



## **RISMA closes Q3 with a 41% year-on-year growth in ARR**

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Company Announcement No. 19-2022

Copenhagen, October 27, 2022

Attached Quarterly update - Q3 2022

**RISMA Systems A/S closes Q3-2022 remaining on the 50-70% Annual Recurring Revenue growth curve for 2022 and confirms the guidance on ARR and EBITDA**

### **Key features Q3 2022**

- Annual Recurring Revenue increased by 6.0 MDKK which corresponds to 41% growth compared to Q3 2021, from 14.5 MDKK to 20.5 MDKK.
- Q3 ARR growth in the first nine month of 2022 increased by approx.. three times compared to the same period last year, from 1.8 MDKK to 5.2 MDKK.
- Upselling on existing customers in Q3 2022 increased by approx. six times compared to the third quarter of 2021, from 0.3 MDKK to 1.7 MDKK.
- Revenue Churn ended at the same level as in Q3 2021 at 5%
- Net Revenue Retention Rate improved by 7%-points to 104% in the third quarter of 2022 compared to 97% in the third quarter in 2021.
- Customer Acquisition Cost decreased by 46 TDKK in the third quarter of 2022 compared to the third quarter of 2021, from 184 TDKK to 138 TDKK.

### **Unchanged Guidance**

RISMA confirms ARR guidance of 23-26 MDKK for 2022 corresponding to an ARR growth of 50-70%.

RISMA confirms the EBITDA guidance for 2022 at -21 to -23 MDKK.

### **Business update**

Typically, sales are relatively low in Q3 due to the summer vacation, with sales being nearly non-existent from early July to mid-August. RISMA's ARR increased almost as much in Q3 as it did in Q1 and Q2. As a result, the year-on-year growth increased to 41%.

The year-on-year growth has increased from 20% end of 2021 to 32% end of Q1, 38% end of Q2, and now 41%. We expect year-on-year growth to be at least 50% by the end of Q4.

Looking into 2023, we expect a new business area, ESG (sustainability), to become a contributor to RISMA's growth. The GRC solutions that have contributed to RISMA's growth to date will, of course, still be where most of RISMA's recurring revenue comes from. Concerning new sales in 2023, we expect GRC and ESG to contribute with a significant share each.

We have for some time known that ESG would, at some point, become a focus area for RISMA. In May 2022, we decided to build a solution to support the governance of a new EU directive, CSRD, expected to be approved by the EU Commission in Q4. Since then, we have allocated significant resources to product development, which three potential customers are testing.

In Q3, we changed the sales organization, merging direct sales with the partner team. In the process, we also performed a cost cut.

With the cost cut and capital raise performed in early Q4, RISMA has secured a solid capital base going into 2023. We are now looking into hiring new staff with other capabilities. We do not least need more employees for the onboarding of new

customers.

## **Presentation**

The Q3 2022 update will be presented at online live event on the 31<sup>st</sup> of October 2022 at 1:00pm CET.

Please register for the event at: <https://hcandersencapital.dk/event/risma-kvartalsopdatering-3-kvartal-2022/>

For more details please see the Quarterly update – Q3 2022 attached.

## **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 update - Q3 2022.pdf](#)