

# Quarterly update Q1





JAN – MAR 2022



RISMA Systems A/S



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# Summary and key figures Q1

			2022-Q1	2021-Q1
1	<b>ANNUAL RECURRING REVENUE</b>	Annual Recurring Revenue increased by 32% compared to the first quarter of 2021.	17.5 MDKK	13.3 MDKK
2	<b>ARR QUARTERLY GROWTH</b>	ARR first quarter growth in 2022 increased by approx. four times compared to the first quarter growth of 2021.	2.2 MDKK	0.6 MDKK
3	<b>UPSELLING</b>	Upselling on existing customers increased by approx. four times compared to the first quarter of 2021.	0.7 MDKK	0.2 MDKK
4	<b>REVENUE CHURN</b>	Revenue Churn more than halved compared to the first quarter of 2021.	0.2 MDKK	0.5 MDKK
5	<b>NET REVENUE RETENTION RATE</b>	Net Revenue Retention Rate improved by 6%-points in the first quarter of 2022 compared to first quarter of 2021.	103%	97%
6	<b>CUSTOMER ACQUISITION COST</b>	Customer Acquisition Cost decreased by 5 TDKK in the first quarter of 2022 compared to the first quarter of 2021.	156 TDKK	161 TDKK

## FINANCIAL GUIDANCE

The ARR guidance for 2022 is at 25-28 MDKK, equivalent to a growth rate of 63-83% in 2022.

The EBITDA guidance for 2022 is -21 to -23 MDKK.

# Letter from the CEO

## RISMA is executing its growth plan

As expected, 2022 has begun with a significant upwards shift in growth. The ARR grew approximately four times as much in Q1 2022 as it did in Q1 2021. Furthermore, the growth was in line with expectations according to the plan of realizing 63-83% growth in ARR in 2022.

The growth comes from a more diverse mixture of products. Until the end of 2021, new customers primarily invested in GDPR, IT-Security, and to some extent outsourcing solutions. In 2022, most new customers purchase either a number of solutions in the suite or the full suite consisting of GDPR, IT-Security, Enterprise Risk Management, Contract Management, Incident Management, Policy Management, Internal Controls, and ESG (sustainability). Especially the last solution is expected to fuel growth even more.

RISMA has strengthened the Internal Controls solution this spring. Recently a large Danish group chose RISMA as provider of the internal control solution even though they for the time being only looked for at point solution. Moreover, RISMA now has a strong pipeline of potential customers in Denmark as well as Sweden on the internal controls solution. We thereby take up the competition with a Danish point solution provider, who has had limited competition from RISMA in the last few years, where RISMA has focused on the long-term objective of becoming a full suite.

RISMA is also increasingly a strong competitor to the Danish Contract Management point solutions, which have been present in the Danish market for some years now. Furthermore, we can see that we have started selling the ESG solution. We expect that the ESG solution will have an increasing effect on RISMA's new sales in the coming years, primarily as of Q4 2022 and beyond.

Overall, we can see that customers are becoming ready to shift from point solutions to suites. Most of RISMA's new customers do not know that a suite exist when they contact us. As first movers, RISMA is as much a market maker as a market taker in this regard. We still have customers who initially buy one of RISMA's solutions as if it was a point solution, but they often intend to become a full suite customer over time.

Yours sincerely,

**Lars Nybro Munksgaard,**  
Chief Executive Officer & Founder



# Commercial perspective on Q1, 2022



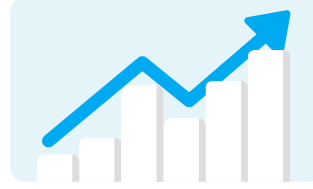
## Launch of GRC Intelligence Center

- Very positively received by existing customers
- Key differentiator in all new pitches
- Enable management to challenge and prioritize
- Drives GRC suite message and sales



## Solution updates

- New versions of “Internal Controls” and “Enterprise Risk”
- Support larger clients, opens new opportunities, and fuels more partner business
- First big win (DK Top100 client) and fast-growing pipeline



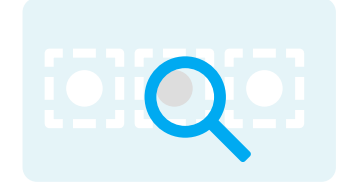
## Commercial growth indicators

- Delivered ARR growth according to expectations
- New customer intake: 27, compared to 10 in Q1, 2021
- GRC suite share: customer intake 20%, ARR 33%
- Average deal size: DKK 65K – unchanged (2021)



## Continued Nordic success

- Two new partners: FCG & Transcendent Group – both HQ in Stockholm
- Continued pipeline growth in Sweden, Norway and Denmark, including bigger tickets
- First enterprise win in Finland – Alko



## Focal points for following quarters

- Partner execution – from partner agreements to even more partner business
- ESG investment due to CSRD
- Navigate general market uncertainty and prolonged decisions – Ukraine & global economy



**Jan Axel Jansson**  
Chief Commercial Officer

# Statement from the CFO

## HIGHLIGHTS OF ANNUAL RECURRING REVENUE Q1 2022

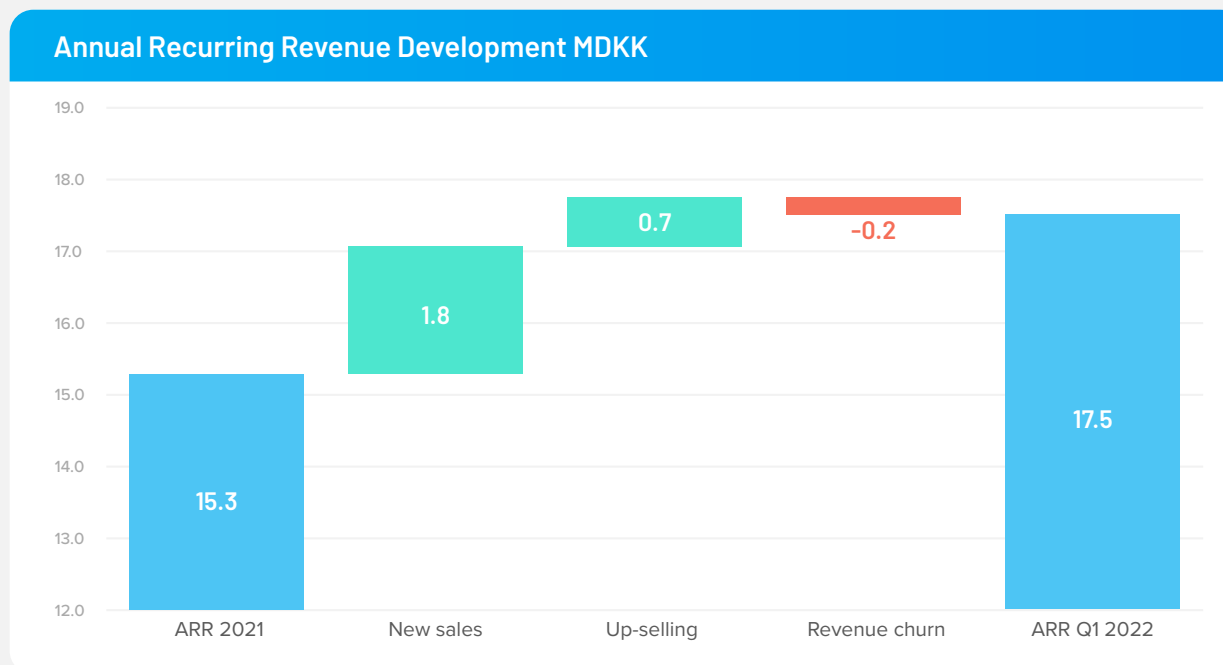
ARR end of 2022-Q1 was 17.5 Mdkk which is 32% higher than 13.3 Mdkk end of 2021-Q1. Total ARR increased by 2.2 Mdkk in 2022-Q1 which is approx. four times higher growth than the 0.6 Mdkk increase in 2021-Q1.

RISMA churned revenue for 1.6% in Q1 2022 while the upselling was 4.3%. The retention rate for Q1 2022 was 103%.

RISMA has in the first quarter of 2022 onboarded 27 customers with an average ARR of 65,483 dkk.



**Jacob Halberg**  
Chief Financial Officer



### 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.

#### NEW SALES

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

#### UPSELLING

Upselling consists of sales of additional licenses or modules and index regulations on existing contracts.

#### REVENUE CHURN

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

#### NET REVENUE RETENTION RATE

The Net Revenue Retention Rate is the difference between the positive impact of revenue upselling and the negative impact of revenue churn, compared to the level of ARR by the start of the period.