

RELESYS REPORTS

# Remuneration Report 2023

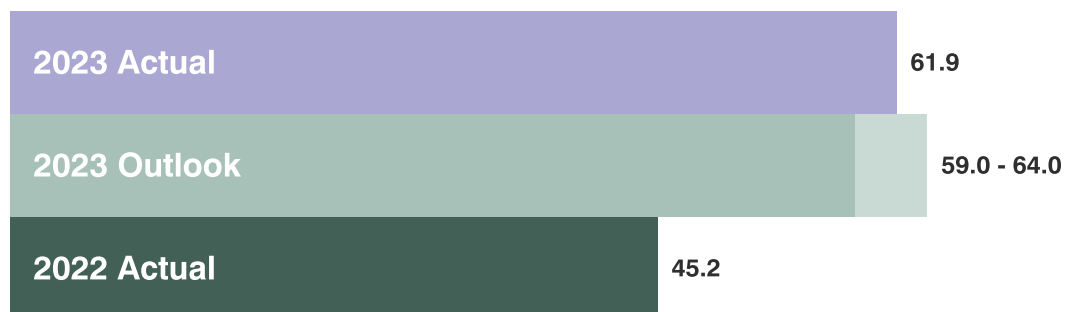


# Highlights 2023

- **37% growth in ARR year-on-year makes a strong CAGR of 41% since the IPO in 2021.**
- **Strong Net NRR Retention Rate of 112% driven by a high ARR net uplift of 16% and low ARR churn of 4%.**
- **Free cash flow of DKKm -5.8 resulting in a FCF multiple of -0.3.**
- **End-of-year cash balance of DKKm 23.1 is considered sufficient to take Relesys to a positive cash flow.**
- **Loss before tax was DKKm 17.0, which was an improvement over last year's DKKm 26.3 and a result of improved sales efficiency.**

## ANNUAL RECURRING REVENUE

ARR grew 37% year-on-year, which was in line with Relesys' guidance for the year, and DKKm 61.9 is a significant improvement compared to the expectations presented in the IPO prospectus (DKKm 55-60).



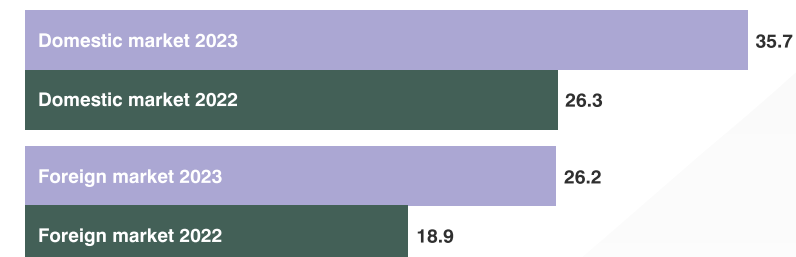
## REVENUE

Revenue grew by 29% year-on-year which was in line with Relesys' guidance for the year. SaaS revenue grew by 35% year-on-year and represented 91% of revenue.



## MARKETS

ARR growth was 37% year-on-year derived from 36% growth from the domestic market and 39% growth in ARR from foreign markets.



## FREE CASH FLOW

The free cash flow was improved significantly over 2022. The improvement was driven by Relesys significantly (DKKm 17.6) improving its cash flow from operating activities. Relesys' FCF multiple was -0.3 in 2023 compared to -1.7 in 2021 and -0.4 in 2021. The development in the free cash flow and FCF multiple was in accordance with the financial plan and growth strategy.



# Remuneration 2023

## Introduction

This remuneration report (the “Report”) provides an overview of the total remuneration received by each member of the Board of Directors (“Board”) and of the executive management (“Executive Management”) of Relesys A/S, CVR no. 36432772, (the “Company”) for the financial year 2023 with comparative figures for the past five financial years. The Executive Management includes the members of the executive management of the Company registered as such with the Danish Business Authority.

The remuneration of the Board and Executive Management during the past financial year has been provided in accordance with the remuneration policy of the Company approved by the annual general meeting on April 27, 2023, which is available on the Company’s website, <https://www.relesys.net/investors>, (the “Remuneration Policy”).

The overall objective of the remuneration is to attract, motivate and retain qualified members of the Board and the Executive Management and to align the interests of the Board and the Executive Management with the interests of the Company and its shareholders. In this context, remuneration should contribute towards promoting the strategy, long-term sustainability and creation of value in the Company by supporting the Company’s long-term and short-term objectives.

The information included in the Report has been derived from the audited annual reports of the Company for the financial years 2023 available on the Company’s website, [www.relesys.net/investors](http://www.relesys.net/investors). All amounts are included in DKK.

## Statement by the board

The Board has today approved the Company’s Report for the financial year 2023. The Report has been prepared in accordance with section 139 b of the Danish Companies Act and section 4.2.3 in Recommendations on Corporate Governance (“Recommendations”) issued by the Danish Corporate Governance Committee. In our opinion, the Report provides an overall overview of the remuneration that the individual management members were awarded during or for the benefit of the financial year 2023, and the Report provides a comprehensive overview of the remuneration that the individual management members received during or for the benefit of the financial year 2023, and the Report explains how the overall remuneration is in accordance with the agreed Remuneration Policy, including how the remuneration contributes towards promoting the business strategy, long-term interests, sustainability and creation of value in the Company by supporting the Company’s long-term and short-term objectives.

The Report is submitted for an advisory vote at the annual general meeting to be held on April 30, 2024.

Nordhavn, March 20, 2024

## Board of Directors:



**Alexander T. Martensen-Larsen**  
Chairman



**Christian Lynge Hjorth**  
Board Member



**Lars Kristian Runov**  
Board Member



**Annette Pryce**  
Board Member



**Thor Skov Jørgensen**  
Board Member

# Board of Directors



## Alexander Thomas Martensen-Larsen

CHAIRMAN

**Gender:** Male  
**Member since:** 2021  
**Up for re-election:** Yes  
**Born:** 1975

**Independency:** Considered independent  
**Number of shares:** 80,000 shares

### Skills and experience

- Management experience from managerial duties and directorships in both listed and unlisted companies
- Strategy, business development and financial management
- Organizational transformation

### Other managerial duties and board positions

Chairman	Revolution Race AB
Chairman	Give Elementer A/S*
Chairman	Laplandar ApS
Chairman	The Jewellery Room ApS
Chairman	Gubra Green ApS
Vice chairman	Gubra ApS
Vice chairman	Tiger of Sweden AB
Vice chairman	By Malene Birger A/S
CEO	AML ApS



## Lars Kristian Runov

BOARD MEMBER

**Gender:** Male  
**Member since:** 2021  
**Up for re-election:** Yes  
**Born:** 1970

**Independency:** Considered independent  
**Number of shares:** 210,949 shares

### Skills and experience

- General international management experience
- Digital business development
- Go-to-market strategies, revenue growth, inbound marketing
- Vice President at Unity Technologies Inc. 2012-2016
- Chief Marketing Officer at Siteimprove A/S 2016-2018

### Other managerial duties and board positions

CEO	Presence ApS
CEO	CL Presence ApS



## Christian Lynge Hjorth

BOARD MEMBER

**Gender:** Male  
**Member since:** 2023  
**Up for re-election:** Yes  
**Born:** 1975

**Independency:** Considered independent  
**Number of shares:** 674,462 shares

### Skills and experience

- Over 15 years of experience
- Proven success selling complex SaaS solutions to Fortune 500 companies
- Played important role leading GTM teams at growth stage SaaS companies
- Spearheaded global growth strategy and operations focusing on North American market.

### Other managerial duties and board positions

Chairman	Creative Force ApS
Chairman	Vibrant ApS



## Thor Skov Jørgensen

BOARD MEMBER

**Gender:** Male  
**Member since:** 2021  
**Up for re-election:** Yes  
**Born:** 1982

**Independency:** Considered independent  
**Number of shares:** 32,000 shares

### Skills and experience

- General international management experience
- Strategy, commercial excellence and change management
- Extensive knowledge of digital transformation in the retail industry

### Other managerial duties and board positions

Member	KAMSTRUP A/S
Member	DANOIL EXPLORATION A/S
Member	OK PLUS A/S
Member	OK Energiteknik A/S
CFO	OK A.M.B.A.



## Annette Pryce

BOARD MEMBER

**Gender:** Female  
**Member since:** 2023  
**Up for re-election:** Yes  
**Born:** 1976

**Independency:** Considered independent  
**Number of shares:** 16,181 shares

### Skills and experience

- Extensive experience as a strategic advisor
- Held leadership roles in renowned global creative network agencies
- Specialized in expanding businesses into new and complex markets

### Other managerial duties and board positions

CEO	Improve by Pryce ApS
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Note: 1) and related companies

# Board of Directors (continued)

## FIXED ANNUAL FEE

Members of the Board receive a fixed annual base fee approved by the annual general meeting. This annual base fee shall be in line with market practice of comparable listed companies taking into account the required competencies, effort and scope of work of the members of the Board. The Chairman receives a multiplier of the annual base fee of 2.4, for his extended duties.

The following fees for the financial year 2023 were approved at the ordinary general meeting on April 27, 2023:

Board of Directors	
Member	100,000 (base fee)
Chairman	240,000 (2.4 x base fee)

Members of the Board may be entitled to additional fees as set out in the Remuneration Policy, including for undertaking specific ad hoc tasks outside the scope of the ordinary tasks of the Board, travel allowance and participation in relevant training.

## TOTAL BOARD REMUNERATION 2023

Name and position	Annual remuneration
Alexander Thomas Martensen-Larsen, Chairman	240,000
Lars Kristian Runov, Board member	100,000
Christian Lyng Hjørth, Board member (joined April 2023)	67,778
Thor Skov Jørgensen, Board member	100,000
Annette Pryce, Board member (joined June 2023)	52,676
Claus Jul Christiansen, Board member (resigned April 2023)	33,333
<b>Total</b>	<b>593,787</b>

## SHAREHOLDING REQUIREMENT

With a shared view to align the interests of the Company and its shareholders and the members of the Board, each member of the Board have chosen to invest in Company shares.

# Executive Management

The Board of Directors reviews Relesys A/S's remuneration policy, including remuneration of Executive Management on a yearly basis. The review must be based on market practice, the scope and nature of the work, the qualifications required and the performance of each individual executive. In addition, the Company's interest in attracting, motivating and maintaining qualified members of the Executive Management must in general be considered.

Members of the Executive Management may also be granted certain non-monetary benefits such as company car as well as other customary non-monetary employee benefits such as insurance, newspaper, telephone and internet access as approved by the Board.

The Board determines the terms governing pension and resignation. The ordinary notice period on the part of the Company cannot exceed 24 months. An executive may terminate his/her employment subject to at least an ordinary notice period of 8 months. The total value of remuneration relating to the notice period, including any severance pay, cannot exceed one year of remuneration, including all remuneration components, of the relevant member of the Executive Management.

The remuneration of the members of the Executive Management is assessed on an

annual basis. The remuneration and the remuneration components are approved by the Board.

Members of the Executive Management are entitled to an annual remuneration in accordance with the Remuneration Policy, which may consist of the following fixed and variable remuneration components:

#### Fixed remuneration

- Base salary
- Pension contribution
- Benefits

#### Variable remuneration

- Bonus program
- Warrant program

#### Severance payment

The choice of these components creates a well-balanced remuneration package reflecting (i) individual performance and responsibility of the members of the Executive Management in relation to established goals and targets, both in the short and the longer term, and (ii) the Company's overall performance.

## FIXED REMUNERATION

### Base salary

The Executive Board's annual fixed salary is determined with a view to offering competitive remuneration to attract and retain qualified members of the Executive Board.

The Executive Board's annual fixed salary must be based on the individual member's responsibility, results and status within the Company.

### Pension contribution

Every member of the Executive Management receives an annual fixed salary. The Company pays up to 7% of the fixed salary in pension contribution. Any additional payments shall be made on the own account of the members of the Executive Management.

### Benefits

Members of the Executive Management are offered non-monetary benefits such as a company car as well as other customary nonmonetary employee benefits such as insurance, newspaper, telephone and internet access as approved by the Board.

## VARIABLE REMUNERATION

The variable remuneration of the Executive Management is determined for the purpose of ensuring common interests between the Executive Management and the company's shareholders, including that both the company's short-term and long-term goals are met. The variable remuneration can consist of warrants and non-share-based bonus agreements.

Jesper Roesgaard and Jens Ole Lebeck are both major shareholders in Relesys A/S. It is considered that their financial interests are completely aligned with the company, and therefore no variable salary component has been offered. The terms of employment and remuneration for each member of Executive Management are agreed between the individual executive and the Board.

### Bonus program

Mads was enrolled to a bonus plan where the KPI's measured were the company's total Annual Recurring Revenue (ARR) and cash position as of December.

The following KPI's were used in the program ended 31-12-2023:

- Total ARR at the end of the period
- Cash position at the end of the period

### Warrant program

Granted warrants give a right but not a duty to subscribe for new shares in the company at an exercise price given in advance for a given exercise period.

The warrants mature by 1/48 every month over a period of four years after the date of grant, and must be exercised no later than five years after that date.

All granted warrants will lapse without further notice and compensation if the manager is summarily dismissed by the company.

In other resignation situations, all immature warrants will lapse immediately and without further compensation.

The value of the total annual grant to a member of the Executive Management under the company's long-term share-based incentive schemes can, at the time of the grant date, constitute up to 30% of the fixed annual salary of the individual member. The value of warrants is calculated by means of the Black-Scholes model.

# Executive Management (continued)

## SEVERANCE PAYMENT

The duration of contracts of employment with current members of the Executive Management is generally not limited and is subject to a term of notice for the Company of 24 months. However, for the CFO the term of notice for the Company is 8 months.

A Redundancy package may be offered to the members of the Executive Management. The aggregated value of remuneration for the individual member of the Executive Management regarding the period of notice including severance payment, cannot exceed the equivalent of 12 months fixed salary.

## Total executive management remuneration 2023

Name and position	FIXED REMUNERATION			VARIABLE REMUNERATION		TOTAL	RATIO
	Fixed salary	Pension contribution	Total	Cash bonus	Total	Total remuneration	Proportion of fixed and variable remuneration
Jesper Roesgaard, CEO	2,082,680	126,000	2,208,680	-	-	2,208,680	100% / 0%
Jens Ole Lebeck, CCO	2,041,964	126,000	2,167,964	-	-	2,167,964	100% / 0%
Mads Stoffer Larsen, CFO	1,579,786	84,000	1,663,786	320,000 <sup>1</sup>	320,000	1,983,786	84% / 16%
<b>Total</b>	<b>5,704,430</b>	<b>336,000</b>	<b>6,040,430</b>	<b>320,000</b>	<b>320,000</b>	<b>6,360,430</b>	<b>95% / 5%</b>

<sup>1</sup> Earned cash value of bonus based on 2023 performance to be paid out in 2024.

# Executive Management (continued)

## Bonus program executive management 2023

Mads Stoffer Larsen, CFO <sup>1</sup>	KPI weight	Fulfilled?	Percentage fulfilled	Bonus payout (DKK) <sup>1</sup>
Total ARR at the end of the period	75%	Fulfilled	100%	240,000
Cash position at the end of the period	25%	Fulfilled	100%	80,000

<sup>1</sup> Earned cash value of bonus based on 2023 performance to be paid out in 2024.

## Warrant program executive management 2023

Name and position	Granted date	Vesting period	Exercise period	Number of warrants granted	Exercise price (DKK)
Mads Stoffer Larsen, CFO	November 7, 2021	November 7, 2021 to November 7, 2025	November 7, 2025 to November 7, 2030	510,400	6.25

Granted warrants are valued using the Black-Scholes, cf. the valuation principles as laid down in the remuneration policy. The fair value at the time of grant amounts to DKK 1.025 per warrant for the grant made on November 7, 2021.

When calculating the value of the granted warrants, the following assumptions were used:

- Exercise price (DKK): 6.25
- Expected volatility rate (% p.a.): 20
- InterRisk-free interest rate (% p.a.): 0.23
- Expected warrant life (no. years): 4
- Average share price (DKK): 6.25



# Overview and shares

## COMPARATIVE OVERVIEW

The development of remuneration to the Board of Directors and Executive Management can be seen in the table below.

	2023	2022	Change in %
Net result before taxes for the Parent (DKK'000)	(18,443)	(28,699)	(36%)
Net result after taxes for the Parent (DKK'000)	(18,845)	(27,411)	(31%)
Net result before taxes for the Group (DKK'000)	(17,086)	(27,529)	(38%)
Net result after taxes for the Group (DKK'000)	(17,571)	(26,228)	(33%)

	2023	2022	Change in %
Annual recurring revenue (DKKkm)	61.9	45.2	37%
Jesper Roesgaard, CEO	2,208,680	2,113,894	4%
Jens Ole Lebeck, CCO	2,167,964	2,084,003	4%
Mads Stoffer Larsen, CFO	1,983,786	1,641,957	21%
Alexander Thomas Martensen-Larsen, Chairman	240,000	210,000	14%
Lars Kristian Runov, Board member	100,000	95,000	5%
Christian Lynge Hjorth, Board member	67,778	n/a <sup>1</sup>	n/a <sup>1</sup>
Thor Skov Jørgensen, Board member	100,000	95,000	5%
Annette Pryce, Board member	52,676	n/a <sup>2</sup>	n/a <sup>2</sup>
Average remuneration of Parent Employees (FTE)	590,906	526,561	12%
Average remuneration of Group Employees (FTE)	574,450	510,924	12%

<sup>1</sup> Entered the Board of Directors in April 2023. Therefore, no comparison is applicable.

<sup>2</sup> Entered the Board of Directors in June 2023. Therefore, no comparison is applicable.

## BOARD'S AND EXECUTIVE MANAGEMENT'S AMOUNT OF SHARES

Amount of shares in the Company owned by members of the Board and Executive Management:

Name and position	SHARES			MARKET VALUE (DKK) <sup>3</sup>	
	Jan 1, 2023	Purchased	Sold	Dec 31, 2023	End of year
Jesper Roesgaard, CEO	17,664,000	-	200,000	17,464,000	61,124,000
Jens Ole Lebeck, CCO	16,864,000	-	200,000	16,664,000	58,324,000
Mads Stoffer Larsen, CFO	-	-	-	-	-
Alexander T. Martensen-Larsen, Chairman	80,000	-	-	80,000	280,000
Lars Kristian Runov, Board member	160,000	50,949	-	210,949	738,322
Christian Lynge Hjorth, Board member	-	674,462	-	674,462	2,360,617
Thor Skov Jørgensen, Board member	32,000	-	-	32,000	112,000
Annette Pryce, Board member	-	16,181	-	16,181	56,634

<sup>3</sup> The market value at the end of the year is based on the official closing price on 29 December 2023.

## COMPLIANCE WITH THE REMUNERATION POLICY

The remuneration of the Board and Executive Management for the financial year 2023 is consistent with the framework provided by the Remuneration Policy. There has been no deviation or derogation from the framework provided by the Remuneration Policy.