

# Quarterly update

Q3 2023



RISMA Systems A/S

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# Summary and Key Figures

			2023-Q3-YTD	2022-Q3-YTD
1	Annual Recurring Revenue	Annual Recurring Revenue increased by 48% compared to the third quarter of 2022.	30.3 MDKK	20.5 MDKK
2	ARR Growth year-to-date	ARR growth was 2.4 MDKK higher than in Q1-Q3 2022.	7.6 MDKK	5.2 MDKK
3	Upselling	Upselling to existing customers ended at 2.4 MDKK in Q1-Q3 2023	2.4 MDKK	1.7 MDKK
4	Revenue Churn	Revenue Churn was increased by 2%-point compared to Q1-Q3 2022	7%	5%
5	Net Revenue Retention Rate	Net Revenue Retention Rate ended at 103% for Q1-Q3 2023 a decrease of 1%-point compared to Q1-Q3 2022	103%	104%
6	Customer Acquisition Cost (CAC)	Customer Acquisition Cost decreased by 33 TDKK in Q1-Q3 2023 compared to Q1-Q3 2022.	105 TDKK	138 TDKK

## FINANCIAL GUIDANCE

The ARR guidance for 2023 is at 34-38 MDKK, equivalent to a growth rate of 50-67% in 2023. However, expectations are at the lower end of the range. The EBITDA guidance for 2023 is -7.5 to -9.5 MDKK.

# Letter from the CEO

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.



Yours sincerely,

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

# Commercial perspective on Q3, 2023



## New solutions

- Updated CSRD solutions launched in English and Danish. Swedish will follow
- NIS2 solution launched in Danish. English and Swedish will follow
- Norwegian Transparency Act solution launched in Norwegian and English.
- Product Organisation is being strengthened significantly, e.g. to work with AI.



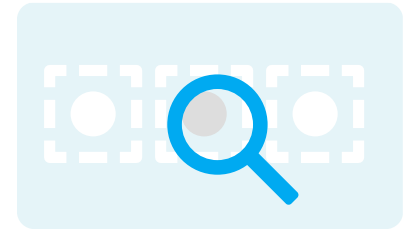
## Commercial growth indicators

- Overall sales as expected
- Customer intake has been 70 customers in Q1-Q3
- Average license per new customer is DKK 98,477 compared to 48,757 in Q1-Q3 2022
- Inbound lead generation has increased by over 50% over the past year



## Continued Nordic success

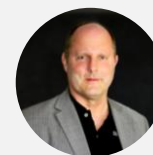
- Sales in Norway are on index 93 compared to budget in Q1-Q3
- Sales in Sweden are on index 88 compared to budget in Q1-Q3
- Pipeline in NO & SE is in line with growth projections
- Operation in SE and NO is cash neutral year-to-date



## Commercial focus

- Continuous significant sales of the GRC suite, with e.g. GDPR, ISMS, Risk Mng, Internal Controls and Contract Mng.
- Focus gradually shifting towards CSRD and NIS2 in DK and SE
- Focus gradually shifting toward Norwegian Transparency Act in NO
- Sale of new solutions generates many leads to the GRC-suite

# Statement from the CFO



Henrik Flintsø,  
Chief Financial Officer

## Highlight of annual recurring revenue 2023-Q3-YTD

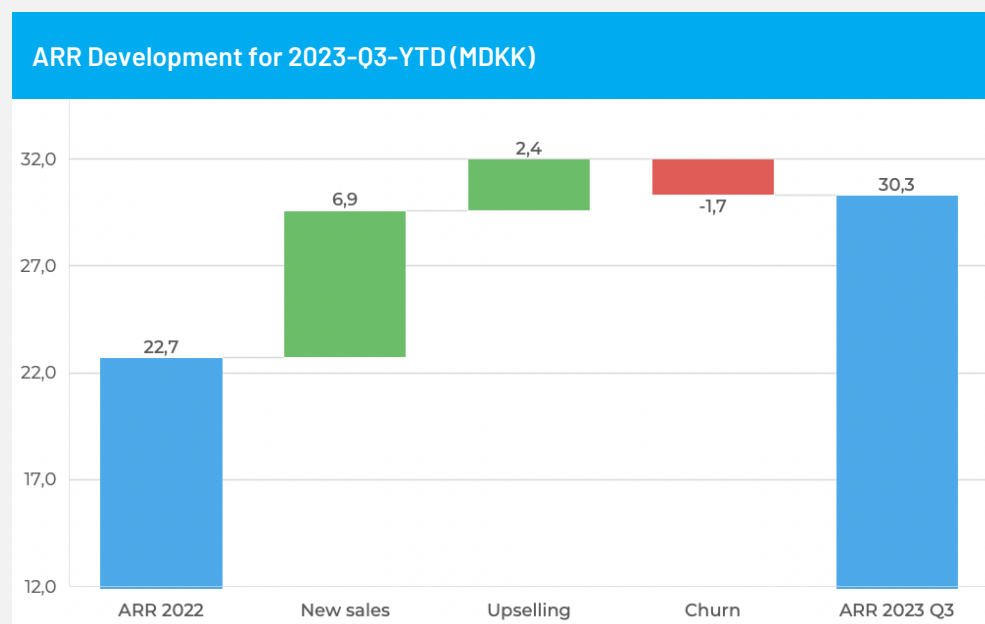
ARR ended at 30.3 MDKK in 2023-Q3-YTD which is 48% higher than 20.5 MDKK in 2022-Q3-YTD.

Total ARR increased by 7.6 MDKK in 2023-Q3-YTD, which was at the expected level and on track to reach the ARR guidance for full year 2023.

RISMA churned revenue for 7% in 2023-Q3-YTD. The retention rate for 2023-Q3-YTD was 103%.

Customer Acquisition Cost (CAC) decreased by 33 TDKK to 105 TDKK in 2023-Q3-YTD from 138 TDKK for the same period in 2022.

RISMA has in the third quarter YTD of 2023 onboarded 70 customers with an average ARR of 98 TDKK.



## 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.

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

**UPSELLING** Upselling consists of additional licenses and modules sales with existing customers as well as price regulation of current contracts.

**RETENTION REVENUE RATE** The revenue retention rate is the difference between negative impact of revenue churn, downgrading and positive impact of revenue upselling.

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

# Company Information

## Entity

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RISMA Systems A/S  
Ejby Industrivej 34-38  
2600 Glostrup

CVR: 32769713

## Board of Directors

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Lars Ankjer Jensen, Chairman  
Lars Nybro Munksgaard  
Claus Henrik Christiansen  
Rolf Erik Hall  
Merete Søby  
Rolf Bladt

## Executive Board

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Lars Nybro Munksgaard, CEO

## Certified Advisor

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