RISMA closes Q3 2024 with a 29% yearly growth in Annual Recurring Revenue

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Attached Quarterly update Q3 2024

RISMA Systems A/S closes 2024-Q3 with an Annual Recurring Revenue at 39.2 MDKK equivalent to a growth of 29% from 30.3 MDKK end of 2023-Q3

Key figures 2024-Q3

- Annual Recurring Revenue ended at 39,2 MDKK end of 2024-Q3 which was an increase of 8.9 MDKK from end of 2023-Q3.
- RISMA welcomed 59 new customers in 2024-Q3-YTD with an average ARR per customer of 87 TDKK.
- The upselling to existing customers ended at 3.7 MDKK end of 2024-Q7 compared to 3,5 MDKK end of 2023-Q3 (12-month period).
- Revenue churn ended at 8% end of 2024-Q3 compared to 7% end of 2023-Q3 (12-month period).
- Net revenue retention rate ended at 104% in 2024-Q3 compared to 103% end of 2023-Q3.
- Customer Acquisition Cost increased to 167 TDKK which was an increase of 56 TDKK compared to 105 TDKK end of 2023-Q3

Unchanged Guidance for 2024

RISMA confirms 2024 ARR guidance of 42-45 MDKK end of year and EBITDA of -4.6 to -8.6 MDKK. An ARR of 42-45 MDKK by end of 2024 corresponds to year-on-year growth rate between 24% and 33%.

Business update

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 RISMAs 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. RISMAs customer mix is, however, changing towards larger customers and SMB customers with a more mature approach to GRC and ESG.

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
- Quarterly report Q3 24 - Final.pdf