Columbus Once you know how...

Strengthening the core

Annual Report 2022

Columbus A/S | CVR no. 13 22 83 45

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Investment in organic growth

Read the Management Review

Our new Sustainability Strategy

Read about our Sustainability Strategy

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The big perspective

Columbus helps ambitious companies transform, maximize, and futureproof their business digitally

Columbus at a glance

Columbus helps ambitious companies transform, maximize, and futureproof their business digitally.

+30 years

Founded in 1989 and headquartered in Denmark.

1,550+

employees globally, located in 10 countries.

2,500+

customers worldwide.

Advisory

and **Business Critical Solutions** within Cloud ERP, Digital Commerce, Data & Analytics, Application Management and Strategy & Change

Industries

Columbus creates **digital solutions** that address the lifecycle and sustainability demands of the Retail & Distribution; Food & Beverage products; and Manufacturing industries.

Financial highlights 2022

Revenue (DKK)*

1,389m

corresponding to an increase of 9%.

Recurring revenue (DKK)* **

192m

corresponding to an increase of 8%

EBITDA (DKK)* **

92m

corresponding to an increase of 3%.

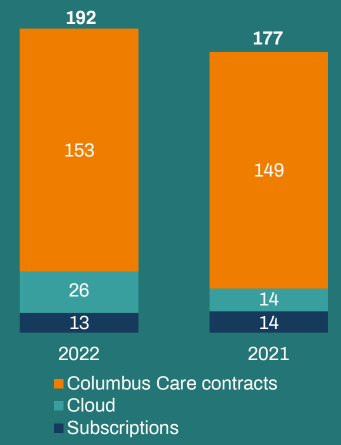
Profit after tax (DKK)*

30m

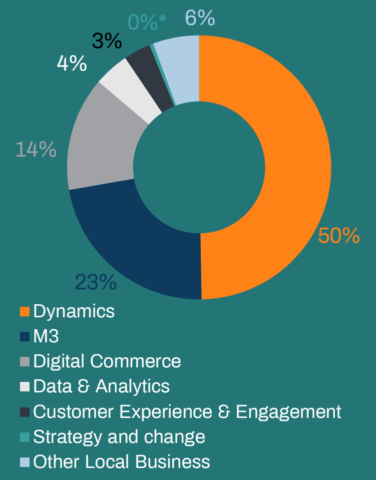
corresponding to a decrease of 31%.

*All numbers and comments are on continued business
** For definition of Alternative Performance Measures, see page 105

Development in recurring revenue



Solutions revenue split 2022



*Strategy & Change comprise <1% and hence is presented as 0% above

Key highlights in 2022

January

January
ONE Columbus culture
In January, we continued the strong focus on creating ONE Columbus culture, including comprehensive training courses, internalizing company values and global inventive program.

January
Data & Analytics Center of Excellence
Established a Center of Excellence in our Global Delivery Center in India which supports our global organization with thought leadership, sales support and service offerings development.

February

February
Microsoft Business Application Partner of the year
Columbus Denmark won the Microsoft Business Applications Partner Award.

March

March
Divestment of Columbus Russia
Divested the Russian Business Unit to the local management as a direct consequence of Russia's invasion of Ukraine while ensuring the safety of the families of our Ukrainian consultants.

March
Appointed new CPO
To further strengthen our focus on attracting and retaining talent in Columbus, Per Fredriksson was appointed new Chief People Officer.

April

April
Price and commercial initiatives
New price and commercial conditions implemented to secure the profitability in a market with increasing inflation affecting salary and costs in general.

May

May
Customer development program
Launched a global customer development program towards most strategic customers in our main markets to ensure a proactive and holistic approach to value creation.

May
Per Kogut joins the Board of Directors
At the General Assembly, Per Kogut was elected as a new member of the Board of Directors.

June

June
Efficiency in our global Delivery Center in India
Focus on improving efficiency in our Global Delivery Center in India, including Implementing performance management and better integration into our new operation model.

July

July
CXE market expansion to Denmark
Expanded Customer Experience & Engagement business to the Danish market with a dedicated sales and delivery team.

September

September
New Sustainability Strategy
Launched new Sustainability Strategy implying building digital solutions and advisory services to accelerate our customers' sustainable performance.

September
New CFO joined
Columbus' new CFO Brian Iversen joined Columbus. His focus will be to further streamline business processes and financial operations.

September
Global Sourcing allocation
Updated recourse allocation setup to fully utilize our skilled resources on a global scale and set the best customer team across borders and business areas.

August
Starting global Young Professionals Programme
Onboarding of 37 new talents for our Young Professionals Programme which is our career program for young graduates.

August
Strengthening the Danish market organization
Onboarding of Claes Reinholdt Kongsdam as Danish Market Unit Executive. He will lead the progress of the Danish business with focus on strategic sales and consultancy.

August
Strengthening the Digital Advisory focus
Onboarding of Michaël Navon as global Business Line Executive for Strategy & Change. He will lead the development and growth of Columbus' strategic focus on digital advisory.

August

August
Leadership principles introduced
Launched our global Leadership Principles which guide and offer autonomy to all our competent leaders in the organization.

October

October
Partner of the year at Microsoft Sweden
Columbus Sweden won the F&O partner of the year.

October
Merge of ERP and Care Business Lines
Merging Project and Care Business Lines into two global Business Lines: Dynamics and M3 to improve customer interactions in the emerging evergreen cloud environment.

October
New ERP platform live
Went live with new ERP platform globally to increase transparency and help reduce complexity in operations.

A partner that constantly fills the pipeline with exciting customer names, transforms a large part of the customer base in Sweden to the cloud with Dynamics 365 F&O, but also supports the customers in their journey of change and prepares the customer for digital transformation. In addition, being able to work with the entire Microsoft cloud and workloads means that this year's F&O partner is Columbus!

Microsoft

December

December
Power Platform Initiative
Established a Center of Excellence to enable Columbus' Microsoft Power Platform Application Service.

Power BI
Power Apps
Power Automate
Power Virtual Agents

Letter from the Chairman of the Board and the CEO

Committed to growing the business

Our strategic choices are coming together, and we are satisfied with the growth and progress in 2022. As we enter the third and last year of our three-year strategy, Focus23, we have a strong starting point to reach 10% organic growth annually and improve profitability.

The world around us has been undergoing significant changes in 2022, with the Russian invasion of Ukraine leading to economic distress and high inflation. We quickly had to adapt to the new reality divesting our Russian activities, and in 2023 we believe we still have to navigate in challenging waters with a general fear of prolonged recession leading to a more cautious investment approach among customers.

Organic growth – the corner stone of our growth strategy

Strengthening the base to further grow the business takes time and investments, but our numbers clearly show that we are on the right track. In our growth strategy, Focus23, we have a goal of 10% organic growth annually by 2023, and we are steadily approaching with organic growth of 9% in 2022, compared to 5% in 2021.

"We are satisfied with our results in 2022 delivering yet another year with organic growth. Our stronger position with larger customers and strengthened organization are the results of our focused growth strategy - but we also recognize that profitability must be improved in 2023", says Chairman of the Board, Ib Kunøe

Revenue in 2022 ended at DKK 1.4bn and the positive development covers new customers, greater cross-selling to existing customers and implemented price increases with full effect in 2023.

EBITDA in 2022 ended at DKK 91.8m, corresponding to an EBITDA margin at 6.6% which is acceptable, but still far from the full earnings potential.

Strengthening the organization on all levels has affected the ability to improve efficiency and profitability. Efficiency improved to 63% in Q4 2022, up from 59% in Q4 2021, and we are convinced that the initiatives now implemented will further improve efficiency in 2023.

Our Indian office is a good example of the value of our ongoing organizational adjustments. Here, the efficiency has been raised throughout 2022 from 40% in the beginning of the year to 60% at the end of 2022.

Our solid organic growth is important for a successful acquisition strategy in the future, but it also takes a strong capital structure and here we reduced our debt in 2022 and lifted our equity ratio to almost 60%.

Divesting our Russian business activities

In February 2022, the devastating Russian invasion of Ukraine happened. The Board of Directors and Executive Management quickly assessed the situation and decided to divest the Russian business to the local management securing work for more than 200 former Columbus employees. At the same time the safety of our colleagues in Ukraine also had to be handled.

It was not an easy decision to wind down the Russian business activities, but the quick decision made it possible to focus on the original goals set for the year.

Strengthening our core business

To capitalize from more than 30 years of expertise in Manufacturing, Retail & Distribution and Food & Beverage in the best possible way, we have defined the Ideal Customer Profile in relation to size and industry.

In 2022, we have been winning large customers like nVent (US and Europe), a global leader in electrical connection and protection solutions and Bremnes, one of Norway's leading suppliers of farmed salmon. The average revenue per client has been increasing in 2022 and we see a better revenue composition than at the beginning of the strategy period in 2021.

Deep industry insight is essential to act as trusted advisor for existing and new larger customers in their digitization efforts.

In line with our Customer Development Program, we also increased our engagements with several of our existing larger customers through greater cross-selling. As an example, Schibsted has added a Customer Experience solution to their Microsoft Dynamics setup.

Strengthening the organization

Important organizational changes have been carried out, and One-Columbus with new Columbus Values and Leadership Principles has led to a high level of employee satisfaction. During 2022, we have welcomed many new colleagues having around 1,550 employees at the end of the year. Our Young Professionals Programme onboarding young talent has been a great success thanks to a very focused HR strategy.

Leadership has also been strengthened with the recruitment of a new Chief Financial Officer, **Brian Iversen**, a new Business Line Executive for Strategy & Change, **Michaël Navon** and a new Market Unit Executive, **Claes Kongsdam.** People Director, **Per Fredriksson** was promoted to Chief People Officer, and **Ole Fritze** has, in addition to his role as COO, been appointed Business Line Executive for Dynamics. Very competent experience has been added to the Board of Directors by the election of **Per Ove Kogut** at the Annual General Meeting.

Digital transformation plays an important role for our existing and new potential customers operating in Food & Beverage, Retail & Distribution and Manufacturing, and we experience a demand to become more sustainable by optimizing supply chain, minimizing waste and increase efficiency in operations.

Sustainability as a business

Sustainability is a strategic focus for Columbus also as a business. We have launched our Sustainability Strategy and will do our very best to support our customers in their digital transformation for a better tomorrow. Data is needed to get a better understanding of how to accelerate the sustainable performance and it also takes analyzed data to comply with the increasing requirement for non-financial reporting and compliance. Columbus has the expertise to advise and deliver the needed data.

Welcoming 2023

The first months of 2023 have been in line with our expectations and for the year we expect a revenue growth of 8-12% to a range of DKK 1,500m – 1,550m and an improvement of EBITDA to a range of DKK 115m – DKK 135m. The operational objectives for 2023 are many, but the most important ones are:

- Ensure continued customer growth and customer satisfaction
- Improved efficiency[1] above 64%
- Launch of a new three-year growth strategy in Q4 2023

In 2022, we showed our readiness for change. We have a strong team and a strong corporate culture, which makes us confident that we can grow in a challenging environment.

A huge thank you to all our people for your commitment and a special thank you goes to our business partners and shareholders for your support and trust in Columbus.

"Industry focus has truly proven its value and by the end of 2022 74% of our customers originated from our core industries. In 2023, we will also be selective in our new sales activities to further position Columbus as a trusted advisor for larger customers looking for integrity, proven track record and high levels of industry specific expertise", says CEO & President, Søren Krogh Knudsen.

Ib Kunøe
Chairman of the Board

Søren Krogh Knudsen
CEO & President

[1] For description of efficiency, see page 14

Key figures and ratios

DKK ´000	2022	2021	2020	2019	2018
Income related figures					
Sale of services	1,317,042	1,210,291	1,183,857	1,417,652	1,467,601
Sale of products	72,392	68,893	79,360	103,083	182,073
Net revenue	**1,389,434**	**1,279,184**	**1,263,217**	**1,520,734**	**1,649,674**
Gross sales*	**1,523,434**	**1,414,399**	**1,407,216**	**1,761,035**	**1,875,252**
Recurring revenue % of total revenue	13.8%	13.8%	14.9%	14.9%	13.0%
EBITDA before share-based payment	92,929	92,464	105,364	162,733	181,183
EBITDA	91,830	89,307	100,885	157,263	171,409
EBIT	35,135	40,444	50,925	12,632	107,516
Net financial items	-3,047	-3,410	-16,853	-10,733	7,925
Profit before tax	32,088	37,034	34,072	1,898	115,441
Profit after tax, continuing operations	29,903	43,547	23,663	-18,876	96,674
Profit after tax, discontinued operations	-41,216	715,001	24,899	39,866	0
Profit after tax	-11,313	758,548	48,562	20,990	96,674

DKK ´000	2022	2021	2020	2019	2018
Balance sheet					
Non-current assets	796,222	833,808	987,440	1,127,381	1,140,954
Current assets	387,725	434,789	438,944	527,136	492,604
Assets classified as held for sale	0	0	214,481	0	0
Total assets	**1,183,947**	**1,268,597**	**1,640,865**	**1,654,517**	**1,633,558**
Group shareholder equity	706,405	740,980	712,421	665,354	636,339
Minority interests	0	0	3,184	3,126	3,381
Total liabilities	477,542	527,617	831,369	986,037	993,838
Total liabilities relating to assets classified as held for sale	0	0	93,891	0	0
Total equity and liabilities	**1,183,947**	**1,268,597**	**1,640,865**	**1,654,517**	**1,633,558**

2018-2020 income statement is not restated and includes discontinued operations.

All 2018-2021 balance sheet items include continuing and discontinued operations.

DKK ´000	2022	2021	2020	2019	2018
Investments in tangible assets	**8,239**	**7,434**	**3,832**	**5,957**	**5,907**
Cash flow					
Cash flow from operating activities	27,431	-19,674	190,863	189,146	124,294
Cash flow from investing activities	-37,987	754,434	-127,830	-106,370	-255,557
Cash flow from financing activities	-13,932	-844,923	-43,972	-45,853	154,663
Total net change in cash and cash equivalents	**-24,488**	**-110,162**	**19,061**	**36,923**	**23,400**
Cash flow from continuing operations	-25,227	-84,738	-52,656	-13,141	23,400
Cash flow from discontinued operations	739	-25,424	71,717	50,064	0
Total net change in cash and cash equivalents	**-24,488**	**-110,162**	**19,061**	**36,923**	**23,400**
Key ratios					
EBITDA-margin	6.6%	7.0%	8.0%	10.3%	10.4%
EBIT-margin	2.5%	3.2%	4.0%	0.8%	6.5%
Equity ratio	59.7%	58.4%	43.4%	40.2%	39.0%
Return on equity	-1.6%	104.5%	7.0%	3.3%	16.0%
Return on invested capital (ROIC)	7.0%	7.6%	7.8%	12.4%	22.5%
Number of shares	129,276	129,276	124,622	124,622	121,787
Average number of shares	129,276	128,192	124,622	123,012	121,370
Book value of equity per share (BVPS) (DKK)	5.46	5.73	5.72	5.34	5.23
Earnings per share (EPS) from continuing operations (DKK)	0.23	0.33	0.19	-0.16	0.78
Cash flow per share (DKK)	0.21	-0.15	1.53	1.54	1.01
Share price, end of period (DKK)	6.29	9.54	11.24	9.65	12.68
Average full time employee for the period	1,536	1,455	1,665	1,834	1,845

*Due to an Agenda Decision approved by the IFRS Interpretations Committee on April 20th 2022, Columbus has implemented a change in accounting principles from January 1st 2022. Under the Agenda Decision, revenue from resale of software is recognized on a net basis – See note 1 for more information. The revenue is presented above according to the new accounting principle (Net revenue) as well as the former - accounting principle (Gross Sales).

The key figures and financial ratios above have been calculated in accordance with Danish Finance Society' "Recommendation & Financial Ratios"

2022 financial performance: Investment in organic growth

Columbus had revenue of DKK 1,389m in 2022, corresponding to an increase of 9%. EBITDA increased by 3% to DKK 91.8m.

All major Business Lines and most Market Units contributed to the revenue growth, especially our strategic Business Lines Digital commerce, Data & Analytics and Customer Experience & Engagement showed rapid growth.

Service revenue for 2022 closed at DKK 1,317m, corresponding to an increase of 9%. Product revenue increased by 5%, and follows Columbus expectations of shifting towards more cloud-based solutions.

The product revenue is further affected by a change in accounting principles related to measurement of resale of third party software. The change is caused by an Agenda Decision by the IFRS interpretations Committee on 20 April 2022. The Agenda decision states that revenue arising from resale of third party software must be recognised at a net principle, only showing the profit margin of the sale as revenue. The changes have decreased the total revenue by DKK 134m in 2022 and DKK 135m in 2021.

As stated in the announcement on 14 November 2022, the financial outlook for 2022 was adjusted. The revenue was adjusted to ~DKK 1.525m, based on revenue before the above mentioned change to accounting principles, and EBITDA was adjusted to ~DKK 100m.

The realized revenue before the above mentioned change in accounting principles, now called gross sales, was in line with the expectation amounting to DKK 1,523m and realized EBITDA was slightly below amounting to DKK 91.8m.

On Group level, revenue was negatively impacted by currency by DKK 10m.

Service revenue split on Business Lines

DKK ´000	2022	2021	Δ%
Dynamics	646,128	619,793	4.2%
M3	302,958	296,832	2.1%
Digital Commerce	192,233	157,184	22.3%
Data & Analytics	59,332	37,676	57.5%
Customer Experience & Engagement	45,179	30,008	50.6%
Strategy & Change	6,513	0	100.0%
Other Local Business	64,699	68,798	-6.0%
Total sale of services	**1,317,042**	**1,210,291**	**8.8%**
Total sale of products	**72,392**	**68,893**	**5.1%**
Total net revenue	**1,389,434**	**1,279,184**	**8.6%**

Development in Business Lines

Dynamics

Dynamics offers the full range of Microsoft Dynamics 365 ERP business critical services, including solutions for supply chain, production, finance, project control and HR, guiding, advising and supporting our customers in every step of the cloud transformation journey and helping them maximize their value chain and drive business growth.

The Business Line is present in all the major Market Units Columbus operates in and is the largest Business Line in Columbus. Columbus is further the largest Microsoft Dynamics ERP partner in Northern Europe and has been part of the Microsoft Inner Circle for 20+ years.

On 1 October 2022, the Business Line was formed by merging the former D365 project Business Line with the D365 part of our Columbus Care business in order to better support our customers' operations in the cloud whilst improving the value realization of the solution by iterative evolution. Internally we improved cooperation between our consultants, especially within development and support functions.

The Business Line increased service revenue in 2022 by 4.2%, with revenue amounting to DKK 646m for the year. The growth is mainly driven by cloud transformations by both new and existing customers as well as operations.

Dynamics has seen improvements in the efficiency as well as a strengthened global operating model, enabling us to deliver local service with the support and expertise from global teams enabling same high quality in each market.

M3
Columbus is the world's largest independent partner for Infor Cloud Solutions and M3, presented as the M3 Business Line. As an Infor Global Alliance partner, we support more than 350 customers with new implementations and upgrade projects, as well as providing worldwide support service. The M3 Business Line also cooperates with a number of best-in-class partners for complementary software solutions to give our customers the best possible advantage in their own digital transformations.

The M3 Business Line has its largest market in the Nordics and with strong presence in all other markets Columbus operates in, although with a focus on the Nordic countries.

On 1 October 2022, our Columbus Care business was merged with the M3 Business Line in order to better support our customers' operations, as well as improve cooperation between our consultants within development and support functions.

Service revenue amounted to DKK 303m in 2022, corresponding to an increase of 2.1%. The increase is primarily related to Cloud implementations and Care services on existing solutions. The year has been affected by a large number of new hirings in order to lower the use of subcontractors, with the aim to increase profitability and growth. Due to this the average number of FTEs has increased by 11% in the Business Line compared to 2021.

Digital Commerce
Digital Commerce helps leading retailers, wholesalers, manufacturers and brands to improve their competitive edge by modernizing and futureproofing their customer facing digital channels and commerce platforms. We optimize the customer journey

Dynamics
Prepare and advice ERP customers for life in the cloud based on local presence and empowered by global resources and strong industry knowledge

4.2%
Service revenue growth

565
Average FTE

M3
Enable digital transformation of customers globally with proven expertise in implementing, supporting and executing M3 projects and with strong industry focus

2.1%
Service revenue growth

264
Average FTE

Digital Commerce
Improve the competitive edge of leading retailers, wholesalers, manufacturers and brands by modernizing and futureproofing their customer facing digital channels and commerce platforms

22.3%
Service revenue growth

209
Average FTE

Data & Analytics
Help ambitious companies define and execute an AI enablement strategy for data-driven decision-making to secure competitiveness with a focus on data, business and people

57.5%
Service revenue growth

76
Average FTE

Customer Experience & Engagement
Help our Customers create new value through the positive engagement and development of their customer experience, specifically focused on customer management and service engagements within the full cross channel journey

50.6%
Service revenue growth

62
Average FTE

Strategy & Change
Support our customers in defining and executing a profitable transformation strategy to achieve tangible business outcomes

N/A
Service revenue growth

11
Average FTE

and grow our customers' digital business with a strong focus on UX, growth services and strategic advisory. We have a strong presence in Scandinavia and UK, and a particularly strong position in the Swedish and Norwegian markets.

The year has been impacted by high growth including increased average number of FTEs by 22% enabling the growth in service revenue by 22% as well. The service revenue amounted to DKK 192m.

Data & Analytics
Data & Analytics is supporting our customers within Business Intelligence, Artificial Intelligence and Machine Learning solutions. We provide consultancy in development of BI strategies, data management & governance, BI platforms and user adoptions. Further, we have deepened our experience within demand forecasting, customer segmentation, supply chain optimization and designing and building AI and ML solutions.

Data & Analytics is present in the Nordic countries and the UK as well as in the US with a strong market position in Denmark. The Business Line is achieving a large portion of sale to existing customers by offering cross Business Line offerings.

Service revenue amounted to DKK 59m in 2022, corresponding to a growth of 58% compared to last year. The growth is mainly driven driven by the cloud journey and customers investing in Common Data Platform.

Customer Experience & Engagement
Customer Experience & Engagement (CXE) is creating value to our customers through development of their own end-customer experience, specifically focused on customer and prospect management and service engagements. Our services span across implementation of new business solutions, delivery management, process optimization and target value management.

CXE is currently present in the UK, Norway and Sweden and is starting to expand into the Danish market as well. The Business Line is often doing cross Business Line projects, with a high degree of projects based on Microsoft Dynamics solutions.

The service revenue in 2022 amounted to DKK 45m, corresponding to a growth of 51%. The growth has been driven by a higher number of unique engagements, but also due to the average project increasing in scope, often resulting in multiple CXE and other cross Business Line offerings.

Strategy & Change
The Business Line Strategy & Change was established in 2022 and is essential in achieving the Focus23 strategy.

The Business Line offers a holistic business transformation approach encompassing technology expertise and deep industry knowledge to help customers create a solid foundation for their transformation journey through business processes, organizational and people change management, as well as plan a strategic direction and define a detailed roadmap for digital transformation.

In August 2022, Michaël Navon was appointed new global leader for the Strategy & Change Business Line. The Business Line grew to 12 FTEs by the end of 2022 with the aspiration to grow the team further in 2023. The team is located primarily in Sweden and the UK, now expanding in Norway and Denmark.

Service revenue for 2022 amounted to DKK 7m.

Development in Market Units
Most of our markets have delivered significant growth in 2022, with only one market declining slightly.

The **Swedish Market Unit**, which is our largest market, delivered 8.5% growth in service revenue compared to 2021. The service revenue for 2022 amounted to DKK 525m. The revenue arising from the Swedish market is negatively impacted by the weakening of SEK, which impacts the revenue by DKK 24m.

All the Columbus Business Lines are presented in the Swedish market, with M3, Dynamics and Digital Commerce being the largest contributors. The growth is spread across all Business Lines.

The **Danish Market Unit** has grown 2% compared to last year, with service revenue amounting to DKK 253m.

Service revenue split in Market Units

DKK ´000	2022	2021	Δ%
Sweden	525,024	483,888	8.5%
Denmark	252,862	247,979	2.0%
Norway	262,271	230,828	13.6%
UK	159,916	137,767	16.1%
US	80,284	80,915	-0.8%
Other	32,337	26,666	21.3%
GDC	4,348	2,248	93.4%
Total sale of services	**1,317,042**	**1,210,291**	**8.8%**
Total sale of products	**72,392**	**68,893**	**5.1%**
Total net revenue	**1,389,434**	**1,279,184**	**8.6%**

All the Columbus Business Lines are presented in the Danish Market, although the Dynamics Business Line makes out the largest part.

Our **Norwegian Market Unit** continues to prove a strong traction with growth of 14%, and service revenue amounting to DKK 262m. The Market Unit has delivered the largest development over the past three years, growing DKK 120m, corresponding to a growth of 85% compared to the financial year 2020. The revenue is positively affected by currency of DKK 2m in 2022 compared to last year.

Most Business Lines are present in the Norwegian Market Unit, although the Strategy & Change Business Line has not yet entered this market in 2022. The largest contributor is the Dynamics Business Line. The growth is delivered mainly by Dynamics and Data & Analytics.

The **UK Market Unit** has delivered 16% growth in 2022, with service revenue amounting to DKK 160m. The revenue is affected positively by currency of DKK 2m.

The largest Business Line in the market is Dynamics, with Customer Experience & Engagement growing significantly.

The **US Market Unit** accounted for DKK 80m in service revenue, corresponding to a decrease of 1%. The revenue is further positively affected by DKK 10m in currency. The negative development is not considered satisfactory, and management is focusing on performing a turnaround on this market.

The US Market Unit is mainly comprised of the Business Lines Dynamics, M3 and Data & Analytics.

Growth in recurring revenue

Recurring revenue grew by 8% to DKK 192m. The recurring revenue has constituted a stable part of the total revenue over the past years, with recurring revenue constituting 14% of total revenue in 2022. The recurring revenue figures are significantly affected by the change in accounting principles, which impacts revenue from cloud and subscriptions negatively.

Efficiency

Efficiency is a key performance indicator for Columbus and remains a strong focus for the management to continue improving.

The efficiency in 2022 was ranging between 61% and 64%, with an average for the year of 63%. The KPI is affected by national vacation periods during the year, which is the main factor for the KPI to fluctuate during the year. A further significant factor lowering the KPI is the Young Professionals Programme used to grow new talent. New starters generally have a lower efficiency during the initial period of employment, and gradually increasing over time.

Management will continue to focus on efficiency, as the current level is considered to be too low.

EBITDA development

EBITDA amounted to DKK 91.8m in 2022, compared to DKK 89.3m in 2021, corresponding to an increase of 3%.

The main impacts on EBITDA are gross profit, other operating income, staff expenses and other external cost.
Gross profit increased by 8% due to the higher revenue, although the gross profit margin decreased slightly from 91.0% to 90.3%. The development is mainly related to the use of subcontractors.

Staff expenses increased by 9% amounting to DKK 1,035m in 2022. The increase is in line with the increase in revenue.
Other external costs increased by 16%, which is mainly related to travel and employee related expenses returning to a pre-covid level in 2022.

EBITDA is further affected by other operating income which is positively affected with DKK 17m as a consequence of a positive outcome of a dispute with two former minority shareholders in iStone who had violated the terms in the share purchase agreement. As a result of the dispute Columbus is no longer obliged to pay the remaining remuneration/contingent consideration and has also received financial compensation.

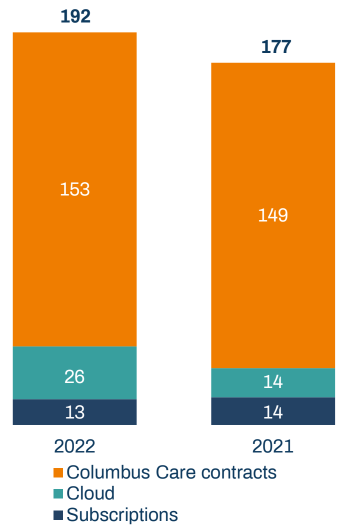
Profit before tax

Profit before tax amounted to DKK 32m compared to DKK 37m in 2021, corresponding to a decrease of 13%. The decrease is mainly affected by increased depreciations, which mainly relates to the addition of internal IT applications.

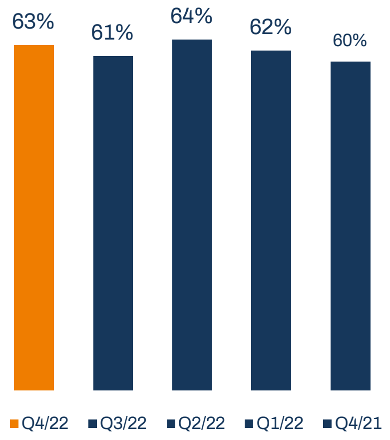
Discontinued operations

On 16 March 2022 Columbus sold off its subsidiary in Russia, as a consequence of the Russian invasion of Ukraine.

Recurring revenue



Efficiency



The business was sold to the local management. Profit and loss from the Russian activities have been reclassified to discontinued operations, and comparative figures have been adjusted. Profit and loss of the transaction are further presented under discontinued operations.

Discontinued operations are further impacted by aftermath of divestment completed in 2021. The impact of the divestments to comprehensive income amounts to DKK -41m.

For further information, please see note 26 and 27.

Cash

Cash flow from operating activities was positive with DKK 30m, mainly related to positive cash flows from the operating profit. Changes in net working capital affect the cash flows negatively, and is mainly related to significantly lower payable payroll costs compared to 2021.

Cash flow from investing activities was negative with DKK 36m mainly related to investment in internal IT applications, purchase of tangible assets as well as divestment of the Russian business.

Cash flow from financing was negative with DKK 16m mainly related to payment of dividend and repayment of lease liabilities. The financing activities are further affected positively by use of overdraft facilities.

Equity

Columbus' equity has decreased by DKK 35m since 31 December 2021, primarily due to the negative net result. The net result comprise a profit of DKK 30m from the continuing business and a loss of DKK 41m from the discontinued business. With a total equity of DKK 706m, Columbus has a solvency of 60% (2021: 58%).

2022 will be focused on creating value for our customers while delivering organic growth as planned in our Focus23 strategy.

Events after the reporting period

There has been no events after the balance sheet date to be accounted for.

Outlook for 2023

Columbus expects to continue the strong growth journey in 2023 close to or above double-digit growth as well as earnings improvements.

For the last two years Columbus has been deeply focused on building the foundation for future growth. Based on the implemented organizational changes, the strengthening of the management team and the newly defined business approach focusing on larger customers in our core industries, we are now entering the last year of our growth strategy, Focus23. In 2023 we expect organic growth close to or above 10% and earnings improvements through enhanced efficiency and focus on contract profitability.

In 2022, revenue growth was broadly a result of our fast-growing business critical solutions portfolio: Data & Analytics, Digital Commerce and Customer Experience and we will continue to deliver growth by:

- Continuing development and deployment of our Digital Advisory capabilities
- Development of sustainability offerings leveraging our deep industry expertise
- Further strengthening our global delivery model
- Focus on further improvement of our efficiency
- Focus on contract delivery and profitability
- Leveraging our strong delivery center setup

In Q4 2023, we will launch our new strategy with long-term operational og financial goals.

The outlook is subject to the general uncertainties in our markets such as the current macro-economic conditions, higher than normal exchange rate volatility and recession fear in some countries.

Although we continue to see a strong demand for our digital solutions and transformation, we do anticipate that a slower decision pace on new projects and the need to divide projects up in “smaller bites” will continue throughout 2023. If the general uncertainties worsen during 2023, it may impact the Group’s growth and margin negatively.

Based on the financial performance in 2022 and the current order book and pipeline forecast, our full year guidance for 2023 is as follows:

Revenue expected to be in the range of DKK 1,500m – 1,550m, corresponding to a growth of 8-12% in constant currencies. If the current exchange rate development, continues, it will impact the revenue growth negatively.

EBITDA is expected to be in the range of DKK 115m – 135m corresponding to a margin of 7.4% - 9.0%.

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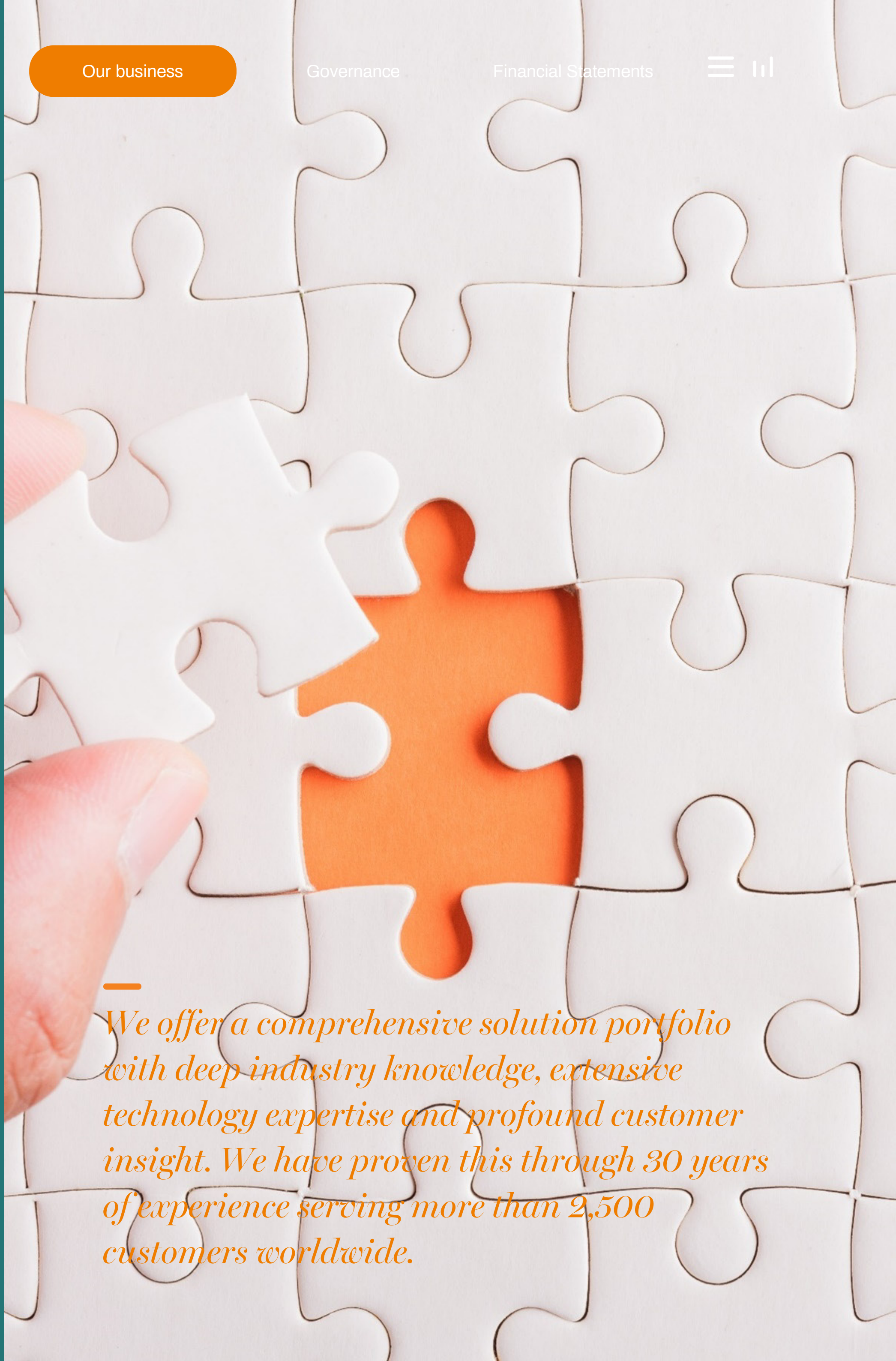
Our business



We offer a comprehensive solution portfolio with deep industry knowledge, extensive technology expertise and profound customer insight. We have proven this through 30 years of experience serving more than 2,500 customers worldwide.

Delivering on our growth strategy

We are now entering the last year of our three-year growth strategy, Focus23, and we look back at a 2022 with great momentum reaching important milestones. We have strengthened the core of our business focusing on developing our consultancy capabilities and strategic digital offerings positioning Columbus as preferred digital partner. We see our strategic choices coming together and are now ready to endorse the last sprint of Focus23.

The market potential for digital advisory- and solutions is massive, and we continuously analyze and prioritize our strategic opportunities in order to unfold the growth opportunities and expand our portfolio.

Our dedicated focus creates customer success

The average customer size has grown in recent years as a result of our dedicated focus on Columbus' core business, cloud ERP, while combining and enabling our strong portfolio of rising strategic digital offerings such as Data & Analytics, Digital Commerce, Customer Experience & Engagement and Strategy & Change.

Columbus covers a broad range of business critical solutions, and we have a unique opportunity to support our customers' digital transformation in an integrated way. Cross-selling has and will be of highest priority in the coming years to fuel our growth. We know our customers' challenges and we have the capabilities to successfully create value in their digitalization journey. In 2022 we have delivered more value to customers with cross-sales than ever before.

Strengthening our core

The transformation of Columbus from a software centered business to a consultancy service company has required effort and investments.

In 2022, we continued our internal transformation and we have now established a true One-Columbus with one shared simplified operational model, supported by one common core business platform for all entities. Our last region, USA, went live in October 2022, and we look forward to further accelerating our efficiency and collaboration across our organization while reducing complexity and increase transparency.

Columbus is a people business – it is our growth engine - thus it has been decisive being able to attract and retain talented employees in 2022. We continue to build a strong corporate culture and develop our people introducing new capabilities and career planning strengthening the entire organization.

Focusing on profitable growth

Entering the last year of our Focus23 strategy, we are ready to pursue our high growth ambitions and improving profitability. In 2023, the EBITDA growth is expected to be at least 10%.

Our multiple digital offering setup is a growth driver, and it is a priority to keep winning new customers in our target segments, larger customers in Manufacturing, Retail & Distribution, Food & Beverage industries. We are launching new sustainability offerings to help our customers deliver a greener future for us all and leveraging customer programs to increase the average customer engagement size.

Launching a new strategy in Q4 2023

Columbus stands stronger and more well consolidated than in the beginning of the strategic period, and we are ready to leverage our core capabilities to achieve our objectives in 2023.

Today, we have a customer centric organization and we have seen that our customer programmes are well received delivering organic growth for the past seven quarters in a row. We have come far, and we continuously evaluate opportunities to accelerate growth further, both organic and via acquisitions.

In Q4 2023, we will launch our new three year growth strategy, covering 2024-2026.

Our Business Critical solutions

With our extensive portfolio of Business Critical Solutions, we can help our customers in their entire digital transformation journey.

For many years, Columbus has been leading within the ERP space in our key industries and geographical markets and has at the same time managed to stay relevant and innovative.

In recent years, Columbus has established a strong market position within digital transformation offering end-to-end business critical digital solutions which has opened new opportunities to help our customers in their entire digital transformation journey.

With a broad portfolio of business critical solutions, Columbus ensures high value creating for our customers in the Food & Beverage, Retail & Distribution, and Manufacturing industries.

Our solutions are built in strong ecosystems that ensure our customers the best technology suited for their specific business needs and challenges.

Each of our solutions are anchored in one of our global Business Lines which ensure that we leverage solution development, capabilities, and resources across our business while being at the forefront of digital trends. All with the purpose of delivering increased customer value.

Our solutions in brief

Strategy & Change: We help our customers create value through engagement and development of their strategy and business change agenda, specifically focused on a value driven, people centric and holistic business transformation.

Cloud ERP: We help customers digitalize their business processes by implementing, mitigating risk, and supporting State-of-Art solutions with a business-driven process approach.

Data & Analytics: We enable our customers to define and execute the data driven journey to base their decisions on the insights the data provides to secure growth with the focus on data, business and people.

Business & Application Integration: We enable our customers to integrate applications in the cloud as a service, on premise or private cloud to seamless orchestrate the enterprise digital landscape.

Application Management: We provide life cycle support services for customers' complete business applications platform.

Digital Commerce: We create compelling digital commerce experiences based on a solid technical infrastructure that powers growth and builds customer loyalty in an omnichannel environment.

Customer Experience & Engagement: We help our customers create value through customer management and service engagements within the full cross channel journey.

Microsoft Partner Awards 2022

In 2022, Columbus Denmark won the Business Applications Microsoft Partner Award and Columbus Sweden won the Microsoft Partner of the Year Award F&O.

Business model – creating customer value

Columbus' purpose is digital transformation for a better tomorrow, and our solid business model ensures that we can deliver on our purpose.

Columbus is leveraging on 30+ years of industry expertise delivering advisory and business critical solutions for larger enterprises, and our global delivery setup has been essential for creating value for the growing loyal customer base with a need for digital transformation.

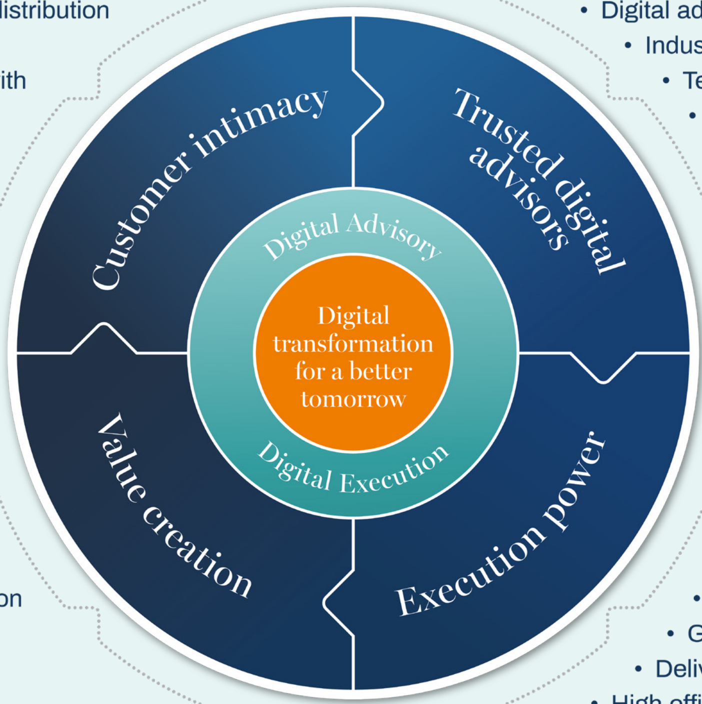
Our business model is based on customer intimacy, which makes it possible to act as trusted advisor ensuring that our loyal customer base gets exactly what they need to digitize their business.

Columbus' core strength is also expressed in the execution power - the ability to deliver high quality anchored in an agile delivery setup and good industry practice.

The business model supports the creation of customer value and makes it possible to implement and deliver on the set goals in the three-year growth strategy, Focus23.

Growing loyal customer base
- Industry focus on food, retail & distribution and manufacturing
- International large enterprises with a digital mindset and within key eco-systems

Leveraging industry expertise
- Digital advisors
- Industry & process experts
- Technology experts
- Execution experts
- Change management expertise



Business Critical solutions
- Strategy & Change
- Cloud ERP
- Data & Analytics
- Business & Application Integration
- Application Management
- Digital Commerce
- Customer Experience

Agile global delivery setup
- Uniform approach to ensure quality
- Good Industry Practice (GxP)
- Delivery capacity across time zones
- High efficiency and scalability

Solutions i strong ecosystems

…and other key partners

Equity story – creating shareholder value

The Columbus share gives shareholders an exposure to the digital and green transformation with Columbus' increased sustainability focus. Columbus helps customers become sustainable by optimizing supply chain, minimizing waste and increase efficiency in operations.

Based on the leading position in the Nordics and UK within Cloud ERP and digital commerce in our key industries; Food & Beverage, Retail & Distribution, and Manufacturing Columbus will continue to create value to its shareholders.

Loyal customers, leveraging industry expertise, leading business critical solutions in strong ecosystem and an agile delivery setup describes Columbus' strength profile. Columbus' highly skilled employees are the engine in retaining a high customer satisfaction. Columbus has more than 2,500 customers and a customer centric approach in all aspects of the business.

With a defined growth strategy focused on digital advisory and a growing market within data for sustainability, Columbus is positioned to deliver on the Focus23 goals.

Shareholder value will be created organically by growing the business, improve profitability and non-organically by identifying relevant acquisition opportunities. Company's dividend policy is to distribute dividend of minimum 10% of the nominal share capital each year, corresponding to DKK 0.125 per share.

Digital growth markets

Leading position in the Nordics and UK within Cloud ERP and digital commerce in our key industries; food, retail & distribution and manufacturing.

Growing loyal customer base

Focusing on large Enterprises in key industries. Our customer centric approach builds high satisfaction and retention among our +2,500 customers.

Leveraging industry expertise

+30 years of experience and today more than 1,550 digital advisors and industry experts form the A-team for each customer.

Business critical solutions

Digital services within Strategy & Change, Cloud ERP, Data & Analytics, Business & Application Integration, Application Management, Digital Commerce, and Customer Experience.

Solutions in strong ecosystems

Global strategic alliances with Microsoft, Infor M3, SAP, Salesforce, Litium, To-Increase, inRiver, Commercetools, Medius & other key partners.

Global execution power

Agile delivery setup anchored in good industry practice ensuring high quality, efficiency and scalability.

Defined growth strategy

Organic and acquisitive growth by focusing on advisory and digital transformation for large Enterprises in our key markets.

Data for sustainability

Building solutions to support sustainable business behavior. Bridging data to make sustainability happen and comply with regulatory requirements.

10% organic growth from 2023

Growing revenue by 10% while delivering EBITDA margin of minimum 10%.

People in Columbus

We are proud of our employees – without them our business could not be what it is today. Our people are the heart of Columbus and in 2022 we have been engaging many of our people globally to embed our company Shared Values and introduce our Leadership Principles, creating a One-Columbus culture, within which our employees can thrive and develop.

We introduced our Columbus Values:

- Stay Curious
- Build Trust
- Collaborate
- Deliver Customer Success

in the second half of 2021 and they continue to be the foundation of our culture and the glue that binds us together. They create a common language across all countries and are our guiding stars to reinforce how we should work together and also how we should work with our customers.

To enable our colleagues to gain more insight to the company values, we developed an e-learning course for everyone to complete. We also created a core group of global 'Value Ambassadors' who shared examples from their own countries about the use of the values and generated ideas on activities to continue to build on the operational use of the values.

In 2022 we introduced our Leadership Principles. These principles are not just for the leaders in our company – they are for all of our colleagues and therefore, the Leadership Principles should be at the heart of everything we all do.

Our Leadership Principles are built on the foundation of our company values and provide guidance on how we see our employees embracing 'self-leadership' using the principles in their daily work, as well as managers and senior leaders using them to lead their teams and customers effectively.

Within the Leadership Principles framework, there are three core pillars; **Strategy, Operations and People** and each have two main leadership principles.

Operations

Understand the bigger picture
As Columbus leaders we are guided by our purpose and values, and we seek the best ways to execute upon our strategy and deliver customer success. We think ahead of our own tasks and immediate teams and consider implications and changes in a proactive manner. All of this makes us a resilient and united company. We make decisions based on what is best for both Columbus, our people, and the customers we serve.

Build for the future
We continuously improve our ways of working, processes, and methods to secure our organizational resilience. The starting point for initiatives and activities is our purpose, vision, and strategy.

We attract, hire, and develop new skills that are needed for our future success. By doing this, we build trust and stay relevant for our people and customers for many years to come.

Columbus Shared Values

Strategy

Dare to advise

We capitalize on our curiosity and continuously learn and build deep knowledge and understanding of our customers' challenges and the world we act in. As leaders we act as role models in being trusted advisors, both to our customers, colleagues, and employees. We are also coaching and supporting our employees to be trusted advisors – together we achieve success and make a difference for our customers.

Make it easy for all to do a good job

We collaborate to improve our operations and maximize value, and we constantly strive to set up the next person in the chain of work for success. We listen and understand people's unique needs and challenges, and we help them to find ways forward and remove obstacles to ensure that work can be done smoothly. By doing this, we deliver customer success while developing as a company.

People

Induce energy

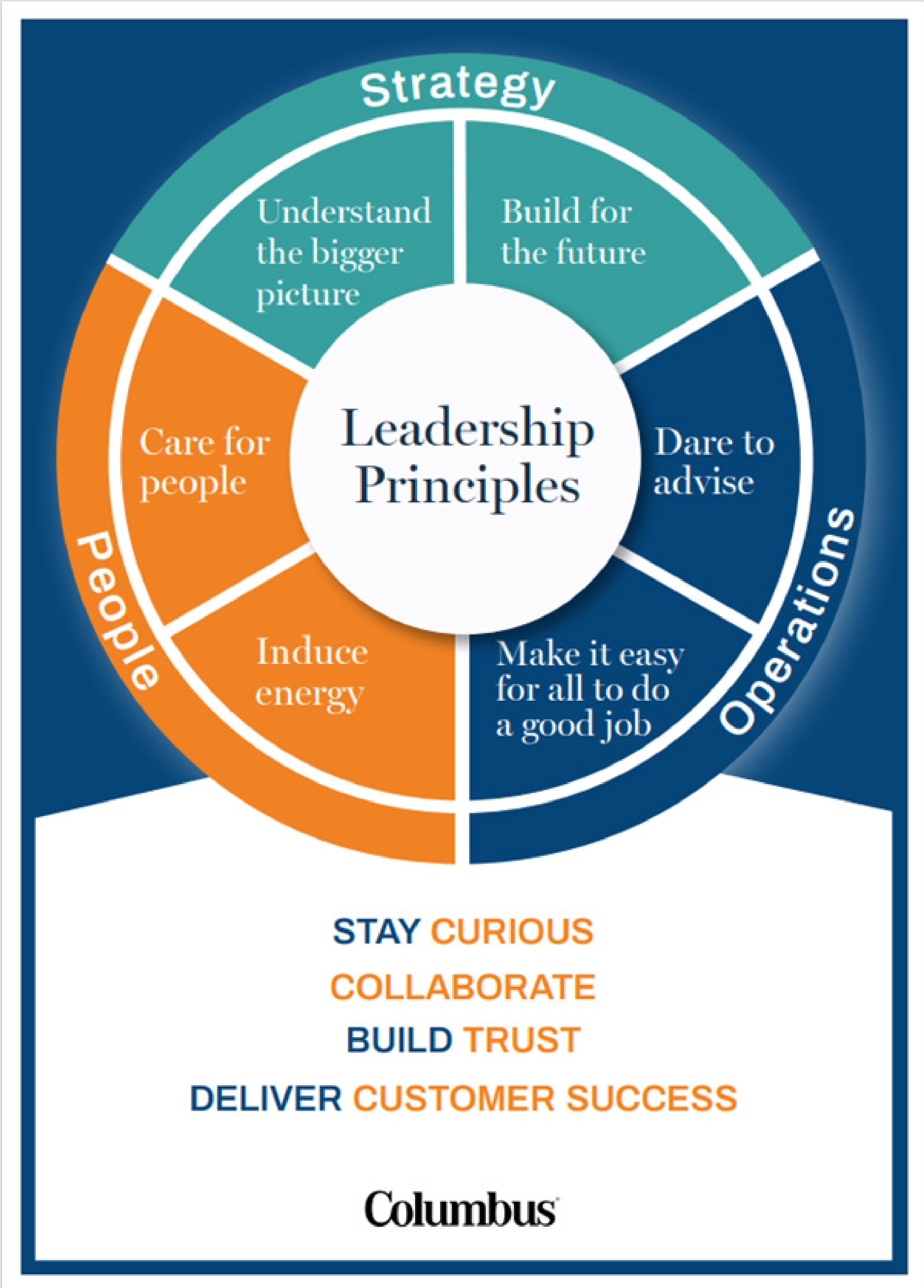
We induce energy by empowering people to grow and act in alignment with the strategic direction. People can perform at their best with our leaders giving the right levels of support and challenge. We encourage collaboration and teamwork, and we celebrate achievements. People are also energized and motivated by the feedback and recognition that is given regularly by our leaders.

Care for people

We always put people first – no matter if it is employees, customers, or partners. We listen, show interest and curiosity about our people. We act and communicate with transparency and involve people in our daily operations. As leaders we secure a sustainable and inclusive environment where people can perform at their best and contribute to our common purpose.

We have developed a programme of three workshops to ensure our colleagues know how to work with the Leadership Principles. This commenced in Q3 2022 and continues to roll-out in the wider organisation. These workshops are being led by our business leaders and involve self-analysis and group activities to help cement the learning, support the One-Columbus culture and create the desired leadership behaviours.

We are actively using the values and leadership principles in our talent acquisition and employer brand activities to personify our culture and encourage candidates to apply to join our Columbus family.



Employee satisfaction

Scale -100 – 100

Score 2022:

47

Score 2021: 40

Gender distribution globally

%

Female
31%
(2021: 29%)

Male
69%
(2021: 71%)

Gender distribution management level

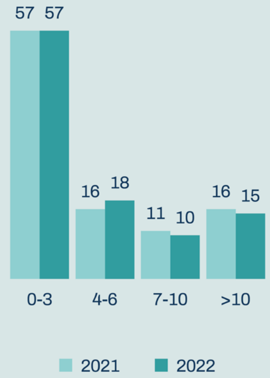
%

Female
28%
(2021: 29%)

Male
72%
(2021: 71%)

Seniority

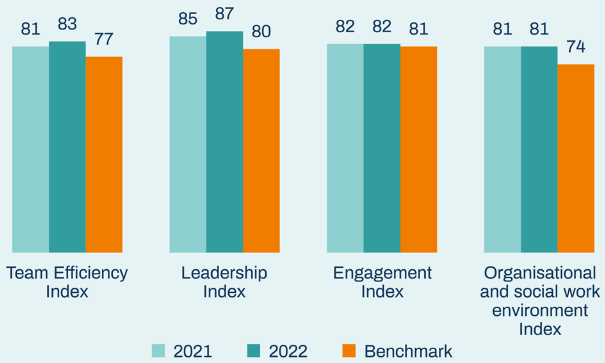
Seniority distribution (years), %



Employee Survey

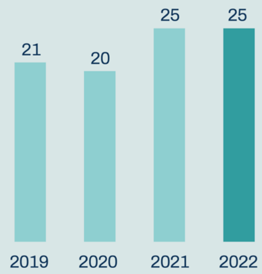
Summary of all indices

Benchmark is based on about 600 000 responses from over 250 organizations (Nordic and international).



Development in attrition

%



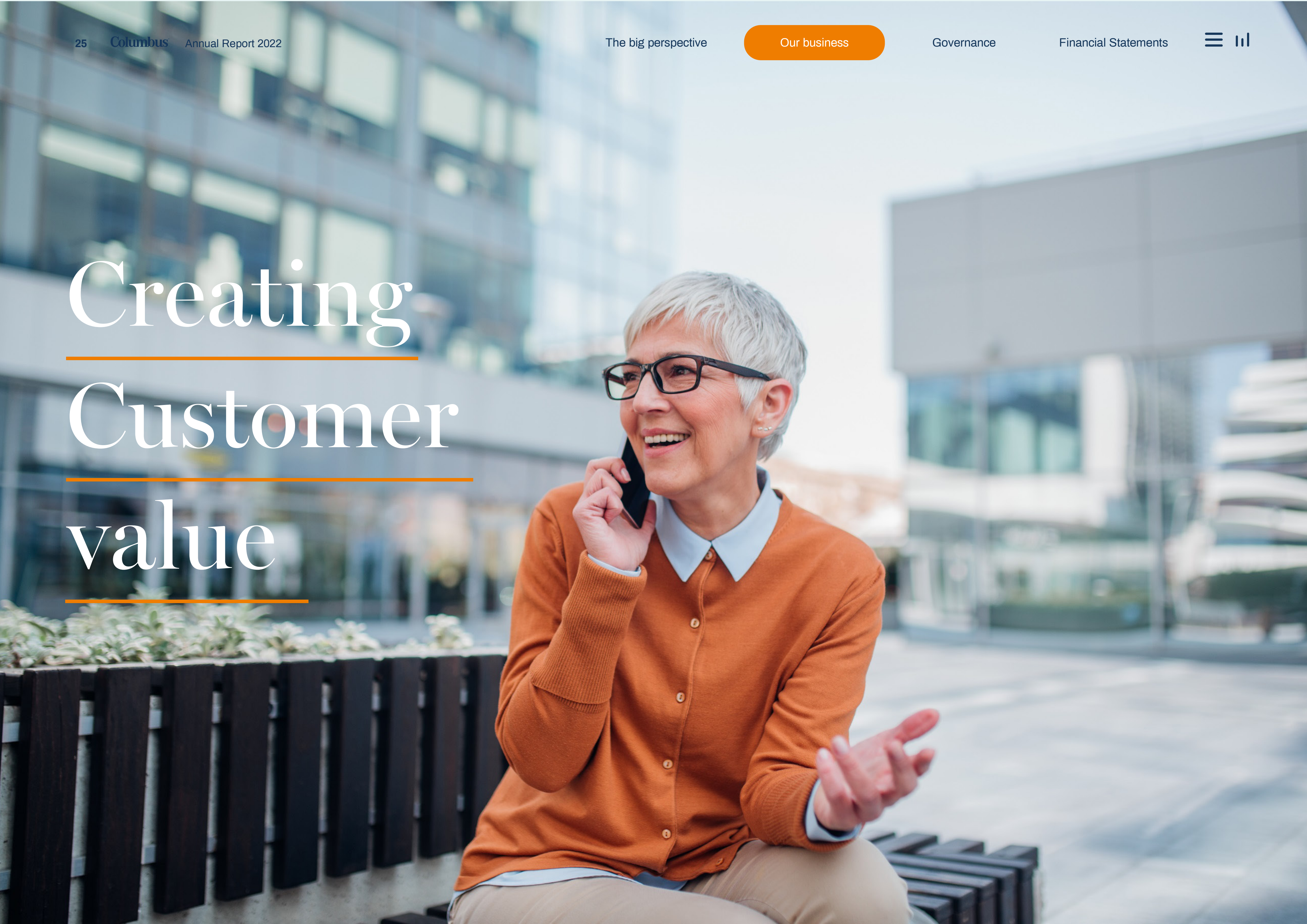
Columbus Academy

Number of certifications in 2022

Total number of certifications in 2022:	9,358
Consultancy training:	295
Living Our Values - Empowering Our People:	764
Leadership Principles:	680
Trusted Digital Advisor:	466
Onboarding traning:	343

For more information about our people and explanation of the graphs above, see Sustainability Report 2022 at www.columbusglobal.com/Investors/CSR

Creating Customer value



Customer Case

Schibsted is streamlining the financial operations for their subsidiaries with Columbus as a partner

The Schibsted Group is streamlining its financial operations using Microsoft Dynamics 365 Finance. The goal is to achieve transparency in the subsidiaries' finances, as well as increasing efficiency in operations throughout the Schibsted organization.

To achieve their strategy and operational goals Schibsted established the project “Future Finance” in 2020 in order to achieve transparency and increase efficiency. Columbus has been Schibsted’s partner since April 2021.

Through a number of acquisitions and mergers, the companies in Schibsted had several different financial and business systems which made financial operations more complex than necessary. In 2020 group management decided to implement one common finance system throughout the corporation to increase efficiency and to optimize financial operations.

The choice fell on Microsoft Dynamics 365 Finance, a modern, cloud-based scalable system, ready for new functionality to be implemented to meet the needs for the different companies and the group as a whole.

For Schibsted it is important to emphasize that “Future Finance” is not an IT project, but an organizational and business development project.

The implementation of one common Global Template for the entire group will also make it easier for Schibsted's service center to offer financial services to the individual subsidiaries as operations will be unified and transparent.

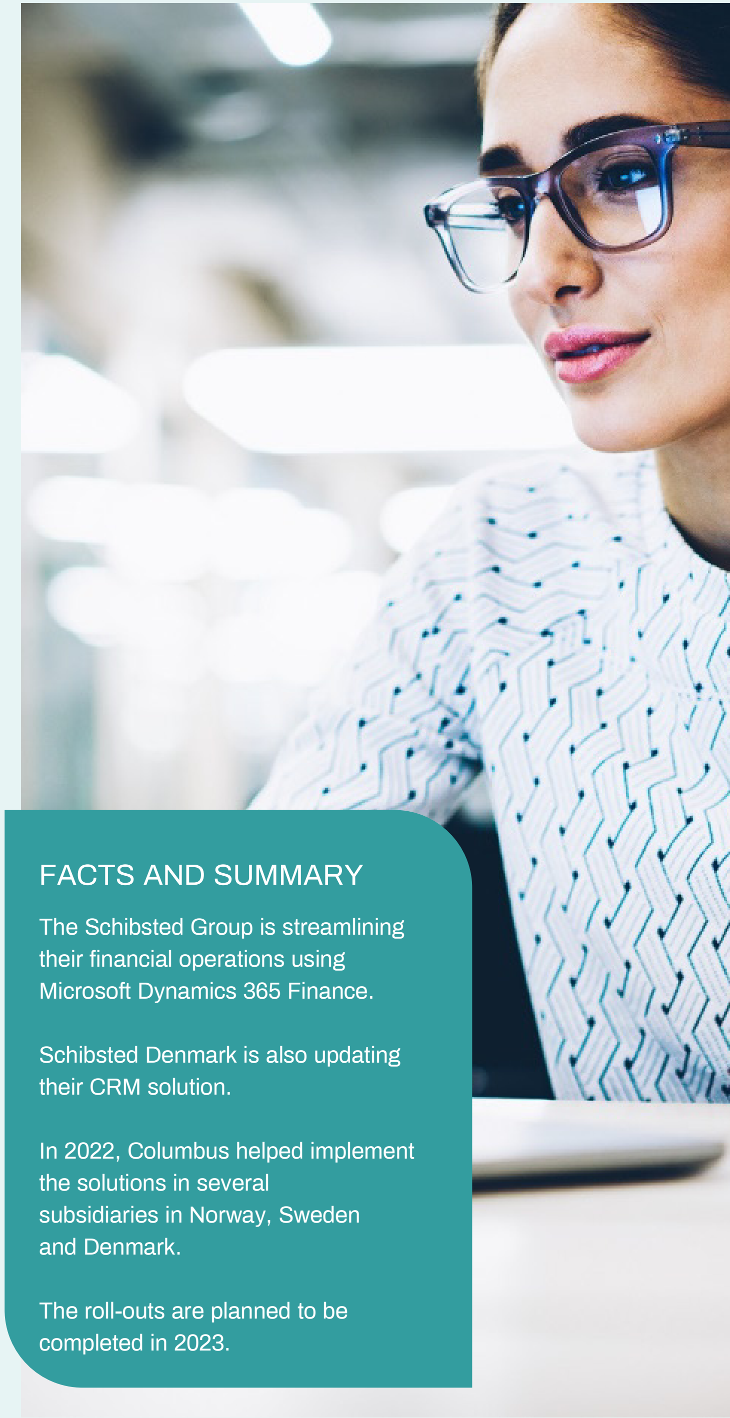
Columbus' main contribution has been to ensure the best possible implementation of Microsoft Dynamics 365 Finance and securing that the Global Template based on Schibsted’s business requirements was completed. Columbus has also supported the companies already in the Microsoft Dynamics 365 production environment, as more than half of the companies in scope are already using the new system.

A key task for the Schibsted project group was to develop the specifications for the global template for core financial processes, an extensive and complex job considering the template had to cover the processes for all the companies in Norway, Sweden and Denmark.

With the template, all the processes from purchase to pay, order to cash and record to report is done in a similar way and processes are automated where possible.

As of June 2022, a number of the Norwegian, Danish and Swedish subsidiaries are using Microsoft Dynamics 365 Finance. The first part of the project has been a success and the plan is to complete the roll-outs in 2023.

Columbus has also delivered a new CRM solution for Schibsted’s Danish operations.



FACTS AND SUMMARY

The Schibsted Group is streamlining their financial operations using Microsoft Dynamics 365 Finance.

Schibsted Denmark is also updating their CRM solution.

In 2022, Columbus helped implement the solutions in several subsidiaries in Norway, Sweden and Denmark.

The roll-outs are planned to be completed in 2023.

Customer Case

Jackson’s Bakery scale up new levels with Microsoft Dynamics 365 Finance and Supply Chain Management

As a result of a new ambitious long-term deal to commence the supply to a significant UK convenience retailer, Jackson’s production and distribution rose by 30%.

It quickly became clear that the company’s disparate legacy IT systems would be unable to cope with the new level of business growth. Jackson’s realised that an entire business transformation project was needed to overhaul the company’s core systems and integrations.

Working in partnership with Columbus, Jackson’s selected a new integrated Dynamics 365 Finance and Supply Chain Management (D365 FSCM) ERP solution as its technology backbone. D365 FSCM would be key to modernise key processes from order to invoice, including procurement, EDI automation, advanced forecasting, production planning, material consumption and despatch.

The scope of the project was vast. The ERP platform implementation needed to be deployed and go-live in parallel with the introduction of a new distribution and fulfilment centre, an extensive programme of factory refurbishments, whole scale capacity ramp-up and significant new product development and product launches. Despite this, both the mutual trust and team spirit were all the stronger because of this shared global challenge, enhancing collaboration, passion and customer care.

The transformation project was a true reflection of a strong partnership approach to project planning and execution, blending together decades of Columbus’ technical and consultancy expertise with the in-house intimate business and IT process knowledge of Jackson’s team members.

“The project with Columbus was a great collaboration through what was very challenging times and a short timescale”, says Paul Fletcher, Business Systems Improvement Lead/Dynamics Project Manager at Jackson's Bakery.

Following on from the success of this transformation project, the owner of Jackson’s Bakery, William Jackson Food Group is keen to roll out further projects to its other food service businesses with a long-term continued relationship with Columbus. This includes a joint “analysis” phase to cover all the WJFG businesses in scope, with the plan to then roll out the core ERP sequentially with further potential pilots for commerce and customer engagement capabilities.

FACTS AND SUMMARY

To meet new demand, UK company Jackson’s Bakery decided to update their legacy IT systems.

Columbus was brought in to implement Microsoft Dynamics 365 Finance and Supply Management.

After a successful launch, Columbus and Jackson’s Bakery will continue their collaboration.

Customer Case

Toyota Material Handling Europe improved customer service and experience through their e-commerce strategy

When Toyota Material Handling Europe's (TMHE) digital transformation journey began, it was clear that it was not possible to run all the businesses through one web-shop alone. The organization was lacking the people, processes and technology needed to deliver high-performing digital applications and a great customer experience. Rather than waiting, they wanted to start small, yet think big.

"The lesson here is that you cannot digitalize the whole customer journey in one major IT project. There are almost always easy wins to start with," says Cecilia Nilsson, head of e-commerce and digital marketing at Toyota Material Handling Europe (TMHE).

To begin with, limited products were made available online in a few countries. For TMHE, the most important thing was to get the journey started, and not to get stuck planning it for months – or years.

"When we started, all truck sales were complicated. There were no standard configurations, and every sales case was unique," says Cecilia Nilsson. At that time, pricing needed to be calculated differently from customer to customer, and country to country. It was a long and manual purchase process, complex to handle.

Today, six years later, TMHE's transformation journey continues. TMHE can sell the most complex trucks via user-friendly online configurators with a direct price quote on screen. The spare parts business has been digitized, as well as offerings regarding Used Trucks and Rentals, both for long-term and short-term.

A success factor for TMHE was the people. Instead of relying solely on external consultants or distributing the responsibility to existing parts of the organization, the entire digitalization of the customer experience was handled by a Digital Business Team, consisting of both TMHE and Columbus consultants. Bringing high-demand skills into the project, and creating one team, reduced time wasted from role hand-offs and hierarchies.

Every year, TMHE and Columbus review which parts of the customer experience can be streamlined, as well as analyzing what has already been done and/or can be improved. The roadmap is then broken down into clearly defined quarterly plans, using an agile approach while continuing TMHE's digital journey into the future.

FACTS AND SUMMARY

Toyota Material Handling Europe's e-commerce journey started in 2016 with a very limited product range.

Today, TMHE's webshop covers all European markets where the company has subsidiaries.

During 2021, a customer portal was developed in collaboration with Columbus to give existing customers even better possibilities for self-service, including access to different reports related to their fleet, such as orders, usage of trucks and more. Columbus worked continuously with Toyota Material Handling Europe throughout 2022. One of the results of the collaboration was a solution called "Build your Truck", where customers can design their own Toyota forklift.

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Governance

Corporate governance

Columbus is committed to follow the Danish Recommendations on Corporate Governance of 2 December 2020, issued by the Danish Committee on Corporate Governance. Accordingly, the Board of Directors continuously considers the updated recommendations in order to determine which are relevant for Columbus, considering the size, ownership structure, nature of the Company and the Company's business model.

Each year, in connection with the Annual Report, Columbus A/S publishes the statutory report on Corporate Governance, cf. Section 107b of the Danish Financial Statements Act.

Columbus complies with 33 recommendations and does not comply with seven of the recommendations. Deviations are all explained in the Statutory Report on Corporate Governance for 2022 according to the "comply or explain principle".

Shareholders

The shareholders have the final authority over the company and exercise their right to make decisions at the Company's General Meetings.

Management

Columbus has a unified management structure consisting of a Board of Directors and an Executive Board. The two bodies are separate, and no one serves as members of both.

The Board of Directors is responsible for the overall management of the Company on behalf of the shareholders and supervises the Company and the work of the Executive Board. The Executive Board is responsible for the day-to-day management. Together with the Executive Board, the Board of Directors determines goals and strategies, and approves budgets and action plans.

Board of Directors

The Board of Directors in Columbus A/S consists of five members: Ib Kunøe, Sven Madsen, Peter Skov Hansen, Karina Kirk Ringsted and Per Ove Kogut. Per Ove Kogut was elected as new member of the Board at the General Meeting in 2022. The Board members are elected for one year at a time with the option for re-election.

Three out of the five members elected by the General Meeting are independent members, and none of the Board members participates in the day-to-day operation of the Company.

The Board of Directors holds at least ten meetings a year according to a meeting schedule planned one year in advance on the Board meeting in December. Extraordinary Board meetings are held according to need. In 2022, 11 Board meetings were held. All Board members attended all meetings.

The Executive Board participates in Board meetings in order to ensure a direct dialogue and that the Board of Directors is well informed about the operation of the Company.

In 2022, the Board of Directors focused on the following areas:

- Macro-economic situation
- Divestment of Russian subsidiary
- Financial reporting
- Capital and share structure
- Re-organization and ERP implementation
- Strategy
- Risk management and internal controls
- Budgets

For more details about the members of the Board of Directors and the members of the Audit Committee, see "Board of Directors and Executive Board" on page 46.

Executive Board

The Board of Directors appoints the Executive Board and determines the terms of employment. The Executive Board is responsible for the day-to-day operation and management of Columbus, including strategy, budgets and targets for the Company. The Executive Board currently consists of two members, CEO & President Søren Krogh Knudsen and Group CFO Brian Iversen. Brian Iversen replaced the former CFO Hans Henrik Thrane in October 2022.

Audit Committee

The purpose of the Audit Committee is to supervise accounting, audit, risk and controlling issues. The Audit Committee consists of Peter Skov Hansen (Chairman) and Sven Madsen.

The tasks of the Audit Committee have been determined in a Terms of Reference, which have been approved by the Board of Directors. The Terms of Reference are available on the Company's website. The Committee determines the meeting frequency. In 2022, seven meetings were held. Both Audit Committee members attended all meetings. New auditors, PwC was elected at the general meeting in April 2022.

In 2022, the Audit Committee focused on the following areas:

- Financial reporting and audit planning
- Monitoring risk management and internal control systems
- Checking and monitoring the auditors independence
- Reporting to the Board of Directors

Evaluation of performance

The Chairman of the Board is responsible for conducting an annual evaluation of the competencies of the Board of Directors, the cooperation between the Board of Directors and the Executive Board, and the performance and results of the Board of Directors and the Executive Board, including the areas operation, finance, strategy, organization and management.

The individual Board and Executive Board members anonymously complete an online survey. The results of the evaluation are presented and discussed at the subsequent Board meeting.

Based on the evaluation, which was conducted in 2022, it was concluded that the work of the Board of Directors and Executive Board is efficient, and that the composition and qualifications of the Board of Directors is appropriate in terms of professional experience and relevant special competences to perform the tasks of the Board of Directors in the best possible manner.

Remuneration

Columbus' remuneration policy determines the frame for fixed and variable remuneration for the Board of Directors and the Executive Board.

The overall objective with Columbus' remuneration policy is to ensure:

- That Columbus will constantly be able to attract, motivate and retain qualified members of the Board of Directors and the Executive Board.
- Aligned interests for the company's shareholders, Board of Directors and the Executive Board.
- Promoting of the long-term interests and sustainability of Columbus and fulfilment of its business strategy short-term and long-term.

The Remuneration Policy, which is available on the Company's website, was adopted at the Annual General Meeting in April 2022.

Board of Directors

Members of the Board of Directors in Columbus A/S receive a fixed annual basic remuneration. The Chairman of the Board receives triple basic remuneration.

The Chairman of the Audit Committee receives and additional remuneration of 50% of the basic remuneration, and other members of the Audit Committee receives an additional remuneration of 25% of the basic remuneration. In addition, potential travel expenses related to board meetings are reimbursed. The Board of Directors may allot share-based instruments, if the Board of Directors considers it expedient in order to encourage common goals for Columbus's management and shareholders.

The Board of Directors evaluates its remuneration at least once a year. When determining the remuneration, the Board takes into consideration benchmarks from other companies, responsibilities and qualifications.

The overview below shows the total remuneration for the Board of Directors in 2022.

Executive Board

The Board of Directors determines the remuneration of the Executive Board. The size and components of the remuneration to the Executive Board are evaluated on yearly basis.

DKK'000	Fixed fee	Audit Committee fee	Total
Board of Directors			
Ib Kunøe (Chairman)	450	0	450
Sven Madsen (Deputy Chairman)	150	38	188
Peter Skov Hansen (member)	150	75	225
Karina Kirk Ringsted (member)	150	0	150
Per Ove Kogut (member)	150	0	150

The Executive Board receives a fixed remuneration. In addition to the fixed remuneration, other benefits such as pension contribution, company car, insurances and other normal benefits related to local conditions may be agreed to cover the Executive Board member's daily performance.

Furthermore, an allowance or reimbursement of additional costs related to stationing is offered. The fixed fee is determined based on market standard hereunder scope of responsibility and qualifications. In addition to the fixed remuneration, variable incentive programs may be allotted. Incentive programs may comprise any form of variable remuneration, including share-based instruments such as share options, warrants and phantom shares as well as non share-based bonus schemes - both ongoing, single-based and event-based.

The overview below shows the total remuneration of the Executive Board in 2022.

Pursuant to Section 139b of the Danish Companies Act, Columbus has prepared a Remuneration Report for 2022 which is available at the Company's website. The Remuneration Report provides an overview and detailed description of the total remuneration received by each member of the Board of Directors and of the Executive Board for the 2022 financial year with comparative figures for past financial years where relevant.

Diversity and inclusion

In accordance with section 139c of the Danish Companies Act and the recommendations on Corporate Governance, the Board of Directors has adopted a Diversity & Inclusion Policy. The Diversity & Inclusion Policy is available on the Company's website.

Columbus is committed to have a diverse and inclusive work culture, where our people thrive and grow with equal career opportunities and where our people feel heard and included in the organization. We believe that diversity within gender, age, experience, educational and socio-economic background, ethnicity, sexuality, disability etc. is important, and we do not tolerate any kind of discrimination, harassment or bullying of employees.

Our people are key to Columbus success. Our talent strategy aims to attract, retain and develop competence to meet future needs and to stay attractive on the candidate market.

With a talented culture, we aim to give all employees the right level of support and challenges to develop themselves and their skills. We do that by looking to everyone's unique needs and strengths, which also help them to see their own potential. A talented culture at Columbus also implies a working environment where we enable learning and feedback and build diverse teams with room for creative thinking and innovation.

Remuneration of the Executive Board 2022

DKK ´000	Fixed remuneration: Fixed base salary	Pension	Other benefits	Special allowance	Total	Variable remuneration: Short-term bonus	Granted Share-based instruments	Total	Total fixed & variable remuneration
Søren Krogh Knudsen, CEO	4,000	0	245	0	**4,245**	0	0	**0**	**4,245**
In percent	94%	0%	6%	0%	100%	0%	0%	0%	100%
Brian Iversen, CFO (from 26 September to 31 December 2022)	581	0	33	0	**614**	132	0	**132**	**746**
In percent	78%	0%	4%	0%	82%	18%	0%	18%	100%
Hans Henrik Thrane, CFO (from 1 January to 31 August 2022)	1,788	0	153	0	**1,941**	0	0	**0**	**1,941**
In percent	92%	0%	8%	0%	100%	0%	0%	0%	100%
Severance pay[1]				1,628					1,628
Total without special arrangements	6,369	0	431	0	**6,800**	132	0	132	**6,932**
In percent	92%	0%	6%	0%	98%	2%	0%	2%	100%

1 In connection with Hans Henrik Thrane's resignation, the Board of Directors determined an allowance of DKK 1,628 thousand for the period September 2022 to end February 2023. This corresponds to 2022 level fixed basic salary, on-target bonus and other benefits and is thus in accordance with the remuneration policy. The severance pay is expensed in the financial year 2022.

Leaders in Columbus have a key role to empower employees and acknowledge their strengths and potential contribution. A talented culture requires leaders that treat everyone fairly and offer equal opportunities for progression.

Diversity targets and reporting on progress

Columbus A/S has chosen to set target figures and report on target figures only for the companies in the Group that individually meet the criteria for being subject to the rules, cf. The Danish Business Authority's "Guidelines on target figures, policies and reporting on the gender composition of management". Only the parent company, Columbus A/S meets the criteria, and therefore target setting and reporting on development in relation to targets will only apply for Columbus A/S.

The Board of Directors have set targets for the gender distribution in Columbus. The targets are reviewed annually.

By the end of 2021, the proportion of women in Columbus' Board of Directors was 25%, and thereby the gender distribution in the Board of Directors was considered to be equal. Therefore, the Board of Directors decided not to increase the target for the proportion of women in the Board of Directors in 2022.

In 2022 the Board was extended with a new male Board member, Per Ove Kogut, and consequently, the proportion of women in Columbus' Board of Directors has decreased to 20%.

All Board members have been chosen based on their individual relevant special competencies to perform the tasks of the Board of Directors and the way their expertise complements each other. Gender is taken into consideration, but candidates are chosen based on competences necessary for the specific role.

In 2022, the Board of Directors has set a new target to increase the proportion of women in the Board of Directors to 33% in 2025.

In the period 2016 to 2021, the percentage of women at management level in Columbus A/S increased from 12.5% to 33%. At the end of 2022, the percentage of women at management level had decreased to 30%.

The decrease is partly due to reorganizations in the Company and partly a consequence of women at management level, who have left Columbus and been replaced by a male manager.

In 2020, Columbus set a target to increase the percentage of female managers in Columbus A/S to a minimum of 35% by the end of 2023. Columbus maintains this target.

To address the decline in women at management level in 2022, our talent acquisition team will review all selection processes to ensure that they are inclusive and to approach each recruitment process with the aim to diversify the company. We are also reviewing our internal career pathways, competency framework and promotion processes to address this issue and to ensure they are equitable to all employees.

Furthermore, Columbus has launched a Sustainability Strategy, which includes a diversity program and a target of reaching a gender distribution of 40% women and 60% men in 2027 globally in Columbus.

Pursuant to Section 99b of the Danish Financial Statements Act, Columbus has prepared the statutory report on gender distribution as part of the Sustainability Report 2022, which is available at the Company's website.

Columbus A/S has no diversity and inclusion policy covering the Company's Group Management (Board of Directors and Executive Board), cf. Section 107d of the Danish Financial Statements Act.

So far Columbus has not found it relevant with specific diversity targets, besides gender distribution, for the Group Management, since the Company, due to its global structure, already has a high diversity in terms of nationality, age and educational background in its Business Unit management.

The composition of the Board of Directors is considered appropriate in terms of professional experience and relevant special competencies to perform the tasks of the Board of Directors.

Data Ethics

The Board of Directors has adopted a Data Ethics Policy and continue to comply with statutory regulations regarding data and privacy protection. The purpose of the Data Ethics Policy is to establish the high standards for data ethics that Columbus wishes to adhere to and to emphasize our commitment to a responsible and sustainable use of data and to account for our general data collection and use in order to ensure transparency. The Data Ethics Policy is reviewed annually.

Columbus will periodically review and revise the principles to reflect evolving technologies, the regulatory landscape, stakeholder expectations, and understanding of the risks and benefits to individuals and society of data use.

The digital ecosystem imposes a new and more significant risk for organizations and society. In this data-driven, digital world, the creation and collection of data do not pose a major risk. However, when an analysis is prepared for insight from collected data, and consumers act upon this data, that action certainly poses a new risk for the organization.

Columbus as an organization has laid down principles and guidelines which support ethical decision-making when using data across the value chain.

At Columbus, control and sustainable utilization of data is vital component in data management lifecycle. While Columbus is concentrating its resources on building an ecosystem that is well-connected and can evolve sustainable technologies to define customer needs. Data privacy and security are integral to the future of these services. In the reporting year, Columbus has posted privacy notices and consents on its official website that explain data processing and security practices; outlining, in clear and unambiguous language, the intended purpose of the data collection; and disclosing the possibility of a data transfer or the use of third-party data where relevant.

Columbus will ensure by means of ongoing awareness-raising e-learning activities that the organisation is fully aware of and committed to respecting data ethics within Columbus. We consequently set high standards for ourselves as regards our data collection sources, what we do with the data, and how we use them.

Among other things, we will refrain from any comprehensive data collection that might be tantamount to mass surveillance. Data in Columbus possession is processed and stored in a secure manner, ensuring a minimal risk of data breach.

With this 2022 report on Data Ethics, Columbus complies with section 99d of the Danish Financial Statements Act.

Internal controls and risk management related to financial reporting

The intention of Columbus A/S' internal control system is to eliminate or mitigate significant risks identified in the financial reporting, and that material errors and inconsistencies in the financial reporting process are identified and corrected.

Overall control environment

The Board of Directors has the overall responsibility for Columbus A/S' internal controls and has approved Group policies related to internal controls, standards and procedures for financial reporting.

The Board of Directors has appointed the Audit Committee to assist the Board of Directors with supervising the financial reporting process and monitoring the effectiveness of the internal controls and risk management system.

The responsibility for maintaining efficient internal controls and a risk management system in connection with the financial reporting lies with the Executive Board which in cooperation with the Board of Directors annually evaluate the control system of the Group. Responsibilities, authorities and procedures relating to essential areas are defined in a Group policy which is approved by the Board of Directors.

Risk assessment

The Board of Directors and the Executive Board annually assess the risks that Columbus A/S is exposed to, including risks related to the financial reporting process.

On an ongoing basis, the Audit Committee monitors the effectiveness of the internal controls for financial reporting and reviews and discusses material and relevant changes to accounting principles, including implementation of these.

Control activities and monitoring

All companies in the Columbus Group report financial and operational data to the head office on a monthly basis. The reporting includes comments to the financial and business development. Based on this reporting the Group's financial statements are consolidated and reported to the Group management.

As part of this process, monthly business reviews and controlling meetings are held, and control visits to all operational companies in the Group are performed on an ongoing basis in order to ensure that material errors in the financial reporting are discouraged, discovered and corrected.

The need for an internal audit is considered annually by the Audit Committee. However, due to the size of the Company and the established control activities the Audit Committee so far considers it unnecessary to establish an independent internal audit function.

Information and communication

Columbus has implemented a formalized reporting process for monthly, quarterly and annual reporting as well as for budgeting and forecasting.

Columbus' reporting manual and other reporting instructions are updated on an ongoing basis. All updates are communicated to the global finance organization. All employees have access to reporting manuals and instructions.

Whistleblower function

As part of the risk management, Columbus has established a whistle-blower function for expedient and confidential notification of possible or suspected wrongdoing. At the end 2022, no cases had been reported through the whistle-blower scheme.

Further information

The statutory report on Corporate Governance for 2022, cf. section 107b of the Danish Financial Statement Act is available at: www.columbusglobal.com/Investors/Corporate Governance Statements

Remuneration Policy, including guidelines for incentive programs, cf. section 139 and 139a of the Danish Companies Act is available at: www.columbusglobal.com/Investors/Remuneration

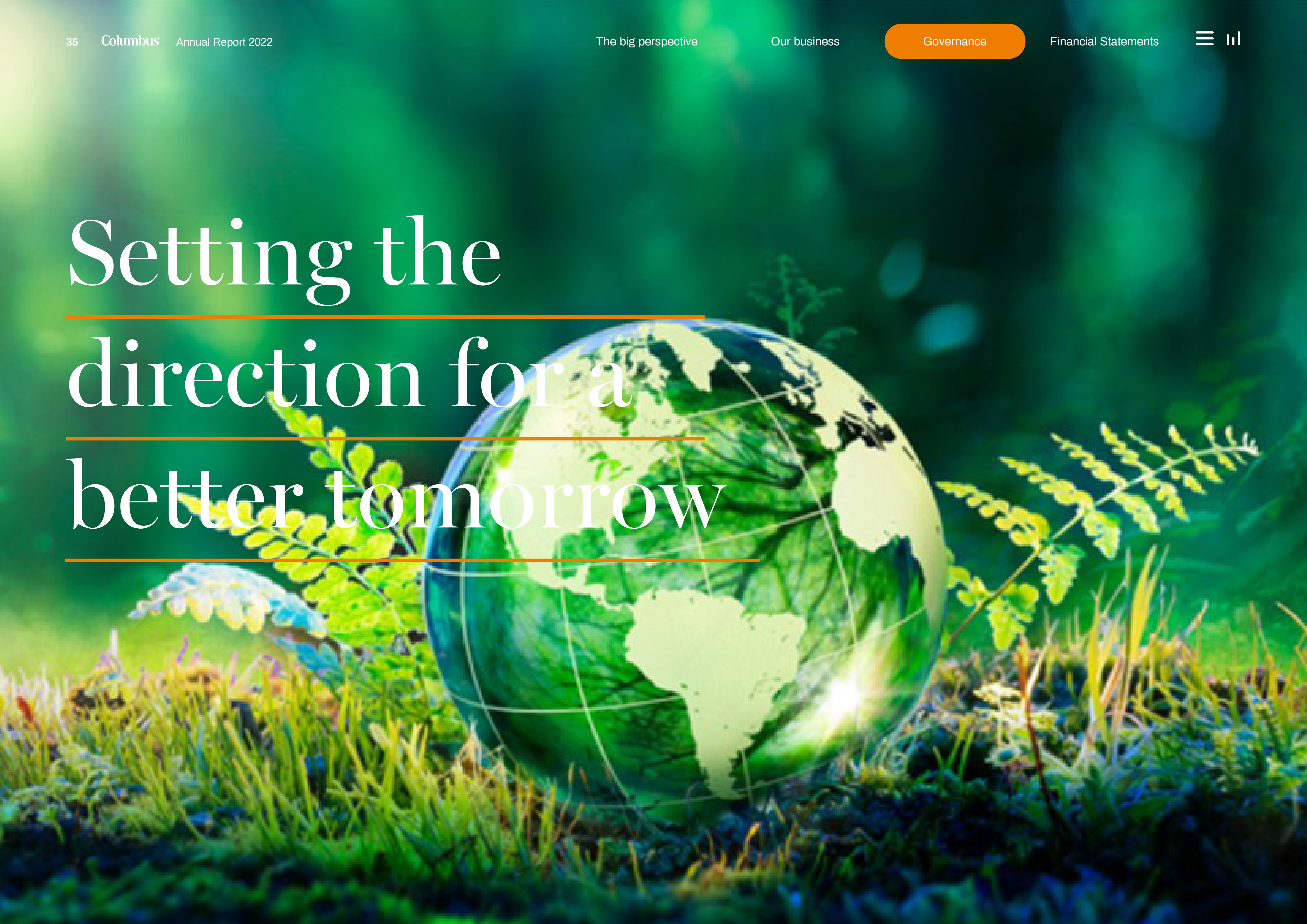
The Remuneration Report for 2022, cf. section 139b of the Danish Companies Act is available at: www.columbusglobal.com/Investors/Remuneration

The statutory report on Gender Distribution for 2022, cf. section 99b of the Danish Financial Statements Act is available as part of the Sustainability Report at: www.columbusglobal.com/Investors/CSR

The Diversity & Inclusion Policy, cf. section 139c of the Danish Companies Act and the Recommendations on Corporate Governance is available at: www.columbusglobal.com/Investors/Diversity&Inclusion

The Data Ethics Policy is available at: www.columbusglobal.com/Investors/Polices&Articlesofassociation

Setting the direction for a better tomorrow



Corporate Social Responsibility

In 2022, we have initiated an ambitious ESG strategy process. In Columbus, we are committed to contribute to the UN Sustainable Development Goals. We focus on seven of the 17 SDGs. In each of the SDG targets, we have formulated our commitment and focus points.

Columbus support the UN Global Compact

Columbus has been part of the UN Global Compact since 2012, which shows our commitment to being socially and environmentally responsible.

Columbus supports and enacts seven general principles of corporate social responsibility.

These principles are based on internationally recognized conventions on human rights, labour standards, environment, and anti-corruption.

More Information

Columbus' statutory statement on Corporate Social Responsibility (Sustainability Report) pursuant to section 99a of the Danish Financial Statements Act for the financial year 2022 is available on the company's website at www.columbusglobal.com/Investors/CSR

Gender equality

5 GENDER EQUALITY

We commit to growing a diverse, inclusive, and talented culture. We continue to increase the proportion of women in Columbus.

Decent work and economic growth

8 DECENT WORK AND ECONOMIC GROWTH

We ensure high-quality work and safe working conditions for our people, and we ensure equal opportunities for career progression and talent development for all employees.

Industry, innovation and infrastructure

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

We help our customers accelerate their sustainable performance with digital advisory and innovative solutions within the industries Food & Beverage, Manufacturing, and Retail & Distribution.

Reduce inequalities

10 REDUCED INEQUALITIES

We ensure equal rights, conditions and opportunities for all candidates and employees, irrespective of age, gender, disability, race, ethnicity, origin, religion, or other status.

Responsible consumption and production

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We improve daily operations to create significant sustainable outcome by striving to recycle waste and optimize energy and water consumption. We advise our customers and develop innovative digital solutions that help our customers enable sustainable production patterns.

Climate action

13 CLIMATE ACTION

We aim to reduce our environmental footprint globally by improving our daily operation such as flight travel, increase green transportation, recycle our waste and optimize our consumption and energy mix.

Peace, justice and strong institutions

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

We ensure responsible business conduct by acting transparently and as a morally accountable company.

Our new Sustainability Strategy

In 2022, Columbus launched a new sustainability strategy aimed at contributing to the sustainability agenda. The strategy comprises two streams; An external stream aiming at accelerating our customers' sustainable performance by advising and providing digital solutions, and an ESG stream focusing on our culture, conduct and our operations' impact on the environment.

Columbus' objective is to equip our customers with the resources necessary to mitigate their ecological footprint while concurrently assessing our internal performance in the following aspects: Growing a diverse and talented culture, ensuring responsible business conduct and evaluating the environmental implications of our operations.

Customers - Enabling sustainable impact

We help our customers accelerate sustainable performance and development by providing digital solutions that promote sustainability, growth, and profitability in their business. There is vast potential within digitalization and the green transition – two engines of change in our societies that cannot be separated. We, as digital advisors, have a golden opportunity to help our customers in our key industries, Manufacturing, Food, Beverage & Process and Retail & Distribution, to achieve their sustainability goals through ESG solutions and advisory.

We offer end-to-end sustainable digital solutions such as Cloud ERP, Strategy & Change, Digital Commerce, Data & Analytics, Application Management and Customer Experience to address the lifecycle and sustainability demands of the food and beverage, retail and distribution, and the manufacturing industries.

In addition to our existing digital solutions that are further outlined on page 39, we are currently working on offerings that specialise in our customers' needs. For instance, these offerings include an ESG Program Management Solution to help customers accelerate and manage their ESG compliance and reporting initiatives. Another offering aims to help customers to focus and consolidate their sustainability initiatives by providing ESG Advisory Services that will enable companies to lead a sustainable business culture and provide governance for the organization's sustainability initiatives.

These offerings, complete with sales and consulting toolkits, will be launched in Q2 2023, with other customized solutions to follow.

Culture - Growing a diverse and talented culture

Our vision is to grow a diverse and talented culture within Columbus. We support people to grow, develop, and collaborate within an inclusive culture. We see the value in differences that enrich our company and each individual. Therefore, Columbus has initiated work in mainly three focus areas to move in this direction:

Diversity and Inclusion

We want to grow a culture that encourages managers and employees to embrace diversity and set it on the internal communication and management agenda.

Attract and develop talents

Our crucial flagship is to grow a diverse and talented culture in Columbus and to ensure that our people thrive and stay with us. Our ambition is to attract, retain and develop competence to meet future needs and to remain attractive in the candidate market.

Employee engagement

We want to focus on employee engagement and create an inclusive workplace where we treat each other equally and respectfully. Essential aspects of this work are developing meaningfulness and engaging employees in projects that align with their own and the company's values and dreams.

Operations - Building sustainable operations

We strive to improve daily operations to achieve significant sustainable outcomes.

Building sustainable operations will focus on Columbus' carbon emissions as well as waste and energy management.

We started monitoring our greenhouse gas emissions globally in 2022 to understand better how our operations affect the climate. After identifying data sources and selecting tools for data collection, storage, calculation, and reporting, we have created an overview of our Carbon footprint by calculating CO2 emissions according to the Greenhouse Gas (GHG) Protocol.

We have established a baseline that will enable us to confidently set short, medium, and long-term targets to reduce GHG emissions in our operations and create a roadmap on initiatives to fulfil our science-based targets that are aligned with the Paris agreement.

Our Scope 3 emissions include only business travel data; therefore, Scope 3.6. In 2023, we are determined to expand our efforts and start waste and energy management programs.

More information on our initiatives can be found in the "Environment and climate impact" section in the Sustainability Report 2022.

Conduct - Ensuring responsible business conduct

The complexity and need for documentation are increasing while governance of sustainability and compliance is increasingly important to stakeholders. Therefore, we empower and strengthen compliance, governance, and responsible behavior within the strategic focus area: "Ensuring responsible business conduct".

We ensure Columbus' EU taxonomy readiness within a compliance program and create policies in close cooperation with "Building sustainable operations" and "Growing a diverse and talented culture".

Strong policy frameworks guide employees and managers in Columbus in their decision-making and daily operations. Examples of policies currently being developed include our Diversity & Inclusion Policy, an Anti-corruption Policy and a Facility and Procurement Policy.

More information on our initiatives can be found in "Environment and climate impact" section in the Sustainability Report 2022.

Helping our customers run a growing, profitable, and sustainable business

With ever-increasing emphasis on sustainability, organizations seek new, innovative business models to future-proof, transform, and modernize their infrastructure.

Columbus helps our customers future-proof their business by enabling them to run a sustainable, growing, and profitable business through digitalization.

Columbus has strong domain knowledge within key industries based on more than 30 years of experience and profound insights with more than 2,500 customers. As sustainability is becoming increasingly important, we are stepping forward and leading our customers in creating a better tomorrow.

We offer end-to-end sustainable business critical solutions such as Cloud ERP, Digital Commerce, Data & Analytics, and Application Management and advisory services to address the lifecycle and sustainability demands of the manufacturing, food, and retail and distribution industries.

Manufacturing

An acute shortage of skilled workforce, expensive machinery, and increasing production costs have a high impact on the manufacturing sector. Columbus supports manufacturers to stay ahead of the competition curve by bringing Industry 4.0 best practices into the picture. We enable the players to upgrade their technological capabilities and build a sustainable, reliable, and resilient infrastructure.

Our services include, but are not limited to, efficient global supply chain integration, IoT for improved connectivity, personalization and configuration, as well as artificial intelligence and machine learning-related expertise for demand prediction and planning.

This results in streamlined production at a lesser cost, and an efficient global supply chain.

Food, Beverage & Process

The last few decades have seen an infuse of IT in the food and beverage industry. Increased competition from medium and small companies and evolving consumer needs necessitates food manufacturers and retailers to build capabilities around technology for pricing, to forecast customer demand, ensure high levels of quality in a highly regulated industry.

Columbus solutions help our customers increase transparency and traceability across the supply chain to ensure a granular MRP. Columbus solutions help our customers respond to changing customer dietary preferences and compliance mandates by minimizing wastes, improving the efficiency of supply chains and inventories, optimizing delivery routes, automating manual processes, and ensuring that the food products adhere to the highest quality and safety standards.

Retail & Distribution

A modern-day consumer goes through several touchpoints before making a purchase. Columbus enables retailers, distributors, and brands to ensure a seamless customer experience throughout this journey. Our solutions enable our customers to provide a unified customer experience across all channels and touchpoints, optimize costs with centralized inventory management, increase order values through improved engagement, maximize revenue from existing customers, and gain new customers.

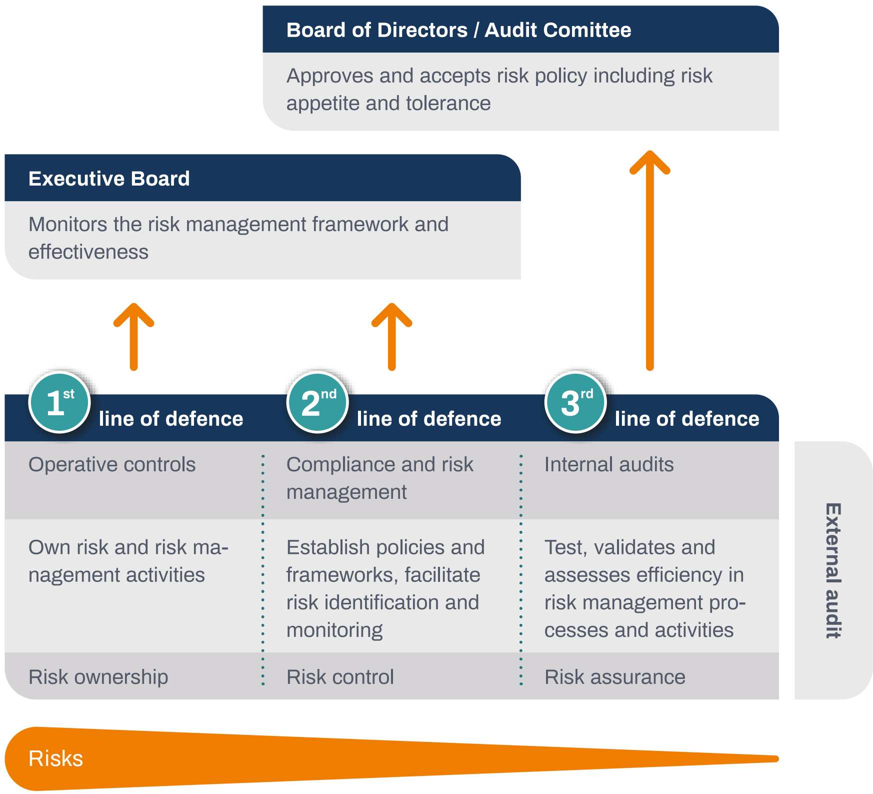
ESG key figures

ESG key figures overview	2022	Unit	2021	2020	2019
Environment					
CO_2e, scope 1 (direct GHG emissions)	91.86	tCO_2e	–	–	–
CO_2e, scope 2 (indirect GHG emissions)	153.56	tCO_2e	–	–	–
CO_2e, scope 3 (other indirect GHG emissions)	1,630.87	tCO_2e	–	–	–
Social					
Average full-time employees	1,535	FTE	1,455	1,655	1,834
Gender diversity	31%/69%	f/m	29%/71%	28%/72%	–
Gender diversity for managers, principals and partners	28%/72%	f/m	29%/71%	29%/71%	–
Sickness absence	2.34	%	–	–	–
Employee satisfaction	+47	eNPS	+40	+33	–
Governance					
Gender diversity – Board of Directors (BoD)	20%/80%	f/m	25%/75%	25%/75%	25%/75%
Attendance at the BoD meetings	100	%	100	100	100
CEO pay ratio	1:7	times	1:8	1:22[1]	1:9

[1] In 2020, total remuneration for the CEO & President, Thomas Honoré, included severance pay. The CEO pay ratio excluding the severance pay was 1:9. See Remuneration Report 2022 for further information.

Risk management

As a global company operating in a continuously changing environment, Columbus is exposed to several commercial and financial risks. Consequently, it is essential for the Company to ensure that risks are constantly identified, monitored and controlled in order to reduce potential negative impact on operational performance and financial results.



As Columbus has grown and developed over time, focus on risk management has increased and become an integrated part of the Group's business activities. By constantly monitoring and mitigating risks, Columbus aims to reduce risks to an acceptable level to reduce potential negative impact on operational performance and financial results.

Columbus risk management is organized according to the "Three lines of defence" model which organizes roles and responsibilities for risk decisions and controls to ensure efficient risk management and governance.

The Executive Board is responsible for the ongoing risk management and continuously considers and reviews key risks.

Risk management is reported to and discussed with the Audit Committee at committee meetings during the year.

The Board of Directors has the final responsibility for the Group's risk management.

Once a year, a formalized updated risk assessment, including measures to mitigate risks, is reported to the Board of Directors for approval.

Risk definition

Columbus' is exposed to several commercial and financial risks that potentially could reduce the ability to realize the Company's strategic and operational objectives. Risks are evaluated in terms of:

Probability that the risk will materialize
X
Impact without any mitigation
=
Gross Risk
-
Mitigation activities
=
Net Risk

Risk handling

Columbus constantly strives to bring risks to a level that is acceptable. Columbus' seeks to **transfer** the risk to a third party and/or to **mitigate** the risk seeking to minimize the exposure. Ultimately some risks will remain that Columbus **accepts**. By constantly monitoring and mitigating these risks, Columbus aims to reduce them to an acceptable level.

Risk grouping

Columbus groups the risks in Commercial and Financial risks.

Columbus' potential to realize the Company's strategic and operational objectives is exposed to several commercial risks, such as the ability to adapt to market changes, project and contract risks, employee dependency and partnership with software providers.

Due to Columbus' international activities, investments and financing, the Group's earnings and equity are impacted by changes in currency rates, interest rates, liquidity and credit risk. The overall objective of the financial risk management is to reduce the sensitivity of earnings to fluctuations in economic trends.

The Parent Company controls the financial risks in the Group centrally and coordinates the Group's liquidity management, including provision of capital and placement of excess liquidity pursuant to the "Finance policy and financial risk management guidelines" determined by the Board of Directors and the Executive Board.

These guidelines are updated and approved by the Board of Directors annually, based on a low risk profile so that currency and interest risks only emerge in commercial conditions.

Internal controls and risk management related to financial reporting are described on page 34 under "Corporate Governance" and are included in the Company's Statutory Corporate Governance statement, cf. section 107b of the Danish Financial Statements Act which is available on Columbus' website.

The top risk issues are mapped in terms of probability and impact in the graph to the right and further described on the next page.

Risk map

Risk issues and actions

	A IT, GDPR and cybercrime	B Project and contract risks	C Employee dependency	D Competitive pressure and market changes	E Partnership with software providers
Risk	Key IT risks are unauthorized attacks, operational dependency and potential non-compliance to personal data regulation including General Data Protection Regulations (GDPR). GDPR has significant ramifications for non-compliance.	It is crucial to Columbus' services projects to be able to execute high quality at the agreed time and price. Risks are attached to the Sale, Analysis and Design, Development, Implementation and Deployment phases.	Columbus is a knowledge-intensive company and in order to continuously offer optimal solutions, develop innovative products, and ensure satisfactory financial results, it is necessary to attract, retain and develop the right employees.	Rapid changes and competitive pressures from both existing and new competitors in the IT market provide a risk of losing Columbus' competitive edge. Increased market volatility and a fragile economy situation increase the general risk picture.	Columbus' business is to a wide extent based on implementation and servicing of customer solutions based on third party software and cloud products. Partnerships with our software and cloud providers is of crucial importance to the implementation of Columbus' business strategy.
Impact	Business interruptions, property theft and regulatory consequences leading to financial losses and reputational damage. Potential impact is considered high, but mitigation reduces risk and probability.	Incorrect pricing and unclear scoping pose a risk of cost overruns, delivery risks and customer dissatisfaction. Probability is considered low/medium and impact medium.	Lack of talent will limit the future growth and loss of key employees could have negative impact on the existing business. Both probability and potential impact is considered medium.	Failing to spot and follow market trends and development could have a negative impact on the growth opportunities and existing business. Both probability and potential impact is considered medium.	Loss of partnership agreements or deteriorating relationships could have a significant negative impact on the overall business. Probability is considered low and impact medium/high.
Mitigation	Columbus has adopted leading industry standard i.e., ISO 27001 & 27002 and is at an advanced stage of implementation. ITIL V3 best practices are leveraged as part of the continuous improvement process. Columbus has subscribed to Cyber Insurance Plan to safeguard itself from financial cost arising in the event of a Cyber Incident. This in combination with our business continuity process reduces the risks.	By focusing on the sales phase, we are striving towards repetition in solving the customer problems and the procedures by which these problems are managed. Through project reviews, implemented standard contracts and ongoing analyses before, during, and after initiation, Columbus aims to identify issues and problems before they escalate. This mitigation has lowered the risk in 2022 compared to 2021.	Columbus has the goal of being an attractive workplace and achieves this through incentive programs, attractive working conditions, employee and manager development, and placing great importance on the company culture. All employee's heartbeat (based on NPS approach) are measured on a monthly basis to ensure good culture, personal progress and employee development.	Columbus is continuously improving and developing new market and industry relevant services and solutions. We measure and react to customer loyalty and monitor market development and competition. We constant develop our skilled employees to ensure high quality in delivery of projects and services.	Columbus has strong strategic partnerships with Microsoft and Infor, among others. Columbus is in close dialog with our major partners on an ongoing basis, which is mitigating the risk of sudden incidents to deteriorating the partnership.

Notifications to Nasdaq Copenhagen

2022

1	14 February	Major Shareholder Information Pursuant to Section 30 of the Danish Capital Markets Act
2	16 March	Columbus Annual Report 2021
3	16 March	Columbus exits Russian market
4	21 March	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
5	22 March	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
6	24 March	Major shareholder information pursuant to Section 30 of the Danish Capital Markets Act
7	25 March	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
8	31 March	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
9	1 April	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
10	4 April	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
11	7 April	Notice to convene annual general meeting
12	7 April	CORRECTION: Notice to convene annual general meeting
13	8 April	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
14	29 April	Passing of Columbus Annual General Meeting and subsequent constitution of the Board of Directors
15	2 May	Amendment of articles of association
16	10 May	Interim Report Q1 2022
17	22 May	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
18	26 May	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
19	1 June	Hans Henrik Thrane will step down from his role as CFO in Columbus
20	4 July	Brian Iversen appointed new CFO and member of the Executive Board in Columbus
21	24 August	Interim Report Q2 2022
22	30 August	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities

2022

23	2 September	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
24	6 September	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
25	13 September	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
26	19 September	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
27	21 September	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
28	14 November	Update of financial outlook for 2022
29	15 November	Interim Report Q3 2022
30	22 November	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
31	23 November	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
32	9 December	Notification of transactions in Columbus shares and related securities

2023

1	3 February	Preliminary unaudited financial results for 2022

Financial calendar 2023

Annual Report 2022	15 March 2023
Annual General Meeting	24 April 2023
Interim Report Q1 2023	16 May 2023
Interim Report Q2 2023	24 August 2023
Interim Report Q3 2023	15 November 2023

Immediately following the publication, the notifications will be available on Columbus' website: www.columbusglobal.com

Group overview

Company	Country	Ownership by Columbus A/S, %	Columbus A/S' share of voting right, %	Average no. of employees
Columbus A/S	Denmark			294
Subsidiaries				
Western Europe				
Columbus Norway AS	Norway	100	100	173
Columbus Sweden AB	Sweden	100	100	426
Columbus Global (UK) Ltd.	England	100	100	188
Columbus Deutschland GmbH	Germany	100	100	21

Company	Country	Ownership by Columbus A/S, %	Columbus A/S' share of voting right, %	Average no. of employees
Eastern Europe				
Columbus Global s.r.o	Czech	100	100	38
Columbus Poland Sp.z.o.o.	Poland	100	100	46
North America				
Columbus US Inc.	USA	100	100	60
Asia				
Columbus Global Services India Pvt. Ltd.	India	100	100	277
Rest of world				
Columbus Chile SpA	Chile	100	100	13

Note: The overview only contains the Group's operative companies.

Board of Directors

	Ib Kunøe	Sven Madsen
Born	1943	1964
Title and position	Chairman of the Board Member of the Board since 2004, re-elected in 2022, term expires 2023	Deputy Chairman of the Board Member of the Board since 2007, re-elected in 2022, term expires 2023 CFO in Consolidated Holdings A/S Member of the Audit Committee
Education	Holds an HD Graduate Diploma in Organization and Management as well as a background as a professional officer (major).	Holds a Graduate Diploma in Financial and Management Accounting and an MSc in Business Economics and Auditing
Independency	Does not fulfil the Committee of Corporate Governance definition of independency	Does not fulfil the Committee of Corporate Governance definition of independency
Chairman of the Board	Atea ASA, Consolidated Holdings A/S, X-Yacht A/S, CALUM Ballerup K/S, CALUM Åbyhøj K/S, CALUM Værløse K/S, CALUM Bagsværdlund K/S, Komplementarselskabet Åbyhøj ApS, Komplementarselskabet Værløse ApS and Komplementarselskabet Bagsværlund ApS	CHV III ApS, Dansk Emballage A/S
Member of the Board	Atrium Partner A/S	Atea ASA, Consolidated Holdings A/S, core:workers AB, core:workers Holding A/S, X-Yachts A/S, Ejendomsaktieselskabet af 1920 A/S, CHV V A/S, DAN-Palletiser Finans A/S and MonTa Biosciences ApS.
Special competencies	Company management, including management of IT companies, development of and dealing with companies.	General management, M&A, business development, economic and financial issues.
No. of shares 31 Dec 2022	450,000	948,529
Changes in fiscal year, shares	0	0


	Peter Skov Hansen	Karina Kirk Ringsted
Born	1951	1971
Title and position	Member of the Board since 2012, re-elected in 2022, term expires 2023 Chairman of the Audit Committee	Member of the Board since 2018, re-elected in 2022 term expires 2023 Owner of KIRK & CO. Executive and board advisory
Education	Completed State Authorized Public Accountant education in 1980, registered as nonpracticing.	Holds a Master of Science in International Business Administration (1996), NYU Stern School of Business, MBA selected classes (1994), Executive, Board Leadership and Governance (2017)
Independency	Fulfils the Committee of Corporate Governance definition of independency	Fulfils the Committee of Corporate Governance definition of independency
Chairman of the Board	-	–
Member of the Board	X-Yachts A/S	Ringsted Olie A/S
Special competencies	Business development and financial, accounting and tax related issues.	General management, management of consulting companies, market and customer leadership, business development and business transformation.
No. of shares 31 Dec 2022	280,000	45,000
Changes in fiscal year, shares	0	0

Per Ove Kogut

Born	1964
Title and position	Member of the Board since 2022, term expires 2023
Education	Master, Public Administration & IT science from the University of Copenhagen
Independency	Fulfils the Committee of Corporate Governance definition of independency
Chairman of the Board	Digital Hub Denmark, Epista life science A/S
Member of the Board	Loyal Solutions A/S
Special competencies	General management, management of consulting companies, market and customer leadership and business development.
No. of shares 31 Dec 2022	0
Changes in fiscal year, shares	0

Executive Board

Søren Krogh Knudsen

Brian Iversen

	Søren Krogh Knudsen	Brian Iversen
Born	1974	1969
Title and position	CEO & President Joined in June 2021	CFO Joined in October 2022
Education	Holds an executive MBA in Business Administration, economics and an Academy Profession Degree in Financial Management.	Holds an MBA from Henley University in the UK and a Graduate Diploma in Finance & Accounting.
Chairman of the Board	-	-
Special competencies	General management, technology-driven transformation programs, turnarounds and growth strategies	Leading, optimizing and developing global finance operations, implementing strategic programs, M&A's and improving business performance.
No. of shares 31 Dec 2022	494,658	0
Changes in fiscal year, shares	204,105	0
Total no. of warrants 1 Jan 2022	999,999	0
No. of warrants exercised in 2022	0	0
No. of warrants granted in 2022	0	0
Total no. of warrants 31 Dec 2022	999,999	0

Shareholder information

Share capital

At the end of 2022 the share capital in Columbus A/S comprised of 129,276,264 shares at DKK 1.25 corresponding to nominal share capital of DKK 161,595,330 (2021: 129,276,264 shares at DKK 1.25 corresponding to nominal share capital of DKK 161,595,330).

Each share provides one vote. The shares are marketable securities and no restrictions have been set for the shares' negotiability. The shares must be named and noted in the Company's share register.

Share development

At the end of 2022, the price of the Columbus A/S share was DKK 6.29, while at the end of 2021 it was DKK 9.54 – a decrease of 34.07% (2021: -15.12%) [1].

In 2022, a total of 16m shares were traded corresponding to 12.4% of the total number of shares at the end of 2022 (2021: 45.9%). The average trade per business day in 2022 was DKK 0.5m (2021: DKK 2.7m)[1].

The Company's market value amounted to DKK 813.1m at the end of 2022 against DKK 1,233m at the end of 2021.

Shareholders

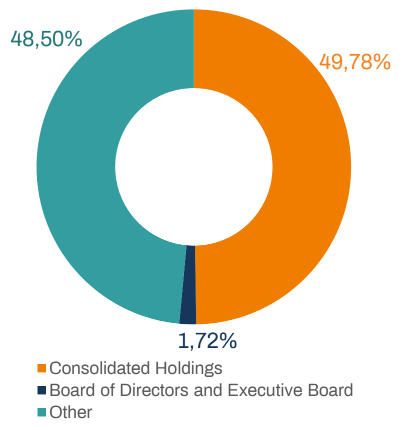
At the end of 2022 Columbus A/S had 7,366 registered shareholders, who together owned 97.50% of the total share capital.

The following shareholders have informed Columbus A/S of possession of 5% or above of the share capital:

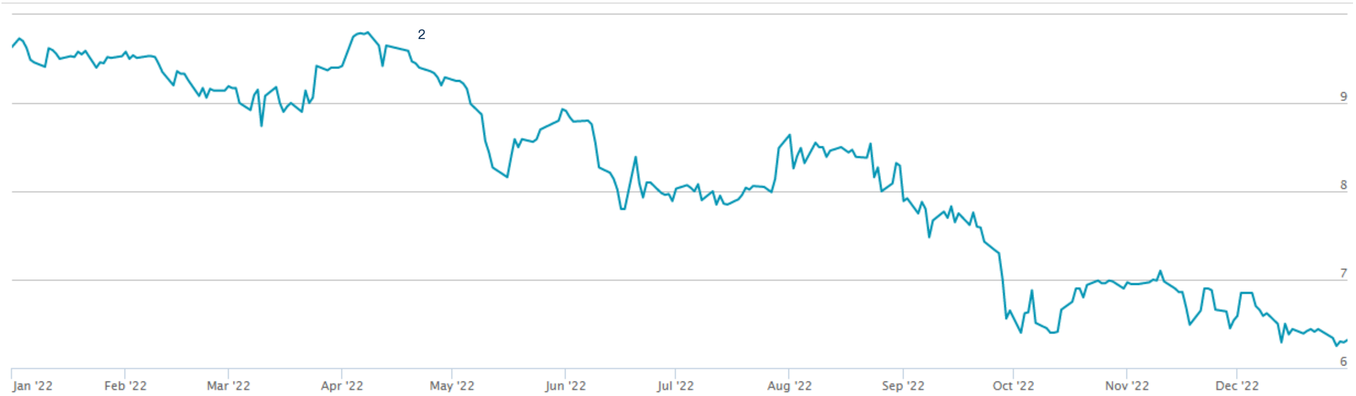
	No. of shares	%
Protector Forsikring ASA	8,678,054	6.71
Consolidated Holdings A/S	64,350,947	49.78
Ib Kunøe	450,000	0.35
	62,714,906	50.13*

* Due to shareholder voting agreements, Consolidated Holdings A/S holds 51.18% of the voting rights.

Shareholders



Share price development in 2022[1]:



[1] Source: Nasdaq Copenhagen A/S
[2] Distribution of dividend of DKK 6 per share

Share data

Share capital	DKK 161,595,330
No. of shares	129,276,264
Stock exchange	Nasdaq Copenhagen A/S
ISIN code	DK0010268366
Abbreviated name	COLUM
Index	Mid Cap
Share price at year-end	DKK 6.29

Members of Columbus A/S' Board of Directors and Executive Board owned in total 51.50% of the share capital at the end of 2022.

Dividend

The Company's dividend policy is to distribute dividend of minimum 10% of the nominal share capital each year, corresponding to DKK 0.125 per share. Besides, the Board of Directors may decide to propose to the General Meeting that this dividend be supplemented with an extraordinary dividend for a specific fiscal year.

However, it is decisive for Columbus to reduce debts and improve financial resources in order to be able to seize any positive development opportunities for continued strengthening of the long-term value creation for the Company. The Board of Directors may therefore decide to deviate from the dividend policy and propose at the General Meeting that dividends are not distributed for a specific fiscal year.

The Board of Director proposes that the Annual General Meeting adopts ordinary dividends to shareholders of 10% of the nominal value in line with the dividend policy.

Investor Relations

Columbus seeks to provide a high and consistent level of information to our shareholders and other interested parties. A company goal is to have an open and active dialogue with shareholders, share analysts, the press and the public in order to ensure the necessary insight and thereby the best possibility to evaluate the Company. This will be obtained in accordance with rules and legislation for companies listed on Nasdaq Copenhagen and in accordance with Columbus' Investor Relations policy. Communication with interested parties takes place via the ongoing publication of notifications, investor presentations and individual meetings.

The website www.columbusglobal.com is the primary source of information for interested parties. It is updated continously with new information about Columbus' results, activities and strategy.

At the Company's website, it is possible to subscribe to Columbus' e-mail service and thereby receive company announcements, financial statements and investor news via e-mail.

Columbus hosts a conference call after publication of financial statements. The call and presentations can be followed live and on demand via the Company's website.

Analyst coverage

The Danish share analysts, Aktieinfo covers Columbus, and four times a year they publish a share analysis with recommendations about the Columbus share based on the Company's results and factors that may influence the Company's business and future share price development.

Contact

The Group CFO handles the daily contact with investors and analysts:

Group CFO,
Brian Iversen
Email: Brian.Iversen@columbusglobal.com

Columbus
Lautrupvang 6
2750 Ballerup
Tel: +45 7020 5000

General Meeting

The Company's Annual General Meeting will be held on:
24 April 2023 at 10.00 a.m.
on the Company's address at:
Lautrupvang 6, 2750 Ballerup.

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Financial statements

Statement of comprehensive income

DKK ´000	Note	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Net revenue	3	1,389,434	1,279,184	346,153	344,757
External project costs		-135,350	-114,628	-68,916	-94,322
Gross profit		**1,254,084**	**1,164,556**	**277,237**	**250,435**
Staff expenses and remuneration	4	-1,035,176	-946,699	-250,065	-237,865
Other external costs		-144,090	-124,343	-60,929	-45,624
Other operating income	6	18,111	1,642	55,267	51,458
Other operating costs		0	-2,692	0	-1,748
EBITDA before share-based payment		**92,929**	**92,464**	**21,510**	**16,656**
Share-based payment	4	-1,099	-3,157	-1,099	-3,157
EBITDA		**91,830**	**89,307**	**20,411**	**13,499**
Depreciation, amortization and impairment	5	-56,695	-48,863	-19,369	-12,614
Operating profit (EBIT)		**35,135**	**40,444**	**1,042**	**885**
Results in subsidiaries	26	0	0	55,073	48,017
Financial income	7	2,909	3,613	12,366	6,190
Financial expenses	7	-5,956	-7,023	-5,090	-8,279
Profit before tax from continuing operations		**32,088**	**37,034**	**63,391**	**46,813**
Corporate tax	8	-2,185	6,513	-3,064	144
Profit after tax from continuing operations		**29,903**	**43,547**	**60,327**	**46,957**
Profit (loss) after tax from discontinued operations	26	**-41,216**	**715,001**	**-35,209**	**775,460**
Profit (loss) after tax for the period		**-11,313**	**758,548**	**25,118**	**822,417**

DKK ´000	Note	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Items that may be reclassified subsequently to profit and loss:					
Foreign exchange adjustments of subsidiaries		-8,201	-13,174	0	0
Other comprehensive income		**-8,201**	**-13,174**	**0**	**0**
Total comprehensive income for the period		**-19,514**	**745,374**	**25,118**	**822,417**
Profit (loss) after tax allocated to:					
Shareholders in Columbus A/S		-11,313	759,155		
Minority interests		0	-607		
		-11,313	**758,548**		
Total comprehensive income allocated to:					
Shareholders in Columbus A/S		-19,514	745,982		
Minority interests		0	-608		
		-19,514	**745,374**		
Earnings per share of DKK 1.25 (EPS)		-0.09	5.91		
Earnings per share of DKK 1.25, diluted (EPS-D)		-0.09	5.89		

Balance sheet

DKK ´000	Note	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
ASSETS					
Goodwill	10	603,299	644,451	131,656	131,656
Customer base	10	17,430	27,174	0	238
Internal applications	10	51,029	46,512	51,029	46,512
Development projects finalized	10	1,650	3,070	685	1,265
Property, plant and equipment	11	12,349	10,866	1,869	2,058
Right-of-use assets	12	65,316	61,422	11,880	15,008
Investments in subsidiaries	13	0	0	730,438	767,250
Deferred tax assets	8	28,640	22,916	1,883	0
Other receivables		16,509	17,397	12,143	12,926
Total non-current assets		**796,222**	**833,808**	**941,583**	**976,913**
Trade receivables	14	254,800	269,583	47,723	58,451
Contract assets	15	5,822	11,433	229	952
Receivables from subsidiaries		0	0	69,202	29,306
Corporate tax receivables	8	2,254	12,041	0	5,673
Other receivables		12,930	3,791	8,759	2,082
Receivables from divestment of activities	27	59,264	55,631	0	0
Prepayments		19,868	19,367	8,801	9,219
Receivables		**354,938**	**371,846**	**134,714**	**105,683**
Cash		32,787	62,943	0	2,491
Total current assets		**387,725**	**434,789**	**134,714**	**108,174**
TOTAL ASSETS		**1,183,947**	**1,268,597**	**1,076,297**	**1,085,087**

DKK ´000	Note	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
EQUITY AND LIABILITIES					
Share capital	16	161,595	161,595	161,595	161,595
Reserves on foreign currency translation		-67,643	-59,442	0	0
Reserve to development costs		0	0	40,337	37,266
Retained profit		612,453	638,827	605,173	598,187
Equity		**706,405**	**740,980**	**807,105**	**797,048**
Deferred tax	8	2,852	5,542	0	1,789
Other provisions	17	866	1,056	866	1,056
Debt to credit institutions		76,000	75,970	76,000	75,970
Lease liability right-of-use assets	18	40,796	36,454	6,372	10,086
Non-current liabilities		**120,514**	**119,022**	**83,238**	**88,901**
Debt to credit institutions		52,335	19,044	75,094	33,758
Debt to subsidiaries		0	0	40,746	65,588
Contingent consideration	17	0	6,539	0	6,539
Contract liabilities	15	9,960	17,248	2,210	6,925
Trade payables		64,926	79,168	23,319	21,572
Corporate tax payables	8	1,426	1,171	0	0
Other payables	19	164,557	217,406	33,202	48,603
Other provisions	17	0	6,722	0	6,722
Accruals and deferred income		36,898	32,938	5,182	3,617
Lease liability right-of-use assets	18	26,926	28,359	6,201	5,814
Current liabilities		**357,028**	**408,595**	**185,954**	**199,138**
Total liabilities		**477,542**	**527,617**	**269,192**	**288,039**
TOTAL EQUITY AND LIABILITIES		**1,183,947**	**1,268,597**	**1,076,297**	**1,085,087**

Statement of changes in equity - Group

DKK ´000	Share capital	Reserves on foreign currency translation	Retained profits	Equity
2022				
Balance at 1 Jan 2022	**161,595**	**-59,442**	**638,827**	**740,980**
Profit after tax	0	0	-11,313	-11,313
Currency adjustments of investments in subsidiaries	0	-8,201	0	-8,201
Total comprehensive income	**0**	**-8,201**	**-11,313**	**-19,514**
Share-based payment	0	0	1,099	1,099
Payment of dividend	0	0	-16,160	-16,160
Balance at 31 Dec 2022	**161,595**	**-67,643**	**612,453**	**706,405**

On the Annual General Meeting held on 29 April 2022, Columbus adopted a dividend of DKK 0.125 per share.

	Shareholders in Columbus A/S				
DKK ´000	Share capital	Reserves on foreign currency translation	Retained profits	Minority interests	Equity
2021					
Balance at 1 Jan 2021	**155,778**	**-46,269**	**602,912**	**3,184**	**715,605**
Profit after tax	0	0	759,155	-607	758,548
Currency adjustments of investments in subsidiaries	0	-13,173	0	-1	-13,174
Total comprehensive income	**0**	**-13,173**	**759,155**	**-608**	**745,374**
Capital increase	5,817	0	50,752	0	56,569
Share-based payment	0	0	1,666	0	1,666
Disposal of minority interest	0	0	0	-2,576	-2,576
Payment of dividend	0	0	-775,658	0	-775,658
Balance at 31 Dec 2021	**161,595**	**-59,442**	**638,827**	**0**	**740,980**

Accounting policies

Dividend
Proposed dividends are recognized as a liability at the time of approval by the general meeting (time of declaration).

Translation reserve
The translation reserve comprises foreign exchange differences arising from translation of the financial report for entities with a different functional currency than Danish kroner.

Statement of changes in equity – Parent company

DKK ´000	Share capital	Reserve to develop-ment costs	Retained profits	Equity
2022				
Balance at 1 Jan 2022	**161,595**	**37,266**	**598,187**	**797,048**
Profit after tax	0	0	25,118	25,118
Total comprehensive income	**0**	**0**	**25,118**	**25,118**
Share-based payment cf. note 4	0	0	1,099	1,099
Payment of dividend	0	0	-16,160	-16,160
Development costs	0	3,071	-3,071	0
Balance at 31 Dec 2022	**161,595**	**40,337**	**605,173**	**807,105**

On the Annual General Meeting held on 29 April 2022, Columbus adopted a dividend of DKK 0.125 per share.

DKK ´000	Share capital	Reserve to develop-ment costs	Retained profits	Equity
2021				
Balance at 1 Jan 2021	**155,778**	**15,330**	**521,031**	**692,139**
Profit after tax	0	0	822,417	822,417
Total comprehensive income	**0**	**0**	**822,417**	**822,417**
Capital increase	5,817	0	50,752	56,569
Share-based payment cf. note 4	0	0	1,581	1,581
Payment of dividend	0	0	-775,658	-775,658
Development costs	0	21,936	-21,936	0
Balance at 31 Dec 2021	**161,595**	**37,266**	**598,187**	**797,048**

Cash flow

		Group		Parent Company	
DKK ´000	Note	2022	2021	2022	2021
Operating profit (EBIT)		35,135	40,444	1,042	885
Depreciation, amortization and impairment	5	56,695	48,863	19,369	12,614
Cost of incentive scheme		1,099	1,666	1,099	1,581
Changes in net working capital	24	-61,086	-87,221	-23,074	-51,223
Cash flow from primary activities		**31,843**	**3,752**	**-1,564**	**-36,143**
Interest received, etc.		648	878	3,202	2,363
Interest paid, etc.		-5,956	-10,756	-5,109	-4,292
Corporate tax paid		-169	-8,957	-1,062	-1,436
Cash flow from operating activities discontinued operations	26	1,065	-4,591	0	0
Cash flow from operating activities		**27,431**	**-19,674**	**-4,533**	**-39,508**
Net investment in development projects		0	-2	0	0
Acquisition of tangible assets		-8,239	-7,434	-1,010	-1,030
Acquisition of intangible assets		-15,823	-33,234	-15,823	-33,234
Disposal of tangible assets		258	87	50	0
Acquisition of activities		-5,415	-74,152	-5,415	-74,152
Disposal of activities	27	-8,768	876,648	1,603	828,115
Dividends received from subsidiaries		0	0	55,073	48,017
Cash flow from investing activities discontinued operations	26	0	-7,479	0	0
Cash flow from investing activities		**-37,987**	**754,434**	**34,478**	**767,716**

		Group		Parent Company	
DKK ´000	Note	2022	2021	2022	2021
Proceeds from capital increase/warrants exercised		0	56,570	0	56,570
Repayment of loan		0	-100,030	0	-100,030
Overdraft facilities		33,324	19,044	-19,194	33,758
Repayment of lease liabilities		-30,770	-31,495	-6,246	-4,233
Dividends paid		-16,160	-775,658	-16,160	-775,658
Cash flow from financing activities discontinued operations	26	-326	-13,354	0	0
Cash flow from financing activities		**-13,932**	**-844,923**	**-41,600**	**-789,593**
Total net change in cash and cash equivalents		**-24,488**	**-110,162**	**-11,655**	**-61,385**
Cash funds at the beginning of the period		62,943	164,213	2,491	60,048
Exchange rate adjustments		-5,668	8,892	9,164	3,828
Cash funds at the end of the period		**32,787**	**62,943**	**0**	**2,491**

Accounting policies

The cash flow statement is presented using the indirect method based on operating profit.
The cash flow statement shows cash flows for the year, the change in cash, as well as the balance of cash at the beginning and end of the year.

Cash flow from operating activities
Cash flow from operating activities is calculated as profit before tax adjusted for noncash operating items, changes in working capital, interests received and paid, and corporation tax paid.

Cash flow from investment activities
Cash flow from investment activities comprise payments relating to purchase and divestment of businesses and activities, purchase and divestment of intangible and other long-term assets as well as purchase and divestment of securities not recognized as cash and dividends received.
Cash flow from acquired companies is included from the date of acquisition, while cash flow from divestments is recognized until the time of sale.

Cash flow from financing activities
Cash flow from financing activities comprise changes in size or composition of share capital and related costs, proceeds from capital increase/warrants exercised as well as raising and repayment of loans, repayment of interest-bearing debt, repayment of lease liabilities, purchase and divestment of treasury shares and payment of dividend to shareholders. Inception of leases are treated as non-cash transactions. Cash flow realigned to financial leases are recognized as payments of interest and repayment of debt.

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Notes

Note 1 – Significant accounting principles

The financial statements for 2022 for Columbus, which include financial statements for the Parent Company Columbus A/S and consolidated financial statements for the Columbus Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for annual reports prepared after reporting class D (listed), cf. IFRS Executive Order issued pursuant to the Financial Statements Act. Columbus is a public limited company seated in Denmark.

The consolidated and Parent Company's financial statements are presented in Danish Kroner (DKK), which is the presentation currency for the Group's activities and the functional currency of the parent.

The consolidated and Parent Company's financial statements have been prepared based on historical cost. The main elements of the accounting policies and changes compared to last year due to new and amended standards are described below. The accounting principles are also disclosed in each of the individual notes to the financial statements.

In preparing the consolidated and Parent Company's financial statements, the management makes various accounting assessments that form the basis of presentation, recognition and measurement of the Parent Company and the Group's assets and liabilities. The most significant estimates and judgements are presented in note 2.

Consolidated financial statements
The consolidated financial statements include Columbus A/S and the companies in which the Group holds more than 50% of the voting rights, or otherwise has the power to govern the financial and operating policies for achieving returns or other benefits from its activities.

Principles of consolidation
The consolidated financial statements are prepared based on financial reporting for Columbus A/S and its subsidiaries. The consolidated financial statements are prepared by combining financial statements uniform items. The financial reporting that is used for the consolidation is prepared in accordance with the Group's accounting policies.

On consolidation, intercompany income and expenses, intercompany accounts and dividends, and gains and losses on transactions between the consolidated companies are eliminated.
In the consolidated financial statements items of subsidiaries are included 100%.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When subsidiaries, which prepare their financial statements in a functional currency different from DKK are consolidated into the consolidated financial statements, the items of the income statement are translated at the average exchange rates. Exchange differences arising out of the translation of foreign subsidiaries' balance sheet items at the beginning of the year using the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognized in other comprehensive income.

Minority interests
On initial recognition, minority interests are measured at fair value or at their proportionate share of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. The adopted method is selected for each transaction. Minority interests are subsequently adjusted for their proportionate share of changes in equity of the subsidiaries. Comprehensive income is allocated to minority interests regardless of whether the minority interest thus may be negative. Purchase and sale of minority shares in a subsidiary that does not result in a loss of control are treated in the consolidated financial statements as an equity transaction, and the difference between the consideration and the carrying amount is allocated to the Parent Company's share of equity.

Gains and losses on divestments or dissolvement of subsidiaries or associates
Gains or losses on divestments or dissolvements of subsidiaries and associates are stated as the difference between the sales price or settlement price and the fair value of any remaining equity and the book value of net assets on the time of sale or winding up, including goodwill, less any minority interests. Gains or losses are recognized in the statement of comprehensive income as well as accumulated foreign currency translation adjustments previously recognized in other comprehensive income.

Business Units that have been divested of in the financial year or are expected to be divested within the following 12 months, are in the profit and loss classified as discontinued operations, and in the balance sheet classified as assets and liabilities held for sale. For further description of the accounting principles, please refer to note 26.

Impairment of tangible and intangible assets as well as investments in subsidiaries
The carrying values of tangible and intangible assets of indefinite useful lives as well as investments in subsidiaries are reviewed at each balance sheet date to determine any indications of impairment. If this is the case, the asset's recoverable value is determined to identify any need for impairment and the extent thereof.

Notes

If the asset does not generate cash flow independent of other assets, the recoverable amount of the smallest cash-generating unit to which the asset belongs is determined. The recoverable amount of an asset is the higher of net selling price and value in use. For cash-generating units, the impairment is firstly distributed on goodwill, and then any remaining impairment is distributed to other assets in the unit.

Impairment losses are recognized in the statement of comprehensive income. On any subsequent reversal of impairment losses resulting from changes in the assumptions used to determine the recoverable amount, the asset and the cash-generating unit's carrying amount is increased to the adjusted recoverable amount, however not exceeding the carrying value of the asset or cash-generating excluding impairment. Impairment of goodwill is not reversed.

The effect of amended accounting standards
All amended standards, which entered into force with effect from fiscal periods beginning at 1 January 2022, and interpretations that are relevant to the Columbus Group are used in preparing the financial statements. Columbus Group has assessed that the amended standards and interpretations have not had any material impact on Columbus Annual Report 2022.

New standards and interpretations effective from 2022
All new and revised standards, which entered into force with effect from fiscal periods beginning at 1 January 2022, and interpretations that are relevant to the Columbus Group are used in preparing the financial statements. Columbus Group has assessed that the new or amended standards and interpretations have not had any material impact on Columbus Annual Report 2022, except from below change in the recognition of software revenue.

On April 20, the IFRS Interpretations Committee approved an Agenda Decision which provides guidance as to how a software reseller might apply the principal/agent criteria in IFRS 15 "Revenue from Contracts with Customers" to the resale of standard software to a customer. The decision has implications for whether revenue from the resale of standard software is recognized on a gross or net basis under IFRS 15.

In its historic accounts, Columbus has determined that it acts as a principal in the resale of standard software and vendor services and has recognized revenue from these products and services on a gross basis (with gross invoiced sales reported as revenue, and costs of the resold products reported as external project costs).

Under the new guidance from the IFRS interpretations committee, Columbus has determined that it acts as an agent in the resale of standard software and vendor services under the principal/agent criteria in IFRS 15 "Revenue from Contracts with Customers". For this reason, Columbus has at 1st January 2022 implemented a change to its accounting policy and recognized revenue from these products and services on a net basis with gross invoiced sales, less costs of the resold products reported as revenue.
The decision to change its accounting policy to conform with the Agenda Decision of the IFRS Interpretations Committee requires a restatement of prior years' accounts under IAS 8.
The effect of the changes has been reflected throughout the Annual Report.

The impact on Columbus' financial statements is:

For 2022:
Revenue is reduced by DKK 134m
Cost of sales is reduced by DKK 134m
Gross profit, EBITDA, net profit after tax, balance sheet and cash flow statement are unchanged.

For 2021:
Revenue is reduced by DKK 135m
Cost of sales is reduced by DKK 135m
Gross profit, EBITDA, net profit after tax, balance sheet and cash flow statement are unchanged.

Besides above, Columbus A/S adopted following as at 1 January 2022:
Amendment to IAS 16 "Proceeds from property, plant and equipment before entry into service"
Clarifications of IAS 37 "Onerous contract"

IASB adopted an amendment to IAS 16 regarding proceeds from fixed assets before their entry into service. This amendment doesn't have any impact on Columbus A/S.

The clarifications of IAS 37 "Oneruos contracts" also doesn't have any significant impact on the consolidated financial statement 2022 as Columbus A/S already treats the onerous contracts the way the new clarifications mention.

IASB has also issued new and amended standards and interpretations which have not yet been effective and therefore also not yet been implemented in the consolidated financial statements for 2022. Columbus expects to implement these new standards and amendments when they take effect and become mandatory. None of the new standards and amendments issued are expected to have any significant impact on the consolidated financial statement when implemented.

External project costs
External projects costs include the expenses excluding wages and salaries that are directly incurred to achieve revenue for the year and include the cost of subcontractors, etc. External project costs are recognized as the project progresses.

Other external costs
Other external costs include expenses of premises, sale and distribution, office expenses, etc.

Prepayments
Prepayments recognized under assets include expenses paid concerning subsequent financial years and are measured at cost.

Deferred income
Deferred income recognized under liabilities comprises payments received concerning income in subsequent years measured at cost.

Notes

Note 2 – Significant accounting estimates and judgements

By applying the Group's accounting principles as described in each of the individual notes to the consolidated financial statements, it is necessary that the management performs judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The performed estimates and judgements are based on historical experience and other factors that management considers reasonable under the circumstances, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. The Company is also subject to risks and uncertainties that may cause actual results to differ from these estimates. Specific risks for the Columbus Group are described in "Risk Management", cf. page 41.

The estimates and underlying assumptions are reviewed regularly. Changes to accounting estimates are recognized in the accounting period in which the change occurs and in future periods if the change affects both the period, in which the change occurs and subsequent accounting periods.

Areas	Note
Estimates	
Revenue recognition and contract assets and liabilities	3, 15
Deferred tax asset	8
Impairment of goodwill and internal applications	10

For further description of the applied judgements and estimates, please refer to the specific notes listed above.

The following judgements and estimates are considered the most significant for the Group.

Estimate of revenue recognition of contracts
The stage of completion, forming the basis for the current recognition of revenue at the Group, uses the production method of contracts. The stage of completion is determined on the basis of the relationship between the entity's resources in relation to recent total estimate of resource consumption. The degree of completion is assessed regularly by the responsible employees and the projects are closely monitored by management, and further adjustments are made to the stage of completion, etc., if deemed necessary. When performing this evaluation, all factors concerning the relevant contract are taken into consideration and assessed appropriately. The group has a limited number of fixed price projects, which generally reduces the risk related to this.

Estimate of recoverable amount of goodwill and internal applications
The determination of impairment of recognized goodwill requires determination of the value of the cash-generating units to which the goodwill is allocated. Determination of the value requires an estimate of expected future cash flows of each cash-generating unit and a reasonable discount rate. At 31 December 2022, the carrying value of goodwill is DKK 603,299k. For a detailed description of methods and assumptions for impairment of goodwill, see note 10.

The determination of impairment of recognized internal applications requires determination of the future economic benefits derived from these assets, which are determined as the optimization of internal workflows. At 31 December 2022, the carrying value of internal applications is DKK 51,029k. For a more detailed description of methods and assumptions related to recognition of internal applications, see note 10.

Estimate of utilization of deferred tax assets
Deferred tax assets are recognized for all unused tax losses and difference values to the extent it is deemed likely that within the foreseeable future taxable profits will be realized in which the losses and the difference values can be utilized. Determining the size of the amount that can be recognized for deferred tax assets is based on management's estimate of the likely time and amount of future taxable profits. At 31 December 2022, the carrying value of recognized tax was DKK 25,788k, which is estimated to be realized in a foreseeable future (5 years or less), see note 8.

Notes

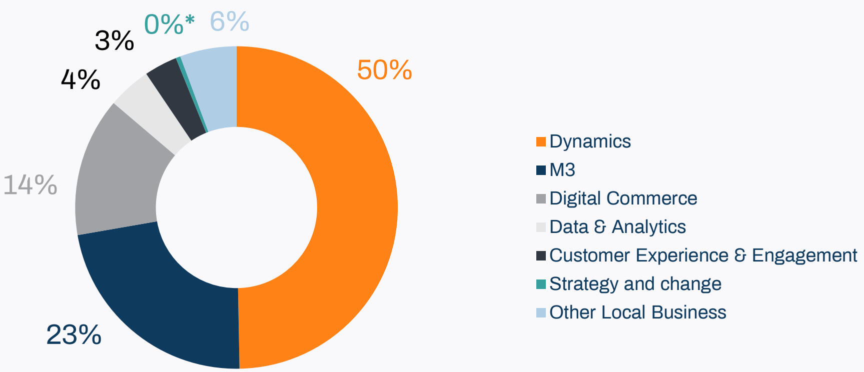
Note 3 – Segment data

In order to support decisions about allocation of resources and assessment of performance of the segments, the Group's internal management reporting of the Parent Company is based on the following grouping of operating segments:

Strategic Business Lines	Market Units	Global Delivery Centers (GDC)
Dynamics	Sweden	Poland
M3	Denmark	Czech Republic
Digital Commerce	Norway	India
Data & Analytics	UK	
Customer Experience & Engagement	US	
Strategy & Change	Other	
Other Local Business		

Management monitors the business primarily based of the geographical segments and the type of service or products sold. The Market Unit other includes enterprises in Germany and Chile.

Business Lines Revenue Split 2022



*Strategy & Change comprise <1% and hence is presented as 0% above.

During the launch of the Focus23 strategy, management has changed the way the business is assessed. In order to support decisions and the Focus23 strategy, the operating segments have been divided into Business Lines and Market Units.

Business Lines relate to the type of services or products that are delivered, and comprise of Dynamics, M3, Digital Commerce, Data & Analytics, Customer Experience & Engagement, Strategy & Change and Other Local Business. Market Units comprise of significant geographical markets that the group operates in. The majority of our Business Lines are represented in all Market Units.
The operating segments are measured from revenue to EBITDA, as this represents the significant part of the operation of the segments. The balance sheet is measured for legal entities only.

	Group		Parent Company	
DKK ´000	**2022**	2021	**2022**	2021
Sale of services				
Dynamics	646,128	619,793	170,782	173,635
M3	302,958	296,832	22,916	27,765
Digital Commerce	192,233	157,184	3,448	4,508
Data & Analytics	59,332	37,676	32,436	23,151
Customer Experience & Engagement	45,179	30,008	412	580
Strategy & Change	6,513	0	425	0
Other Local Business	64,699	68,798	22,443	18,340
Total sale of services	**1,317,042**	**1,210,291**	**252,862**	**247,979**
Sale of products				
Dynamics	44,435	44,080	16,390	15,486
M3	10,455	11,120	15	0
Digital Commerce	1,751	6,414	0	0
Data & Analytics	882	692	595	472
Customer Experience & Engagement	876	1,022	0	7
Other Local Business	13,993	5,565	3,413	3,071
Total sale of products	**72,392**	**68,893**	**20,412**	**19,035**
Total revenue from group companies	0	0	72,879	77,743
Total net revenue	**1,389,434**	**1,279,184**	**346,153**	**344,757**

Notes

DKK ´000	Sweden	Denmark	Norway	UK	US	Other	GDC	Eliminations	Total
2022									
Sale of services	525,024	252,862	262,271	159,916	80,284	32,337	4,348	0	**1,317,042**
Sale of products	25,168	20,412	9,019	12,880	4,913	0	0	0	**72,392**
Total revenue from own markets	**550,192**	**273,274**	**271,290**	**172,796**	**85,197**	**32,337**	**4,348**	**0**	**1,389,434**
Total revenue from group companies	52,462	72,879	11,599	15,996	2,073	3,032	103,587	-261,628	**0**
Total revenue	**602,654**	**346,153**	**282,889**	**188,792**	**87,270**	**35,369**	**107,935**	**-261,628**	**1,389,434**
Gross profit	411,229	277,237	202,502	166,710	63,975	37,128	95,303	0	**1,254,084**
EBITDA	38,822	20,143	14,774	52	-3,560	3,773	20,955	-3,129	**91,830**
Operating profit (EBIT)	17,544	774	9,272	-2,959	-5,159	2,659	16,133	-3,129	**35,135**
Profit before tax	13,321	8,049	773	-3,484	-4,392	3,094	14,727	0	**32,088**
Profit after tax									**29,903**
Average number of FTE	**426**	**294**	**173**	**188**	**60**	**34**	**361**	**0**	**1,536**

DKK ´000	Sweden	Denmark	Norway	UK	US	Other	GDC	Eliminations	Total
2021									
Sale of services	483,888	247,979	230,828	137,767	80,915	26,666	2,248	0	**1,210,291**
Sale of products	20,437	19,035	8,011	15,117	4,952	1,341	0	0	**68,893**
Total revenue from own markets	**504,325**	**267,014**	**238,839**	**152,884**	**85,867**	**28,007**	**2,248**	**0**	**1,279,184**
Total revenue from group companies	70,021	77,743	7,402	21,565	818	9,589	105,662	-292,800	**0**
Total revenue	**574,346**	**344,757**	**246,241**	**174,449**	**86,685**	**37,596**	**107,910**	**-292,800**	**1,279,184**
Gross profit	372,372	263,007	164,458	158,958	69,212	32,774	102,913	862	**1,164,556**
EBITDA	32,996	18,709	19,150	10,829	-7,523	6,314	11,748	-2,916	**89,307**
Operating profit (EBIT)	12,737	6,093	13,956	7,822	-10,536	5,556	7,732	-2,916	**40,444**
Profit before tax	11,450	1,039	17,002	7,381	-11,708	5,448	6,422	0	**37,034**
Profit after tax									**43,547**
Average number of FTEs	**378**	**290**	**139**	**177**	**67**	**31**	**373**	**0**	**1,455**

Notes

Note 3 – Segment data continued

Non-current assets distributed in geographic areas
The Group's non-current assets distribution in geographical areas are specified below. The non-current assets are distributed according to location and legal relation.

	Non-current assets	
DKK ´000	**2022**	2021
Sweden	362,159	443,241
Denmark	211,145	209,660
Norway	71,587	75,670
UK	46,281	50,935
US	29,215	25,648
Russia	0	15,895
Other	18,300	1,326
GDC	57,534	11,433
Total	**796,221**	**833,808**

Accounting policies

Segment data
Segment data are prepared in accordance with the Group's accounting policies and the Group's internal management reporting. Segment income, expenses, segment assets, and liabilities include items directly attributable to a segment and items that can be allocated to the individual segments on a reliable basis.

Assets in the segments comprise assets used directly in segment operations, including intangible and tangible fixed assets, investments in associates, inventories, receivables from sales of goods and services, other receivables, prepayments and cash.

Liabilities related to the segments comprise of liabilities derived from segment operations, including debts to suppliers of goods and services, provisions and other payables.

Revenue
Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration Columbus expects to receive in exchange for the products or services. Revenue is recognized net of VAT, taxes etc. collected on behalf of third parties and discounts.

Columbus has chosen to apply the practical expedient to not adjust the total consideration over the contract term for the effect of incremental costs of obtaining a contract. The incremental costs to obtain a contract are recognized as an expense when incurred if the amortization period of the asset that Columbus otherwise would have recognized is one year or less.

Columbus has chosen to apply the practical expedient to not adjust the total consideration over the contract term for the effect of a financing component if the period between the transfer of services to the customer and the customer's payment for these services is expected to be one year or less.

Columbus typically enters into contracts that include a combination of software licenses and consulting services. These contracts are classified either as multiple element contracts or compound contracts. Multiple element contracts and compound contracts which include multiple products and services, are generally capable of being distinct and accounted for as separate performance obligations. Multiple element contracts are contracts where price and other significant issues in the contract are negotiated independently. In this group of contracts, each element is recognized individually, so that the sale of software and consulting services is recognized separately at their standalone selling prices.

The majority of Columbus' customer base has payment terms between 14 and 60 days from the invoice date. Columbus' accounting policies for each revenue line are disclosed below.

Each revenue line is subject to the 5-step model which includes:

1. Identification of contract
2. Separation of performance obligations
3. Determining the transaction price
4. Allocation of price to performance obligations
5. Recognition of revenue

Notes

External licenses

External licenses are licenses to third party software where Columbus does not own the software and Columbus is a reseller of the software. External licenses are classified as on-premises software where the customer is provided with a right to use the software as it exists when made available to the customer. Revenue from distinct on-premise licenses is recognized upfront at the point in time when the software is made available to the customer and the right to use the software has commenced. Columbus recognizes the revenue from external licenses on a net basis with gross invoiced sales, less costs of the resold products reported as revenue.

External subscriptions

External subscriptions are subscriptions to third party software where Columbus does not own the software and Columbus is a reseller of the software subscriptions. The subscriptions to external software entitle the customer to receive new versions of the software that the third-party software provider releases. External subscriptions are recognized at the point in time when the subscription is accepted by the customer as the performance obligation to Columbus is completed. Columbus recognizes the revenue from external subscriptions on a net basis with gross invoiced sales, less costs of the resold products reported as revenue.

External cloud

External cloud is third party software where Columbus does not own the software and Columbus is a reseller of the usage to the software. External cloud is classified as software-as-a-service (SaaS), which allows customers to use hosted software without taking possession of the software. External cloud is recognized upfront at the point in time when the software is made available to the customer and the right to use the software has commenced as Columbus has fulfilled all its obligations. Columbus recognizes the revenue from external cloud on a net basis with gross invoiced sales, less costs of the resold products reported as revenue.

Services/other

Professional services and other fees on time and material contracts are recognized over time as production of each project is carried out. Revenue from fixed price projects is recognized based on the value corresponding to the stage of completion method. Revenue is recognized when total income and expenses of the projects and completion at the balance sheet date can be measured reliably as Columbus satisfies its performance obligations and it is probable that the economic benefits including payments will flow to the Group. Columbus considers this input method to be an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

The timing of revenue recognition often differs from contract payment schedules, resulting in revenue that has been earned but not billed. These amounts are included in “Contract assets”. Amounts billed in accordance with customer contracts, but not yet earned, are recorded and presented as part of “Contract liabilities”.

Notes

Note 4 – Staff expenses and remuneration

	Group		Parent Company	
DKK ´000	**2022**	2021	**2022**	2021
Staff expenses				
Salary and wages	865,700	791,063	241,183	229,966
Other social security costs	137,720	130,518	2,956	2,490
Other staff expenses	31,756	25,118	5,926	5,409
Staff costs before share-based payment	**1,035,176**	**946,699**	**250,065**	**237,865**
Share-based payment	1,099	3,157	1,099	3,157
Staff expenses	**1,036,275**	**949,856**	**251,164**	**241,022**
Average number of FTEs	1,536	1,455	294	290

The key management in the Group are remunerated as follows:

DKK ´000	Executive Board	Board of Directors	Other senior employees
2022			
Salary and wages	6,932	1,163	12,748
Share-based payment	813	0	37
Severance pay	1,628	0	0
	9,373	**1,163**	**12,785**
2021			
Salary and wages	5,577	1,013	27,088
Share-based payment	2,065	0	116
One-off fee	0	202	0
	7,642	**1,215**	**27,204**

Other senior employees are defined as those employees involved in management of the parent company, as well as the Managing Directors of the parent company's subsidiaries. The remuneration to other senior employees has declined from DKK 27.2m to DKK 12.8m in 2022 mainly as a result of reduction of positions.

The Executive Board and a number of senior employees in the Parent Company as well as the Group are subject to special bonuses depending on individually defined performance targets. The arrangements are unchanged compared to last year.

Incentive schemes
Columbus only grant warrant programs to key management as part of remuneration and retention of the employee.

In February 2020 Columbus established a warrant program for senior executives and other senior employees. The program, which can only be exercised by purchasing the shares in question, grants the right to subscribe a number of shares in the parent company at a price agreed in advance. The vesting period corresponds to the fiscal year with the final grant at 31 December 2023. At the grant date the fair value of the warrants was DKK 4,546,962. The exercise periods are scheduled to the first 14 days after publication of the Company's Annual Report. Warrants not exercised within the last exercise period will be lost. The warrant program is contingent on employment in the Company.

In June 2021 Columbus established a warrant program for senior executives. The program, which can only be exercised by purchasing the shares in question, grants the right to subscribe a number of shares in the parent company at a price agreed in advance. The vesting period corresponds to the fiscal year with the final grant at 31 December 2024. At the grant date the fair value of the warrants was DKK 3,188,559. The exercise periods are scheduled to the first 14 days after publication of the Company's Annual Report. Warrants not exercised within the last exercise period will be lost. The warrant program is contingent on employment in the Company.

Changes in the capital in Columbus, distribution of dividend or change of control does not result in any adjustment of the number of warrants or the exercise price.

Notes

Note 4 – Staff expenses and remuneration (continued)

The development in outstanding warrants can be specified as follows:

	Number of warrants		Avg. exercise rate per warrant	
	2022	2021	**2022**	2021
Outstanding 1 January	3,215,799	10,642,500	9.73	12.07
Granted during the period	0	1,449,999	0.00	10.63
Lost due to termination of employment	-398,300	-650,000	9.61	9.01
Exercised during the period	0	-5,339,200	0.00	12.13
Expired during the period	0	-2,887,500	0.00	12.43
Outstanding end of period	**2,817,499**	**3,215,799**	**9.75**	**9.73**

Number of warrants which can be exercised at balance sheet date	1,338,333	135,800
Weighted average contractual life (years)	1.76	2.75
Weighted average exercise rate	9.58	8.99
Average share price at the time of exercise	N/A	15.00
Number of warrants granted to key management	0	1,449,999

The incentive scheme is based on Black & Scholes' calculations for the estimated market value at the time of allocation. The assessment is based on the following assumptions:

Warrants December 2022	Share price at grant date (DKK per share)	Exercise price (DKK per share)	Number of warrants end of period	Estimated volatility (%)*	Risk free interest (%)	Expiry (number of years)
Granted February 2020	8.99	8.99	1,517,500	25.4%	-0.75%	1.30
Granted June 2021	10.63	10.63	1,299,999	32.8%	-0.50%	2.30

* The expected volatility is calculated based on the historic adjusted volatility during the past year until the grant of the warrant programs.

	Group		Parent Company	
DKK ´000	**2022**	2021	**2022**	2021
Expensed share-based payment related to equity instruments	1,099	1,666	1,099	1,581

Accounting policies

Wages and salaries, social security contributions, leave and sick leave, bonuses and non-monetary benefits are recognised in the financial year in which services are rendered by employees of Columbus. Termination benefits are recognised at the time an agreement between Columbus and the employee is made and no future service is rendered by the employee in exchange for the benefits.

Share option schemes

Equity-settled share options are measured at fair value at grant date and recognized in the income statement under share-based payment over the period in which the final right of the options vest. The balancing item is recognized directly in equity.

On initial recognition of share options, the number of options expected to vest at expiry is estimated. Subsequently revised for changes in the estimated number of vested options, so that the total recognition is based on the actual number of vested options.

The fair value of the options granted is estimated using the Black-Scholes model with the parameters stated in the Note.

Notes

Note 5 – Depreciation, amortization and impairment

	Group		Parent Company	
DKK ´000	**2022**	2021	**2022**	2021
Depreciation	35,814	33,973	7,245	6,789
Amortization	20,881	14,890	12,124	5,825
Total depreciation, amortization and impairment	**56,695**	**48,863**	**19,369**	**12,614**

Note 6 – Other operating income

	Group		Parent Company	
DKK ´000	**2022**	2021	**2022**	2021
Central cost allocation Columbus Group	0	0	55,267	51,458
Other services	18,111	1,642	0	0
Total other operating income	**18,111**	**1,642**	**55,267**	**51,458**

Other operating income from other services is primarily related to the outcome of a dispute with two former minority shareholders in iStone who had violated the terms in the share purchase agreement.

Accounting policies

Other operating income and expenses include income and expenses of a secondary nature to the Group's primary activities, including adjustments of contingent liabilities related to acquisitions, gains and losses on disposal of intangible and tangible assets. Gains and losses on disposal of intangible and tangible assets are calculated as the selling price less selling costs and the carrying amount at the time of sale.

Notes

Note 7 – Financial income and expenses

	Group		Parent Company	
DKK ´000	**2022**	2021	**2022**	2021
Financial income				
Interest income from subsidiaries	0	0	0	133
Interest income on bank deposits, etc.	18	15	2,759	1,813
Other interest income	630	420	443	416
Interest income on financial assets measured at amortised cost	**648**	**435**	**3,202**	**2,362**
Foreign exchange gains (net)	2,261	3,178	9,164	3,828
Total financial income	**2,909**	**3,613**	**12,366**	**6,190**
Financial expenses				
Interests expense to subsidiaries	0	0	2,179	3,223
Interest expense on bank loans	2,763	3,174	1,455	3,318
Interest expense leases, Right-of-use-assets	1,966	2,416	378	456
Other interest expense	1,227	1,433	1,078	1,282
Interest expense from financial liabilities that are measured at amortised cost	**5,956**	**7,023**	**5,090**	**8,279**
Foreign exchange loss (net)	0	0	0	0
Total financial expenses	**5,956**	**7,023**	**5,090**	**8,279**

Accounting policies

Transactions in currencies other than the Group's functional currency are translated initially at the transaction date. Receivables and payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated at the closing rate. Gains and losses arising from the difference between the exchange and the transaction date are recognized in the statement of comprehensive income as financial items. Tangible and intangible assets, inventories and other non-monetary assets acquired in foreign currency and measured at historical cost are translated at the transaction date. Non-monetary items revalued at fair value are translated using the exchange rate at the date of revaluation. Simple forward contracts are measured at fair value and recognized in other receivables or other payables. Gain and losses arising from the forward contracts are recognized in the statement of comprehensive income as financial items.

Translation of foreign subsidiaries

On recognition in the consolidated financial statements of foreign subsidiaries with a functional currency other than Danish kroner (DKK), income statements are translated at average exchange rates for the months unless these deviate significantly from the actual exchange rates at the transaction dates. In the latter case, the actual exchange rates are used. Balance sheet items are translated at the closing exchange rates. Goodwill is considered to belong to the acquired entity and is translated at the closing rate.

Foreign exchange differences arising from the translation of foreign company balance sheet items at the beginning of the closing exchange rates, and on translation of foreign entities' income statements from average rates to closing rates are recognized in other comprehensive income. Similarly, exchange differences arising as a result of changes made directly in the foreign enterprise's equity, are also recognized in other comprehensive income. Adjustment of receivables or debt to subsidiaries which are considered part of the Parent Company's overall investment in the subsidiary in question are recognized in other comprehensive income in the consolidated financial statements, whereas they are recognized in the statement of comprehensive income of the Parent Company.

Financial items

Financial items include interest income and expenses, the interest portion of lease payments, gains and losses on foreign currency transactions and surcharges and allowances under the account tax scheme.

Notes

Note 8 – Corporate tax

	Group		Parent Company	
DKK ´000	**2022**	2021	**2022**	2021
Tax on result for the year				
Current tax	432	2,089	0	-5,673
Change in deferred tax	8,625	8,810	1,973	6,942
Withholding tax	3,081	0	1,857	0
Adjustment to previous years	-9,953	-17,412	-766	-1,413
Total tax on result for the year	**2,185**	**-6,513**	**3,064**	**-144**
Tax on result for the year explained as follows				
Calculated 22% on pre-tax earnings on continuing operations	7,059	8,147	13,946	11,778
Tax effect of:				
Adjustment to tax concerning previous years	-9,953	-17,412	-766	-1,413
Adjustment to tax rates in foreign subsidiaries relative to 22%	268	184	0	0
Non-capitalized tax value of losses	4,864	3,483	0	0
Withholding tax	3,081	0	1,857	0
Not taxable income	-120	-100	-12,219	-10,597
Not taxable expenses	530	4,002	246	88
Other adjustments	-3,544	-4,817	0	0
Total tax on result for the year	**2,185**	**-6,513**	**3,064**	**-144**
Effective tax rate (%)	**6.81**	**-17.59**	**4.83**	**-0.31**

The effective tax rate in 2022 is low mainly due to an adjustment from previous years.

	Group		Parent Company	
DKK ´000	**2022**	2021	**2022**	2021
Corporate tax receivable (net)				
Balance at 1 January	10,870	-9,331	5,673	-11
Currency adjustment	-733	-98	0	0
Adjustment to previous years	-8,333	-4,983	-4,877	-1,126
Current tax for the year	-432	-233	0	5,673
Tax paid on account for the year	0	19,472	0	0
Corporate tax paid during the year	-270	5,996	-796	1,436
Disposals due to divestment of activities	-274	47	0	0
Additions due to merger	0	0	0	-299
Balance at 31 December	**828**	**10,870**	**0**	**5,673**
Corporate tax receivable	2,254	12,041	0	5,673
Corporate tax payable	-1,426	-1,171	0	0
Balance at 31 December	**828**	**10,870**	**0**	**5,673**

Notes

Note 8 – Corporate tax (continued)

	Group		Parent Company	
DKK ´000	**2022**	2021	**2022**	2021
Deferred tax assets/liabilities (net)				
Balance at 1 January	17,374	18,897	-1,788	2,615
Deferred tax assets / liabilities 1 January	**17,374**	**18,897**	**-1,788**	**2,615**
Currency adjustments	-1,747	1,642	0	0
Adjustment to previous years	18,286	19,888	5,644	2,539
This year's change in deferred tax	-8,625	-8,810	-1,973	-6,942
Disposals due to divestment of activities	500	-14,243	0	0
Balance at 31 December	**25,788**	**17,374**	**1,883**	**-1,788**
Deferred tax assets / liabilities relate to				
Intangible assets	-4,324	-255	-3,105	-4,407
Tangible assets	2,990	588	2,377	2,338
Current assets	5,833	-3,771	1,226	281
Loss carry forward	21,289	20,812	1,385	0
Balance at 31 December	**25,788**	**17,374**	**1,883**	**-1,788**

Based on the management's assessment of future income, short-term tax assets are expected to be DKK 16m and the remaining tax assets are expected to be utilized within a 3-5-year period.

The Group's non-capitalized tax assets amount to DKK 34m (2021: DKK 36m).

Accounting policies

Income tax for the year, comprising current tax and movements in deferred tax, is recognized in the statement of comprehensive income by the portion attributable to the profit and directly in equity or in other comprehensive income to the extent that it relates to items recognized directly in equity and in other comprehensive income. Exchange adjustments of deferred tax is recognized as part of the adjustment of deferred tax.
Current tax liabilities and receivables are recognized in the balance sheet as estimated tax on the taxable income, adjusted for prepaid tax.

When calculating the current tax, the applicable tax rates and rules on the balance sheet date is used.

Deferred tax is recognized using the balance sheet liability method on all temporary differences between accounting and tax values of assets and liabilities, except for deferred taxes on temporary differences arising on the initial recognition of goodwill or from the initial recognition of a transaction that is not a business combination, and where the temporary difference identified by the initial recognition affects neither the accounting profit nor the taxable income. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, unless the parent is able to control when the deferred tax is realized, and it is probable that the deferred tax will not crystalize as current tax in the foreseeable future. Deferred tax is calculated based on the expected recovery of each asset and settlement of each liability.

Deferred tax is measured based on the tax rules and rates in the respective countries, based on enacted or substantively enacted laws at the balance sheet dates that are expected to apply when the deferred tax is expected to crystallize as current tax. Changes in deferred tax due to changes in tax rates or rules are recognized in the statement of comprehensive income unless the deferred tax is attributable to transactions previously recognized directly in equity or in other comprehensive income. In the latter case, the change is also recognized in equity, respectively, in other comprehensive income.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognized at the value at which they are expected to be realized, either as net assets to offset against future taxable income or against deferred tax liabilities in the same legal tax entity and jurisdiction. It is assessed at each reporting date whether it is likely that in the future there will be sufficient taxable profits against which the deferred tax asset can be utilized.

The Parent Company and its Danish subsidiaries are part of a mandatory Danish joint taxation with all Danish companies controlled by Consolidated Holdings A/S. The calculated Danish tax on the joint taxable income is distributed among the jointly taxed companies in proportion to their taxable income (full allocation with credit for tax losses).

Notes

Note 9 – Earnings per share

The calculation of earnings per share is based on the following:

DKK ´000	**2022**	2021
Result for the year from continuing operations	29,903	43,547
Minority interests' share of the result for the year	0	-607
Result used for calculating earnings per share from continuing operations, diluted	**29,903**	**42,940**
Result for the year from discontinued operations	-41,216	715,001
Result used for calculating earnings per share, diluted	**-11,313**	**757,941**
Average number of shares listed on NASDAQ Copenhagen (pcs.)	129,276,264	128,191,703
Number of shares used to calculate earnings per share (pcs.)	**129,276,264**	**128,191,703**
Average dilutive effect on outstanding subscription rights (pcs.)	0	495,600
Number of shares used to calculate earnings per share, diluted (pcs.)	**129,276,264**	**128,687,303**
Earnings per share from continuing operations of DKK 1.25 (EPS)	0.23	0.33
Earnings per share from continuing operations of DKK 1.25, diluted (EPS-D)	0.23	0.33
Earnings per share from discontinued operations of DKK 1.25 (EPS)	-0.32	5.58
Earnings per share from discontinued operations of DKK 1.25, diluted (EPS-D)	-0.32	5.56
Earnings per share of DKK 1.25 (EPS)	-0.09	5.91
Earnings per share of DKK 1.25, diluted (EPS-D)	-0.09	5.89

Notes

Note 10 – Intangible assets

DKK ´000	Goodwill	Customer base	Internal applications	Development projects finalized	**Total**
Group 2022					
Balance at 1 January 2022	793,967	67,370	57,414	24,743	943,494
Currency translation	-5,914	-3,290	0	195	-9,009
Additions	0	0	15,823	0	15,823
Disposal for the year	-30,944	0	0	-1,325	-32,269
Balance at 31 December 2022	**757,109**	**64,080**	**73,237**	**23,613**	**918,039**
Amortization at 1 January 2022	149,516	40,196	10,902	21,673	222,287
Currency translation	4,294	-1,751	0	245	2,788
Amortization	0	8,205	11,306	1,370	20,881
Reversal of amortization	0	0	0	-1,325	-1,325
Amortization at 31 December 2022	**153,810**	**46,650**	**22,208**	**21,963**	**244,631**
Carrying amount at 31 December 2022	**603,299**	**17,430**	**51,029**	**1,650**	**673,408**

Except for goodwill, economic life of all intangible assets is expected to be finite.

The addition on internal applications relates to update of a number of the groups internal IT systems.

DKK ´000	Goodwill	Customer base	Internal applications	Development projects finalized	Development projects in progress	**Total**
Group 2021						
Balance at 1 January 2021	933,696	91,136	26,229	36,898	940	1,088,899
Currency translation	-9,472	1,838	77	792	14	-6,751
Additions	0	0	33,234	0	0	33,234
Disposal for the year	-130,257	-25,604	-2,126	-13,901	0	-171,888
Transfer	0	0	0	954	-954	0
Balance at 31 December 2021	**793,967**	**67,370**	**57,414**	**24,743**	**0**	**943,494**
Amortization at 1 January 2021	156,735	49,742	8,424	33,501	0	248,402
Currency translation	6,726	1,492	78	649	0	8,945
Amortization	0	11,888	4,507	1,424	0	17,819
Reversal of amortization	-13,945	-22,926	-2,107	-13,901	0	-52,879
Amortization at 31 December 2021	**149,516**	**40,196**	**10,902**	**21,673**	**0**	**222,287**
Carrying amount at 31 December 2021	**644,451**	**27,174**	**46,512**	**3,070**	**0**	**721,207**

Notes

Note 10 – Intangible assets (continued)

Goodwill
The carrying amount of goodwill is distributed on cash-generating units as shown below:

DKK ´000	Country	**31 December 2022**	31 December 2021
Columbus Sweden AB	SE	298,470	324,096
Columbus A/S	DK	131,656	131,656
ZAO Columbus	RU	0	12,327
Columbus US Inc.	US	22,556	21,231
Columbus Norway AS	NO	48,319	50,953
Columbus Global (UK) Ltd.	UK	40,253	42,532
Columbus CoMakeIt India Pvt Ltd.	IN	3,608	3,779
Columbus Deutschland GmbH	GE	16,001	16,001
Columbus Poland Sp.z.o.o.	PL	15,862	16,155
Columbus Global s.r.o	CZ	26,574	25,721
Total goodwill		**603,299**	**644,451**

The management performs an impairment test of the carrying amount of goodwill, development projects and other non-current assets at least annually and more frequently if there are indicators of impairment. The annual impairment test is performed per 31 December 2022 (31 December 2021).
The recoverable amount of goodwill related to the individual cash generating units is calculated based on the Discounted Cash Flows method (DCF).

The main change in total goodwill value from 2021 to 2022 is related to the effect of currency on goodwill in Columbus Sweden AB and divestment of Russia.

Goodwill in Columbus Sweden AB has been split so the goodwill is shown in the individual entities for both 2021 and 2022.

Future cash flows

The recoverable amount of the individual cash-generating units to which the goodwill belongs, is calculated based on the calculations of value in use. The most significant uncertainties are connected to the determination of discount rates, growth rates and expected changes in costs in the budget and terminal periods.

Budget for the individual cash generating units is based on a bottom-up process. The key assumptions for the budget are expected development in efficiency (number of chargeable hours compared to total hours) in the consultancy business and expected revenue and gross profits from sale of software and general development in cost. The budget process takes place in October through November and takes into consideration the historical performance and current condition and performance of the cash generating unit in terms of pipeline, order book and current capacity in terms of consultants.

The 3-year projection period is based on assumptions for the main revenue stream in Columbus i.e., Consultancy. For the main markets, comprising of Sweden, Denmark, Norway, UK and US, similar expectations to revenue and cost growth rates has been applied.

In generating a terminal value, a conservative real growth in revenue and cost of 2% is applied to all CGUs. With regards to staff cost a real growth of 2% is expected in the 3-year interim period and 2% in generating the terminal value for all CGUs.

Columbus is operating in a market where the development has low sensitivity to market development in general and to the development in general IT spending by companies. The management believes that likely changes in the key assumptions will not cause the carrying amount of goodwill to exceed the recoverable amounts. Group management has performed a sensitivity analysis of goodwill impairment tests to show the headroom between carrying amount and the recoverable amounts. The sensitivity analysis is focusing on changes in free cash flow in terminal period with 5% and changes in discount rate with 1 percentage point. The analysis did not identify any indication of impairment.

Notes

Note 10 – Intangible assets (continued)

Discount rate

The determined discount factors reflect the market assessment of the time value of money in the countries where the cash generating units operate expressed as a risk-free rate and the specific risks associated with each cash-generating unit. The discount rate is determined on an "after tax" basis on the assessed Weighted Average Costs of Capital (WACC).

The discount rate used to calculate the present value of expected future cash flow is 10.3% pre-tax (2021: 7.5%). The discount rate has been determined based on the Capital Asset Pricing Model and comprise a risk-free interest rate, the market risk premium and a beta factor, covering systematic market risk and a company premium. The values for the risk-free interest rate, the market risk premium and the beta factor are determined using external sources. The Group applies the same discount rates for all cash generating units, as the risk of the individual cash generating units are reflected in their estimated cash flow.

Most important assumptions for the impairment test

With the applied method for the annual impairment test, the growth rate applied in the terminal value and the WACC becomes the most important assumptions for the net present value of the future cash flows.

Overall, the impairment based on the above assumptions demonstrates that the present value of the future cash flows from the cash generating units exceeds the carrying amount of goodwill. The management has applied conservative growth rates for the projection period and for the period following the projection period developed for the purpose of the impairment test.

Notes

Note 10 – Intangible assets (continued)

DKK ´000	Goodwill	Customer base	Internal applica-tions	Develop-ment projects finalized	Total
Parent 2022					
Balance at 1 January 2022	132,640	8,250	57,415	13,667	211,972
Additions	0	0	15,823	0	15,823
Balance at 31 December 2022	**132,640**	**8,250**	**73,238**	**13,667**	**227,795**
Amortization at 1 January 2022	984	8,012	10,903	12,402	32,301
Amortization	0	238	11,306	580	12,124
Amortization at 31 December 2022	**984**	**8,250**	**22,209**	**12,982**	**44,425**
Carrying amount at 31 December 2022	**131,656**	**0**	**51,029**	**685**	**183,370**

Internal applications include development projects for internal use with a net carrying amount of DKK 51,029k.

The addition on internal applications relates to update of a number of the groups internal IT systems.

DKK ´000	Goodwill	Customer base	Internal applica-tions	Develop-ment projects finalized	Total
Parent 2021					
Balance at 1 January 2021	111,224	8,979	24,181	27,362	171,746
Reclassification of previous years	21,416	0	0	0	21,416
Additions	0	0	33,234	0	33,234
Disposal for the year	0	-729	0	-13,695	-14,424
Balance at 31 December 2021	**132,640**	**8,250**	**57,415**	**13,667**	**211,972**
Amortization at 1 January 2021	984	8,027	6,398	25,491	40,900
Amortization	0	714	4,505	606	5,825
Reversal of depreciation	0	-729	0	-13,695	-14,424
Amortization at 31 December 2021	**984**	**8,012**	**10,903**	**12,402**	**32,301**
Carrying amount at 31 December 2021	**131,656**	**238**	**46,512**	**1,265**	**179,671**

Internal applications include development projects for internal use with a net carrying amount of DKK 46,512k.

Notes

Note 10 – Intangible assets (continued)

Accounting policies

Goodwill

Goodwill is recognized and measured at initial recognition as the difference between the cost and the net assets of the acquired company. The net assets of the acquired company are based on the fair value of assets and liabilities at the acquisition date. On recognition of goodwill, the goodwill is allocated to each of the Group's activities that generate separate cash flows (cash generating units). The determination of cash-generating units follows the management structure and internal financial management and reporting of the Group.

Goodwill is not amortized but is tested annually for impairment.

Customer base

Customer bases are primarily capitalized to the fair value of the customer base in acquired companies, recognized during the purchase price allocation. Customer base is amortized on a straight-line basis over 7 years.

Internal applications

Internal applications comprise internally developed projects, that are carried out to optimize internal workflows. These are measured at cost less accumulated amortization and impairment losses. The cost includes wages, salaries, services and other costs directly attributable to the Group's development and which are necessary to complete the project, from the time when the internal application first qualifies for recognition as an asset.

Internal applications are amortized on a straight-line basis over the expected life. The amortization period is usually 5 years.

Internal applications are reviewed annually to determine whether there are indications of impairment. If such an indication exists, the asset's recoverable amount is calculated. If the recoverable amount is lower than the carrying value, the internal applications are impaired to this value.

Development projects

Development projects are projects that are clearly defined and identifiable, where the technical feasibility, adequate resources and a potential future market or application in the Group can be demonstrated and where the intention is to produce, promote or use the project. Development projects are recognized as intangible assets if the cost can be measured reliably and there is sufficient assurance that future earnings or the net selling price will cover production, sales, administration and development costs. Other development costs are recognized in the statement of comprehensive income as incurred.

Development costs are measured at cost less accumulated depreciation and impairment losses.

After completion of the development project, development costs are depreciated on straight-line basis over the estimated useful life. The depreciation period is usually 3-5 years.

Notes

Note 11 – Tangible assets

DKK ´000	Land and buildings	Leasehold improve-ments	Fixtures and equipment	Total
Group 2022				
Balance at 1 January 2022	96	2,515	38,740	41,351
Foreign currency translation	-5	-178	-1,038	-1,221
Additions	0	379	7,963	8,342
Disposals	0	-8	-29,422	-29,430
Disposals relating to divestments	0	0	-596	-596
Balance at 31 December 2022	**91**	**2,708**	**15,647**	**18,446**
Depreciation at 1 January 2022	96	814	29,575	30,485
Foreign currency translation	-5	-37	-530	-572
Depreciation	0	422	5,320	5,742
Reversed depreciation on disposals	0	-5	-29,166	-29,171
Reversed depreciation on disposals relating to di-vestments	0	0	-387	-387
Depreciation at 31 December 2022	**91**	**1,194**	**4,812**	**6,097**
Carrying amount at 31 December 2022	**0**	**1,514**	**10,835**	**12,349**

DKK ´000	Land and buildings	Leasehold improve-ments	Fixtures and equipment	Total
Group 2021				
Balance at 1 January 2021	89	721	43,003	43,813
Foreign currency translation	7	-31	1,127	1,103
Additions	0	1,992	5,578	7,570
Disposals	0	-147	-7,007	-7,154
Disposals relating to divestments	0	-172	-3,809	-3,981
Reclassification of previous years	0	152	-152	0
Balance at 31 December 2021	**96**	**2,515**	**38,740**	**41,351**
Depreciation at 1 January 2021	76	712	34,351	35,139
Foreign currency translation	7	1	840	848
Depreciation	13	276	4,405	4,694
Reversed depreciation on disposals	0	-147	-6,921	-7,068
Reversed depreciation on disposals relating to divestments	0	-172	-2,956	-3,128
Reclassification of previous years	0	144	-144	0
Depreciation at 31 December 2021	**96**	**814**	**29,575**	**30,485**
Carrying amount at 31 December 2021	**0**	**1,701**	**9,165**	**10,866**

Notes

Note 11 – Tangible assets (continued)

DKK ´000	Leasehold improvements	Fixtures and equipment	Total
Parent 2022			
Balance at 1 January 2022	491	27,430	27,921
Additions	0	1,010	1,010
Disposals	0	-24,468	-24,468
Balance at 31 December 2022	**491**	**3,972**	**4,463**
Depreciation at 1 January 2022	491	25,372	25,863
Depreciation	0	1,200	1,200
Reversed depreciation on disposals	0	-24,469	-24,469
Depreciation at 31 December 2022	**491**	**2,103**	**2,594**
Carrying amount at 31 December 2022	**0**	**1,869**	**1,869**

DKK ´000	Leasehold improvements	Fixtures and equipment	Total
Parent 2021			
Balance at 1 January 2021	486	27,242	27,728
Additions	0	1,030	1,030
Disposals	-147	-1,418	-1,565
Reclassification of previous years	152	576	728
Balance at 31 December 2021	**491**	**27,430**	**27,921**
Depreciation at 1 January 2021	482	25,227	25,709
Depreciation	10	1,106	1,116
Reversed depreciation on disposals	-145	-1,373	-1,518
Reclassification of previous years	144	412	556
Depreciation at 31 December 2021	**491**	**25,372**	**25,863**
Carrying amount at 31 December 2021	**0**	**2,058**	**2,058**

Accounting policies

Property plant and equipment

These are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date the asset is ready for use.

Fixtures and equipment are depreciated over 3 to 5 years, equal to the asset's estimated useful life. Leasehold improvements are amortized over the lease period not exceeding 5 years.

The basis for depreciation is determined taking into account the residual value less impairment losses. The value is written down to the recoverable amount if this is lower than the carrying value. The residual value is determined at the acquisition date and reassessed annually. Depreciation is discontinued if the residual value exceeds the carrying amount.

In amendment of the depreciation period or the residual value, the effect is recognized prospectively as a change in accounting estimates.

Notes

Note 12 – Right-of-use-assets

DKK ´000	Other equipment	Cars	Offices	Total
Group 2022				
Balance at 1 January 2022	2,529	16,380	159,296	178,205
Foreign currency translation	-181	-890	-4,959	-6,030
Re-assessment of existing assets	995	-13	19,623	20,605
Additions	494	5,009	17,379	22,882
Disposals	-501	-4,361	-29,708	-34,570
Disposals related to divestments	0	0	-8,367	-8,367
Balance at 31 December 2022	**3,336**	**16,125**	**153,264**	**172,725**
Depreciation at 1 January 2022	1,204	5,030	110,549	116,783
Reclassification of previous years	0	-26	0	-26
Foreign currency translation	-98	-263	-3,149	-3,510
Depreciation	717	3,854	25,527	30,098
Reversed depreciation on disposals	-361	-2,182	-28,260	-30,803
Reversed depreciation on disposals relating to divestments	0	0	-5,133	-5,133
Depreciation at 31 December 2022	**1,462**	**6,413**	**99,534**	**107,409**
Carrying amount at 31 December 2022	**1,874**	**9,712**	**53,730**	**65,316**

Total cash flow for the Group relating to right-of-use-assets is equal to the actual payments on the leases amounting to DKK 31m. For more information about lease the lease liability for right-of-use assets, please refer to note 18.

DKK ´000	Other equipment	Cars	Offices	Total
Group 2021				
Balance at 1 January 2021	2,161	18,963	171,948	193,072
Foreign currency translation	-8	395	4,733	5,120
Re-assessment of existing assets	339	0	2,093	2,432
Additions	271	6,592	3,404	10,267
Disposals	-154	-8,764	-9,645	-18,563
Disposals related to divestments	-80	-806	-13,237	-14,123
Balance at 31 December 2021	**2,529**	**16,380**	**159,296**	**178,205**
Depreciations at 1 January 2021	737	6,602	98,117	105,456
Reclassification of previous years	23	0	-324	-301
Foreign currency translation	-8	-67	3,513	3,438
Depreciation	585	3,513	27,045	31,143
Reversed depreciation on disposals	-95	-4,437	-9,345	-13,877
Reversed depreciation on disposals relating to divestments	-38	-581	-8,457	-9,076
Depreciation at 31 December 2021	**1,204**	**5,030**	**110,549**	**116,783**
Carrying amount at 31 December 2021	**1,325**	**11,350**	**48,747**	**61,422**

Total cash flow for the Group relating to right-of-use-assets is equal to the actual payments on the leases amounting to DKK 31m.

Notes

Note 12 – Right-of-use-assets (continued)

DKK ´000	Other equipment	Cars	Offices	Total
Parent 2022				
Balance at 1 January 2022	185	3,749	42,421	46,355
Re-assessment of existing assets	5	225	2,096	2,326
Additions	84	1,250	107	1,441
Additions relating to acquisitions	0	0	0	0
Disposals	0	-1,460	-3,326	-4,786
Balance at 31 December 2022	**274**	**3,764**	**41,298**	**45,336**
Depreciation at 1 January 2022	93	1,713	29,541	31,347
Depreciation	33	1,181	4,832	6,046
Reversed depreciation on disposals	0	-611	-3,326	-3,937
Depreciation at 31 December 2022	**126**	**2,283**	**31,047**	**33,456**
Carrying amount at 31 December 2022	**148**	**1,481**	**10,251**	**11,880**

Total cash flow for the parent company relating to right-of-use-assets is equal to the actual payments on the leases amounting to DKK 6.2m.

DKK ´000	Other equipment	Cars	Offices	Total
Parent 2021				
Balance at 1 January 2021	155	3,135	37,258	40,548
Re-assessment of existing assets	30	732	4,598	5,360
Additions	0	1,684	565	2,249
Disposals	0	-1,802	0	-1,802
Balance at 31 December 2021	**185**	**3,749**	**42,421**	**46,355**
Depreciations at 1 January 2021	63	2,198	25,019	27,280
Depreciation	30	1,121	4,523	5,674
Reversed depreciation on disposals	0	-1,606	-1	-1,607
Depreciation at 31 December 2021	**93**	**1,713**	**29,541**	**31,347**
Carrying amount at 31 December 2021	**92**	**2,036**	**12,880**	**15,008**

Total cash flow for the parent company relating to right-of-use-assets is equal to the actual payments on the leases amounting to DKK 4.2m.

Notes

Note 12 – Right-of-use-assets (continued)

Accounting policies

Right-of-use-assets are classified separately from other assets in the financial statement. The right-of-use-assets are depreciated on a straight-line basis over the lease term. The right-of-use-asset can be adjusted due to modifications to the lease contract or reassessment of lease term.

Columbus' portfolio of leases include three main groups: Offices, cars and other fixtures.

Lease liabilities are initially measured at the net present value of the fixed lease payments for the use of a lease asset. If, at inception of the lease, we are reasonably certain about exercising an option to extend a lease, we will include the lease payments in the option period when calculating the lease liability. We measure the lease asset to the value of the lease liability at initial recognition with the addition of lease payments at or before the commencement date of the lease, less any lease incentives received, any initial direct costs, and an estimate of costs to be incurred upon returning the underlying asset to the lessor.

Lease liabilities are measured using the incremental borrowing rate, rather than the interest rate implicit in the leases since these cannot easily be determined in the contracts.

The incremental borrowing rate comprises of three parts:
- Reference rate
- Financing spread adjustment
- Lease specific adjustment

The interest rate used for measuring lease liabilities ranges between 2.84% and 5.84% (2021: 2.61% and 5.61%).

Contracts may contain both lease and non-lease components. We allocate the consideration in a contract to the lease and non-lease components based on their relative stand-alone prices. We account for non-lease components in accordance with the accounting policy applicable for such items. Non-lease components comprise of services and operating costs etc. Variable lease expenses are recognized in other external expenses in the period when the condition triggering those payments occurs.

Interests of lease liabilities are recognized in financial expenses. Each lease payment is separated into repayment of the lease liability and payment of interests of the lease liability.

Debt repayments are classified as cash flows from financing activities, and payment of interests are classified as cash flows from operating activities.

Short-term leases and leases of low-value assets are not recognized as right-of-use-assets.

Notes

Note 13 – Investments in subsidiaries

	Parent Company	
DKK ´000	**2022**	2021
Balance at 1 January	981,346	1,023,300
Disposals related to divestment	0	-15,737
Disposals related to mergers	0	-26,217
Balance at 31 December	**981,346**	**981,346**
Write down at 1 January	-214,097	-160,454
Write down	-36,811	-53,643
Amortization and write down at 31 December	**-250,908**	**-214,097**
Carrying amount 31 December	**730,438**	**767,250**

Write down of investments in 2022 is primarily related to the divestment of the Russian business.

The disposal in 2021 relate to disposal of group entities in the Baltic region, UAB Columbus Lietuva and Columbus Eesti AS.

Write down in 2021 relates to impairment in connection with the divestment of the Columbus US SMB business.

Accounting policies

Investments in subsidiaries in the Parent Company's financial statement

Investments in subsidiaries are measured in the Parent Company's financial statements at historical cost. If the historical cost exceeds the recoverable amount, the costs are impaired to the lower value.

When dividend distributed exceeds the accumulated earnings after the acquisition date this is considered as an indication of impairment.

If the Parent Company has a legal or constructive obligation to cover a subsidiary's deficit, a provision is recognized to the extent that it exceeds amounts owed by the subsidiary.

Gains and losses on disposal of subsidiaries are calculated as the difference between the sale or liquidation amount and the carrying amount at the time of sale less costs to sell. Gains or losses are recognized in the statement of comprehensive income under "Other operating income" and "Other operating expenses".

Dividends from subsidiaries

Dividends from investments are recognized in the Parent Company's profit in the accounting period, where the right for the dividend is earned.

Notes

Note 14 – Trade receivables

	Group		Parent Company	
DKK ´000	**2022**	2021	**2022**	2021
Receivables (gross) at 1 Jan	**281,133**	**241,749**	**59,728**	**37,023**
Change in receivables during the period	-19,711	39,384	-6,431	22,705
Receivables (gross) end of period	**261,422**	**281,133**	**53,297**	**59,728**
Provisions for bad debt at 1 Jan	**11,550**	**19,178**	**1,277**	**673**
Change in provisions for bad debt during the period	-7,074	-7,609	4,273	585
Loss realized during the period	2,146	-19	24	19
Provisions for bad debt end of period	**6,622**	**11,550**	**5,574**	**1,277**
Carrying amount end of period	**254,800**	**269,583**	**47,723**	**58,451**

Provisions for bad debt are made based on the lifetime expected credit losses in line with the Group's accounting policies.

	Group		Parent Company	
DKK ´000	**2022**	2021	**2022**	2021
Age of receivables (gross):				
Not due	174,400	190,113	35,410	42,380
0-30 days	72,614	57,896	15,625	11,630
30-60 days	9,009	9,859	1,141	2,340
61-90 days	3,358	8,033	339	781
91-180 days	1,724	4,627	457	1,603
181-270 days	114	2,131	189	151
270-360 days	3	142	35	170
Above 360 days	200	8,332	101	673
Total	**261,422**	**281,133**	**53,297**	**59,728**

	Group		Parent Company	
DKK ´000	**2022**	2021	**2022**	2021
Age of impairment:				
Not due	5,091	747	5,106	16
0-30 days	363	50	78	12
30-60 days	226	130	29	28
61-90 days	252	250	25	39
91-180 days	431	1,019	114	284
181-270 days	57	880	95	70
271-360 days	2	142	26	155
Over 360 days	200	8,332	101	673
Total	**6,622**	**11,550**	**5,574**	**1,277**

	Group		Parent Company	
DKK ´000	**2022**	2021	**2022**	2021
Provision matrix:				
Not due	2.9%	0.4%	14.4%	0.0%
0-30 days	0.5%	0.1%	0.5%	0.1%
30-60 days	2.5%	1.3%	2.5%	1.2%
61-90 days	7.5%	3.1%	7.4%	5.0%
91-180 days	25.0%	22.0%	25.0%	17.7%
181-270 days	50.0%	41.3%	50.0%	46.4%
271-360 days	75.0%	99.4%	75.0%	91.2%
Over 360 days	100.0%	100.0%	100.0%	100.0%

The parent entity has applied management provisions, to mitigate the risk of credit loss due to a dispute with a single customer, resulting in the provision percentage for the "not due" category being higher than usual.

Notes

Note 14 – Trade receivables (continued)

Accounting policies

Receivables consist of receivables from sales of products and services and other receivables.

Receivables are measured at initial recognition at fair value and subsequently at amortized cost, which usually corresponds to nominal value less provisions for bad debts.

When assessing impairment for the Group's receivables the expected credit losses model (ECL) is applied in accordance with IFRS 9. The ECL model involves a three-stage approach under which financial assets move through the stages as their credit quality changes. The stages determine how impairment losses are measured. For trade receivables the Group uses the simplified approach in calculating ECL's. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Provision rates are determined based on grouping of trade receivables sharing the same credit risk characteristics and days past due.

Loans to subsidiaries in the Parent Company's financial statement
Impairment losses on loans to subsidiaries will be recognized based on a 12-month ECL model.

Note 15 – Contract assets and contract liabilities

	Group		Parent Company	
DKK ´000	**2022**	2021	**2022**	2021
Balance at 1 Jan	**-5,815**	**-4,874**	**-5,973**	**-7,525**
Changes contract assets during the period	136	-32,400	1,726	-6,421
Changes on account billing and prepayments during the period	1,541	31,459	2,266	7,973
Balance at end of period	**-4,138**	**-5,815**	**-1,981**	**-5,973**
Work in progress	13,666	13,529	7,263	5,537
On account billing and prepayments	-17,804	-19,344	-9,244	-11,510
Balance at end of period	**-4,138**	**-5,815**	**-1,981**	**-5,973**
The net value is included in the balance as follows:				
Contract assets	5,822	11,433	229	952
Contract liabilities	-9,960	-17,248	-2,210	-6,925
Balance at end of period	**-4,138**	**-5,815**	**-1,981**	**-5,973**

The Group's contract assets are subject to significant judgements in relation to the classification of the contract and in terms of how the contract is handled and recognized in the financial statements. When determining the appropriate recognition of the contract, the Group accounting policies are applied.

Of the prepayments as of 31 December 2021 (DKK 10,490k, hereof DKK 9,399k from the continued business) DKK 7,730k has been recognized as revenue in the reporting period corresponding to 82%.

The Group's total value of contracts represents DKK 15,137k as of 31 December 2022 (DKK 32,292k as of December 2021). DKK 5,461k of the total contract value is recognized as revenue as of 31 December 2022 (DKK 13,529k as of 31 December 2021). The remaining DKK 9,676k is expected to be recognized as revenue within 12-18 months from the balance date (DKK 18,763k as of 31 December 2021). The lower contract values in 2022 compared to 2021 is affected by divestment of activities in the financial year.

Notes

Note 15 – Contract assets and contract liabilities (continued)

Accounting policies

Contract assets and contract liabilities are measured at the sales value of the work performed less progress billings and expected losses. Market value is measured based on completion at the balance sheet date and the total expected income from the contract. The stage of completion is determined as the ratio between the resources spent and the total estimated resource for the project. For some projects where the consumption of resources cannot be used as a base, the measurement is instead based on the ratio between completed sub activities and the total project.

When it is probable that total costs will exceed total revenue on a contract work in progress, the expected loss on the contract is taken immediately as an expense and a provision.

When the outcome of a contract cannot be estimated reliably, the selling price is only recognized at cost, to the extent that it is probable, they will be recovered.

Contract assets and contract liabilities are recognized in the balance sheet under current assets or liabilities, depending on whether net value of a contract is a receivable or liability.

Costs of sales work and securing contracts are recognized in statement of comprehensive income as incurred.

When assessing impairment for the Group's contract work in progress the simplified approach under the ECL model is used in line with impairment for the Group's trade receivables.

Note 16 – Share capital

The share capital consists of 129,276,264 shares of DKK 1.25, corresponding to DKK 161,595k (nom.). The shares are not divided into classes, and no shares have any special rights. The share capital is fully paid up.

There has been no capital increase in 2022.

In 2021 the Company increased the capital by 4,654,132 shares of DKK 1.25, corresponding to DKK 5,817k (nom.) as a result of exercised warrant programs.

	Parent Company	
	2022	2021
Number of shares at the beginning of the year	129,276,264	124,622,132
Capital increase	0	4,654,132
Number of shares at 31 December	**129,276,264**	**129,276,264**

Notes

Note 17 – Provisions and contingent consideration

	Group		Parent Company	
DKK ´000	**2022**	2021	**2022**	2021
Contingent consideration	0	6,539	0	6,539
Other provisions	866	7,778	866	7,778
	866	**14,317**	**866**	**14,317**

DKK ´000	Contingent consideration	Other provisions	Total
Group 2022			
Balance (non-current) at 1 January 2022	**0**	**1,056**	**1,056**
Balance (current) at 1 January 2022	**6,539**	**6,722**	**13,261**
Unachieved earn-out during the period	-6,539	0	-6,539
Settlement of claim	0	-6,722	-6,722
Changes in other provisions	0	-190	-190
Carrying amount at 31 December 2022	**0**	**866**	**866**
Carrying amount non-current at 31 December 2022	**0**	**866**	**866**
Carrying amount current at 31 December 2022	**0**	**0**	**0**

Contingent consideration
The unachieved earn-out is related to the outcome of a dispute with two former minority shareholders in iS-tone who had violated the terms in the share purchase agreement. As a result of the dispute Columbus is no longer obliged to pay the remaining remuneration/contingent consideration and has also received financial compensation.

Other provisions
Other provisions are primarily related to claims and refurbishment obligations of leased assets.

DKK ´000	Contingent consideration	Other provisions	Total
Group 2021			
Balance (non-current) at 1 January 2021	**0**	**21,337**	**21,337**
Balance (current) at 1 January 2021	**81,594**	**6,722**	**88,316**
Foreign currency translation, year-end exchange rate	-57	102	45
Changes in forward contract	0	2,252	2,252
Paid earn-out during the period	-74,998	0	-74,998
Payment of retained holiday allowance	0	-22,635	-22,635
Carrying amount at 31 December 2021	**6,539**	**7,778**	**14,317**
Carrying amount non-current at 31 December 2021	**0**	**1,056**	**1,056**
Carrying amount current at 31 December 2021	**6,539**	**6,722**	**13,261**

Notes

Note 17 – Provisions and contingent consideration (continued)

DKK ´000	Contingent consideration	Other provisions	Total
Parent 2022			
Balance (non-current) at 1 January 2022	**0**	**1,056**	**1,056**
Balance (current) at 1 January 2022	**6,539**	**6,722**	**13,261**
Unachieved earn out during the period	-6,539	0	-6,539
Settlement of claim	0	-6,722	-6,722
Changes in other provisions	0	-190	-190
Carrying amount at 31 December 2022	**0**	**866**	**866**
Carrying amount non-current at 31 December 2022	**0**	**866**	**866**
Carrying amount current at 31 December 2022	**0**	**0**	**0**

Contingent consideration
The unachieved earn-out is related to the outcome of a dispute with two former minority shareholders in iS-tone who had violated the terms in the share purchase agreement. As a result of the dispute Columbus is no longer obliged to pay the remaining remuneration/contingent consideration and has also received financial compensation.

Other provisions
Other provisions are primarily related to repairment obligations on leased assets.

DKK ´000	Contingent consideration	Other provisions	Total
Parent 2021			
Balance (non-current) at 1 January 2021	**0**	**21,337**	**21,337**
Balance (current) at 1 January 2021	**81,594**	**6,722**	**88,316**
Foreign currency translation, year-end exchange rate	-57	102	45
Changes in forward contract	0	2,252	2,252
Paid earn out during the period	-74,998	0	-74,998
Payment of retained holiday allowance	0	-22,635	-22,635
Carrying amount at 31 December 2021	**6,539**	**7,778**	**14,317**
Carrying amount non-current at 31 December 2021	**0**	**1,056**	**1,056**
Carrying amount current at 31 December 2021	**6,539**	**6,722**	**13,261**

Accounting policies

Provisions
Provisions for liabilities are recognized as a result of events occurring before or at the balance sheet date, that has a legal or constructive obligation and it is probable that settlement of the obligation will result in an outflow of economic resources.

Provisions are measured at management's best estimate of the amount required to settle the obligation. Provisions with an expected maturity more than one year from the balance sheet date are measured at present value.

Notes

Note 18 – Lease liability, Right-of-use-assets

DKK ´000	Other equipment	Cars	Offices	Total
Group 2022				
Less than 1 year	707	2,851	23,367	26,925
Between 1 and 5 years	1,187	7,044	32,566	40,797
More than 5 years	0	0	0	0
	1,894	**9,895**	**55,933**	**67,722**

DKK ´000	Other equipment	Cars	Offices	Total
Parent 2022				
Less than 1 year	49	901	5,252	6,202
Between 1 and 5 years	101	598	5,672	6,371
More than 5 years	0	0	0	0
	150	**1,499**	**10,924**	**12,573**

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored closely by the management. For more information about right-of use assets, please refer to note 12.

DKK ´000	Other equipment	Cars	Offices	Total
Group 2021				
Less than 1 year	645	2,915	24,799	28,359
Between 1 and 5 years	706	8,462	27,286	36,454
More than 5 years	0	0	0	0
	1,351	**11,377**	**52,085**	**64,813**

DKK ´000	Other equipment	Cars	Offices	Total
Parent 2021				
Less than 1 year	30	924	4,859	5,813
Between 1 and 5 years	63	1,132	8,892	10,087
More than 5 years	0	0	0	0
	93	**2,056**	**13,751**	**15,901**

Notes

Note 19 – Other payables

	Group		Parent Company	
DKK ´000	**2022**	2021	**2022**	2021
Payroll cost, payroll tax, retirement benefit obligations etc.	58,791	111,899	9,972	28,659
Holiday pay etc.	47,690	48,421	10,584	10,354
VAT payable	25,224	29,163	3,515	4,796
Other liabilities	32,852	27,923	9,131	4,794
	164,557	**217,406**	**33,202**	**48,603**

The carrying amount of other payables matches the fair value of the liabilities.

The holiday pay obligation represents the Group's obligation to pay salary during employees' holiday in the following financial year.

Accounting policies

Current liabilities
Current liabilities include bank loans, trade payables and other liabilities to public authorities, etc. Current liabilities are initially measured at fair value, less any transaction costs. In subsequent periods, current liabilities are measured at amortized cost using the "effective interest method" so that the difference between the proceeds and the nominal value is recognized in the income statement under financial expenses over the loan period.

Other liabilities are measured at amortized cost.

Pensions
Contributions to defined contribution plans are recognized in the statement of comprehensive income in the period to which they relate and any contributions payable are recognized in the balance sheet under other payables.

Note 20 – Contingent liabilities and commitments for expenditures

Parent Company

Contingent liabilities
The Danish jointly taxed companies are jointly and severally liable for tax on joint taxation income.

The Company is included in Danish jointly taxation with Consolidated Holdings A/S as controlling company. Thus, the Company is, in accordance with the Danish Corporation Tax Act, from financial year 2013 liable for income tax etc. for the jointly taxed companies and from 1 July 2012 also for potential liabilities, including withholding tax on interest, royalties and profits for these companies.

Commitments for expenditures
The Company has guaranteed payment of banking arrangements in Nordea for subsidiaries. As of 31 December 2022 the maximum liability is DKK 14.348k (2021: DKK 13.442k).

Guarantees
The Company have provided guarantees for its subsidiaries regarding rent expenses. As of 31 December 2022 the guarantees amounts to DKK 890K.

Notes

Note 21 – Related parties

Consolidated Holdings A/S has a controlling interest in the Columbus Group, including Columbus A/S. Other related parties with significant influence in the Columbus Group are the Company's Board of Directors, Executive Board and certain executives and their related parties. Furthermore, related parties are companies in which the above persons have significant influence.

Related parties with controlling interest

Consolidated Holdings A/S (Fredheimvej 9, 2950 Vedbæk)
Consolidated Holdings A/S owns 49.78% of the shares in Columbus A/S. Consolidated Holdings A/S has a controlling interest in Columbus A/S, as Consolidated Holdings A/S, through its shareholding and its shareholder voting agreements, controls the majority (51.18%) of the votes at the annual general meeting. Transactions with the company are made on an arm's length basis. Ib Kunøe is the majority shareholder in Consolidated Holdings A/S.

Dividend to Consolidated Holdings A/S is paid on equal principals as with other shareholders. Furthermore, Consolidated Holdings A/S is in a joint taxation with the Danish entities in the Columbus Group, with Consolidated Holdings A/S as management company. In 2022 Columbus received a tax receivable from Consolidated Holdings A/S for DKK 773k (2021: DKK -1.436k)

Related parties with significant influence

ATEA (Lautrupvang 6, 2750 Ballerup)
Consolidated Holdings A/S has significant influence in ATEA, and certain dual roles in the management are filled by the same persons in ATEA and the Columbus Group. Transactions with the company are made on an arm's length basis.

In January 2021 we divested our private cloud business to Atea. The transaction happened on arm's length basis, and is described further in note 27 and note 28. The transaction has been excluded from the following tables.

Atrium Partners A/S (Strandvejen 102B, 2900 Hellerup)
Consolidated Holdings A/S has a significant influence in Atrium Partners A/S. Atrium partners assisted Columbus in the divestment of our former subsidiary To Increase, which were sold off in the beginning of 2021. The transaction with Atrium Partners A/S were made on arm's length.

X-Yachts A/S (Fjordagervej 21, 6100 Haderslev)
Consolidated Holdings A/S has a significant influence in X-Yachts A/S and certain roles in the management are filled by the same persons in X-Yachts and Columbus Group. Transactions with X-Yachts A/S were made on arm's length.

	Parent	
DKK ´000	**2022**	2021
Net sales		
Atea	2,354	5,264
X-Yachts A/S	945	0
Total	**3,299**	**5,264**
Net purchase		
Atrium Partners	0	-9,349
Atea	-16,496	-12,268
Total	**-16,496**	**-21,617**

Sale to Atea and X-Yachts is primarily consultancy and sale of licenses from 3rd parties.
Purchase from Atea and subsidiaries is primarily office rent, purchase of IT equipment and consultancy services. The lease contract for office rent constitute right-of-use asset of DKK 4,298k and lease liability of DKK 8,707k.

	Parent	
DKK ´000	**2022**	2021
Trade receivables		
Atea	0	1,713
X-Yachts A/S	99	0
Total	**99**	**1,713**
Trade payables		
Atea	-3,129	-2,806
Total	**-3,129**	**-2,806**

Executive Board and Board of Directors
Remuneration of the Executive Board, the Board of Directors and executives appears from note 4.

Notes

Note 21 – Related parties (continued)

Subsidiaries
Related parties in Columbus also comprise the subsidiaries in which the Company has controlling interest, cf. the Group overview.

Trading with subsidiaries was as follows:

	Parent Company	
DKK ´000	**2022**	2021
Purchase from subsidiaries	-48,520	-71,016
Sold to subsidiaries	110,610	62,379

Purchases from subsidiaries are primarily consultancy and development hours from Columbus' Global Delivery Center, and internally developed software for customer sales.

Sold to subsidiaries is primarily service and tools fees, consultancy and development hours, as well as cost split for the shared service center in Columbus' Danish and Norwegian companies.

Transactions with subsidiaries are eliminated in the consolidated financial statements in accordance with applied accounting policies.

Outstanding accounts with subsidiaries
Columbus' outstanding accounts with subsidiaries are shown directly in the balance sheet. Outstanding accounts are interest-bearing. The interest payment of outstanding accounts is shown in note 7. Payment terms for regular outstanding accounts are invoiced month + 30 days.

Note 22 – Fee to the Group's auditor elected by the annual general meeting

	Group		Parent Company	
DKK ´000	**2022**	2021	**2022**	2021
Auditor elected by the annual general meeting				
Statutory audit	2,174	2,112	593	623
Other assurance services	71	91	71	91
Other non-audit services	358	110	358	0
Total audit fee	**2,603**	**2,313**	**1,022**	**714**

Other services provided by the auditors elected by the annual general meeting comprise of fee for advisory related to ESG reporting and review of the remuneration report.

Notes

Note 23 – Financial risks and financial instruments

The below maturity analysis is based on undiscounted cash flow, and the method of accounting is equivalent to Columbus' cash flow exposure going forward. The maturity analysis shows a balanced current ratio.

DKK ´000	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Group 2022				
Financial assets				
Trade receivables	254,800	0	0	254,800
Contract assets	5,822	0	0	5,822
Corporate tax receivables	2,254	0	0	2,254
Other receivables	12,930	9,110	7,399	29,439
Receivables from divestment of activities	59,264	0	0	59,264
Prepayments	19,868	0	0	19,868
Cash and bank balances	32,787	0	0	32,787
Total financial assets	**387,725**	**9,110**	**7,399**	**404,234**
Financial liabilities				
Debt to credit institutions	55,702	84,265	0	139,967
Contract liabilities	9,960	0	0	9,960
Trade payables	64,926	0	0	64,926
Corporate tax payables	1,426	0	0	1,426
Other payables	164,557	0	0	164,557
Accruals and deferred income	36,898	0	0	36,898
Lease liability right-of-use assets	28,640	41,968	0	70,608
Other provisions	0	866	0	866
Total financial liabilities	**362,109**	**127,099**	**0**	**489,208**
Ratio	**1.07**			**0.83**

The total financial liabilities are expected to be financed by the positive cash flows from primary activities, as well as unused lines of credit. Further, part of the short term financial liabilities are not expected to fall due for payment.

The below table disclose the expected interest payments for credit institutions and for lease liability and provisions the discounted interest on the debt to represent net present value.

DKK ´000	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Debt to credit institutions	-3,367	-8,265		-11,632
Lease liability right-of-use assets	-1,715	-1,171	0	-2,886

Liquidity risk management
The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. For all the primary financial instruments, the carrying amounts are equivalent to the fair value.

Notes

Note 23 – Financial risks and financial instruments (continued)

DKK ´000	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Group 2021				
Financial assets				
Trade receivables	269,583	0	0	269,583
Contract assets	11,433	0	0	11,433
Corporate tax receivables	12,041	0	0	12,041
Other receivables	3,791	10,132	7,266	21,189
Receivables from divestment of activities	55,631	0	0	55,631
Prepayments	19,367	0	0	19,367
Cash and bank balances	62,943	0	0	62,943
Total financial assets	**434,789**	**10,132**	**7,266**	**452,187**
Financial liabilities				
Debt to credit institutions	19,660	77,509	0	97,169
Contingent consideration	6,539	0	0	6,539
Contract liabilities	17,248	0	0	17,248
Trade payables	79,168	0	0	79,168
Corporate tax payables	1,171	0	0	1,171
Other payables	217,406	0	0	217,406
Accruals and deferred income	32,938	0	0	32,938
Lease liability right-of-use assets	29,966	37,539	0	67,505
Other provisions	6,722	1,056	0	7,778
Total financial liabilities	**410,818**	**116,104**	**0**	**526,922**
Ratio	**1.06**			**0.86**

The below table discloses the expected interest payments for credit institutions and for provisions the discounted interest on the debt to represent net present value.

DKK ´000	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Debt to credit institutions	-616	-1,539	0	-2,155
Lease liability right-of-use assets	-1,607	-1,085	0	-2,692

Notes

Note 23 – Financial risks and financial instruments (continued)

DKK ´000	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Parent 2022				
Financial assets				
Trade receivables	47,723	0	0	47,723
Receivables from subsidiaries	69,202	0	0	69,202
Contract assets	229	0	0	229
Other receivables	8,759	9,110	3,033	20,902
Prepayments	8,801	0	0	8,801
Cash and bank balances	0	0	0	0
Total financial assets	**134,714**	**9,110**	**3,033**	**146,857**
Financial liabilities				
Debt to credit institutions	78,461	84,265	0	162,726
Contingent consideration	0	0	0	0
Debt to subsidiaries	40,746	0	0	40,746
Contract liabilities	2,210	0	0	2,210
Trade payables	23,319	0	0	23,319
Other payables	33,202	0	0	33,202
Accruals and deferred income	5,182	0	0	5,182
Lease liability right-of-use assets	6,459	6,473	0	12,932
Other provisions	0	866	0	866
Total financial liabilities	**189,579**	**91,604**	**0**	**281,183**
Ratio	**0.71**			**0.52**

The total financial liabilities are expected to be financed by the positive cash flows from primary activities, as well as unused lines of credit. Further, part of the short term financial liabilities are not expected to fall due for payment.

The below table discloses the expected interest payments for credit institutions and for lease liability and provisions the discounted interest on the debt to represent net present value.

DKK ´000	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Debt to credit institutions	-3,367	-8,265	0	-11,632
Lease liability right-of-use assets	-257	-102	0	-359

Notes

Note 23 – Financial risks and financial instruments (continued)

DKK ´000	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Parent 2021				
Financial assets				
Trade receivables	58,451	0	0	58,451
Receivables from subsidiaries	29,306	0	0	29,306
Contract assets	952	0	0	952
Other receivables	2,082	10,132	2,794	15,008
Prepayments	9,219	0	0	9,219
Cash and bank balances	2,491	0	0	2,491
Total financial assets	**102,501**	**10,132**	**2,794**	**115,427**
Financial liabilities				
Debt to credit institutions	34,374	77,509	0	111,883
Contingent consideration	6,539	0	0	6,539
Debt to subsidiaries	65,588	0	0	65,588
Contract liabilities	6,925	0	0	6,925
Trade payables	21,572	0	0	21,572
Other payables	48,603	0	0	48,603
Accruals and deferred income	3,617	0	0	3,617
Lease liability right-of-use assets	6,158	10,354	0	16,512
Other provisions	6,722	1,056	0	7,778
Total financial liabilities	**200,098**	**88,919**	**0**	**289,017**
Ratio	**0.51**			**0.40**

The below table discloses the expected interest payments for credit institutions and for provisions the discounted interest on the debt to represent net present value.

DKK ´000	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Debt to credit institutions	-616	-1,539	0	-2,155
Lease liability right-of-use assets	-345	-267	0	-612

Notes

Note 23 – Financial risks and financial instruments (continued)

Financing facilities

DKK ´000	Group 2022	Group 2021
Cash and bank balances	32,787	62,943
Unused credits	89,978	13,565
	122,765	**76,508**

The Group's cash reserves consist of cash and unused credits.

Foreign exchange rate risk, interest rate risk and use of financial instruments
As a consequence of the operation, investments and financing, the Group is exposed to changes in foreign exchange rates and interest rates. The Parent Company controls the financial risks in the Group centrally and coordinates the cash management, including cash generation and excess liquidity. The Group follows a finance policy approved by the Board of Directors, and operates with a low risk profile, in order to ensure that foreign exchange rate risks and interest risks only occur in commercial situations.
Fluctuations in exchange rates have an effect on the Group's equity, results and revenue. As approx. 76% of the revenue comes from NOK, SEK, GBP, USD, CLP, CZK, PLN and INR the Group has performed a sensitive analysis on the relevant foreign exchange rates. The exchange rate risk for EUR is considered to be minimal.

Profit after tax exchange rates sensitivity

DKK ´000	Group 2022	Group 2021
Effect of 10% decrease in USD	459	-359
Effect of 10% decrease in GBP	278	-594
Effect of 10% decrease in SEK	-1,294	-1,805
Effect of 10% decrease in NOK	-314	-1,753
Effect of 10% decrease in CLP	-268	-148
Effect of 10% decrease in CZK	-118	-75
Effect of 10% decrease in PLN	-218	-133
Effect of 10% decrease in INR	-602	-532

Revenue exchange rates sensitivity

DKK ´000	Group 2022	Group 2021
Effect of 10% decrease in USD	-8,727	-9,906
Effect of 10% decrease in GBP	-18,879	-19,679
Effect of 10% decrease in SEK	-60,265	-59,708
Effect of 10% decrease in NOK	-28,289	-26,656
Effect of 10% decrease in CLP	-718	-718
Effect of 10% decrease in CZK	-807	-807
Effect of 10% decrease in PLN	-1,872	-1,872
Effect of 10% decrease in INR	-3,546	-3,546

Notes

Note 23 – Financial risks and financial instruments (continued)

Interest rates
Fluctuations in interest rates have an effect on the Group's financial instruments. By the end of 2022 an increase in interest rates of half a percentage point would increase the Group's interest by DKK 659k (2021: DKK 380k). The financial liabilities included in the sensitivity analysis include long-term and short-term debt to credit institutions.

Credit risks
The Group's credit risks primarily derive from trade receivables. Trade receivables are distributed between many customers and geographical areas. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The maximum credit risk on the balance sheet date equals the carrying amount.

Optimization of capital structure
The Group management continuously determines whether the capital structure is in accordance with the interests of the Company and shareholders. The overall goal is to ensure a capital structure which supports long-term financial growth, and at the same time maximizes the return to the Group's stakeholders through optimization of the debt and equity balance. The Group's capital structure consists of debt, comprising financial liabilities such as bank loans, lease liabilities, corporation tax payable, cash and equity, including share capital, reserves for foreign exchange adjustments and profit/loss carried forward.

Breach of loan agreements
The Group has neither in the financial year 2022 nor in 2021 failed to perform or defaulted on any loan agreements.

Parent Company
The Parent Company is not exposed in the same level as the Group to changes in foreign exchange rates due to limited operations in other currencies than DKK.

Interest rate risk is considered to be equal to the Group's level of risk since the Parent Company controls the financial risks in the Group centrally and coordinates the cash management.

The Parent's credit risks are primarily deriving from trade receivables and intercompany. Trade receivables are assessed for impairment based on the ECL model, cf. note 14. The maximum credit risk on the balance date equals the carrying amount.

Foreign exchange rate risk are primarily related to transactions in SEK, NOK, USD, GBP and RUB.

Note 24 – Changes in working capital

	Group		Parent Company	
DKK ´000	**2022**	2021	**2022**	2021
Change in receivables and contract assets	2,511	-33,067	-79,358	14,263
Change in trade payable and liabilities	-11,484	15,021	1,747	1,550
Change in other liabilities	-52,113	-69,175	54,537	-67,036
Cash flow from changes in working capital	**-61,086**	**-87,221**	**-23,074**	**-51,223**

Notes

Note 25 – Cash flow from financing activities

The table below specifies changes in liabilities arising from financing activities, including both cash and non-cash changes.

Liabilities arising from financing activities are those for which cash flows were, or future cash flow will be, classified in the cash flow statement as cash flow from financing activities.

DKK ´000	Lease liability right-of-use assets	Long term borrowings	Overdraft facilities	Total
Group 2022				
Balance at 1 January	**64,813**	**75,970**	**19,044**	**159,827**
Cash flow from continuing operations	-30,770	0	33,324	2,554
Cash changes	**-30,770**	**0**	**33,324**	**2,554**
New leases	22,882	0	0	22,882
Changes to existing leases	18,801	0	0	18,801
Reclassification	3	30	-33	0
Foreign exchange movements	-8,007	0	0	-8,007
Non-cash changes	**33,679**	**30**	**-33**	**33,676**
Balance at 31 December	**67,722**	**76,000**	**52,335**	**196,057**

DKK ´000	Lease liability right-of-use assets	Long term borrowings	Overdraft facilities	Total
Group 2021				
Balance at 1 January	**91,935**	**176,000**	**0**	**267,935**
Cash flows from continuing operations	-31,495	-100,030	19,044	-112,481
Cash changes	**-31,495**	**-100,030**	**19,044**	**-112,481**
New leases	10,267	0	0	10,267
Changes to existing leases	335	0	0	335
Foreign exchange movements	-6,229	0	0	-6,229
Non-cash changes	**4,373**	**0**	**0**	**4,373**
Balance at 31 December	**64,813**	**75,970**	**19,044**	**159,827**

Notes

Note 25 – Cash flow from financing activities (continued)

DKK ´000	Lease liability right-of-use assets	Long term borrowings	Overdraft facilities	Total
Parent 2022				
Balance at 1 January	**15,900**	**75,970**	**33,758**	**125,628**
Cash flows	-6,246	0	-19,194	-25,440
Cash changes	**-6,246**	**0**	**-19,194**	**-25,440**
New leases	3,296	0	0	3,296
Reclassification	0	30	0	30
Foreign exchange movements	-377	0	0	-377
Non-cash changes	**2,919**	**30**	**0**	**2,949**
Balance at 31 December	**12,573**	**76,000**	**14,564**	**103,137**

DKK ´000	Lease liability right-of-use assets	Long term borrowings	Overdraft facilities	Total
Parent 2021				
Balance at 1 January	**14,311**	**176,000**	**0**	**190,311**
Cash flows	-4,233	-100,030	33,758	-70,505
Cash changes	**-4,233**	**-100,030**	**33,758**	**-70,505**
New leases	6,279	0	0	6,279
Foreign exchange movements	-457	0	0	-457
Non-cash changes	**5,822**	**0**	**0**	**5,822**
Balance at 31 December	**15,900**	**75,970**	**33,758**	**125,628**

Notes

Note 26 – Discontinued operations and gain/loss on sale of shares in subsidiaries

	Group		Parent Company	
DKK ´000	2022	2021	2022	2021
Net revenue	9,192	224,745	0	0
External project costs	-464	-73,241	0	0
Gross profit	**8,728**	**151,504**	**0**	**0**
Staff expenses and remuneration	-7,768	-99,996	0	0
Other external costs	-700	-13,037	0	0
Other operating income	0	15	0	0
EBITDA	**260**	**38,486**	**0**	**0**
Depreciation, amortization and impairment	-321	-5,333	-36,812	-53,643
Operating profit (EBIT)	**-61**	**33,153**	**-36,812**	**-53,643**
Financial income	8,826	2,420	0	0
Financial expenses	-3,772	-2,443	0	0
Profit (loss) before tax from discontinued operations	**4,993**	**33,130**	**-36,812**	**-53,643**
Corporate tax	-243	-671	0	0
Profit (loss) after tax from discontinued operations	**4,750**	**32,459**	**-36,812**	**-53,643**
Total gain (loss) on divestment of discontinued operations	-45,966	682,542	1,603	829,103
Profit (loss) from discontinued operations	**-41,216**	**715,001**	**-35,209**	**775,460**
Earnings per share from discontinued operations of DKK 1.25 (EPS)	-0.32	5.58		
Earnings per share from discontinued operations of DKK 1.25, diluted (EPS-D)	-0.32	5.56		

Discontinued operations in 2022 - Group
On 16 March 2022 Columbus divested its Russian business, due to the Russian invasion of Ukraine. The business was sold to the local management, and the business is therefore reported as discontinued operations in the profit and loss for 2022 and 2021.

During 2020 Columbus initiated the process of a sale of our software company To-Increase, which represent our entire ISV segment. The sale was finalised in January 2021, and the business is therefore reported as discontinued operations in the profit and loss for 2021.

In January 2021, our Danish private cloud business was sold and this business is consequently also classified as discontinued operations in 2021.

In March 2021 our two Baltic companies were sold and the segment is consequently classified as discontinued operations in 2021.

In November 2021, our SMB business in our US entity was sold as part of the Focus23 strategy. The business activity is consequently classified as discontinued operations in 2021.

Gain/loss on sale of shares – Parent
The gain/loss on sale of shares in subsidiaries and impairment losses related to subsidiaries, which are classified as discontinued operations in the consolidated financial statements, are classified as discontinued operations in the parent company.

Notes

Note 26 – Discontinued operations (continued)

Gain (loss) on divestment of discontinued operations

	Group		Parent Company	
DKK ´000	**2022**	2021	**2022**	2021
Gain (loss) on disposal of subsidiaries	-9,534	697,095	0	830,960
Recirculation of historical currency adjustments	-34,938	0	0	0
Transaction costs related to disposal	-1,494	-14,553	1,603	-1,857
Total gain (loss) on divestment of discontinued operations	**-45,966**	**682,542**	**1,603**	**829,103**

Cash flow

	Group		Parent Company	
DKK ´000	**2022**	2021	**2022**	2021
Cash flow from operating activities	1,065	-4,591	0	0
Cash flow from investing activities	0	-7,479	0	0
Cash flow from financing activities	-326	-13,354	0	0
Cash flow from discontinued operations	**739**	**-25,424**	**0**	**0**

Accounting policies

Discontinued operations comprise all revenue and expenses and gain and losses for operations either being held for sale or which have already been disposed of. Discontinued operations are reported separately from the continued operations in the financial statements. Comparative figures are restated to segregate the continuing and discontinuing assets, liabilities, income, expenses, and cash flows.

Note 27 – Disposal of activities

On 16 March 2022, the Group disposed of its 100% equity interest in its Russian subsidiaries.

On 26 January 2021, the Group disposed of its 100% equity interest in its subsidiary, To-Increase. The subsidiary was classified as discontinued operations in 2021.

On 26 March 2021, the Group disposed of its 100% equity interest in its subsidiary, Columbus Lithuania and its 51% equity interest in its subsidiary, Columbus Estonia. The deferred consideration was partly settled in cash by the purchaser in April 2021 (DKK 12m), and the remaining consideration will be paid in monthly installments until 2026.

On 1st November 2021, our SMB business in our US entity was sold as part of the Focus23 strategy. The business activity is consequently classified as discontinued operations in 2021. The transaction was settled partly in cash at the transaction date (USD 8m), and partly as deferred consideration which was due in Q2 2022 (USD 8.5m). The buyer has still not paid the outstanding amount to which a legal collecting process has been initiated to collect our receivable.

The gain on disposal is included in the profit for the year from discontinued operations, note 26.
At the date of disposal, the carrying amounts of disposed subsidiaries net assets were as follows.

Notes

Note 27 – Disposal of activities (Continued)

	Group		Parent	
DKK ´000	**2022**	2021	**2022**	2021
Goodwill	8,822	197,980	0	0
Customer base	0	7,295	0	3,050
Other intangible assets	0	19	0	0
Development projects finalized	0	52,334	0	0
Development projects in progress	0	42,404	0	0
Property, plant and equipment	204	2,419	0	0
Right-of-use assets	2,102	20,712	0	0
Investments in subsidiaries	0	0	0	60,803
Trade receivables	1,762	36,404	0	0
Contract assets	3,731	7,575	0	0
Corporate tax receivables	0	1,052	0	0
Deferred tax assets	0	30,961	0	0
Other receivables	176	1,506	0	0
Prepayments	1,790	6,957	0	0
Cash	9,274	22,169	0	0
Total assets	**27,861**	**429,787**	**0**	**63,853**

	Group		Parent	
DKK ´000	**2022**	2021	**2022**	2021
Deferred tax	358	19,095	0	0
Debt to credit institutions	0	357	0	0
Lease liability right-of-use assets	2,254	20,277	0	0
Contract liabilities	2,355	3,854	0	0
Trade payables	1,758	18,425	0	0
Corporate tax payables	5	54	0	0
Other payables	9,597	31,180	0	0
Accruals and deferred income	0	30,578	0	0
Total liabilities	**16,327**	**123,818**	**0**	**0**
Minority interests	0	2,847	0	0
Net assets disposed of	**11,534**	**303,122**	**0**	**63,853**
Cash and cash equivalents	2,000	928,334	0	865,279
Deferred consideration	0	71,883	0	29,534
Total consideration	**2,000**	**1,000,217**	**0**	**894,813**
Gain on disposal of activities	**-9,534**	**697,095**	**0**	**830,960**
Net Cash inflow arising on disposal:				
Consideration received in cash and cash equivalents	2,000	928,334	0	865,279
Less: cash and cash equivalents disposed of	-9,274	-22,169	0	-19,775
Transaction costs related to disposal	-1,494	-29,517	1,603	-17,389
Net cash inflow arising on disposal	**-8,768**	**876,648**	**1,603**	**828,115**

Notes

Note 28 – Board of Directors and Executive Board

See section "The Board of Directors and Executive Board" in the Management's Review, page 46.

Note 29 – Shareholder information

See section "Shareholder information" in the Management's Review, page 50.

Note 30 – Events after the reporting period

There has been no events after the balance sheet date to be accounted for.

Note 31 – Approval of publication of the Annual Report

On the Board meeting on 15 March 2023 the Board of Directors approved publication of the Annual Report 2022. The Annual Report 2022 will be submitted for approval by the shareholders of Columbus A/S on the Annual General Meeting on 24 April 2023.

Notes

Key figures, ratios and Alternative Performance Measures

Key figures and ratios

Earnings per share (EPS) and diluted earnings per share (EPS-D) are calculated in accordance with IAS 33.

Other ratios are calculated in accordance with the Danish Finance Society "Recommendations & Financial Ratios". The financial ratios stated are calculated as follows:

EBITDA-margin	Earnings before interest, tax, depreciations and amortizations (EBITDA) / Net revenue	
Operating margin	Operating profit (EBIT) / Net revenue	
Return on equity	Result after tax and excl. minority interests / Average equity excl. minority interests	
Return on invested capital (ROIC)	EBITA / Average invested capital including goodwill	
Equity ratio	Equity excl. minority interests / Total equity and liabilities	
Earnings per share (EPS)	Result after tax and excl. minority interests / Average number of shares	x f
Book value per share (BVPS)	Equity excl. minority interests end of year x 100 / Number of shares end of year	x f
Cash flow per share	Cash flow from operations / Average number of diluted shares	x f
Adjustment factor (f)	Theoretical rate / Listed price of stock the day before the subscription and/or stock right cease	
Recurring Revenue % of total revenue	Recurring revenue / Net revenue	

Alternative Performance Measures

Organic Growth and Revenue

Organic Growth and Revenue represents the business excluding the impact of acquisitions and divestments.

The purpose of defining Organic Growth is to show a "like-for-like" comparison with the previous year.

Recurring Revenue

Recurring Revenue includes Columbus Software maintenance, Columbus Cloud revenue, 3rd party maintenance revenue, 3rd party cloud revenue, Columbus Care agreements.

Recurring revenue does not necessarily mean a binding contractual agreement. However recurring revenue is defined as revenue with a high degree of certainty for renewal >95%.

The purpose of defining Recurring Revenue is to express a level of predictability in the revenue. The higher degree of Recurring Revenue in pct. of total revenue – the more predictable is the Columbus revenue going forward.

Gross Sales

Gross Sales is an Alternative Performance Measure which reflects the gross revenue from sales, and is shown to inform about the former presented revenue level before the change of accounting principles, which has been adopted as a consequence of the Agenda Decision approved by the IFRS Interpretations Committee on April 20th 2022. See note 1 for more information.

The Performance Measure includes gross invoiced revenue from sale to customers.

EBITDA before Share Based Payment

EBITDA before Share Based Payment is Earnings Before Interest Taxes Depreciation, Amortization and the expense (black Scholes value) from Share Based Payment.

The purpose of excluding Share Based Payment is that this is a non-cash consideration and therefore different characteristics than cash-based considerations. Another purpose is that the IFRS rules for expending Share Based payments is uneven through the 3-year maturing period Columbus normally exercise. EBITDA before Share Based Payment will therefore express a more comparable year over year development.

Statement by management on the Annual Report

The Board of Directors and the Executive Board have today considered and approved the annual report of Columbus A/S for the financial year 01.01.2022 - 31.12.2022.

The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies. In addition, in our opinion the Annual Report for Columbus A/S for 1 January - 31 December 2022 with the file name COLUMBUS-2022-12-31-en.zip in all material aspects is prepared in accordance with ESEF Regulation.

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 31.12.2022 and of the results of their operations and cash flows for the financial year 2022.

In our opinion, the management commentary contains a fair review of the development of the Group's and the Parent's business and financial matters, the results for the year and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the Group and the Parent face.

We recommend the annual report for adoption at the Annual General Meeting.

Ballerup, 15 March 2023

Executive Board

Søren Krogh Knudsen
CEO & President

Brian Iversen
Group CFO

Board of Directors

Ib Kunøe
Chairman

Sven Madsen
Deputy Chairman

Peter Skov Hansen

Karina Kirk Ringsted

Per Ove Kogut

Independent Auditor's Reports

To the shareholders of Columbus A/S

Our opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2022 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

What we have audited

The Consolidated Financial Statements and the Parent Company Financial Statements of Columbus A/S for the financial year 1 January to 31 December 2022 comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including summary of significant accounting policies for the Group as well as for the Parent Company. Collectively referred to as the "Financial Statements".

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 Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were appointed auditors of Columbus A/S for the first time on 29 April 2022 for the financial year 2022.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2022. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of goodwill The carrying amount of goodwill is significant to the Consolidated Financial Statements. Management monitors the carrying value of goodwill based on defined CGU's and performs impairment tests annually and more frequently, if there are indications of impairment. Management's assessment of the recoverability of the carrying amount of goodwill is based on value-in-use calculations, including determination of the significant assumptions and data applied. The significant assumptions in estimating the future cash flows in the value-in-use calculations are revenue growth, EBIT margin, future investments and the discount rate. The impairments performed did not lead to impairment charges in the Consolidated Financial Statements. We focused on this area as the amounts involved are significant and because Management is required to exercise considerable judgements in estimating the value-in-use. Reference is made to note 10 in the Consolidated Financial Statements.	We discussed with Management the methodology when performing the annual impairment assessment on the carrying amount of goodwill. In addressing the risk, we considered the appropriateness of Management defined CGUs. We examined the methodology used by Management to assess the carrying amount of goodwill assigned to CGUs. We challenged and assessed the reasonableness of significant assumptions used in the impairment tests being revenue growth, EBIT margin, future investments and the discount rate. We used our internal valuation experts to independently calculate the discount rate. In calculating the discount rate, the key inputs used were independently sourced from market data. We compared the discount rate used by Management to our calculated rate. We tested the mathematical accuracy of the value-in-use models prepared by Management. Finally, we assessed the disclosure of these matters in the Consolidated Financial Statements.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the 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 further requirements in the Danish Financial Statements Act and for the preparation of parent company 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the 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 Financial Statements.

As part of an audit 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 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 Company'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 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 Company'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 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 or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of Columbus A/S for the financial year 1 January to 31 December 2022 with the filename COLUMBUS-2022-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of Columbus A/S for the financial year 1 January to 31 December 2022 with the file name COLUMBUS-2022-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 15 March 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

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For more information about Columbus visit www.columbusglobal.com