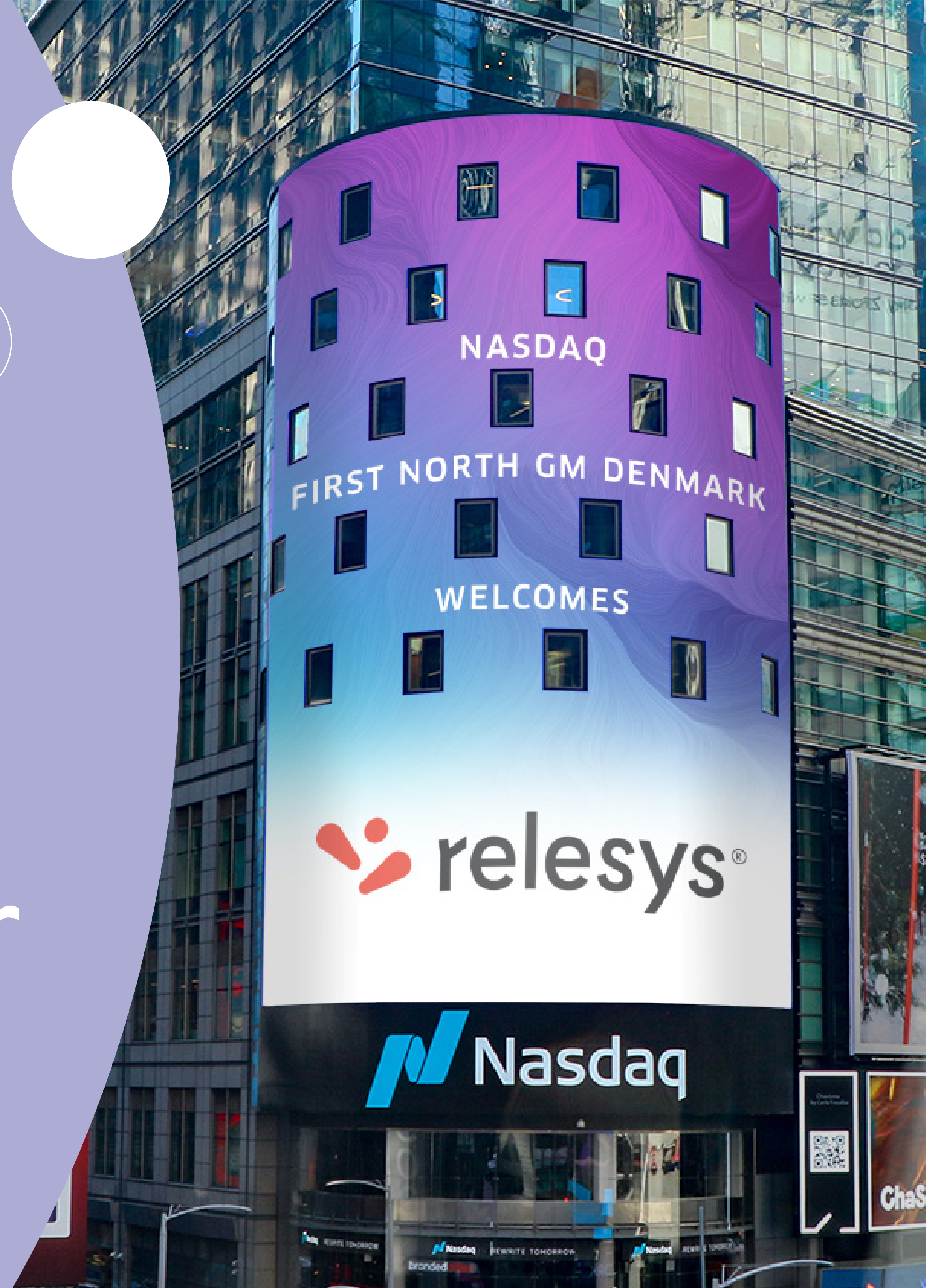
/ RELESYS ANNUAL REPORT 2021

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.

Welcome to our Annual Report 2021.

The Company
Relesys A/S
Orient Plads 1
2150 Nordhavn
Denmark

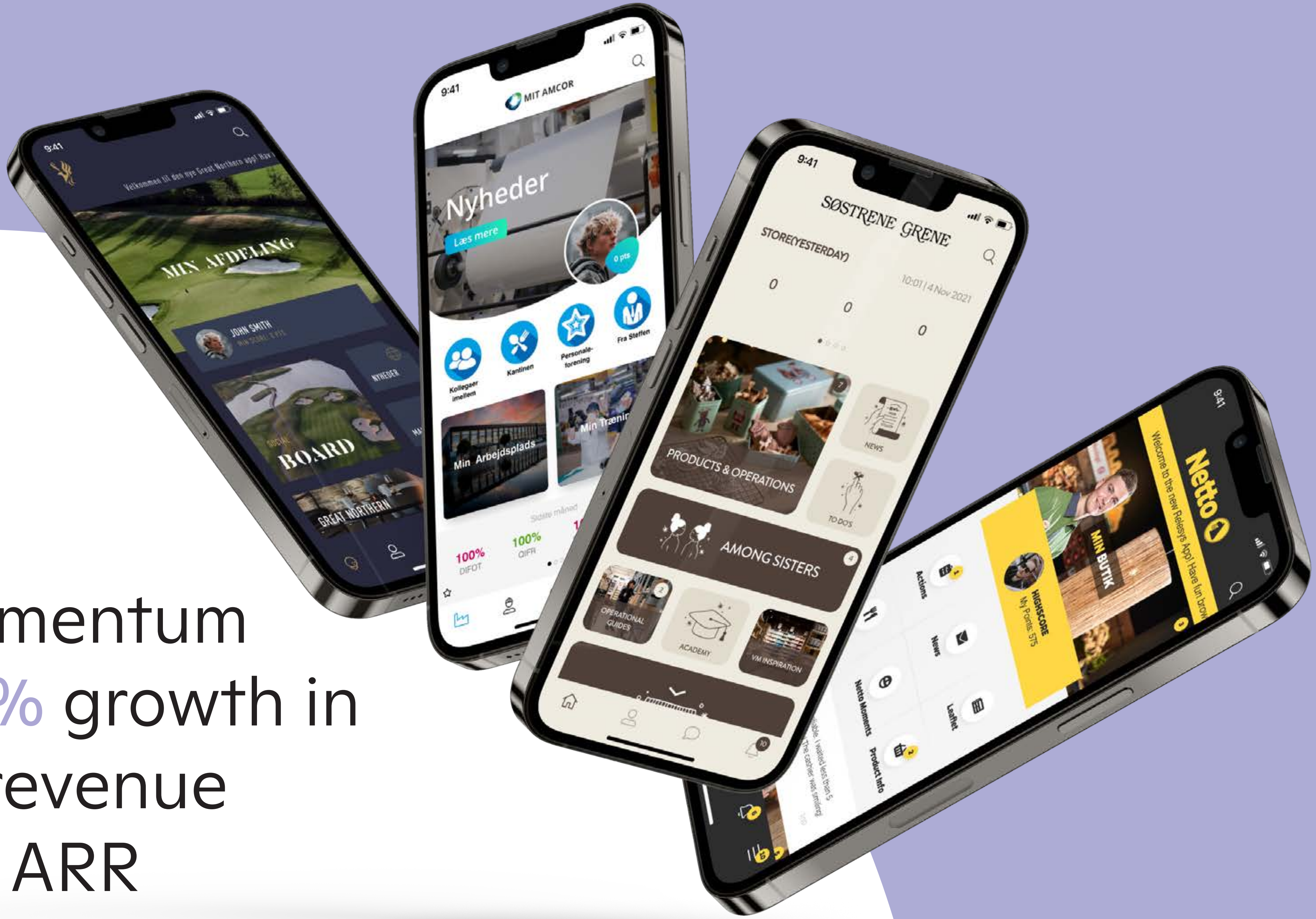
Business Registration No.:
36 43 27 72

Date of incorporation:
30.10.2014

Financial year:
01.01–31.12

Executive Board
Jesper Roesgaard
Jens Ole Lebeck
Mads Stoffer Larsen

Auditors
Deloitte, Statsautoriseret Revisionspartnerselskab



Relesys keeps momentum high, realizing 40% growth in annual recurring revenue and thus meeting ARR guidance of DKKm 30.6.

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Management review

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Listing on Nasdaq First North Growth Market Denmark 1st of December 2021.

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In 2021 we established a professional board of directors as a stepping stone for future international growth.

Financial statements

With the new internal app, we have been able to improve engagement and communication among our employees, strengthening the community across our different locations in Denmark – creating one common Carlsberg Danmark.

— **AMALIE ABSALONSEN FRIS,**
COMMUNICATION SPECIALIST, CARLSBERG DANMARK

Carlsberg Danmark

Growing people, Growing business

In review, 2021 was probably the most eventful and significant year in Relesys' history. We delivered our financial targets by adding new industry-leading clients to our portfolio as well as further developing our existing client engagements. Am I proud? Yes, for sure! But even more so, I am grateful and humbled.

I am grateful for the trust and confidence our clients are showing by allowing us to help grow their people and their businesses every single day. And I am humbled by the +1,100 investors who joined us, believing in our strategy and the market potential we are realizing.

In this regard, I also owe a big thank you to our Board of Directors. With their diverse profiles and strengths, they have been actively engaged and played a highly supportive role in helping our management team and myself fine-tune our business and become better professionals, both internally and externally.

I would also like to thank our incredible team of employees who have been instrumental in reaching our ambitious goals and have gone above and beyond to deliver on our customer promises.

LOOKING TOWARDS 2022

As we promised our investors in our IPO prospectus when we originally filed for listing on Nasdaq First North Premier Growth Market Denmark, we are accelerating our growth strategy by expanding our teams, especially within sales and marketing in Denmark, Sweden, and Benelux. Furthermore, we have initiated our UK expansion, where we are looking forward to opening our first office this summer and addressing the huge market opportunities that lie within our core industry expert areas – retail and manufacturing.

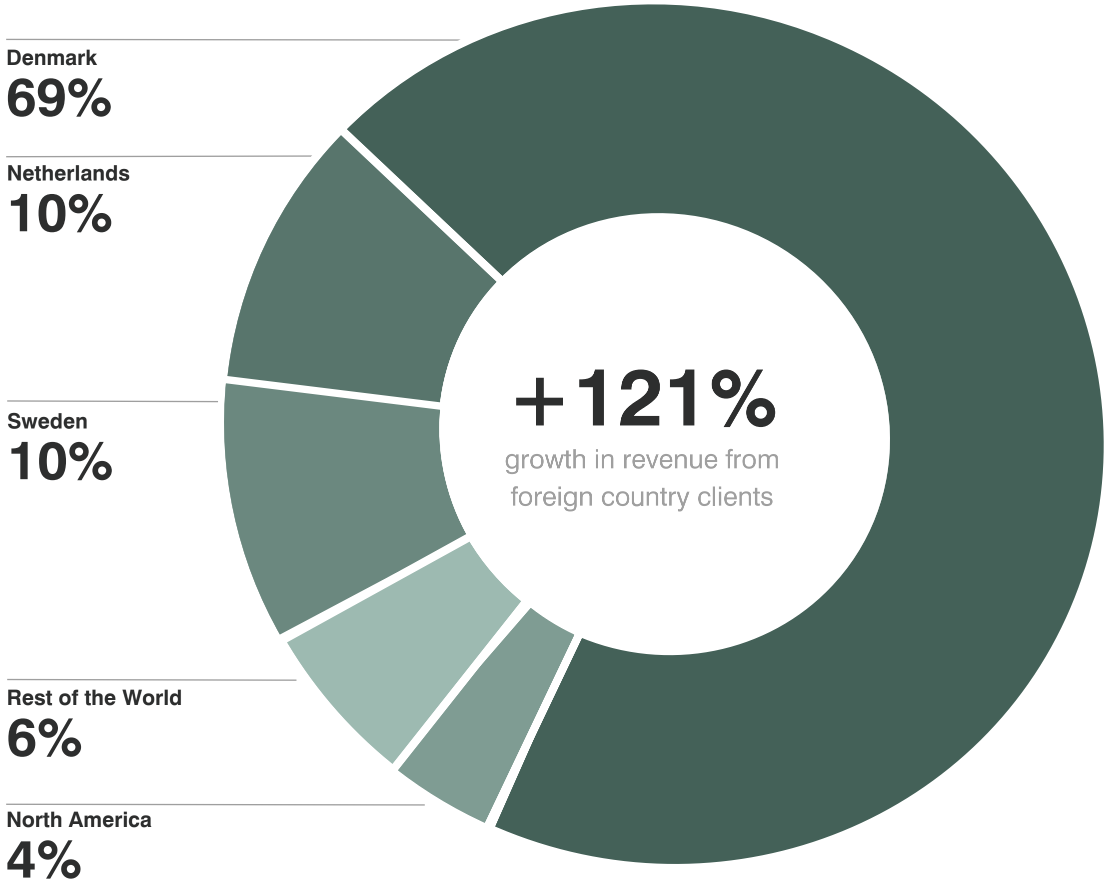
We have set ourselves an ambitious growth and expansion strategy to add more international clients to our portfolio. Growing and scaling our company to meet the demands of new clients means we need to operate with agility and flexibility. But it will also mean a greater focus on ensuring that our corporate values and culture are kept intact.

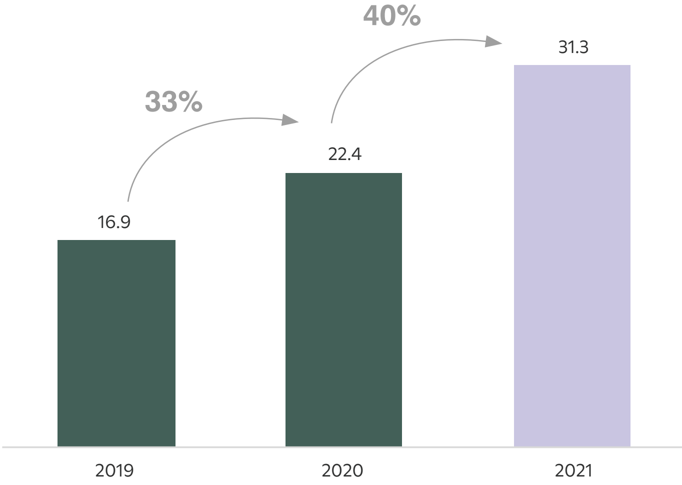
Over the years, we have demonstrated that having a client-first mindset, where customization and solving the individual business pains of our clients, is a game-changer. This is what sets us apart from becoming a one-size-fits-all company delivering standardized and commoditized client deliverables. We are staying true to our mindset and values, alongside our ongoing quest to become the best-in-class provider of communication and performance software – globally.

#ThisIsRelesys

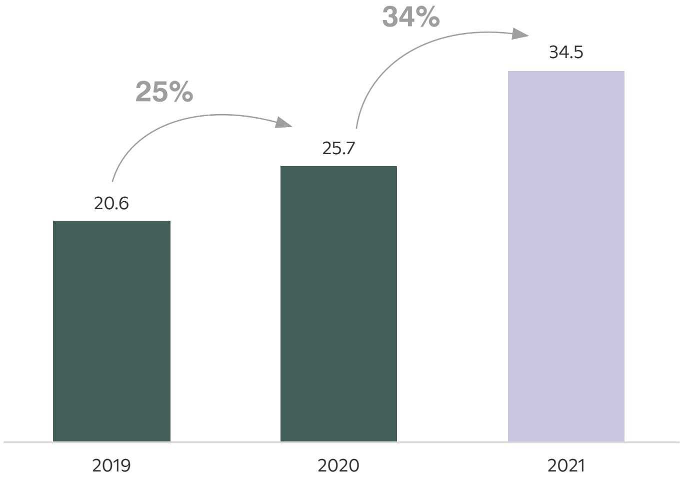
Co-founder and CEO,
Jesper Roesgaard

Highlights 2021

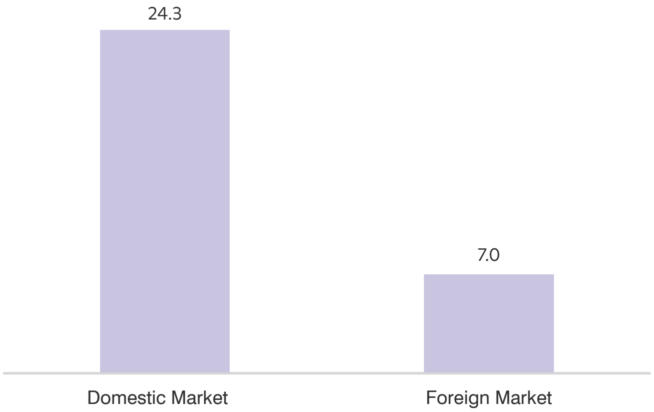




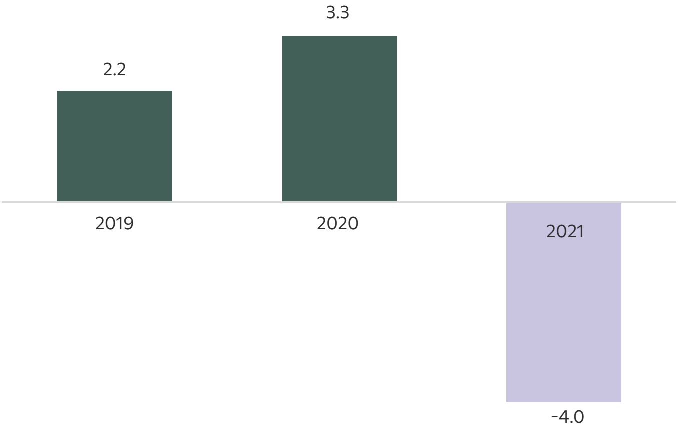
ARR growth accelerated in 2021 driven by low ARR churn (3%), strong uplift (10%) and a high number of new clients (33% growth). Average customer ARR grew from DKKt 185 to DKKt 194.



Growth in revenue of DKKm 8.8 was driven by growth in both SaaS revenue and revenue from our consultancy.



At year end, ARR from foreign markets amounted to DKKm 7.0 which constitutes to 22% of total ARR.

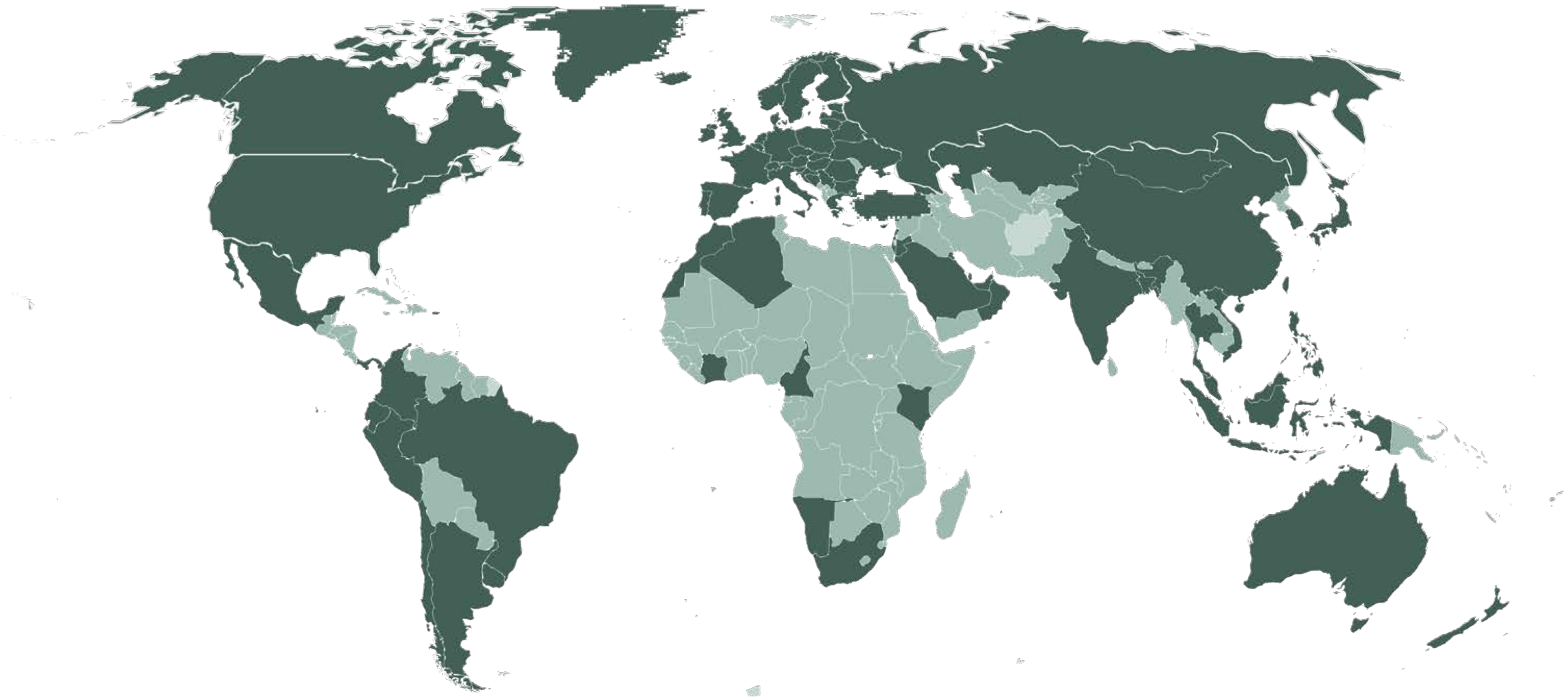


Free cash flow was negatively impacted by the operating loss that was driven by growth initiatives launched in 2021 in relation to the growth strategy.

/ INTRODUCTION

Global presence

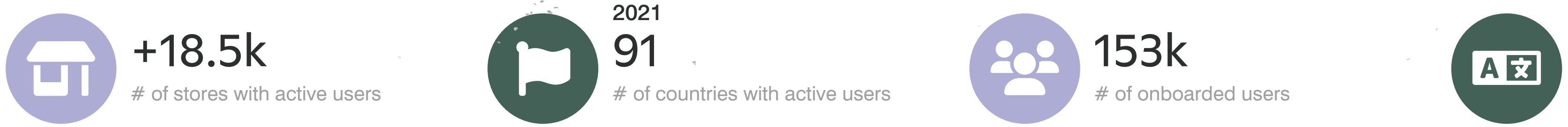
User presence within a country marked darkgreen



Since the establishment of Relesys, our focus has been on attracting market-leading brands that have a global presence and operations across various markets. We are proud to announce that we, yet again, have continued to add more industry-leading brands to our growing client base, resulting in an active user base in 91 countries across the various solutions.

The largest share of our customers is based in Denmark, Sweden, Benelux, and the US, from where they run their operations. In 2021 we were happy to expand and extend our client base, with wins in both current and new markets and new agreements with subsidiaries of existing customers, resulting in a 121% increase of growth in our revenue from foreign country clients.

Even more organizations have seen the importance of reaching, engaging and uniting their workforce through digital solutions to streamline and strengthen their communication, training and daily operations. We were happy to welcome an impressive list of new clients, including; **Vestas, Carlsberg, Change Lingerie, Festi, Toms, Wolff Sweden, Saphe, Message, FTZ, Hummel, GUBI, Fitness World, Fenix, Cofoco** and **Amcor**.



+18.5k
# of stores with active users

2021
91
# of countries with active users

153k
# of onboarded users

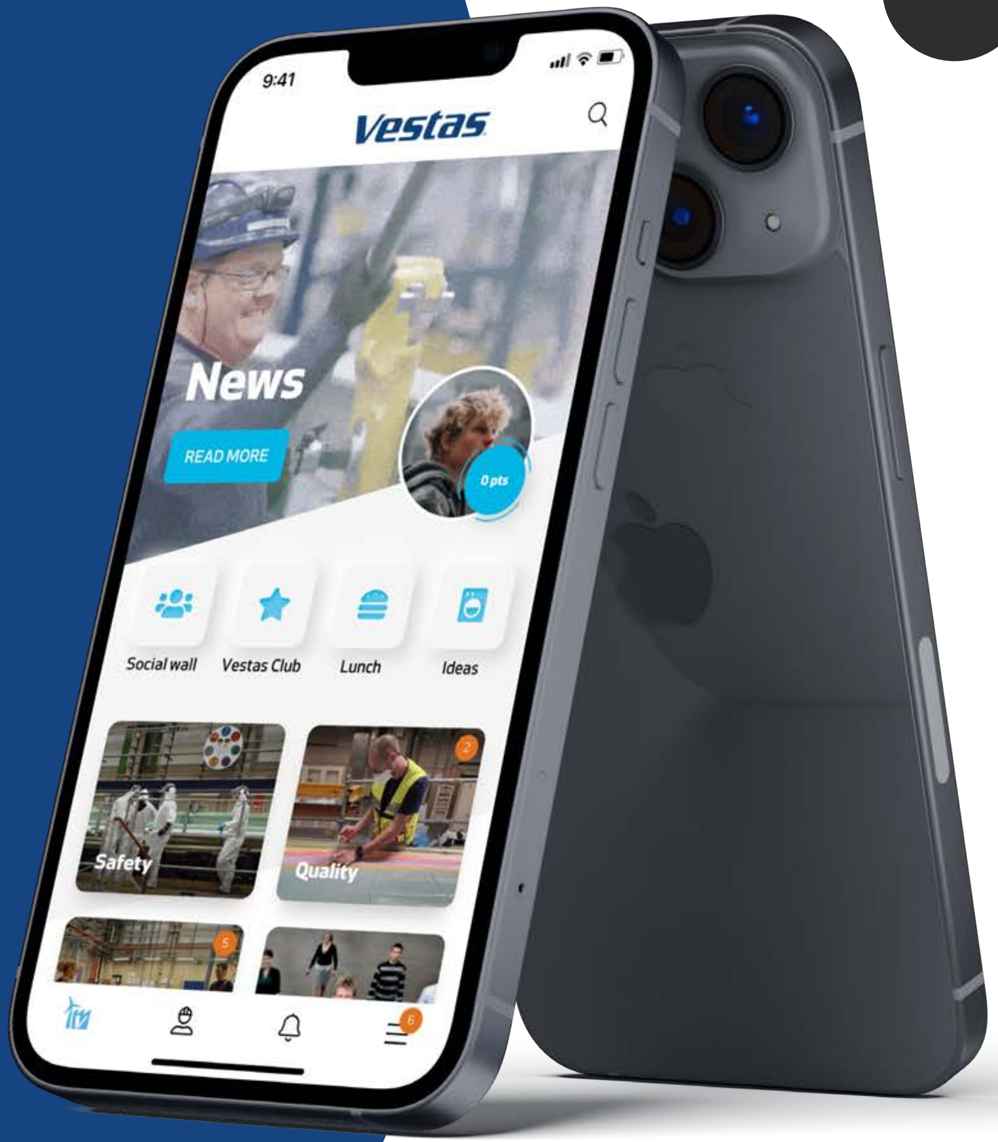
23
# of supported languages

relesys

To us, MyVestas is more than an app for communicating with an often-overseen workforce: production employees.
It is a tool for changing the culture, for digitalizing production processes and for involving our people in improving our quality, safety and productivity.
Engagement is the key word.

— **LINE MØLLER ROLAND,**
LEAD SPECIALIST, COMMUNICATION & DIGITAL CHANGE MANAGEMENT, VESTAS WIND SYSTEMS A/S

Vestas



Financial review

Relesys continued to deliver double-digit growth rates of ARR and revenue. Sweden and the Benelux regions both showed strong growth rates, and sales are continuously accelerating in both areas. Relesys also continued to sign top industry brands such as Vestas and Carlsberg Danmark.

Throughout the second half of the year, Relesys invested a significant amount of energy and focus in listing on Nasdaq First North Premium Growth Market and in raising DKKm 69.0 in cash. Simultaneously, Relesys started preparation for accelerated growth. Both initiatives had a significant impact on cost but did not jeopardize the topline and will not jeopardize good business acumen in the operations of Relesys.

RESULTS (DKK million)	**2021**	2020	2019
Revenue	34.5	25.7	20.6
Growth	34%	25%	
SaaS revenue	27.0	20.6	15.6
Growth	31%	5.1	5.0
Consultancy	7.5	5.1	5.0
Growth	46%	3%	
Costs of sales	2.8	2.8	2.6
Other external expenses	9.8	5.6	4.6
Gross profit	**21.9**	**17.3**	**13.4**
Gross margin	64%	67%	65%
Staff cost	22.3	13.6	9.1
Other operating income	0.2	0.1	0
Other operating expenses	1.1	0.0	0.0
Operating profit before amortisation and depreciation (EBITDA)	**(1.2)**	**3.8**	**4.3**
EBITDA margin	(4%)	15%	21%
Amortisation, depreciation and impairment	2.6	1.8	1.6
Operating profit (EBIT)	**(3.8)**	**2.0**	**2.7**
Net financial expenses	0.4	0.2	0.1
Profit before tax	**(4.2)**	**1.8**	**2.6**
Tax on profit for the year	0.6	0.2	0.7
Profit for the year	**(3.6)**	**1.6**	**1.9**

FINANCIAL POSITION (DKK million)	**2021**	2020	2019
Balance sheet total	72.6	20.2	10.4
Investments in intangible assets	5.0	4.5	3.1
Investments in property, plant and eqipment	2.8	3.1	1.6
Equity	57.0	1.6	0.6
CASH FLOW (DKK million)			
Operating activities	(2.0)	7.0	4.4
Investing activities	(2.0)	(3.7)	(2.2)
Free cash flow	(4.0)	3.3	2.2
Financing activities	59.9	(0.5)	(1.7)
Cash flow for the year	55.9	2.8	0.5
SAAS KEY METRICS			
Annual Recurring Revenue (DKKm)	31.3	22.4	16.9
SaaS share of revenue (%)	78%	80%	76%
Customer retention (%)	94%	95%	92%
Customer expected liftetime (years)	17.3	20.0	12.5
Number of customers	161	121	92
Number of onboarded users (thousands)	153	91	71

ANNUAL RECURRING REVENUE

ARR grew by 40% compared to 2020, which was in line with the strategy set out in the IPO prospectus and guidance on ARR of DKKm 30.6. The ARR growth can be separated into: 1) strong client retention rate of 94% with only 3% ARR churn, 2) strong ARR uplift of 10% and 3) new clients at a value of DKKm 7.2, with is an addition of 32% to the 2020 ARR. At the end of 2021 ARR could be attributed to 78% from the domestic market of Denmark and 22% from foreign markets.

REVENUE

Revenue grew 34% compared to 2020 and was in line with the guidance of DKKm 33.3. The growth was a result of an advancement in both SaaS revenue (31%) and in consultancy revenue (46%). The development in SaaS revenue was mainly driven by growth in the number of clients (33%). The growth in revenue could furthermore be attributed to progression in each of the regions that Relesys has clients in, and for the first time, revenue grew more outside the home market.

GROSS PROFIT

Gross profit grew 27% compared to 2020. The growth in topline was partly offset by increased other operational expenses, which grew in line with the use of proceeds from the IPO document. Consequently, the gross profit margin decreased from 67% to 64%.

STAFF COSTS

Staff costs increased by 64% compared to 2020, which was driven by additional FTEs to support the growth of topline, aligned with the strategy of scaling Relesys internationally. Among other initiatives, Relesys prepared the marketing and sales functions for international expansion by hiring managers in the respective functions with relevant experience. With the hiring of new employees, Relesys accelerated the internationalization and growth across new markets.

EBITDA

Aligned with the strategy presented in the IPO prospectus, Relesys has been investing heavily in securing growth internationally. Short-term investments are resulting in a negative EBITDA, but long-term SaaS revenues will strengthen profitability.

NET FINANCIAL EXPENSES

The growth in net financial expenses was driven by bank interests.

CASH FLOW FROM OPERATING ACTIVITIES

Relesys has had a strong history of growing the business while also ensuring a positive cash flow. However, with the change in strategy and capital raised from the IPO, Relesys transitioned into a phase with planned negative cash flow. As a result, the operating activities contributed with negative DKKm 2.0 to cash flow for the period.

CASH FLOW FROM OPERATING ACTIVITIES

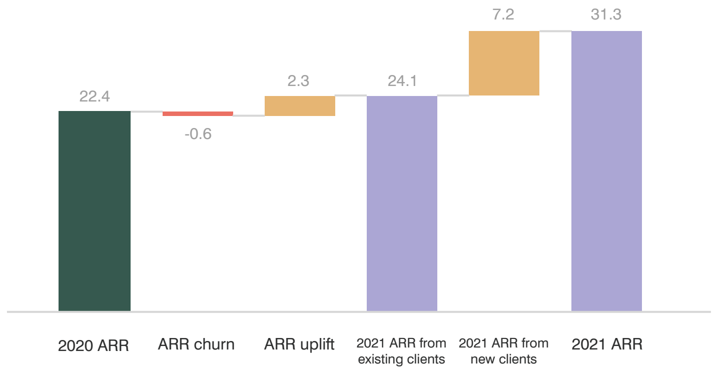
Relesys continued to invest in its product platform. As in previous years, Relesys invested in both the Relesys Core (Essentials) module as well as in each of the Relesys Pro modules.

CASH FLOW FROM FINANCING ACTIVITIES

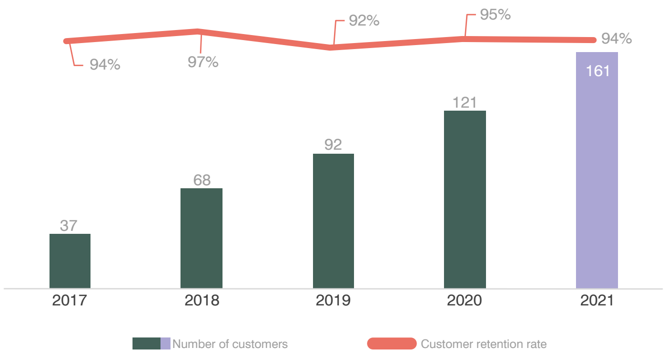
Relesys had two major financing activities during 2021.

1. Relesys acquired 49% of the shares in Relesys B.V. in May 2021 at a price of DKKm 4.9.
2. Relesys increased its capital by DKKm 69.0 as part of the IPO in December 2021. Net of the cost directly related to the IPO, Relesys increased cash by DKKm 63.8.

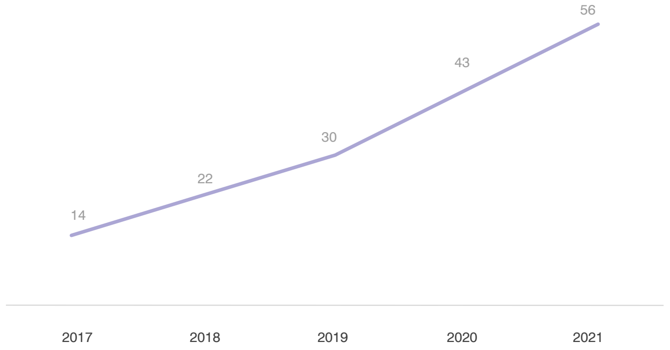
Development in annual recurring revenue



Customer growth and retention rates



Employee full-time equivalent



Financial Outlook

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 (DKK'000)	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.

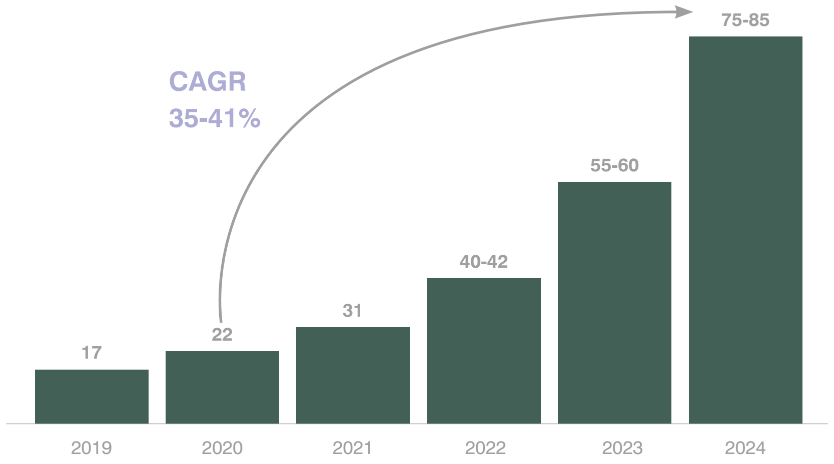
Long term financial targets

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.

Other definitions:

Number of customers: We count 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: We count 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.

By being able to post content quick and easy and see if employees have read it, we can ensure that the quality of our services are kept high, especially in the past year with many and rapid changes!

— TONNIE SIJBRANT,
SERVICE & HOSPITALITY COORDINATOR, VUE NETHERLANDS

WERKEN BIJ vue

Corporate Purpose

At Relesys, we are doing away with the idea that one size fits all. Since 2014, we have followed our gut feeling and inner values underpinning the foundation of our mindset: growing people, growing business. We are on a quest to become the best-in-class provider of communication and performance software – globally – by building long-lasting relationships with our clients, and with one key passion – employee engagement.

Anchored within the Relesys mindset is that we go the extra mile to understand our customers and their employees. For us to support our clients in reaching their full potential, we must start by gaining an understanding of the employees' daily lives, drivers, and commitment towards their workplace. By laying the right foundation, we can customize a solution that can reach, engage, and unite the power of their workforce. We want to ensure we leave something valuable for the next generation. And the generation after that. Because everything starts and ends with people.

The marriage strategy

One of our most valuable assets is our relationship with our clients. And they are not just clients to us: they are co-developers. From the very beginning, our clients have played a crucial role in the development of our platform, and this has continued to the present day. At Relesys, we follow what we call the marriage strategy – a strategy that feeds on long-lasting customer relationships resulting in high customer retention.

Our team wants to make a difference for all our clients and help them succeed in engaging their employees every day. The Relesys mindset is anchored within our team, and they do their utmost to ensure that our clients are left with the best possible experience, whether in a meeting, over the phone, or through support. For that reason, our Client Success Team is by far the largest department at Relesys. This team maintains a close and personal relationship with clients and their solutions.

Our Partnerships

Since day one, we have had a firm foothold within the retail sector and with market-leading brands. We are number one in supporting store-based retailers with extensive organizational hierarchies in how they engage and interact with their employees, especially when they may be spread across countries, regions, cities, departments, and teams.

Subsequently, we have extended our client base by utilizing our already established industry knowledge in retail and pinpointing the common challenges similar companies face, especially with regards to internal communication, engagement, and performance management. The main challenge is that they sometimes struggle to reach, engage and unite their workforces. The diversity within the respective organizations and the physical distance between headquarters and non-desk workers make it particularly difficult to ensure high engagement. We are now also supporting companies within industries such as transportation, manufacturing, production, and hospitality by solving these challenges and uniting their organization as a whole.

In 2021, we have continued to develop our partnerships with our existing client base and are happy to announce more market-leading brands to our growing client base, including **Vestas**, **Amcor**, **Carlsberg Danmark**, **Fitness World**, **Change Lingerie**, and **Cofoco**.

Keeping people as the heart of the business

At the end of 2021, Relesys employed more than 70 talented people across all our locations in Copenhagen, Aarhus, Odense, Stockholm, Amsterdam, and Minsk. Our team represents a range of diverse nationalities and different perspectives, and this enables us to offer our clients the best possible customised and innovative solutions.

Nearly all our employees come from a retail background and are deeply passionate about the purpose of the platform: to reach, engage, and unite the power of our clients' workforce.

At Relesys, we aim to recruit talented people and help them develop, so we have a constant flow of people who can take on leadership roles while still understanding and representing the culture of the company. Anchored within our mindset is our belief that employees are the most valuable asset, and this belief pervades our entire organization. We build on the core principles of a strong culture, which has resulted in an open-minded, ambitious, informal, and fast-paced working environment where employees laugh and thrive daily while being dedicated to working towards the same goal. We will continue to build upon this established culture while hiring more talented employees.

Our new Diversity and Inclusion policy

At Relesys, we dedicate ourselves to encouraging a supportive and inclusive environment and culture as we know that the key to succeeding in our mission is to have the right people. We have therefore introduced a global Diversity and Inclusion policy. Our policy prescribes our position on equal rights for all our employees as well as providing them the opportunity to realize their potential within Relesys. With this policy, we have introduced various initiatives for us to increase diversity within the organization. The Diversity and Inclusion Policy is reviewed by the Board of Directors and will be reported on annually in line with applicable law. For more information about our Diversity and Inclusion Policy please visit www.relesys.net/investors.

relesys

Shareholder Information

COMMUNICATION WITH SHAREHOLDERS

Through professional, transparent, and proactive communication, we wish to provide the basis for a fair pricing of our share, resulting in long-term economic value for our shareholders. To keep our investors and other stakeholders up to date with the latest developments throughout the year, our Executive Management and Investor Relations stay in close contact with existing and potential investors through financial releases, company announcements, and press releases, to maintain an open and constructive dialogue with the capital market.

When asked to review analyst models and reports, the Company limits its comments to correcting factual historical information and drawing attention to the publicly available information. We observe a four-week silent period prior to the release of a financial report. For more information about our Investor Relations Policy, please visit www.relesys.net/investors

DIVIDENDS

The Company's ability to pay dividends depends, among other things, on its financial condition, working capital requirements, the availability of distributable profits and reserve and cash available, and other factors that the Board of Directors may deem relevant. During the period of the current growth strategy, the Board of Directors proposed not to pay dividends as the Company is in a growth phase and intends to reinvest any profit in activities to continue the growth.

COMPANY ANNOUNCEMENTS

In 2021, we published four company announcements. These are listed in the chart below:

8 Nov.	No. 1	Relesys A/S publishes prospectus and has applied for admission to trading on Nasdaq First North Premier Growth Market Denmark
24 Nov.	No. 2	Offering of New Share in Relesys A/S was successfully completed – The Offering received subscription for DKK 221 Million (oversubscribed by 167%)
29 Nov.	No. 3	Settlement and registration of capital increase
29 Nov.	No. 4	Relesys A/S: Notification of transactions by persons discharging managerial responsibilities and persons closely associated with them

RELESYS SHARE DATA

Number of share of DKK 1 on 31 Dec. 2021	51,040,000
Restrictions on transferability and voting rights	None
Listed	Nasdaq First North Premier Growth Market Denmark
Trading symbol	RELE
ISIN code	DK0061680436

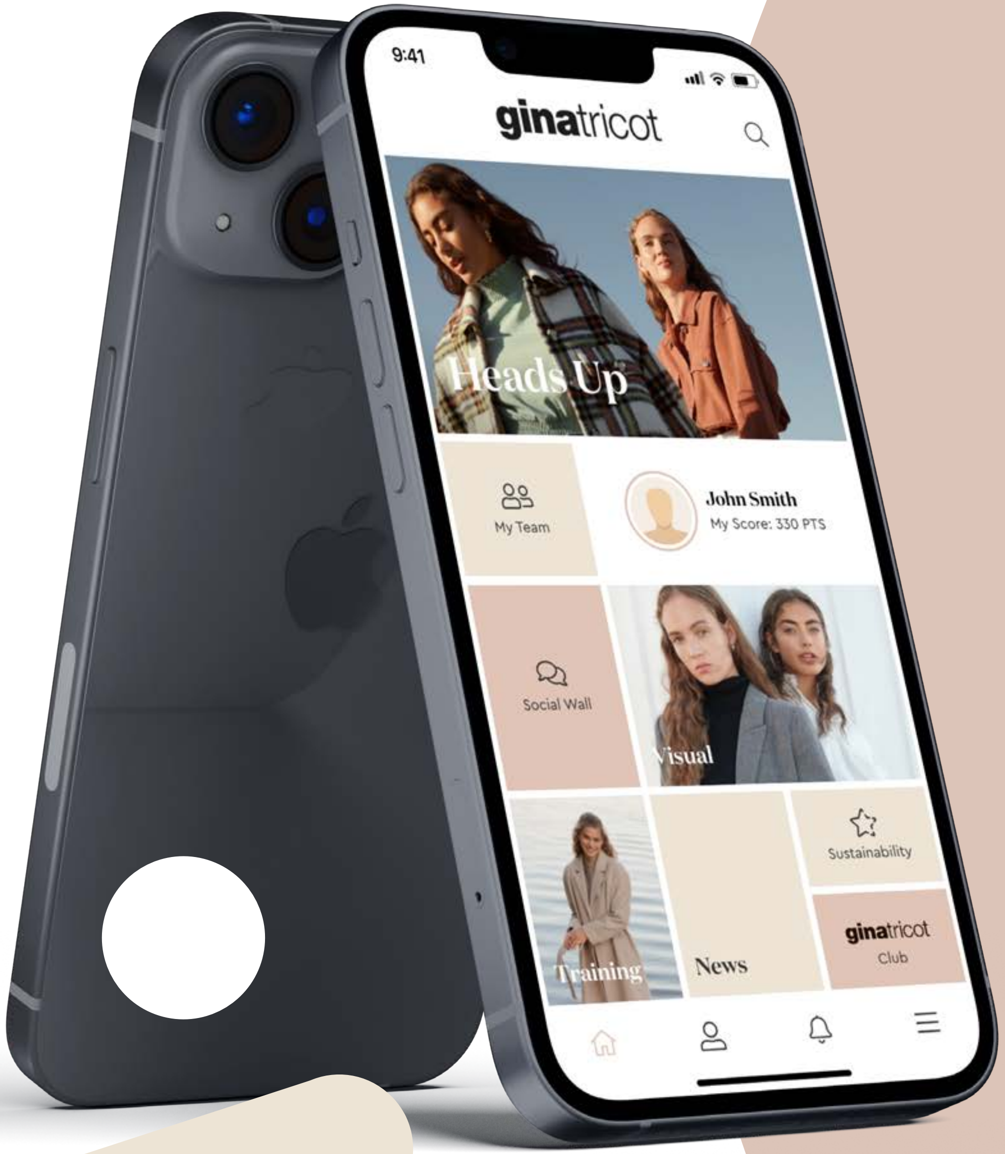
FINANCIAL CALENDAR FOR 2022 IS AS FOLLOWS:

Annual General Meeting
April 27

Quarterly Update (Q1)
25 May

Half-year Report
29 August

Quarterly Update (Q3)
29 November



The aim of GinaNow is that it shall be a platform for all communication within the company. Therefore, it was a matter of course that our introductory program and all digital training would also be here. One and the same platform for everything, smooth and easy.

— SARA JANSTRÖM, TRAINING MANAGER, GINA TRICOT

ginatricot

Letter from our Chairman

2021 has been a historic year for Relesys. We had an ambitious mission of advancing our growth and taking the next steps towards realizing the immense market potential that lies ahead. It all culminated on the 1st of December, when we reached a significant milestone and were listed on Nasdaq First North Premier Growth Market Denmark.

With the capital raised on Nasdaq First North Premier, it is now possible for us to continue accelerating Relesys' growth trajectory by expanding internationally. By doing so, we can empower even more companies to reach, engage, and unite the power of their workforce, and become the best-in-class provider of communication and performance solutions for non-desk workers globally.

As an important first step in achieving our goal, the Board of Directors is very pleased that Relesys is delivering on our promises with a strong ARR, and revenue growth driven by high customer retention and a growing client base among industry-leading brands. We look forward to continuing the strong collaboration with the Executive Management Team during the exciting times that lie ahead.

Looking further into 2022, we continue to pursue our ambitious growth targets by executing our expansion strategy within both current and new markets. I would like to thank the whole team at Relesys for their commitment, innovation, and perseverance during a highly transformational year. We have just embarked on this new and incredible journey, and we will continue to work hard on delivering on the promises we made to our investors.

Chairman of the Board of Directors
Alexander Martensen Larsen

Corporate Governance

MANAGEMENT STRUCTURE

As a unit, the Board of the Directors and the Executive Management Team form the governing body of Relesys. The Board of Directors outlines and supervises the overall vision, strategy, and objectives of the organizations business activities.

The Executive Board is responsible for the execution of the strategy, the objectives set for the business and the overall day-to-day management of the organization. Furthermore, they act as an essential contributor to support the activities of the Board of Directors. The Management Team works in an agile and collaborative setting, based on a flat hierarchy culture.

Together with the Executive Management Team, the extended Management Team is seen as the most crucial personnel concerning day-to-day operations and future growth plans. In addition to the Executive Management Team, the Relesys Management Team consists of four members.

COMPOSITION OF EXECUTIVE MANAGEMENT

In February 2022, the Executive Management Team expanded as Mads Stoffer Larsen – current CFO in Relesys – joined the Executive Management Team. Mads Stoffer Larsen has more than 12 years of experience working with accounting, finance, and management. With his background from advisory and with his practical finance mindset Mads is leading Relesys financial function and has a big part in Relesys' further growth and expansion.

Former CCO, Jens Ole Lebeck took up a new position as COO, responsible for strengthening the operational organizational capabilities and ensuring the prerequisite efficiency for continued growth and internationalization. As such, the Executive Board now consists of three members.

Executive Management

Jesper Roesgaard

Position: CEO and Co-Founder
Member since: 2014
Born: 1974

Jens Ole

Position: COO and Co-Founder
Member since: 2014
Born: 1969

Mads Stoffer Larsen

Position: CFO
Member since: 2022
Born: 1985

Extended Management Team

Martin Sørensen

Position: CTO
Seniority: 2016
Born: 1980

Andreas M. Villumsen

Position: Director of Marketing
Seniority: 2021
Born: 1980

Casper Kræfting

Position: VP, Global Sales
Seniority: 2021
Born: 1983

Mie B. Wiinberg

Position: Director of Client Success
Seniority: 2017
Born: 1991

BOARD OF DIRECTORS

Composition of Board of Directors
In accordance with Relesys' Articles of Association, the Board of Directors must comprise at least five and not more than seven Directors. Directors are elected for a term of one year, and new Directors are elected according to the Danish Companies Act.

Relesys' Board of Directors currently consists of five members, including the Chairman. The Board of Directors' primary objective is to supervise the work of the Executive Management and the overall strategic direction.

Competencies of the Board
The composition of the Board of Directors is intended to ensure that the Board's competency profile is diverse so that it can perform its duties effectively.

The current competencies required of Board members are; long-standing experience and knowledge within the retail industry, together with extensive skills within international tech and Software-as-a-Service growth and expansion, strategy, change management, business development and finance.

See page 24 for a description of the individual Directors' competencies and experience.

BOARD MEETINGS

In 2021, the Board of Directors held two ordinary board meetings. The Board mainly focused on preparing for the IPO and listing on Nasdaq First North Premier Growth Market Denmark happening at the end of 2021, together with preparing the business for international expansion and growth.

REMUNERATION OF THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

Remuneration policy
Remuneration of the Board of Directors and the Executive Board is carried out in accordance with the Relesys Remuneration Policy as adopted by the Extraordinary General Meeting the 1st of November 2021.

The purpose of the Remuneration Policy is to ensure that Relesys is able to attract and retain a qualified management team, to align management and shareholder interest, and to create sufficient incentive for the long-term value creation of the Company. Relesys Remuneration Policy is available at www.relesys.net/investors.

Report on Corporate Governance cf. section 107b of the Danish Financial Statements Act
In managing Relesys, the Board of Directors apply the latest Recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance. The Board uses the Recommendations for guidance when setting up management structures, tasks and procedures and checks against them to make sure that the Company is acting in accordance with the principal intentions of the Recommendations. The Board regularly assesses its procedures based on the Recommendations.

Adherence to the Recommendations is reported in the Statutory Report on Corporate Governance available at www.relesys.net/investors.

BOARD MEETINGS ATTENDED:

Alexander Martensen-Larsen	2/2
Camilla Simonsen	2/2
Thor Skov Jørgensen	2/2
Claus Jul Christiansen	2/2
Lars Runov	2/2

Board of Directors

Alexander Martensen-Larsen

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

Independency: Considered Independent

Skills and experience:
- Management experience from Managerial Duties and Directorships.
- Strategy, business development and financial management
- Organizational transformation

Other Managerial duties and Board positions:

Chairman	NS Give Elementer A/S
Chairman	Lundsby Industri A/S
Chairman	Give Elementfabrik A/S
Chairman	Thejewelleryroom
Member	Gubra A/S

Lars Runov

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

Independency: Considered Independent

Skills and experience
- General international management experience
- Go-to-market strategies, revenue growth, inbound marketing
- Vice President at Unity Technologies ApS 2012-2016

Other Managerial duties and Board positions:

Member	Leapeo ApS
Member	T-Bone K/S
Member	Innoflow
CEO	Presence ApS
CEO	CAS Presence ApS

Thor Skov Jørgensen

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

Independency: Not considered Independent

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	SKAGENFOOD A/S
EVP	Salling Group A/S

Camilla Simonsen

Office: Member
Gender: Female
Member since: 2021
Up for re-election: Yes
Born: 1981

Independency: Considered Independent

Skills and experience
- General international management experience.
- Extensive sales experience and international expansion
- COO of Siteimprove A/S 2015 - 2021

Other Managerial duties and Board positions:

Member	Pleaz ApS
Chief of Staff	Siteimprove A/S

Claus Jul Christiansen

Office: Member
Gender: Male
Member since: 2021
Up for re-election: Yes
Born: 1966

Independency: Considered Independent

Skills and experience
- General international management experience
- Product Management, direct consumer sales and partnership management
- Various directorships within Microsoft Denmark 2010-2021

Other Managerial duties and Board positions:

Member	Acies A/S
Member	Workpoint
Member	Konsolidator

Number of Shares

Chairman of the Board of Directors	
Alexander Martensen-Larsen	80,000 shares
Member of the Board of Directors	
Camilla Simonsen	80,000 shares
Member of the Board of Directors	
Thor Skov Jørgensen	32,000 shares
Member of the Board of Directors	
Claus Jul Christiansen	80,000 shares
Member of the Board of Directors	
Lars Kristian Runov	160,000 shares

[1] Thor Skov Jørgensen is employed by Salling Group, which is one of the Company's largest customers. However, Thor Skov Jørgensen is not involved in the business relationship and related transactions.

Financial statements

CONSOLIDATED FINANCIAL STATEMENTS

PARENT FINANCIAL INCOME STATEMENTS

Statement by management

The Executive Board has today considered and approved the Annual Report of Relesys A/S for the financial year 1 January 2021 to 31 December 2021.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the Parent Financial Statements have been prepared in accordance with the Danish Financial Statements Act. The Management Commentary has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Financial Statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2021 and of their results and operations as well as the consolidated cash flows for the financial year 1 January to 31 December 2021.

In our opinion, the Management Commentary contains a fair review of the development in the operations and financial circumstances of the Group and the Parent, of the results for the year and of the financial position of the Group and the Parent as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent.

We recommend the Annual Report for adoption at the Annual General Meeting.

Nordhavn, 28 March 2022

Executive Board:

Co-founder and CEO
Jesper Roesgaard

Co-founder and COO
Jens Ole Lebeck

CFO
Mads Stoffer Larsen

Board of Directors:

Chairman
Alexander Martensen-Larsen

Board member
Lars Runov

Board member
Camilla Simonsen

Board member
Claus Jul Christiansen

Board member
Thor Skov Jørgensen

Independent auditor's report

To the shareholders of Relesys A/S

OPINION

We have audited the consolidated financial statements and the parent financial statements of Relesys A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the income statement of the Parent and the statement of comprehensive income and cash flow statement of the Group. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at 31.12.2021, and of the results of its operations and cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements under the Danish Financial Statements Act.

Further, in our opinion, the parent financial statements give a true and fair view of the Parent's financial position at 31.12.2021, and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

STATEMENT ON THE MANAGEMENT COMMENTARY

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

MANAGEMENT'S RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE PARENT FINANCIAL STATEMENTS

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act as well as the preparation of parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE PARENT FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- *Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.*

- *Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.*

- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.*

- *Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.*

- *Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.*

- *Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 28 March 2022

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Bjørn Winkler Jakobsen
State-Authorised Public Accountant
Identification No (MNE) mne32127

Consolidated Financial Statements 2021

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

DKK'000	Note	2021	2020
Revenue	4,5	34,500	25,698
Cost of sales		(2,763)	(2,712)
Other external expenses		(9,823)	(5,644)
Gross profit		**21,914**	**17,342**
Staff costs	6,7	(22,289)	(13,701)
Other operating income		182	57
Other operating expenses		(1,053)	-
Amortisation, depreciation and impairment	8	(2,584)	(1,766)
Operating profit / loss		**(3,830)**	**1,932**
Financial income	9	18	9
Financial expenses	10	(372)	(196)
Profit / loss before tax		**(4,184)**	**1,745**
Tax for the year	11	558	(206)
Profit / loss for the year		**(3,626)**	**1,539**

OTHER COMPREHENSIVE INCOME

DKK'000	Note	2021	2020
Exchange differences on translation of foreign operations		(58)	2
Other comprehensive income for the year, net of tax		**(58)**	**2**
Total comprehensive income for the year		**(3,684)**	**1,541**
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax)			
PROFIT OR LOSS FOR THE PERIOD ATTRIBUTABLE TO:			
Non-controlling interests		78	121
Owners of the parent		(3,548)	1,418
		(3,626)	**1,539**
COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Non-controlling interests		78	121
Owners of the parent		(3,762)	1,420
		(3,684)	**1,541**
Earnings per share (DKK)		(0.01)	30.78
Earnings per share, diluted (DKK)		-	-

Balance sheet

ASSETS

DKK'000	Note	2021	2020
Intangible assets	12	5,032	4,485
Property, plant and equipment	13	1,099	1,311
Contract costs	5	166	142
Right-of-use assets	14	1,682	1,838
Deposits	15	249	22
Total non-current assets		**8,228**	**7,798**
Trade receivables	16	3,860	8,014
Contract costs	5	276	194
Income tax receivables		556	483
Other receivables		392	40
Prepayments		13	302
Cash		59,260	3,327
Total current assets		**64,357**	**12,360**
Total assets		**72,585**	**20,158**

EQUITY AND LIABILITIES

DKK'000	Note	2021	2020
Share capital	17	510	50
Share premium		68,890	-
Retained earnings		(12,345)	1,444
Translation reserve		(58)	2
Non-controlling interests		-	59
Total equity		**56,997**	**1,555**
Interest bearing liabilities		639	758
Deferred tax	11	926	1,027
Lease liabilities	14	680	1,058
Other provisions		-	25
Other payables	18	598	591
Total non-current liabilities		**2,843**	**3,459**
Interest bearing liabilities		2,314	118
Lease liabilities	14	1,101	872
Trade payables		1,955	1,605
Income tax payable		14	26
Deferred income	5	4,909	7,393
Other payables	18	2,452	5,130
Total current liabilities		**12,745**	**15,144**
Total liabilities		**15,588**	**18,603**
Total equity and liabilities		**72,585**	**20,158**

Consolidated statement of changes in equity

2021

DKK'000	Share capital	Share premium	Retained earnings	Trans-lation reserve	Pro-posed dividend	Total	Non-con-trolling interests	Total
Balance at 1 January	**50**		**1,444**	**2**		**1,496**	**59**	**1,555**
Net profit(loss) for the period			(3,626)			(3,626)	78	(3,548)
Other comprehensive income				(58)		(58)		(58)
Total comprehensive income			**(3,626)**	**(58)**		**(3,684)**	**78**	**(3,606)**
Acquisition of non-controlling interests			(4,771)	(2)		(4,773)	(137)	(4,910)
Capital increase as part of company transformation	350		(350)			-		-
Capital increase as part of IPO	110	68,890				69,000		69,000
Transaction cost for equity issuance			(5,142)			(5,142)		(5,142)
Share based payments			100			100		100
Total transactions with the owners	**460**	**68,890**	**(10,163)**	**(2)**		**59,185**	**(137)**	**59,048**
Balance at 31 December	**510**	**68,890**	**(12,345)**	**(58)**		**56,997**		**56,997**

2020

DKK'000	Share capital	Share premium	Retained earnings	Trans-lation reserve	Pro-posed dividend	Total	Non-con-trolling interests	Total
Balance at 1 January	**50**		**26**		**600**	**676**	**(62)**	**614**
Net profit(loss) for the period			1,418			1,418	121	1,539
Other comprehensive income				2		2		2
Total comprehensive income			**1,418**	**2**		**1,420**	**121**	**1,541**
Paid dividend					(600)	(600)		(600)
Balance at 31 December	**50**		**1,444**	**2**		**1,496**	**59**	**1,555**

Cash flow statement

DKK'000	Note	2021	2020
Operating profit		(3,830)	1,932
Depreciation, amortisation and impairment losses		2,584	1,766
Share-based payments expense		100	-
Change in working capital		(805)	4,156
Income taxes received (paid)		225	(671)
Interest received		18	9
Interest paid		(239)	(196)
Cash flow from operating activities		**(1,947)**	**6,996**
Investments in intangible assets		(1,714)	(2,360)
Investments in tangible assets		(72)	(1,335)
Change in deposits		(227)	(21)
Cash flow from investing activities		**(2,013)**	**(3,716)**
Other loans raised		2,196	886
Repayment of borrowings		(118)	(10)
Payment of principal portion of lease liabilities		(1,124)	(797)
Payment of dividend		-	(600)
Investment in non-controlling interest		(4,910)	-
Transaction costs from capital increase		(5,142)	-
Cash from capital increase		69,000	-
Cash flow from financing activities		**59,902**	**(521)**
Change in cash and cash equivalents			
Cash at 1 January		3,327	658
Net cash flow		55,942	2,759
Currency translation		-9	0
Cash at 31 December		**59,260**	**3,327**

Notes to the consolidated financial statements

/ NOTE 1

Accounting policies

The Group's Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and additional Danish disclosure requirements for the financial statements of reporting class B enterprises with additions of certain provisions for reporting class C enterprises, cf. the Danish Executive Order on Adoption of IFRSs ("IFRS-bekendtgørelsen") issued in accordance with the Danish Financial Statements Act ("DFSA").

Basis of preparation

The Financial Statements are presented in Danish kroner (DKK). All amounts have been rounded to nearest DKK thousand, unless otherwise indicated.

The Financial Statements have been prepared on a going concern basis and in accordance with the historical cost convention, except where IFRS explicitly requires use of other values.

For the purpose of clarity, the Financial Statements and the notes to the Financial Statements are prepared using the concepts of materiality and relevance. This means that line items not considered material in terms of quantitative and qualitative measures or relevant to financial statement users are aggregated and presented together with other items in the Financial Statements. Similarly, information not considered material is not presented in the notes.

The accounting policies, except as described below, have been applied consistently during the financial year and for the comparative figures.

Basis of consolidation

The Consolidated Financial Statements comprise the Financial Statements of Relesys A/S (the Parent) and subsidiaries which are entities controlled by Relesys A/S. The Group controls an entity when it directly or indirectly owns more than 50% of the voting rights or may otherwise exercise a controlling influence.

Name	Country	Ownership
Relesys B.V	the Netherlands	100%
Relesys AB	Sweden	100%

Principles of consolidation

The Consolidated Financial Statements are prepared on the basis of the Financial Statements of the Parent and its subsidiaries.

The Consolidated Financial Statements are prepared by combining items of a uniform nature and subsequently eliminating intercompany transactions, internal shareholdings and balances and unrealised intercompany gains or losses. The Financial Statements used for consolidation are prepared in accordance with the Group's accounting policies.

The line items of subsidiaries are recognised 100% in the Consolidated Financial Statements. Investments in subsidiaries are offset by the interest's share of subsidiaries' net assets at the acquisition date at fair value.

Accounting policies are described in full in this note below.

Accounting policies (Continued)

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.

Foreign currency translation

Transactions denominated in currencies other than the functional currency are considered transactions in foreign currency.

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange rate adjustments arising between the transaction date and the date of payment are recognised in the statement of profit or loss in financial income or financial expenses.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date. The difference between the exchange rates at the reporting date and at the date of the transaction or the exchange rate in the latest Financial Statements is recognised in the statement of profit or loss in financial income or financial expenses.

Cash flow statement

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing, and financing activities for the year as well as the Group's cash and cash equivalents at the beginning and end of the financial year.

Cash flows from operating activities are calculated based on operating profit/loss, adjusted for the cash flow effect of non-cash operating items, working capital changes, financial expenses paid and income tax paid.

Cash flows from investing activities comprise payments in connection with the acquisition and sale of non-current intangible assets, property, plant and equipment, and financial assets.

Cash flows from financing activities comprise payments arising from changes in the size or composition of the Group's share capital and dividend paid. Cash and cash equivalents comprise cash at the bank and in hand.

Accounting policies (Continued)

Statement of profit or loss

Revenue

The Group recognises revenue from the following major sources being subscriptions, integrations & customizations, and consultancy. Revenue mainly derives from subscription fees charged for the Group's software licenses. For software contracts, which are comprised of several components, the total contract sum is allocated to the separate performance obligations for the purpose of revenue recognition.

Revenue recognition requires an agreement with the customer, which creates enforceable rights and obligations between the parties, has commercial substance, and identifies payment terms. In addition, it must be probable that the consideration determined in the contract will be collected.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of the license or service to a customer. All revenue is derived from contracts with customers.

SUBSCRIPTION FEES

Subscription fees cover license, hosting, and maintenance. The license is not distinct from the hosting service, revenue is therefore recognised over time, as the customers are receiving and consuming the benefits of the Group's performance while performing. The hosting service and maintenance are therefore bundled to one performance obligation together with the license.

INTEGRATIONS & CUSTOMIZATIONS

Fees to integrations and customizations include services related to installation, implementation, and configuration. The services are not distinct from the subscription fee as the customer cannot benefit from the service on its own and are not separately identifiable from other promises in the contract. Revenue is recognised over time, as the customers are receiving and consuming the benefits of the Group's performance while performing.

CONSULTANCY

Consultancy includes the development of add-ons and customisation according to the specific needs of the customers. The consultancy is distinct from the subscription fee as the customer can benefit from the service on its own and the promise to transfer the service to the customer is separately identifiable from other promises in the contract. Revenue is recognised over time as Relesys' performance does not create an asset with alternative use and the entity has a right to payment for performance completed to date.

Accounting policies (Continued)

Cost to obtain a contract

The Group pays sales commission to its employees for each contract that they obtain for sales of licenses. The commissions are recognised as contract costs in the statement of financial position and amortised between 24 and 36 months.
Capitalised contract costs are subject to an impairment assessment at the end of each reporting period. Impairment losses are recognised in profit or loss as staff costs

Other external expenses

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, share-based payments, and other social security costs, etc., for staff members.

Share-based payments

Share-based compensation benefits in respect of a warrant program are provided to other key management personnel and other employees.

The warrant program is classified as an equity arrangement. As such, the fair value of the warrants granted under the program is recognised as an expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the grant date fair value of the warrants. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of warrants that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. Further information about the share-based payment program is disclosed in note 7.

Financial income and financial expenses

Financial income and expenses include interest income, interest expense, amortisation of borrowing costs, and realised and unrealised exchange gains and losses.disclosed in note 7.

Tax

Tax on the profit or loss for the year comprises the year's current tax and changes in deferred tax. The tax expense relating to the profit or loss for the year is recognised in the statement of profit or loss, and the tax expense relating to items recognised in other comprehensive income and directly in equity, respectively, is recognised in other comprehensive income or directly in equity. Exchange rate adjustments of deferred tax are recognised as part of the adjustment of deferred tax for the year.

Current tax payable and receivable is recognised in the statement of financial position as the expected tax on the taxable income for the year, adjusted for tax paid on account. The current tax charge for the year is calculated based on the tax rates and rules enacted at the statement of financial position date.
Deferred tax is calculated using the liability method on all temporary differences between the accounting and taxable values of assets and liabilities.

Deferred tax assets are assessed yearly and only recognised to the extent that it is more likely than not that they can be utilised. Deferred tax assets, including the tax value of tax losses carried forward, are recognised as other non-current assets and measured at the amount at which they are expected to be realised, either by setting off deferred tax liabilities or by setting off tax on future earnings within the same legal entity or a jointly taxed entity.

Deferred tax is measured based on the tax legislation and statutory tax rates in the respective countries that will apply under the legislation in force on the statement of financial position date when the deferred tax asset is expected to crystallise as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the statement of profit or loss.

The Group recognises deferred tax assets relating to losses carried forward when Management finds that these can be offset against taxable income in the foreseeable future. An assessment is made taking into consideration the effect of restrictions in utilisation in local tax legislation. Future taxable income is assessed based on budgets as well as Management's expectations regarding the growth and operating margin in the coming years.

Accounting policies (Continued)

Balance sheet

Intangible assets

Intangible assets with determinable useful lives comprising completed and in-progress development projects are measured at cost less accumulated amortisation and impairment losses. Completed development projects by the Group are recognised as an asset if the cost of development is reliably measurable and an analysis future shows that the economic benefits from using the software exceed the cost.

Cost is defined as development costs incurred to the development of projects and consists of direct salaries and other directly attributable costs.

Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the expected useful life on a straight-line basis. During the period of development, the asset is tested for impairment annually.

Amortisation and impairment charges are recognised in the statement of profit or loss.

Expected useful lives are reassessed regularly. The Group regularly reviews the carrying amounts of its finite-lived intangible assets to determine whether there is an indication of an impairment loss. Development projects are amortised on a straight-line basis over the remaining patent period and licenses are amortised over the contract period for a period of 5-7 years.

Property, plant and equipment

Property, plant, and equipment comprise other fixtures and fittings, tools, and equipment. Property, plant, and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Property, plant, and equipment are depreciated on a straight-line basis over the expected useful lives of the finite-lived assets, which are as follows:

Other fixtures and fittings, tools, and equipment: 3-5 years.

Property, plant, and equipment are tested for impairment if indications of impairment exist. Property, plant, and equipment are written down to their recoverable amount if the carrying amount exceeds the higher of the fair value, less costs to sell and the value in use. Depreciation and impairment charges are recognised in the statement of profit or loss.

Leases

When entering into an agreement, the Group assesses whether an agreement is a lease agreement or contains a lease element.

The right-of-use asset is measured at cost, which is calculated as the present value of the lease obligation plus any direct costs related to entering the lease and prepaid lease payments.

The right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the useful life of the asset.

The Group leases properties that include a service element in the payments to the lessor. This service is deducted from the lease payment when measuring the lease obligation.

Short-term leases with a maximum lease term of 12 months and leases where the underlying asset has a low value are not recognised in the statement of financial position.

The lease term is defined as the non-cancellable period of a lease together with periods covered by options to extend the lease if it is reasonably certain that the options will be exercised, and periods covered by options to terminate the lease if it is reasonably certain that the options will not be exercised. A number of leases contain extension and termination options in order to guarantee operational flexibility in managing the leases.

The lease obligation, which is recognised in “Lease liabilities”, is measured at the present value of the remaining lease payments, discounted by the Group’s incremental loan interest rate if the implicit interest rate is not stated in the lease agreement or cannot reasonably be determined. The lease obligation is subsequently adjusted if:

- The value of the index or interest rate on which the lease payments are based changes.
- There is a change in the expectations related to the exercise of options to extend or shorten the lease period due to a material event or material change in circumstances that are within the control of the lessee.
- The lease term is changed as a result of exercising an option to extend or shorten the lease term.

Subsequent adjustments of the lease obligation are recognised as a correction to the right-of-use asset. However, if the right-of-use asset has a value of DKK 0, a negative reassessment of the right-of-use asset is recognised in the statement of profit or loss.

Accounting policies (Continued)

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components when they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less loss allowance.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The measurement of the expected credit losses is based on an individual assessment of trade receivables. The expected loss rates are based on the payment profiles and the corresponding historical credit losses experienced adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables.

Trade receivables are written off (either partially or in full) when there is no reasonable expectation of recovery. The costs of allowances for expected credit losses and writeoffs for trade receivables are recognised in the statement of profit or loss in other external expenses.

Deposits

Deposits are measured at amortised cost and represent lease deposits etc.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Proposed dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the Annual General Meeting (time of declaration).

Share premium

Share premium consists of positive differences between the nominal value of share capital and amount paid by shareholders for newly issued shares. Share premium is a distributable reserve.

Translation reserve

Exchange rate differences arising from the translation of foreign-controlled entities into the presentation currency, DKK, are recognised in other comprehensive income and accumulated on a separate reserve within equity. The accumulated amount will be reclassified to profit or loss when the net investment the translation reserve relates to is disposed of.

Transaction costs related to equity issuance

Qualifying transaction costs incurred in connection with the issuance of equity instruments are deducted from equity. Where the qualifying transaction costs related to the listing of existing and new shares, the part of the total transaction costs deducted from equity are based on the ratio between existing and new shares.

Interest-bearing liabilities

Interest-bearing liabilities include bank loan and a credit facility. Interest-bearing liabilities are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method.

Trade payables and other payables

Trade payables represent liabilities for goods and services provided to the group and are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Other payables include bonus and commission accruals, holiday pay obligations, payroll taxes, and VAT. Other payables are measured at cost.

/ NOTE 2

Impact from adoption of new or amended accounting standards

Relesys has adopted the following new or amended accounting standard and interpretations for the first time for the annual reporting period commencing 1 January 2021:

- Amendments to IFRS 9, IAS 39, and IFRS 7 – Interest Rate Benchmark Reform (IBOR) - phase 2, which enables entities to reflect the effects of transitioning from benchmark interest rates to alternative interest rates without giving accounting impact.

- Amendments to IFRS 16 – Leases regarding COVID-19 related rent concessions, providing a practical expedient to account for COVID-19 related rent concessions as if they did not lease modifications.

The adoption of new and amended standards and interpretations have not had a significant impact on the recognition, measurement or disclosure in the consolidated financial statements for 2021 and is not expected to have a significant impact on future periods.

/ NOTE 3

Critical accounting judgements and key sources of estimation uncertainty

As part of the preparation of the Financial Statements, Management makes a number of accounting estimates and assumptions as a basis for recognising and measuring the Group's assets, liabilities, income, and expenses as well as judgments made in applying the entity's accounting policies. The estimates, judgments, and assumptions made are based on experience gained and other factors that are considered prudent by Management in the circumstances, but which are inherently subject to uncertainty and volatility.

The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur, for which reason the actual results may differ from the estimates and judgments made. The accounting policies are described in detail in note 1 to the Financial Statements to which we refer.

Management considers the following accounting estimates and judgments to be significant in the preparation of the Financial Statements.

Estimates and assumptions

DEVELOPMENT COSTS

The Group capitalises costs for software development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model.
In determining the amounts to be capitalised, Management makes assumptions regarding the expected future cash generation of the project and the expected period of benefits. On 31 December 2021, the carrying amount of capitalised development costs was DKKt 5,032 (2020: DKKt 4,485).

/ NOTE 4

Segment information

For management purposes and based on internal reporting information, the Group is organised in only one operating segment, as the information reported includes operating results at a consolidated level only. The costs related to the main nature of the business are not attributable to any specific revenue stream or customer type and are therefore borne centrally. The results of the single reporting segment are shown in the statement of comprehensive income.

The Executive Management is the Chief Operating Decision Maker (CODM), which is made up of the senior leadership across the respective functional areas and is responsible for the strategic decision-making and for the monitoring of the operating results of the single operating segment for the purpose of performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the Financial Statements.

In 2021, one customer exceeded 10% of total revenue accumulated at 13% (2020: One customer with accumulated revenue of 18%).

EXTERNAL REVENUE BY GEOGRAPHY

	2021	2020
Denmark	23,954	20,926
The Netherlands	3,586	2,827
Sweden	3,392	1,028
North America	1,452	592
Rest of the World	2,116	325
Total	**34,500**	**25,698**

NON CURRENT ASSETS BY GROGRAPHY

	2021	2020
DK	7,756	7,770
Rest of World	223	47
Total	**7,979**	**7,817**

/ NOTE 5

Revenue

REVENUE FROM EXTERNAL CUSTOMERS

DKK'000	**2021**	2020
SaaS Business	27,013	20,639
Consultancy	7,487	5,059
Total	**34,500**	**25,698**

CONTRACT COSTS

DKK'000	**2021**	2020
Current	166	194
Non-current	276	142
Cost to obtain contracts	**442**	**336**

During 2021 DKKt 382 was recognised in the proft and loss statement relating to contract costs from previous years and contract costs from sales during 2021.

Deferred income primarily relates to advance consideration received from customers from the SaaS Business for which revenue will be recognized over time. The outstanding balance of deferred income increased in 2020 was due to the continuous increase in the Group's customer base. The decrease during 2021 was primarily due to a change in the timing of invoicing.

DKK'000	**2021**	2020	1 January 2020
Deferred income	4,909	7,393	3,835

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The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward deferred income:

DKK'000	**2021**	2020
Amounts included in the deferred income balance at the beginning of the year	3,387	3,048

The following table shows the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) resulting from consulting contracts and the SaaS Business:

DKK'000	**2021**	2020
Amounts of the transaction price allocated to remaining performance obligations	22,313	9,831

In the amount for remaining performance, obligations are included the unsatisfied long-term contracts, which include considerations for the users in the remaining contract period. The amount disclosed above does not include variable considerations.

Management expects that 67% of the transaction price allocated to remaining performance obligations as of 31 December 2021 will be recognised as revenue during the next reporting period. The remaining 33% will be recognised in the financial years of 2023 through 2025.

/ NOTE 6

Staff costs

STAFF COSTS

DKK'000	**2021**	2020
Salaries and wages	19,794	11,770
Pension costs	1,139	742
Share-based payments	100	0
Other social security costs	365	478
Other staff costs	891	711
Total	**22,289**	**13,701**

Pension costs relates to defined contribution plans.
Average number of full-time equivalent employees was 56 in 2021 and 43 in 2020.

BOARD OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

2021	Remuneration	Pension	Share based	Total
Board of directors	320	-	-	320
Executive management	2,567	160	-	2,727
Other key management personel	2,586	150	72	2,735
Total	**5,473**	**309**	**72**	**5,782**

2020	Remuneration	Pension	Share based	Total
Executive management	1,954	118	-	2,072
Other key management personel	1,395	79	-	1,474
Total	**3,349**	**197**	**-**	**3,546**

/ NOTE 7

Share-based payment plans

The Company has introduced a share-based payment program to selected “Other Key Employees”. The Company’s current warrant program was approved by the shareholders in 2021 and introduced in November 2021.

2021 warrant program

The program was established with the purpose to create further incentive to the participants to work for and contribute to future value added to the Company, thus creating positive development in the market value of the Company’s share. Further, the program is instrumental to retaining the participants in the Company.

The participants are under the program granted warrants in the Company for no consideration, which entitle the warrant holder to subscribe for A shares in the Company of a nominal value of DKK 0.01 without preemption right for the shareholders of the Company. Participation in the warrant program is at the board’s discretion, and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. The warrants are vesting over a period of four years, with one forth after one year and thereafter one 48th per month. The exercise prices of the warrants are listed below for the respective years.

Vested warrants are exercisable only upon an exit event and conditional on the warrant holder’s employment or engagement with the Company have not terminated. However, vested warrants are exercisable only until the expiration date as specified in the table further below. Upon the occurrence of an exit-event, all warrants will become fully vested conditional on the holder’s continuing employment. The cost of the warrant program is recognized over the expected vesting period considering the impact from accelerated vesting and expected time to exit.

Upon the warrant holder’s exercise, the Company is entitled to demand cash settlement of the warrant, so that instead of the warrant holder subscribing for and receiving shares in the Company, the warrant holder will receive cash settlement in an amount equal to the net value of the warrant.

Set out below are summaries or warrants granted under the warrant agreement:

DKK’000	Weighted average exercise price per warrant	Number of warrants (housands)	Weighted average fair value per warrant (determined on grant date
2021			
As of 1st day of January	-	0	-
Granted during the year	6.25	1,276	1.02
As at 31st of December	6.25	1,276	1.02
Vested and excercisable at 31st of December	**-**	**0**	**-**

Warrants outstanding at the end of the year have the following expiry date and exercise prices:

DKK’000	Expiry date	Excercise price	Warrants 31 December 2021 (thousand)
Granted date			
07.11.2021	01.11.2026	6.25	1,276

Weighted average remaining contractual life of warrants outstanding at the end of period (years) is 4.83. The fair value at grant date is determined using a Black-Scholes Model calculation that takes into account the share price at grant date, the exercise price, the risk free interest rate for the term of the warrents, the expected volatilit and the term of the warrant (the expected maturity).

The average model inputs for the warrants granted during the year ended 31 December 2021 included:

a. Share price at grant date	DKK 6.25
b. Exercise price	DKK 6.25
c. Expected volatility rate (% p.a.)	19.52
d. Risk-free interest rate (% p.a.)	0.23
e. Expected maturity	4 years

The expected volatility rate is based on the annualised volatility of relevant peer groups derived from the standard deviation of daily observations over 12 months ending 2021. The share price is equal to the listing price of Relesys A/S on the 1st of December 2021, which is also the share price that cornerstone investors signed up for in the begining of November.

The expected maturity corresponds to the expected number of years until the occurance of an exit event.

/ NOTE 8

Amortisation, depreciation and impairment

DKK'000	2021	2020
Amortisation of intangible assets	1,168	899
Impairment of intangible assets	-	51
Depreciation of property, plant and equipment	284	61
Depreciation of right-of-use assets	1,132	755
Total	**2,584**	**1,766**

/ NOTE 9

Financial income

DKK'000	2021	2020
Foreign exchange income	18	9
Total	**18**	**9**

/ NOTE 10

Financial expenses

DKK'000	2021	2020
Interest expenses	163	44
Foreign exchange losses	73	70
Interest on lease liabilities	89	82
Other financial expenses	47	-
Total	**372**	**196**

/ NOTE 11

Tax for the year

THE MAJOR COMPONENTS OF INCOME TAX EXPENSE FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020 ARE

DKK'000	2021	2020
Current tax for the year	(457)	(263)
Changes in deferred tax	(101)	469
Income tax reported in the statement of profit or (loss)	**(558)**	**206**
Profit(loss) before tax	(4,184)	1,745
Tax calculated as 22% of profit(loss) before tax	938	(384)
Non-deductible expenses	(446)	23
Corrections related to subsidaries	(82)	70
Increased tax deduction regarding development projects (130%)	172	29
Other	(24)	56
Effective Tax	**558**	**(206)**
Effective tax rate for the year (%)	13%	12%

DEFERRED TAX IS RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION AS FOLLOWS:

DKK'000	2021	2020
Deferred tax (asset)	-	-
Deferred tax (liability)	(926)	(1,027)
Total	**(926)**	**(1,027)**

DEFERRED TAX CONCERNS

DKK'000	2021	2020
Intangible assets	(1,107)	(1,036)
Property, plant and equipment	(5)	(11)
Leases	22	20
Tax loss carried forward	164	-
Total	**(926)**	**(1,027)**

/ NOTE 12

Intangible assets

2021

DKK'000	Completed development projects	Development projects in progress	**Total**
Cost at 1 January	6,855	373	7,228
Additions	-	1,715	1,715
Disposal	-	-	-
Transfer	1,984	(1,984)	-
Cost at 31 December	**8,839**	**104**	**8,943**
Amortisation and impairment losses at 1 January	(2,692)	(51)	(2,743)
Amortisation during the year	(1,168)	-	(1,168)
Amortisation and impairment losses at 31 December	**(3,860)**	**(51)**	**(3,911)**
Carrying amount at 31 December	**4,979**	**51**	**5,032**

Remaining years of amortisation: 1 - 7 years

2020

DKK'000	Completed development projects	Development projects in progress	**Total**
Cost at 1 January	4,673	195	4,868
Additions	-	2,360	2,360
Transfer	2,182	(2,182)	-
Cost at 31 December	**6,855**	**373**	**7,228**
Amortisation and impairment losses at 1 January	(1,793)	-	(1,793)
Amortisation during the year	(899)	-	(899)
Impairment during the year	-	(51)	(51)
Amortisation and impairment losses at 31 December	**(2,692)**	**(51)**	**(2,743)**
Carrying amount at 31 December	**4,163**	**322**	**4,485**

Completed development projects relate to the further development of the Relesys platform, Relesys core modules, and Relesys pro modules. Management has an expectation of positive earnings from each development project.

It is Management's assessment that the expected useful lives of the finite-lived assets, as well as the expected future revenue streams from the assets, are sufficient to cover the value of recognised developed projects at the reporting date.

/ NOTE 13

Property, plant and equipment

2021

DKK'000	Other fixtures and fittings, tools and equipment	**Total**
Cost at January 1	1,442	1,442
Additions	72	72
Cost at 31 December	**1,514**	**1,514**
Depreciation at 1 January	(131)	(131)
Depreciation during the year	(284)	(284)
Depreciation at 31 December	**(415)**	**(415)**
Carrying amount at 31 December	**1,099**	**1,099**

2020

DKK'000	Other fixtures and fittings, tools and equipment	**Total**
Cost at January 1	107	107
Additions	1,335	1,335
Cost at 31 December	**1,442**	**1,442**
Depreciation at 1 January	(70)	(70)
Depreciation during the year	(61)	(61)
Depreciation at 31 December	**(131)**	**(131)**
Carrying amount at 31 December	**1,311**	**1,311**

/ NOTE 14

Leases

2021

DKK'000	Property	Cars	Equipment	Total
Cost at 1 January	2,254	394	428	3,076
Additions	288	-	361	648
Adjustments and revaluations	328	-	-	328
Cost at 31 December	**2,870**	**394**	**789**	**4,052**
Depreciation at 1 January	(800)	(200)	(238)	(1,238)
Depreciation during the year	(862)	(101)	(170)	(1,132)
Depreciation at 31 December	**(1,662)**	**(301)**	**(408)**	**(2,370)**
Carrying amount at 31 December	**1,208**	**93**	**381**	**1,682**

2020

DKK'000	Property	Cars	Equipment	Total
Cost at 1 January	1,386	258	428	2,072
Additions	851	170	-	1,021
Adjustments and revaluations	17	(34)	-	(17)
Cost at 31 December	**2,254**	**394**	**428**	**3,076**
Depreciation at 1 January	(299)	(65)	(119)	(483)
Depreciation during the year	(510)	(135)	(119)	(755)
Depreciation at 31 December	**(800)**	**(200)**	**(238)**	**(1,238)**
Carrying amount at 31 December	**1,454**	**194**	**190**	**1,838**

CARRYING AMOUNTS OF LEASE LIABILITIES AND MOVEMENTS DURING THE PERIOD:

DKK'000	2021	2020
At 1 January	1,930	1,641
Additions	648	1,021
Accrual of interest	89	82
Payments	(1,214)	(797)
Adjustments	328	(17)
At 31 December	**1,781**	**1,930**
Non-current	**680**	**1,058**
Current	**1,101**	**872**

The maturity of lease liabilities is disclosed in note 19.

THE FOLLOWING AMOUNTS HAVE BEEN RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS:

DKK'000	2021	2020
Depreciation of right-of-use assets	1,132	755
Interest on lease liabilities	89	82
Total amount recognised in the statement of profit or loss	**1,221**	**837**

The Group had a total lease cash outflow of DKKt 1,214 (2020: DKKt 797).

The Group leases offices, and the lease terms are negotiated on an individual basis and contain different terms and conditions. As part of COVID-19, no rent concession has been received.

/ NOTE 15

Deposits

DKK'000	2021	2020
Cost at 1 January	22	1
Additions	227	21
Cost at 31 December	**249**	**22**

/ NOTE 16

Trade receivables

Trade receivables are amounts due from customers for subscriptions as well as from integration, customization, and consultancy services carried out in the ordinary course of business. They are generally due for settlement within 14 - 60 days and therefore are all classified as current.

DKK'000	2021	2020
Trade receiveables	3,860	8,014
Total	**3,860**	**8,014**

Expected credit loss

Most of the Group's customers are large companies that do normally have a high credit quality. The Group has historically not incurred any material losses from trade receivables. The existence of the Covid-19 pandemic is not expected to have any significant impact on the Group's expected credit losses as the customers' demand for the Group's services has increased during the pandemic as our services have become even more relevant for our customers in their engagement with their workforce.

On that basis, Management has concluded that the Group's credit risk from trade receivables is not material and has therefore deemed the expected credit losses immaterial.

The below table details the maturity of trade receivables.

DKK'000	Not past due	Overdue by 0-30 days	Overdue by 31-60 days	Overdue by > 60 days	Write downs	Carrying amount of receiv-ables
31 December 2021						
Trade receivables	2,050	1,135	146	698	169	**3,860**
31 December 2020						
Trade receivables	2,004	3,946	1,694	370	-	**8,014**

The outstanding amount is written off, when there is a court order of bankruptcy from the counterparty.

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/ NOTE 17

Share capital and earnings per share

('000) Issues and fully paid-up shares	Number	DKK
At January 1 2020	**50**	**50**
Capital increase	-	-
At 31 December 2020	**50**	**50**
Sharesplit	350	-
Capital conversion	**-**	350
Sharesplit	**50,640**	**-**
Capital increase	-	110
Share capital at 31 December 2021	**51,040**	**510**

The shares are not divided into classes and carry no right to fixed income.

EARNINGS PER SHARE

DKK'000	2021	2020
The calculation of earnings per share is based on the following:		
Profit(loss) for the year	(3,626)	1,539
Average number of ordinary shares for calulation of basic earnings per share (thousands):	**51,040**	**50**
Average diluted effect of outstanding share options	-	-
Average number of shares for calculation of diluted earnings per share:		
Earnings per share, (EPS)	(0.01)	30.78
Earnings per share, diluted (DEPS)	0.00	0.00

Paid dividend DKK 0 and dividend per share DKK 0 (2020: DKKt 600 / DKK 0.012)

/ NOTE 18

Other payables

DKK'000	2021	2020
Accrued salaries	867	1,509
Holiday pay etc.	482	981
VAT payable	145	2,492
Other liabilities	1,556	739
Total	**3,050**	**5,721**

/ NOTE 19

Financial risks

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The capital structure of the Group consists of net debt and equity. Management reviews the capital structure continually to consider if the current capital structure is in accordance with the Group's and shareholders' interests.

Financial risk management

Due to the nature of its operations, investments, and financing, the Group is exposed to a number of financial risks. It is Group policy to operate with a low-risk profile in order for currency risk, interest rate risk, and credit risk only to occur in commercial relationships. The scope and nature of the Group's financial instruments appear from the statement of profit or loss and statement of financial position in accordance with the accounting policies applied.

The Group's financial assets primarily relate to trade receivables and cash, whereas the financial liabilities primarily relate to trade payables, lease liabilities, and other interest-bearing liabilities.

Provided below is information about factors that may influence amounts, time of payment, or reliability of future payments, where such information is not provided directly in the financial statements. This note addresses only financial risks directly related to the Group's financial instruments.

It is the Group's policy not to hedge any of its exposures to financial risks.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations towards the Group, resulting in a financial loss.

The Group's credit risk exposure is primarily related to its trade receivables and cash positions. The Group's exposure and policy for managing credit risk from trade receivables has been described in note 16.

The most significant counterparty risk is related to deposit with banks, as the Group's cash balance at 31 December 2021 amounts to DKKt 59,260 (2020: DKKt 3,327). To mitigate this risk, the Group only enters into money market deposits with well reputed banks possessing a satisfactory long-term credit rating from an internationally recognized agency.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of financial assets.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The general objective of the Group's currency risk management is to limit and delay any adverse impact of exchange rate fluctuations on earnings and cash flows and thus increase the predictability of the financial results. The Group also aims at balancing incoming and outgoing payments in local currency as much as possible as well as monitoring the development in exchange rates and adjusting price lists when required. The Group's sales are primarily denominated in local currencies corresponding to the functional currency of the relevant group entity. Historically, DKK has been the predominant invoicing currency of the parent company. However, sales are also made in foreign currencies such as USD and EUR. Purchases are primarily made in local currencies. As the DKK is pegged against the EUR, the Group's exposure to changes in the DKK/EUR exchange rate is insignificant.

Going forward, Management expects higher frequency of foreign currencies in the incoming and out-going cash flow. Consequently, Management has established bank accounts for these currencies, to reduce costs and lower the risk.

A similar decrease in the foreign exchange rates will have a corresponding effect on the profit before tax and pre-tax equity.

The sensitivity analysis assumes all other variables remain constant. The impact on profit before tax and pre-tax equity is based on those financial instruments denominated in foreign currencies that were recognised at the respective balance sheet dates.

Liquidity risk

The Group ensures sufficient liquidity resources by liquidity management. The Group's policy is to secure adequate liquidity to always meet the planned future financial and operational payment obligations for a minimum of the next 12 months period. For those purposes, group management monitors liquidity budgets, which are updated on an ongoing basis.

On 31 December 2021, the Group's cash and cash equivalents amounted to DKKt 59,260 (2020: DKKt 3,327). The cash reserve and expected operating cash flows are considered to be adequate to meet the obligations of the Group as they fall due.

SENSITIVITY TO A 10% INCREASE IN SEK EXCHANGE

Sensitivity to a 10% increase in SEK exchange rate	**2021**	2020
Effect on profit before tax	45	42
Effect on pre-tax equity	45	42

Sensitivity to a 10% increase in USD exchange rate	**2021**	2020
Effect on profit before tax	6	149
Effect on pre-tax equity	6	149

A similar decrease in the foreign exchange rates will have a corresponding effect on the profit before tax and pre-tax equity.

The sensitivity analysis assumes all other variables remain constant. The impact on profit before tax and pre-tax equity is based on those financial instruments denominated in foreign currencies that were recognised at the respective balance sheet dates.

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in foreign currency at the reporting date are as follows:

	Assets		Liabilities	
	2021	2020	**2021**	2020
Currency SEK	467	858	257	297
Currency USD	55	148	-	-

LIQUIDITY RISK

The Group ensures sufficient liquidity resources by liquidity management. The Group's policy is to secure adequate liquidity to always meet the planned future financial and operational payment obligations for a minimum of the next 12 months period. For those purposes, group management monitors liquidity budgets, which are updated on an ongoing basis.

On 31 December 2021, the Group's cash and cash equivalents amounted to DKKt 59,260 (2020: DKKt 3,327). The cash reserve and expected operating cash flows are considered to be adequate to meet the obligations of the Group as they fall due.

The table below summaries the maturity profile of the Group's financial liabilities based on contractual undiscounted payments which include estimated interest payments:

2021	<1 year	1 to 5 years	> 5 years	**Total**
Interest-bearing liabilities	2,314	472	167	2,953
Lease liabilities	1,152	696	-	1,847
Trade and other payables	1,955	-	729	2,684
Total	**5,420**	**1,168**	**896**	**7,484**

2020	<1 year	1 to 5 years	> 5 years	**Total**
Interest-bearing liabilities	118	590	168	876
Lease liabilities	1,0037	1,350	-	2,387
Trade and other payables	6,735	-	720	7,455
Total	**7,890**	**1,940**	**888**	**10,718**

Management has assessed the carrying amount to be equivalent to the fair value of the liabilities.

/ NOTE 19

Financial risks (Continued)

The maturity analysis is based on the following assumptions:

- The amounts disclosed in the table are the contractual undiscounted cash flows (including interest payments).
- Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.
- Payments for lease liabilities include only lease agreements that have commenced before the end of the reporting period.
- Other payables include payables to the Holiday allowance fund and are included in the relevant time-bands based on the expected time to retirement. Future estimated interest payments are based on the most recent indexation rate and average time to retirement.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk is limited to cash deposits and to a minor degree the amount payable to the Holiday allowance fund which is subject to an annual variable indexation. The Group's loans and debt to credit institutions are subject to a fixed interest rate between 2% and 5.25%.

If market rates of interest increased / (decrease) by 100 basis points, profit before tax and pre-tax equity would increase / (decrease) it would not affect the interest rate sensitivity.

FINANCIAL INSTRUMENTS

Financial assets measured at amortised cost	**2021**	2020
Deposits	249	22
Trade receivables	3,860	8,014
Other receivables	-	40
Cash	59,260	3,327
Total	**63,369**	**11,403**

Financial liabilities measured at amortised cost	**2021**	2020
Interest-bearing liabilities	2,953	876
Trade payables	1,955	1,605
Other payables	598	591
Total	**7,287**	**5,022**

Classification of financial assets measured at amortised cost

Since the Group's financial instruments measured at amortised cost are either short-term and/or exposed to floating interest rates, Management has assessed that the carrying amount is a reasonable approximation of fair value.

/ NOTE 20

Working capital changes

DKK'000	2021	2020
Change in prepayments	289	(453)
Change in receivables	3,719	(3,224)
Change in trade payables and other debt	(4,813)	7,833
Total	**(805)**	**4,156**

/ NOTE 21

Other disclosures relating to consolidated statement of cash flow

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

DKK'000	2021	2020
Cash at banks and in hand	59,260	3,327
Cash and cash equivalents	**59,260**	**3,327**

Additional information about the changes to liabilities arising from financing activities can be found in the below tables:

DKK'000	Other borrowings	Lease liabilities	Total
2021			
Liabilities at 1 January	876	1,930	2,806
Loans raised	2,196	-	2,196
New leases	-	976	976
Repayments	(119)	(1,125)	(1,244)
Other	-	-	-
Liabilities at 31 December	**2,953**	**1,781**	**4,734**
2020			
Liabilities at 1 January	-	1,641	1,641
Loans raised	886	-	886
New leases	-	1,021	1,021
Repayments	(10)	(797)	(807)
Other	-	65	65
Liabilities at 31 December	**876**	**1,930**	**2,806**

/ NOTE 22

Related parties

Transactions with related parties includes salary, pension and other costs included in staff cost.
Relesys has two related parties with significant influence.

/ NOTE 23

Events after the reporting period

Considering the current situation in Ukraine, Relesys has terminated its consulting agreements with the software developers located in Minsk, Belarus. The termination of the agreements will not have an impact on current operations or the Relesys product road map.

As a consequence of the current situation in Ukraine, Relesys has fast-forwarded the establishment of a subsidiary in Vilnius, Lithuania with the purpose of establishing a software development team.

Relesys does not have clients in Ukraine, Belarus or Russia. However, Relesys clients have users located in 91 countries around the world, including Ukraine, Belarus and Russia.

Relesys business activities are not affected by the situation in Ukraine.

Parent income statements 2021

Parent income statement

DKK'000	Note	2021	2020
Gross profit(loss)		**17,691**	**14,887**
Staff costs	2	(19,203)	(12,623)
Other operating income		189	-
Other operating expenses		(1,053)	-
Amortisation, depreciation and impairment	3	(1,483)	(999)
Operating profit		**(3,859)**	**1,265**
Other financial income	4	29	49
Other financial expenses	5	(215)	(92)
Result before tax		**(4,045)**	**1,222**
Tax on net profit or loss for the year		698	(129)
Result for the year		**(3,347)**	**1,093**
PROPOSED APPROPRIATION OF NET PROFIT:			
Transferred to retained earnings		(3,347)	1,093
Total allocations and transfers		**(3,347)**	**1,093**

Parent balance sheet

ASSETS

DKK'000	Note	2021	2020
Development projects in progress and prepayments for intangible assets	6	51	322
Completed development projects		5,163	4,324
Total intangible assets		**5,214**	**4,646**
Other fixtures and fittings, tools and equipment	7	1,044	1,264
Total property, plant and equipment		**1,044**	**1,264**
Investments in subsidiaries	8	53,15	74
Deposits		199	20
Total investments		**5,514**	**94**
Total non-current assets		**11,772**	**6,004**
Trade receivables		2,889	7,038
Receivables from group enterprises		1,203	1,275
Income tax receivables		604	383
Prepayments and accrued income		497	296
Total receivables		**5,193**	**8,992**
Cash in hand and demand deposits		57,839	2,045
Total current assets		**63,032**	**11,037**
Total assets		**74,804**	**17,041**

EQUITY AND LIABILITIES

DKK'000	Note	2021	2020
Contributed capital		510	50
Share premium		69,890	-
Other statutory reserves		4,067	3,624
Retained earnings		(11,472)	(2,290)
Total equity		**61,995**	**1,384**
Provisions for deferred tax		886	1,010
Total provisions		**886**	**1,010**
Debt to credit intitutions		639	758
Other payables		598	591
Deposits	9	-	25
Total long-term liabilities other than provisions		**1,237**	**1,374**
Interest bearing liabilities		2.314	118
Trade payables		1,936	1,423
Deferred income		4,751	7,174
Other payables		1,685	4,558
Total short-term liabilities other than provisions		**10.686**	**13,273**
Total liabilities other than provisions		**11,923**	**14,647**
Total equity and liabilities		**74,804**	**17,041**

Statement of changes in equity

2021

DKK'000	Contributed capital	Share premium	Reserve for development cost	Retained earnings	Total
Equity beginning of the year	50	-	3,624	(2,290)	**1,384**
Transfer to reserves	-	-	443	(443)	**-**
Capital increase as a part of company transformation	350	-	-	(350)	**-**
Capital increase as a part of IPO	110	68,890	-	-	**69,000**
Transaction of cost for equity issuance	-	-	-	(5,142)	**(5,142)**
Share based payments	-	-	-	100	**100**
Net profit(loss) for the year	-	-	-	(3,347)	**(3,347)**
Equity end of year	**510**	**68,890**	**4,067**	**(11,472)**	**61,995**

2020

DKK'000	Contributed capital	Share premium	Reserve for development cost	Retained earnings	Proposed dividend	Total
Equity beginning of the year	50	-	1,758	1,399	600	**3,807**
Correction	-	-	-	(2,916)	-	**(2,916)**
Transfer to reserves	-	-	720	(720)	-	**-**
Adjusted equity beginning of year	**50**	**-**	**2,478**	**(2,237)**	**600**	**891**
Ordinary dividend paid	-	-	-	-	(600)	**(600)**
Transfer to reserves	-	-	1,146	(1,146)	-	**-**
Net profit(loss) for the year	-	-	-	1,093	-	**1,093**
Equity end of year	**50**	**-**	**3,624**	**(2,290)**	**-**	**1,384**

Notes to the parent income statements

/ NOTE 1

Accounting policies

The Annual Report of Relesys A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises. The accounting policies are unchanged from last year, and the Annual Report is presented in DKK.

Basis of recognition and measurement

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciation, amortisation, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be measured reliably. Liabilities are recognised in the statement of financial position when it seems probable that future economic benefits will flow out of the company and the value of the liability can be measured reliably.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisation of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the Annual Report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions denominated in currencies other than the functional currency are considered transactions in foreign currency.

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange rate adjustments arising between the transaction date and the date of payment are recognised in the statement of profit or loss in financial in-come or financial expenses.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date.
The difference between the exchange rates at the reporting date and at the date of the transaction or the exchange rate in the latest Financial Statements is recognised in the statement of profit or loss in financial income or financial expenses.

Accounting policies (Continued)

Income Statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, work in progress, work performed for own account and capitalised other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning the purchase of raw materials and consumables fewer discounts and changes in inventories.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, other social security costs, etc. for staff members. Staff costs are fewer government reimbursements.

Amortisation, depreciation, and write-down for impairment

Amortisation, depreciation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

Interest and other costs concerning loans to finance the production of intangible assets and property, plant, and equipment, and relating to production periods, are not recognised in the cost of non-current assets.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions, and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Tax on profit/loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.
The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Accounting policies (Continued)

Balance Sheet

Development projects

Developments projects comprise development projects completed and in progress.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equaling the costs less deferred tax incurred is taken to equity under reserve for development costs that are reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects. Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant, and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. The amortisation period used is 5-7 years.

Property, plant and equipment

Other fixtures and fittings, tools, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount has less cost than any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in the future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately when the useful lives of each individual component differ. The amortisation period used is 3-5 years.

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Leases

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies etc.

Impairment loss relating to non-current assets

The carrying amounts of both intangible and tangible assets, as well as equity investments in subsidiaries and associates, are subject to annual impairment tests in

order to disclose any indications of impairment beyond those expressed by amortisation and depreciation, respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow derived from the use of the asset or group of assets.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Accounting policies (Continued)

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Deposits

Deposits are measured at amortised cost and represent lease deposits etc.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash in hand and demand deposits

Cash in hand and demand deposits comprise cash at bank and in hand.

Equity

DIVIDEND

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the Annual General Meeting (time of declaration).

SHARE PREMIUM

Share premium consists of positive differences between the nominal value of share capital and amount paid by shareholders for newly issued shares. Share premium is a distributed reserve.

TRANSLATION RESERVE

Exchange rate differences arising from the translation of foreign-controlled entities into the presentation currency, DKK, are recognised in other comprehensive income and accumulated on a separate reserve within equity. The accumulated amount will be reclassified to profit or loss when the net investment the translation reserve relates to is disposed of.

TRANSACTION COSTS RELATED TO EQUITY ISSUANCE

Qualifying transaction costs incurred in connection with the issuance of equity instruments are deducted from equity. Where the qualifying transaction costs related to the listing of existing and new shares, the part of the total transaction costs deducted from equity are based on the ratio between existing and new shares.

RESERVE FOR DEVELOPMENT COSTS

The reserve for development costs comprises recognised development costs less related deferred tax liabilities. The reserve cannot be used as dividend or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal set-off right exists and the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Relesys A/S is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends arising from the jointly taxed group of companies.

Deferred tax is the tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax assets, including the tax value of tax losses eligible for carryforward, are recognised at their expected realisable value, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisation value.

Deferred tax is measured on the basis of the tax rules and tax rates of the applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities other than provisions

Other liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

/ NOTE 2

Staff costs

DKK'000	2021	2020
Salaries and wages	16,703	10,967
Pensions costs	1,055	715
Share-based payments	100	0
Other social security costs	364	236
Other staff costs	982	705
Total	**19,203**	**12,623**
Average numbers of employees	45	36

Please refer to the disclosure in note 6 in the Consolidated Financial Statements for management remuneration.

/ NOTE 3

Amortisation, depreciation and impairment

DKK'000	2021	2020
Amortisation of intangible assets	1,221	904
Impairment of intangible assets	0	51
Depreciation of property plant and equipment	262	44
Total	**1,483**	**999**

/ NOTE 4

Financial income

DKK'000	**2021**	2020
Financial income from group enterprises	12	40
Foreign exchange losses	16	9
Other financial income	1	-
Total	**29**	**49**

/ NOTE 5

Financial expenses

DKK'000	**2021**	2020
Interest expenses	215	38
Foreign exchange losses	-	54
Total	**215**	**92**

/ NOTE 6

Development projects in progress and prepayments for intangible assets

2021

DKK'000	Completed development projects	Development projects in progress	**Total**
Cost at 1 January	7,078	373	7,451
Additions	-	1,789	1,789
Transfer	2,058	(2,058)	-
Cost at 31 December	**9,136**	**104**	**9,240**
Amortisation and impairment losses at 1 January	(2,754)	(51)	(2,805)
Amortisation during the year	(1,221)	-	(1,221)
Amortisation and impairment losses at 31 December	**(3,975)**	**(51)**	**(4,026)**
Carrying amount at 31 December	**5.161**	**53**	**5,214**

Completed development projects relate to the further development of the Relesys platform, Relesys core modules, and Relesys pro modules. Management has an expectation of positive earnings from each development project.

It is Management's assessment that the expected useful lives of the finite-lived assets, as well as the expected future revenue streams from the assets, are sufficient to cover the value of recognised devel-oped projects at the reporting date.

2020

DKK'000	Completed development projects	Development projects in progress	**Total**
Cost at 1 January	4,831	195	5,026
Additions	2,103	332	2,425
Transfer	114	(114)	-
Cost at 31 December	**7,078**	**373**	**7,451**
Amortisation and impairment losses at 1 January	(1,850)	-	(1,850)
Amortisation during the year	(904)	-	(904)
Impairment during the year	-	(51)	(51)
Amortisation and impairment losses at 31 December	**(2,754)**	**(51)**	**(2,805)**
Carrying amount at 31 December	**4,324**	**322**	**4,646**

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/ NOTE 7

Other fixtures and fittings, tools and equipment

2021

DKK'000	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January	1,347	1,347
Additions	43	43
Cost at 31 December	**1,390**	**1,390**
Amortisation and write-down at 1 January	(84)	(84)
Depreciation during the year	(262)	(262)
Depreciation at 31 December	**(346)**	**(346)**
Carrying amount at 31 December	**1,044**	**1,044**

2020

DKK'000	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January	39	39
Additions	1,308	1,308
Cost at 31 December	**1,347**	**1,347**
Amortisation and write-down at 1 January	(40)	(40)
Depreciation during the year	(44)	(44)
Depreciation at 31 December	**(84)**	**(84)**
Carrying amount at 31 December	**1,264**	**1,264**

/ NOTE 8

Investments

INVESTMENTS IN SUBSIDIARIES

DKK'000	2021	2020
Cost at 1 January	74	74
Additions	5,241	-
Cost at 31 December	**5,315**	**74**

/ NOTE 9

Deposits

DKK'000	2021	2020
Cost at 1 January	20	-
Additions	195	20
Disposals	(16)	-
Cost at 31 December	**199**	**20**

/ NOTE 10

Contingencies

Contingent liabilities

LEASE LIABILITIES

The company has entered into lease agreements and rental contracts. The obligation amounts to DKK 1,527t.

MORTGAGE AND SECURITIES

The Company has pledged its assets as security for bank debts.

Relesys Annual Report 2021

Relesys A/S
Orient Plads 1
2150 Nordhavn

CVR No.: 36 43 27 72
info@relesys.net
relesys.net