



## RISMA realizes 33% year-on-year growth in ARR in H1 2024

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Copenhagen, August 29, 2024

RISMA H1 2024 Report attached.

### Key figures H1 2024

- Annual Recurring Revenue increased by 5.2 MDKK and ended at 39.1 MDKK for H1 2024 vs. an increase of 6.7 MDKK for H1 2023
- New sales ended at 3.7 MDKK in H1 2024 compared to 5.9 MDKK in H1 2023
- Upselling ended at 2.4 MDKK in H1 2024, which was the same level as in H1 2023 at 2.4 MDKK
- Revenue churn for H1 2024 ended at 0.6 MDKK corresponding to 4% (12-month period) vs 1.2 MDKK in H1 2023.
- Net revenue retention rate ended at 108% in H1 2024 (12-month period), compared to 103% in H1 2023.
- Revenue increased by 33% to 19.5 MDKK in H1 2024 from 14.7 MDKK in H1 2023 which was in line with the expectations
- EBITDA for H1 2024 ended at -3.6 MDKK compared to -3.3 MDKK in H1 2023

### Unchanged Guidance for 2024

RISMA confirms 2024 ARR guidance of 45-49 MDKK, however, in the lower end, and EBITDA of -5,6 to -9,6 MDKK.

### Business update

Sales-wise, RISMA had a strong Q2 in 2024, as we had in 2023. In H1, direct sales in Denmark and Norway performed more or less as expected, while direct sales in Sweden and partner sales performed below expectations. Steps are being taken to reorganize the Swedish sales organization.

In 2023, RISMA strategically decided to prioritize cash flow over growth. In RISMA, investing in growth typically has an impact c. 12-15 months after the investment due to the training period, sales cycle, etc. Therefore, we expect the increase in ARR in 2024 to align with the growth in ARR in 2023, i.e., a little more than 10 MDKK.

We maintain a close-to-neutral cash flow while steadily increasing the yearly ARR growth measured in DKK/EUR. We do not aim to maintain a certain growth percentage, which would require additional cash burn. The additional cash produced from operation in 2024 as a result of the increasing ARR is invested in growth initiatives with the intention of increasing the yearly ARR growth.

Almost all software-as-a-service (SaaS) companies face the issue of balancing cash flow and growth rate. There is no universally correct answer as to which to prioritize, but this is the decision RISMA has taken for now.

In April, RISMA launched a new solution for a legal EU framework, DORA, targeted at the financial industry. Plesner Law Firm was the knowledge provider. Sales of this solution have begun well. The legal framework will be in force from January 2025, as will the Legal EU framework NIS2, for which RISMA also has a solution.

RISMA also expects to launch two new solutions in H2 2024. Many competitors consider RISMA a front-runner, and we often see that they find inspiration in our product launches. Therefore, going forward, we have decided to share less information about future solutions and software updates.

We expect to launch version 10.0 of RISMA's software in late October or early November. This release contains some of the biggest improvements ever to our software, some of which we have worked on for over a year.

As expected, we have experienced a steady increase in customers considering replacing several point solutions with one GRC platform. Almost without exception, RISMA has been chosen as the software provider when we are involved in such a process.

We are taking additional steps to drive a rapid market transition towards GRC platforms, as RISMA is highly equipped to make this shift.

### **Further Information**

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### **About Risma Systems A/S**

RISMA is a leading SaaS company empowering companies to take their governance, risk and compliance effort to the next level. We believe in the value of good corporate citizenship, and our customers share our vision of aspiring to make a positive difference in complying with both regulatory and stakeholder expectations.

Our software platform supports our customers to be in control and decision wise when structuring, handling, and documenting their efforts across governance, risk, and compliance. Our core GRC suite offers eight business-critical solutions relevant for all companies regardless of size and industry – GDPR & Privacy, ISMS & ISO27001, ESG & sustainability, Enterprise Risk, Financial & Internal controls, Vendors & Contracts, Policy Management, and Incident Management

RISMA is listed on Nasdaq First North with a mission to become a leading GRC platform for medium and enterprise businesses and organizations. We believe that being a good business – is really great for business.

### **Attachments**

- [Download announcement as PDF.pdf](#)
- [2024 - Half-Year Report - Final.pdf](#)