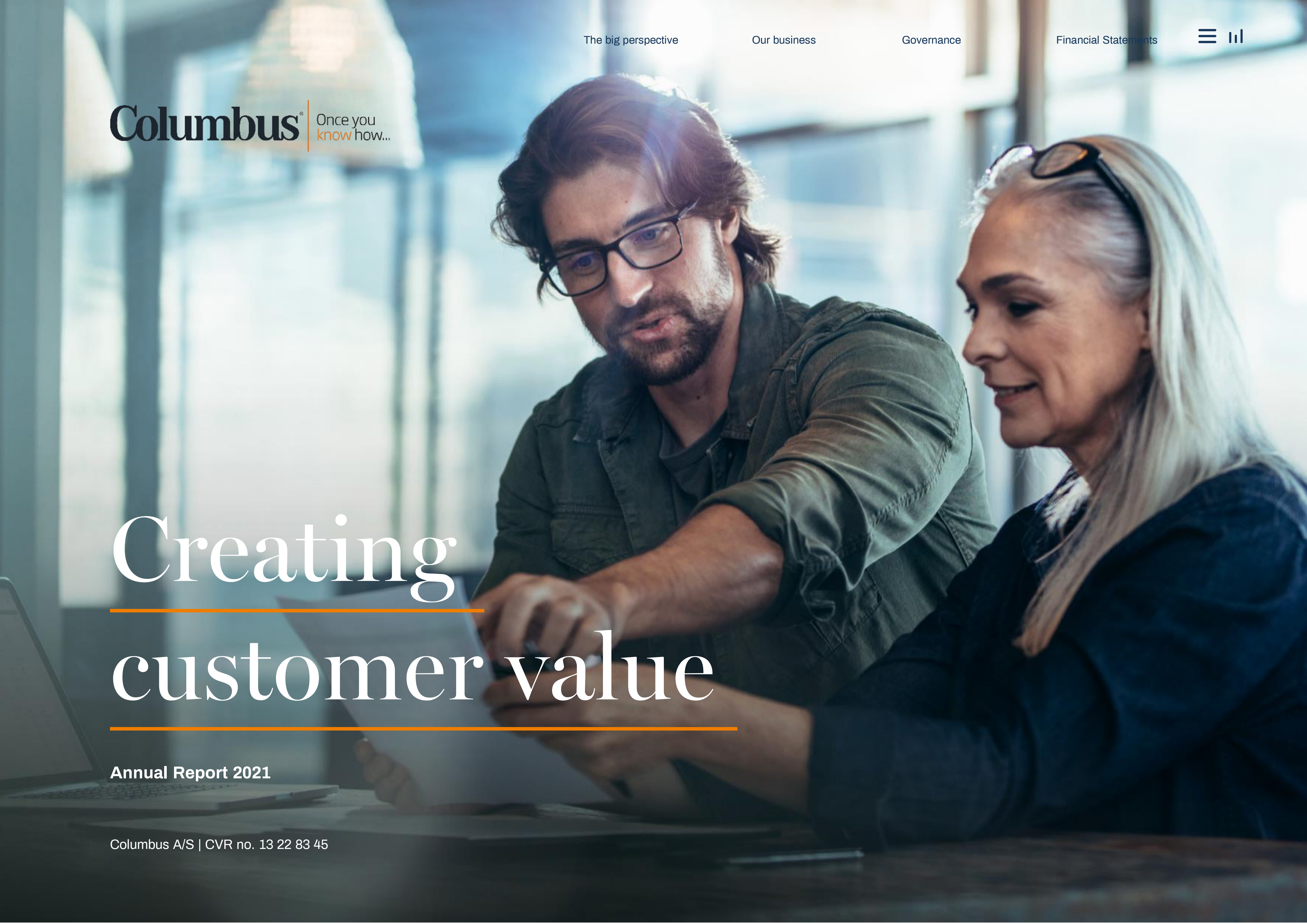

Columbus Once you know how...

Creating customer value

Annual Report 2021

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

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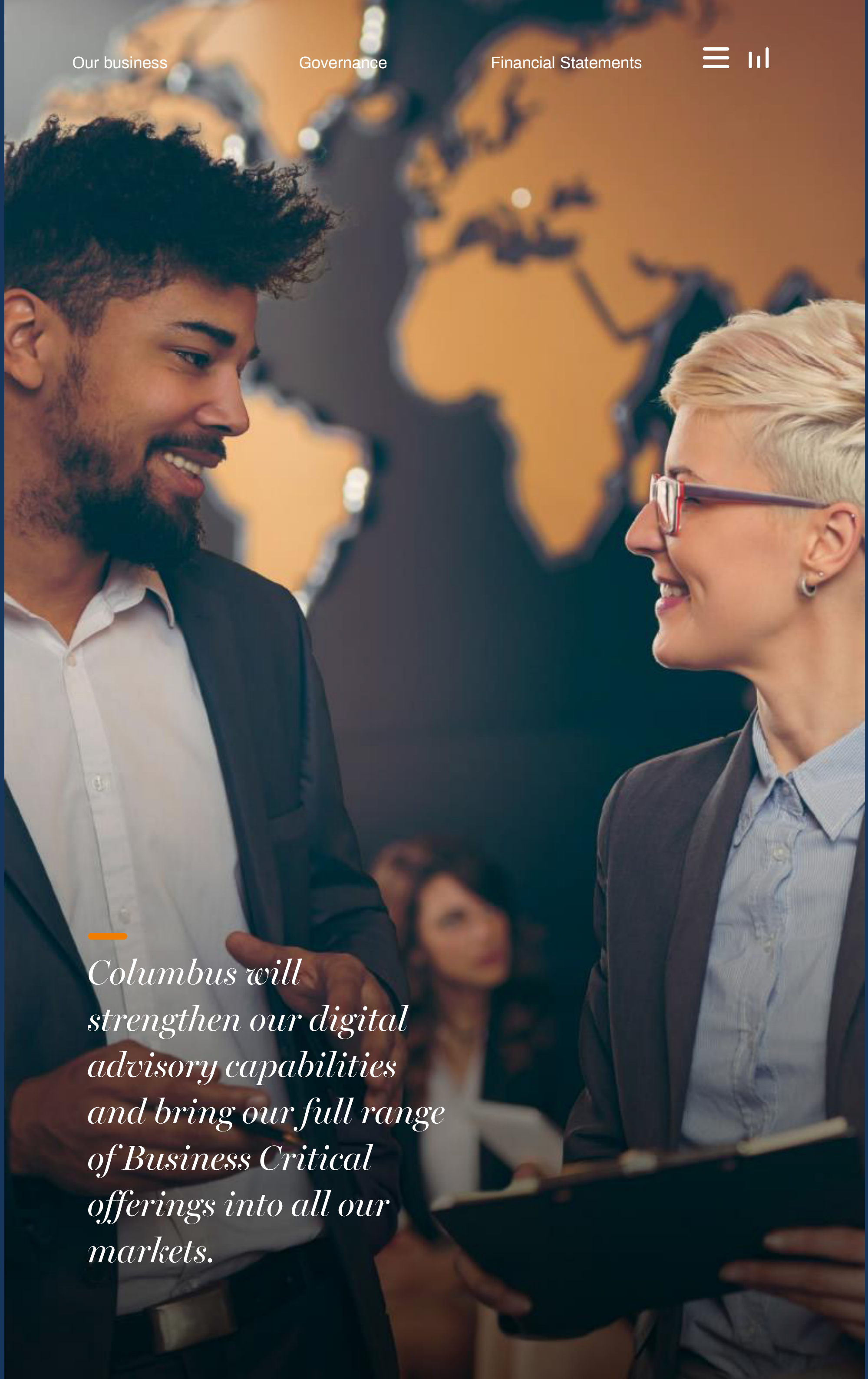
Important steps to focus the company was suc-cessfully completed during 2021.

Read about our strategy

FOCUS 23

The big perspective



Columbus will strengthen our digital advisory capabilities and bring our full range of Business Critical offerings into all our markets.

Columbus at a glance

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

1989

Columbus was founded in 1989
It is headquartered in Denmark with offices and partners all over the world, delivering solutions and services locally—on a global scale.

1,750+

+1,750 employees
Columbus is a global IT services and consulting company with 1,750+ employees.

2,500+

Serving 2,500+ customers
Columbus is helping ambitious companies worldwide to maximize, transform and futureproof their business digitally.

Solutions

Business Critical Solutions
Columbus' innovative solutions and services portfolio delivers end-to-end digital solutions like cloud ERP, Digital Commerce, Data & Analytics, and Application Management.

3 industries

Columbus creates digital solutions that address the lifecycle and sustainability demands of the retail & distribution; food & beverage products; and manufacturing industries.

Highlights 2021

Columbus delivered satisfactory results in a year of transformation.

Revenue (DKK)*

1,482m

corresponding to an increase of 5%.

Recurring revenue (DKK)* **

319m

corresponding to an increase of 12%

EBITDA (DKK)* **

109m

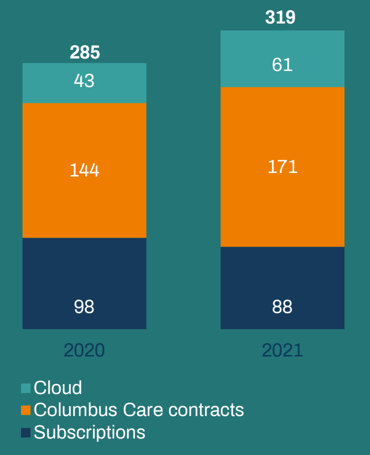
corresponding to an increase of 8%.

Profit after tax (DKK)*

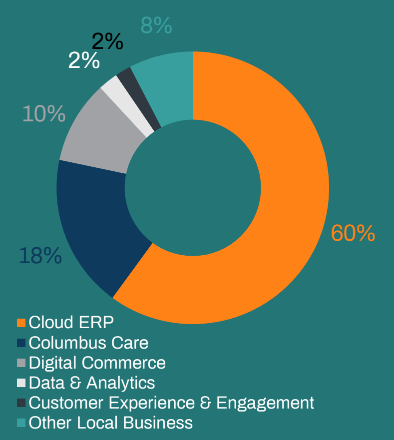
61m

corresponding to an increase of 158%.

Development in recurring revenue



Solutions revenue split 2021



*All numbers and comments are on continued business
** For definition of Alternative Performance Measures, see page 98

Letter from the Chairman of the Board and the CEO

Organic growth in a year of transformation

2021 was a year of transformation for Columbus where we reached important milestones while delivering organic revenue growth of 5%. It was the first year of the Focus23 strategy where we initiated major changes to the operation to focus and simplify the business and increase operating efficiency to move into a position as trusted digital advisor.

Organic growth of 5%

Columbus delivered a satisfactory result with 5% organic growth in 2021. We delivered a growth in Q2 of 6%, which almost compensated for the revenue decline in Q1. In Q3, revenue increased by 11% and in Q4 the positive development continued with a growth of 9%.

The majority of our business units delivered top-line growth while onboarding new colleagues to the delivery organization.

Especially Columbus Norway delivered a strong result of 47% revenue growth and our global Business Lines Data & Analytics, Digital Commerce and Customer Experience all delivered double digit growth.

EBITDA grew by 8% to DKK 109m which is mainly driven by the strong development in Norway and good development in the continuing business in the US.

The result is in line with management expectations.

A year of transformation

Throughout the year, we have been heavily investing in executing our strategy Focus23 with the ambition to become trusted digital advisor to larger customers in the retail, food and manufacturing industries.

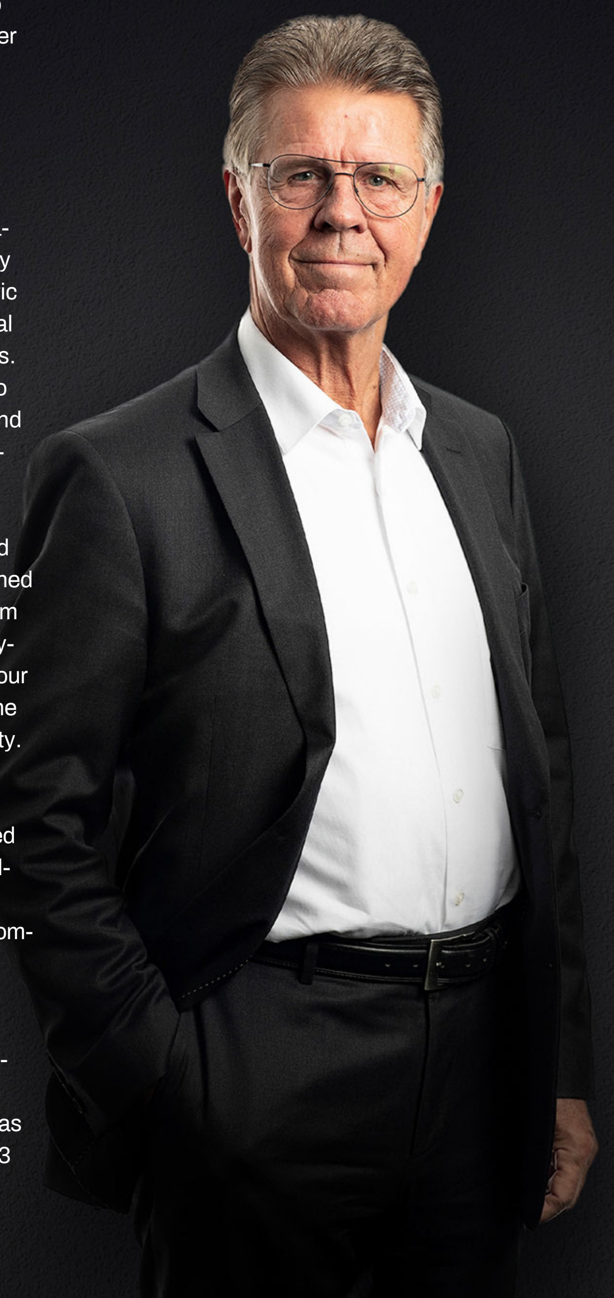
Our main focus has been to build the foundation to accelerate our growth. We implemented the largest organizational change in the company's history by introducing a more customer centric operating model materializing in global Business Lines and local Market Units. The new operating model allows us to pull together our global strength around our solution areas and create full customer focus in our marketplaces.

In order to swiftly deliver progress and support our strategic focus, we launched a comprehensive acceleration program with focus on empowering our employees, delighting and creating value to our customers and building solutions in the growing market for digital sustainability.

To support collaboration across Business Lines and Market Units, we rolled out a new global ERP platform. We already start to see the benefits of increased transparency and reduced complexity in our operations.

Streamlining our US business

On 1 November, we completed the divestment of our Microsoft Dynamics SMB Business Unit in the US. This was an important milestone in the Focus23



strategy to streamline our US business to focus all efforts on growing our Enterprise business.

Extended solution offerings

Columbus is among the most experienced market leaders in the cloud ERP industry while having a growing business within the layer around ERP such as Data & Analytics, Digital Commerce and Customer Experience. In fact, today Columbus has grown to a position among the Nordic leaders within Digital Commerce. Combined with our deep industry knowledge, this strong market position has laid out the path to move up the value chain to strengthen our digital advisory capabilities and bring our full range of business critical offerings into all our markets.

Focus on company values

Columbus is built on our talented people, serving our customers all over the world. With many acquisitions during recent years and a new strategy where we transform our business, we have seen a need to strengthen our "One Columbus" culture. Therefore, we launched and completed a global values program to define our common company values.

The program resulted in four strong company values:

- STAY CURIOUS – we are explorers
- BUILD TRUST – we've got each other's backs
- COLLABORATE – we win and lose together
- DELIVER CUSTOMER SUCCESS – it's how we make a difference in the world

We are very excited about the result of the program and have been especially impressed with the great commitment from our employees defining our common values.

Digital transformation for a better tomorrow

Digital transformation is more important than ever, and we believe that Columbus has an important role to play helping our customers in their sustainability journey. Our purpose "Digital transformation for a better tomorrow" sets the direction for us to contribute to the global sustainability agenda.

Digital transformation plays an important role for our existing and new potential customers operating in food, retail and manufacturing, and we experience a demand to become more sustainable by optimizing supply chain, minimizing waste and increase efficiency in operations.

Therefore, Columbus is now taking the next step in our sustainability strategy to further lead the way for our employees and customers. During 2022, we will launch a new ambitious sustainability strategy which will frame the advisory services in the years to come.

Our transformational journey continues

Going forward we will continue the execution of our Focus23 strategy. The willingness to change and to grow in new roles and navigate in a new operating model reassures us that we have a strong and resilient organization.

2022 will be focused on bringing our new operating model even more to life with the purpose of creating further value for our customers while growing our business.

Exiting the Russian market

With a part of Columbus' business in Russia and Ukraine, Columbus is impacted by Russia's invasion of the sovereign state of Ukraine. Consequently, Columbus is currently investigating various options for how to exit the Russian market.

Thank you

As always, we owe a huge thanks to our employees for their commitment to Columbus, to our customers and our loyal shareholders. On behalf of the Board of Directors and the Executive Board, we would like to extend sincere thanks to everyone for contributing to our achievements in 2021.

Ib Kunøe
Chairman of the Board

Søren Krogh Knudsen
CEO & President

2021 outlined

Revenue and EBITDA were in line with expectations.

A year of transformation
2021 was the first year of the Focus23 strategy with major changes to the operation and a focus to simplify the business. We introduced a new operating model which materialized in a matrix organization with the business being operated in global Business Lines and local Market Units.

On 1 November, we completed the divestment of our Microsoft Dynamics SMB Business Unit in the US.

Consequently, all numbers and comments are on the continued business, thus excluding assets classified as held for sale and discontinued operations.

In 2021, the Group delivered revenue growth of 5.3% resulting in revenue of DKK 1,482m. Reported EBITDA grew by 8.4% to DKK 109m providing an EBITDA margin of 7.4%.

Result for the year after tax increased to DKK 61m.

DKKm	2021	2020	Δ%
EBITDA reported	109	101	8.4%
Adjustment of provision for loss making contract	0	35	-100.0%
Reversal of earn-out	0	-46	100.0%
Normalized EBITDA	**109**	**90**	**21.6%**
Normalized EBITDA-margin	**7.4%**	**6.4%**	**15.1%**

* For definition of Alternative Performance Measures, see page 98

Improved normalized EBITDA margin
The revenue increase resulted in normalized EBITDA of DKK 109m, corresponding to an increase of 21.6% providing normalized margin increase of 15.1 percentage points to 7.4%.

EBITDA in line with expectations
In connection with the Q3 financial statement, Columbus confirmed the expectations for both top line growth and margin based on the financial performance in Q3 2021, current order book and pipeline forecast. The full year guidance for 2021 for the continued business was expected to be in the range of DKK 1,500m and DKK 1,650m. Accordingly, reported EBITDA was expected to be in the range of DKK 100m and DKK 125m.

The realized revenue is just below the adjusted guidance, while reported EBITDA was in line with expectations in the middle of the adjusted guidance.

Key strategic milestones during 2021
In summary, we reached important strategic milestones during 2021:

- New CEO & President for Columbus, Søren Krogh Knudsen joined Columbus in June 2021
- Divestment of To-Increase and Columbus' Microsoft Dynamics US SMB Business Unit
- Completed a comprehensive strategic acceleration program
- Implementing a new global customer-centric operating model
- Implementing new global ERP platform
- Launching common company values

Key figures and ratios

DKK ´000	2021	2020	2019*	2018*	2017*
Income related figures					
Sale of services	1,267,125	1,183,857	1,417,652	1,467,601	841,620
Sale of products	214,693	223,359	343,384	407,651	377,142
Net revenue	**1,481,818**	**1,407,216**	**1,761,035**	**1,875,252**	**1,218,762**
Recurring revenue % of total revenue	21.6%	20.2%	22.4%	22.7%	27.8%
EBITDA before share-based payment	112,598	105,364	162,733	181,183	148,510
EBITDA	109,441	100,885	157,263	171,409	146,208
EBIT	58,702	50,925	12,632	107,516	106,729
Net financial items	-3,502	-16,853	-10,733	7,925	-5,099
Profit before tax	55,200	34,072	1,898	115,441	101,630
Profit after tax, continuing operations	61,062	23,663	-18,876	96,674	96,129
Profit after tax, discontinued operations	697,486	24,899	39,866	0	0
Profit after tax	758,548	48,562	20,990	96,674	96,129

DKK ´000	2021	2020	2019*	2018*	2017*
Balance sheet*					
Non-current assets	833,808	987,440	1,127,381	1,140,954	584,274
Current assets	434,789	438,944	527,136	492,604	267,489
Assets classified as held for sale	0	214,481	0	0	0
Total assets	**1,268,597**	**1,640,865**	**1,654,517**	**1,633,558**	**851,763**
Group shareholder equity	740,980	712,421	665,354	636,339	549,112
Minority interests	0	3,184	3,126	3,381	3,031
Total liabilities	527,617	831,369	986,037	993,838	299,620
Total liabilities relating to assets classified as held for sale	0	93,891	0	0	0
Total equity and liabilities	**1,268,597**	**1,640,865**	**1,654,517**	**1,633,558**	**851,763**

DKK ´000	2021	2020	2019*	2018*	2017*
Investments in tangible assets	**7,434**	**3,832**	**5,957**	**5,907**	**5,106**
Cash flow					
Cash flow from operating activities	-3,229	190,863	189,146	124,294	103,708
Cash flow from investing activities	744,149	-127,830	-106,370	-255,557	-95,609
Cash flow from financing activities	-847,513	-43,972	-45,853	154,663	-15,365
Total net change in cash and cash equivalents	**-106,593**	**19,061**	**36,923**	**23,400**	**-7,266**
Cash flow from continuing operations	-71,669	-52,656	-13,141	0	0
Cash flow from discontinued operations	-34,924	71,717	50,064	0	0
Total net change in cash and cash equivalents	**-106,593**	**19,061**	**36,923**	**0**	**0**
Key ratios					
EBITDA-margin	7.4%	7.2%	8.9%	9.1%	12.0%
EBIT-margin	4.0%	3.6%	0.7%	5.7%	8.8%
Equity ratio**	58.4%	43.4%	40.2%	39.0%	64.5%
Return on equity**	104.5%	7.0%	3.3%	16.0%	17.3%
Return on invested capital (ROIC)**	10.1%	7.8%	12.4%	22.5%	29.2%
Number of shares	129,276	124,622	124,622	121,787	119,866
Average number of shares	128,192	124,622	123,012	121,370	119,101
Book value of equity per share (BVPS) (DKK)	5.73	5.72	5.34	5.23	4.58
Earnings per share (EPS) from continuing operations (DKK)	0.47	0.19	-0.16	0.78	0.80
Cash flow per share (DKK)	-0.03	1.53	1.54	1.01	0.85
Share price, end of period (DKK)	9.54	11.24	9.65	12.68	14.80
Average full time employee for the period	1,644	1,665	1,834	1,845	1,194

* 2017-2019 is not restated and include discontinued operations
** All 2017-2020 balance sheet items include continuing and discontinued operations
*** Key ratios are calculated with balance sheet items including assets classified as held for sale

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

2021 financial performance: Organic growth and EBITDA margin increase in a year of transition

Columbus had revenue of DKK 1,482m in 2021 corresponding to an increase of 5.3%. EBITDA increased by 8.4% to DKK 109m. Normalized EBITDA increased by 21.6% to DKK 109m.

Most of the Business Units and Market Units contributed to the revenue growth with especially Norway showing strong revenue growth of 47%.

Revenue development
Service revenue increased by 7.0% and product revenue declined by 3.9%. The increase in service and decline in product revenue is part of Columbus strategic development towards a global digital advisory company with less dependency on products.

Growth in recurring revenue
Recurring revenue grew by 12.2% to DKK 319m. The recurring revenue continues to constitute a larger part of the total revenue with recurring revenue constituting 22.0% of total revenue (2020: 20.0%).

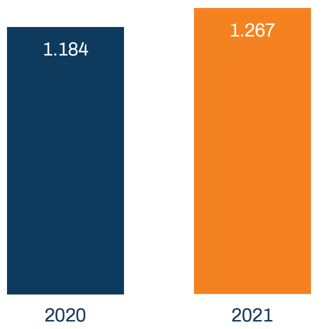
EBITDA development
Normalized EBITDA increased by 21.6% to DKK 109m providing normalized EBITDA margin of 7.4%.

The EBITDA increase is driven by the strong development in Norway and improvements in the continuing business in the US.

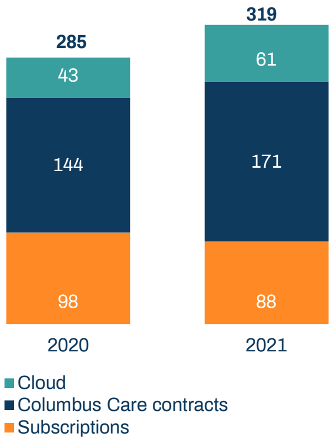
During 2021, we welcomed many new employees in order to add new capabilities to the organization. With a strong focus on fast onboarding, the many new consultants were quickly to deliver value to customers.

Customer work remained high amounting to 57% vs. 54% last year.

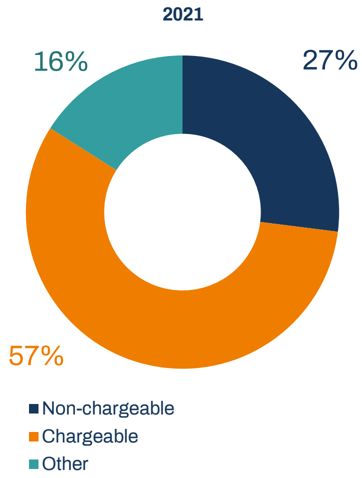
Development in services revenue

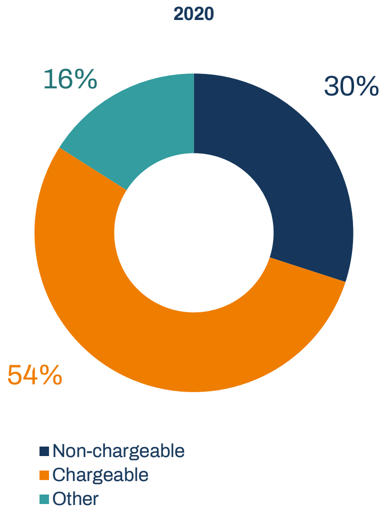


Development in recurring revenue



Development in customer work





Cost development

Staff cost increased by 3% to DKK 985m despite a small decrease in average number of FTE's of 1% to 1,644. Further the salary adjustment for 2020 was delayed six months due to Covid-19.

Other external cost decreased by 10% to DKK 123m. The reduction is primarily related to lower cost for consultants and less internal travel.

Cash

Cash flow from continued operations was negative DKK 72m. The primary reason for this decline is an instalment of bank loans of DKK 100m

Operational cash flow decreased by DKK 194m to DKK -3m and cash flow from investing activities and financing contributed with negative DKK 103m mainly due to the divestment of To-Increase and extraordinary dividend payment early in the year.

In total, Columbus' cash position decreased by DKK 107m compared to 31 December 2020.

Accounts receivable

We have continued our close monitoring of accounts receivables and continue to have no significant loss on accounts receivable.

Equity

Columbus' equity has increased by DKK 45m since 31 December 2020, primarily due to the positive net result. With a total equity of DKK 761m, Columbus has a solvency of 59% (2020: 43%). The high solvency ratio together with the cash position leaves Columbus in a strong financial position to support the execution of the Focus23 strategy.

Development in Business Lines

Cloud ERP

Revenue increased by 1.1% to DKK 689m mainly due to lower M3 revenue in Sweden that was offset by strong D365 growth in Norway and Sweden.

Columbus Care

Revenue increased by 7.3% to DKK 261m. The revenue increase is mainly due to increased revenue in Norway and UK.

Digital Commerce

Revenue increased by 22.7% to DKK 157m. The revenue increase is coming from all markets.

Data & Analytics

Revenue increased by 16.1% to DKK 38m. The revenue increase is stemming from Denmark, Norway and Sweden.

Customer Experience & Engagement

Revenue increased by 26.3% to DKK 30m. The revenue increase is stemming from Norway, Sweden and UK.

Discontinued operations

As part of Columbus' Focus23 strategy Columbus divested the software Company To-Increase, the legal entities in Baltics and the SMB business in US with the purpose to focus the business on Digital Consultancy Services. Profit after tax from discontinued operations primarily related to the difference between the consideration and the booked value of the divested companies. The result after tax from discontinued operations was DKK 697m.

	Group		
DKK ´000	**2021**	2020	∆%
Cloud ERP	689,365	681,716	1.1%
Columbus Care	260,812	243,012	7.3%
Digital Commerce	157,184	128,059	22.7%
Data & Analytics	37,676	32,442	16.1%
Customer Experience & Engagement	30,008	23,763	26.3%
Other Local Business	92,080	74,865	23.0%
Total sale of services	**1,267,125**	**1,183,857**	**7.0%**
Total sale of products	**214,693**	**223,359**	**-3.9%**
Total net revenue	**1,481,818**	**1,407,216**	**5.3%**

Outlook for 2022

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

In 2021, we delivered double digit growth in our key Business Critical Solutions; Data & Analytics, Digital Commerce and Customer Experience which was driven by growth in some of the key marketplaces.

In 2022, we will expand and grow our key solutions into more of our geographical marketplaces. In addition, we will focus on growing a broader range of our Business Critical Solutions portfolio.

We continue to invest in building digital advisory capabilities in more areas of our business and develop sustainability offerings to meet customer demands.

Columbus' industry expertise and global delivery power are key parts of our competitive edge. We will continue to strengthen and develop these areas further during 2022.

In 2021, we reached important milestones to focus and simplify our operations. In 2022, we will continue to streamline operations to improve efficiency and profitability.

In short, Columbus will deliver organic growth by:

- Developing and expanding Business Critical Solutions into key markets
- Building Digital Advisory capabilities
- Developing sustainability offerings
- Leveraging our deep industry expertise
- Further strengthening our global delivery model
- Continue to streamline operations

Financial guidance

The management believes that there continues to be good business opportunities going forward, despite the continued uncertainty due to the current geo-political situation.

Columbus' ambition during the current strategy period is to gradually increase profitable growth to minimum 10% annually by 2023.

Based on the financial performance in 2021, current order book and pipeline forecast, our full year guidance for 2022 is as follows:

Revenue excluding Russia is expected to be in the range of DKK 1,525m – 1,625m corresponding to a growth of 3%-10%. The organic growth, excluding Russia is 8% and 15% respectively.

EBITDA is expected to be in the range of DKK 120m –145m corresponding to a margin of 7.4%-9.5%.

Events after the reporting period

With a part of Columbus' business in Russia and Ukraine, Columbus is impacted by Russia's invasion of the sovereign state of Ukraine.

Columbus has with effect from 3 March stopped new sales and hiring in Russia, but continues to serve existing contracts. Columbus will respect all present and future sanctions.

Columbus is currently investigating various options for how to exit the Russian market.

A total loss of the Columbus activities in Russia will impact the net assets in the Columbus Group negatively by DKK 20m as at 31 December 2021. As at 15 March 2022 this amount is reduced to DKK 11m due to the decline in the Russian rouble.

DKKm	Revenue			EBITDA		
2022 Outlook	1,525	-	1,625	120	-	145
Implied growth to 2021 result	3%	-	10%	10%	-	32%
Implied organic growth ex. Russia	8%	-	15%	16%	-	21%
Implied EBITDA margin				7.4%	-	9.5%

Apart from uncertainty related to Columbus' Russian activities there have been no events since 31 December 2021 which could significantly affect the evaluation of the Group's financial position and revenues at 31 December 2021.

Earnings in January and February 2022 are in line with the Company's expectations encountered the situation in Russia.

Our business

Columbus is leveraging on 30+ years of industry expertise delivering advisory and Business Critical solutions for larger enterprises.

Our strategy

Important steps to focus the company were successfully completed during 2021. Creating customer value with digital advisory capabilities, business critical solutions and deep industry expertise are key elements in the Focus23 strategy to support the overall growth of Columbus in the coming years.

During 2021, we took important steps to focus and simplify our business as part of the Focus23 strategy. The ambition remains unchanged to become digital trusted advisor for large enterprises in our key industries food, retail, and manufacturing.

In the beginning of 2021, we implemented a new global organization model to focus our global strengths around our solution areas and create customer centricity in our marketplaces. The new organization model is structured in two dimensions, global Business Lines and geographical Market Units.

To support our focus on serving our larger customers, we initiated key strategic divestments during 2021 comprising our software company To-Increase, our private cloud business, our companies in Estonia and Lithuania, and the US SMB business unit. The divestments allow us to focus our business on large enterprises in our key marketplaces.

In order to enable the new organization model, we implemented a new global ERP platform in 2021. We already start to see the benefits of increased transparency and reduced complexity in our operations.

With the new organization model, key divestments and a new ERP platform all completed in just nine months, the foundation for next step in the Focus23 strategy was established.

In Q3, we launched a comprehensive acceleration program to swiftly deliver progress and support our strategic focus to empower our employees, delighting and creating value to our customers and building solutions in the growing market for digital sustainability.

The acceleration program ranges from talent and leadership development, company values to commercial optimization and sustainability strategy.

The next step in our strategic journey will be structured in three strategic programs to create customer value by:

- Delivering Business Critical Solutions
- Building Digital Advisory capabilities
- Leveraging our deep industry expertise

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, retail, 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 2021

In 2021, Columbus Denmark won the Business Applications Microsoft Partner Award.

Microsoft quote: "*Columbus has embraced our Dynamics Platform and has proven to articulate value through their industry experience and end-to-end platform knowledge. Columbus has been on an amazing journey and truly know how to deliver excellent customer service and leverage customer data bringing value to the customers*".

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.

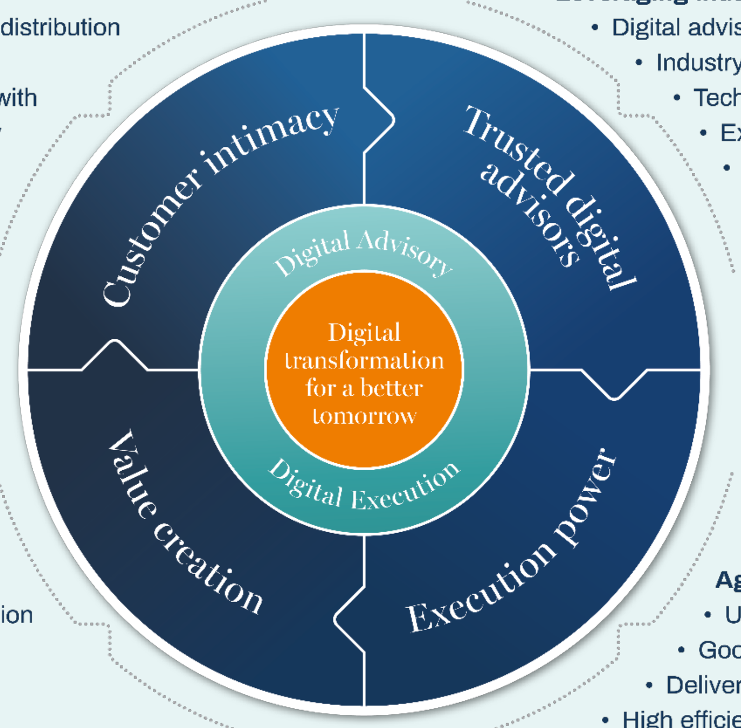
Our business model is based on customer intimacy, which makes it possible to act as trusted advisor ensuring that our loyal customer base gets exactly what they need to digitize their business.

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

Microsoft infor SAP salesforce Litium TO INCREASE inriver commercetools medius

…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 makes sustainability happen by utilizing data to become more 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, 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 1,750 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

Columbus is built on our talented people serving our customers all over the world around the clock. Attracting, developing, and retaining our people is crucial for Columbus and will continue to be a key part of our new strategy Focus23.

Columbus is a people business and without our talented team we could not be the business we are today.

We strive to improve our Employee journey, well-being and development/engagement as a core part of our strategy.

In 2021, we achieved a huge organisational change, transforming from a country-centric business to a customer- centric business enabling servicing customers across business lines in all markets. We introduced new global shared values, as well as continuing to align our employee processes globally as we work towards a One-Columbus ethos.

Our brand is under transformation as a result of the global initiative in the second half of 2021 to define our shared Columbus Values.

Our Shared Columbus Values are:

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

These values were developed from within the business, through a number of initiatives that have taken place since September 2021. Over 850 employees were involved in the generation of the values, through the completion of surveys, participating in workshops and then voting for the final outcome.

Our Shared Values are the glue that bind us together as One Columbus – they drive our behaviours and leadership principles in the business and act as guiding stars in everything we do both internally and with our customers and in respect of our employer brand and for talent attraction.

Taking a deeper dive in to the meanings behind the values:

Through CURIOSITY we keep an open mind, which enables us to see new possibilities internally and for our customers. We dare to challenge the norm to deliver creative solutions and we advocate

learning and seeking out knowledge to develop skills and benefit our customers. We are all explorers.

We BUILD TRUST by proactively taking responsibility and delivering on what we promise. We communicate clearly and quickly and 'tell it as it is'. We listen, ask and challenge and become trusted advisors. We have got each other's backs.

We COLLABORATE with colleagues, partners and customers as one global team. We add value and get things done – having a little fun along the way and we respect each other and embrace diversity of thought to ensure the best outcomes. We win and lose together.

We DELIVER CUSTOMER SUCCESS through the creation of long lasting relationships, leading and guiding to ensure digital improvement and transformation and improve business results for our customers. We make a difference in the world.

Through 2022 we will start to really embed and live our values in everything we do in the employee journey with Columbus and have already completed workshops globally on how to use these values in our everyday work.

Employee satisfaction

Scale 0-100

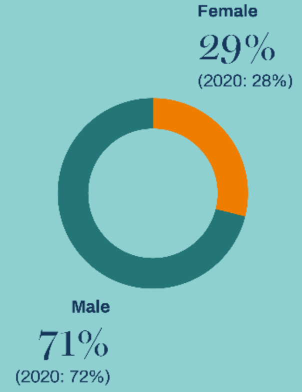
Score 2021:

40

Score 2020: 33

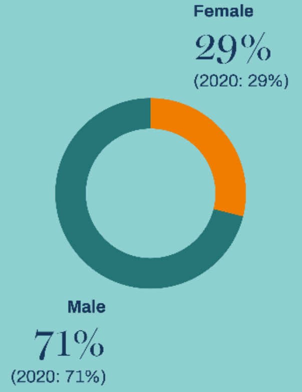
Gender distribution globally

%



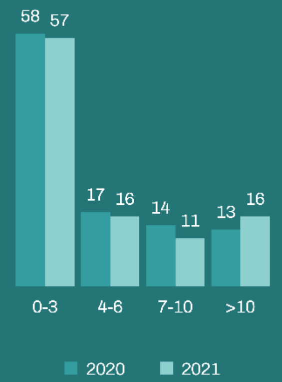
Gender distribution management level

%



Seniority

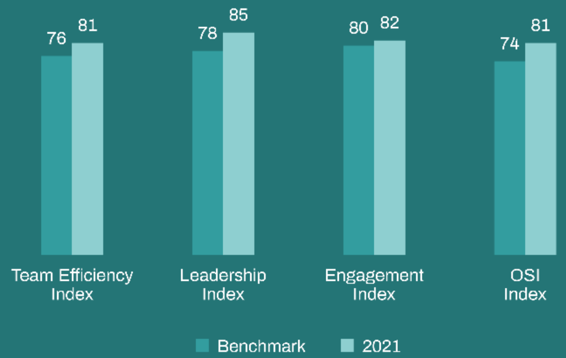
Seniority distribution (years), %



Employee Survey

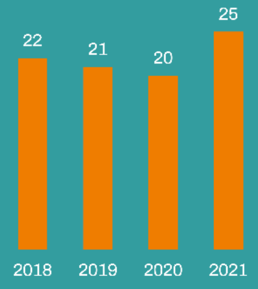
Summary of all indices

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



Development in attrition

%



Columbus Academy

Number of certifications in 2021

Total number of certifications in 2021:	8,141
Consultancy training:	329
Information Security Awareness:	1,884
Global Recruitment School:	75
Onboarding traning:	384

For explanation of graphs above, see CSR Report at: www.columbusglobal.com/Investors/CSR

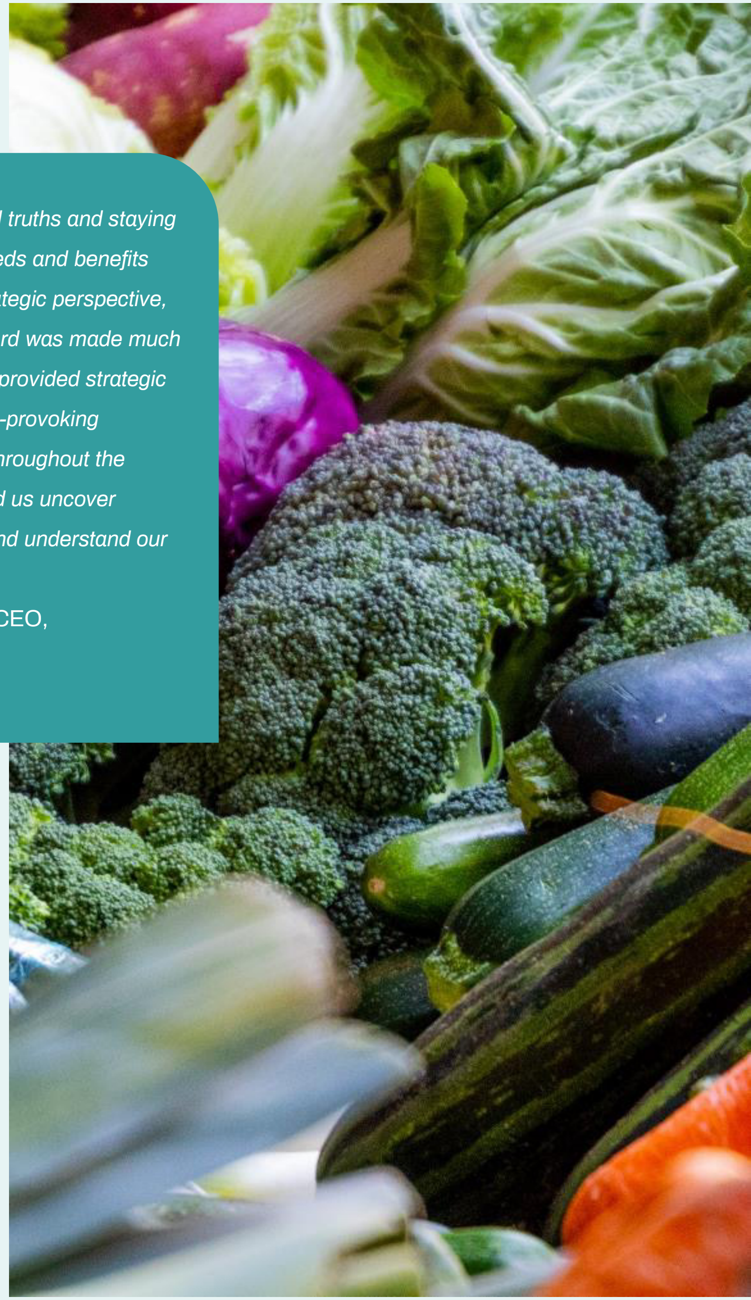
Creating Customer value

Customer Case

Strategic alignment crucial for Vidinge Grönt’s bold business transformation

Vidinge Grönt adopted a bold growth strategy to increase market share by starting to sell products under its own brand in addition to its private label business. This required a new business platform and strategy to support a new sales organization, new direct distribution capabilities and new ways of working. Columbus performed a pre-study with Vidinge to ensure that this platform would be aligned with long-term strategic goals.

“By challenging old truths and staying focused on key needs and benefits from an overall strategic perspective, the best path forward was made much clearer. Columbus provided strategic advice and thought-provoking discussion points throughout the process that helped us uncover valuable insights and understand our needs better”
Måns Nordmark, CEO,
Vidinge Grönt].



A series of pre-study workshops were held with Columbus management consultants, all of Vidinge Grönt management and several key stakeholders from various parts of Vidinge’ s organization. This helped secure broad organizational alignment around key strategic goals, making it easier to identify what was needed in terms of features and benefits to best meet these goals.

“*In our role as strategic advisor, we stimulated fruitful discussion in an end-to-end process during the workshops. The focus was on linking the overall strategy to business goals, highlighting strategic areas of improvement, mapping benefits and performing a strategic analysis of all relevant processes*,” says Björn Åsbrink, Head of Strategy & Change at Columbus.

Måns Nordmark, CEO of Vidinge Grönt, discusses how strategic advice from Columbus and a focus on the big picture made it easier to align both processes and functionalities around an overall strategy and gain a better understanding of needs:

“Our business transformation was not just organizational in nature but represented a completely new way of reaching consumers, which required much greater flexibility, agility and scalability. Columbus was responsive and really understood this, ensuring that the pre-study matched our needs every step of the way. By also obtaining a better understanding of what we want to achieve in practice with our strategic goals, we were able to better conceptualize our long-term strategy and define clear steps. This pre-study with Columbus gives us confidence that we will see greater long-term value, and we look forward to taking the next step in building our future business platform together”.

Customer Case

Value envisioning propels Watson-Marlow towards business transformation success

Watson-Marlow Fluid Technology Group is a global leader in niche peristaltic pump manufacturing and associated fluid path technologies and part of Spirax-Sarco Engineering plc, a FTSE-100 company. To stay that way, they need to improve operational efficiency, boost global reach and gain access to the tools required to drive customer success - all of which can be achieved via business transformation.

As part of a wider CRM system implementation project, Watson-Marlow wanted to discover new value and ensure it's prioritised. This will help the manufacturer align their project with strategy, which is key to creating the right environment for success.

Columbus set up a series of 12 workshops that involved nearly 60 Watson-Marlow stakeholders from across the world - the Americas, EMEA and APAC. Not only did this help secure broad organisational alignment on key strategic goals, but it also improved stakeholder engagement and helped to overlay value realisation on top of the software implementation. This would set Watson-Marlow in good stead to realise various areas of value, such as improved user adoption, a customer-centric culture, data-driven insights and a standardised global approach with a local service.

Andrew Jones, Head of Sales Excellence & *Governance* at Watson-Marlow, said: "We are a global organisation but working across our entities was still a challenge. Achieving a global way of working wasn't our only goal, we also wanted to maintain an element of localism to ensure we stay close to our customers.

"Columbus really understood this, ensuring their workshops aligned with our goals for total consultative selling. They helped us discover how to prioritise value and overlay value realisation on top of the software implementation."

Toby Mankertz, Principal Advisor – Business Transformation at Columbus, said: "It was a pleasure working with Andrew and the team at Watson-Marlow; they have an excellent business strategy already in place and are focused its successful delivery."

"Strategy & Change at Columbus will help Watson-Marlow realise the value from their business system implementations through the provision ofbusiness value realisation and change management advisory services throughout the duration of the project lifecycle."

"Columbus really understood [our needs], ensuring their workshops aligned with our goals for total consultative selling. They helped us discover how to prioritise value and overlay value realisation on top of the software implementation."
Andrew Jones, Head of Sales Excellence & Governance at Watson-Marlow

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 34 recommendations and does not comply with six of the recommendations. Deviations are all explained in the statutory report on Corporate Governance for 2021 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 four members: Ib Kunøe, Sven Madsen, Peter Skov Hansen and Karina Kirk Ringsted. The Board members are elected for one year at a time with the option for re-election.

Two out of the four 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.

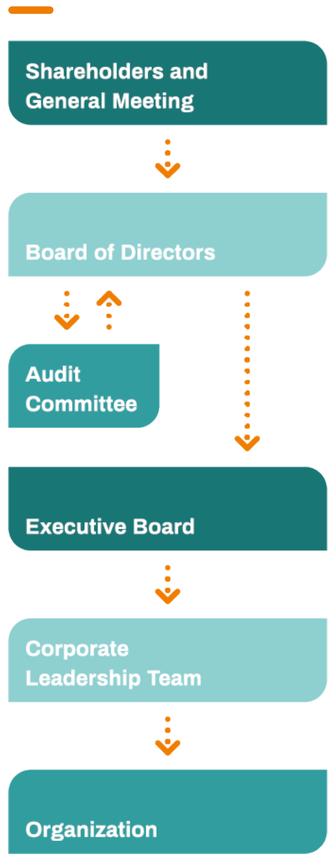
The Board of Directors holds at least ten meetings a year according to a meeting schedule planned one year in advance on the Board meeting in December. Extraordinary Board meetings are held according to need. In 2021, 15 Board meetings were held. All Board members attended all meetings.

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 2021, the Board of Directors focused on the following areas:

- Covid-19
- 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 37.



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 Corporate CFO Hans Henrik Thrane.

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 2021, five meetings were held. Both Audit Committee members attended all meetings.

In 2021, the Audit Committee focused on the following areas:

- Audit planning
- Financial reporting and compliance
- Risk management and internal controls

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 2021, 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 corporate website, was adopted at the Annual General Meeting in April 2021.

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 2021.

Total remuneration of the Board of Directors in 2021

DKK'000	Fixed fee	Audit Committee fee	One-off fee	Cash settlement of warrant exercise	Total
Board of Directors					
Ib Kunøe (Chairman)	450	0	90	0	540
Sven Madsen (Deputy Chairman)	150	38	37	0	225
Peter Skov Hansen (member)	150	75	45	108	378
Karina Kirk Ringsted (member)	150	0	30	108	288

* All Board members received a one-off fee as compensation for involvement and time spent on recruiting of the new CEO & President, organisational changes in Columbus and on divestment of the Columbus subsidiaries in Estonia, Lithuania and the US. The Board played a major role in these areas. Two of the Board members received a cash settlement of warrant programs. See Remuneration Report for further details regarding this one-off bonus www.columbusglobal.com/Investors/Remuneration

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.

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 2021.

Pursuant to Section 139b of the Danish Companies Act, Columbus has prepared a Remuneration Report for 2021 which is available at the Company's corporate 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 2021 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 in Columbus A/S has adopted a Diversity & Inclusion Policy.

Columbus is a people business and our employees are our greatest asset. We aspire to be a company where people stay for many years. Employee well-being, a focus on diversity & inclusion and on the creation of a unique culture and authentic values are therefore key focus areas in Columbus.

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.

Remuneration of the Executive Board 2021

	Fixed remuneration				Variable remuneration				
DKK ´000	Fixed base salary	Pension	Other benefits	Total	Short-term bonus	One-off bonus	Granted Share-based instruments[2]	Total	Total fixed & variable remuneration
Søren Krogh Knudsen, CEO (from 7 June 2021)	2,267	0	116	**2,383**	453	0	2,199	**2,652**	**5,035**
In percent	45%	0%	2%	47%	9%	0%	44%	53%	100%
Hans Henrik Thrane, CFO (interim CEO from 1 January to 6 June 2021)	2,682	0	212	**2,894**	1,023	300 [1]	990	**2,313**	**5,207**
In percent	52%	0%	4%	56%	20%	6%	19%	44%	100%
Total without special arrangements	4,949	0	328	**5,277**	1,476	**300**	3,189	**4,965**	**10,242**
In percent	48%	0%	3%	52%	14%	3%	31%	48%	100%

1 One-off bonus for the CEO interim responsibility

2 Share-based instruments is calculated as Granted Fair Value of the warrants program. The reporting practice has been changed from 'Total expensed remuneration' to 'Total Granted Value' and that comparative information has been restated for this element only. This means that Share-based instruments is now reported at granted Share-based instruments value in the remuneration report.

Diversity

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.

According to the Danish Business Authority's guidelines on target figures, policies and reporting on the gender composition of management from March 2016, a distribution of 25/75% in a company with four Board members is considered to be an equal gender distribution.

The proportion of women in Columbus' Board of Directors is 25%, and thereby the gender distribution in the Board of Directors is considered to be equal.

For now, the Board of Directors has decided not to increase the target for the proportion of women in the Board of Directors. However, this is being considered on an ongoing basis.

In 2020 the gender distribution at management level in Columbus A/S constituted 28% women and 72% men. At the end of 2021, the percentage of women at management level had increased to 33%.

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.

Pursuant to Section 99b of the Danish Financial Statements Act, Columbus has prepared the statutory report on gender distribution as part of the CSR Report 2021, which is available at the Company's corporate website.

Data Ethics

The Board adopted a Data Ethics Policy in 2021. 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.

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. In 2021, data ethics principles were enhanced and will be implemented through the Data Ethics Policy to ensure data management standards are upheld and issues are evaluated and resolved regularly.

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, there was an enhanced focus on data ethics at all levels. Frameworks are developed and adapted with an emphasis on data collection to purpose limitation, usage and storage with transparency throughout the lifecycle. Technologies, processes and practices designed to enable transparency and accountability of data.
The Board of Directors approves the Data Ethics Policy, which is updated annually.

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 an 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 2021, no cases had been reported through the whistle-blower scheme.

Further information

The statutory report on Corporate Governance for 2021, 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 2021, cf. section 139b of the Danish Companies Act is available at: www.columbusglobal.com/Investors/Remuneration

The statutory report on Gender Distribution for 2021, cf. section 99b of the Danish Financial Statements Act is available as part of the CSR 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, cf. section 99d of the Danish Financial Statements Act is available at: www.columbusglobal.com/Investors/Polices&Articlesofassociation

Corporate Social Responsibility

In Columbus, we are committed to contribute to the UN Sustainable Development Goals. In 2019, we took an important step to focus on five of the 17 SDGs. In each of the SDG targets, we have formulated our commitment and focus points. In 2022, we have initiated an ambitious ESG strategy process.

Gender equality

We commit to gender equality and continue to increase the proportion of women in Columbus.

Decent work and economic growth

We ensure high-quality work and safe working conditions for our people and we strive to foster an inclusive workplace where people thrive and grow with equal career opportunities for all.

Industry, innovation and infrastructure

We help our customers modernize their infrastructure by building new, innovative digital solutions that help our customers run a sustainable business.

Responsible consumption and production

We reduce waste generation through reduction, recycling and reuse in our offices globally. We develop innovative digital solutions that monitor, analyse and report production patterns in order to help our customers reduce waste and loss in production and optimize supply chain to enable sustainable production patterns.

Climate action

We reduce our environmental footprint globally by reducing flight travel, recycle and optimize our consumption and energy mix.

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 ten 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 (CSR) pursuant to section 99a, section 99b and section 107d of the Danish Financial Statements Act for the financial year 2021 is available from the company's website at www.columbusglobal.com/Investors/CSR

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.

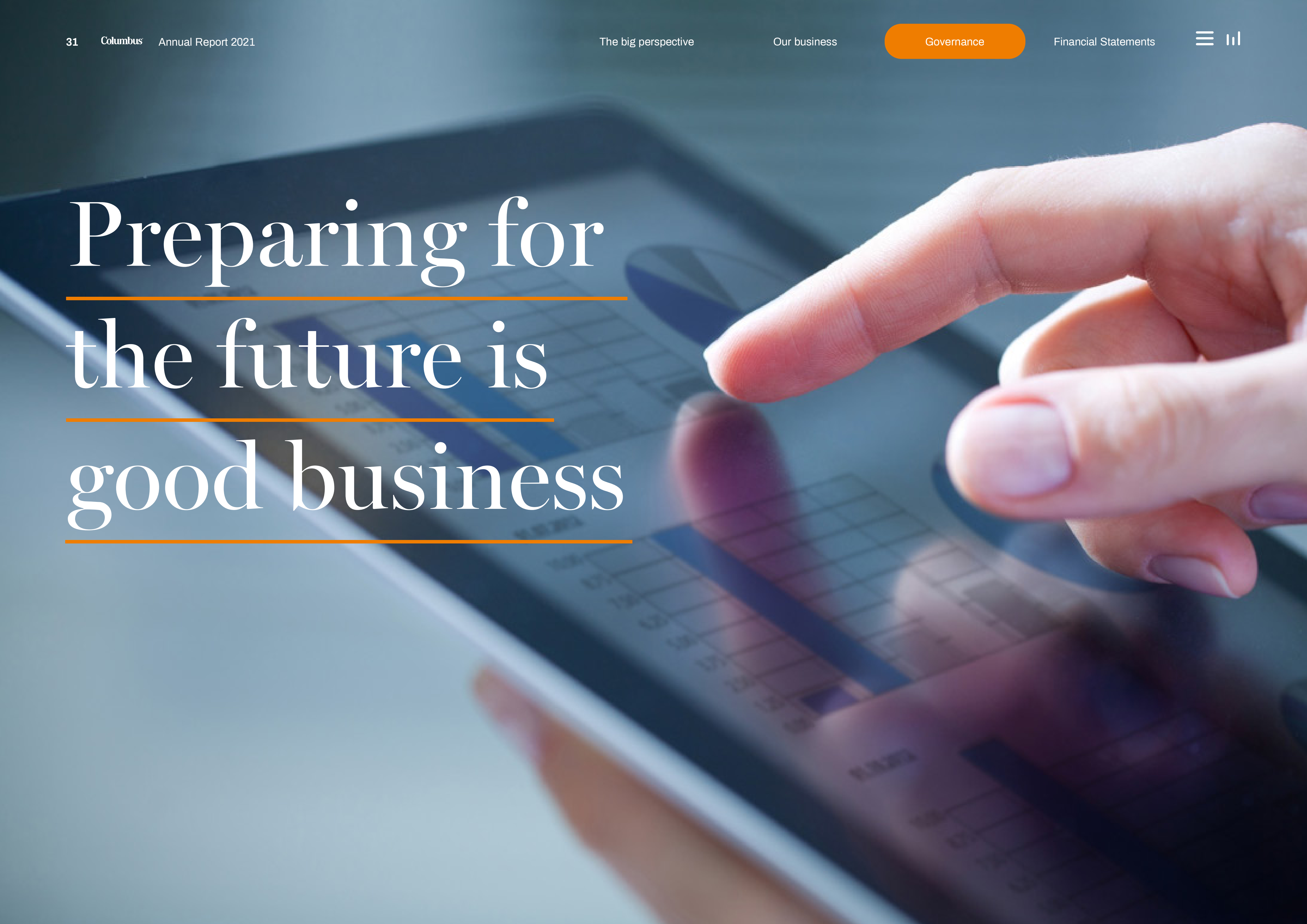
Food, Beverage & Process

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 traceablity 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

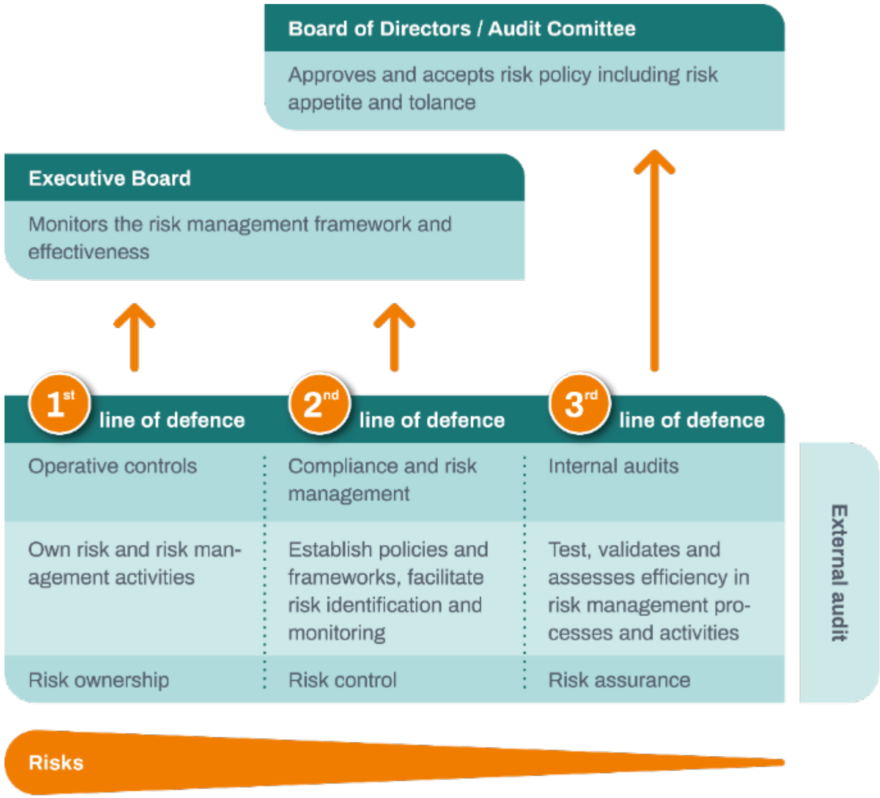
A modern-day consumer goes through several touchpoints before making a purchase. Columbus enables retailers, distributors, and brands to ensure a seamless customer experience throughout this journey. Our solutions enable our customers to provide a unified customer experience across all channels and touchpoints,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



Preparing for the future is good business

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 27 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	B	C	D	E
	IT, GDPR and cybercrime	**Project and contract risks**	**Employee dependency**	**Competitive pressure and market changes**	**Partnership with software providers**
Risk	Key IT risks are unauthorized attacks and 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 relevance.	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 that contracts are entered into with the correct pricing and estimations.	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

2021

1	15 January	Works Council consultation procedures finalized in relation to Columbus divestment of To-Increase
2	26 January	Columbus completes the divestment of To-Increase
3	10 March	Major shareholder information pursuant to Section 30 of the Danish Capital Markets Act
4	15 March	Extraordinary dividend payment
5	16 March	Columbus Annual Report 2020
6	18 March	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
7	19 March	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
8	22 March	Notice to convene annual general meeting
9	24 March	Major Shareholder Information Pursuant to Section 30 of the Danish Capital Markets Act
10	6 April	Columbus issues new shares as a consequence of the exercise of warrants
11	6 April	Subscription for shares by exercising of warrants
12	6 April	Capital increase registered - new articles of association
13	7 April	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
14	8 April	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
15	8 April	Columbus issues new shares as a consequence of the exercise of warrants
16	8 April	Capital increase registered - new articles of association
17	9 April	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
18	12 April	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
19	13 April	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
20	23 April	Søren Krogh Knudsen appointed new CEO of Columbus
21	27 April	Passing of Columbus Annual General Meeting and subsequent constitution of the Board of Directors
22	27 April	Merger plan for Columbus A/S and Columbus M3 Danmark ApS
23	7 May	Søren Krogh Knudsen joins Columbus 7 June 2021
24	18 May	Q1 Report 2021

2021

25	20 May	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
26	15 June	Merger of Columbus AS and Columbus M3 Danmark ApS
27	16 June	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
28	28 June	Incentive scheme
29	28 June	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
30	27 July	Amendment of articles of association
31	18 August	Interim Report 2021
32	1 November	Columbus divests US SMB business unit
33	3 November	Q3 Report 2021
34	13 November	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
35	16 November	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
36	23 November	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
37	25 November	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities
38	1 December	Transactions by members of senior management and Board of Directors in shares issued by Columbus A/S and related securities

2022

1	14 February	Major shareholder information pursuant to Section 30 of the Danish Capital Markets Act

Financial calendar 2022

Annual Report 2021	16 March 2022
Annual General Meeting	29 April 2022
Q1 Report 2022	10 May 2022
Interim Report H1 2022	24 August 2022
Q3 Report 2022	9 November 2022

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			290
Subsidiaries				
Western Europe				
R H ApS	Denmark	100	100	0
Columbus Norway AS	Norway	100	100	139
Columbus Sweden AB	Sweden	100	100	378
iStone AB	Sweden	100	100	0
iStone Saplication AB	Sweden	100	100	0
Columbus Global (UK) Ltd.	England	100	100	177
iStone Switzerland SA	Switzerland	100	100	1
Columbus Deutschland GmbH	Germany	100	100	17

Company	Country	Ownership by Columbus A/S, %	Columbus A/S' share of voting right, %	Average no. of employees
Eastern Europe				
AO Columbus	Russia	100	100	178
000 Columbus Global	Russia	100	100	6
Columbus Global Ukraine	Ukraine	100	100	2
Columbus Global Kazakhstan	Kazakhstan	100	100	3
Columbus Global s.r.o	Czech	100	100	32
Columbus Poland Sp.z.o.o.	Poland	100	100	39
North America				
Columbus US Inc.	USA	100	100	57
Columbus M3 Inc.	USA	100	100	10
Asia				
Columbus Global Services India Pvt. Ltd.	India	100	100	303
Rest of world				
Columbus Chile SpA	Chile	100	100	12

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

The 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 2020, term expires 2021	Deputy Chairman of the Board Member of the Board since 2007, re-elected in 2020, term expires 2021 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, Åbyhøj K/S, Calum, Værløse K/S, Calum, Bagsværdlund K/S, Komplementarselskabet Åbyhøj ApS, Komplementarselskabet Værløse ApS and Komplementarselskabet Bagsværlund ApS	CHV III ApS
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 2021	450,000	948,529
Changes in fiscal year, shares	90,000	180,000
Total no. of warrants 1 Jan 2021	90,000	180,000
No. of warrants exercised in 2021	90,000	180,000
No. of warrants granted in 2021	0	0
Total no. of warrants 31 Dec 2021	0	0

	Peter Skov Hansen	Karina Kirk Ringsted
Born	1951	1971
Title and position	Member of the Board since 2012, re-elected in 2021, term expires 2022 Chairman of the Audit Committee	Member of the Board since 2018, re-elected in 2021 term expires 2022 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 2021	280,000	45,000
Changes in fiscal year, shares	0	25,000
Total no. of warrants 1 Jan 2021	90,000	90,000
No. of warrants exercised in 2021	90,000	90,000
No. of warrants granted in 2021	0	0
Total no. of warrants 31 Dec 2021	0	0

Executive Board

	Søren Krogh Knudsen	Hans Henrik Thrane
Born	1974	1968
Title and position	CEO & President Joined in June 2021	Corporate CFO Joined in July 2010
Education	Holds an executive MBA in Business Administration, economics and an Academy Profession Degree in Financial Management.	Holds a Graduate Diploma in Financial and Management Accounting and an MSc in Business Economics and Auditing State Authorized Public Accountant
Chairman of the Board		Skylight A/S, Sky-Light Ejendomme A/S
Special competencies	General management, technology-driven transformation programs, turnarounds and growth strategies	General management, M&A, business development, economic and financial issues.
No. of shares 31 Dec 2021	290,553	957,094
Changes in fiscal year, shares	290,553	-171,706
Total no. of warrants 1 Jan 2021	0	1,320,000
No. of warrants exercised in 2021	0	1,320,000
No. of warrants granted in 2021	999,999	450,000
Total no. of warrants 31 Dec 2021	999,999	450,000

Shareholder information

At the end of 2021, the price of the Columbus A/S share was DKK 9.54, while at the end of 2020 it was DKK 11.24 – a decrease of 15.12% (2020: +16.48%)[1].

In 2021, a total of 59m shares were traded corresponding to 45.9% of the total number of shares at the end of 2021 (2020: 34.5%). The average trade per business day in 2021 was DKK 2.7m (2020: DKK 1.4m)[1].

The Company's market value amounted to DKK 1,233m at the end of 2021 against DKK 1,401m at the end of 2020.

Share capital

At the end of 2021 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 (2020: 124,622,132 shares at DKK 1.25 corresponding to nominal share capital of DKK 155,777,665).

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.

Shareholders

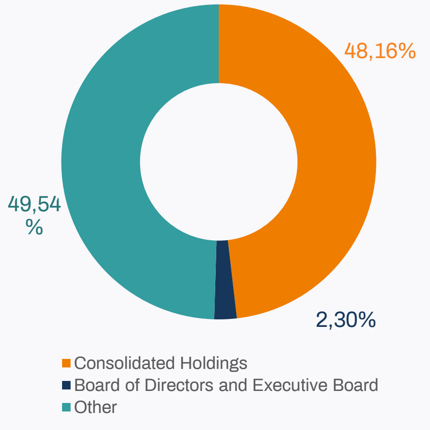
At the end of 2021 Columbus A/S had 7,987 registered shareholders, who together owned 97.75% of the total share capital.

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

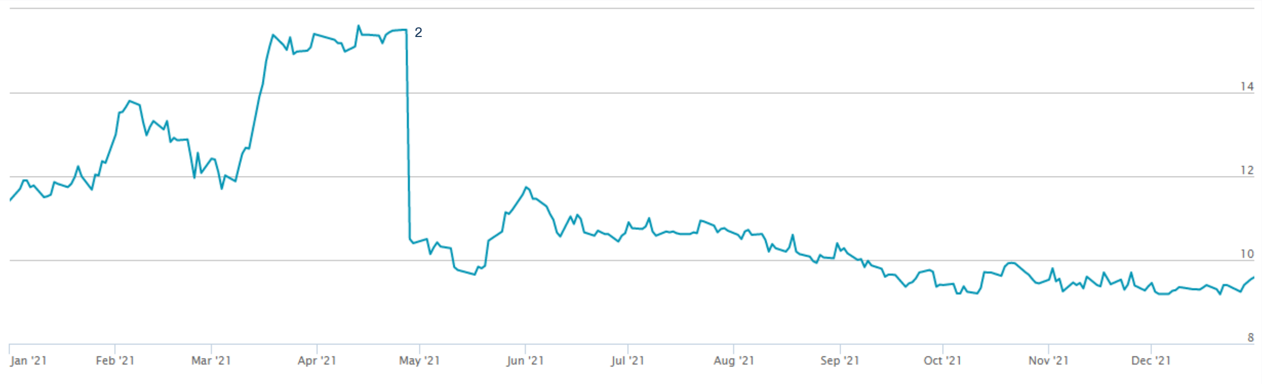
	No. of shares	%
Protector Forsikring ASA	7,724,305	5.98
Consolidated Holdings A/S	62,264,906	48.16
Ib Kunøe	450,000	0.35
	62,714,906	48.51*

* Due to shareholder voting agreements, Consolidated Holdings A/S holds 49.56% of the voting rights.

Shareholders



Share price development in 2021[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 9.54

Members of Columbus A/S' Board of Directors and Executive Board owned in total 50.46% of the share capital at the end of 2021.

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 constantly 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 directly 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.

Development in share capital

Development in share capital in Columbus A/S since 1 January 2021	Capital increase (DKK nom.)	Total share capital (DKK nom.)	No. of shares of DKK 1.25 (nom.)
Capital increase 6 and 8 April 2021*	5,817,665	161,595,330	129,276,264

* Capital increase as a consequence of the exercise of warrants by members of the Board of Directors, Executive Board and a number of senior executives. The warrants were granted as part of the Company's warrant program. The subscription price for the new shares was DKK 8.99 for 644,200 shares, DKK 12.3 for 2,364,932 shares, DKK 13.5 for 1,615,000 and DKK 15.08 for 30,000 shares.

Contact

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

Corporate CFO,
Hans Henrik Thrane
Email: hht@columbusglobal.com

Columbus
Lautrupvang 6
2750 Ballerup
Tel: +45 7020 5000

General Meeting

The Company's Annual General Meeting will be held on:
29 April 2022 at 10.00 a.m.
on the Company's address at:
Lautrupvang 6, 2750 Ballerup.

It will also be possible to participate electronically via webcast

Financial statements

Statement of comprehensive income

DKK ´000	Note	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Net revenue	3	1,481,818	1,407,216	401,289	382,367
External project costs		-260,733	-254,793	-150,854	-130,097
Gross profit		**1,221,085**	**1,152,423**	**250,435**	**252,270**
Staff expenses and remuneration	4	-984,941	-956,559	-237,865	-230,456
Other external costs		-122,844	-136,748	-38,902	-40,788
Other operating income	6	1,642	46,265	51,458	93,892
Other operating costs		-2,344	-17	-1,748	0
EBITDA before share-based payment		**112,598**	**105,364**	**23,378**	**74,918**
Share-based payment	4	-3,157	-4,479	-3,157	-4,479
EBITDA		**109,441**	**100,885**	**20,221**	**70,439**
Depreciation, amortization and impairment	5	-50,739	-49,960	-12,614	-10,109
Operating profit (EBIT)		**58,702**	**50,925**	**7,607**	**60,330**
Results in subsidiaries		0	0	48,017	105,507
Financial income	7	3,712	948	6,190	1,444
Financial expenses	7	-7,214	-17,801	-8,279	-15,612
Profit before tax from continuing operations		**55,200**	**34,072**	**53,535**	**151,669**
Corporate tax	8	5,862	-10,409	144	-2,326
Profit after tax from continuing operations		**61,062**	**23,663**	**53,679**	**149,343**
Profit after tax from discontinued operations	27	**697,486**	**24,899**	**768,738**	**-38,626**
Profit after tax for the period		**758,548**	**48,562**	**822,417**	**110,717**

DKK ´000	Note	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Items that may be reclassified subsequently to profit and loss:					
Foreign exchange adjustments of subsidiaries		-13,174	-5,916	0	0
Other comprehensive income		**-13,174**	**-5,916**	**0**	**0**
Total comprehensive income for the period		**745,374**	**42,646**	**822,417**	**110,717**
Profit after tax allocated to:					
Shareholders in Columbus A/S		759,155	48,492		
Minority interests		-607	70		
		758,548	**48,562**		
Total comprehensive income allocated to:					
Shareholders in Columbus A/S		745,982	42,588		
Minority interests		-608	58		
		745,374	**42,646**		
Earnings per share of DKK 1.25 (EPS)		5.91	0.39		
Earnings per share of DKK 1.25, diluted (EPS-D)		5.89	0.39		

Balance sheet

DKK ´000	Note	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
ASSETS					
Goodwill	10	644,451	776,961	131,656	110,240
Customer base	10	27,174	41,394	238	952
Internal applications	10	46,512	17,805	46,512	17,783
Development projects finalized	10	3,070	3,397	1,265	1,871
Development projects in progress	10	0	940	0	0
Property, plant and equipment	11	10,866	8,674	2,058	2,019
Right-of-use assets	12	61,422	87,616	15,008	13,268
Investments in subsidiaries	13	0	0	767,250	862,847
Deferred tax assets	8	22,916	43,390	0	2,615
Other receivables		17,397	7,263	12,926	2,997
Total non-current assets		**833,808**	**987,440**	**976,913**	**1,014,592**
Trade receivables	14	269,583	222,571	58,451	36,350
Contract assets	15	11,433	14,733	952	1,638
Receivables from subsidiaries		0	0	29,306	62,460
Corporate tax receivables	8	12,041	871	5,673	0
Other receivables		3,791	8,058	2,082	3,568
Receivables from divestment of activities	28	55,631	0	0	0
Prepayments		19,367	28,498	9,219	8,468
Receivables		**371,846**	**274,731**	**105,683**	**112,484**
Cash		62,943	164,213	2,491	60,048
Total current assets		**434,789**	**438,944**	**108,174**	**172,532**
Assets classified as held for sale	29	**0**	**214,481**	**0**	**48,114**
TOTAL ASSETS		**1,268,597**	**1,640,865**	**1,085,087**	**1,235,238**

DKK ´000	Note	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
EQUITY AND LIABILITIES					
Share capital		161,595	155,778	161,595	155,778
Reserves on foreign currency translation		-59,442	-46,269	-7,366	-7,366
Reserve to development costs		0	0	37,266	15,330
Retained profit		638,827	602,912	605,553	528,397
Group shareholders' equity		**740,980**	**712,421**	**797,048**	**692,139**
Minority interests		0	3,184	0	0
Equity		**740,980**	**715,605**	**797,048**	**692,139**
Deferred tax	8	5,542	24,493	1,788	0
Other provisions	17	1,056	21,337	1,056	21,337
Debt to credit institutions		75,970	176,000	75,970	176,000
Lease liability right-of-use assets	18	36,454	59,929	10,087	9,142
Non-current liabilities		**119,022**	**281,759**	**88,901**	**206,479**
Debt to credit institutions		19,044	0	33,758	0
Debt to subsidiaries		0	0	65,588	123,721
Contingent consideration	17	6,539	81,594	6,539	81,594
Contract liabilities	15	17,248	19,607	6,925	9,164
Trade payables		79,168	69,210	21,572	20,022
Corporate tax payables	8	1,171	10,202	0	11
Other payables	19	217,406	300,470	48,603	78,789
Other provisions	17	6,722	6,722	6,722	6,722
Accruals and deferred income		32,938	29,799	3,617	5,313
Lease liability right-of-use assets	18	28,359	32,006	5,814	5,169
Current liabilities		**408,595**	**549,610**	**199,138**	**330,505**
Total liabilities		**527,617**	**831,369**	**288,039**	**536,984**
Total liabilities relating to assets classified as held for sale	29	**0**	**93,891**	**0**	**6,115**
TOTAL EQUITY AND LIABILITIES		**1,268,597**	**1,640,865**	**1,085,087**	**1,235,238**

Statement of changes in equity - Group

DKK ´000	Share capital (Shareholders in Columbus A/S)	Reserves on foreign currency translation (Shareholders in Columbus A/S)	Retained profits (Shareholders in Columbus A/S)	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**

DKK ´000	Share capital (Shareholders in Columbus A/S)	Reserves on foreign currency translation (Shareholders in Columbus A/S)	Retained profits (Shareholders in Columbus A/S)	Minority interests	Equity
2020					
Balance at 1 Jan 2020	**155,778**	**-40,365**	**549,941**	**3,126**	**668,480**
Profit after tax	0	0	48,492	70	48,562
Currency adjustments of investments in subsidiaries	0	-5,904	0	-12	-5,916
Total comprehensive income	**0**	**-5,904**	**48,492**	**58**	**42,646**
Share-based payment	0	0	4,479	0	4,479
Balance at 31 Dec 2020	**155,778**	**-46,269**	**602,912**	**3,184**	**715,605**

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	Reserves on foreign currency translation	Reserve to develop-ment costs	Retained profits	Equity
2021					
Balance at 1 Jan 2021	**155,778**	**-7,366**	**15,330**	**528,397**	**692,139**
Profit after tax	0	0	0	822,417	822,417
Total comprehensive income	**0**	**0**	**0**	**822,417**	**822,417**
Capital increase	5,817	0	0	50,752	56,569
Share-based payment cf. note 4	0	0	0	1,581	1,581
Payment of dividend	0	0	0	-775,658	-775,658
Development costs	0	0	21,936	-21,936	0
Balance at 31 Dec 2021	**161,595**	**-7,366**	**37,266**	**605,553**	**797,048**

DKK ´000	Share capital	Reserves on foreign currency translation	Reserve to develop-ment costs	Retained profits	Equity
2020					
Balance at 1 Jan 2020	**155,778**	**-7,366**	**11,478**	**417,053**	**576,943**
Profit after tax	0	0	0	110,717	110,717
Total comprehensive income	**0**	**0**	**0**	**110,717**	**110,717**
Share-based payment cf. note 4	0	0	0	4,479	4,479
Development costs	0	0	3,852	-3,852	0
Balance at 31 Dec 2020	**155,778**	**-7,366**	**15,330**	**528,397**	**692,139**

Cash flow

DKK ´000	Note	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Operating profit (EBIT)		58,702	50,925	7,607	60,330
Non-recurring income and expenses from acquisitions		0	-45,766	0	-45,766
Depreciation, amortization and impairment	5	50,739	49,960	12,614	10,109
Cost of incentive scheme		1,666	4,479	1,581	4,479
Changes in net working capital	25	-87,221	25,236	-51,223	-41,988
Cash flow from primary activities		**23,886**	**84,834**	**-29,421**	**-12,836**
Interest received, etc.		3,712	594	6,189	1,444
Interest paid, etc.		-7,779	-3,363	-3,834	-4,496
Corporate tax paid		-8,957	-6,019	-1,436	-4,516
Cash flow from operating activities discontinued operations	27	-14,091	114,817	0	1,410
Cash flow from operating activities		**-3,229**	**190,863**	**-28,502**	**-18,994**
Net investment in development projects		-2	509	0	1,463
Acquisition of tangible assets		-7,434	-3,832	-1,030	-1,771
Acquisition of intangible assets		-33,234	-9,408	-33,234	-9,408
Disposal of tangible assets		87	0	0	0
Acquisition of activities	21	-74,152	-75,147	-74,152	-38,667
Disposal of activities	28	866,363	-2,696	821,393	-6,714
Dividends received from subsidiaries		0	0	48,017	105,508
Cash flow from investing activities discontinued operations	27	-7,479	-37,256	0	0
Cash flow from investing activities		**744,149**	**-127,830**	**760,994**	**50,411**

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.

DKK ´000	Note	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Proceeds from capital increase/warrants exercised		56,570	0	56,570	0
Repayment of loan		-100,030	0	-100,030	0
Overdraft facilities		19,044	0	33,758	0
Repayment of lease liabilities		-34,085	-38,128	-4,689	-6,005
Dividends paid		-775,658	0	-775,658	0
Cash flow from financing activities discontinued operations	27	-13,354	-5,844	0	0
Cash flow from financing activities		**-847,513**	**-43,972**	**-790,049**	**-6,005**
Total net change in cash and cash equivalents		**-106,593**	**19,061**	**-57,557**	**25,412**
Cash funds at the beginning of the period		164,213	147,262	60,048	34,636
Exchange rate adjustments		5,323	-2,110	0	0
Cash funds at the end of the period		**62,943**	**164,213**	**2,491**	**60,048**

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.

Cash
Cash comprise cash less any overdraft facilities that are an integral part of cash management. Cash pool arrangements exist and are recognized as either net asset or liability. Cash flows in currencies other than the functional currency are translated using average exchange rates unless these deviates significantly from the transaction date.

Notes

Notes

Note 1 – Significant accounting principles

The financial statements for 2021 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 assessments 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%.

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 27.

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.

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 capital value.
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.

Deferred tax assets are reviewed annually and recognized only to the extent that it is probable for utilization within a five-year period.

Notes

The effect of new accounting standards
All new and revised standards, which entered into force with effect from fiscal periods beginning at 1 January 2021, 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 2021.

New standards effective from 2021
IASB has not issued new or amended standards and interpretations which have effect on the consolidated financial statements for 2021 or onwards.

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 licenses, subcontractors, etc. External project costs are recognized as the project progresses and product cost are recognized when incurred.

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 assumptions 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 32

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 2021, the carrying value of goodwill is DKK 644,541k. 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 2021, the carrying value of internal applications is DKK 46,512. 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 2021, the carrying value of recognized tax was DKK 22,916k, which is estimated to be realized in a foreseeable future (5 years or less), see note 8.

Notes

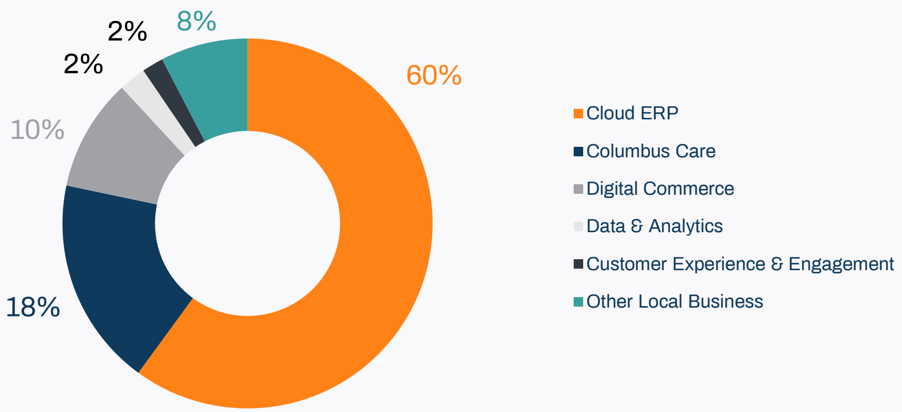
Note 3 – Segment data

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

Strategic Business Lines	Market Units	Global Delivery Centers (GDC)
	Sweden	Poland
Cloud ERP	Denmark	Czech Republic
Columbus Care	Norway	India
Digital Commerce	UK	
Data & Analytics	US	
Customer Experience & Engagement	Russia	
Other Local Business	Other	

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 2021



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 Cloud ERP, Columbus Care, Digital Commerce, Data & Analytics, Customer Experience & Engagement and Other Local Business. Market Units comprise of significant geographical markets that the group operates in.
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.

Information about the Group's segments is stated below. Only revenue to external customers is stated.

	Group		Parent Company	
DKK ´000	**2021**	2020	**2021**	2020
Sale of services				
Cloud ERP	689,365	681,716	119,231	87,858
Columbus Care	260,812	243,012	82,169	102,806
Digital Commerce	157,184	128,059	4,508	0
Data & Analytics	37,676	32,442	23,151	20,152
Customer Experience & Engagement	30,008	23,763	580	2,707
Other Local Business	92,080	74,865	18,447	16,228
Total sale of services	**1,267,125**	**1,183,857**	**248,086**	**229,751**
Sale of products				
Cloud ERP	156,306	163,233	55,907	63,342
Columbus Care	11,082	13,757	1,976	3,577
Digital Commerce	11,883	10,196	0	0
Data & Analytics	1,911	895	1,269	654
Customer Experience & Engagement	2,109	2,741	32	417
Other Local Business	31,402	32,537	16,277	14,181
Total sale of products	**214,693**	**223,359**	**75,461**	**82,171**
Total net revenue	**1,481,818**	**1,407,216**	**323,547**	**311,922**

DKK ´000	Sweden	Denmark	Norway	UK	US	Russia	Other*	GDC**	Eliminations	Total
2021										
Sale of services	483,888	247,979	230,828	137,767	80,088	57,661	26,666	2,248	0	**1,267,125**
Sale of products	43,169	75,567	28,327	37,460	18,158	10,585	1,427	0	0	**214,693**
Total revenue from own markets	**527,057**	**323,546**	**259,155**	**175,227**	**98,246**	**68,246**	**28,093**	**2,248**	**0**	**1,481,818**
Total revenue from group companies	70,021	77,743	7,402	21,565	818	0	9,589	105,662	-292,800	**0**
Total revenue	**597,078**	**401,289**	**266,557**	**196,792**	**99,064**	**68,246**	**37,682**	**107,910**	**-292,800**	**1,481,818**
Gross profit	372,372	263,007	164,458	158,958	68,778	55,463	32,774	102,913	2,362	**1,221,085**
EBITDA	32,996	26,931	19,150	10,829	-7,523	5,432	6,314	15,312	0	**109,441**
Operating profit (EBIT)										**58,702**
Profit before tax										**55,200**
Profit after tax										**61,062**
Average number of FTEs	**378**	**290**	**139**	**177**	**67**	**189**	**31**	**373**	**0**	**1,644**
2020										
Sale of services	495,586	246,129	141,790	143,749	77,303	53,738	23,251	2,311	0	**1,183,857**
Sale of products	37,967	84,992	34,000	28,880	20,372	15,454	1,694	0	0	**223,359**
Total revenue from own markets	**533,553**	**331,121**	**175,790**	**172,629**	**97,675**	**69,192**	**24,945**	**2,311**	**0**	**1,407,216**
Total revenue from group companies	40,476	81,582	28,404	7,506	1,953	0	6,265	102,227	-268,413	**0**
Total revenue	**574,029**	**412,703**	**204,194**	**180,135**	**99,628**	**69,192**	**31,210**	**104,538**	**-268,413**	**1,407,216**
Gross profit	309,069	304,332	133,081	154,537	72,713	55,774	25,436	97,481	0	**1,152,423**
EBITDA	6,051	71,771	15,584	18,538	-22,199	5,583	2,880	16,561	-13,884	**100,885**
Normalization, See explanations on page 8	35,000	-46,000	0	0	0	0	0	0	0	**-11,000**
Normalized EBITDA	41,051	25,771	15,584	18,538	-22,199	5,583	2,880	16,561	-13,884	**89,885**
Operating profit (EBIT)										**50,925**
Profit before tax										**34,072**
Profit after tax										**23,663**
Average number of FTEs	**443**	**296**	**132**	**176**	**71**	**186**	**27**	**333**	**0**	**1,665**

* Incl. Chile, Germany

** Incl. Poland, Czech Republic, India

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	**2021**	2020
Sweden	443,241	498,245
Denmark	209,660	168,195
Norway	75,670	72,159
UK	50,935	49,108
US	25,648	142,368
Russia	15,895	34,894
Other	1,326	10,120
GDC	11,433	12,351
Total	**833,808**	**987,440**

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.

Compound contracts are contracts where price and other essential items are negotiated together and cannot be disassembled. For these types of contracts products and services are recognized as their relative estimated standalone prices. The majority of Columbus' customer base has payment terms between 14 and 30 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.

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.

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.

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	**2021**	2020	**2021**	2020
Staff expenses				
Salary and wages	823,846	779,476	229,966	220,860
Other social security costs	133,204	141,646	2,490	1,715
Other staff expenses	27,891	35,437	5,409	7,881
Staff costs before share-based payment	**984,941**	**956,559**	**237,865**	**230,456**
Share-based payment	3,157	4,479	3,157	4,479
Staff expenses	**988,098**	**961,038**	**241,022**	**234,935**
Average number of FTEs	1,644	1,665	290	274

The parent company's Executive Board and Board of Directors are remunerated as follows:

DKK ´000	Executive Board	Board of Directors	Other senior employees
2021			
Salary and wages	5,577	1,013	28,118
Share-based payment	2,065	0	116
One-off fee	0	202	0
	7,642	**1,215**	**28,234**
2020			
Salary and wages	5,435	473	30,809
Share-based payment	861	76	612
Severance pay	7,517	0	0
One-off bonus	4,985	1,000	0
	18,798	**1,549**	**31,420**

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 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.

Defined contribution plans
The Group finances defined contribution plans through continuous premium payments to independent pension and insurance companies, which are responsible for the pension liabilities. After payment of pension contribution to defined contribution plans, the Group has no further pension liabilities towards employees or resigned employees in relation to the future development in interest rates, inflation, mortality, disability etc. with regards to the amount to be paid to employees at a later time.

Incentive schemes
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 market value of the shares 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 market value of the shares 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	
	2021	2020	**2021**	2020
Outstanding 1 January	10,642,500	8,340,000	12.07	13.22
Granted during the period	1,449,999	3,105,000	10.63	8.99
Lost due to termination of employment	-650,000	-802,500	9.01	12.13
Exercised during the period	-5,339,200	0	12.13	0.00
Expired during the period	-2,887,500	0	12.43	0.00
Outstanding end of period	**3,215,799**	**10,642,500**	**9.73**	**12.07**

Number of warrants which can be exercised at balance sheet date	135,800	5,276,250
Weighted average contractual life (years)	2.75	1.86
Weighted average exercise rate	8.99	13.59

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 2021	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	1,765,800	25.4%	-0.75%	2.30
Granted June 2021	10.63	10.63	1,449,999	32.8%	-0.50%	3.30

* 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	**2021**	2020	**2021**	2020
Expensed share-based payment related to equity instruments	1,666	4,479	1,581	4,479

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	**2021**	2020	**2021**	2020
Depreciation	35,849	37,434	6,789	6,385
Amortization	14,890	12,526	5,825	3,724
Total depreciation, amortization and impairment	**50,739**	**49,960**	**12,614**	**10,109**

Note 6 – Other operating income

	Group		Parent Company	
DKK ´000	**2021**	2020	**2021**	2020
Non-recurring income from acquisitions	0	45,464	0	45,766
Central cost allocation Columbus Group	0	0	51,458	48,126
Other services	1,642	801	0	0
Total other operating income	**1,642**	**46,265**	**51,458**	**93,892**

Non-recurring income in 2020 is related to adjustment of provision of unachieved earn out remuneration to seller from the acquisition of iStone in earlier years.

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	**2021**	2020	**2021**	2020
Financial income				
Interest income from subsidiaries	0	0	133	217
Interest income on bank deposits, etc.	55	147	1,813	1,200
Other interest income	435	801	416	27
Interest income on financial assets measured at amortised cost in the result	**490**	**948**	**2,362**	**1,444**
Foreign exchange gains (net)	3,222	0	3,828	0
Total financial income	**3,712**	**948**	**6,190**	**1,444**
Financial expenses				
Interests expense to subsidiaries	0	0	3,223	200
Interest expense on bank loans	3,191	2,478	3,318	2,522
Interest expense leases, Right-of-use-assets	2,589	3,305	456	515
Other interest expense	1,434	2,745	1,282	2,087
Interest expense from financial liabilities that are measured at amortised cost in the result	**7,214**	**8,528**	**8,279**	**5,324**
Foreign exchange loss (net)	0	9,273	0	10,288
Total financial expenses	**7,214**	**17,801**	**8,279**	**15,612**

In 2020, discounted interest expenses of DKK 1,294k related to contingent consideration (note 17) were included in other interest expenses.

Foreign exchange gain includes a fair value adjustment loss of currency forward derivative in 2021 of DKK 20k and in 2020, foreign exchange loss included a fair value adjustment gain of currency forward derivative of DKK 2,252k.

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	**2021**	2020	**2021**	2020
Tax on result for the year				
Current tax	233	14,374	0	11
Change in deferred tax	8,810	-6,095	1,269	746
Withholding tax	0	1,553	0	1,553
Adjustment to previous years	-14,905	577	-1,413	16
Total tax on result for the year	**-5,862**	**10,409**	**-144**	**2,326**
Tax on result for the year explained as follows				
Calculated 22% on pre-tax earnings on continuing operations	12,144	7,496	11,778	32,856
Tax effect of:				
Adjustment to tax concerning previous years	-14,905	577	-1,413	16
Adjustment to tax rates in foreign subsidiaries relative to 22%	118	-333	0	0
Non-capitalized tax value of losses	3,483	10,564	0	0
Withholding tax	0	1,553	0	1,553
Effect of reduced corporate tax rate	1,852	0	0	0
Not taxable income	-100	-272	-10,597	-23,066
Not taxable expenses	764	1,760	88	23
Other taxes and adjustments	-9,218	-10,936	0	-9,056
Total tax on result for the year	**-5,862**	**10,409**	**-144**	**2,326**
Effective tax rate (%)	**-10.62**	**30.55**	**-0.27**	**1.53**

	Group		Parent Company	
DKK ´000	**2021**	2020	**2021**	2020
Corporate tax receivable (net)				
Balance at 1 January	-9,331	-3,767	-11	-2,946
Currency adjustment	-97	-65	0	0
Adjustment to previous years	-4,983	1,901	-1,126	0
Current tax for the year	-233	-14,584	5,673	-11
Tax paid on account for the year	19,472	3,688	0	0
Corporate tax paid during the year	5,996	4,154	1,436	2,946
Reclassified to assets classified as held for sale	0	-658	0	0
Disposals due to divestment of activities	47	0	0	0
Additions due to merger	0	0	-299	0
Balance at 31 December	**10,871**	**-9,331**	**5,673**	**-11**
Corporate tax receivable	12,041	871	5,673	0
Corporate tax payable	-1,170	-10,202	0	-11
Balance at 31 December	**10,871**	**-9,331**	**5,673**	**-11**

The effective tax rate in 2021 is extraordinarily low mainly due to an adjustment from previous years.

Notes

Note 8 – Corporate tax (continued)

	Group		Parent Company	
DKK ´000	**2021**	2020	**2021**	2020
Deferred tax assets				
Balance at 1 January	43,390	29,550	0	3,361
Deferred tax assets 1 January	**43,390**	**29,550**	**0**	**3,361**
Currency adjustments	-984	-1,735	0	0
Adjustment to previous years	2,710	2,227	0	0
This year's change in deferred tax	-6,037	13,348	0	-746
Disposals due to divestment of activities	-16,163	0	0	0
Balance at 31 December	**22,916**	**43,390**	**0**	**2,615**
Deferred tax assets relate to				
Intangible assets	-255	1,100	0	1,337
Tangible assets	588	2,241	0	1,130
Current assets	1,771	4,139	0	148
Loss carry forward	20,812	35,910	0	0
Balance at 31 December	**22,916**	**43,390**	**0**	**2,615**

Based on the management's assessment of future income, short-term tax assets are expected to be DKK 15m and the total tax assets are expected to be utilized within a 5-year period.

	Group		Parent Company	
DKK ´000	**2021**	2020	**2021**	2020
Deferred tax liabilities				
Balance at 1 January	24,493	26,296	-2,615	0
Deferred tax liabilities 1 January	**24,493**	**26,296**	**-2,615**	**0**
Currency adjustment	-2,626	88	0	0
Adjustment to previous years	-17,178	8,618	-2,539	0
This year's change in deferred tax	2,773	5,614	6,942	0
Reclassified to assets classified as held for sale	0	-16,123	0	0
Disposals due to divestment of activities	-1,920	0	0	0
Balance 31 December	**5,542**	**24,493**	**1,788**	**0**
Deferred tax liabilities relate to				
Intangible assets	7,580	21,943	4,407	0
Tangible assets	-2,257	0	-2,338	0
Current assets	219	2,550	-281	0
Balance 31 December	**5,542**	**24,493**	**1,788**	**0**

The Group's non-capitalized tax assets amount to DKK 36m (2020: DKK 29m).

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.

Notes

Note 8 – Corporate tax (continued)

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 planned use 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 in reality 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).

Note 9 – Earnings per share

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

DKK ´000	**2021**	2020
Result for the year from continuing operations	61,062	23,663
Minority interests' share of the result for the year	-607	70
Result used for calculating earnings per share from continuing operations, diluted	**60,455**	**23,733**
Result for the year from discontinued operations	697,486	24,899
Result used for calculating earnings per share, diluted	**757,941**	**48,632**
Average number of shares listed on NASDAQ Copenhagen (pcs.)	128,191,703	124,622,132
Number of shares used to calculate earnings per share (pcs.)	**128,191,703**	**124,622,132**
Average dilutive effect on outstanding subscription rights (pcs.)	495,600	0
Number of shares used to calculate earnings per share, diluted (pcs.)	**128,687,303**	**124,622,132**
Earnings per share from continuing operations of DKK 1.25 (EPS)	0.47	0.19
Earnings per share from continuing operations of DKK 1.25, diluted (EPS-D)	0.47	0.19
Earnings per share from discontinued operations of DKK 1.25 (EPS)	5.44	0.20
Earnings per share from discontinued operations of DKK 1.25, diluted (EPS-D)	5.42	0.20
Earnings per share of DKK 1.25 (EPS)	5.91	0.39
Earnings per share of DKK 1.25, diluted (EPS-D)	5.89	0.39

Notes

Note 10 – Intangible assets

DKK ´000	Goodwill	Customer base	Internal applications	Develop-ment projects finalized	Develop-ment projects in progres	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**

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	Develop-ment projects finalized	Develop-ment projects in progress	Total
Group 2020						
Balance at 1 January 2020	1,011,163	96,552	16,916	241,555	6,066	1,372,252
Foreign currency translation	-12,608	-1,210	-117	-1,092	-14	-15,041
Additions	0	0	9,430	397	955	10,782
Additions relating to acquisitions	17,048	9,409	0	854	0	27,311
Disposal for the year	0	0	0	-2,389	0	-2,389
Transfer	0	0	0	277	-277	0
Reclassified to assets held for sale	-81,907	-13,615	0	-202,704	-5,790	-304,016
Balance at 31 December 2020	**933,696**	**91,136**	**26,229**	**36,898**	**940**	**1,088,899**
Amortization at 1 January 2020	165,389	45,620	6,351	162,703	0	380,063
Foreign currency translation	-8,654	-1,156	-117	-951	0	-10,878
Amortization	0	12,265	2,190	1,472	0	15,927
Reversal of amortization	0	0	0	-529	0	-529
Reclassified to assets held for sale	0	-6,987	0	-129,194	0	-136,181
Amortization at 31 December 2020	**156,735**	**49,742**	**8,424**	**33,501**	**0**	**248,402**
Carrying amount at 31 December 2020	**776,961**	**41,394**	**17,805**	**3,397**	**940**	**840,497**

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 2021	31 December 2020
Columbus Sweden AB	SE	381,973	409,738
Columbus A/S	DK	131,656	110,240
ZAO Columbus	RU	12,327	30,944
Columbus US Inc.	US	21,231	115,498
Columbus Norway AS	NO	50,953	51,270
UAB Columbus Lietuva	LT	0	4,694
Columbus Global (UK) Ltd.	UK	42,532	39,547
Columbus Eesti AS	EE	0	10,900
Columbus CoMakeIt India Pvt Ltd.	IN	3,779	4,130
Total goodwill		**644,451**	**776,961**

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 2021 (31 December 2020).
The recoverable amount of goodwill related to the individual cash generating units is calculated based on the Discounted Cash Flows method (DCF).

The main changes in the goodwill from 2020 to 2021 related to disposal of goodwill in Columbus US Inc., following the sale of the SMB business in the US.

Future cash flows

The recoverable amount of the individual cash-generating units to which the goodwill belongs, is calculated based on the calculations of capital value. 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.

In generating a terminal value, a conservative real growth in revenue and cost of 2% is applied. 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.

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 between 7.5% and 10.5% after tax (2020: 7.1% - 10.1%), representing 7.5% and 10.4% pretax (2020: 7.2% - 10.2%). The reason for the insignificant difference between after tax and pre-tax discount rates is due to a relatively low debt to equity ratio and due to the fact that Columbus has substantial tax losses carry forwards to offset tax payments. 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. How-ever, to accommodate for higher assessed risk in the future cash flows in US and RU, a 3% higher discount factor has been applied for these markets.

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 applications	Development projects finalized	Total
Parent 2021					
Balance at 1 January 2021	111,224	8,979	24,181	27,362	171,746
Additions relating to mergers	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.

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	Total
Parent 2020					
Balance at 1 January 2020	111,224	18,979	13,755	28,647	172,605
Reclassification of previous years	0	0	1,018	707	1,725
Additions	0	0	9,408	397	9,805
Disposal for the year	0	0	0	-2,389	-2,389
Reclassification to assets held for sale	0	-10,000	0	0	-10,000
Balance at 31 December 2020	**111,224**	**8,979**	**24,181**	**27,362**	**171,746**
Amortization at 1 January 2020	984	12,853	3,200	24,486	41,523
Reclassification of previous years	0	0	1,019	706	1,725
Amortization	0	715	2,179	828	3,722
Reversal of depreciation	0	0	0	-529	-529
Reclassification to assets held for sale	0	-5,541	0	0	-5,541
Amortization at 31 December 2020	**984**	**8,027**	**6,398**	**25,491**	**40,900**
Carrying amount at 31 December 2020	**110,240**	**952**	**17,783**	**1,871**	**130,846**

Internal applications include development projects for internal use with a net carrying amount of DKK 17,783k.

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 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 di-vestments	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**

DKK ´000	Land and buildings	Leasehold improve-ments	Fixtures and equipment	Total
Group 2020				
Balance at 1 January 2020	95	818	61,636	62,549
Foreign currency translation	-6	-8	-2,138	-2,152
Additions	0	0	4,248	4,248
Additions relating to acquisitions	0	0	13	13
Disposals	0	0	-6,441	-6,441
Reclassification of previous years	0	0	-6,852	-6,852
Reclassified to asset held for sale	0	-89	-7,463	-7,552
Balance at 31 December 2020	**89**	**721**	**43,003**	**43,813**
Depreciation at 1 January 2020	66	749	49,486	50,301
Foreign currency translation	-3	-5	-1,739	-1,747
Depreciation	13	53	5,193	5,259
Reversed depreciation on disposals	0	0	-6,441	-6,441
Reclassification of previous years	0	0	-6,852	-6,852
Reclassified to asset held for sale	0	-85	-5,296	-5,381
Depreciation at 31 December 2020	**76**	**712**	**34,351**	**35,139**
Carrying amount at 31 December 2020	**13**	**9**	**8,652**	**8,674**

Notes

Note 11 – Tangible assets (continued)

DKK ´000	Leasehold improve-ments	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
Additions relating to acquisitions	0	0	0
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**

DKK ´000	Leasehold improve-ments	Fixtures and equipment	Total
Parent 2020			
Balance at 1 January 2020	486	25,471	25,957
Additions	0	1,771	1,771
Balance at 31 December 2020	**486**	**27,242**	**27,728**
Depreciation at 1 January 2020	455	24,153	24,608
Depreciation	27	1,074	1,101
Depreciation at 31 December 2020	**482**	**25,227**	**25,709**
Carrying amount at 31 December 2020	**4**	**2,015**	**2,019**

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 impaired 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 2021				
Balance at 1 January 2021	2,161	18,963	171,948	193,072
Foreign currency translation	-8	13,884	4,733	18,609
Re-assessment of existing assets	339	0	2,093	2,432
Additions	271	6,592	3,404	10,267
Additions related to acquisitions	0	0	0	0
Disposals	-154	-8,764	-9,645	-18,563
Reclassified to assets held for sale	-80	-14,295	-13,237	-27,612
Balance at 31 December 2021	**2,529**	**16,380**	**159,296**	**178,205**
Depreciation at 1 January 2021	737	6,602	98,117	105,456
Reclassification of previous years	23	0	-324	-301
Foreign currency translation	-8	4,382	3,513	7,887
Depreciation	585	3,513	27,045	31,143
Reversed depreciation on disposals	-95	-4,437	-9,345	-13,877
Reclassified to assets held for sale	-38	-5,030	-8,457	-13,525
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 34m.

DKK ´000	Other equipment	Cars	Offices	Total
Group 2020				
Balance at 1 January 2020 (initial recognition)	1,756	25,151	161,328	188,235
Foreign currency translation	112	708	-5,239	-4,419
Re-assessment of existing assets	366	0	28,614	28,980
Additions	1,684	7,328	10,557	19,569
Additions relating to acquisitions	0	0	1,051	1,051
Disposals	-1,604	-5,434	-20,221	-27,259
Reclassification of previous years	-153	-8,790	-4,142	-13,085
Balance at 31 December 2020	**2,161**	**18,963**	**171,948**	**193,072**
Depreciations at 1 January 2020 (initial recognition)	1,053	10,493	90,762	102,308
Foreign currency translation	32	123	-2,174	-2,019
Depreciation	656	3,976	29,597	34,229
Reversed depreciation on disposals	-869	-2,739	-16,271	-19,879
Reclassified to assets held for sale	-135	-5,251	-3,797	-9,183
Depreciation at 31 December 2020	**737**	**6,602**	**98,117**	**105,456**
Carrying amount at 31 December 2020	**1,424**	**12,361**	**73,831**	**87,616**

Total cash flow for the Group relating to right-of-use-assets is equal to the actual payments on the leases amounting to DKK 38m.

Notes

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

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**
Depreciation 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 4.7m.

DKK ´000	Other equipment	Cars	Offices	Total
Parent 2020				
Balance at 1 January 2020 (initial recognition)	139	3,280	34,866	38,285
Re-assessment of existing assets	70	237	5,110	5,417
Additions	219	157	0	376
Disposals	-273	-539	-2,718	-3,530
Balance at 31 December 2020	**155**	**3,135**	**37,258**	**40,548**
Depreciations at 1 January 2020 (initial recognition)	123	1,515	23,677	25,315
Depreciation	55	1,174	4,058	5,287
Reversed depreciation on disposals	-115	-491	-2,716	-3,322
Depreciation at 31 December 2020	**63**	**2,198**	**25,019**	**27,280**
Carrying amount at 31 December 2020	**92**	**937**	**12,239**	**13,268**

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 6m.

Accounting policies

Lease assets are classified separately from other assets in the financial statement. The lease assets are depreciated on a straight-line basis over the lease term. The lease 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

Notes

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

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% (2020: 2.81% and 5.81%).

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 also recognized as right-of-use-assets.

Notes

Note 13 – Investments in subsidiaries

	Parent Company	
DKK ´000	**2021**	2020
Balance at 1 January	1,023,300	1,073,121
Additions	0	22
Disposals	-15,737	-4,777
Disposals related to mergers	-26,217	0
Reclassified to assets held for sale	0	-45,066
Balance at 31 December	**981,346**	**1,023,300**
Write down at 1 January	-160,454	-160,454
Write down	-53,643	0
Amortization and write down at 31 December	**-214,097**	**-160,454**
Carrying amount 31 December	**767,250**	**862,847**

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

Additions of investments in subsidiaries in 2020 relate to acquisition of a shelf company related to the purchase of Advania Business Solutions (Norway). Disposals of investment in subsidiaries relates to disposal of iStone Group entities Columbus China Ltd and Columbus Global Iberia SAL.

Reclassification in 2020 relates to To-Increase, which is as per 31.12.2020 considered as Assets held for sale.

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	**2021**	2020	**2021**	2020
Receivables (gross) at 1 Jan	**241,749**	**322,535**	**37,023**	**50,060**
Change in receivables during the period	39,384	-80,786	22,705	-13,037
Receivables (gross) end of period	**281,133**	**241,749**	**59,728**	**37,023**
Provisions for bad debt at 1 Jan	**19,178**	**15,304**	**673**	**620**
Change in provisions for bad debt during the period	-7,609	3,799	585	-169
Loss realized during the period	-19	75	19	222
Provisions for bad debt end of period	**11,550**	**19,178**	**1,277**	**673**
Carrying amount end of period	**269,583**	**222,571**	**58,451**	**36,350**

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	**2021**	2020	**2021**	2020
Age of receivables (gross):				
Not due	190,113	167,236	42,380	27,832
0-30 days	57,896	48,834	11,630	6,369
30-60 days	9,859	9,827	2,340	1,606
61-90 days	8,033	2,771	781	156
91-180 days	4,627	4,508	1,603	807
181-270 days	2,131	954	151	77
270-360 days	142	1,874	170	23
Above 360 days	8,332	5,745	673	153
Total	**281,133**	**241,749**	**59,728**	**37,023**

	Group		Parent Company	
DKK ´000	**2021**	2020	**2021**	2020
Age of impairment:				
Not due	747	2,599	16	28
0-30 days	50	1,044	12	32
30-60 days	130	446	28	40
61-90 days	250	2,008	39	12
91-180 days	1,019	4,508	284	308
181-270 days	880	954	70	77
271-360 days	142	1,874	155	23
Over 360 days	8,332	5,745	673	153
Total	**11,550**	**19,178**	**1,277**	**673**

	Group		Parent Company	
DKK ´000	**2021**	2020	**2021**	2020
Provision matrix:				
Not due	0.4%	1.6%	0.0%	0.1%
0-30 days	0.1%	2.1%	0.1%	0.5%
30-60 days	1.3%	4.5%	1.2%	2.5%
61-90 days	3.1%	72.5%	5.0%	7.7%
91-180 days	22.0%	100.0%	17.7%	38.2%
181-270 days	41.3%	100.0%	46.4%	100.0%
271-360 days	99.4%	100.0%	91.2%	100.0%
Over 360 days	100.0%	100.0%	100.0%	100.0%

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	**2021**	2020	**2021**	2020
Balance at 1 Jan	**-4,874**	**10,877**	**-7,525**	**-1,596**
Changes contract assets during the period	-32,400	-65,331	-6,419	-9,443
Changes on account billing and prepayments during the period	31,459	47,526	7,973	3,514
Reclassified to assets held for sale	0	2,054	0	0
Balance at end of period	**-5,815**	**-4,874**	**-5,971**	**-7,525**
Work in progress	13,529	45,929	5,537	11,957
On account billing and prepayments	-19,344	-50,803	-11,510	-19,483
Balance at end of period	**-5,815**	**-4,874**	**-5,973**	**-7,526**
The net value is included in the balance as follows:				
Contract assets	11,433	14,733	952	1,638
Contract liabilities	-17,248	-19,607	-6,925	-9,164
Balance at end of period	**-5,815**	**-4,874**	**-5,973**	**-7,526**

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 2020 (DKK 19,607, hereof DKK 6,138k from the continued business) DKK 5,574k has been recognized as revenue in the reporting period corresponding to 91%.

Notes

Note 15 – Contract assets and contract liabilities (continued)

The Group's total value of contracts relating to "Contract assets" represents DKK 32,292k as of 31 December 2021 (DKK 51,946k as of December 2020). DKK 13,529k of the total contract value is recognized as revenue as of 31 December 2021 (DKK 38,037k as of 31 December 2020). The remaining DKK 18,763k is expected to be recognized as revenue within 12-18 months from the balance date (DKK 13,909k as of 31 December 2020). The lower contract values in 2021 compared to 2020 is affected by divestment of activities in the financial year.

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.

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.

There has been no capital increase in 2020.

	Parent Company	
	2021	2020
Number of shares at the beginning of the year	124,622,132	124,622,132
Capital increase	4,654,132	0
Number of shares at 31 December	**129,276,264**	**124,622,132**

Notes

Note 17 – Provisions and contingent consideration

	Group		Parent Company	
DKK ´000	**2021**	2020	**2021**	2020
Contingent consideration	6,539	81,594	6,539	81,594
Other provisions	7,778	28,059	7,778	28,059
	14,317	**109,653**	**14,317**	**109,653**

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**

Contingent consideration
Contingent consideration concerns earn outs related to acquisition of enterprises. The development in the contingent consideration is related to the iStone earn out.

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

DKK ´000	Contingent consideration	Other provisions	Total
Group 2020			
Balance (non-current) at 1 January 2020	**157,850**	**28,635**	**186,485**
Balance (current) at 1 January 2020	**15,774**	**26,000**	**41,774**
Foreign currency translation, year-end exchange rate	505	0	505
Additions during the period	1,294	27,204	28,498
Completion of fixed price project	0	-47,231	-47,231
Changes in forward contract	0	-6,549	-6,549
Paid earn out during the period	-39,847	0	-39,847
Unachieved earn out reversed during the period	-45,766	0	-45,766
Reclassified to assets held for sale	-8,216	0	-8,216
Carrying amount at 31 December 2020	**81,594**	**28,059**	**109,653**
Carrying amount non-current at 31 December 2020	**0**	**21,337**	**21,337**
Carrying amount current at 31 December 2020	**81,594**	**6,722**	**88,316**

Notes

Note 17 – Provisions and contingent consideration (continued)

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**

Contingent consideration
Contingent consideration concerns earn outs related to acquisition of enterprises. The development in the contingent consideration is related to the iStone earn out.

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

DKK ´000	Contingent consideration	Other provisions	Total
Parent 2020			
Balance (non-current) at 1 January 2020	**153,368**	**7,393**	**217,024**
Balance (current) at 1 January 2020	**10,838**	**0**	**81,888**
Foreign currency translation, year-end exchange rate	505	0	505
Additions during the period	1,294	20,492	21,786
Changes in forward contract	0	-6,548	-6,548
Paid earn out during the period	-38,645	0	-38,645
Unachieved earn out reversed during the period	-45,766	0	-45,766
Carrying amount at 31 December 2020	**81,594**	**21,337**	**102,931**
Carrying amount non-current at 31 December 2020	**0**	**21,337**	**21,337**
Carrying amount current at 31 December 2020	**81,594**	**6,722**	**88,316**

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 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	5,814
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**

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored closely by the management.

DKK ´000	Other equipment	Cars	Offices	Total
Group 2020				
Less than 1 year	572	3,380	28,053	32,005
Between 1 and 5 years	874	9,024	48,358	58,256
More than 5 years	0	0	1,674	1,674
	1,446	**12,404**	**78,085**	**91,935**

DKK ´000	Other equipment	Cars	Offices	Total
Parent 2020				
Less than 1 year	30	712	4,427	5,169
Between 1 and 5 years	63	242	8,837	9,142
More than 5 years	0	0	0	0
	93	**954**	**13,264**	**14,311**

Notes

Note 19 – Other payables

	Group		Parent Company	
DKK ´000	**2021**	2020	**2021**	2020
Payroll cost, payroll tax, retirement benefit obligations etc.	111,899	118,402	28,659	45,189
Holiday pay etc.	48,421	61,719	10,354	11,354
VAT payable	29,163	38,391	4,796	2,221
Other liabilities	27,923	81,958	4,794	20,025
	217,406	**300,470**	**48,603**	**78,789**

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.

Decrease in other liabilities relates to transaction costs in Parent in 2020.

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 and Danish subsidiaries are 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, liable for income tax etc. for the jointly taxed companies and also for potential liabilities, including withholding tax on interest, royalties and profits for these companies. The total tax liability for the Danish jointly taxation is presented in the annual report for Consolidated Holdings A/S.

Commitments for expenditures
The Company has guaranteed payment of banking arrangements in Nordea for subsidiaries. As of 31 December 2021, the maximum liability is DKK 13,442k (2020: DKK 12,646k).

Notes

Note 21 – Business combinations

Acquisition of companies in 2021
There has been no acquisitions during 2021.

Acquisition of companies in 2020
The Group has per 6 January 2020 acquired Advania Business Solutions. The acquisition was an asset purchase.

Name	Primary activity	Date of control gained	Acquired ownership	Acquired voting rights	Total consideration DKK '000
Advania Business Solutions	Distribution and implementation of standardised business solutions.	6 January	Activity	Activity	36,357
Total					**36,357**

Opening balances

DKK ´000	2021	2020
Tangible fixed assets	0	13
Other intangible assets	0	10,800
Other receivables	0	85
Total non-current assets	**0**	**10,898**
Trade receivables	0	14,826
Work in progress	0	191
Prepayments	0	5,315
Total current assets	**0**	**20,332**
Corporation tax and deferred tax	0	-2,187
Deferred income	0	-3,736
Accruals	0	-398
Other debt	0	-5,404
Total current debt	**0**	**-11,725**
Net assets acquired	**0**	**19,505**
Goodwill	0	16,852
Total consideration	**0**	**36,357**
Net working capital not paid	0	-987
Cash consideration on acquisition date	**0**	**35,370**
Contingent consideration payments*	74,152	39,777
Net cash flows on acquisitions	**74,152**	**75,147**

* Contingent consideration payments in 2020 relate to the acquisitions of iStone AB, which were paid in Q2 and Q4 2020. (DKK 38,645k.) and BMI (DKK 1,132k)
* Contingent consideration payments in 2021 relate to the acquisitions of iStone AB, which were paid in Q2 2021 (DKK 74,152).

Notes

Note 21 – Business combinations (continued)

DKK ´000	2021	2020
Fair value assessment of trade receivables		
Trade receivables, gross amount	0	15,103
Trade receivables, not expected to be collected	0	-277
Trade receivables, fair value	**0**	**14,826**

Accounting policies

Newly acquired or newly established subsidiaries are consolidated from the date of acquisition or formation. The acquisition date is the date on which the Columbus Group obtains control of the acquiree. Divested companies are included in the consolidated financial statements until the date of disposal or winding up. Disposal is the date when control is actually transferred to third parties.

Acquisition of new companies or activities in which the Group obtains control of the acquisition decision, acquired business will be accounted for under the purchase method, so that the identified assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identified intangible assets are recognized separately from goodwill if they are separable or arise from a contractual right and the fair value can be measured reliably. Non-current assets which are held for sale are measured at fair value less estimated selling costs. Restructuring liabilities are only recognized in the acquisition balance sheet if they represent a liability to the acquired company. Account is taken for the tax effect of the restatements.

The purchase consideration for a company is the fair value of the consideration paid for the acquired company. If the final determination is subject to one or more future events, these fair values are recognized at the acquisition date. Costs directly attributable to the acquisition are recognized directly in the statement of comprehensive income as incurred.

Positive differences (goodwill) between, on one hand, the purchase price of an acquired company, the value of non-controlling interests in the acquiree and the fair value of previously held equity interests, and on the other hand, the fair value of the identifiable assets, liabilities and contingent liabilities is recognized as goodwill under intangible fixed assets. Goodwill is not amortized but is tested annually for impairment. The first impairment test is performed before the end of the year of acquisition. Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis of the impairment test. The determination of cash-generating units follows the management structure and internal financial control and reporting of the Group. If the carrying amount of an asset exceeds its recoverable amount it is written down to its recoverable amount.

In case of negative differences (negative goodwill), the calculated fair values, the calculated purchase consideration for the company, the value of non-controlling interests in the acquiree and the fair value of previously held equity interests is reassessed. If the difference is still negative, the difference is recognized as income in the statement of comprehensive income.

If at the time of acquisition there is an uncertainty about the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration, initial recognition is based on preliminary fair values. The preliminary calculated amounts can be adjusted, or additional assets or liabilities can be recognized until one year after the purchase date, if new information on conditions that existed at the acquisition date is obtained, which would have affected the calculation of values at the acquisition date, had the information been known.

Changes in estimates of contingent consideration are recognized in the statement of comprehensive income.

Notes

Note 22 – 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 48.16% 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 (49.56%) 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 2021 Columbus paid tax to Consolidated Holdings A/S for DKK 1.436k (2020: DKK 3.544K)

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 incluence 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.

	Parent	
DKK ´000	**2021**	2020
Net sales		
Atea	5,264	3,118
Total	**5,264**	**3,118**
Net purchase		
Atrium Partners	-9,349	0
Atea	-12,268	-10,152
Total	**-21,617**	**-10,152**

Sold to Atea is primarily consultancy and sale of licenses from 3rd parties.
Purchase from Atea is primarily office rent as well as purchase of IT equipment.

	Parent	
DKK ´000	**2021**	2020
Trade receivables		
Atea	1,713	744
Total	**1,713**	**744**
Trade payables		
Atea	-2,806	-2,004
Total	**-2,806**	**-2,004**

Executive Board and Board of Directors
Remuneration of the Executive Board, the Board of Directors and executives appears from note 5.

Notes

Note 22 – 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	**2021**	2020
Purchase from subsidiaries	-71,016	-27,299
Sold to subsidiaries	62,379	107,443

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

	Group		Parent Company	
DKK ´000	**2021**	2020	**2021**	2020
Auditor elected by the annual general meeting				
Statutory audit	2,112	1,847	623	483
Other assurance services	91	40	91	40
Tax and VAT advisory services	0	27	0	27
Other non-audit services	110	0	0	0
	2,313	**1,914**	**714**	**550**
Other auditors				
Statutory audit	544	1,351	0	0
Other assurance services	176	641	0	0
Tax and VAT advisory services	75	287	0	0
Other non-audit services	15	86	0	0
	810	**2,365**	**0**	**0**
Total audit fee	**3,123**	**4,279**	**714**	**550**

Other services provided by the auditors elected by the annual general meeting comprise of fee for review of the Group's transfer pricing documentation and review of the remuneration report.

Notes

Note 24 – 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 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	75,970	0	95,630
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**	**114,565**	**0**	**525,383**
Ratio	**1.06**			**0.86**

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	-616	0	0	-616
Lease liability right-of-use assets	-1,607	-1,085	0	-2,692

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 24 – Financial risks and financial instruments (continued)

DKK ´000	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Group 2020				
Financial assets				
Trade receivables	222,571	0	0	222,571
Contract assets	14,733	0	0	14,733
Corporate tax receivables	871	0	0	871
Other receivables	8,058	0	7,263	15,321
Prepayments	28,498	0	0	28,498
Cash and bank balances	164,213	0	0	164,213
Total financial assets	**438,944**	**0**	**7,263**	**446,207**
Financial liabilities				
Debt to credit institutions	1,415	176,000	0	177,415
Contingent consideration	81,594	0	0	81,594
Contract liabilities	19,607	0	0	19,607
Trade payables	69,210	0	0	69,210
Corporate tax payables	10,202	0	0	10,202
Other payables	300,959	0	0	300,959
Accruals and deferred income	29,799	0	0	29,799
Lease liability right-of-use assets	34,943	61,287	1,746	97,976
Other provisions	6,722	9,053	12,284	28,059
Total financial liabilities	**554,451**	**246,340**	**14,030**	**814,821**
Ratio	**0.79**			**0.55**

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	-1,415	0	0	-1,415
Other payables	-489	0	0	-489
Lease liability right-of-use assets	-2,938	-3,031	-72	-6,041

Notes

Note 24 – 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	34,373	75,970	0	110,343
Contingent consideration	6,539	0	0	6,539
Debt to subsidiaries	65,589	0	0	65,589
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**	**87,380**	**0**	**287,478**
Ratio	**0.51**			**0.40**

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	-616	0	0	-616
Lease liability right-of-use assets	-344	-267	0	-611

Notes

Note 24 – Financial risks and financial instruments (continued)

DKK ´000	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Parent 2020				
Financial assets				
Trade receivables	36,350	0	0	36,350
Receivables from subsidiaries	62,460	0	0	62,460
Contract assets	1,638	0	0	1,638
Other receivables	3,568	0	2,997	6,565
Prepayments	8,468	0	0	8,468
Cash and bank balances	60,048	0	0	60,048
Total financial assets	**172,532**	**0**	**2,997**	**175,529**
Financial liabilities				
Debt to credit institutions	1,415	176,000	0	177,415
Contingent consideration	81,594	0	0	81,594
Debt to subsidiaries	123,721	0	0	123,721
Contract liabilities	9,164	0	0	9,164
Trade payables	20,022	0	0	20,022
Corporate tax payables	11	0	0	11
Other payables	86,000	0	0	86,000
Accruals and deferred income	5,313	0	0	5,313
Lease liability right-of-use assets	5,553	9,435	0	14,988
Other provisions	0	9,053	12,284	21,337
Total financial liabilities	**332,793**	**194,488**	**12,284**	**539,565**
Ratio	**0.52**			**0.33**

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	-1,415	0	0	-1,415
Other payables	-489	0	0	-489
Lease liability right-of-use assets	-384	-293	0	-677

Notes

Note 24 – Financial risks and financial instruments (continued)

Financing facilities

	Group	
DKK ´000	**2021**	2020
Cash and bank balances	62,943	164,213
Unused credits	13,565	236,757
	76,508	**400,970**

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. 78% of the revenue comes from NOK, SEK, GBP, USD, RUB, 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.

Equity exchange rates sensitivity

	Group	
DKK ´000	**2021**	2020
Effect of 10% decrease in USD	-5,707	-9,435
Effect of 10% decrease in GBP	-5,862	-6,279
Effect of 10% decrease in SEK	-41,225	-40,509
Effect of 10% decrease in NOK	-5,487	-3,445
Effect of 10% decrease in RUB	241	-745
Effect of 10% decrease in CLP	-523	-418
Effect of 10% decrease in CZK	-2,788	-1,123
Effect of 10% decrease in PLN	-2,227	-486
Effect of 10% decrease in INR	-1,149	-1,376

Profit after tax exchange rates sensitivity

	Group	
DKK ´000	**2021**	2020
Effect of 10% decrease in USD	-359	130
Effect of 10% decrease in GBP	-594	-1,427
Effect of 10% decrease in SEK	-1,805	1,203
Effect of 10% decrease in NOK	-1,753	-890
Effect of 10% decrease in RUB	-280	-254
Effect of 10% decrease in CLP	-148	-77
Effect of 10% decrease in CZK	-75	-62
Effect of 10% decrease in PLN	-133	-81
Effect of 10% decrease in INR	-532	-960

Revenue exchange rates sensitivity

	Group	
DKK ´000	**2021**	2020
Effect of 10% decrease in USD	-9,906	-9,963
Effect of 10% decrease in GBP	-19,679	-18,014
Effect of 10% decrease in SEK	-59,708	-57,403
Effect of 10% decrease in NOK	-26,656	-20,419
Effect of 10% decrease in RUB	-6,825	-6,919
Effect of 10% decrease in CLP	-718	-669
Effect of 10% decrease in CZK	-807	-1,991
Effect of 10% decrease in PLN	-1,872	-1,922
Effect of 10% decrease in INR	-3,546	-6,541

Notes

Note 24 – 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 2021 an increase in interest rates of half a percentage point would increase the Group's financial liabilities by DKK 380k (2020: DKK 880k). 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 estimates 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 2021 nor in 2020 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 very 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. 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.

Note 25 – Changes in working capital

	Group		Parent Company	
DKK ´000	**2021**	2020	**2021**	2020
Change in receivables and contract assets	-33,067	79,567	14,263	-2,075
Change in trade payable and liabilities	15,021	-17,901	1,550	-1,775
Change in other liabilities	-69,175	-36,430	-67,036	-38,138
Cash flow from changes in working capital	**-87,221**	**25,236**	**-51,223**	**-41,988**

Notes

Note 26 – 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	Right-of-use-assets liabilities	Long term borrowings	Overdraft facilities	Total
Group 2021				
Balance at 1 January	**91,935**	**176,000**	**0**	**267,935**
Cash flow from continuing operations	-34,085	-100,030	19,044	-115,071
Cash changes	**-34,085**	**-100,030**	**19,044**	**-115,071**
New leases	10,267	0	0	10,267
Changes to existing leases	335	0	0	335
Foreign exchange movements	-3,639	0	0	-3,639
Non-cash changes	**6,963**	**0**	**0**	**6,963**
Balance at 31 December	**64,813**	**75,970**	**19,044**	**159,827**

DKK ´000	Right-of-use-assets liabilities	Long term borrowings	Total
Group 2020			
Balance at 1 January	**91,771**	**176,000**	**267,771**
Cash flow from continuing operations	-38,128	0	-38,128
Cash flows from discontinued operations	0	0	0
Cash changes	**-38,128**	**0**	**-38,128**
New leases	19,569	0	19,569
Changes to existing leases	25,261		25,261
Foreign exchange movements	-3,552	0	-3,552
Acquisition	1,051		1,051
Reclassified to assets held for sale	-4,037	0	-4,037
Non-cash changes	**38,292**	**0**	**38,292**
Balance at 31 December	**91,935**	**176,000**	**267,935**

Notes

Note 26 – Cash flow from financing activities (continued)

DKK ´000	Right-of-use-assets liabilities	Long term borrowings	Overdraft facilities	Total
Parent 2021				
Balance at 1 January	**14,311**	**176,000**	**0**	**190,311**
Cash flows	-4,689	-100,030	33,758	-70,961
Cash changes	**-4,689**	**-100,030**	**33,758**	**-104,719**
New leases	6,279	0	0	6,279
Cash Flows	0	0	0	0
Non-cash changes	**6,279**	**0**	**0**	**6,279**
Balance at 31 December	**15,901**	**75,970**	**33,758**	**91,871**

DKK ´000	Right-of-use-assets liabilities	Long term borrowings	Total
Parent 2020			
Balance at 1 January	**14,216**	**176,000**	**190,216**
Cash flows	-6,005	0	-6,005
Cash changes	**-6,005**	**0**	**-6,005**
New leases	6,100	0	6,100
Non-cash changes	**6,100**	**0**	**6,100**
Balance at 31 December	**14,311**	**176,000**	**190,311**

Notes

Note 27 – Discontinued operations

	Group		Parent Company	
DKK ´000	**2021**	2020	**2021**	**2020**
Net revenue	157,326	379,604	0	10,477
External project costs	-62,351	-87,143	0	-6,414
Gross profit	**94,975**	**292,461**	**0**	**4,063**
Staff expenses and remuneration	-61,754	-168,405	0	-3,675
Other external costs	-7,814	-21,446	0	0
Other operating income	15	314	0	0
Other operating costs	-348	0	0	0
EBITDA	**25,074**	**102,924**	**0**	**388**
Depreciation, amortization and impairment	-3,457	-33,183	-53,643	-1,409
Operating profit (EBIT)	**21,617**	**69,741**	**-53,643**	**-1,021**
Financial income	703	49	0	0
Financial expenses	-634	-1,621	0	0
Profit before tax from discontinuing operations	**21,686**	**68,169**	**-53,643**	**-1,021**
Corporate tax	-20	-13,768	0	0
Profit after tax from discontinuing operations	**21,666**	**54,401**	**-53,643**	**-1,021**
Total gain (loss) on divestment of discontinued operations	675,820	-29,502	822,381	-37,605
Profit from discontinued operations	**697,486**	**24,899**	**768,738**	**-38,626**
Earnings per share from discontinued operations of DKK 1.25 (EPS)	5.44	0.20		
Earnings per share from discontinued operations of DKK 1.25, diluted (EPS-D)	5.42	0.20		

Discontinued operations in 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 and 2020.

In addition, during 2020 we have closed our Spanish subsidiary and sold our Chinese and consequently reported this as discontinued operations in 2020. Both subsidiaries were part of our consultancy segment.

In January 2021, our Danish private cloud business was sold and this business is consequently also classified as discontinued operations in 2021 and 2020. The private cloud business was represented in our consultancy segment.

In March 2021 our two Baltic companies were sold and the segment is consequently classified as discontinued operations in 2021 and 2020. Both subsidiaries were part of our consultancy segment.

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 and 2020.

Notes

Note 27 – Discontinued operations (continued)

Gain (loss) on divestment of discontinued operations

	Group		Parent Company	
DKK ´000	**2021**	2020	**2021**	2020
Gain on disposal of subsidiaries	697,095	0	830,960	0
Transaction costs related to disposal	-21,275	-29,502	-8,579	-37,605
Total gain (loss) on divestment of discontinued operations	**675,820**	**-29,502**	**822,381**	**-37,605**

Cash flow

	Group		Parent Company	
DKK ´000	**2021**	2020	**2021**	2020
Cash flow from operating activities	-14,091	114,817	0	1,410
Cash flow from investing activities	-7,479	-37,256	0	0
Cash flow from financing activities	-13,354	-5,844	0	0
Cash flow from discontinued operations	**-34,924**	**71,717**	**0**	**1,410**

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.

Notes

Note 28 – Disposal of activities

On 26 January 2021, the Group disposed of its 100% equity interest in its subsidiary, To-Increase. The subsidiary was classified as held for sale in the 2020 consolidated financial statement.

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 instalments until 2026.

There were no disposals of subsidiaries made in 2020.

The gain on disposal is included in the profit for the year from discontinued operations, note 27.
At the date of disposal, the carrying amounts of disposed subsidiaries net assets were as follows.

	Group		Parent	
DKK ´000	**2021**	2020	**2021**	2020
Goodwill	197,980	0	0	0
Customer base	7,295	0	3,050	0
Other intangible assets	19	0	0	0
Development projects finalized	52,334	0	0	0
Development projects in progress	42,404	0	0	0
Property, plant and equipment	2,419	0	0	0
Right-of-use assets	20,712	0	0	0
Investments in subsidiaries	0	0	60,803	0
Trade receivables	36,404	0	0	0
Contract assets	7,575	0	0	0
Corporate tax receivables	1,052	0	0	0
Deferred tax assets	30,961	0	0	0
Other receivables	1,506	0	0	0
Prepayments	6,957	0	0	0
Cash	22,169	0	0	0
Total assets	**429,787**	**0**	**63,853**	**0**

	Group		Parent	
DKK ´000	**2021**	2020	**2021**	2020
Deferred tax	19,095	0	0	0
Debt to credit institutions	357	0	0	0
Lease liability right-of-use assets	20,277	0	0	0
Contract liabilities	3,854	0	0	0
Trade payables	18,425	0	0	0
Corporate tax payables	54	0	0	0
Other payables	31,180	0	0	0
Accruals and deferred income	30,578	0	0	0
Total liabilities	**123,818**	**0**	**0**	**0**
Minority interests	2,847	0	0	0
Net assets disposed of	**303,122**	**0**	**63,853**	**0**
Cash and cash equivalents	928,334	0	865,279	0
Deferred consideration	71,883	0	29,535	0
Total consideration	**1,000,217**	**0**	**894,813**	**0**
Gain on disposal of activities	**697,095**	**0**	**830,960**	**0**
Net Cash inflow arising on disposal:				
Consideration received in cash and cash equivalents	928,334	0	865,279	0
Less: cash and cash equivalents disposed of	-22,169	0	-19,775	0
Transaction costs related to disposal	-39,802	-2,696	-24,111	-6,714
Net cash inflow arising on disposal	**866,363**	**-2,696**	**821,393**	**-6,714**

Notes

Note 29 – Assets classified as held for sale

At 31 December 2020, assets and related liabilities held for sale comprised To-Increase and our Danish private cloud business.

	Group		Parent Company	
DKK ´000	**2021**	2020	**2021**	2020
Goodwill	0	81,683	0	0
Customer base	0	4,670	0	3,050
Development projects finalized	0	52,350	0	0
Development projects in progress	0	38,899	0	0
Property, plant and equipment	0	1,567	0	0
Right-of-use assets	0	16,086	0	0
Investments in subsidiaries	0	0	0	45,064
Trade receivables	0	15,739	0	0
Contract assets	0	950	0	0
Corporate tax receivables	0	1,050	0	0
Other receivables	0	676	0	0
Prepayments	0	811	0	0
Total assets classified as held for sale	**0**	**214,481**	**0**	**48,114**

	Group		Parent Company	
DKK ´000	**2021**	2020	**2021**	2020
Deferred tax	0	17,181	0	0
Other provisions	0	4,464	0	0
Lease liability right-of-use assets	0	15,409	0	0
Contract liabilities	0	3,004	0	0
Trade payables	0	3,278	0	2,831
Other payables	0	13,380	0	637
Accruals and deferred income	0	37,175	0	2,647
Total liabilities relating to assets classified as held for sale	**0**	**93,891**	**0**	**6,115**
Net assets	**0**	**120,590**	**0**	**41,999**

Accounting policies

Assets classified as held for sale comprise assets and liabilities, the value of which are highly probable to be recovered through a sale within 12 months rather than through continued use. Assets and liabilities classified as held for sale are measured at the carrying amount at the time of classification as 'held for sale' or at market value less selling costs, whichever is lower. The carrying amount is measured in accordance with the Group's accounting policies. No depreciation or amortisation is recognized on intangible assets and property, plant and equipment from the time of classification as 'held for sale'.

Notes

Note 30 – Board of Directors and Executive Board

See section "The Board of Directors and Executive Board" in the Management's Review, page 37.

Note 31 – Shareholder information

See section "Shareholder information" in the Management's Review, page 40.

Note 32 – Events after the reporting period

With a part of Columbus' business in Russia and Ukraine, Columbus is impacted by Russia's invasion of the sovereign state of Ukraine.

Columbus has with effect from 3 March stopped new sales and hiring in Russia, but continues to serve existing contracts. Columbus will respect all present and future sanctions.

Columbus is currently investigating various options for how to exit the Russian market.

A total loss of the Columbus activities in Russia will impact the net assets in the Columbus Group negatively by DKK 20m as at 31 December 2021. As at 15 March 2022 this amount is reduced to DKK 11m due to the decline in the Russian rouble.

Apart from uncertainty related to Columbus' Russian activities there have been no events since 31 December 2021 which could significantly affect the evaluation of the Group's financial position and revenues at 31 December 2021.

Earnings in January and February 2022 are in line with the Company's expectations encountered the situation in Russia.

Note 33 – Approval of publication of the Annual Report

On the Board meeting on 16 March 2022 the Board of Directors approved publication of the Annual Report 2021. The Annual Report 2021 will be submitted for approval by the shareholders of Columbus A/S on the Annual General Meeting on 29 April 2022.

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.

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.

Normalized EBITDA

Normalized EBITDA represents the business excluding the impact of one-off items, such as acquisitions, divestments etc. Details on the normalization is provided in the management review cf. page 8.

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 01.01.2021 - 31.12.2021.

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 2021 with the file name COLUMBUS-2021-12-31.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 31.12.2021 and of the results of their operations and cash flows for the financial year 2021.

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, 16 March 2022

Executive Board

Søren Krogh Knudsen
CEO & President

Hans Henrik Thrane
Corporate CFO

Board of Directors

Ib Kunøe
Chairman

Sven Madsen
Deputy Chairman

Peter Skov Hansen

Karina Kirk Ringsted

Independent Auditor's Reports

To the shareholders of Columbus A/S

Opinion

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

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

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

Our opinion is consistent with our audit book comments issued to the Audit Committee and the Board of Directors.

Basis for opinion

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

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

We were appointed auditors of Columbus A/S for the first time on 20.03.1998 for the financial year 1998. We have been reappointed annually by decision of the general meeting for a total contiguous engagement period of 22 years up to and including the financial year 2021.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements and the parent financial statements for the financial year 01.01.2021 - 31.12.2021. These matters were addressed in the context of our audit of the consolidated financial statements and the parent financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying value of goodwill	How the matter was addressed in our audit
Refer to Note 10 in the consolidated financial statements. At 31 December 2021 the carrying value of the Group's goodwill for continued operations was DKK 644.5 million. Annually, an impairment test is performed. The determination of the recoverable amount was based on the individual CGU and the Discounted Cash Flow Model (DCF model). Significant judgement is required by Management in determining value-in-use including cash flow projections based on financial budgets for 2022 and financial forecasts for 2022- 2024, discount rate and growth rate in the terminal period. Intangible assets are considered to be a key audit matter due to the judgement associated with determining the recoverable amount combined with the significance of the balance of goodwill to the financial statements.	In assessing the valuation of goodwill we obtained and evaluated Management's future cash flow forecasts for each Cash Generating Unit ("CGU"), and the underlying process by which they were drawn up including the mathematical accuracy of the cash flow models, and reconciled future growth, investment and margin assumptions to the latest Board approved budgets and financial forecasts. For each CGU, we evaluated the appropriateness of key market related assumptions in Management's valuation models including discount rates and terminal growth rates. We assessed the reasonableness of Management's future forecasts of growth, investment and margin included in the cash flow forecasts in light of the historical accuracy of such forecasts and the current operational results. We independently calculated a weighted average cost of capital by making reference to market data and verified the long-term growth rate to market data. In assessing the level of headroom in respect of these CGUs, we performed a downside sensitivity analysis around the key assumptions, using a range of higher WACC and lower cash flows, and we concluded that headroom was maintained under these scenarios.

Statement on the management commentary
Management is responsible for the management commentary.

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

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

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

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and

the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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, safeguards put in place and measures taken to eliminate threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent 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 or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on compliance with the ESEF Regulation

As part of our audit of the consolidated financial statements and the parent financial statements of Columbus A/S we performed procedures to express an opinion on whether the annual report of Columbus A/S for the financial year 01.01.2021 - 31.12.2021 with the file name COLUMBUS-2021-12-31.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 and Parent financial statements.

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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent 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 or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated and Parent 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 and Parent Financial Statements;
- 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 and Parent Financial Statements.

In our opinion, the annual report of Columbus A/S for the financial year 01.01.2021 - 31.12.2021 with the file name COLUMBUS-2021-12-31.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, 16 March 2021

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Bill Haudal Pedersen
State-Authorised Public Accountant
MNE no mne30131

Eskild Nørregaard Jakobsen
State-Authorised Public Accountant
MNE no mne11681

For more information about Columbus visit www.columbusglobal.com