

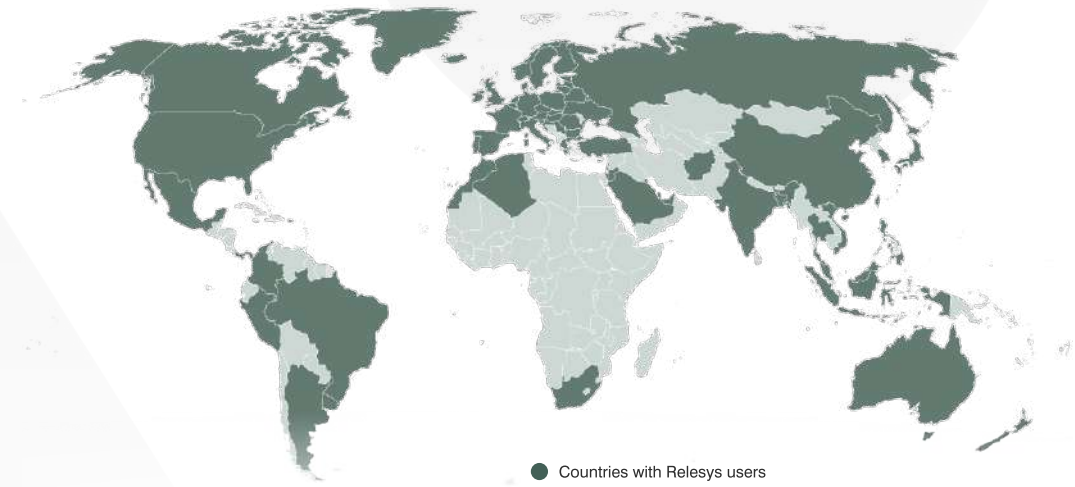
QUARTERLY UPDATE Q1 2023

Reach, Engage, and Unite the Power of Your Workforce



About Relesys

Relesys, founded in 2014 in Denmark, is a **Software-as-a-Service (SaaS) company** dedicated to providing the best digital tools and applications for creating a **more engaged and united workforce**. This is done through the Relesys platform which enables companies to streamline their internal **communication, training, and daily operations** through an intuitive, user-friendly app. While applying the customer's own brand identity, the all-in-one app gives employees access to all the information they need to succeed in their jobs - and for businesses to reduce the cost of onboarding and training, grow retention rates and improve overall performance.



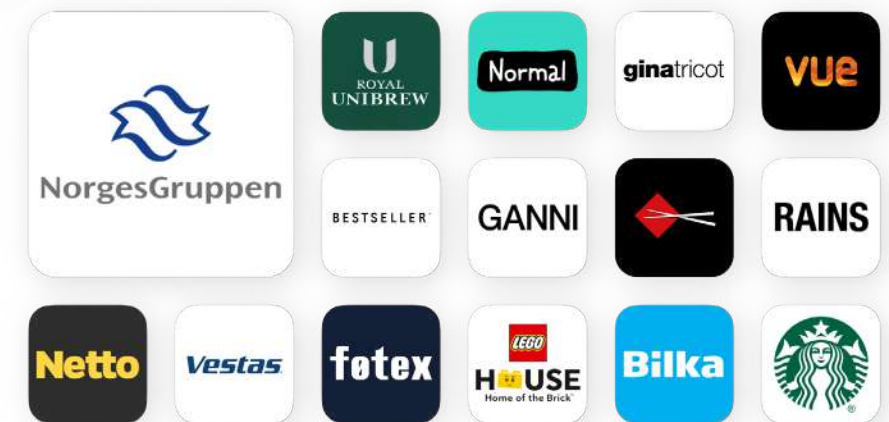
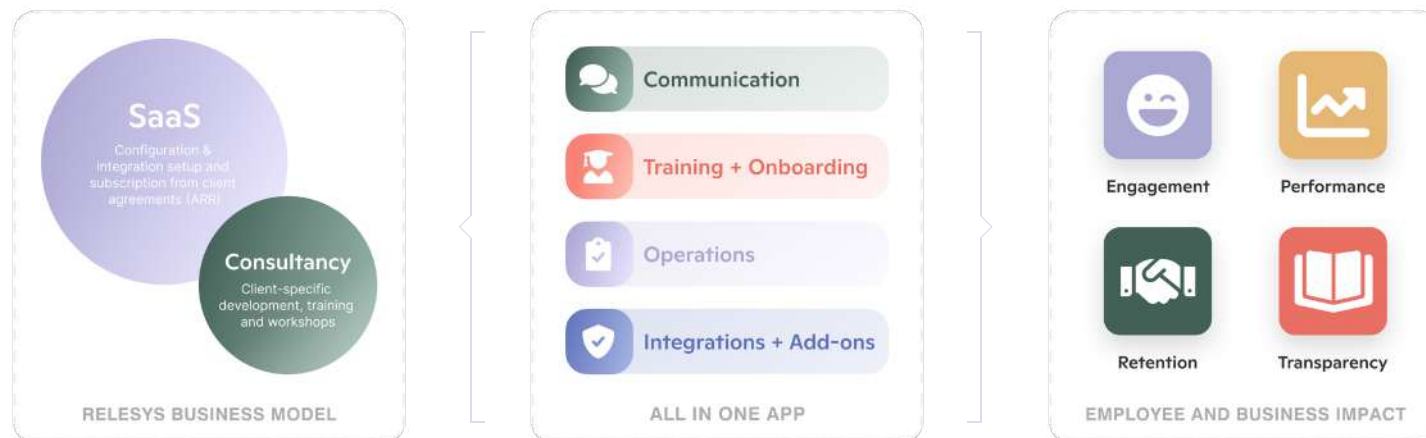
Why Relesys

At Relesys, we are a committed team whose relentless efforts help our customers and their more than **250.000 employees** to improve the quality of business and life. We provide businesses with an **all-in-one app** that gathers all relevant elements and content flows into one easy-to-use digital platform,

co-developed, designed, and customized to reflect the company's business needs and employee engagement targets. This approach provides the unique opportunity to ensure that the app contains just the right channels and software packages to grow both the people and the business.

Key industries

The Relesys platform is ideally suited for catering to industries where a large proportion of the workforce are non-desk workers who are facing customers. This is why Relesys key industries are **Retail, Hospitality and Restaurants** – where international, market-leading brands benefit from Relesys scalable and proven software solution that helps reduce learning and development costs while increasing the engagement and retention of employees.





Annual Recurring Revenue grew 46% year-on-year and Revenue grew 28% year-on-year.

ARR was DKKm 49.4 by the end of the quarter.
Revenue was DKKm 12.8 in Q1 2023.

The cash balance of DKKm 28.2 is considered to be sufficient to take Relesys to positive cash flow.

Relesys keeps guidance unchanged.

SaaS companies and SaaS metrics

ReleSYS is a Software as a Service (SaaS) company who provides software applications over the internet as a subscription service. Instead of purchasing software outright and installing it on their own computers or servers, users access the software via an online interface.

SaaS companies like ReleSYS typically offer their services on a subscription basis, charging clients a periodic fee based on the number of licences sold. ReleSYS typically invoices the subscription fee quarterly or yearly in advance. This model allows clients to avoid the upfront costs and maintenance required for traditional software applications, while also providing the flexibility to scale up or down as needed.

SaaS companies often supplement traditional finance reporting figures with metrics that help understand the underlying drivers and performance of the company's performance. The following is a description of the most essential metrics:

- **Annual Recurring Revenue (ARR)**, a measure of the annualised value of subscriptions entered into with ReleSYS.
- **Annual Recurring Revenue Net uplift (ARR net uplift)**, refers to an increase in annual recurring revenue over a given period of time. Historic ARR net uplift is a key metric as it can be used as an indicator of growth and predictability of a future revenue stream.

- **Annual Recurring Revenue churn (ARR churn)**, a measure of terminated subscriptions measured as value.
- **Net ARR Retention Rate** is a metric used to measure the revenue generated from existing clients over a period of time. Net ARR Retention Rate takes into account upgrades, downgrades, and cancellations, as well as any changes in pricing.

Furthermore, in this presentation, ReleSYS counts clients by the number of groups/companies with whom ReleSYS has subscription agreements.

In this presentation, ReleSYS also distinguishes between **SaaS revenue** and **Consultancy Revenue**. SaaS revenue relates to subscription agreements and ARR. Consultancy revenue covers client-specific development and customisation, as well as training and workshops.

For a complete overview of these as well as other abbreviations and definitions used in this presentation, please refer to [page 9](#).



Q1 in Review

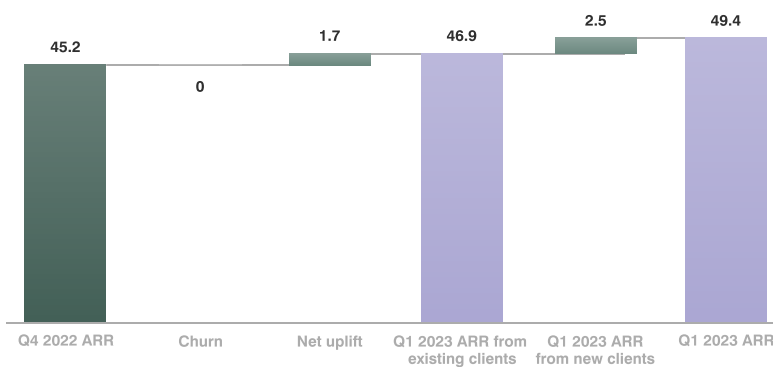
GENERAL UPDATE

In March, Relesys signed with NorgesGruppen who have +40% of the Norwegian grocery market. NorgesGruppen is an example of Relesys signing with large enterprise clients. Relesys is experiencing a shift upwards in the number of licenses that new clients are purchasing. As a result, Relesys has started and will continue to shift the focus in Sales and Marketing to be more on enterprise sales than what was the case in the past. The shift has already been happening gradually during the last six months as interest from enterprise-sized clients has increased. The Sales and Marketing teams will be adjusted to have the competencies necessary to address enterprise-size clients and initial adjustment were made in Q1 with effect on the number of FTEs in sales.

DEVELOPMENT IN ANNUAL RECURRING REVENUE

ARR grew by DKKm 4.2 in Q1. The growth was driven by an increase of DKKm 2.5 from new clients in Denmark and Norway. Net uplift in Q1 was DKKm 1.7. The uplift was driven by an increase in sales of user licenses and Relesys Pro Modules. Churn in Q1 was less than DKKm 0.1.

Development in annual recurring revenue, Q1 2023



ARR year-on-year growth was 46%. The growth was driven by DKKm 9.8 from new clients and from DKKm 7.3 (NRR of 117%). The growth was partly offset by churn of DKKm 1.5 from 13 clients leaving Relesys.

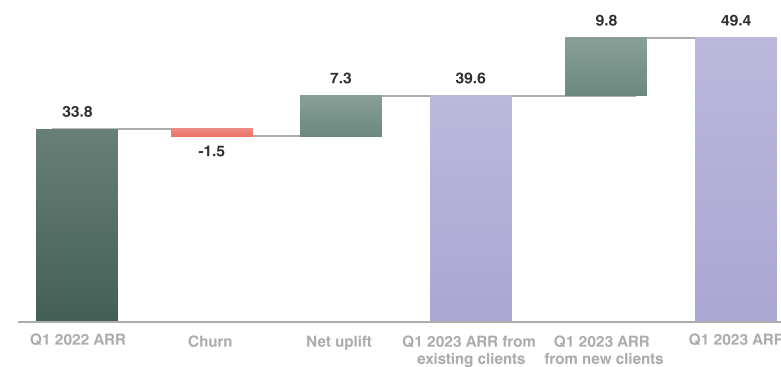
DEVELOPMENT IN REVENUE

Revenue reached DKKm 12.8 in Q1 2023 which is a growth of 28% year-on-year. The SaaS revenue grew by 38% year-on-year and represented 90% of revenue in Q1 2023. Compared to Q4 2022, revenue grew by 2% and SaaS revenue grew by 1%. Consultancy revenue grew by 17% compared to Q4 2022.

DEVELOPMENT IN NUMBER OF CLIENTS

Eight new clients joined and two left Relesys during Q1. Year-on-year the number of customers grew by 15%. Customer retention was 92% year-on-year. The retention rate was mainly driven by small clients not fitting the Relesys Ideal Customer Profile. The account size of terminated agreements resulted in an ARR Retention Rate of 96% and a calculated ARR lifetime of more than 23 years in Q1.

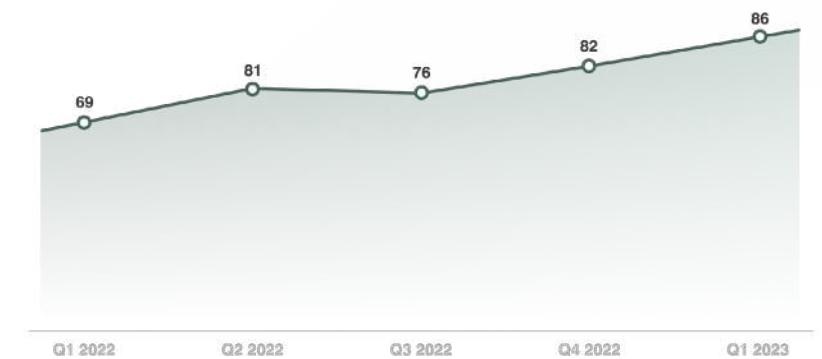
Development in annual recurring revenue, LTM



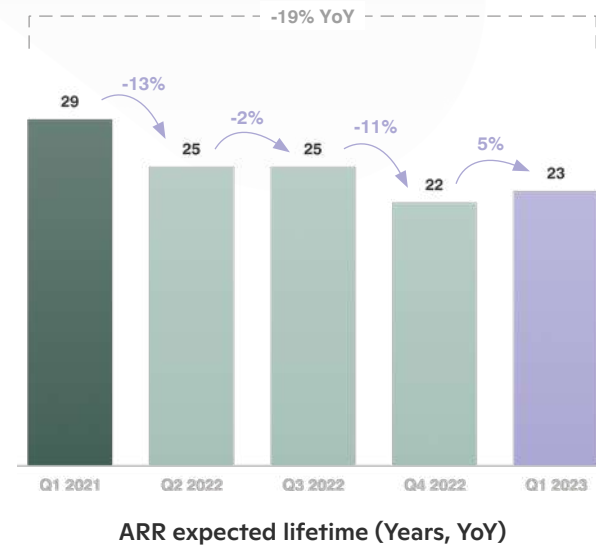
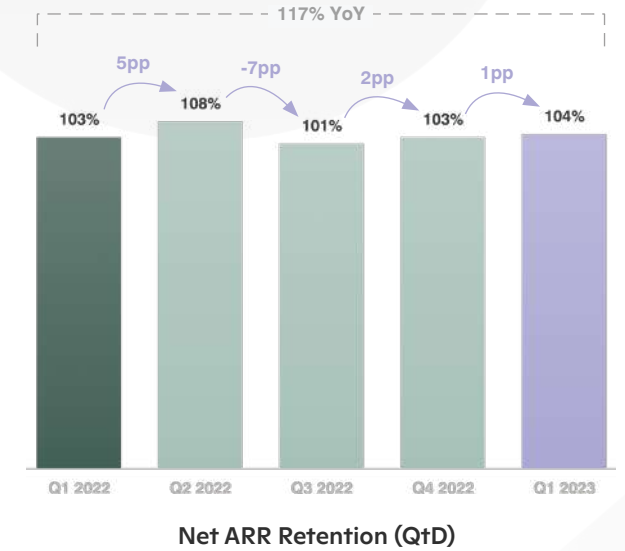
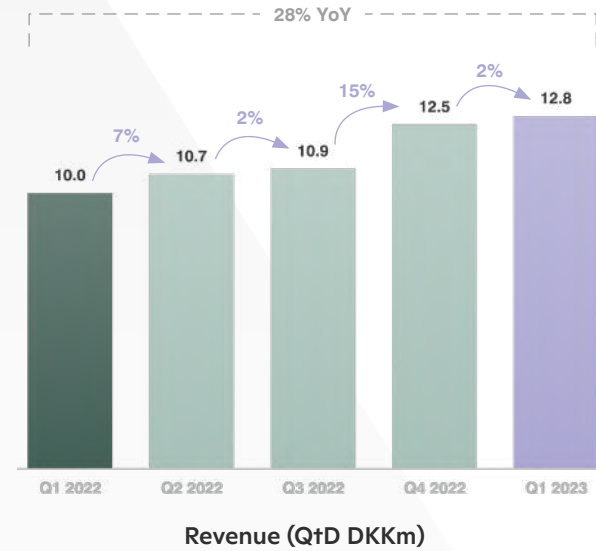
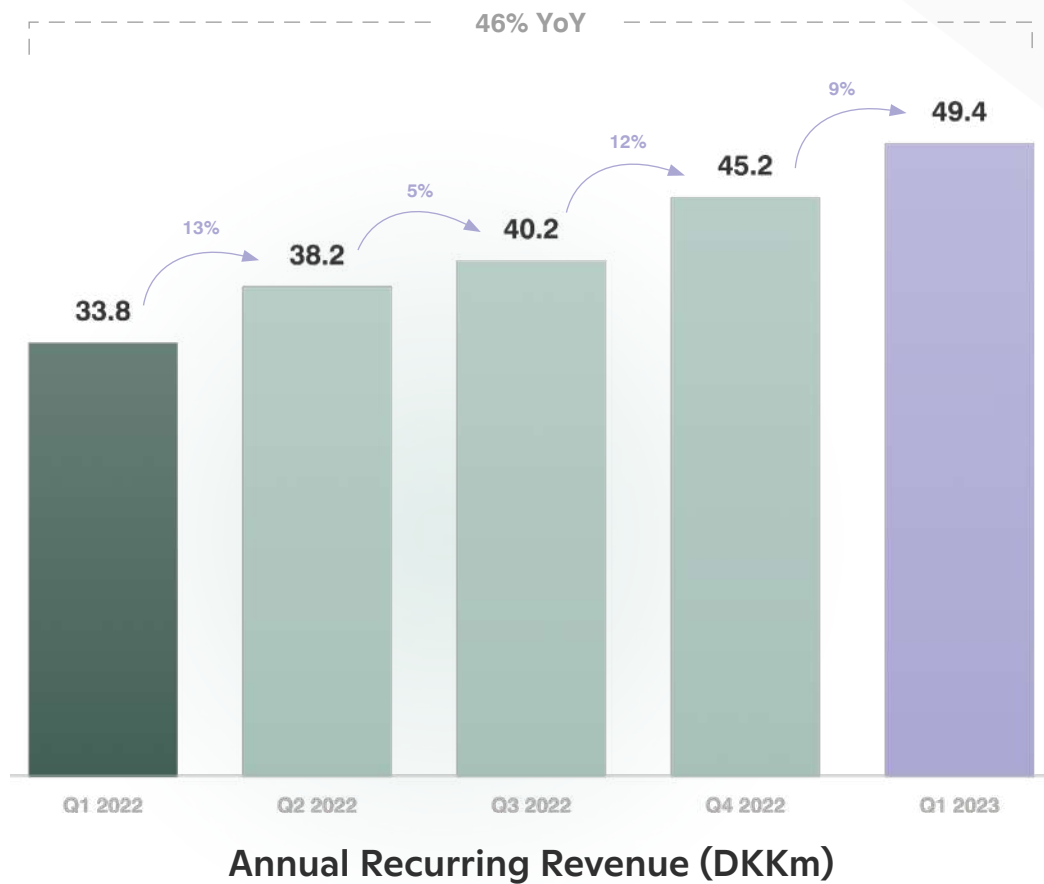
DEVELOPMENT IN AVERAGE FULL-TIME EQUIVALENTS

Six average full-time equivalents (FTEs) were added compared to the previous quarter. The addition was a growth of 25% year-on-year. By the end of Q1 the number of FTEs was 81. The shift in focus in the Sales and Marketing functions has been part of the development between average FTEs during the quarter and the number of FTEs at the end of the quarter.

Development in average full-time equivalent employees



Highlights Q1 2023



Quarterly highlights

QUARTERLY FIGURES (DKKm)	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Revenue	12.8	12.5	10.9	10.7	10.0	9.6	9.4	7.8	7.7
SaaS revenue	11.5	11.4	9.6	9.1	8.3	7.5	7.5	6.0	5.9
Consultancy revenue	1.3	1.1	1.3	1.6	1.7	2.1	1.9	1.8	1.8
SaaS share of revenue (%)	90%	91%	88%	85%	83%	78%	80%	77%	77%
Annual Recurring Revenue	49.4	45.2	40.2	38.2	33.8	31.3	29.6	27.4	25.5
ARR churn	-	(0.2)	(0.5)	(0.3)	(0.4)	(0.2)	(0.2)	(0.1)	(0.1)
ARR net uplift	1.7	1.3	1.0	2.9	1.3	0.6	0.7	0.5	0.5
ARR from new sales	2.5	4.0	1.5	1.8	1.6	1.3	1.7	1.5	2.8
Net ARR retention rate (quarter-on-quarter)	104%	103%	101%	108%	103%	101%	102%	102%	102%
ARR retention rate (year-on-year)	96%	95%	96%	96%	97%	97%	-	-	-
ARR expected lifetime (years)	23	22	25	25	29	38	-	-	-
Number of clients	188	182	173	171	163	161	160	146	133
Clients retention rate	92%	93%	92%	93%	94%	94%	95%	95%	95%
Average clients ARR (DKKk)	263	248	232	223	207	194	185	188	192
Average full-time equivalents	86	82	76	81	69	56	53	51	49

YEAR-YEAR-GROWTH (%)	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Revenue	28%	30%	16%	37%	30%
SaaS revenue	38%	52%	28%	52%	41%
Consultancy revenue	(24%)	(48%)	(32%)	(12%)	(6%)
SaaS share of revenue (pp)	8	17	11	11	8
Annual Recurring Revenue	46%	44%	36%	39%	33%
ARR churn	(99%)	20%	150%	200%	300%
ARR net uplift	30%	100%	39%	471%	177%
ARR from new sales	58%	214%	(11%)	21%	(43%)
Net ARR retention rate (pp)	1	1	(1)	6	1
ARR retention rate (pp)	(1)	(2)	-	-	-
ARR expected lifetime	(19%)	(43%)	-	-	-
Number of clients	15%	13%	8%	17%	23%
Clients retention rate (pp)	(2)	(1)	(3)	(2)	(1)
Average clients ARR	27%	28%	26%	19%	8%
Average full-time equivalents	25%	46%	43%	59%	41%

Financial guidance

Financial guidance 2023

GUIDANCE 2023 (DKKm)	2023 Guidance	Q1 2023 Actual	2022 Actual	Expected Growth
Annual Recurring Revenue	59-64	49.4	45.2	31% - 42%
Revenue	54-60	12.8	44.1	22% - 36%

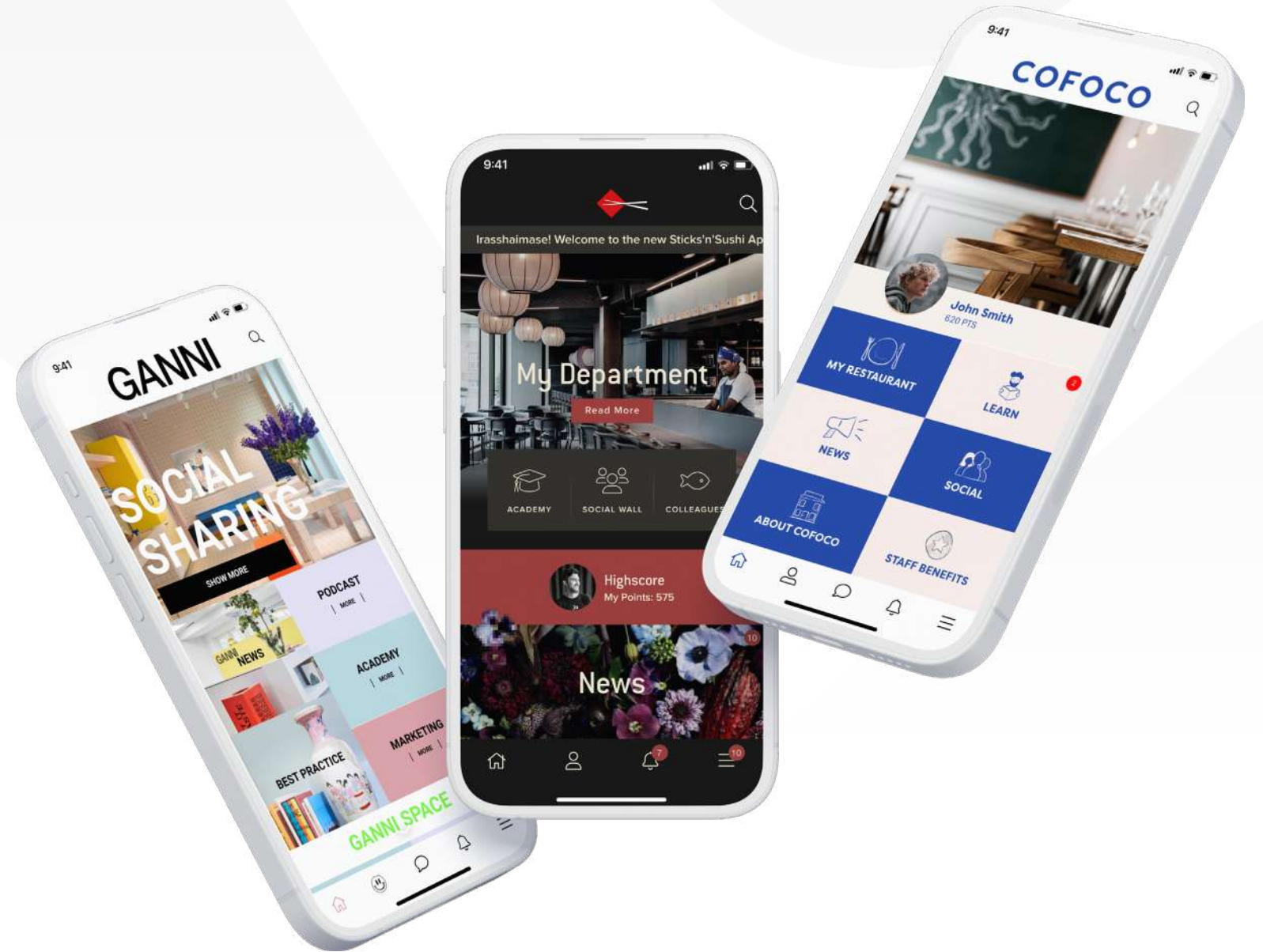
Assumptions behind financial guidance 2023

Annual recurring revenue and revenue assumptions:

- Continued high market growth for engagement and connectivity software solutions.
- Continued low ARR churn rate.
- Continued strong net uplift of existing clients.
- Currency exchange rates as per end of 2022.

Revenue specific assumption:

- Continued short period for onboarding of new clients.



SaaS metrics definitions

Non-IFRS financial measures

The Group uses certain financial measures that are not defined in IFRS to describe the Group's financial performance. These financial measures may therefore be defined and calculated differently from similar measures in other companies, and thus not be comparable.

Annual recurring revenue:

ARR is the annualised 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 client configuration & integrations is 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.

SaaS share of revenue: SaaS revenue / Revenue

Annual recurring revenue (year-on-year growth): (ARR current year - ARR prior year) / ARR prior year

Net ARR retention rate: (Starting ARR + ARR net uplift of existing clients - ARR churn of existing clients) / Starting ARR

Average ARR per client: (ARR / Number of clients)

ARR churn rate: (ARR amount at beginning of period - ARR amount at end of period) / ARR amount at beginning of period

ARR retention: 100% - Churn %

ARR expected lifetime: 1 / ARR churn rate

Number of clients: Relesys counts clients by the number of groups/companies with whom Relesys has subscription agreements.

Client (year-on-year growth): (Clients current year - Clients prior year) / Clients prior year

Client churn rate: (Clients at beginning of period - Clients at end of period) / Clients at beginning of period

Client retention: 100% - Churn %

Client expected lifetime: 1 / Client churn rate

FCF multiple: Free Cash Flow / ARR growth

1ST OF JANUARY 2023 - 31ST OF MARCH 2023

Quarterly update Q1 2023



Relesys A/S

Orient Plads 1, 2nd floor
2150 Nordhavn, Denmark
info@relesys.net
www.relesys.net

Executive Management

Jesper Roesgaard
Jens Ole Lebeck
Mads Stoffer Larsen

Certified Adviser

Grant Thornton
Stockholmsgade 45
2100 Copenhagen
www.grantthornton.dk

Financial calendar

Interim Financial Report (Q2 2023) - August 29, 2023
Interim Financial Report (Q3 2023) - November 29, 2023

Date of incorporation

30.10.2014

Financial year

01.01–31.12

Business Registration No.

36 43 27 72