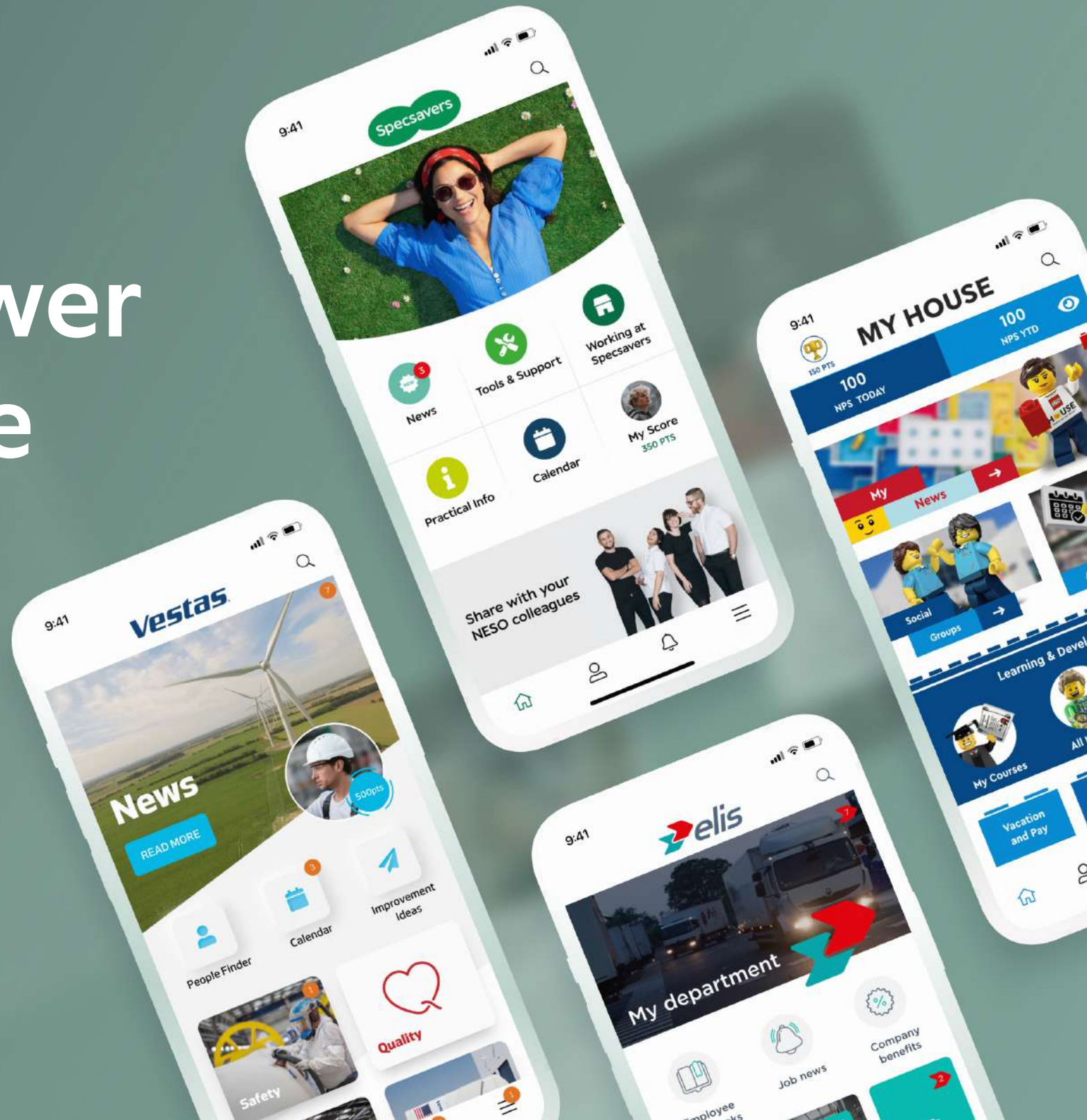


QUARTERLY UPDATE Q3 2022

# 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

#### Q3 2022:

01.07–30.09

#### Executive Board

Jesper Roesgaard  
Jens Ole Lebeck  
Mads Stoffer Larsen

#### Auditors

PricewaterhouseCoopers,  
Statsautoriseret Revisionspartnerselskab



Annual Recurring Revenue grew 36% year-on-year and Revenue grew 16% year-on-year.

ARR was DKKm 40.2 by the end of the quarter.  
Revenue was DKKm 10.9 in Q3 2022.

Previous full year ARR guidance of DKKm 40 - 42  
is narrowed to now DKKm 41 - 42.

Previous full year Revenue guidance of DKKm 41 - 45  
is narrowed to now DKKm 42-45.

# Q3 in Review

## General update and first results from UK

Relesys continued to deliver strong year-on-year growth in ARR and SaaS revenue. The growth continues to be in line with the ambitious growth strategy. During Q3, Relesys signed with six new clients adding to a tally of 20 new clients in 2022. The average first year ARR value from the new clients were DKKm 0.26 in Q3 and DKKm 0.24 year to date.

The Relesys office in London opened in May with a great team, and Relesys is already seeing the first results from the expansion effort. The UK team signed with three clients during Q3.

During Q3 Relesys made a change to the “go to market” strategy that was described in the prospectus. The change is partly a result of unmet expectations in the volume of opportunities in foreign markets and partly a strategy of being able to scale more quickly in a more volatile economic environment. Going forward Relesys will be using both internal and external resources for Business Development and Marketing efforts. The result in Relesys’ financial statements is a shift from Staff Cost to Other External Expenses and consequently a reduction in the number of full-time equivalents.

## Development in Annual Recurring Revenue

ARR grew by DKKm 2.0 in Q3 which is 36% year-on-year growth. The development was driven by an increase of DKKm 1.5 from new clients in The Netherlands, Iceland, the United Kingdom and Sweden. ARR churn was DKKm 0.5 and derived from one customer churning in Denmark and one in Sweden. Net uplift in Q3 was DKKm 1.0. The uplift was driven by increase in sales of user licenses and Relesys Pro Modules.

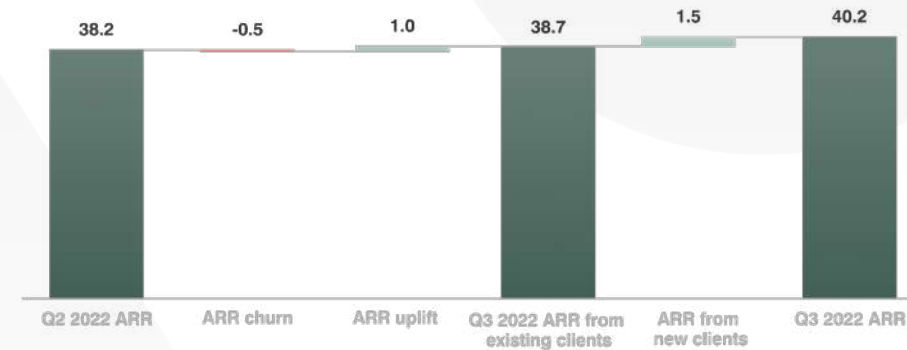
## Revenue

Revenue reached DKKm 10.9 in Q3 2022 which is a growth of 16% year-on-year. The SaaS revenue grew by 32% year-on-year and represented 88% of revenue in Q3 2022. Compared to Q2 2022, revenue grew 2% and SaaS revenue grew by 9%. Consultancy revenue declined by 45% compared to Q2 2022, which was driven by capacity challenges in the development team. The capacity challenges are expected to continue through-out the rest of the year.

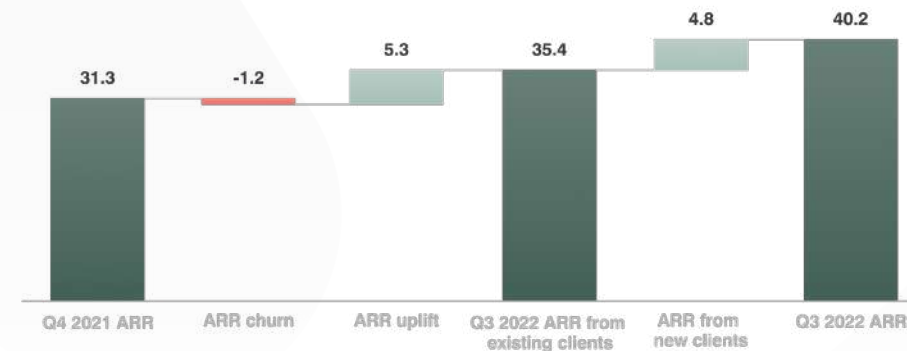
## Customer Development

Six new clients signed and four left during Q3. Year-on-year the number of customers grew 8%. Customer retention was 91.9%, which is the lowest customer retention during the last five quarters. The relatively low retention rate is mainly driven by small clients that are below the minimum size of the Relesys Ideal Customer Profile. The account size of terminated agreements resulted in an ARR Retention Rate of 95.9% and a calculated ARR lifetime of more than 24 year in Q3.

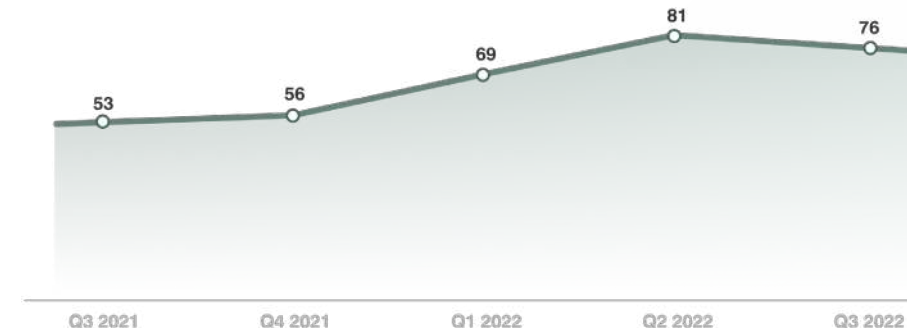
Development in Annual Recurring Revenue, Q3 2022



Development in Annual Recurring Revenue, YTD



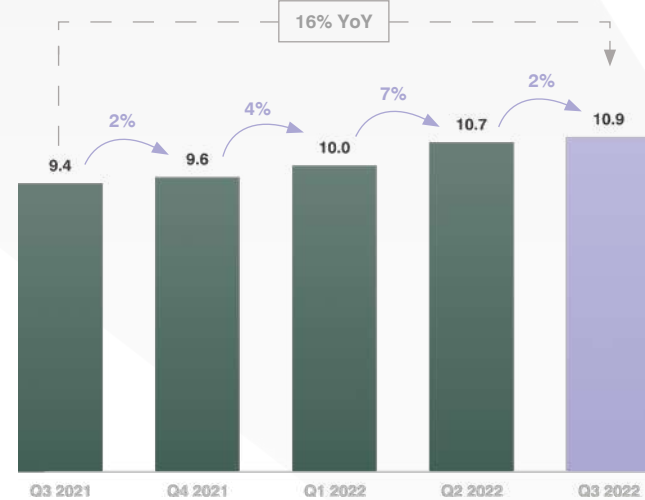
Development in employee full-time equivalents



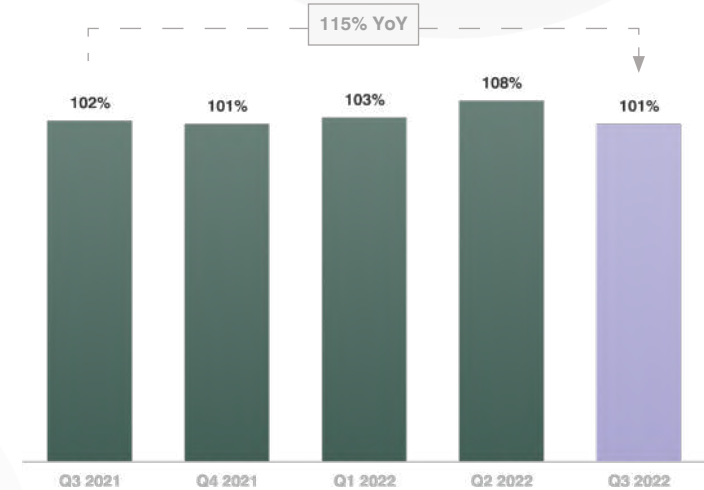
# Highlights Q3 2022



Annual Recurring Revenue (DKKm)



Revenue (Q+D DKKm)

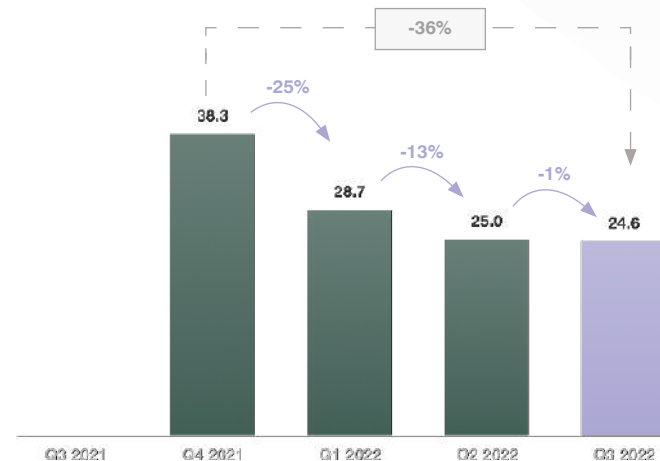


Net Revenue Retention (Q+D)

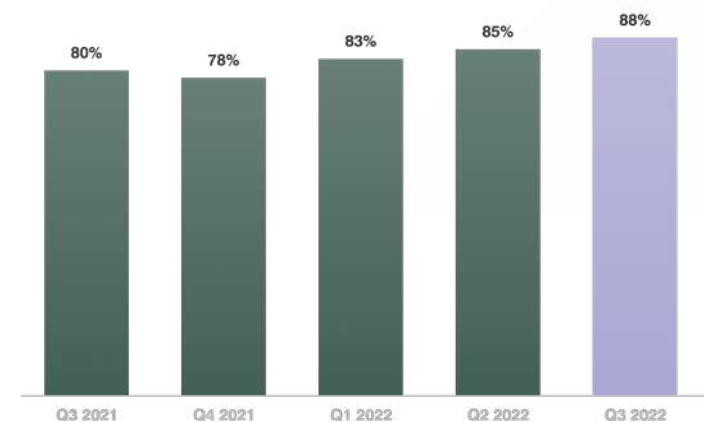


● Number of customers (YTD) ● Customer retention rate

Number of customers & retention rate



ARR expected lifetime (Years, YoY)



SaaS share of revenue (Q+D)

# Financial outlook

Based on the strong execution in Q3, Relesys is narrowing guidance for the full year 2022.

## Narrowed financial Outlook for 2022

For 2022, we expect an ARR of DKKm 41–42.

Furthermore, we expect revenue of DKKm 42–45.

OUTLOOK 2022 (DKKm)	2021 Actual	Q3 2022 Actual	Previous 2022 Outlook	Narrowed 2022 Outlook
Annual Recurring Revenue	31.3	40.2	40-42	41-42
Revenue	34.5	31.6	41-45	42-45

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.

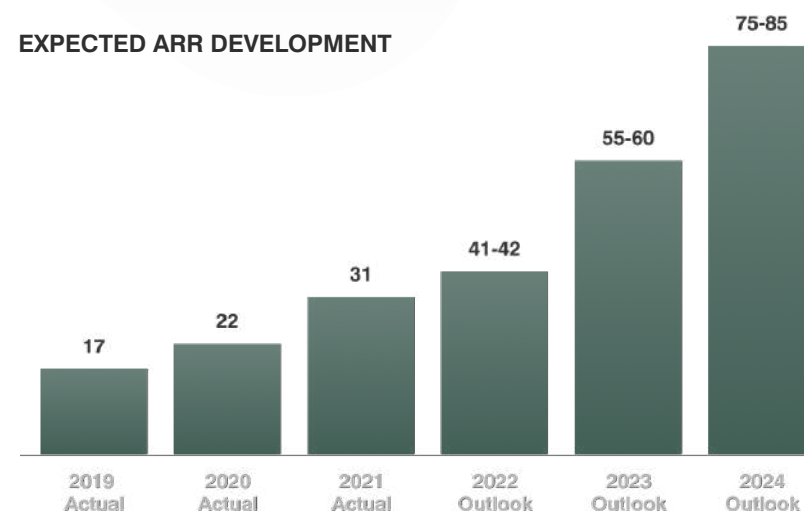
## Long-term financial targets

Relesys continues to expect a CAGR of 35–41% in ARR growth 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 are 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:**  $(\text{Customers at beginning of period} - \text{Customers at end of period}) / \text{Customers at beginning of period}$

**Customer retention:**  $100\% - \text{Churn \%}$

**ARR churn rate:**  $(\text{ARR amount at beginning of period} - \text{ARR amount at end of period}) / \text{ARR amount at beginning of period}$

**ARR retention:**  $100\% - \text{Churn \%}$

**ARR expected lifetime:**  $1 / \text{ARR churn rate}$

**Net Revenue Retention Rate:**

$(\text{Starting ARR} + \text{ARR net uplift of existing customers} - \text{ARR churn of existing customers}) / \text{Starting ARR}$

**Compound Annual Growth Rate (CAGR):**

$(\text{End Value} / \text{Beginning Value})^{(1 / \text{Number of Years})} - 1$

1ST OF JULY 2022 - 30TH OF SEPTEMBER 2022

# Quarterly update Q3 2022

## Relesys A/S

Orient Plads 1, 2150 Nordhavn  
Business registration No.: DK-36 43 27 72  
info@relesys.net  
www.relesys.net

## Certified Adviser

Grant Thornton  
Stockholmsgade 45  
2100 Copenhagen  
www.grantthornton.dk

## Financial calendar

Quarterly Update (Q3) - November 29, 2022  
Annual Report 2022 - March 30, 2023  
Annual General Meeting - April 27, 2023

Quarterly Update (Q1 2023) - May 11, 2023  
Interim Financial Report (Q2 2023) - August 29, 2023  
Interim Financial Report (Q3 2023) - November 29, 2023

