



# RISMA realizes 55% year-on-year growth in ARR and positive cash flow of 2.3 MDKK in H1 2023

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Company Announcement No. 15-2023 - Inside information

Copenhagen, august 30, 2023

RISMA H1 2023 Report attached.

## Key figures H1 2023

- Annual Recurring Revenue increased by 6.7 MDKK and ended at 29.4 MDKK for H1 2023 vs. an increase of 3.7 MDKK for H1 2022
- New sales ended at 5.9 MDKK in H1 2023 compared to 3.3 MDKK in H1 2022
- Upselling ended at 2.4 MDKK in H1 2023, which was 75% higher than in H1 2022 at 1.4 MDKK
- Revenue churn was improved by 1%-point to 4% in H1 2023 from 5% in H1 2022
- Net revenue retention rate ended at 103% in H1 2023 which was unchanged compared to H1 2022
- Customer Acquisition Cost decreased by 54 TDKK to 84 TDKK in H1 2023 vs 138 TDKK in H1 2022
- Revenue increased by 43% to 14.7 MDKK in H1 2023 from 10.3 MDKK in H1 2022 which was in line with the expectations
- EBITDA for H1 2023 ended at -3.2 MDKK which was a significant improvement from -12.1 MDKK in H1 2022

## Guidance

RISMA confirms 2023 ARR guidance of 34-38 MDKK and EBITDA of -7,5 to -9,5 MDKK as informed to the market on July 4, 2023.

## Business update

In H1 2023, the average customer acquisition cost (CAC) has for the first time been lower than the average yearly license for a new customer. The average CAC Payback Period (CPP) has been 9 months for new customers.

At the same time, H1 2023 has been the first six-month period in which RISMA has had a positive cash flow. This goes for all three country organisations: Denmark, Norway, and Sweden.

The cash flow and the EBITDA has been better than expected. As a result, RISMA has more cash than needed to fulfil the existing growth plans. We are, therefore, presently evaluating potential further initiatives to stimulate growth.

In the changing landscape of the market, customers are showing a preference for multipurpose solutions, such as GRC platforms like RISMA's. On the other hand, the market for solutions with single purposes, such as GDPR/IT security, internal controls, or contract management solutions, has reached maturity in Denmark and to some extent Norway and Sweden. As a result, price is becoming an important factor in determining sales success for compliance management software that addresses a specific and narrow scope.

RISMA is consistently achieving favourable and increasing prices for two reasons: 1) Adaptable software enables RISMA to introduce new solutions fast and cost-effectively. This strategic capability allows RISMA to bring solutions to market before they become widely available. Furthermore, the cost-effectiveness allows RISMA to introduce niche products, where the entry barrier is too high for most competitors. 2) A uniquely broad platform, meaning that customers seeking one-stop compliance solutions have limited options, primarily RISMA and USA-based software providers.

By 23 March 2023, RISMA introduced a new solution, CSRD, addressing the new EU requirements concerning companies' reporting on sustainability. This solution is expected to play a substantial role in driving RISMA's growth throughout 2023 and 2024. The solution often serves as a "gate opener," as CSRD customers tend to explore and purchase additional RISMA products. It also acts as a differentiator between RISMA and competitors with a limited offering. By the end of Q2 2023, RISMA has successfully sold 16 solutions in Denmark and Sweden combined.

It is expected that RISMA will launch the following solutions in Q3 2023: a) NIS2 (IT security), b) Åpenhetsloven (Norwegian sustainability framework, with Norwegian law firm Kvale), c) Anti-money laundering (revised version with Danish law firm Horten), d) GDPR (updated version with Danish law firm Plesner) and e) an updated version of the CSRD-solution.

The new Norwegian solution for sustainability reporting, Åpenhetsloven, is projected to play a pivotal role in RISMA's growth within the Norwegian market in Q4 2023 and, particularly, in 2024. On the other hand, NIS2-solution is essential for any software provider offering software for IT security. It is, therefore, partly a defensive or responsive move, though expected to generate noteworthy new revenue.

### **Further Information**

Lars Nybro Munksgaard, CEO & Founder

Mobile (+45) 31 48 11 00

e-mail: [lnm@rismasystems.com](mailto:lnm@rismasystems.com)

RISMA Systems A/S

Ejby Industrivej 34-38, 2600 Glostrup, Denmark

Certified Advisor

Grant Thornton

Jesper Skaarup Vestergaard

Direct (+45) 35 27 50 11, Mobile (+45) 31 79 90 00

Grant Thornton

Stockholmsgade 45, 2100 Copenhagen Ø, Denmark

### **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](#)
- [2023 - Half-Year Report4 - FINAL.pdf](#)