

Quarterly update Q3 2024

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Summary and key figures



			2024-Q3	2023-Q3
1	Annual recurring revenue	Annual Recurring Revenue increased by 8.9 MDKK compared to the end of 2023-Q3.	39.2 MDKK	30.3 MDKK
2	ARR growth	ARR grew by 29% compared to end of 2023-Q3 (12-month period).	8.9 MDKK	9.8 MDKK
3	Upselling	Upselling to existing customers ended at 3.7 MDKK from end of 2023-Q3 (12-month period).	3.7 MDKK	3.5 MDKK
4	Revenue churn	Revenue Churn was increased compared to end of 2023-Q3 (12-month period).	8%	7%
5	Net revenue retention rate	Net Revenue Retention Rate was improved by 1%-points compared to end of 2023-Q3 (12-month period).	104%	103%
6	Customer acquisition cost	Customer Acquisition Cost increased by 56 TDKK compared to end of 2023-Q3 (12-month period).	167 TDKK	105 TDKK

Financial guidance

The ARR guidance for 2024 is at 42-45 MDKK, equivalent to a growth rate of 24-33% in 2024.

The EBITDA guidance for 2024 is -4,6 to -8,6 MDKK. The guidance is communicated in company announcement no. 16, September 17, 2024

Letter from the CEO

As per 30 September 2024, RISMA's ARR has increased by 29% year-on-year.

Sales was slightly higher than expected in Q3. This is mainly driven by direct sales in Denmark, while sales in Norway and Sweden and from the partner channel remained below expectations. In October, the Norwegian organization has however had their highest sales in any month to date.

With regards to the Swedish market, it has been decided to have Swedish speaking employees in Copenhagen as well as Stockholm. We will thus utilize the headquarters closeness to Sweden to also attract Swedish speaking personnel to the headquarter.

There is a shift in the market towards broader solutions. RISMA is well prepared for this shift. RISMA has significant insight as to what the typical mid-market customers (250-5.000 employees) requires before they shift to a fully integrated GRC-platform with automated GAP-analysis, and we believe that we are closer than other software providers to be able deliver this. With the release of version 10 of RISMA's software on 14 November we took a large step forward, but we still have a few known shortcomings. We expect to have these covered in 2025.

RISMA is therefore in a strong position, especially as our competitors almost certainly have less information as to what is required than RISMA has. Denmark is the most mature market in the world when it comes to GRC and RISMA is the company with most mature GRC customers in Denmark. We thereby have a unique know-how.

We believe, we have found a solution for scaling the inbound lead generation. We need, however, more experienced resources in Sales and Customer Success before it makes sense to increase lead generation any further. Skilled resources in Sales and Customer Success is presently a bottle neck. We recruit as fast as feasible to these functions.

The market for GDPR and ISMS solutions to small and medium sized businesses, has become a red-ocean market. We still sell to this segment, but we mainly sell broader solutions including subjects as e.g. Contract Management, NIS2, CSRD, Internal Controls or Risk Management. RISMA's customer mix is, however, changing towards larger customers and SMB customers with a more mature approach to GRC and ESG.

Yours sincerely,

Lars Nybro Munksgaard,
Chief Executive Officer & Founder



Statement from the CFO



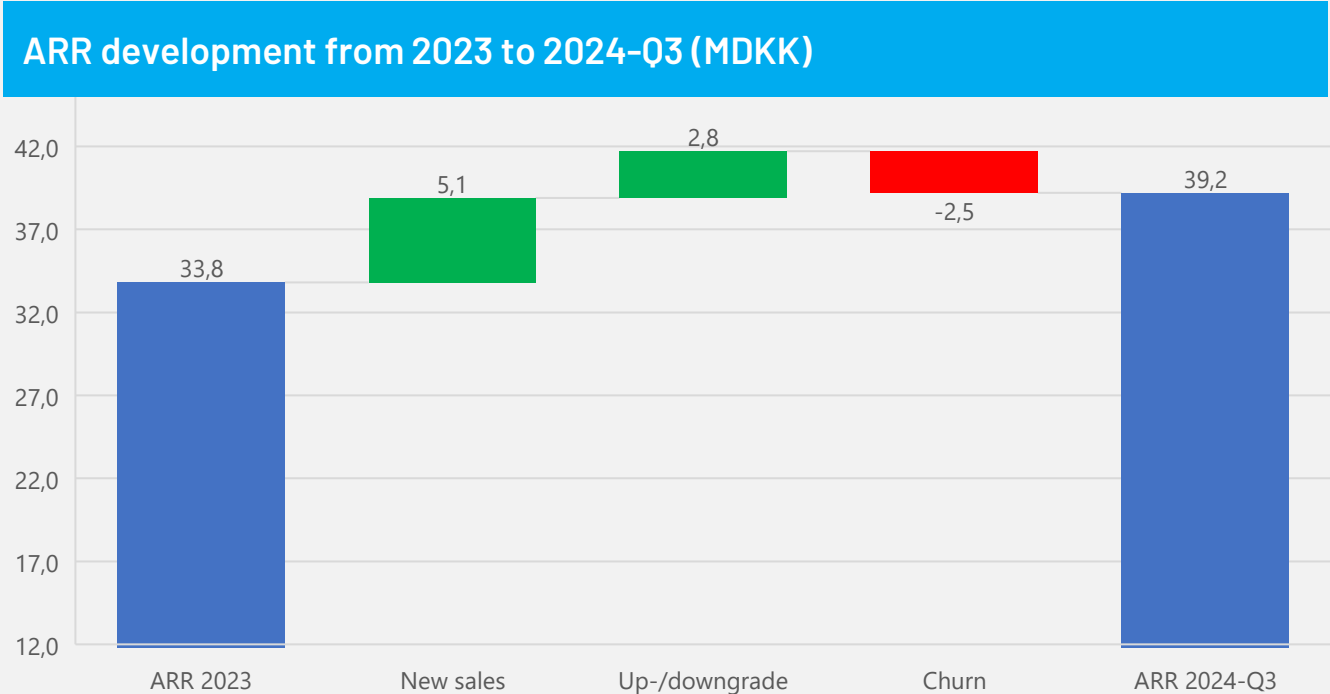
Highlights of annual recurring revenue 2024-Q3

RISMA realized a 29% year-on-year Annual Recurring Revenue (ARR) growth at 39.2 MDKK end of 2024-Q3, which was lower than expected but still contributing to the planned financial improvements for 2024 and with in guidance for full year 2024.

Revenue churn was on a higher level at 8% end of 2024-Q3 (12-month periode) compared to end of 2023-Q3.

The net revenue retention rate was improved by 1%-point compared to end of 2023-Q3 (12-month periode).

RISMA has in the 2024-Q3-YTD successfully onboarded 59 customers with an average ARR of 87 TDKK.



DEFINITIONS

ANNUAL RECURRING REVENUE The annual recurring revenue, also referred to as ARR, is defined as currently contracted revenue, and can be used to forecast the future annual revenue stream.

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

UPSELLING Upselling consists of additional licenses and modules sales with existing customers as well as price regulation of current contracts.

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

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

Company Information

Entity

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Board of Directors

Lars Ankjer Jensen, Chairman
Lars Nybro Munksgaard
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Rolf Erik Hall
Merete Søby
Rolf Bladt

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