

*This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.*

**Acuity RM Group plc**  
("Acuity" or the "Group")

**Largest-Ever Contract Win.  
Corporate Update**

Acuity (AIM: ACRM), the software group, which supplies the award-winning STREAM<sup>®</sup> software platform for the Governance, Risk and Compliance ("GRC") market, together with associated consultancy services, provides the following update on developments at the Group.

**CONTRACT WIN**

Acuity's wholly owned operating subsidiary, Acuity Risk Management Limited ('ARM'), has won its largest contract worth £561,000, for the use of Acuity's software platform, STREAM<sup>®</sup> over the next five years. The client is a major organisation within the British Government. This is one of three orders from the same customer won so far in 2023, the aggregate value of which is in excess of £1 million.

**TRADING UPDATE**

**HIGHLIGHTS**

- Strong recent growth in orders £955,000 (valued at first 12 months revenue) from 1 April with more expected before 31 December in the near future.
- Contract renewals, a significant KPI for the Company as customer retention has a major effect on growth for SaaS companies and ARML the Company has been achieving 96%.
- Forward contracted revenue as at 31 October 2023 £2.9 million
- Sales pipeline has increased to £5.7m as at 15 November 2023 from £3.8m in March 2023 with increasing contribution from partners.

**Key performance indicators of ARM**

ARM has now been under the ownership of the Company for approximately seven months. The integration of ARM into the Company and the transition of Kerry Chambers into the CEO role has gone well and sales momentum is building.

Contracts to use Acuity's software platform, STREAM<sup>®</sup> have been won since 1 April 2023. The most notable of which are:

- the contracts worth a total of £1 million+ as detailed above
- a three year contract worth £85,000 with a new client to manage their ISO 27001 framework and excellence of service. The client is multi-national telecoms business; and
- a three year contract worth £160,000 with a new client to manage their ISO 27001 framework and excellence of service. The client is a motor manufacturer.

There are further contract opportunities with each of the three customers above and several other significant opportunities with other new customers are in advanced negotiation and are anticipated to be closed in the coming months.

The sales pipeline has increased to £5.7m as at 15 November 2023 (22 March 2023: £3.83 million). This results from a combination of improved internal marketing and a much stronger performance from partners following the appointment of a new dedicated partner manager.

**Commercial progress**

ARML's revenues have grown by 43% over the past two years and all of the Company's KPIs have continued to improve significantly and consistently during this period, further demonstrating the ongoing success of the strategy for the planned faster growth of orders and increase in revenues is working well:

As noted above, the sales pipeline has increased to £5.7m in November 2023 from £3.8m in March 2022. This results from a combination of improved internal marketing and a much stronger performance from partners following the appointment of a new dedicated partner manager. Sales opportunities typically require a six to 12 month conversion period, given the organisational significance of risk management projects, requiring buy-in from multiple departmental heads.

**Partnerships**

Major players in the GRC market have typically used a partnership strategy to grow their market presence and the partnership model is a key component of Acuity's sales growth strategy. Acuity is seeing increasing traction from its partnership programme with a number of the recent awarded contracts coming through partners and the number and value of sales opportunities

increasingly materially - more than 25% of the current sales pipeline are partner sourced. In addition, the Company has increased its geographic reach through new partners relationships. The Company now has five partners based in the US including Security Executive Council ("Sec Leaders") which was engaged in October 2023.

## Financial performance

Annual revenues have grown strongly over the past two years and this is expected to continue and further strengthen. With renewals and the expected growth in orders based on the partner programme and general strength of the sales pipeline, the Group is making progress towards cash generative trading. Profitable trading, under IFRS accounting standards will take longer to achieve, although it remains a realistic objective in the next year.

Angus Forrest, Executive Chairman, commented; "The seven months since the readmission and particularly the four months since Kerry Chambers' appointment as Chief Executive of Acuity in late June, has been a period of material progress towards achieving the objectives set out in the readmission document:

- Accelerate revenue growth both organically in existing and other global markets
- Further penetrate existing markets by forging stronger customer and partner relationships
- Major steps have been made towards cash generative and profitable trading"

For further information please contact:

Acuity RM Group plc	<a href="https://acuityrmgroup.com">https://acuityrmgroup.com</a>
Angus Forrest	+44 (0) 20 3582 0566
WH Ireland (NOMAD & Broker)	<a href="http://www.whirelandplc.com/capital-markets">www.whirelandplc.com/capital-markets</a>
Mike Coe / Sarah Mather	+44 (0) 20 7220 1666
Peterhouse Capital (Joint broker)	
Lucy Williams / Duncan Vasey	+44 (0) 20 7469 0936
Clear Capital (Joint broker)	
Bob Roberts	+44 (0) 20 3869 6080

## Note to Editors

Acuity RM Group plc

Acuity RM Group plc (AIM: ACRM), is an established provider of risk management services. It's award-winning STREAM® software platform, which collects data about organisations to improve business decisions and management. It is used by around 70 organisations in markets including government, utilities, defence, broadcasting, manufacturing and healthcare.

The Company is focused on delivering long term, sustainable growth in shareholder value. In the short to medium term this is expected to come from organic growth and thereafter may also come from complementary acquisitions.

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