RISMA realizes 32% year-on-year ARR growth rate in Q1 2022 and confirms 63-83% ARR growth expectations for 2022

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Copenhagen, May 31, 2022

Quarterly update - Q1 2022 - attached

Key features Q1 2022

- Annual Recurring Revenue increased by 4.2 MDKK which corresponds to 32% growth compared Q1 2021, from 13.3 MDKK to 17.5 MDKK.
- Q1 ARR growth in 2022 increased by approx. four times compared to Q1 ARR growth in 2021, from 0.6 MDKK to 2.2 MDKK.
- Upselling on existing customers in Q1 2022 increased by approx. four times compared to the first quarter of 2021, from 0.2 MDKK to 0.7 MDKK.
- Revenue Churn more than halved compared to the first quarter of 2021, from 0.5 MDKK to 0.2 MDKK.
- Net Revenue Retention Rate improved by 6%-points to 103% in the first quarter of 2022 compared to 97% in the first quarter of 2021.
- Customer Acquisition Cost decreased by 5 TDKK in the first quarter of 2022 compared to the first quarter of 2021, from 161 TDKK to 156 TDKK.

Guidance

RISMA confirms ARR guidance of 25-28 MDKK for 2022 corresponding to an ARR growth of 63-83%

RISMA continues to invest in long-term ARR growth in accordance with the expansion strategy. Furthermore, RISMA has decided to boost the ESG solution, lead generation and partnership support with assumed impact on a long-term ARR. The investment in long-term ARR growth is impacting the EBITDA in 2022. Consequently, RISMA updates the previously EBITDA guidance of negative 17-19 MDKK to negative 21-23 MDKK in 2022.

Business update

As expected, 2022 has begun with a significant upwards shift in growth.

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.

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 exists when they contact us. As first movers in the mid-market in Scandinavia, 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.

Presentation

The Q1 2022 update will be presented at online live event on the 2nd of June 2022 at 1:00pm CET.

Please register for the event here

For more details please see the Quarterly update - Q1 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 - Q1 2022.pdf