



Q1 QUARTERLY UPDATE

Reach, Engage, and Unite the Power of Your Workforce



Empowering the Global Workforce

At Relesys, we help companies reach, engage, and unite the power of their workforce by bridging the gap between HQ and non-desk workers through a unique and customized platform.

Our platform allows companies to streamline their communications, training, and daily operations. We provide an all-in-one solution, that enables companies to utilize their own easily accessible app for all employees, including their non-desk workers, and contains all the information and tools they need to succeed in their jobs, thus improving the overall company performance.

Anchored within our mindset is our belief that employees are a company's most valuable asset. This belief pervades our entire organization and inspires our talented international team to empower organizations to grow their business by first growing their people.

The Company

Relesys A/S
Orient Plads 1
2150 Nordhavn
Denmark

Business Registration No.:
36 43 27 72

Date of incorporation:

30.10.2014

Financial year:

01.01–31.12

First Quarter:

01.01–31.03

Executive Board

Jesper Roesgaard
Jens Ole Lebeck
Mads Stoffer Larsen

Auditors

PricewaterhouseCoopers,
Statsautoriseret Revisionspartnerselskab

Compared to Q1 2021, annual recurring revenue grew 33% and revenue grew 30%.

Q1 was the first step in meeting the guidance of 2022, which is being kept unchanged.

Q1 in Review

Increased Sales Efforts Across Markets

In continuance of the ambitious growth strategy, Relesys has been searching for bright minds to join our growing teams located in the current markets of Denmark, Sweden, and the Netherlands. Relesys also used Q1 to prepare for the future entry into the UK and opening of an office in London in Q2.

In Q1, Relesys hired and onboarded 24 new colleagues for the offices in its current markets. 15 of the new colleagues were in commercial roles in Sales and Marketing, four were in Client Success, three were in Talent Acquisition and the remainder were in administrative positions. The number and timing of new hires are in line with the strategy presented in the prospectus and is supporting Relesys’ increasing sales efforts across all markets.

Annual Recurring Revenue Development

ARR grew by DKKm 2.5 during Q1 2022. This development was driven by an increase of DKKm 1.6 from new clients in Switzerland, Sweden, and Denmark. ARR churn was DKKm 0.4 and derived from three customers churning in Denmark and one in The Netherlands. Net uplift in Q1 was DKKm 1.3. The uplift was driven by clients across all industries, sizes, and geographical regions.

Revenue

Relesys reached DKKm 10.0 in Q1 2022 which was a growth of 30% year over year. The SaaS revenue grew by 40% year over year and represented 83% of revenue in Q1 2022. Compared to Q4 2021, total revenue grew 4% and SaaS revenue grew by 11%.

Customer Development

Six new clients signed and four left during Q1. Throughout Q1 Relesys added more industry-leading brands to the growing portfolio. A warm welcome to Sonova, Berry Superfoss, Lalandia, LeDap, Pilgrim, and Wokshop who can look forward to getting their very own digital solution to reach, engage, and unite the power of their workforce, streamlining and strengthening their communication, training, and daily operations.

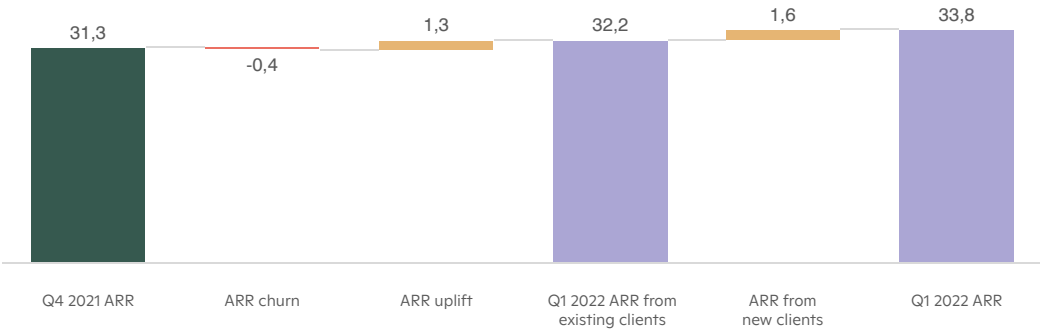
Relocation and boost of the Development team

Due to the situation in Ukraine, Relesys terminated its consulting agreements with the software developers located in Minsk, Belarus. The termination resulted in Relesys fast-forwarding the establishment of a subsidiary in Vilnius, Lithuania, and establishing a software development team in the city. The Relesys product road map has not been significantly affected by the relocation activities.

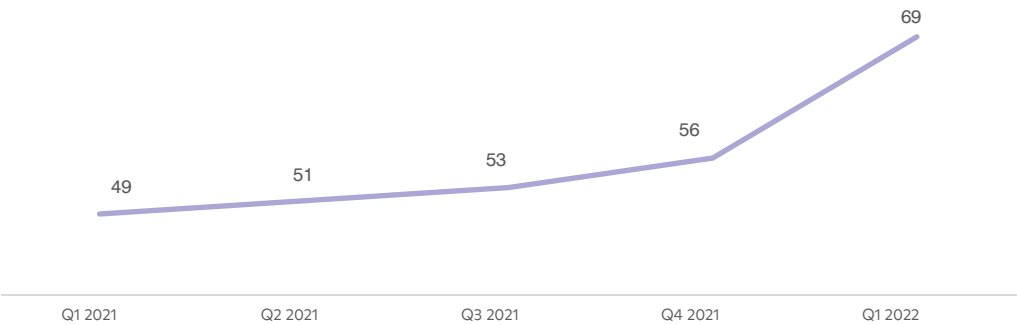
Preparations for the expansion in the UK

During Q1, Relesys has been preparing for expansion and entry in the UK. This meant ramping up the organization and team to get ready for the opening in London during Q2, to address the huge market opportunity that lies within Relesys’ core industry expert areas – retail and manufacturing.

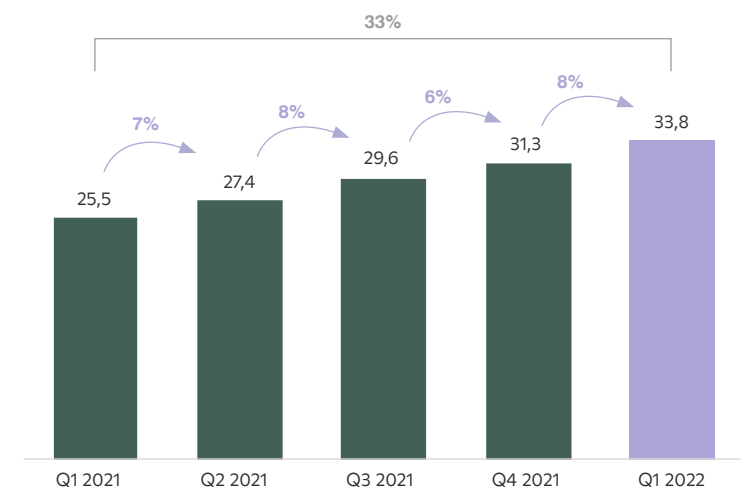
Development in annual recurring revenue



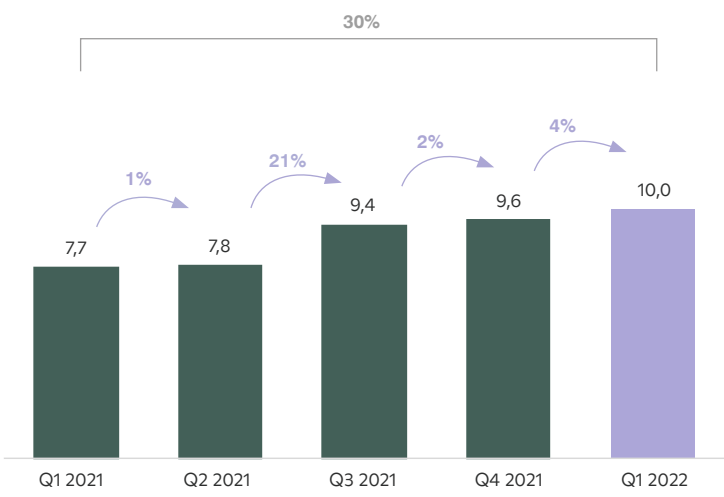
Development in employee full time equivalent



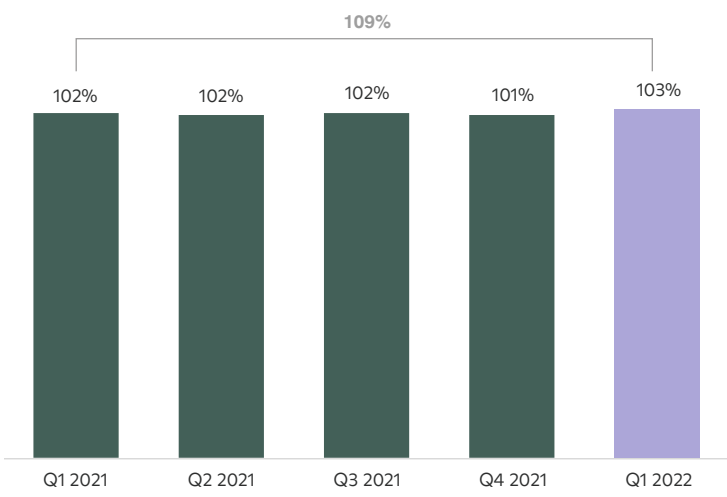
Highlights Q1 2022



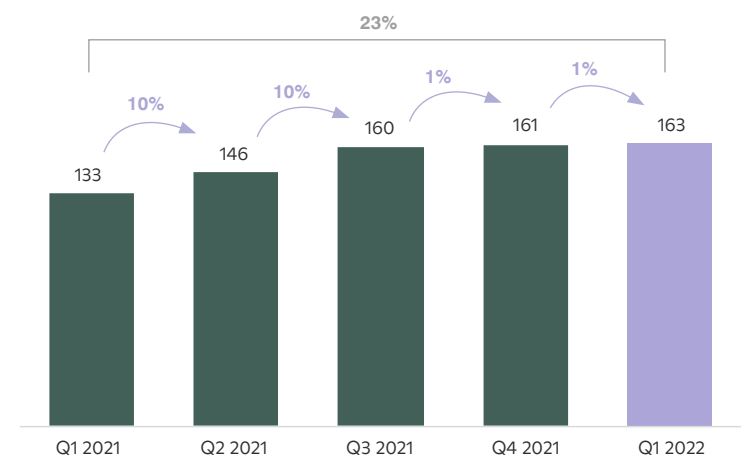
Annual Recurring Revenue (DKKm)



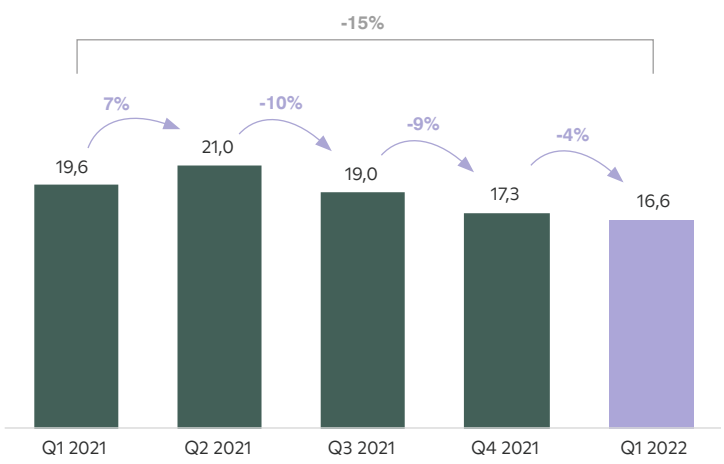
Revenue (Q+D DKKm)



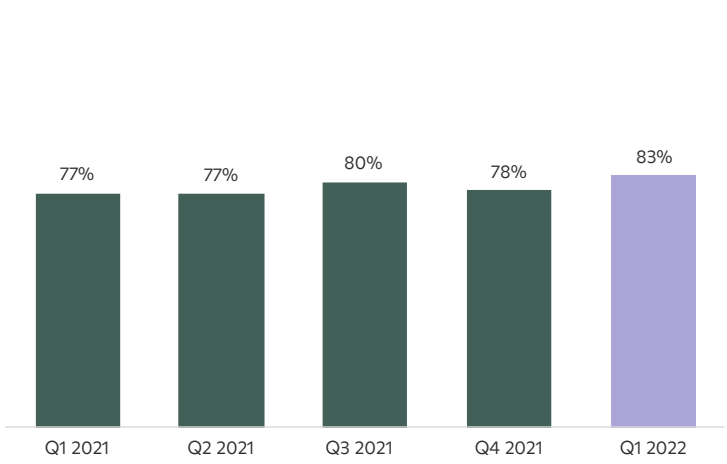
Net Revenue Retention (Q+D)



Number of customers



Customer expected lifetime (Years, YoY)



SaaS share of revenue (Q+D)

Financial Outlook

Based on the strong execution in Q1, Relesys keeps guidance unchanged for the full year 2022. The outlook that was presented in the annual report is presented below.

Financial Outlook for 2022

For 2022, we expect an ARR of DKKm 40–42, which is in line with the expectations for the future in the IPO prospectus.

Furthermore, we expect revenue of DKKm 41–45, which is also in line with the IPO prospectus.

Relesys continues to focus on growing the existing markets in Scandinavia and Benelux. In addition, Relesys will enter the UK market during 2022, which means that Relesys will increase both staff costs and other external expenses significantly.

OUTLOOK 2022 (DKKm)	2021 Actual	2022 Outlook
Annual Recurring Revenue	31.3	40-42
Revenue	34.5	41-45

Fulfillment of the ARR guidance depends on the following key drivers and assumptions:

- Continued low churn rate.
- Continued strong uplift of existing clients.
- Continued high growth of client base across industries and in foreign markets.

In addition to above, fulfillment of the revenue guidance depends on the following key drivers and assumptions:

- Continued short period for onboarding new clients.

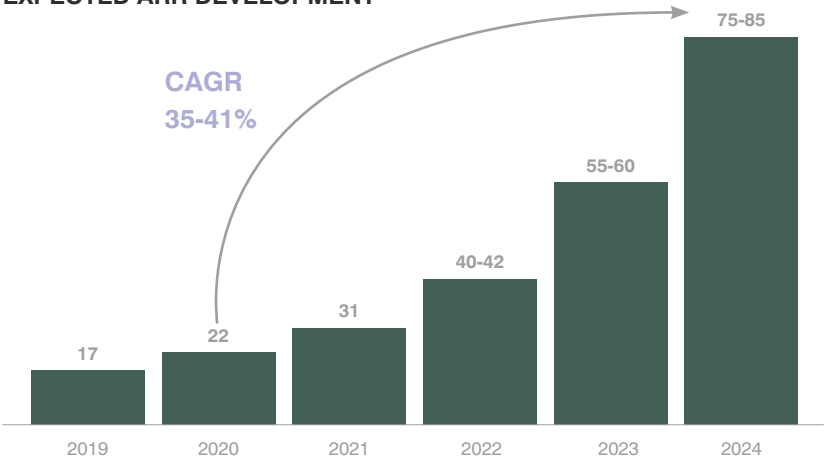
Long-term financial targets

Relesys continues to expect a CAGR of 35–41% from 2021 to 2024.

The higher growth rates in 2023 and 2024 reflects the projected crystallization of the heavy investments in sales and marketing in 2021 and 2022, as well as the penetration of the new markets in both 2022 and 2023.

Relesys continues the plan for the proceeds from the IPO Offering and will especially invest in accelerating sales and marketing efforts. Those costs are recognized in Relesys’s costs in the profit & loss statement. The investments in growth mean that Relesys will experience significant negative EBIT margins in both 2022, 2023, and 2024

EXPECTED ARR DEVELOPMENT



SaaS metrics definitions

Annual Recurring Revenue definition:

Annual recurring revenue (ARR) is the annualized value of subscriptions at a given date, entered into with Relesys.

New subscriptions are included in ARR at the time of entering into a binding agreement, which would typically occur at the time of signing an agreement.

For changes to existing subscriptions, ARR impact is included at the time that the change enters into force.

Subscriptions that are terminated (ARR churn) are reduced on ARR at the time that the agreement ceases to exist. Subscriptions are typically entered into with an irrevocable period of 12–36 months. Inclusion of ARR is conducted in the following manner:

- For 12-month subscriptions, ARR is included as 1 time the value of the agreement.
- For 24-month subscriptions, ARR is included as 1/2 times the value of the agreement.
- For 36-month subscriptions, ARR is included as 1/3 times the value of the agreement.
- Monthly subscriptions and existing subscriptions that are beyond the irrevocable period are included in ARR as 12 times the actual monthly value of the subscription (MRR).

The value of ARR from transaction-based use is calculated as the latest quarter's actual transaction-based use multiplied by 4.

The value of customer customization and integrations are included in ARR calculated as a prorated value over the subscription period.

ARR is calculated in Danish kroner. When entering into an agreement in a foreign currency, a currency translation is conducted at the time of entering into the agreement.

Revenue definition:

SaaS Revenue: Software as a Service revenue cover; license, hosting, maintenance and configuration & integration fees. The mentioned fees are not distinct and is recognized over time.

Consultancy Revenue: Consultancy revenue cover; training, workshops, development of add-ons and customization according to the specific needs of the customers.

Other definitions:

Number of customers: Relesys counts customers by the number of groups/companies with whom we have subscription agreements.

Customer churn rate: Number of customers at the start of the period that left during period/number of customers at the start of the period.

Customer retention: 100% - Churn %

Customer expected lifetime: 1 / Customer churn rate

Number of onboarded users: Relesys counts the number of onboarded users as the number of new users created in apps relating to new and existing customer agreements. The number of onboarded users does not take user churn into consideration.

1ST OF JANUARY 2022 - 31ST OF MARCH 2022

Quarterly Update Q1 2022

Relesys A/S

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Certified Adviser

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2100 Copenhagen
www.grantthornton.dk

Financial calendar

Quarterly update (Q1) - May 25, 2022
Half-yearly Report (H1) - August 29, 2022
Quarterly Update (Q3) - November 29, 2022

