



RISMA closes Q3 2023 with a 48% year-on-year growth in ARR

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Attached Quarterly update Q3 2023.

RISMA Systems A/S closes Q3-2023 remaining on the 50-67% Annual Recurring Revenue growth for 2023 and confirms guidance on ARR and EBITDA

Key figures 2023-Q3-YTD

- Annual Recurring Revenue increased by 9.8 MDKK to 30.3 MDKK in end of 2023-Q3 from 20.5 MDKK in end of 2022-Q3 which corresponds to 48% year-on-year growth.
- ARR growth for the first 9 month of 2023 was 7.6 MDKK compared to 5.2 MDKK for the same period in 2022.
- Upselling on existing customers increased by 0.7 MDKK to 2.4 MDKK in 2023-Q3-YTD from 1.7 in 2022-Q3-YTD.
- Revenue churn ended at 7% in 2023-Q3-YTD compared to 5% in the same period in 2022.
- Net Revenue retention rate ended at 103% in 2023-Q3-YTD a decrease of 1%-point from 104% for the same period in 2022.
- Customer Acquisition Cost decreased by 33 TDKK to 105 TDKK in 2023-Q3-YTD from 138 in 2022-Q3-YTD.
- The average ARR per new customer has increased by 49 TDKK to 98 TDKK in 2023-Q3-YTD from 49 in 2022-Q3-YTD.

Guidance

RISMA confirms ARR guidance of 34-38 MDKK for 2023 corresponding to an ARR growth of 50-67%. However, expectations are at the lower end of the range. RISMA confirms the EBITDA guidance for 2023 at -7.5 to -9.5 MDKK.

Business update

Sales in 2023 are in line with expectations. Cash flow has exceeded our expectations.

The growth in Annual Recurring Revenue (ARR) is progressing as planned. As usual, a significant portion of Q4's sales occurs in the final weeks of the quarter, making year-end ARR forecasting challenging. Additionally, we have recently secured a tender of nearly 1 MDKK in ARR but the start of the licensing period is yet to be confirmed for either Q4 or the beginning of 2024. Our best estimate is that we will end in the lower end of the guidance range of 34-38 MDKK.

Recently, RISMA has launched new solutions: the new EU cybersecurity framework, NIS2, and a Norwegian regulation related to human rights in the workforce and throughout the supply chain, The Norwegian Transparency Act. Additionally, we have launched an updated version of our well-received CSRD solution. These solutions are expected to make a substantial contribution to RISMA's growth in the upcoming year.

Projections for the cash flow in 2023 now indicate it will be close to neutral. This also means that the cash flow for 2024 will likely be significantly positive if no further growth initiatives are taken. Given that RISMA already has a solid financial position accumulating more cash would not make much sense. We are, therefore, exploring various new growth initiatives.

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](#)
- [2023 - Q3 - FINAL3.pdf](#)