant consulting areas such as legal, accounting, management and digital consulting, and GRC-advisors.

In order to drive the partner strategy, a Chief Partner Officer is expected to be appointed in Q2 2021 and become a member of the Management Team, however this is subject to market conditions.

The primary purpose of this role will be to establish relationships of key persons in partner organizations, support them in commercial dialogues with their end-customers, and help them deliver partner-owned solutions which can potentially include white label solutions, which partners can sell under their own brand

Partner relationships will also play a key role in RISMA's internationalization strategy as RISMA will cooperate with partners in analyzing needs and sweet-spots in markets, when expanding into new geographical markets. RISMA expects that the next market entries and expansions, after Sweden and Norway, will be other European countries, which match the strategic market selection criteria, e.g., Germany, France, the UK, Netherlands and Finland. In practice, RISMA expects to allocate partner function resources to a new market 6-12 months before establishing direct sales and customer support functions in the new market.

RISMA also expects to benefit from the partner strategy by utilizing these relationships to make sure that RISMA's all-in-one GRC platform is the preferred solution which the partners recommend to their end-customers. This way, partners will generate a continuous flow of qualified leads for RISMA.

### 8.3.3 In-bound focused marketing

In 2020, RISMA executed a strategic change from out-bound to in-bound marketing. This setup has now been developed, tested, and refined, and has been deployed in Denmark since the beginning of 2021 and is ready to be implemented in both Sweden and Norway as well. The new marketing setup has been developed through a data-driven approach by thoroughly analyzing RISMA's buyer journey, numerous customer interviews, extensive competitor analysis, and elaborate market insights. The content driven in-bound marketing strategy has been designed for scalability and growth and is expected to generate an ongoing and increasing flow of pre-qualified leads which can be nurtured and converted into active customers to fuel RISMA's growth strategy.



RISMA's strategic expansion plan targets the Nordic countries as first step in the internationalization. Since founded in 2014, Denmark has been RISMA's headquarter location, focus market, and proof-of-concept market. Norway has so far been RISMA's "soft-test-market" and will now be the 2<sup>nd</sup> strategic market in the internationalization followed by Sweden.



### NORWAY (H1 2021)

- ▲ Soft-test-market with dedicated salesperson
- ▲ 3<sup>rd</sup> highest software spend per capita\*
- ▲ Expected CAGR ~10% (2020-26)
- ▲ Market value USD +350m (2026)



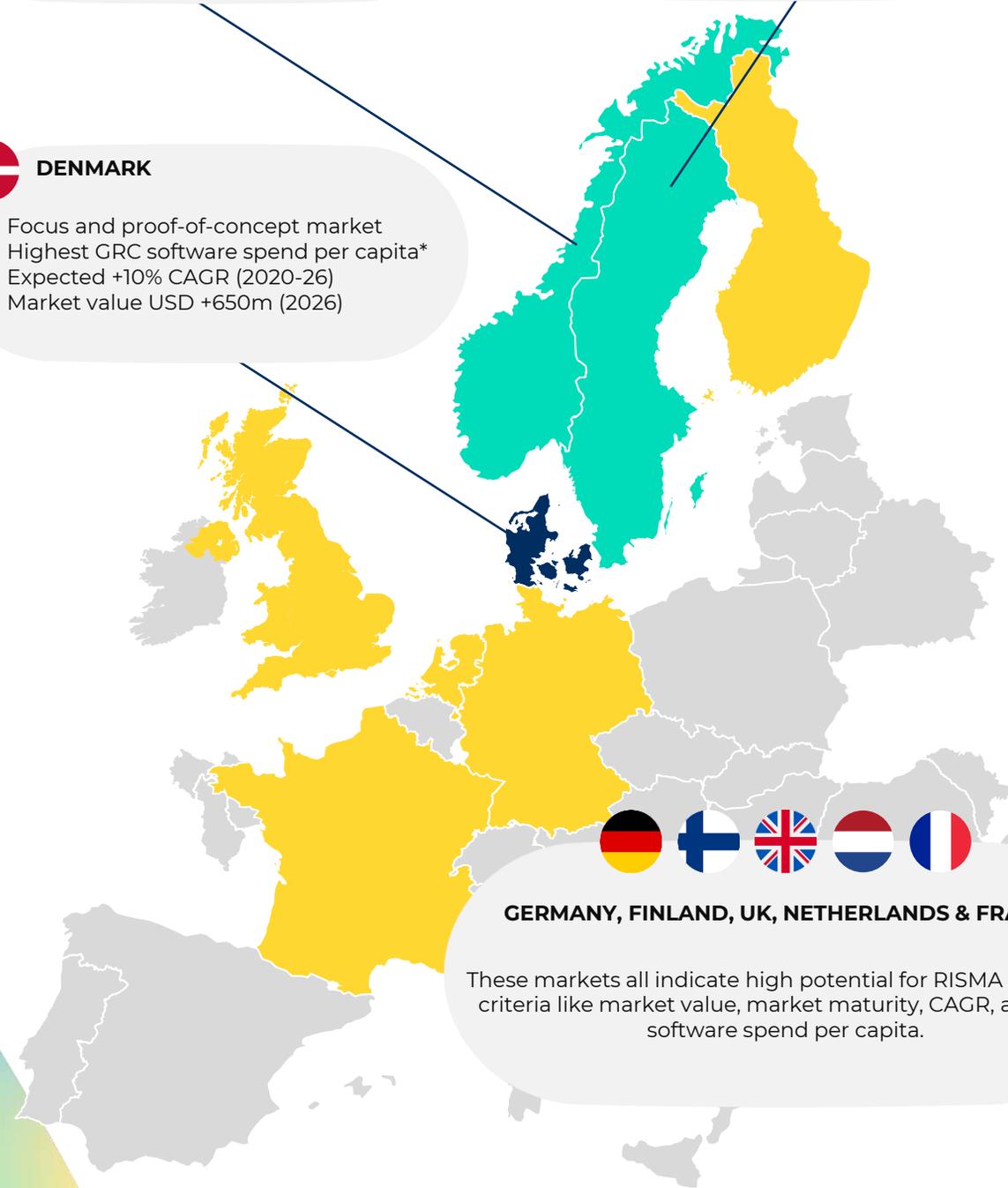
### SWEDEN (H1 2021)

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



### DENMARK

- ▲ Focus and proof-of-concept market
- ▲ Highest GRC software spend per capita\*
- ▲ Expected +10% CAGR (2020-26)
- ▲ Market value USD +650m (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.

\* In Europe

” The future is bright for RISMA. A strong solution, a great market fit, and a high growth SaaS industry. Altogether, a very attractive foundation for becoming a beacon among governance, risk, and compliance platforms. ”

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**Lars Nybro Munksgaard, CEO**



## 9. Expectations for the future

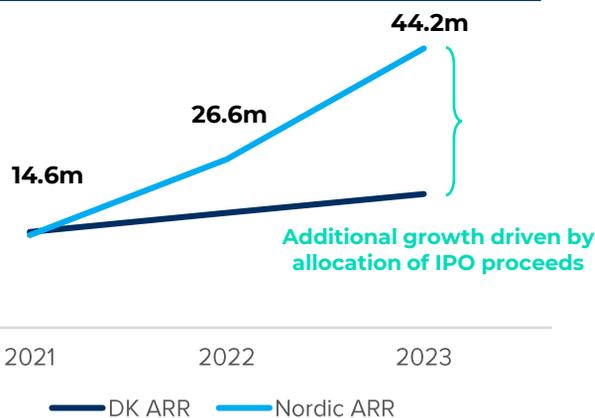
### 9.1 FOCUS ON ARR GROWTH

As an ambitious SaaS company, the primary objective for RISMA in the coming years is to pursue revenue growth through the previously outlined internationalization strategy.

With the proceeds from the IPO, RISMA can build complete sales and support setups in Norway and Sweden to accelerate ARR growth in the coming years. Consequently, ARR is expected to grow from DKK 14.6m in 2021 to DKK 44.2m in 2023.

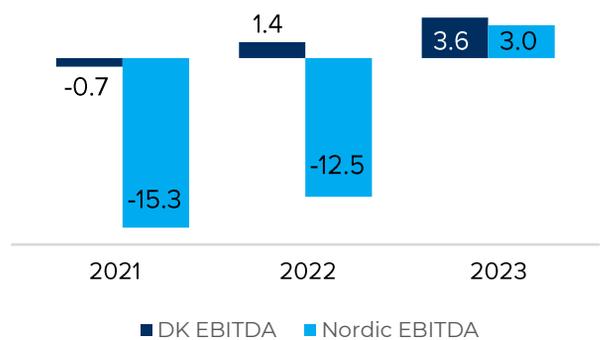
With the proceeds from the Offering, RISMA thus has the opportunity to accelerate growth compared to the “business as usual” scenario, where ARR was otherwise expected to grow from DKK 15.1m in 2021 to 21.1m in 2023 by focusing the current limited resources on the Danish market.

#### RISMA ARR (2021-2023) (DKKm)



This acceleration of growth requires substantial investments from the Company, which thus results in a postponement of breakeven on EBITDA when compared to the “business as usual” scenario. In the business plan following the Offering, RISMA expects to achieve a positive EBITDA in 2023. In the “business as usual” scenario, RISMA was expected to achieve this in 2022.

#### RISMA EBITDA (2021-2023) (DKKm)



Consequently, the acceleration of ARR growth that can be achieved following the Offering comes at the cost of a temporarily lower level of profitability for the Company. This is illustrated in the above graph, where the DK EBITDA represents the “business as usual” scenario and the Nordic EBITDA represents the financial forecast following the Offering.

However, as RISMA’s growth ambitions are not limited to Scandinavia, the Company expects to engage in dialogue with advisors in countries beyond Scandinavia to pave the way for entrance in new European markets by creating awareness and establishing partnerships. As with Scandinavia such advisors and potential partners in new markets, could be law firms, audit firms, management consultants, etc.

### 9.2 FURTHER ACCELERATION POSSIBLE

As a well-established SaaS company with a loyal customer base and recurring revenue, RISMA can relatively quickly adjust the cost base to become profitable, which naturally would be at the expense of growth. Consequently, RISMA is balancing the trade-off between short-term profitability and continued aggressive growth.

For RISMA, it is not the intention to become profitable in the short term as the planned internationalization strategy inevitably will have a negative impact on cash flow. Looking at Scandinavia in isolation, the expansion in Norway and entry into Sweden will have a negative impact on cash flow and EBITDA in 2021 and 2022, while the Scandinavian markets in isolation are expected to be profitable in 2023.

To maintain strong growth, RISMA expects to raise additional capital within 12 to 18 months following the Offering with the intention to finance market entry in additional new markets such as (but not limited to) Germany and the UK. RISMA intends to gradually grow into new markets as GRC maturity increases across Europe and the rest of the world. However, no other markets than Denmark, Norway, and Sweden have been included in the forecast provided above.

#### RISMA's financial expectations (2021-2023)

DKK <b>m</b>	2021B	2022B	2023B
<b>Revenue</b>	14.4	25.9	44.5
<b>ARR<sup>1)</sup></b>	14.6	26.6	44.2
<b>EBITDA<sup>2)</sup></b>	-15.3	-12.5	3.0

1) ARR end of year  
2) Excluding IPO related costs

### 9.3 STRATEGIC FOCUS ON EUROPE

RISMA can grow in two ways.

- ▲ With content owned and maintained by RISMA
- ▲ With content owned and maintained by partners

The legislation in many European countries is to some extent based on EU directives. For the RISMA owned and maintained solution, RISMA expects to focus on expanding into additional European countries within the foreseeable future.

There is a huge growth potential in Europe, and RISMA prefers to focus resources on one market at a time and hereby achieve a higher market share in the respective markets. In the short term, growth outside Europe is more likely to take place with solutions owned and maintained by partners which can potentially be through white label partner solutions.

RISMA expects that customers in countries that are in the forefront when it comes to spend on GRC are more likely to move into platforms within a few years. Scandinavia, and in particular, Denmark, are more mature than most, if not the rest of the world. Thus, RISMA is not in a situation where it is required to conquer all markets within a few years as the current focus on Scandinavia represents the most attractive markets for now.

GRC solutions have relatively high customer stickiness, which means that when a customer has chosen a platform, they are very unlikely to abandon that platform easily. To some extent, this stickiness also applies to point solutions, but not to the same extent as for platforms. As a result, RISMA needs to be present in the respective markets as they gradually mature and customers are ready for GRC platform solutions.

RISMA is therefore focused on selecting the right markets for the international expansion. A prerequisite for international success will be to allocate resources to enter new markets and onboard new customers at the optimal point in time.

To summarize, the expectations for the future are best described as an international growth journey in the highly attractive and rapidly growing market for GRC software.

## 10. Corporate governance

### 10.1 BOARD OF DIRECTORS

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

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 Lyskær 8A, Herlev, Denmark.

#### Overview of Board of Directors and independency assessment

Name	Position	Board member since	Independency assessment	Ownership (%)	# of warrants
Lars Ankjer Jensen	Chairman	2014	Not independent <sup>1)</sup>	13.35%	0
Claus Henrik Christiansen	Board member	2020	Not Independent <sup>2)</sup>	30.88%	0
Lars Nybro Munksgaard	Board member	2014	Not Independent <sup>3)</sup>	19.75%	0
Thomas Nielsen	Board member	2016	Independent	1.70%	0

<sup>1)</sup> Lars Ankjer Jensen is a major shareholder in the Company through Ankjer Holding ApS, of which he owns 100%.

<sup>2)</sup> Claus Henrik Christiansen is a major shareholder in the Company through his 50% ownership of NB Herlev Holding ApS. Claus' wife Bente Juel Christiansen owns the other 50% of NB Herlev Holding ApS.

<sup>3)</sup> Lars Nybro Munksgaard is CEO of the Company and a major shareholder through LNM Holding ApS, of which he owns 100%.

## Description of the Board of Directors



**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 from 1995-1997 as an auditor. In 1997, he became CFO in C.W.Obel Industrial Services A/S and was part of a successful reconstruction of the group's entities. From 1999-2001, he was CFO in the IT company, Dansk Systempartner A/S, where he was responsible for 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. Lars joined RISMA Systems in 2014 and was the first investor where he has worked closely with the founder and CEO, Lars Munksgaard.

**Other key positions:** CEO and owner Visionhouse.dk and Visionhouse Væksthus.

**Educational background:** Cand.merc.aud. from Copenhagen Business School



**CLAUS HENRIK CHRISTIANSEN**  
*Board Member*

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

**Description:** Claus Christiansen received his medical degree in 1976 and from 1978 to 1998 he held the position as Chairman and Head of the Department of 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.

**Educational background:** Medical Doctor, DMSc. Degree in Clinical Chemistry, 1976

## Description of the Board of Directors



**LARS NYBRO  
MUNKSGAARD**

*Chief Executive Officer,  
Founder & Board member*

**Current position:** CEO and member of the Board at RISMA Systems A/S since 2014

**Description:** Prior to founding RISMA in 2014, Lars has a background from Deloitte, A.P. Moller-Maersk, and Saxo Bank, and 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 in his creation and continued development and leadership of RISMA.

**Other key positions:** Owner of LNM Holding ApS

**Educational background:** Cand.merc.aud. from Copenhagen Business School



**THOMAS NIELSEN**  
*Board member*

**Profession:** Chief Financial Officer (CFO) at Nordic Bioscience A/S

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

**Other key positions:** Owner and Director of 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.

**Educational background:** BA (HD) in Audit and Accounting 1998 and MSc. in Economics and Business Administration 2001 from Copenhagen Business School.



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## Description of the Executive Management



**LARS NYBRO  
MUNKSGAARD**

*Chief Executive Officer,  
Founder & Board Member*

**Current position:** CEO and member of the Board at RISMA Systems A/S since 2014

**Description:** Prior to founding RISMA in 2014, Lars has a background from Deloitte, A.P. Moller-Maersk, and Saxo Bank, and 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 in his creation and continued development and leadership of RISMA.

**Other key positions:** Owner of LNM Holding ApS

**Educational background:** Cand.merc.aud. from Copenhagen Business School

## Description of the Management Team



**THOMAS HERMANN**

*Chief Financial Officer*

**Current position:** CFO at RISMA Systems A/S since 2020

**Description:** 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 as part of the ERP system. Thomas started his career in one of the “Big Four” accounting firms.

**Educational background:** Bachelor of Science in Economics and Business Administration (BSc EBA) from Copenhagen Business School



**KASPER HOLTEN HÜLSEN**

*Chief Sales Officer*

**Current position:** CSO at RISMA Systems A/S since 2020

**Description:** 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 at Hypefactors and Nordic Legal Tech Hub

**Educational background:** HD in business administration from CBS and a Masters in cross media communications (one exam pending) from University of Copenhagen

## Description of the Management Team



**GITTE BARSØE PEDERSEN**  
*Chief Customer Success  
Officer*

**Current position:** CCSO at RISMA Systems A/S since 2017

**Description:** 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.

**Educational background:** Master of communication from University of Roskilde



**NICOLAI ASCANIUS**  
*Chief Information Officer*

**Current position:** CIO at RISMA Systems A/S since 2016

**Description:** 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.

**Educational background:** Master of Science in Electronics from DTU and HD 1 from Copenhagen Business School

## RISMA's Board of Directors and Executive Management Team



## 10.2 MANAGEMENT TEAM

### 10.2.1 Executive Management Team

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.

### 10.2.2 The Management Team

In addition to RISMA's Executive Management, the Management Team consists of four members;

- ▲ Thomas Hermann (Chief Financial Officer)
- ▲ Kasper Holten Hülsen (Chief Sales Officer)
- ▲ Gitte Barsøe Pedersen (Chief Customer Success Officer)
- ▲ Nicolai Ascanius (Chief Information Officer)

In addition to the members of the Management Team mentioned above, RISMA has recruited a new Chief Commercial Officer to join RISMA's Management Team from September 2021.

The new CCO has extensive experience with and knowledge of GRC and GRC software solutions from long-time senior management positions in leading international consulting firms.

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 and the individual performance and development of their respective employees.

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.

## 10.3 BOARD PRACTICES AND GOVERNANCE

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

The Board of Directors of RISMA is ultimately responsible for the Company and supervision of the Executive Management. Board Members are elected at the Annual General Meeting and are elected for a one-year period at a time. The Chairman is appointed by the elected board. 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 bookkeeping and administration of assets is done in a satisfactory manner. Further, the Board of Directors is responsible for ensuring that the financial position is always appropriate in relation to the operation of RISMA.

### 10.3.1 Statement on past records

In the past five years, none of the members of the Board of Directors and the Executive and Management Team have been;

- convicted of fraudulent offences
- been involved in any official public incrimination and/or sanction, or
- been disqualified by the courts from acting as a member of the administrative, managerial or supervisory body of a company

In addition, none of the members of the Board of Directors and the Executive Management team have served as officer in a company that has entered into bankruptcy, receivership or liquidation – except for the specific situations provided in the following:

#### Claus Henrik Christiansen

- I. Director in Synarc Holding ApS from April 4, 2013 to June 27, 2016. The company was later liquidated in a solvent liquidation.
- II. Chairman of the Board in Nordic Bioscience Laboratory A/S from June 1, 2013 to January 31, 2017. The company was later liquidated in a solvent liquidation.
- III. Chairman of the board in Nordic Bioscience Clinical Development VII A/S under voluntary liquidation. Acted as chairman of the board from October 18, 2010 to November 24, 2016.

The company was later liquidated in a solvent liquidation.

#### Thomas Nielsen

- I. Liquidator in Synarc Blue Holding ApS. Acted as liquidator for the company under a solvent liquidation from June 27, 2016 to January 12, 2017.
- II. Director and board member, and later liquidator in Nordic Bioscience Laboratory A/S. Acted as liquidator for the company under a solvent liquidation from January 31, 2017 to May 4, 2020. Before that, director and board member from June 1, 2013 to January 31, 2017.
- III. Director and board member, and later liquidator in Nordic Bioscience Clinical Development VII A/S under voluntary liquidation. Acted as liquidator for the company under a solvent liquidation from September 26, 2019 until present. Before that, board member from October 18, 2010 to September 26, 2019.

### 10.3.2 Other positions for the Board of Directors

An overview of other current and previous positions (within the last five years) held by RISMA's Board members has been provided in the following:

#### Lars Ankjer Jensen

##### **Current management positions:**

- Visionhouse – Ejby Industrivej 34-38, Glostrup ApS (since 01-01-2021)
- Visionhouse - Account & Facility ApS (since 07-01-2020)
- Visionhouse - Gammelgårdsvej 93, Farum ApS (since 18-09-2019)
- Visionhouse - Toftebakken 3-13, Birkerød ApS (since 11-03-2019)
- Visionhouse - Lyskær 15, Herlev ApS (since 14-09-2018)
- Visionhouse - Fabriksparken 1, Glostrup ApS (since 21-03-2018)
- Visionhouse - Industriholmen 17-19, Hvidovre ApS (since 16-06-2017)
- Visionhouse - Erhvervsvej 4, Glostrup ApS (since 04-01-2017)
- Visionhouse - Rugvænget 21, Taastrup ApS (since 21-12-2015)

- Visionhouse - Ejby Industrivej 2, Glostrup ApS (since 07-07-2015)
- Visionhouse - Lyskær 8, Herlev ApS (since 07-10-2014)
- Visionhouse - Industriegrenen 21-23, Ishøj ApS (since 01-07-2013)
- Visionhouse - Rugvænget 19, Taastrup ApS (since 14-11-2012)
- Visionhouse - Sct. Jacobsvej 1, Ballerup ApS (since 27-06-2012)
- Visionhouse - Sct. Jacobsvej 12 ApS (since 10-05-2011)
- Visionhouse - Islevdalvej 214-220, Rødovre ApS (since 25-03-2010)
- Ejendomsselskabet Lundvej ApS (since 15-12-2009)
- Ankjer Invest ApS (since 30-08-2007)
- ANKJER HOLDING ApS (since 04-07-2001)

#### **Management positions in the past five years:**

- SMV PARTNER IV ApS (from 07-03-2006 to 18-01-2017)
- Al Mahra Holding ApS (from 24-01-2010 to 26-04-2016)
- Mørch Ejendomme ApS (from 27-01-2010 to 16-06-2015)

#### **Current Board seats:**

- RISMA Systems A/S (since 27-01-2014)

#### **Board seats in the past five years:**

- A-Solutions A/S (from 26-01-2010 to 18-04-2016 and 19-04-2016 to 28-05-2020)

#### **Claus Henrik Christiansen**

##### **Current management positions:**

- Den Danske Forskningsfond (since 15-12-1999)

##### **Management positions in the past five years:**

- Synarc Blue Holding ApS (from 04-04-2013 to 27-06-2016)
- Osteopress ApS (from 03-04-1987 to 12-05-2016)

##### **Current Board seats:**

- RISMA Systems A/S (since 10-06-2020)

- Nordic Bioscience Holding A/S (chairman since 05-11-2008)
- Nordic Bioscience A/S (since 13-08-2007)
- Den Danske Forskningsfond (since 18-08-1992)

##### **Board seats in the past five years:**

- Sanos Group A/S (chairman from 03-06-2020 to 10-12-2020)
- Sanos A/S (chairman from 16-11-2017 to 10-12-2020)
- NBCD A/S (chairman from 07-05-2007 to 10-12-2020)
- ProScion ApS (from 13-12-2017 to 14-10-2020; chairman from 25-05-2016 to 12-12-2017)
- Nordic Bioscience Clinical Development VII A/S (from 18-10-2010 to 26-09-2019)
- UNEEG Medical A/S (from 25-10-2005 to 10-08-2017)
- Nordic Bioscience Laboratory A/S (from 01-06-2013 to 31-01-2017)
- Osteopress ApS (from 05-05-1993 to 12-05-2016)
- Biomediq (from 16-03-2015 to 25-04-2016)

#### **Thomas Nielsen**

##### **Current management positions:**

- Symic OA ApS (since 08-10-2019)
- ProScion ApS (since 13-12-2017)
- Nielsen Ejendomsinvest ApS (since 20-12-2016)
- NB Herlev Holding ApS (since 20-09-2015)
- Rheoscience ApS (since 31-05-2013)
- Nordic Life Science Consulting ApS (since 26-03-2007)

##### **Management positions in the past five years:**

- Nordic Bioscience Laboratory A/S (from 01-06-2013 to 31-01-2017)
- ProScion ApS (from 25-05-2016 to 30-09-2016)

##### **Current Board seats:**

- RISMA Systems A/S (since 01-03-2016)

- Descom A/S (chairman since 20-11-2013)
- Nordic Bioscience A/S (since 13-08-2007)

#### **Board seats in the past five years:**

- Sanos Group A/S (from 10-06-2020 to 10-12-2020)
- Sanos A/S (from 16-11-2017 to 10-12-2020)
- NBCD A/S (from 03-12-2010 to 10-12-2020)
- Nordic Bioscience Clinical Development VII A/S (since 18-10-2010 to 26-09-2019)
- Biomediq A/S (since 16-03-2015 to 25-04-2016)

#### **Lars Nybro Munksgaard**

#### **Current management positions:**

- RISMA Systems A/S (since 22-03-2010)
- LNM Holding ApS (since 11-02-2010)

#### **Current Board seats:**

- RISMA Systems A/S (since 22-03-2010)

### 10.3.3 Warrants

In order to attract, motivate and retain qualified personnel and management, the Company has established a long-term incentive programme in the form of a warrant programme. As at the date of this Company Description, a total of 872,890 warrants have been issued by the Company.

The terms of the warrant programme are set out in Exhibit 7.1 to the Company's articles of association.

Each outstanding warrant entitles the holder to subscribe for one share in the Company with a nominal value of DKK 0.10 per share. The total nominal value of the outstanding warrants equal DKK 87,289. The following table shows the number of outstanding warrants allocated to the Executive Management and the Management Team:

<b>Name</b>	<b># of warrants</b>
Nicolaj Ascanius	164,010
Thomas Hermann	74,360
Kasper Holton Hülsen	80,240
Gitte Barsøe Pedersen	98,320
<b>Total</b>	<b>416,930</b>

The remainder of the warrants are allocated among all employees of the Company in order to establish and promote a culture of long-term value creation in the Company.

The outstanding warrants may be exercised at an exercise price of DKK 9.5 per warrant equal to the Offer Price and will vest over a period of three years from the time of grant. Furthermore, the Board of Directors is authorized to resolve on the issuance of additional warrants and corresponding capital increases up to a nominal value of DKK 58,406, on one or more occasions, in the period until February 24, 2026 pursuant to and in accordance with the terms set out in the authorization adopted by the general meeting and set out in article 7.2 of the Company's articles of association.

### 10.3.4 Remuneration and bonus for the CEO

In 2021, the CEO receives an annual base salary of DKK 1,620,000. In addition, the CEO is eligible to receive an on-target cash bonus of DKK 400,000, if the annual budgeted ARR is realized or up to 10% higher than the budget. The Board of Directors considers an annual salary of DKK 2,020,000 for on-budget results in line with customary market standards.

The cash bonus for the CEO may be increased in case of extraordinary results. Accordingly, in above-target situations the cash bonus may be increased to a total of DKK 600,000, if the realized ARR is more than 10% higher than the budgeted ARR. Further, the cash bonus may be increased to a total of DKK 800,000, if the realized ARR is more than 20% higher than the budgeted ARR. The cash bonus is capped at DKK 800,000. The on and above-target cash bonus amounts may be subject to annual adjustments by the Board of Directors.

### 10.3.5 Remuneration for the Board of Directors

In 2021, all board members receive a fixed annual fixed fee of DKK 75,000 and the Chairman of the Board receives a fixed annual fee of DKK 150,000.

### 10.3.6 Financial Calendar

Half-year report – H1 2021	Aug 30, 2021
Quarterly report – Q3 2021	Nov 19, 2021
Annual report – 2021	Mar 25, 2022
Annual General Meeting 2022	Apr 22, 2022



# 11. Current share capital and ownership structure

## 11.1 SHARE CAPITAL INFORMATION

As of the date of this Company Description, the Company has 13,861,130 Existing Shares with each share having a value of nominally DKK 0.1 amounting to a total share capital of DKK 1,386,113. Following the completion of the Offering, the share capital will increase to DKK 1,807,165.6.

Prior to the Offering four Major Shareholders together own approximately 74.18% of the Existing Shares in the Company. The rest is distributed between minority shareholders, who are shareholders with less than 5% ownership consisting of member of the board, members of the management team, and private investors.

### 11.1.1 Own shares

As of the date of this Company Description, 14,000 shares of nominal DKK 0.1 amounting to a total nominal value of DKK 1,400 are owned by the Company.

Pursuant to section 85 of the Danish Companies Act, the Company may not exercise the voting rights on own shares held in treasury. Furthermore, such shares are excluded where the validity of any resolution or the exercise of any power is subject to the consent of all shareholders or to a certain majority of votes of either the shares represented at the general meeting or the entire share capital of the limited liability company.

The Board of Directors is authorized in period until February 24, 2026 to approve the acquisition of treasury shares, on one or more occasions, with a total nominal value of up to 10% of the share capital of the Company from time to time after completion of the Offering, subject to the Company's holding of treasury shares after such acquisition not exceeding 10% of the Company's share capital.

The consideration may not deviate more than 10% from the share price quoted on Nasdaq First North Growth Market at the time of acquisition.

### 11.1.2 Share class and voting rights

The Company has one share class and all Shares carries equal rights in the Company, including with respect to dividend. The Offer Shares are issued with a nominal value of DKK 0.1 per Share. Each Share gives the shareholder one vote at the Company's annual general meeting.

### 11.1.3 Authorizations to capital increases

According to section 6 in the Company's articles of association the Board of Directors is authorized to increase the share capital on one or more occasions.

In the period until February 24, 2026, the Board of Directors is authorized to increase the Company's share capital in one or more issues without pre-emption rights for the company's existing shareholders by up to a nominal amount of DKK 635,000. The capital increase shall take place at market price and shall be affected by cash payment, by contribution in kind or by debt conversion.

In addition, the Board of Directors is authorized, in the period until February 24, 2026, to increase the Company's share capital in one or more issues with pre-emption rights for the company's existing shareholders by up to a nominal amount of DKK 1,271,000. The capital increase may take place at a subscription price set by the board of directors which may be below the market price.

Further, the Offering will be carried out pursuant to an authorization to increase the Company's share capital under section 6.1 of the Company's articles of association.

## Ownership structure – RISMA Systems A/S

Shareholder	Ownership before the Offering		Ownership after the Offering	
	# of shares	Percent	# of shares	Percent
NB Herlev Holding ApS <sup>1)</sup>	4,280,660	30.88%	5,017,502	27.76%
LNM Holding ApS <sup>2)</sup>	2,737,760	19.75%	2,790,391	15.44%
Ankjer Holding ApS <sup>3)</sup>	1,850,010	13.35%	2,165,799	11.98%
AKPK A/S	1,414,260	10.20%	1,414,260	7.83%
<b>Total (Major Shareholders)</b>	<b>10,282,690</b>	<b>74.18%</b>	<b>11,387,952</b>	<b>63.02%</b>
Others <sup>4)</sup>	3,564,440	25.72%	3,599,175	19.92%
RISMA Systems A/S <sup>5)</sup>	14,000	0.10%	14,000	0.08%
<b>Total (Existing Shareholders)</b>	<b>13,861,130</b>	<b>100.00%</b>	<b>15,001,127</b>	<b>83.01%</b>
New shareholders	0	0.00%	3,070,529	16.99%
<b>Total</b>	<b>13,861,130</b>	<b>100.00%</b>	<b>18,071,656</b>	<b>100.00%</b>

1) Claus Henrik Christiansen, member of the Board, owns 50% of NB Herlev Holding ApS. The other 50% is owned by his wife Bente Juel Christiansen.

2) Lars Nybro Munksgaard, member of the Board and CEO of the Company, owns 100% of LNM Holding ApS.

3) Lars Ankjer Jensen, chairman of the Board, owns 100% of Ankjer Holding ApS.

4) Others include shareholders with less than 5% ownership consisting of member of the board, members of the management team, and private investors.

5) These shares are owned by the Company but hold no voting rights (cf. section 11.1.1 for details)

## Development in share capital from 2019-2021 – RISMA Systems A/S

Date	Company	Event	Investor	Nominal value per share	Nominal change (DKK)	Share price (DKK)	Nominal post change (DKK)	# of shares	Value of capital increase (DKK)
Jan 14, 2019	RISMA Systems A/S	Capital increase <sup>1)</sup>	See below	1.0	1,000	60	1,339,613	1,339,613	60,000
Jan 14, 2019	RISMA Systems A/S	Capital increase <sup>2)</sup>	See below	1.0	6,000	35	1,345,613	1,345,613	210,000
June 10, 2020	RISMA Systems A/S	Capital increase <sup>3)</sup>	See below	1.0	30,000	82	1,375,613	1,375,613	2,460,000
Dec 16, 2020	RISMA Systems A/S	Capital increase <sup>4)</sup>	See below	1.0	4,000	30	1,379,613	1,379,613	120,000
Feb 23, 2021	RISMA Systems A/S	Capital increase <sup>5)</sup>	See below	1.0	4,000	50	1,383,613	1,383,613	200,000
Feb 23, 2021	RISMA Systems A/S	Capital increase <sup>5)</sup>	See below	1.0	2,500	60	1,386,113	1,386,113	150,000
Feb 24, 2021	RISMA Systems A/S	Share split <sup>6)</sup>	See below	0.1	-	N/A	1,386,113	13,861,130	-

1) Subscribed by exercise of warrants by Michael Als who is employed by the Company

2) Subscribed by exercise of warrants by KOTI Holding IVS, which is owned by Steen Rath, who is employed by the Company

3) Including a subscription of new shares by the Major Shareholders of 9,594 shares by NB Herlev Holding ApS (ultimately owned by Board Member, Claus Henrik Christiansen), 7,564 shares by AKPK A/S, 6,676 shares by Ankjer Holding ApS (ultimately owned by Chairman of the Board, Lars Ankjer Jensen), and 2,439 shares by LNM Holding ApS (ultimately owned by CEO and Board Member, Lars Nybro Munksgaard). The reason behind this capital increase was to ensure sufficient liquidity in the Company until the planned IPO or alternatively until the Company could become cash flow positive.

4) Subscribed by exercise of warrants by Stine Hansen who is employed by the Company

5) Subscribed by exercise of warrants by Nicolai Ascanius who is employed by the Company

6) Proportional share split of 1:10

## 12. Selected financial information

The financial performance of the RISMA Group for the financial years of 2019 and 2020 is presented below. This information is based on an extract from the Company's audited annual reports. RISMA's annual report for 2020 has been audited by EY.

The annual report of RISMA Systems A/S for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act for enterprises in reporting class B and elective choice of certain provisions applying to report class C entities. RISMA's annual report for 2020 is available on the Company's website [www.rismasystems.com/investors](http://www.rismasystems.com/investors). Please refer to the annual report for 2020 for information regarding accounting policies.

### Consolidated Profit and Loss statement for RISMA Systems A/S (Group)

<b>DKKk</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>	<b>13,007</b>	<b>11,622</b>
Cost of sales	-3,604	-4,227
Other external expenses	-3,977	-2,808
<b>Gross profit</b>	<b>5,426</b>	<b>4,587</b>
Staff cost	-10,386	-10,576
Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-2,347	-2,017
<b>Profit/loss before net financials</b>	<b>-7,307</b>	<b>-8,006</b>
Income from investments in group enterprises	0	0
Financial income	1	0
Financial expenses	-206	-91
<b>Profit/loss before tax</b>	<b>-7,512</b>	<b>-8,097</b>
Tax for the year	457	537
<b>Profit/loss for the year</b>	<b>-7,055</b>	<b>-7,560</b>

## Consolidated balance sheet for RISMA Systems A/S (Group)

DKKk	2020	2019
<b>ASSETS</b>		
Completed development projects	6,426	6,580
Acquired intangible assets	71	0
<b>Intangible assets</b>	<b>6,497</b>	<b>6,580</b>
Fixtures and fittings, other plant and equipment	119	153
<b>Property, plant and equipment</b>	<b>119</b>	<b>153</b>
Deposits, investments	15	15
<b>Investments</b>	<b>15</b>	<b>15</b>
<b>Total fixed assets</b>	<b>6,631</b>	<b>6,748</b>
Trade receivables	1,950	2,595
Corporation tax receivable	457	537
Prepayments	1,495	1,533
<b>Receivables</b>	<b>3,902</b>	<b>4,665</b>
<b>Cash</b>	<b>3,373</b>	<b>4,094</b>
<b>Total non-fixed assets</b>	<b>7,275</b>	<b>8,759</b>
<b>Total assets</b>	<b>13,906</b>	<b>15,507</b>

**Consolidated balance sheet for RISMA Systems A/S (Group)**

<b>DKKk</b>	<b>2020</b>	<b>2019</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	1,380	1,346
Foreign currency translation reserve	152	-13
Retained earnings	40	4,549
<b>Total equity</b>	<b>1,572</b>	<b>5,882</b>
Other payables	901	294
<b>Non-current liabilities other than provisions</b>	<b>901</b>	<b>294</b>
Trade payables	1,897	1,087
Other payables	2,165	1,621
Deferred income	7,371	6,623
<b>Current liabilities other than provisions</b>	<b>11,433</b>	<b>9,331</b>
<b>Total liabilities other than provisions</b>	<b>12,334</b>	<b>9,625</b>
<b>Equity and liabilities</b>	<b>13,906</b>	<b>15,507</b>

## Consolidated cash flow statement for RISMA Systems A/S (Group)

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



## 13. Comments on selected financial information

The following section describes the development in the major financial items between FY2019 and FY2020 in order to provide an overview of the Company's financial position and general financial trend.

Please note that only selected financial items have been commented in this section. For a full overview of RISMA's financial statements, please see section 12 of this Company Description. For details on capitalization and indebtedness please see section 14.

### 13.1 REVENUE & EBITDA

#### RISMA EBITDA 2019-2020 (DKKm)

DKKm	2020A	2019A
Revenue	13.0	11.6
Cost of sales	-3.6	-4.2
Other external expenses*	-4.0	-2.8
Staff costs	-10.4	-10.6
IPO cost	1.4	0.0
<b>EBITDA**</b>	<b>-3.6</b>	<b>-6.0</b>

\*) Other external expenses of DKK -4.0m includes IPO-related costs of DKK -1.4m

\*\*) EBITDA does not include IPO costs of DKK 1.4m as fundraising is considered a one-off cost

#### 13.1.1 Revenue & EBITDA

Revenue in RISMA increased from DKK 11.6m in 2019 to DKK 13.01m in 2020, which corresponds to a 12% growth rate. RISMA also improved EBITDA by DKK 2.4m (excl. IPO-related costs), which was primarily derived from the increase in revenue and a reduced cost of sales.

### 13.2 PROFIT AND LOSS STATEMENT

#### 13.2.1 Gross Profit

Gross profit increased by 18%, which was primarily driven by the described increase in revenue and secondly by a lower cost of sales. The reduction in sales costs is a result of the fact that most activities were moved online, and cost of travel and representation was thus reduced.

FY2020 includes IPO-related costs of DKK 1.4m.

#### 13.2.2 Staff costs

Staff costs decreased from DKK 10.58m to DKK 10.39m, corresponding to a decrease of 2%. In 2020, RISMA has made changes to the staff to support the internationalization strategy but has awaited the COVID-19 situation and will instead in 2021 invest in staff to support the internationalization.

#### 13.2.3 Amortization/depreciation

The item mainly comprises amortization of development software projects.

#### 13.2.4 Profit/Loss

The profit/loss increased from DKK -7.56m in 2019 to DKK -7.06m in 2020. The profit/loss for 2020 includes IPO-related costs of DKK 1.4m.

### 13.3 BALANCE SHEET - ASSETS

#### 13.3.1 Assets

Intangible assets constituted DKK 6.50m in 2020 and DKK 6.58m in 2019 and contains software development projects. All projects are still in use.

#### 13.3.2 Receivables

Receivables decreased from DKK 4.67m to DKK 3.90m in 2020. The decrease is primarily driven by a decrease in trade receivables.

#### 13.3.3 Cash

The cash position was reduced from DKK 4.09m in 2019 to DKK 3.37m in 2020.

### 13.4 BALANCE SHEET - LIABILITIES

#### 13.4.1 Equity and liabilities

Equity decreased to DKK 1.57m in 2020 from DKK 5.88m in 2019. This change in equity was primarily due to a loss for the year of DKK 7.06m and a capital increase of DKK 2.58m.

#### 13.4.2 Current liabilities other than provisions

Current liabilities increased by DKK 2.10m, which was driven by an increase in trade payables of DKK 0.81m and an increase in deferred income of DKK 0.75m.

### 13.5 CASH FLOW STATEMENT

Cash and cash equivalents at December 31, 2020 had decreased by DKK 0.72m – from DKK 4.09m in 2019 to DKK 3.37m in 2020.

The two primary reasons that the cash end of year was only reduced by DKK 0.72m was due to a positive cash effect from changes in working capital of DKK 2.96m and a cash capital increase of DKK 2.58m during 2020.

### 13.6 AUDITORS NOTE

EY has audited the financial statements for RISMA Systems A/S for 2020 and has issued an unmodified auditor's report. Reference is made to the annual report for RISMA Systems A/S for 2020 available on [www.rismasystems.com/investors](http://www.rismasystems.com/investors).





## 14. Capitalization, indebtedness, and working capital

### 14.1 CAPITALIZATION (As of December 31, 2020)

As of December 31, 2020, total shareholders' equity in RISMA Systems A/S amounted to DKK 1.572m and interest-bearing debt amounted to DKK 0.9m.

### 14.2 NET INDEBTEDNESS (As of December 31, 2020)

As of December 31, 2020, the Company's cash and cash equivalents amounted to DKK 3.373m whereas the Company's debt amounted to DKK 0.9m. This corresponds to a net debt level of DKK -2.472m.

### 14.3 WORKING CAPITAL STATEMENT

It is the assessment of the Board of Directors and the Executive Management that RISMA with the proceeds from the Offering will have sufficient funds to support working capital to continue its activities for at least 12 months following the first day of trading.

<u>Shareholder's Equity and Liabilities</u>	<u>December 31, 2020</u>
<i>Equity</i>	<i>DKKk</i>
Share capital	1,380
Retained earnings	40
Foreign currency translation reserve	152
<b>Shareholder's Equity</b>	<b>1,572</b>
<i>Interest-bearing debt</i>	<i>DKK</i>
Interest-bearing debt	901
<b>Total interest-bearing debt</b>	<b>901</b>
<i>Cash</i>	<i>DKK</i>
Cash and cash equivalents	3,373
<b>Net interest-bearing debt</b>	<b>-2.472</b>



## 15. Legal considerations and supplementary information

### 15.1 GDPR

Compliance with the General Data Protection Regulation 2016/679 ("GDPR") is essential to the Company. To ensure compliance with GDPR and the data processing carried out by RISMA on behalf of its customers, guidelines and policies have been established. Appropriate safety measures have been established, including access restrictions, safe data storage and encryption of data.

RISMA uses a standard data processing agreement with all customers in accordance with the rules in GDPR

### 15.2 PATENTS, TRADEMARKS, AND OTHER IP

The Company has registered its operating name as a trademark with the EUIPO, WIPO and in Norway, and has ensured the protecting of certain aspects of its user interface through design right registration in the EU. In addition, the Company is in the process of registering its logo as a trademark in the EU.

The EU Trademark Office is still processing the RISMA logo and if the authority has no objections in connection with the application, the trademark will be published, and the objection period begins.

The objection period in the EU is three months, where third parties have the opportunity to file an objection against the trademark. If there are no receive objections during this three-month period, the trademark will be registered.

As a SaaS provider the Company relies on the copyright protection of its software, including source code, and the protection of its proprietary information such as trade secrets and know-how.

The Company has explored and continuously explores the possibility of patent protection for its novel software products.

The possibility of patent protection of software inventions varies between legal jurisdictions. As at the date of this Company Description, the Company does not hold any patents. It is therefore not expected to take between 6 and 8 months before the mark is finally registered.

### 15.3 REAL ESTATE

The Company does not own any real estate and leases its premises at Lyskær 8, DK-2730 Herlev. RISMA has three months notice on the premises at Lyskær 8, with a current rate of DKK 30,951 per month, resulting in obligations of DKK 92,853. The property is owned by Ankjer Holding ApS, which is owned by Chairman of the Board, Lars Ankjer Jensen.

### 15.4 MATERIAL CONTRACTS

Other than the contracts described below, and such contracts that have been entered into in the ordinary course of business, including contracts with customers, there are no contracts to which the Company or any member of the Company's group is a party which are material to the Company, and which have been entered into in the past year immediately preceding the date of this Company Description.

#### 15.4.1 Partnership with Plesner

The Company has entered into agreements with Plesner Advokatpartnerselskab ("Plesner") for the continuous development of certain modules to the RISMA Business Suite regarding data protection and outsourcing.

Plesner is acting as legal advisor for the Company in connection with the Offering. Pursuant to the agreements with Plesner, Plesner will assist with legal expertise and know-how in the development of the abovementioned modules.

Plesner is entitled to royalties on future sales of such modules. The Company retains the intellectual property rights associated with such modules.

The royalties payable to Plesner varies from module to module. Under the data protection module, Plesner is entitled to royalties of 17.5% of the sales of licenses in the small and medium-sized enterprise data protection module and 50% of the license sales of the general data protection module. Regarding the outsourcing module, Plesner is entitled to royalties of 40% of the total sale of licenses of the outsourcing module.

The Company and Plesner may terminate each of the agreements with a notice of 24 months, save for situations in which a party is in material breach of the contract. In case of termination, the royalties payable to Plesner will be subject to gradual reduction over a five-year period.

#### 15.4.2 Partnership with BDO

The Company has entered into an agreement with BDO Statsautoriseret Revisionsaktieselskab ("BDO"). Under the terms of the agreement, BDO will assist the Company in the development of an IT-security module, in the form of the RISMAisms system, and be entitled to commission on the basis of the sale of licenses to the RISMAisms module. In addition, BDO may receive commission from referrals leading to sale of licenses to other modules offered by the Company. Pursuant to the terms of the agreement, the Company retains the intellectual property rights associated with the RISMAisms module.

The level of commission payable to BDO on the RISMAisms module ranges from 20-40%, depending on whether the sale of the license were initiated by BDO or the Company. In addition, BDO may be entitled to commission in the range of 20-40% for referrals leading to sale of licenses to other modules, which BDO does not assist in the development of.

The Company and BDO may terminate each of the agreements with a notice of 12 months, save for situations in which a party is in material breach of the contract.

### 15.5 TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

The Company's related parties include the Company's Board of Directors, the Executive Management, and affiliates to the said persons, and the Company's Major Shareholders.

Related parties also include companies in which these persons and shareholders have significant influence. For 2019 and 2020, no transactions between the Company and related parties exists, except in respect of remuneration and as stated in the following:

#### 15.5.1 Visionhouse – Lyskær 8 Herlev ApS

The Company leases its premises at Lyskær 8 in Herlev, Denmark, from Visionhouse – Lyskær 8 Herlev ApS, a company wholly owned by the chairman of the Board of Directors, Lars Ankjer Jensen. The Company considers the terms of the lease agreement customary in all material respects. In 2019, the total amount payable to Visionhouse – Lyskær 8 Herlev ApS was approximately DKK 450,000 and in 2020 approximately DKK 520,000.

#### 15.5.2 Visionhouse – Account & Facility ApS

The Company retains the bookkeeping services of Visionhouse – Account & Facility ApS, a company wholly owned by the chairman of the Board of Directors, Lars Ankjer. The Company considers the terms of the agreement customary in all material respects. In 2020, the total amount payable to Visionhouse – Account & Facility ApS was approximately DKK 78,000. The Company did not retain the services of Visionhouse – Account & Facility ApS in 2019.

#### 15.5.3 ABM-Revision Registreret Revisionsvirksomhed v/ Birgit Munksgaard

The Company previously retained the services of the accounting firm, ABM-revision Registreret Revisionsvirksomhed v/Birgit Munksgaard, a person closely associated to CEO, Lars Munksgaard. As at the date of this Company Description, the Company no longer retains the services of ABM-revision. In 2019, the total amount payable to ABM-revision was approximately DKK 100,000 and in 2020 approximately DKK 115,000.

### 15.6 LEGAL AND ARBITRATION PROCEEDINGS

The Company has not been and currently is not involved in any legal or arbitration proceedings, which can significantly affect the Company's position, including any such proceedings which are pending or threatening of which the Company is aware.



## 16. Information concerning the Offer Shares

### 16.1 TYPE AND CLASS OF THE SHARES

The Company has one class of Shares.

An application has been submitted for the Offer Shares together with the Existing Shares to be admitted to trading on Nasdaq First North Growth Market Denmark under the ISIN code DK0061534377.

The Offer Shares will be delivered electronically against payment under the temporary ISIN DK0061534294. The temporary ISIN will not be applied for trading on Nasdaq First North Growth Market Denmark but will only be registered in VP Securities for the purpose of subscribing for New Shares. The temporary ISIN code will be replaced by the permanent ISIN code DK0061534377.

### 16.2 GOVERNING LAW AND JURISDICTION

The Existing Shares are issued, and the Offer Shares will be issued under Danish law. This Company Description has been prepared in compliance with the rules issued by Nasdaq First North Growth Market.

Any disputes that may arise as a result of the Offering is subject to the exclusive jurisdiction of the Danish courts.

### 16.3 REGISTRATION OF SHARES

The Offer Shares will be issued in dematerialized form and registered in book-entry form electronically with VP Securities, Weidekampsgade 14, DK-2300 Copenhagen S, Denmark. All Shares are registered on account with account-holding banks in VP Securities. Investors that are not residents of Denmark may use a Danish bank directly or their own banks Danish correspondent bank as their account-holding bank.

All Shares are registered in the name of the holder in the Company's register of shareholders. The Company's register of shareholders is kept by VP Securities.

### 16.4 CURRENCY

The Shares are denominated in DKK (Danish Kroner).

### 16.5 RIGHTS ATTACHED TO THE SHARES

#### 16.5.1 Dividend rights

Each Share entitles its holder to receive distributed dividends in proportion to their entitlement in the Company.

The Offer Shares will have the same rights and rank *pari passu* with the Existing Shares, including in respect of eligibility to receive dividends and participate in share buybacks. Upon the issuance and registration of the Offer Shares to be issued by the Company pursuant to the Offering with the Danish Business Authority, the Offer Shares will be entitled to receive dividends to the extent any dividends are declared and payable with respect to the Offer Shares.

The Company's dividends, if declared, will be paid in Danish Kroner to the shareholder's account set up through VP Securities. No restrictions on dividends or special procedure apply to holders of Shares who are not residents of Denmark.

The Company's dividend policy is described in section 4.5.6. Dividends not claimed by shareholders will be forfeited in favor of the Company, normally after three years, under the general rules of Danish law on statute of limitations.

#### 16.5.2 Voting rights

The Offer Shares are issued with a nominal value of DKK 0.1 or multiples thereof. Each Share entitles the holder the right to one vote at General Meetings. No Major Shareholders have different voting rights.

### 16.5.3 Pre-emption rights

If the shareholders of the Company at a General Meeting resolve to increase the share capital of the Company by cash contribution, section 162 of the Danish Companies Act will apply. Under that section, shareholders have a pre-emptive right to subscribe for new shares in proportion to their existing shareholdings. However, the pre-emptive right may be derogated from by a majority comprising at least two-third of the votes cast, as well as at least two-thirds of the share capital represented at the general meeting, provided the share capital increase takes place at market price or nine-tenths of the votes cast, as well as at least nine-tenths of the share capital represented at the general meeting if the share capital increase takes place below market price, unless (i) such capital increase is directed at certain but not all shareholders (in which case all shareholders must consent); or (ii) such capital increase is directed at the Company's employees whereby a majority comprising at least two-thirds of the votes cast, as well as at least two-thirds of the share capital represented at the general meeting is required. Further, the pre-emptive rights may be derogated from by an exercise of the board of directors of a valid authorization in the articles of association of the Company.

### 16.5.4 Dissolution and liquidation

In the event of a dissolution and liquidation of the Company, the shareholders will be entitled to participate in the distribution of assets in proportion to their nominal shareholdings after payment of the Company's creditors.

### 16.5.5 Redemption and conversion provision

Except as provided for in the Danish Companies Act, no shareholders are under an obligation to have his or her Shares redeemed in part or in whole by the Company or any third party, and none of the Shares carry any redemption or conversion rights or any other special rights.

Pursuant to section 70 of the Danish Companies Act, shares the Company may be redeemed in whole or in part by a shareholder holding more than nine-tenths of the Shares and the corresponding voting rights of the Company.

Further, pursuant to section 73 of the Danish Companies Act, a minority shareholder may require that a majority shareholder holding more than nine-tenths of the Shares and the corresponding voting rights redeem the minority shareholder's Shares.

### 16.6 NEGOTIABILITY OF THE SHARES

The Shares are negotiable instruments and no restrictions apply to the transferability of the Shares under Danish law or the articles of association of the Company.

### 16.7 RESOLUTIONS, AUTHORIZATIONS AND APPROVALS OF THE OFFERING

The decision to apply for the Offer Shares to be traded on Nasdaq First North Growth Market Denmark and approval of this Company Description has been made by the Board of Directors at a board meeting held on March 2, 2021. First day of trading is expected to be March 23, 2021 under the condition that the distribution and free float requirements for the Company's shares are met by the first day of trading, at the latest. The Shares will be traded under the ticker "RISMA" and with the ISIN DK0061534377.

### 16.8 GENERAL MEETINGS

The general meeting is the highest authority regarding the affairs of the Company. The Company's general meeting shall be held at the Company's registered office or in Greater Copenhagen.

The Company's annual general meeting shall be held each year in due time for the audited and approved annual report to be received by the relevant authorities before the applicable statutory time limit.

Extraordinary general meeting shall be held when determined by the Board of Directors or requested by the Company's auditor. In addition, the Board of Directors shall convene an extraordinary general meeting with two weeks of receipt of a written request from shareholders representing no less than 5% of the share capital of the Company containing specific proposals for the business to be transacted at such extraordinary general meeting.

General meetings shall be convened by the Board of Directors with at least two weeks', and not more than four weeks', notice. The notice shall be published on the Company's website and by email to all shareholders recorded in the Company's share register having requested such notice.

No later than two weeks before the general meeting, the agenda and complete proposals, and, for the annual general meeting, the annual report, must be made available to the shareholders on the Company's website.

The general meetings shall be chaired by a chairman appointed by the Board of Directors.

The Company's general meetings will be held in English. The Board of Directors may decide to offer simultaneous interpretation into Danish. Documents prepared in connection with or following a general meeting shall be in English, and, to the extent required by law or if decided by the Board of Directors, in Danish.

The annual reports of the Company will be prepared in English, and, if decided by the Board of Directors, in Danish.

Every shareholder is entitled to have specific business transacted at the annual general meeting, provided, however, that such shareholder shall submit a written request to that effect to the Board of Directors no later than six weeks prior to the date of the annual general meeting.

The right of a shareholder to attend a general meeting and to vote on such general meeting is determined by the Shares held by such shareholder at the record date. The record date is one week before the general meeting. The Shares held by each shareholder are determined at the record date based on the number of Shares held by such shareholder as recorded in the Company's share register as well as including any notification of ownership received by the Company for the purpose of registration in its share register, but which have not yet been registered.

At the general meetings, each Share of nominally DKK 0.1 carries one vote.

A shareholder who is entitled to attend the general meeting in accordance with the Company's Articles of Association and who wishes to attend the general meeting shall request an admission card no later than three days prior to the date of the general meeting. A shareholder may, subject to having requested an admission card in accordance with the Company's Articles of Association, attend in person or by written instrument of proxy, and the shareholder or the proxy may attend together with an adviser.

The right to vote may be exercised by a written and dated instrument of proxy in accordance with applicable laws. The Board of Directors may be appointed as proxy. A shareholder who is entitled to participate in the general meeting according to the Articles of Association may vote by postal vote in accordance with applicable laws. Such postal votes shall be received by the Company no later than the business day before the general meeting. Postal votes cannot be withdrawn.

Resolutions on the general meeting are decided upon by simple majority of votes, unless otherwise provided by applicable law or the Company's Articles of Association. Resolutions to amend the Articles of Association may only be passed if made with the accession of at least two thirds of the votes cast as well as at least two third of the share capital represented at the general meeting, save in situations where applicable laws stipulate stricter or less strict adoption requirements or applicable laws confer specific authority to the Board of Directors or other corporate bodies.

The provisions of the Company's Articles of Association, as at the date of this Company Description, does not stipulate requirements more stringent than those required under the Danish Companies Act. See 16.5.3 Pre-emption rights.



## 17. Terms and conditions of the Offering

### 17.1 EXPECTED TIMETABLE OF THE OFFERING

#### Timetable of the Offering

Date	Event
March 2, 2021 9:00 (CET)	The Offer Period begins
March 15, 2021 23:59 (CET)	The Offer Period ends
March 17, 2021 13:00 (CET)	Result of the Offering is announced
March 19, 2021	The Offering is complete, and the Offer Shares have been settled. Registration of the Shares with the Danish Business Authority and VP Securities has been finalized
March 23, 2021	The Shares have first day of trading on First North Growth Market under permanent ISIN conditional on final completion
March 24, 2021	Temporary ISIN and permanent ISIN are merged in VP Securities

The above timetable is subject to change. Any changes will be announced via Nasdaq First North Growth Market.

### 17.2 TERMS OF THE OFFERING

The Company is offering 4,210,526 Offer Shares, corresponding to a subscription amount of DKK 40.0m.

### 17.3 SUBSCRIPTION UNDERTAKINGS

The Company has received irrevocable subscription undertakings from 19 Pre-subscribers to subscribe for Offer Shares at the Offer Price for a total of DKK 20.07m in share value, corresponding to 50.2% of the Offering.

#### Pre-subscribers

Investors	# of	Subscription
	shares	amount (DKK)
NB Herlev Holding*	736,842	7,000,000
Ankjer Holding*	315,789	3,000,000
J. Hansen Ejendomme	210,526	2,000,000
Flemming Hansen	210,526	2,000,000
Carl Peter Møller	105,263	1,000,000
Niels Lynge	52,631	500,000
UBK Holding	52,631	500,000
Morten Andreasen	52,631	500,000
Nordic Life Science Consulting*	52,631	500,000
LNM Holding*	52,631	500,000
Jesper Stahl	42,105	400,000
Jens Holmskov	31,578	300,000
Jesper Ræbild	26,315	250,000
Lars Kyhl Nielsen	26,315	250,000
Magnus Cohn	15,789	150,000
Anne Mette Marx Juul**	10,526	100,000
Kasper Hülсен	9,473	90,000
Michael Als	3,157	30,000
Other	105,263	1,000,000

Total	2,112,622	20,070,000
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No. of Shares has been rounded down to nearest no. of Shares based on the subscription amount made by the investor

\*) Pre-subscribers NB Herlev Holding, Ankjer Holding, Nordic Life Science Consulting and LNM Holding are members of the Board of Directors and are not considered independent from the Company.

\*\*) Anne Mette Marx Juul is married to Chairman, Lars Ankjer, and is not considered independent from the Company.

With the exception of NB Herlev Holding, Ankjer Holding, Nordic Life Science Consulting, LNM Holding, and Anne Mette Marx Juul, the pre-subscribers in the list are independent of the Company and the Company's Certified Adviser.

#### 17.4 OFFER PERIOD

The Offer Period begins on March 2, 2021 at 9:00 CET and ends on March 15, 2021 at 23:59 CET. Early closure of the Offering will not be admitted.

#### 17.5 SUBMISSION OF APPLICATIONS TO SUBSCRIBE

Applications to subscribe for Offer Shares in the Offering should be made by submitting the application form enclosed in this Company Description to the investor's own account holding bank during the Offer Period. Applications are binding and cannot be altered or cancelled. Applications should be made for the number of Offer Shares or for an aggregate amount rounded to the nearest Danish Kroner amount. Only one application will be accepted from each account in VP Securities. For orders to be accepted, the application form must be submitted to the investor's own account holding bank in complete and executed form in due time to allow the investor's own account holding bank to process and forward the application to ensure that it is in the possession of Aktieselskabet Arbejdernes Landsbank no later than 23:59 Central European Time on March 15, 2021. Subscription applications of DKK 250,000 or above must include name and address of the subscriber.

Aktieselskabet Arbejdernes Landsbank will forward the subscription application to the Certified Adviser who together with the Company will make an individual allocation of the subscribed Offer Shares after the conclusion of the Offer Period on March 15, 2021.

##### 17.5.1 Subscription using Nordnet

Persons who are account customer at Nordnet AB may apply for the acquisition of shares through Nordnet's Online Service. Application with Nordnet can be made until March 15, 2021 at 23:59 CET. Please note that applications through Nordnet can be amended or withdrawn until the end of the Offer Period. In order not to lose the right to allotment, account customers at Nordnet are to have enough cash equivalents available at the account during the period

from 23:59 CET on March 15, 2021 until the settlement day which is estimated to be March 19, 2021. More information regarding the application process is available at [www.nordnet.dk](http://www.nordnet.dk).

Provided that the Offering is completed, the Offer Shares will be allocated to investors following the allocation plan described below. Customers who have applied for the acquisition of shares through Nordnet's Online Service will receive the decision on the allotment of shares by the delivery of the allotted shares to the account designated by the customer. Payment for the allotted shares will be charged simultaneously from the account designated by the customer. This is estimated to take place on March 19, 2021.

#### 17.6 ALLOCATION PLAN, REDUCTION OF PURCHASES, AND PRE-ALLOTMENT INFORMATION

##### 17.6.1 Sale and purchase by Major Shareholders, Board of Directors, and Executive Management

In the Offering, the following subscriptions have been made by Major Shareholders, Board of Directors, and Executive Management:

- Board Member, Claus Henrik Christiansen has subscribed for 736,842 shares through NB Herlev Holding.
- Board Member, Thomas Nielsen has subscribed for 52,631 shares through Nordic Life Science Consulting.
- Chairman of the Board, Lars Ankjer Jensen has subscribed for 315,789 shares through Ankjer Holding.
- CEO and Board member, Lars Nybro Munksgaard has subscribed for 52,631 shares through LNM Holding.

##### 17.6.2 Pre-allotment information

In the event that the total number of Offer Shares applied for in the Offering exceeds the number of Offer Shares, reduction will be made as follows:

- ▲ with respect to applications for amounts below DKK 250,000, reductions will be made mathematically; and
- ▲ with respect to applications for amounts of DKK 250,000 or above, individual allocations will be made.

Grant Thornton will allocate the Offer Shares after agreement upon such allocations with the Board of Directors.

- ▲ 2,112,622 Offer Shares will be allocated to the Pre-subscribers from which the Company has received irrevocable subscription undertakings for a total of DKK 20.07 million.

Following the expiration of the Offer Period, investors will normally receive a statement indicating the number of Offer Shares allocated, if any, and the equivalent value at the Offer Price, unless otherwise agreed between the investor and the relevant account holding bank.

Orders and indications of interest may not result in an allocation of Offer Shares.

If the total applications in the Offering exceed the number of Offer Shares, a reduction will be made. In such event, Grant Thornton reserves the right to require documentation to verify that each application relate to a single account in VP Securities.

Further, Grant Thornton reserves the right to require documentation to verify the authenticity of all orders, to demand the name of each subscriber, to pass on such information to the Company, and to make individual allocations if there are several orders that are determined to have originated from the same purchaser.

To the extent several orders are determined to have originated from the same purchaser, only the largest order in Danish Kroner will be taken into consideration and all other orders will be rejected.

Upon completion of the Offering, the Company's share capital will be DKK 1,807,165.6 divided into 18,071,656 Shares with a nominal value of DKK 0.1 each.

### 17.7 MINIMUM AND/OR MAXIMUM SUBSCRIPTION AMOUNTS

The minimum subscription amount is 400 Offer Shares of nominally DKK 0.1 equivalent to a subscription order of DKK 3,800. No maximum purchase amount applies to the Offering. However, the number of shares is limited to the number of Offer Shares in the Offering.

### 17.8 WITHDRAWAL OF THE OFFERING

Completion of the Offering is conditional upon the Offering not being withdrawn. The Offering may be withdrawn by the Company at any time before the announcement of the result of the Offering takes place. The Offering may also be withdrawn if Nasdaq Copenhagen is not satisfied that there will be a sufficient number of shareholders or qualified investors of the Offer Shares or if conditions for free float are not satisfied. Any withdrawal of the Offering will be announced immediately through Nasdaq First North Growth Market. The Offering may be withdrawn if there are insufficient subscribers for the Offer Shares.

### 17.9 INVESTORS' WITHDRAWAL RIGHTS

In the event that the Company is required to publish an amendment to this Company Description or amend the Offer Price, between the date of publication of this Company Description and the close of the Offer Period at 23:59 CET on March 15, 2021, the Company will make an announcement via Nasdaq First North Growth Market and publish an amendment to this Company Description with an updated timetable for completion of the Offering. Investors, including pre-subscribers, who have submitted orders to subscribe Offer Shares in the Offering shall have two trading days following the publication of the relevant amendment within which the investors can withdraw their offer to subscribe for Offer Shares in the Offering in its entirety. The Offer Period will only be extended if the announcement containing significant information is published later than two trading days before the end of the Offer Period.

Should the investor not withdraw the application within two trading days after publication of the price amendment, the submitted subscription application for the specified number of Offer Shares is binding with the new offer price, given such an offer price has been specified. If the submitted subscription application instead specifies an order amount, the order is binding at the specified amount with a new number of Offer Shares adjusted for the new offer price, rounded down to the nearest number of Offer Shares.

The right to withdraw an application to subscribe Offer Shares in the Offering in these circumstances will be available to all investors in the Offering, provided the obligation to publish an amendment to this Company Description was triggered before completion of the Offering and provided no Offer Shares have been delivered.

#### **17.10 PAYMENT AND REGISTRATION OF THE OFFER SHARES**

The Shares are dematerialized and will be registered in book entry form electronically with VP Securities, Weidekampsgade 14, DK-2300 Copenhagen S, Denmark.

All Shares are registered on accounts with account holding banks in VP Securities. Investors that are not residents of Denmark may use a Danish bank directly or their own banks Danish correspondent bank as their account holding bank.

Payment for and settlement of the Offer Shares are expected to take place on March 19, 2021 (i.e., the Closing Date), against payment in immediately available funds in Danish Kroner in book-entry form to investors' accounts with VP Securities. The Offer Shares will be issued to investors following registration of the capital increase with the Danish Business Authority on the Closing Date.

The account holding bank will normally send a statement to the name and address registered in VP Securities showing the number of Offer Shares purchased or subscribed for by the investor unless otherwise agreed between the investor and the relevant account holding bank. This statement also constitutes evidence of the investor's holding.

All Shares are registered in the name of the holder in the Company's register of shareholders. The Company's register of shareholders is kept by VP Securities.

All dealings in the Offer Shares prior to settlement of the Offering will be for the account of and at the sole risk of the parties involved.

#### **17.11 PUBLICATION OF THE RESULT OF THE OFFERING**

The result of the Offering will be announced through First North Growth Market on March 17, 2021 at 13:00 CET.

#### **17.12 PRICING**

The Board of Directors has specified the Company's valuation based on a comprehensive relative valuation methodology with consideration of the current market sentiment, the Company's risk profile, the Company's future cash flow generation, and the Board of Directors' and the Executive Management's expectations for future growth opportunities.

The Offer Price for the Offer Shares is fixed at DKK 9.50 per share and is determined by the above-mentioned valuation.

#### **17.13 UNDERWRITING AND SETTLEMENT**

The Offering is not subject to any underwriting agreements.

The Company has chosen Aktieselskabet Arbejdernes Landsbank to be the settlement agent for the Offering. The settlement agreement between Aktieselskabet Arbejdernes Landsbank and the Company has certain conditions for which the Company deems to be standard practice. In the event that one or more of these conditions are not fulfilled up until the publication of the Offering, the Company may choose to withdraw from the Offering.

#### **17.14 ADMISSION TO TRADING**

The Shares are expected to be admitted to trading on Nasdaq First North Growth Market Denmark. The admission as well as the continued admission to trading on Nasdaq First North Growth Market Denmark is subject to all admission requirements set forth by First North Growth Market for the Company's Shares are met before the first day of trading.

Nasdaq First North Growth Market is a multilateral trading platform owned by Nasdaq and does not have the same legal status as a regulated market.

Companies trading on Nasdaq First North Growth Market are regulated by a different regulatory framework that does not have the same legal requirements for trading as the regulated market. However, on both the regulated market and Nasdaq First North Growth Market, the Market Abuse Regulation applies. Investing in a company listed on Nasdaq First North Growth Market includes more risk than investing in a public listed company on a regulated market, and investors risk losing part or all of the investment.

### 17.15 LOCK-UP AGREEMENTS

In connection with the Offering, all Existing Shareholders holding Existing Shares before the Offering have agreed to enter into lock-up agreements, obligating the Existing Shareholders to not sell, offer for sale, enter into any agreement regarding the sale of, pledge or in any other way directly or indirectly transfer the Existing Shares or votes in the Company without the prior written consent of the Company's Certified Adviser (the "Lock-Up Obligation").

The Lock-Up Obligation shall apply from the first day of trading and for a period until after the publication of the Company's half-year financial report regarding the six months ending June 30, 2021 (the "Initial Lock-Up Obligation"). After expiry of the Initial Lock-Up Obligation, the Existing Shares are released from the Lock-Up Obligation in five instalments of equal size.

The first instalment being released on the date of the publication of the Company's half-year financial report regarding the six months ending June 30, 2021 so that the last instalment will be released on the date of the publication of the Company's half-year financial report regarding the six months ending June 30, 2022.

#### Overview of release of Shares under Lock-up

Instalment	Timing	Number of Shares released from Lock-up
1 <sup>st</sup> instalment	Publ. of H1 2021 financial report	2,772,226
2 <sup>nd</sup> instalment	Publ. of Q3 2021 financials	2,772,226
3 <sup>rd</sup> instalment	Publ. of 2021 annual report	2,772,226
4 <sup>th</sup> instalment	Publ. of Q1 2022 financials	2,772,226
5 <sup>th</sup> instalment	Publ. of H1 2022 financial report	2,772,226

The Lock-Up Obligation does not apply to Shares acquired in connection with the Offering, including Shares acquired during the pre-subscription period or later. This also applies for Shares acquired in connection with the Offering by the four below listed Major Shareholders and other Existing Shareholders.

#### Major Shareholders under lock-up agreements

Shareholder	Number of Shares under Lock-up
NB Herlev Holding ApS	4,280,660
LNM Holding ApS	2,737,760
Ankjer Holding ApS	1,850,010
AKPK A/S	1,414,260

### 17.16 DILUTION

The Existing Shares will be diluted by the issue of 4,210,526 Offer Shares in the Offering corresponding to a total nominal value of DKK 421,052.6. Following the completion of the Offering, the Existing Shares will make up 76.70% of the Company's total share capital.

### 17.17 COSTS RELATED TO THE OFFERING

The Company's costs associated with the admission to trading on Nasdaq First North Growth Market Denmark and the Offering are expected to amount to approx. DKK 5.7m. Such costs primarily relate to costs for auditors, financial and legal advisors, Nasdaq Copenhagen A/S operating First North Growth Market, and design, printing and distribution of this Company Description as well as costs related to Management presentations and handling fees of 0.25% of the value of allocated Offer Shares, paid to account holding banks. The gross proceeds from the issuance of Offer Shares is expected to amount to DKK 40.0m before expenses connected with the Offering. After payment of these expenses the Company will receive net proceeds of approx. DKK 34.3m.

## 18. Glossary

Abbreviation/Term	Explanation
ABC	Anti-Bribery & Corruption
AI	Artificial Intelligence
ARR	Annual recurring revenue
Board of Directors	Lars Ankjer Jensen, Claus Henrik Christiansen, Thomas Nielsen, Lars Nybro Munksgaard
c.	Approximately
CAC	Customer Acquisition Cost
CAGR	An abbreviation of "compound annual growth rate"
Certified Adviser	Grant Thornton (see below)
Company Description	This Company Description
Company Description date	March 2, 2021
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
CVR	The registration number of a Danish business
DKKk, DKKm	Thousand Danish Crowns, Million Danish Crowns
EBA	European Banking Authority
EBITDA	Earnings Before interest, Tax, Depreciation and Amortization
ERP	Enterprise Resource Planning
ESG	Environmental, Social, and Corporate Governance
EU	European Union
EUIPO	European Union Intellectual Property Offices
Executive Management	Lars Nybro Munksgaard
GDPR	General Data Protection Regulation
Grant Thornton	Grant Thornton Statsautoriseret Revisionspartnerselskab, CVR no. 34209936
GRC	Governance, Risk, and Compliance
GRI	Global Reporting Initiative
IPO	Initial Public Offering
ISAE	International Standard on Assurance Engagements
ISIN	International Securities Identification Number
ISMS	Information Security Management Systems
ISO	International Organization for Standardization
ISO 45001	International standard for occupational health and safety, issued to protect employees and visitors from work-related accidents and diseases
ISO 9001	International standard for quality management system, used to demonstrate continuous ability to provide products and services meeting customer and regulatory requirements
LTV	Lifetime Value

Abbreviation/Term	Explanation
Major Shareholders	The persons and entities that, directly or indirectly, owns 5% or more of the total shareholding in the Company
Management Team	Thomas Hermann, Kasper Holton Hülsem, Gitte Barsøe Pedersen & Nicolai Ascanius
Nasdaq Copenhagen	Nasdaq Copenhagen A/S, CVR no. 19 04 26 77. Operator of Nasdaq First North Growth Market Denmark
R&D	Research And Development
SaaS	Software-as-a-Service
SDG	UN's Sustainable development goals
SME	Small and Medium-sized Enterprises
RISMA/The Company	RISMA Systems A/S, CVR no: 32 76 97 13
VAT	Value Added Tax (in danish: moms)
VP Securities	VP SECURITIES A/S, CVR no. 21 59 93 36
WIPO	World Intellectual Property Organization

## 19. Subscription form



### Subscription form – RISMA Systems A/S

#### Subscription of Offer Shares in RISMA Systems A/S, CVR no. 32769713

Offering of 4,210,526 Offer Shares of nominally DKK 0.1 each

<b>Settlement agent:</b>	Aktieselskabet Arbejdernes Landsbank
<b>Offer Period:</b>	March 2, 2021, 9:00 CET to March 15, 2021, 23:59 CET
<b>Offer Price:</b>	9.50 per Offer Share
<b>Settlement:</b>	Delivery of shares in temporary ISIN against payment
<b>Payment:</b>	Expected to take place March 19, 2021
<b>ISIN:</b>	Temporary ISIN for the new shares: DK0061534294 Permanent ISIN for the Shares: DK0061534377

For the subscription to be accepted, it must be submitted to the investor's own account holding bank in complete and executed form in due time to allow the investor's own accounting holding bank to process and forward the subscription to ensure that it is in the possession Aktieselskabet Arbejdernes Landsbank no later than 23:59 CET on March 15, 2021.

The Company Description is dated March 2, 2021. The Company Description is published on the Company's and Nasdaq First North Growth Market Denmark's website after Nasdaq First North Growth Market Denmark's approval of admission to trading of the Company's Shares. Admission as well as continued admission to trading on Nasdaq First North Growth Market Denmark is subject to all admission requirements for the Company's shares set forth by Nasdaq First North Growth Market Denmark are met before the first day of trading.

A subscription shall as a minimum be for 400 Offer Shares equivalent to DKK 3,800.

In the event that the total number of Offer Shares applied for in the Offering exceeds the number of Offer Shares, allocation of shares will be reduced in accordance with section 17.6.2 "Pre-allotment information" in the Company Description. Submission of a subscription form during the Offer Period does not guarantee the allocation of Offer Shares in full or in part. Pre-subscribed orders will be allocated in full.

Settlement of the Offering will be effectuated providing payment in Danish kroner. Payment is expected to take place March 19, 2021. Any trading with the Offer Shares prior to the settlement is solely at the involved parties' own expense and risk.

On the terms and conditions stated in the Company Description dated March 2, 2021, I/we hereby submit a subscription to purchase Offer Shares in the Company and simultaneously confirm to have received a copy of the Company Description and that I/we have based the investment decision solely on the contents of the Company Description. Only one subscription form for each custody account with VP Securities A/S (VP) will be accepted.

I/we accept that Aktieselskabet Arbejdernes Landsbank may demand information about my/our name, address, and order, and are entitled to pass on such information to the Company, its Certified Adviser and the investor's custody bank. I/we hereby undertake to pay the equivalent of the Offer Shares allocated at the fixed Offer Price.



## Subscription form – RISMA Systems A/S

The undersigned hereby applies for subscription of the following number of shares OR order amount in DKK in RISMA Systems A/S:

Number of Offer Shares (minimum 400)	<b>OR</b>	Order amount in DKK (minimum 3,800)
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Fill out where the allotted and paid for shares are to be delivered (fill out only one alternative):

VP custody account number	Bank
Settlement account number	Bank

### Subscriber information:

Last name/Company	First Name	CPR no./CVR.no.
Street address (or equivalent)		Telephone/mobile phone
Postal code	City	Country
E-mail		
Place and date		Signature (authorized company signature, if applicable)



## 20. Addresses

### **RISMA Systems A/S**

Lyskær 8,  
DK-2730 Herlev  
+45 7025 4700  
[www.rismasystems.com](http://www.rismasystems.com)

### **Financial and Certified Adviser Grant Thornton**

Stockholmsgade 45  
DK-2100 Copenhagen  
+45 33 110 220  
[www.grantthornton.dk](http://www.grantthornton.dk)

### **Legal Adviser Plesner Advokatpartnerselskab**

Amerika Pl. 37  
DK-2100 Copenhagen  
+45 3312 1133  
[www.plesner.com](http://www.plesner.com)

### **Auditor EY Godkendt Revisionspartnerselskab**

Dirch Passers Allé 36  
DK-2000 Frederiksberg  
+45 7323 3000  
[www.ey.dk](http://www.ey.dk)

### **Settlement & Issuing Agent Aktieselskabet Arbejdernes Landsbank**

Vesterbrogade 5  
DK-1502 Copenhagen  
+45 3848 4848  
[www.al-bank.dk](http://www.al-bank.dk)



## 21. Articles of association

Adopted at the Company's ordinary general meeting on 24 February 2021 and recently updated on 25 February 2021.

All appendices to the articles of association are available at RISMA's website [www.rismasystems.com/investors](http://www.rismasystems.com/investors).

### VEDTÆGTER

RISMA Systems A/S  
(CVR-NR. 32 76 97 13)

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### ARTICLES OF ASSOCIATION

RISMA Systems A/S  
(CVR NO. 32 76 97 13)

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#### 1. NAVN

1.1 Selskabets navn er RISMA Systems A/S.

#### 2. FORMÅL

2.1 Selskabets formål er at drive IT-virksomhed og dertil forbunden virksomhed.

#### 3. KONCERNSPROG

3.1 Selskabets koncernsprog er engelsk.

3.2 Selskabsmeddelelser udarbejdes på engelsk, og, hvis besluttet af bestyrelsen, på dansk.

#### 4. SELSKABETS KAPITAL

4.1 Selskabets kapital udgør nominelt DKK 1.386.113 fordelt på 13.861.130 kapitalandele med en nominel værdi på DKK 0,10 eller multipla deraf.

4.2 Kapitalen er fuldt indbetalt.

#### 1. NAME

1.1 The name of the company is RISMA Systems A/S

#### 2. OBJECTS

2.1 The company's object is to carry out IT-business and thereto related business.

#### 3. CORPORATE LANGUAGE

3.1 The company's corporate language is English.

3.2 Company announcement shall be prepared in English and, if decided by the Board of Directors, in Danish.

#### 4. SHARE CAPITAL

4.1 The company's share capital amounts to DKK 1,386,113, divided into 13,861,130 shares of DKK 0.10 each or any multiples thereof.

4.2 The share capital is fully paid up.

**5. KAPITALANDELE OG EJERBOG**

- 5.1 Aktierne er registreret hos og udstedt i dematerialiseret form gennem VP SECURITIES A/S, CVR-nr. 21 59 93 36. Rettigheder vedrørende aktierne skal anmeldes til VP SECURITIES A/S efter de herom gældende regler.
- 5.2 Aktierne er omsætningspapirer. Der gælder Ingen indskrænkninger i aktiernes omsættelighed.
- 5.3 Ingen aktier har særlige rettigheder.
- 5.4 Ingen aktionær skal være forpligtet til at lade sine aktier indløse helt eller delvist.
- 5.5 Aktierne udstedes på navn og skal noteres på navn i selskabets ejerbog.
- 5.6 Selskabets ejerbog føres på vegne af selskabet af VP SECURITIES A/S, CVR-nr. 21 59 93 36.

**6. KAPITALFORHØJELSE**

- 6.1 Bestyrelsen er i perioden indtil den 31. december 2021 bemyndiget til uden fortegningsret for selskabets eksisterende aktionærer at forhøje selskabets aktiekapital ad én gang med i alt op til nominelt DKK 500.000. Forhøjelsen skal ske til markedskurs og mod kontant betaling.
- 6.2 Bestyrelsen er i perioden indtil den 24. februar 2026 bemyndiget til uden fortegningsret for selskabets eksisterende aktionærer at forhøje selskabets aktiekapital ad én eller flere gange med i alt op til nominelt DKK 635.000. Forhøjelsen skal ske til markedskurs og mod kontant betaling, apportindskud eller konvertering af gæld.

**5. SHARES AND REGISTER OG SHAREHOLDERS**

- 5.1 The shares are registered with and issued in dematerialised form through VP SECURITIES A/S, CVR no. 21 59 93 36. Rights concerning the shares shall be notified to VP SECURITIES A/S in accordance with applicable rules.
- 5.2 The shares are negotiable instruments. No restrictions shall apply as to the transferability of the shares.
- 5.3 No shares carry any special rights.
- 5.4 No shareholder shall be obliged to have the shares redeemed fully or partly.
- 5.5 The shares shall be issued in the holder's name and shall be registered in the name of the holder in the company's Register of Shareholders.
- 5.6 The Register of Shareholders is handled by VP SECURITIES A/S, CVR-no. 21 59 93 36, on behalf of the company.

**6. INCREASE OF SHARE CAPITAL**

- 6.1 In the period until 31 December 2021, the Board of Directors is authorised to increase the company's share capital in one issue without pre-emption rights for the company's existing shareholders by up to a nominal amount of DKK 500,000. The capital increase shall take place at market price and shall be effected by cash payment.
- 6.2 In the period until 24 February 2026, the Board of Directors is authorised to increase the company's share capital in one or more issues without pre-emption rights for the company's existing shareholders by up to a nominal amount of DKK 635,000. The capital increase shall take place at market price and shall be effected by cash payment, by contribution in kind or by debt conversion.

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| <p>6.3 Bestyrelsen er i perioden indtil den 24. februar 2026 bemyndiget til med fortegningsret for selskabets eksisterende aktionærer at forhøje selskabets aktiekapital ad én eller flere gange med i alt op til nominelt DKK 1.271.000. Forhøjelsen kan ske til en kurs fastsat af bestyrelsen som kan være lavere end markedskurs og mod kontant betaling eller konvertering af gæld.</p>  | <p>6.3 In the period until 24 February 2026, the Board of Directors is authorised to increase the company's share capital in one or more issues with pre-emption rights for the company's existing shareholders by up to a nominal amount of DKK 1,271,000. The capital increase may take place at a subscription price set by the board of directors which may be below the market price and shall be effect by cash payment or by debt conversion.</p>  |
| <p>6.4 De nye aktier udstedt i henhold til punkt 6.1, 6.2 og 6.3 skal være ligestillet med den bestående aktiekapital. De nye aktier skal være omsætningspapirer og navneaktier og skal noteres i selskabets ejerbog. De udstedte aktier skal indbetales fuldt ud. Ingen aktionær skal være forpligtet til at lade sine aktier indløse helt eller delvist. De nye aktier skal give ret til udbytte og andre rettigheder i selskabet fra det tidspunkt, som fastsættes af bestyrelsen i forhøjelsesbeslutningen.</p> | <p>6.4 The new shares issued pursuant to articles 6.1, 6.2 and 6.3 shall have the same rights as the existing shares of the company. The new shares shall be negotiable instruments and issued in the holder's name and shall be registered in the company's register of shareholders. The shares shall be fully paid up. No shareholder shall be obliged to have the shares redeemed fully or partly. The new shares shall give rights to dividends and other rights in the company from the time which is determined by the board of directors in connection with the decision to increase the share capital.</p> |
| <p>6.5 Bestyrelsen er bemyndiget til at fastsætte de nærmere vilkår for kapitalforhøjelser i henhold til ovennævnte bemyndigelser. Bestyrelsen er endvidere bemyndiget til at foretage de ændringer i vedtægterne som måtte være nødvendige som følge af bestyrelsens udnyttelse af ovenstående bemyndigelser.</p>  | <p>6.5 The board of directors is authorised to stipulate detailed terms and conditions governing capital increases under the authority given above. The board of directors is also authorised to amend these Articles of Association as required in connection with its use of such authority.</p>  |
| <p><b>7. BEMYNDIGELSE TIL UDSTEDELSE AF WARRANTS</b></p>  | <p><b>7. AUTHORISATION TO ISSUE WARRANTS</b></p>  |
| <p>7.1 Generalforsamlingen har den 24. februar 2021 besluttet at bemyndige bestyrelsen til at udstede warrants ad en eller flere omgange i perioden indtil den 24. februar 2026, der giver warrantindehaverne ret til tegning af kapitalandele i Selskabet for et samlet nominelt beløb på op til DKK 87.289 samt til at træffe beslutning om kapitalforhøjelsen relateret til</p>  | <p>7.1 On 24 February 2021 the general meeting decided to issue warrants in one or more rounds in the period until 24 February 2026, which entitles the warrant holders to subscribe for shares in the Company of an aggregate nominal amount of up to DKK 87,289 and to adopt the capital increase related to the exercise of warrants with an aggregate nominal amount of up to DKK 87,289.</p>   |

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| 7.1<br>fortsat | udnyttelse af warrants med et samlet nominelt beløb på op til DKK 87.289, og til i øvrigt foretage de nødvendige konsekvensændringer i Selskabets vedtægter. Bestyrelsen kan udstede warrants til medlemmer af direktionen samt medarbejdere, herunder endnu ikke tiltrådte medarbejdere, i Selskabet og Selskabets datterselskaber. Udstedelse af warrants skal ske i henhold til warrantvilkårene beskrevet i bilag 7.A, som udgør et integreret bilag til vedtægterne. For de nye kapitalandele, som udstedes ved udnyttelse af warrants, skal gælde vilkårene i Warrantvilkår 7.A. Bestyrelsen kan fastsætte de øvrige vilkår for warrants i forbindelse med udnyttelse af bemyndigelsen.                | 7.1<br>conti-<br>nued | and further to carry out the necessary consequential amendments of the articles of association of the Company. The board of directors can issue warrants to members of the executive management board and employees, including employees whose employment have not yet begun, of the Company and the Company's subsidiaries. Issue of warrants shall be carried out in accordance with the warrant terms specified in exhibit 7.1, which constitute an integrated exhibit to the articles of association. For the new shares issued by the exercise of warrants, the terms set out in Warrant Terms 7.1 shall apply. The board of directors can determine the additional terms for warrants in connection with the board of directors' exercise of the authorisation. |
| 7.1.1          | Bestyrelsen har den 25. februar 2021 besluttet at udnytte bemyndigelsen i punkt 7.1 fuldt ud ved udstedelse af i alt 872.890 warrants, der giver warrantindehaverne ret til tegning af kapitalandele i Selskabet for et samlet nominelt beløb på op til DKK 87.289, og at vedtage forhøjelsen af Selskabets selskabskapital relateret til udnyttelse af warrants.  | 7.1.1                 | On 25 February 2021 the board of directors decided to exercise the above authorisation in item 7.1 in full by way of issue of in total 872,890 warrants, which entitles the warrant holders to subscribe for shares in the Company of an aggregate nominal amount of up to DKK 87,289 and to adopt the capital increase related to the exercise of warrants.  |
| 7.2            | Generalforsamlingen har den 24. februar 2021 besluttet at bemyndige bestyrelsen til at udstede warrants ad en eller flere omgange i perioden indtil den 24. februar 2026, der giver warrantindehaverne ret til tegning af kapitalandele i Selskabet for et samlet nominelt beløb på op til DKK 58.406 samt til at træffe beslutning om kapitalforhøjelsen relateret til udnyttelse af warrants med et samlet nominelt beløb på op til DKK 58.406, og til i øvrigt foretage de nødvendige konsekvensændringer i Selskabets vedtægter. Bestyrelsen kan udstede warrants til medlemmer af direktionen samt medarbejdere, herunder endnu ikke tiltrådte medarbejdere, i Selskabet og Selskabets datterselskaber. | 7.2                   | On 24 February 2021 the general meeting decided to issue warrants in one or more rounds in the period until 24 February 2026, which entitles the warrant holders to subscribe for shares in the Company of an aggregate nominal amount of up to DKK 58,406 and to adopt the capital increase related to the exercise of warrants with an aggregate nominal amount of up to DKK 58,406, and further to carry out the necessary consequential amendments of the articles of association of the Company. The board of directors can issue warrants to members of the executive management board and employees, including employees whose employment have not yet begun, of the Company and the Company's subsidiaries.   |

7.2 fortsat	Udstedelse af warrants skal ske i henhold til warrantvilkårene beskrevet i bilag 7.2, som udgør et integreret bilag til vedtægterne. For de nye kapitalandele, som udstedes ved udnyttelse af warrants, skal gælde vilkårene i Warrantvilkår 7.2. Bestyrelsen kan fastsætte de øvrige vilkår for warrants i forbindelse med udnyttelse af bemyndigelsen.	7.2 conti- nued	Issue of warrants shall be carried out in accordance with the warrant terms specified in exhibit 7.2, which constitute an integrated exhibit to the articles of association. For the new shares issued by the exercise of warrants, the terms set out in Warrant Terms 7.2 shall apply. The board of directors can determine the additional terms for warrants in connection with the board of directors' exercise of the authorisation.
<b>8.</b>	<b>UDBYTTE</b>	<b>8.</b>	<b>DIVIDEND</b>
8.1	Udbytte betales til aktionærene ved overførsel gennem VP SECURITIES A/S og indsættes på de i VP SECURITIES A/S registrerede udbyttekonti.	8.1	Dividend shall be paid out to shareholders by transfer through VP SECURITIES A/S and is deposited at the registered dividend accounts at VP SECURITIES A/S.
8.2	Udbytte, der ikke har været hævet inden tre år fra forfaldsdagen, tilfalder selskabet.	8.2	Dividend that has not been claimed within three years of the due date shall accrue to the company.
<b>9.</b>	<b>ELEKTRONISK KOMMUNIKATION</b>	<b>9.</b>	<b>ELECTRONIC COMMUNICATION</b>
9.1	Al kommunikation fra selskabet til de enkelte aktionærer kan ske elektronisk via offentliggørelse på selskabets hjemmeside eller ved udsendelse via e-mail. Generelle meddelelser gøres tilgængelige på selskabets hjemmeside og på en sådan måde, som måtte være foreskrevet i henhold til lov. Selskabet kan til enhver tid vælge i stedet at fremsende meddelelser mv. med almindelig post.	9.1	All communication from the company to the individual shareholders may take place electronically by posting on the company's website or by email. General notices shall be published on the company's website and in such other manner as may be prescribed by applicable laws. The company may as an alternative choose to send notices, etc., by ordinary post.
9.2	På selskabets hjemmeside vil der tillige kunne findes oplysning om kravene til de anvendte systemer samt om fremgangsmåden i forbindelse med elektronisk kommunikation.	9.2	The company's website shall also contain information about requirements to the systems used and the procedures applying to the use of electronic communication.
9.3	Selskabet er forpligtet til at bede navnenoterede aktionærer om en elektronisk adresse, hvortil meddelelser m.v. kan sendes, og det er den enkelte aktionærs ansvar at sikre, at selskabet er i besiddelse af den korrekte elektroniske adresse. Selskabet har ingen pligt til at søge oplysningerne berigtiget eller til at fremsende meddelelser på anden måde.	9.3	The company must request registered shareholders for an electronic address to which notices can be sent, and it is the responsibility of each shareholder to ensure that the company is in possession of a proper electronic address. The company is not obliged to verify such contact information or to send notices in any other way.

9.4 Kommunikation fra aktionærer til selskabet kan ske ved e-mail eller almindelig post.

## 10. GENERALFORSAMLING

10.1 Alle generalforsamlinger afholdes på selskabets hjemsted eller i Storkøbenhavn.

10.2 Generalforsamlinger indkaldes med højst 4 ugers og mindst 2 ugers varsel ved annoncering på selskabets hjemmeside samt ved e-mail til alle i ejerbogen noterede kapitalejere, som har fremsat begæring herom. I indkaldelsen skal angives tid og sted for generalforsamlingen samt dagsordenen, hvoraf fremgår, hvilke anliggender der skal behandles på generalforsamlingen. Såfremt forslag til vedtægtsændringer skal behandles på generalforsamlingen, skal indkaldelsen indeholde forslagens væsentligste indhold. Indkaldelse til generalforsamlinger, hvor der skal træffes beslutning efter selskabslovens § 77, stk. 2, § 92, stk. 1 eller 5, eller § 107, stk. 1 eller 2, skal indeholde den fulde ordlyd af forslaget til vedtægtsændringer.

10.3 Senest 2 uger før generalforsamlingen skal dagsordenen og de fuldstændige forslag samt for den ordinære generalforsamlings vedkommende tillige revideret årsrapport gøres tilgængelige til eftersyn for kapitalejerne.

10.4 Ordinær generalforsamling afholdes hvert år i så god tid, at den reviderede og godkendte årsrapport kan indsendes til Erhvervsstyrelsen, så den er modtaget i styrelsen inden 5 måneder efter regnskabsårets udløb. Den reviderede og godkendte årsrapport skal uden ugrundet ophold efter godkendelse indsendes til Erhvervsstyrelsen.

9.4 Communication from a shareholder to the company may take place by email or by ordinary mail.

## 10. GENERAL MEETINGS

10.1 All general meetings must be held at the company's registered office or in Greater Copenhagen.

10.2 General meetings are convened by giving four weeks and minimum two weeks' notice by notice on the company's website and by e-mail to all shareholders registered in the company's register of shareholders who have requested notice by email. The notice must state the time and place of the general meeting and the agenda specifying the business to be transacted at the general meeting. If any motion to amend these articles of association is to be considered by the general meeting, the most essential contents of the motion must be specified in the notice to convene the general meeting. If the general meeting is to pass a resolution under sections 77(2) or 92(1) or (5) or 107(1) or (2) of the Danish Companies Act, the notice to convene the meeting must contain the full wording of the motion to amend the articles of association.

10.3 No later than two weeks before the holding of the general meeting, the agenda and the complete motions and, in respect of the annual general meeting, also the audited annual report must be made available for inspection by the shareholders.

10.4 The annual general meeting must be held every year in time for the audited and adopted annual report to be received by the Danish Business Authority no later than five months after expiry of the financial year. The audited and adopted annual report must be filed with the Danish Business Authority after the adoption without undue delay.

10.5	Ekstraordinær generalforsamling afholdes efter en generalforsamlings eller bestyrelsens eller selskabets revisors beslutning. Ekstraordinær generalforsamling skal desuden indkaldes inden 2 uger, når det til behandling af et bestemt angivet emne skriftligt forlanges af kapitalejere, der ejer mindst 5 % af kapitalen.	10.5	Extraordinary general meetings are to be held when decided by the general meeting or the board of directors or the auditor. An extraordinary general meeting to consider a specific subject must also be convened within two weeks if so required in writing by shareholders representing at least 5% of the share capital.
10.6	Forslag fra kapitalejerne til behandling på den ordinære generalforsamling skal være skriftligt fremsat til bestyrelsen senest 6 uger før generalforsamlingens afholdelse. Modtager bestyrelsen et forslag senere end 6 uger før generalforsamlingens afholdelse, afgør bestyrelsen, om forslaget er fremsat i så god tid, at emnet alligevel kan optages på dagsordenen.	10.6	Any motions from the shareholders to be considered at the annual general meeting must be presented in writing to the board of directors at least six weeks before the general meeting. If a motion is submitted to the board of directors less than six weeks before the holding of the general meeting, the board of directors will decide whether the motion has been submitted in time to be included on the agenda after all.
10.7	En kapitalejers ret til at deltage i en generalforsamling og til at afgive stemme fastsættes i forhold til de aktier, kapitalejeren besidder på registrerings-datoen. Registreringsdatoen ligger en uge før generalforsamlingen. En kapitalejers aktiebesiddelse og stemmerettighed opgøres på registreringsdatoen på baggrund af notering af kapitalejerens ejerforhold i ejerbogen samt eventuelle meddelelser om ejerforhold, som selskabet har modtaget med henblik på indførelse i ejerbogen.	10.7	A shareholder's right to attend a general meeting and to vote shall be determined by the shares held by the shareholder at the record date. The record date is one week before the general meeting. A shareholder's shareholding and voting rights are determined on the record date based on the shareholder's ownership in the register of shareholders as well as any notice of ownership received by the company for inclusion in the register of shareholders.
10.8	En kapitalejer, der er berettiget til at deltage i generalforsamlingen i henhold til ovenstående punkt 10.7, og som ønsker at deltage i generalforsamlingen, skal senest tre dage før generalforsamlingens afholdelse anmode om adgangskort.	10.8	A shareholder who is entitled to attend the general meeting in accordance with section 10.7 above and who wishes to attend the general meeting shall request an admission card no later than three days before the general meeting.
10.9	Generalforsamlingen ledes af en dirigent, der udpeges af bestyrelsen. Dirigenten træffer beslutning vedrørende alle spørgsmål om behandlingsmåden og stemmeafgivelsen på generalforsamlingen.	10.9	The general meeting shall be chaired by a chairman elected by the board of directors. The chairman makes decision on all questions regarding the process and voting at the general meeting.

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| <p>10.10 Over forhandlingerne på generalforsamlingen, derunder de vedtagne beslutninger, føres en protokol, der underskrives af dirigenten. Inden 2 uger efter generalforsamlingens afholdelse skal generalforsamlingsprotokollen eller en bekræftet udskrift af denne gøres tilgængelig til eftersyn for kapitalejerne.</p> <p>10.11 Alle dokumenter til brug for selskabets generalforsamlinger i forbindelse med eller efter generalforsamlingen, herunder indkaldelsen og forhandlingsprotokollen, udarbejdes på engelsk og i det omfang lovgivningen kræver det eller bestyrelsen i øvrigt beslutter det, på dansk.</p> <p>10.12 Generalforsamlingen afholdes på engelsk eller dansk efter bestyrelsens beslutning. Bestyrelsen kan endvidere beslutte at tilbyde simultantolkning til engelsk eller dansk.</p> <p><b>11. DAGSORDEN</b></p> <p>11.1 Dagsordenen for den ordinære generalforsamling skal omfatte:</p> <ol style="list-style-type: none"><li>1. Bestyrelsens beretning om selskabets virksomhed i det forløbne regnskabsår</li><li>2. Fremlæggelse af revideret årsrapport til godkendelse</li><li>3. Beslutning om anvendelse af overskud eller dækning af underskud i henhold til den godkendte årsrapport</li><li>4. Valg af bestyrelse</li><li>5. Valg af revisor</li><li>6. Eventuelle forslag fra bestyrelsen eller kapitalejerne</li></ol> | <p>10.10 The company must maintain a minute book of the proceedings at general meetings, including the resolutions adopted, and the minutes must be signed by the chairman of the meeting. No later than two weeks after the general meeting the minutes of the general meeting or a certified copy thereof must be made available for inspection by the shareholders.</p> <p>10.11 All documents prepared for use by or for a general meeting of the company in connection with or after the general meeting, including the notice and the minutes, will be prepared in English and to the extent required by law or otherwise decided by the Board of Directors, in Danish.</p> <p>10.12 The general meeting is held in English or Danish, as decided by the Board of Directors. Furthermore, the Board of Directors may decide to offer simultaneous interpretation into Danish.</p> <p><b>11. AGENDA</b></p> <p>11.1 The agenda of the annual general meeting must at least include the following items:</p> <ol style="list-style-type: none"><li>1. The board of directors' report on the company's activities during the past financial year</li><li>2. Presentation of the audited annual report for adoption</li><li>3. Resolution on the appropriation of profit or payment of loss in accordance with the adopted annual report</li><li>4. Election of members to the board of directors</li><li>5. Appointment of auditor</li><li>6. Any motions from the board of directors or the shareholders</li></ol> |
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**12. STEMMERET OG REPRÆSENTATION**

- 12.1 Alle beslutninger på generalforsamlingen vedtages med simpelt stemmeflertal, medmindre selskabsloven foreskriver særlige regler om repræsentation eller majoritet. Står stemmerne lige, skal valg af dirigent, bestyrelsesmedlemmer, revisor og lignende afgøres ved lodtrækning.
- 12.2 På generalforsamlingen giver hver kapitalandel på DKK 0,10 én stemme.
- 12.3 Kapitalejerne har ret til at møde på generalforsamlinger ved fuldmægtig, som skal fremlægge skriftlig og dateret fuldmagt.
- 12.4 En aktionær, der er berettiget til at deltage i en generalforsamling, kan stemme skriftligt ved brevstemme i overensstemmelse med selskabslovens regler herom. Brevstemmer skal være i hænde senest kl. 10, to hverdage før generalforsamlingen. Brevstemmer kan ikke tilbagekaldes.
- 12.5 Bestyrelsen kan beslutte, at der som supplement til fysisk fremmøde på generalforsamlingen gives adgang til, at kapitalejerne kan deltage elektronisk i generalforsamlingen, herunder stemme elektronisk, uden at være fysisk til stede på generalforsamlingen (delvis elektronisk generalforsamling). Endvidere kan bestyrelsen beslutte, at generalforsamlingen afholdes elektronisk uden adgang til fysisk fremmøde (fuldstændig elektronisk generalforsamling). Bestyrelsen fastsætter de nærmere retningslinjer herfor.

**12. VOTING RIGHTS AND REPRESENTATION**

- 12.1 All resolutions by the general meeting are passed by a simple majority of votes, unless the Danish Companies Act prescribes any special rules on presentation or majority. In the event of an equality of votes, the election of the chairman of the meeting the election of members to the board of directors the appointment of the auditor and the like must be determined by drawing of lots.
- 12.2 At the general meeting, each share of DKK 0.10 entitles the holder to one vote.
- 12.3 The shareholders are entitled to attend general meetings by proxy subject to presentation of a written and dated instrument of proxy.
- 12.4 A shareholder entitled to attend a general meeting are able to vote in writing by postal vote in accordance with the rules of the Danish Companies Act. Postal votes must be received no later than 10 a.m. two business days before the general meeting. Postal votes cannot be revoked.
- 12.5 The board of directors may decide that in addition to physical attendance at the general meeting, shareholders may be given the right to attend electronically in the general meeting, including voting electronically, without being physically present at the general meeting. In addition, the board of directors may decide that the general meeting shall be held electronically without access to physical attendance. The board of directors shall lay down the detailed guidelines for this.

**13. BESTYRELSE OG DIREKTION**

- 13.1 Selskabet ledes af en generalforsamlingsvalgt bestyrelse på 3-6 medlemmer, der varetager selskabets overordnede og strategiske ledelse. Bestyrelsen vælges for 1 år ad gangen og afgår samlet på den ordinære generalforsamling. Fratrædende medlemmer kan genvælges.
- 13.2 Bestyrelsens formand og, såfremt besluttet af bestyrelsen, næstformand vælges af bestyrelsen. En direktør må ikke vælges til formand.
- 13.3 Bestyrelsen er beslutningsdygtig, når over halvdelen af bestyrelsesmedlemmerne er repræsenteret. De i bestyrelsen behandlede emner afgøres ved simpelt stemmeflertal. I tilfælde af stemmelighed skal formandens eller, i hans/hendes fravær, næstformandens (såfremt valgt), stemme være udslagsgivende.
- 13.4 Bestyrelsens formand indkalder til bestyrelsesmøde, når bestyrelsens formand skønner det påkrævet, eller når et medlem af bestyrelsen eller en direktør fremsætter krav herom.
- 13.5 Bestyrelsen skal ved en forretningsorden træffe nærmere bestemmelser om udførelsen af sit hverv.
- 13.6 Referater af bestyrelsesmøderne skal indføres i en protokol, som skal underskrives af de medlemmer af bestyrelsen, som er til stede ved møderne.
- 13.7 Bestyrelsen ansætter 1-3 direktører til at varetage den daglige ledelse af selskabet.

**13. BOARD OF DIRECTORS AND EXECUTIVE BOARD**

- 13.1 The company is managed by a board of directors which is composed of 3-6 members elected by the general meeting that is in charge of the general and strategic management of the company. The board of directors is elected for a term of one year at a time and will resign collectively at the annual general meeting. Resigning members are eligible for re-election.
- 13.2 The chairman and, if decided by the board of directors, the deputy chairman of the board of directors is elected by the board of directors. A member of the executive board cannot be elected chairman of the board of directors.
- 13.3 The board of directors is quorate when more than half of its members are represented. Resolutions by the board of directors are passed by a simple majority of votes. In case of an equality of votes, the chairman, or in her/his absence the deputy chairman, if so elected, shall have a casting vote.
- 13.4 The chairman of the board of directors must convene a board meeting whenever deemed necessary by him/her or whenever required by a member of the board of directors or a member of the executive board.
- 13.5 The board of directors must lay down its own rules of procedure to govern its activities.
- 13.6 The minutes of the board meetings must be entered in a minute book and signed by the members of the board of directors having attended the individual meetings.
- 13.7 The board of directors will employ 1-3 members of the executive management to be in charge of the day-to-day management of the company.

#### **14. TEGNINGSREGEL**

14.1 Selskabet tegnes af to bestyrelsesmedlemmer i forening eller af en direktør i forening med et bestyrelsesmedlem.

#### **15. REGNSKABSÅR, REVISION OG ÅRSRAPPORT**

15.1 Selskabets regnskabsår løber fra 1. januar til 31. december.

15.2 Selskabets årsrapport udarbejdes i overensstemmelse med årsregnskabsloven.

15.3 Revision af selskabets årsrapporter foretages af en generalforsamlingsvalgt statsautoriseret revisor. Revisor vælges for ét år ad gangen, men kan genvælges.

15.4 Selskabets årsrapport og delårsrapporter udarbejdes og aflægges på engelsk. Bestyrelsen kan beslutte, at selskabets årsrapport og tillige delårsrapporter suppleres af en dansk oversættelse eller en sammenfatning heraf på dansk.

#### **14. AUTHORITY TO SIGN FOR THE COMPANY**

14.1 The company is bound by the joint signatures of any two members of the board of directors or by the joint signatures of any one member of the executive board and any one member of the board of directors.

#### **15. FINANCIAL YEAR, AND ANNUAL REPORT**

15.1 The company's financial year runs from 1 January to 31 December.

15.2 The company's annual report must be prepared in accordance with the Danish Financial Statements Act.

15.3 The company's annual reports must be audited by a state-authorized public accountant appointed by the general meeting. The auditor is appointed for a term of one year and is eligible for re-appointment.

15.4 The company's annual report and interim reports shall be prepared and submitted in English. The Board of Directors may resolve to supplement the annual report and interim reports of the company with a Danish translation or a summary in Danish.

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## Claus Henrik Christiansen

### Bestyrelsesmedlem

På vegne af: RISMA Systems A/S

Serienummer: cc@nordicbio.com

IP: 37.120.xxx.xxx

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## Lars Nybro Munksgaard

### Bestyrelsesmedlem

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## Lars Ankjer Jensen

### Bestyrelsesformand

På vegne af: RISMA Systems A/S

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## Thomas Nielsen

### Bestyrelsesmedlem

På vegne af: RISMA Systems A/S

Serienummer: PID:9208-2002-2-452199512382

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