

**Impero A/S releases Q1 Report 2025: realizes 24% growth in Annual Recurring Revenue, delivers a churn of just 2% and is narrowing the ARR outlook for year-end 2025 to DKK 46M to 49M (previous DKK 46M to 52M)**

Company Announcement No. 7-2025

Copenhagen, 23 May 2025

At the end of Q1 2025, Impero realized a 24% year-on-year Annual Recurring Revenue (ARR) growth, demonstrating solid growth and reinforcing the strength of our recurring business model. Impero remains in a strong financial position, with positive cash-flow from operating activities of DKK 4.4M and a cash-position of DKK 12.3M at the end of Q1. We are narrowing the ARR outlook for year-end 2025 to DKK 46M to 49M, reflecting the lower end of the previously communicated range of DKK 46M to 52M. EBITDA is still expected within the DKK -10M to -8M range.

#### **SaaS metrics and financial highlights on 31 March 2025**

- ARR increased by 24% to DKK 40.2M, from DKK 32.2M on 31 March 2024
- Net ARR growth in Q1-2025 amounted to DKK 1.5M, compared to DKK 2.1M in Q1-2024
- Uplift was 12% YoY, compared to 14% in the 12-month period ending 31 March 2024
- Churn was 2%, YoY compared to 6% in the 12-month period ending 31 March 2024
- Net Revenue Retention was 110% compared to 108% in the 12-month period ending 31 March 2024
- Revenue in Q1-2025 increased by 27% to DKK 9.9M, compared to the same period in 2024
- EBITDA for Q1-2025 was negative DKK 2.8M, compared to negative DKK 2.0M for the first quarter of 2024

#### **Development of the business**

Regardless of macroeconomic headwinds, our Q1 performance reflects strategic focus on long-term value creation and continued investment in platform development and commercial growth. We ended the quarter with a 24% year-over-year increase in ARR, reaching DKK 40.2M, and a 27% rise in reported revenue compared to Q1 2024.

In line with our 2026 strategic direction, *Increasing the Impact*, which embraces enhancing our platform's capabilities and accelerating delivery speed, we continued to allocate resources bolstering our Product teams' capacity. Simultaneously, we increased investments in go-to-market initiatives across new geographies and channels to support long-term pipeline development and customer acquisition.

Q1 concluded with a strengthened cash position of DKK 12.3M at the end of the period, supported by positive working capital movements. We remain committed to our current investment strategy, accepting a negative EBITDA as we build up future scalability.

*"We continue to believe that our emphasis on reducing complexity, allowing businesses to focus on their core activities, is the right strategic path. Impero's focus on simplifying tax and finance compliance processes remains a fundamental driver of our relevance and value to customers. Our continued investments in innovation and market expansion reflect our strong belief in Impero's long-term potential, and we remain on course to become cash flow positive before the end of 2026", says CEO Rikke Stampe Skov.*

#### **Commercial progress**

Q1 is typically marked by limited momentum due to customers' fiscal year-end activities. Nonetheless, we achieved gross ARR growth of DKK 2.1M, underpinned by strong upsell activity with existing customers.

During the quarter, we saw a notable contraction, due to the discontinuation of a recurring service agreement with a long-standing customer. Net ARR growth for the first quarter ended at DKK 1.5M and churn remained low at 2%.

While geopolitical uncertainty has lengthened decision-making cycles, particularly among new customers, we observed steady partner engagement with onboarding of new German partners. In the UK, recent regulatory developments such as the Corporate Governance Code are creating new opportunities, and we are seeing promising dialogues that we anticipate will drive momentum in the future.

**ESG, CSRD, and the Omnibus Proposal**

Over the past years, many conversations among compliance professionals have related to ESG, CSRD, and CSDDD. The recent Omnibus proposal from the EU Commission is seeking to harmonize and simplify the related compliance processes. Key changes include a reduction of affected companies, postponed reporting deadlines, and decreased data points.

Due to Impero's focus on enterprise customers, these simplifications of reporting requirements are expected to have only a minor negative impact on our current ARR.

**Platform expansion and innovation**

A key milestone in Q1 was the Beta launch of our Control Testing module, with general availability planned for end of Q2 2025. Adding the capability to assess and audit the effectiveness of internal controls expands our support for complex compliance workflows and underlines our ambition to serve as a comprehensive GRC platform.

Feedback during the Beta phase has been encouraging, and we see the potential to deepen engagement with existing enterprise customers while attracting new ones in parallel. We delivered several enhancements to the module during the quarter, all tailored to simplify control testing across large organizations.

**AI-driven efficiency and user benefits**

We are progressing well with integrating AI across internal and product-facing functions. Internally, AI is improving our development speed and operational efficiency. On the product side, we laid the groundwork for future AI capabilities by deploying an initial feature set, including an AI model that automatically generates control descriptions based on existing program context. This feature is undergoing rigorous testing to ensure alignment with compliance and regulatory standards.

Our vision for AI is two-fold: enhancing development velocity and delivering intelligent tools that simplify compliance work for our users.

**Looking ahead**

As we continue to scale our platform and commercial operations, our focus remains on delivering meaningful innovation and simplifying compliance for large organizations. Our solid customer base, strengthened team, growing partner network, and expanding platform capabilities position us well for the journey ahead.

**Outlook**

We are narrowing the ARR outlook for year-end 2025 to DKK 46M to 49M, reflecting the lower end of the previously communicated range of DKK 46M to 52M. This updated outlook corresponds to an expected annual ARR growth rate between 19% and 27%. The refinement is primarily driven by a slower-than-anticipated pace of new customer acquisitions, influenced by prolonged decision-making cycles and intensified geopolitical and macroeconomic uncertainty.

The outlook for EBITDA remains unchanged, with full-year expectations between DKK -10M and -8M, as Impero continues to pursue its strategy of investing in platform innovation and commercial expansion to support long-term ARR growth. For the full outlook, we refer to page 8 in the Q1 Report 2025.

## Presentation of the Report

Read the Report in its entirety via <https://impero.com/investors/> or in the attached.

CEO Rikke Stampe Skov and CFO Morten Lehmann Nielsen will present the Annual Report at a webinar on 26 May 2025, at 11:00 AM CET (in Danish).

Register for the webinar via: <https://www.inderes.dk/videos/impero-praesentation-af-q1-2025>

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## ABOUT IMPERO

Impero is a Danish Software-as-a-Service (SaaS) company that provides a compliance management platform. The Impero platform enables companies to easily manage compliance through automation of risk and control management, documentation, and reporting. Impero empowers companies to become more compliant in a scalable, digital, intuitive, and – most importantly – easy way.