

# Remuneration

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# Report 2022

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# Remuneration Report

This Remuneration Report constitutes part of the management's report to the Annual Report 2022 for Columbus A/S, cf. section 139b of the Danish Companies Act. The report covers the financial year 1 January 2022 to 31 December 2022.

## Introduction

The Remuneration Report provides an overview of the total remuneration paid and earned by each of the members of the Board of Directors and the Executive Board in Columbus A/S in 2022 with comparative figures for the past five financial years.

The overall objective with Columbus' Remuneration Policy is to ensure;

1. that Columbus will constantly be able to attract, motivate and retain qualified members of the Board of Directors and Executive Board
2. aligned interests for the Company's shareholders, Board of Directors and Executive Board
3. promoting of long-term interests and sustainability of Columbus and fulfilment of its business strategy short-term and long-term.

The Remuneration Report for 2022 is based on the Remuneration Policy adopted by the General Meeting on 29 April 2022. The Remuneration Policy is available at Columbus' website: <https://ir.columbusglobal.com/remuneration>

The Remuneration Report for 2021 was approved at the Annual General Meeting without any remarks.

## Financial performance in 2022

In 2022, the Group delivered revenue growth of 8.6% resulting in revenue of DKK 1,389m. EBITDA grew by 2.8% to DKK 91.8m providing an EBITDA margin of 6.6%.

The realized EBITDA was slightly below management expectations and the announced guidance.

## Remuneration for the Board of Directors

At the General Meeting on 29 April 2022, an additional Board member was elected. The Board consists of:

- Ib Kunøe, Chairman
- Sven Madsen, Deputy Chairman
- Peter Skov Hansen, Board member
- Karina Kirk Ringsted, Board member
- Per Ove Kogut, Board member

The Audit Committee consists of:

- Peter Skov Hansen, Chairman
- Sven Madsen, member

## Remuneration components

Remuneration consists of a fixed fee, and in addition, the Board of Directors may grant share-based instruments and award one-off bonuses. This can be as a fixed cash bonus or as a share-based bonus.

Fixed remuneration:

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 an additional remuneration of 50% of the basic remuneration, and other members of the Audit Committee receive an additional remuneration of 25% of the basic remuneration. In addition, any travel expenses related to Board meetings are reimbursed.

As part of the Annual Report, the General Meeting approves the remuneration of the Board of Directors.

The table below provides an overview of regular fees for 2022:

DKK '000	Regular fee
<b>Board of Directors fee</b>	
Chairman (3x fixed fee)	450
Board member	150
<b>Audit Committee fee</b>	
Chairman	75
Member	38

Share-based incentives:

As the value of a share-based instrument is linked directly to the development of the share price of the company based on the long-term results, share based instruments are found by the Board of Directors to contribute to the long-term sustainable value creation in the company.

Members of the Board of Directors were granted a warrant program in December 2017, which expired in 2021. No new warrant programs have been issued to the Board of Directors since 2017.

As a general rule, the warrant programs are granted with a maturity period of one to three years after allotment. Thus, 1/3 of the program matures and may be exercised one year after allotment, 1/3 matures after two years and may be exercised two years after allotment, and the last 1/3 matures after three years and may be exercised three years after allotment. Allotment and maturity are conditional on continuous membership of the Board at the time of maturity.

For the Board of Directors the total number of share-based instruments granted cannot exceed 120,000 per year per board member.

When warrants are exercised by a Participant in whole or in part Columbus may choose to make cash settlement for the number of warrants exercised instead of delivering the shares. A cash settlement implies that Columbus pays a cash amount corresponding to the difference between the exercise price and the average listed price ("all trades") of Columbus' shares at NASDAQ

Copenhagen A/S in the period of 10 trading days prior to the date of the receipt in due time by way of a written notice of exercise and the exercise price.

The table to the right shows the total remuneration earned by the individual members of the Board of Directors.

The remuneration of the Board of Directors is evaluated annually and benchmarked against relevant companies similar to Columbus in size, complexity and market capitalization. It is the Board of Director's assessment that the remuneration of the Board of Directors is in line with other comparable companies.

The overview below shows overview of shares held by the Board of Directors.

### Total remuneration of the Board of Directors in 2022

DKK '000	Fixed fee	Audit Committee fee	Total
<b>Board of Directors</b>			
Ib Kunøe (Chairman)	450	0	450
Sven Madsen (Deputy Chairman)	150	37.5	188
Peter Skov Hansen (member)	150	75.0	225
Karina Kirk Ringsted (member)	150	0	150
Per Ove Kogut (member)	150	0	150

### Overview of shareholding – Board of Directors

Direct and indirect ownership in Columbus A/S	Shares held at 1 January 2022	Changes in fiscal year, shares	Shares held at 31 December 2022
Consolidated Holdings A/S	62,264,906	6,716,915	64,350,947
<b>Board of Directors</b>			
Ib Kunøe	450,000	0	450,000
Sven Madsen	948,529	0	948,529
Peter Skov Hansen	280,000	0	280,000
Karina Kirk Ringsted	45,000	0	45,000

### Remuneration for the Executive Board

From 1 January 2022 to 31 August, the Executive Board consisted of:

- Søren Krogh Knudsen, CEO & President
- Hans Henrik Thrane, CFO

Since 1 October 2022, the Executive Board has consisted of:

- Søren Krogh Knudsen, CEO & President
- Brian Iversen, CFO

In line with the Remuneration Policy, the Board of Directors determines the remuneration of the Executive Board. The size and components of the remuneration are evaluated on a yearly basis.

#### Remuneration components

Remuneration consists of a fixed base salary, a short-term bonus scheme and a long-term share-based incentive program.

#### Fixed remuneration:

The fixed salary is determined based on market standard, including scope of responsibility and qualifications.

#### Other benefits:

Other benefits include health insurance, company car allowance and company paid phone.

#### Variable remuneration:

Variable remuneration consists of a short-term bonus scheme with a term of one year. The short-term bonus target is the announced EBITDA outlook for the year (if the announced EBITDA outlook is within a

range, the bonus target will be set in the middle of the announced range). Thus, the short-term bonus is fully dependent on the Company's result for the year.

The bonus scheme contains an accelerator for the target bonus in case the target result is exceeded. The Remuneration Policy for the Executive Board allow members to receive a bonus per financial year of up to 70% of the member's fixed annual remuneration.

#### Share-based incentives:

As the value of a share-based instrument is linked directly to the development of the share price of the Company based on the long-term results, share-based instruments are found by the Board of Directors to contribute to the long-term sustainable value creation in the Company.

The carrying amount, based on Black-Scholes, of the share-based instruments allotted in a given financial year may be up to 50% of the fixed annual remuneration of the individual executive, according to the Remuneration Policy.

The warrant programs are granted with a maturity period of one to three years after allotment. Thus, 1/3 of the program matures and may be exercised one year after allotment, 1/3 matures after two years and may be exercised two years after allotment, and the last 1/3 matures after three years and may be exercised three years after allotment. Allotment and maturity are conditional on continuous employment at the time of maturity.

### Total remuneration for the Executive Board in 2022

The total remuneration earned by Søren Krogh Knudsen in 2022 was DKK 4,245k. The total remuneration included fixed remuneration only.

The total fixed remuneration for 2022 consisted of a base salary of DKK 4,000k and DKK 245k in other benefits.

For 2022, Søren Krogh Knudsen received an on account bonus payment of DKK 200,000 per quarter. The EBITDA target for the short-term bonus was DKK 132.5m. The EBITDA result for 2022 was DKK 91.8m, corresponding to 69% of the EBITDA target. Consequently, short-term bonus for 2022 was DKK 0. The on account bonus payment of DKK 800k has been revoked by the Company in accordance with the Company's claw back policy.

No warrant programs were granted to Søren Krogh Knudsen in 2022. A warrant program was granted in 2021, which contributes to the long-term performance of the company.

The total remuneration earned by Brian Iversen in the period October to December 2022 was DKK 746k. The total remuneration included fixed remuneration and variable remuneration.

The total fixed remuneration for the period October to December 2022 consisted of a base salary of DKK 581k and DKK 33k in other benefits.

The variable remuneration consisted of a short-term bonus of DKK 132k. For 2022 100% of the short-term bonus was guaranteed, and thus an EBITDA achievement of less than 100% of the target would not lead to a decrease in short-term bonus for the period October to December 2022.

No warrant programs were granted to Brian Iversen in 2022.

On August 2022, Hans Henrik Thrane left his position as Corporate CFO, but remains under contract until 28 February 2023. In connection with Hans Henrik Thrane's resignation, the Board of Directors determined an allowance of DKK 1,628 thousand for the period September 2022 to end February 2023. This corresponds to 2022 level fixed basic salary, on-target bonus and other benefits and is thus in accordance with the remuneration policy. The severance pay is expensed in the financial year 2022.

The total remuneration earned by Hans Henrik Thrane in the period January to August 2022 was DKK 1,941k. The total remuneration included fixed remuneration only.

The total fixed remuneration for 2022 consisted of a base salary of DKK 1,788k and DKK 153k in other benefits.

The EBITDA target for the short-term bonus was DKK 132.5m. The EBITDA result for 2022 was DKK 91.8m, corresponding to 69% of the EBITDA target.

Consequently, short-term bonus for 2022 was DKK 0.

No warrant programs were granted to Hans Henrik Thrane in 2022.

The remuneration of the Executive Board is evaluated annually and benchmarked against relevant companies similar to Columbus in size, complexity and market capitalization. It is the Board of Directors' assessment that the remuneration of the Board of Directors is in line with other comparable companies.

#### Clawback

In 2022, Columbus exercised the right to revoke the on account bonus paid to Søren Krogh Knudsen, as short-term bonus target was not reached in 2022.

#### Termination

Søren Krogh Knudsen may terminate his agreement with three months' notice and the Company can terminate the agreement with nine months' notice. In case of termination by either party, Columbus must pay cash remuneration, other

benefits and bonus on a pro rata basis until the end of the notice period.

Brian Iversen may terminate his agreement with three months' notice and the Company can terminate the agreement with eight months' notice within the first five years and eight months, with nine months' notice after five years and eight months employment, and with 10 months' notice after eight years and seven months of employment.

In case of termination by either party, Columbus must pay cash remuneration, other benefits and bonus on a pro rata basis until the end of the notice period.

No agreements will be made in which the total value of the remuneration during the notice period, including severance pay, exceeds two years of remuneration, including all components of the remuneration.

In the event of death during employment by the Company, a cash remuneration for the current month plus another six/nine

### Remuneration of the Executive Board 2022

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

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

months shall be paid to the spouse or children under the age of 21.

#### Indemnity declaration

The Company has signed an indemnification declaration, stating that the Company will indemnify Søren Krogh Knudsen and Brian Iversen for any claim, including ordinary legal costs in connection with the conduct of any case, which may be asserted against them, or that they may incur, in connection with the directorships and / or directorships of Columbus' foreign subsidiaries that they may at any time assume as part of their employment in Columbus.

#### Overview of share holding - Executive Board

Direct and indirect ownership in Columbus A/S	Shares held at 1 January 2022	Changes in fiscal years, shares	Shares held at 31 December 2022
<b>Executive Board</b>			
Søren Krogh Knudsen	290,553	204,105	494,658
Brian Iversen	0	0	0
Hans Henrik Thrane	1,041,964	-150,870	891,094

#### Overview of warrant programs - Executive Board

	Warrants held at beginning of year	No. of warrants granted during the year	Exercise price	Cancelled/ Expired	Vested at the end of the year	Exercised during the year	Warrants held at end of year	Value of remaining warrants	Value of Vested warrants
<b>Executive Board</b>									
Søren Krogh Knudsen, CEO									
Granted June 2021 (expires April 2024)	999,999	0	10.63	0	333,333	0	999,999	2,198,998 <sup>1</sup>	732,999 <sup>1</sup>
<b>Total</b>	<b>999,999</b>	<b>0</b>		<b>0</b>	<b>333,333</b>	<b>0</b>	<b>999,999</b>	<b>2,198,998</b>	<b>732,999</b>
Hans Henrik Thrane, CFO									
Granted February 2020 (expires April 2023)	120,000	0	8.99	0	120,000	0	120,000	175,728 <sup>2</sup>	175,728 <sup>2</sup>
Granted June 2021 (expires April 2024)	450,000	0	10.63	-150,000	150,000	0	300,000	659,700 <sup>1</sup>	329,850 <sup>1</sup>
<b>Total</b>	<b>570,000</b>	<b>0</b>		<b>-150,000</b>	<b>270,000</b>	<b>0</b>	<b>420,000</b>	<b>835,428</b>	<b>505,578</b>

<sup>1</sup> Number of warrants held at the end of the year x BlackScholes value at grant date (DKK 2,199)

<sup>2</sup> Number of warrants held at the end of the year x BlackScholes value at grant date (DKK 1,464)

### Comparative figures for the last five fiscal years

The overview on page 9 shows the comparative figures for the annual change in remuneration, in company performance, and in average remuneration based on full-time equivalents (FTE) of employees other than Board of Directors and Executive Board.

Compared to 2021, the total remuneration paid to the Board of Directors decreased by between 17% and 48% in 2022. When excluding the one-off fees paid to all Board members in 2021 and the cash settlement of warrant programs paid to two of the Board members in 2021, the regular fixed fee is the same as in 2022.

The assessment is that the remuneration of the Board of Directors is in line with other comparable companies.

Compared to 2021, the total remuneration for Søren Krogh Knudsen declined by 16%.

When comparing the remuneration, the following should be taken into consideration:

- No share-based instruments were granted in 2022. In 2021 share-based instruments amounted to DKK 2,199k.
- No short-term bonus was paid in 2022, as the EBITDA bonus target was not reached. In 2021 short-term bonus amounted to DKK 453k.

When comparing the annualized remuneration of DKK 7,199k in 2021 to total remuneration of DKK 4,245k in 2022, the actual decline in remuneration for 2022 was 41% compared to 2021.

As the short-term bonus for the Executive Board is fully dependent on the Company's EBITDA for the year, there is a clear connection between development in the Company's results and the remuneration of the Executive Board.

The assessment is that the remuneration of the Executive Board is still in line with other comparable companies.

Remuneration for the Company's and the Group's employees declined by 3% and 5%, respectively, as short-term bonus payments declined compared to 2021.

### Deviations from the Remuneration Policy

The remuneration of members of the Board of Directors and the Executive Board for the fiscal year 2022 is consistent with the scope of the Remuneration Policy. There has been no deviation or derogation from the framework provided by the Remuneration Policy.



DKK '000	2022	Annual change	2021	Annual change	2020	Annual change	2019	Annual change	2018	Annual change	2017	
<b>Remuneration Board of Directors</b>												
Ib Kunøe (Chairman)	450	-17%	540 <sup>2</sup>	157%	210 <sup>3</sup>	-30%	300	0%	300	0%	300	
Sven Madsen (Deputy Chairman)	188	-16%	225 <sup>2</sup>	157%	88 <sup>3</sup>	-30%	125	0%	125	0%	125	
Peter Skov Hansen (member)	225	-40%	378 <sup>2</sup>	260%	105 <sup>3</sup>	-30%	150	0%	150	0%	150	
Karina Kirk Ringsted (member)	150	-48%	288 <sup>2</sup>	0%	0 <sup>3</sup>	0%	0	0%	0	0%	0	
Per Ove Kogut (member) <sup>1</sup>	150									0%	0	
<b>Remuneration Executive Board</b>												
Søren Krogh Knudsen, CEO <sup>4</sup>	4,245 <sup>7</sup>	-16%	5,035 <sup>5</sup>									
Thomas Honoré, former CEO <sup>6</sup>					4,929 <sup>8</sup>	147%	5,048 <sup>7</sup>	-21%	6,425	53%	4,199	
Brian Iversen, CFO <sup>9</sup>	746 <sup>7, 10</sup>											
Hans Henrik Thrane, former CFO <sup>11</sup>	1,941 <sup>7, 12</sup>	-63%	5,207 <sup>13</sup>	-13%	5,995 <sup>13</sup>	59%	3,778 <sup>7</sup>	-27%	5,159	42%	3,645	
Company EBITDA	20,411	1%	20,221	-71%	70,439	-37%	111,779	309%	27,332	-43%	48,331	
Group EBITDA	91,830	-16%	109,441	8%	100,885 <sup>14</sup>	%	238,070	39%	171,409	17%	146,208	
<b>Average remuneration of employees based on FTE No. of FTEs</b>												
The Company's employees <sup>15</sup>	292	866	-3%	896	10%	817	-1%	824	-2%	842	8%	778
The Group's employees <sup>15</sup>	1,535	588	-5%	617	9%	566	-3%	583	-4%	605	-6%	641
CEO pay ratio <sup>16</sup>	1:7	-12%	1:8	-63%	1:22	154%	1:9	-18%	1:11	62%	1:7	

<sup>1</sup>Joined the board in April 2022.

<sup>2</sup>Including one-off bonus for all Board members and cash settlement of warrant programs for two Board members.

<sup>3</sup>In 2020 the Board of Directors reduced their fixed fee by 30% due to the Covid-19 crisis.

<sup>4</sup>Joined Columbus in June 2021.

<sup>5</sup>Remuneration for the period 7 June 2021 to 31 December 2021. Annualized remuneration amounts to DKK 7.2m.

<sup>6</sup>Left Columbus in August 2020.

<sup>7</sup>No share-based instruments were granted in by the Company in 2019 and 2022.

<sup>8</sup>Remuneration for the period 1 January to 31 August 2020. Annualized remuneration amounts to DKK 6.2m.

<sup>9</sup>Joined Columbus 26 September 2022.

<sup>10</sup>Remuneration for the period 26 September 2022 to 31 December 2022. Annualized remuneration amounts to DKK 2.2m.

<sup>11</sup>Left Columbus in August 2022.

<sup>12</sup>Remuneration for the period 1 January 2022 to 31 August 2022. Remuneration includes severance pay of DKK 1.6m for the period September 2022 to end February 2023. Annualized remuneration amounts to DKK 2.8m.

<sup>13</sup>Including one-off bonus of DKK 2.9m 2020 and of DKK 0.3m in 2021. Furthermore, 2020 remuneration includes 30% reduction in remuneration from April to December 2021 due to Covid-19.

<sup>14</sup>Comparative figure for 2020 has been adjusted due to divestments.

<sup>15</sup>Average calculation based on remuneration of employees other than members of Board of Directors and Executive Board.

<sup>16</sup>CEO pay ratio is calculated by dividing the CEOs salary costs by the average pay for the Group's employees.

# Statement by the Board of Directors

The Board of Directors has today considered and approved the Remuneration Report of Columbus A/S for the financial year 01.01.2022 - 31.12.2022.

The Remuneration Report has been prepared in accordance with Section 139b of the Danish Companies Act.

In our opinion, the remuneration report is in accordance with the remuneration policy adopted at the Annual General Meeting, and is free from material misstatement and omissions, whether due to fraud or error.

The remuneration report will be presented for an advisory vote at the Annual General Meeting on 24 April 2023.

Ballerup, 15 March 2023

Board of Directors

  
**Ib Kunøe**  
Chairman

  
**Sven Madsen**  
Deputy Chairman

  
**Peter Skov Hansen Karina Kirk Ringsted Per Ove Kogut**

# Independent auditor's report on Remuneration Report

To the shareholders of Columbus A/S

We have examined whether the remuneration report for Columbus A/S for the financial year 1 January - 31 December 2022 contains the information required under section 139 b, subsection 3 of the Danish Companies Act.

We express reasonable assurance in our conclusion.

## **The Board of Directors' responsibility for the remuneration report**

The Board of Directors is responsible for the preparation of the remuneration report in accordance with section 139 b, subsection 3 of the Danish Companies Act. The Board of Directors is also responsible for the internal control that the Board of Directors deems necessary to prepare the remuneration report without material misstatement, regardless of whether this is due to fraud or error.

Auditor's independence and quality management

We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and ethical requirements applicable in Denmark.

PricewaterhouseCoopers is subject to the International Standard on Quality Control, ISQC 1, and thus applies a comprehensive quality control system, including documented policies and procedures concerning compliance with ethical requirements, professional standards and current statutory requirements and other regulation.

Auditor's responsibility

Our responsibility is to express a conclusion on the remuneration report based on our examinations. We conducted our examinations in accordance with ISAE 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and the additional requirements applicable in Denmark to obtain reasonable assurance in respect of our conclusion.

As part of our examination, we checked whether the remuneration report contains the information required under section 139 b, subsection 3 of the Danish Companies Act, number 1 - 6, on the remuneration of

Hellerup, 15 March 2023

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Business Registration No 33 77 12 31

**Jacob F Christiansen**  
State Authorised Public Accountant  
MNE no mne18628

each individual member of the Executive Board and the Board of Directors.

We believe that the procedures performed provide a sufficient basis for our conclusion. Our examinations have not included procedures to verify the accuracy and completeness of the information provided in the remuneration report, and therefore we do not express any conclusion in this regard.

## **Conclusion**

In our opinion the remuneration report, in all material respects, contains the information required under the Danish Companies Act, section 139 b, subsection 3.

**Jakob Thisted Binder**  
State Authorised Public Accountant  
MNE no mne42816