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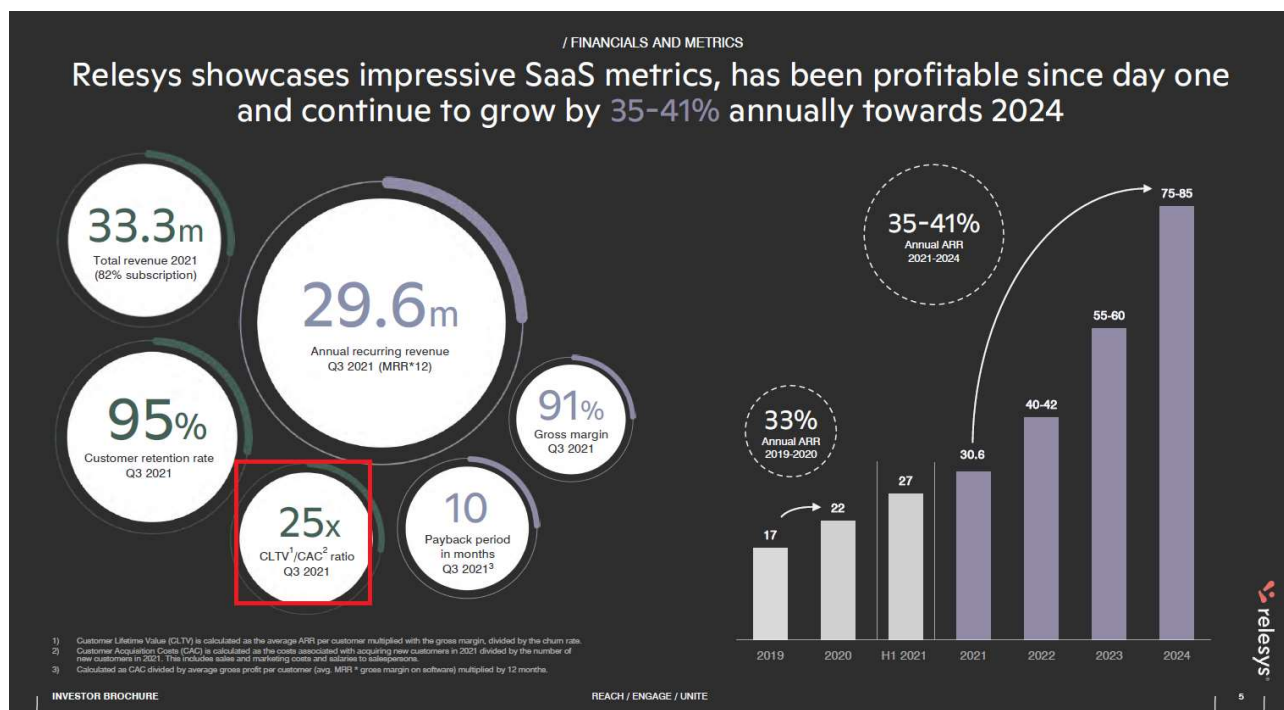
Symmetry Invest A/S has chosen to back Relesys A/S with a 15 million DKK cornerstone commitment in their upcoming IPO. As this is our first ever cornerstone commitment to a danish IPO: Let me explain why, after looking at hundreds of IPO's that we decided to choose Relesys.

We can basically take it down to 3 main areas:

- 1) Leadership
- 2) Product
- 3) Unit Economics

Lets start with unit Economics:

Relesys has grown from nothing to 30 million DKK ARR while constantly being profitable and without ever raising a dime in funding. How have they been able to grow ARR at a 40 % CAGR for many years without raising funding? Because the business has truly impressive unit economics.



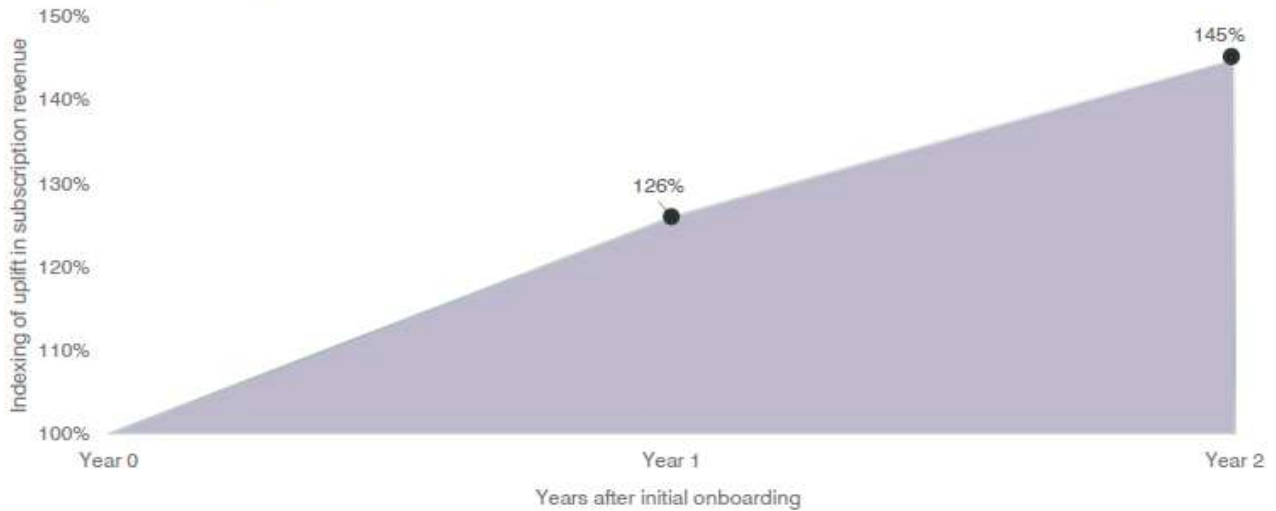
So far Relesys have been able to operate with a 25x LTV/CAC ratio. The company is able to achieve this because of several factors:

- Low customer churn (only 4-5 % logo churn each year - and even lower revenue churn)
- High expansion rates (120-130 % net revenue retention).
- High Gross margins (+90 % gross margin as they sell enterprise SAAS solutions)
- Low CAC (7 out of 10 customers come to Relesys after word of mouth referrals from existing customers).

These unit economics leads to extremely short payback periods on CAC (10 months). It is also these unit economics that is really the background of the IPO. The company have proven itself in Denmark and is starting to see real traction in Sweden and to some extent Netherlands. When you have a SAAS business with such strong unit economics you should burn more money on CAC.

"Last day to subscribe for shares in the IPO is Monday 22th November. First trading day is december 3th.

CUSTOMERS ON AVERAGE SHOWCASES A UPLIFT OF 45% ON THEIR SUBSCRIPTIONS OVER THE COURSE OF THE FIRST TWO YEARS



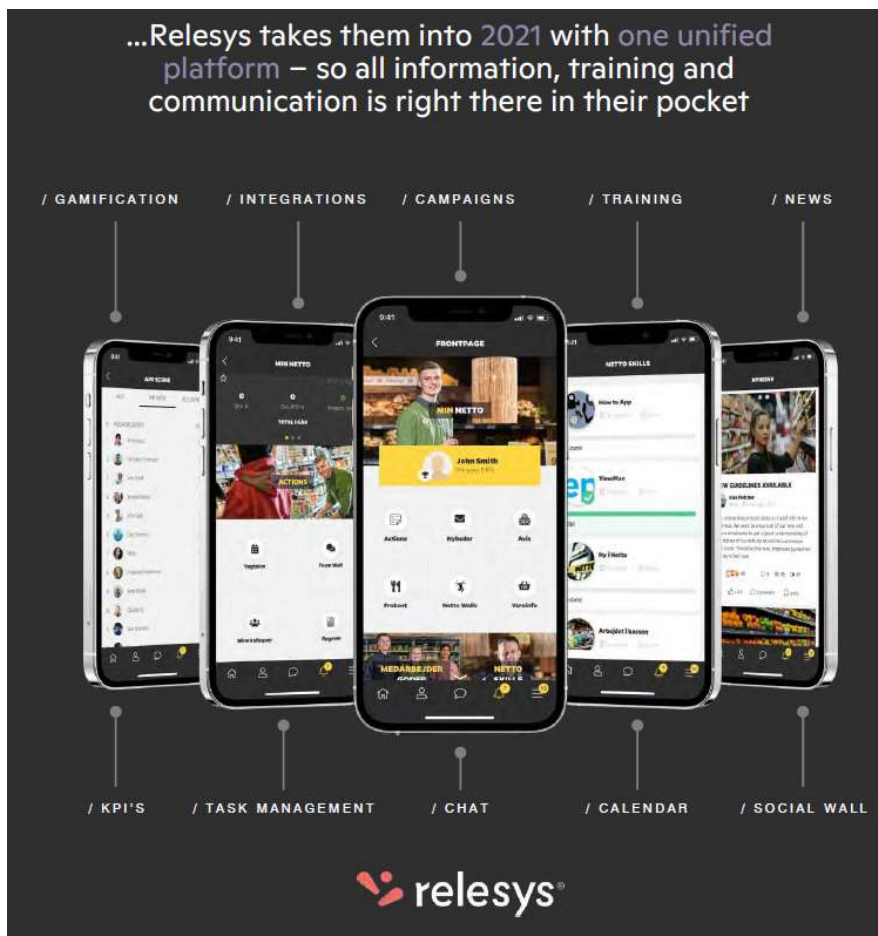
One of the reasons for the strong unit economics of Relesys is the yearly revenue expansion. Relesys runs a land and expand model where customers normally start with Relesys in one country or one segment and after successful implementation rolls it out companywide. This is why Relesys have seen 15-30 % yearly expansion rates from existing customer on average. Combined with really low logo churn (4-5 %) Relesys have historically shown really impressive 115-130 % NRR (net revenue retention).

Relesys is a born-global company with users worldwide...



While international expansion is always a hard task for a SAAS company that have shown an ability to dominate their home market, we think Relesys has the strength to win globally. One of the main reasons for this is that Relesys is born globally. While most of the customers (HQ) is still located in Denmark (around 80%) these big Danish blue-chip companies have offices all around the world and have successfully rolled out Relesys to their international subsidiaries. Relesys therefore already have users in 82 countries and the product is supported by 22 languages. Said on another word. There are already clear signals of a good international product market fit as well.

Now the task for management is to set up local offices and support functions and win local companies in each country as well. With many Danish blue-chip customers already having their international subsidiaries running on Relesys we think the change of success is much higher as they have great referral cases in each country already.



What is Relesys? Relesys have created an APP to frontline workers that empowers all the newsflows, communications and training into one single APP. Relesys have tight integrations into ERP systems and other application that gives companies an ability to build and disclose KPI in the app. Relesys then uses gamification to increase activity on the app, improve engagement and improve usage.

What Relesys found out was that frontline workers were increasingly feeling disconnected to the HQ of the companies they worked in. The communication from top management simply drowned before it came out to the actual frontline users. In a typical grocery store, there is “physical dashboards” with news, schedules, updates, plans etc. But employees don’t want to come into work 20 minutes early to stand and read a dashboard that is probably already outdated. They don’t go to the corporate “intranet” as well because these employees have non-desktop-based work.

What Relesys understood was that in developed countries most frontline workers still have a smartphone. By creating an App that empowers all this information employees are now able to access it all from their own smartphone.



The above figure shows how strong engagement the Relesys app has. 80 % of employees use the app **OUTSIDE WORKING HOURS**. I.e., this is employees that use the app to read company news, engage with colleagues, follows KPI's etc. etc. **in their spare-time**. This is important because it shows the ROI companies get by investing in Relesys.

Why are employees using Relesys in their spare time? Firstly, because employees actually want to understand what's going on at their company. If the CEO posts a Video to all employees in the app or the store manager have important info employees actually wants to read this. Employees can access this while waiting for the bus etc.

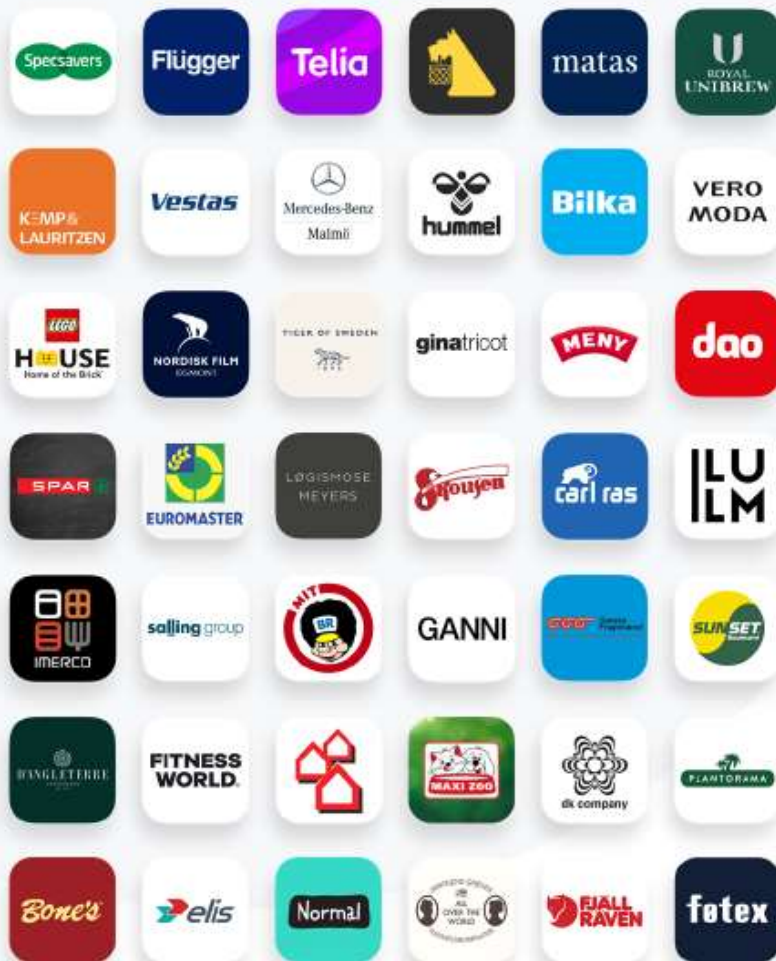
The other important part is that Relesys have "gamified" the platform. Employees can play small games, earn points, take parts of competitions etc. in the app. This way companies make sure employees actually read important updates (they earn points when completing different tasks). It creates a stronger connection with colleagues. You can in real-time follow who has the most points, who employees have the best rankings, who have earned special honors for good works, share best practices etc.

We encourage people to read the customer testimonials in the prospect for additional flavor of more use cases.

Another fact: Michael Løve (CEO of the largest Relesys customer Netto) is so impressed with the Relesys app that he has chosen to invest in the IPO.



Selected customers of Relesys



... and trusted by [112] more

While a great product, unit economics and management are clearly important parts of a successful IPO what really blew us away when studying Relesys was their customer list. This is simply the biggest list of blue-chip customers we have ever seen for even a billion DKK company (leave alone a 250 million DKK IPO). The customer list includes basically all the leading Danish blue-chip retailers including many with international presence. And while some small companies achieve to sell small “side-projects” to blue-chip customers this is not the case here. Relesys is implemented in the “heart” of these companies empowering most of their frontline workers. Relesys is the direct link between management and employees at these companies.

While the biggest use cases so far have been seen in retail Relesys have also begun to see good traction in areas like manufacturing and transportation. Relesys basically have a strong use case in all industries that have a lot of frontline workers that is non desktop based.

Shareholder	Ownership before the Offering		Ownership after the Offering	
	# of shares	Percent	# of shares	Percent
Roesgaard & Co Holding ApS ¹	18,400,000	46.00%	17,664,000	34.61%
Sejs & Co. ApS ²	17,600,000	44.00%	16,864,000	33.04%
Martin Langholm Sørensen Holding ApS ³	4,000,000	10.00%	3,264,000	6.39%
Total (Major Shareholders)	40,000,000	100%	37,792,000	74.04%
Others	0	0%	0	0%
Total (Existing Shareholders)	40,000,000	100.00%	37,792,000	74.04%
New shareholders	-	-	13,248,000	25.96%
Total	40,000,000	100.00%	51,040,000	100%

During the IPO process we were fortunate to be able to spend several hours together with the co-founders of Relesys Jesper Roesgaard and Jens Ole Lebeck (and several other senior executives as well). Both in video meetings and physical meetings. Jesper and Jens is exactly the type of founders we love to back and support. They are mission driven, focus on their customers and employees and is not in it for the money. They have never raised money before as they didn't want to take short term money or aggressive VC money but wanted to focus on the long-term.

During the IPO the founders will also roll over the vast majority of their stake only monetizing around 5 million DKK each and keep a 74 % ownership stake post IPO. In total, management sell around 7 % of their position in the IPO. While some people don't like when management "cash out" we think its worth highlighting that its only 7 % of the position they sell (only 4 % for the 2 co-founders). Also, this leaves room for them to continue taking only a small salary post IPO instead of having a need to milk the company with high compensation. Another thing we have come to appreciate over the last few years is that management teams that is 100 % all in sometimes end up running the company to conservative and take to little risk. With management having some cash on the side for a rainy day they are more incentivized to run the business for optimal shareholder return.

(On another topic we have the same view for fund managers – while managers should clearly have +50 % of their net worth in the funds they run for investors to have aligned incentives we don't think a 100 % all-in is the right approach as this often makes managers to risk-averse).

Another positive addition to the Relesys team has been the recent hiring of Casper Kræfting as CSO (VP of Global Sales). Relesys now takes a new step in their journey from a company growing 30-40 % profitable mainly in Denmark to a company that will need to burn money to grow +50 % a year with international expansion. Casper is the former sales manager for Peakon in Europe. He has been on this exact journey before with Peakon (that was recently sold to Workday). Not only do he have the experience, he also has a network of former Peakon employees (that is now part of Workday) that he could possibly hire to Relesys. Board member Camilla Simonsen is also former Sales Director (now COO) at Siteimprove, another successful Danish SAAS business with proven international expansion.

Relesys market segments within HR tech are expected to continue to grow and remain highly attractive

DKK billion	Revenue 2020	Revenue 2025	Annual growth
Engagement and Connectivity	DKK 40 billion	DKK 137 billion	28%
Direct cost	DKK 9 billion	DKK 15 billion	8%
Other external expenses	DKK 6 billion	DKK 7 billion	3%
Total addressable market	DKK 55 billion	DKK 159* billion	24%

Source: Statista (2020): HR tech

*Relesys focus on a minor part of the addressable market based on their 2024-strategy
(Scandinavia, United Kingdom, United States, Benelux and DACH)

Relesys operates in attractively growing end markets primarily around digitalizing engagement and connectivity of employees in the workspace. While its good to be in a fast-growing industry with a huge TAM Relesys is still so small compared to the TAM that the size of the TAM really becomes irrelevant. Its all about Relesys executing on capturing the market.

We won't go out with a fair value estimate on Relesys as we are in this for the long run and want to compound value together with management. We have taken a list of other Danish listed SAAS companies to compare valuations below:

Navn	Market cap	ARR	EV/ARR
MapsPeople	492	35,2	14,0
Samesystem	316	41,8	7,6
Valuar	93	2,4	38,8
DecideAct	88	5,55	15,9
Agilic	251	43,2	5,8
DataProces	174	4,8	36,3
Digizuite	324	28	11,6
Hypefactors	66	5,7	11,6
Impero	327	14,2	23,0
Konsolidator	236	12	19,7
Penneo	750	55	13,6
cBrain	6790	77,2	88,0
Risma	143	14,5	9,9
OrderYoyo	776	115	6,7
Average Peer	773	32,5	21,6
Relesys A/S	250	29,6	8,4
Upside to Relesys ARR			155,6%

In our view Relesys is a significantly stronger company than most of these (excluding cBrain). We thus think Relesys should be valued in line with companies like MapsPeople, Impero or Penneo that is also strong companies trading at 14-20 x ARR. Relesys lists at 8x ARR.

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