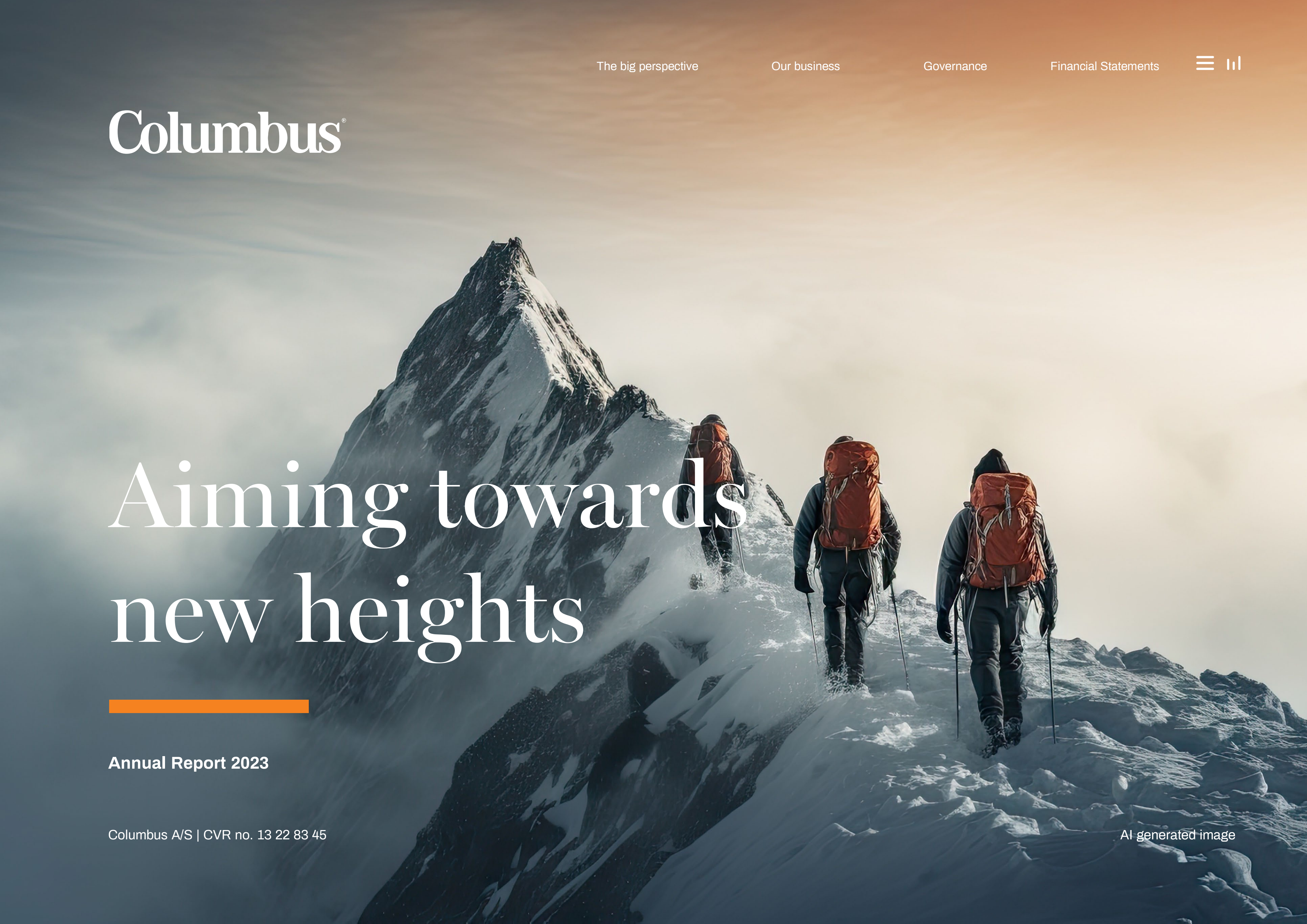
Columbus



# Aiming towards new heights

## Annual Report 2023

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

AI generated image

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# The big perspective

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

# Who we are

Global digital consultancy dedicated to solving complex industry challenges for customers in the manufacturing, retail & distribution, food & beverage, and life science industries.

**+1600**

EMPLOYEES

**+1100**

CUSTOMERS

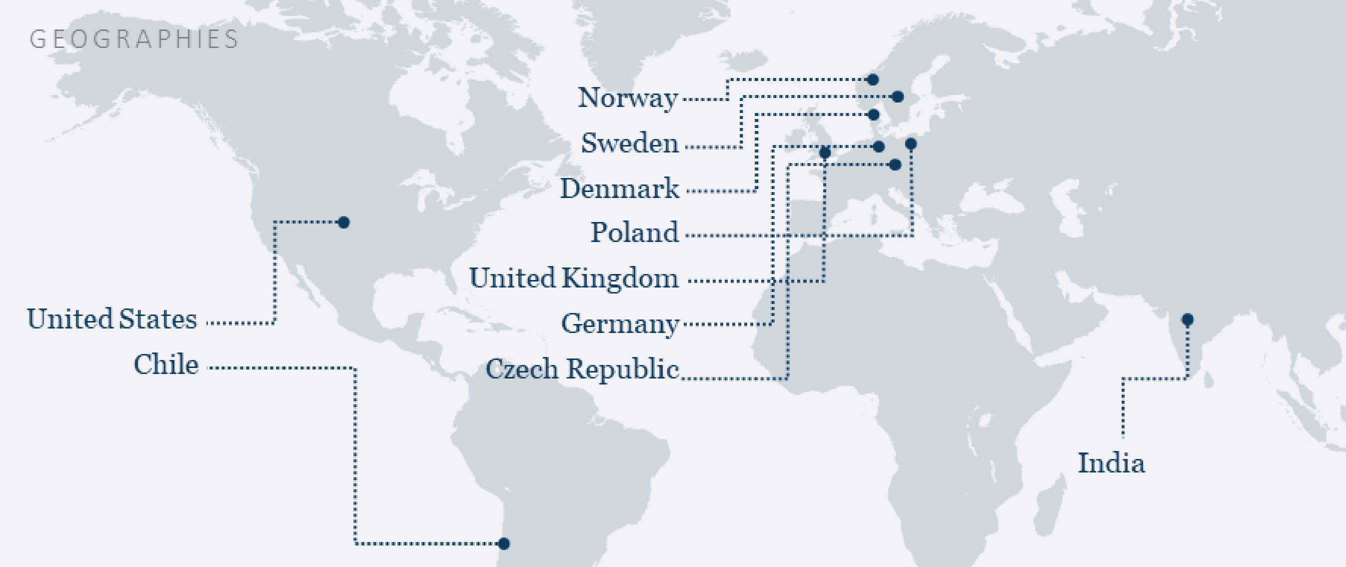
**We make digital transformation happen**

DIGITAL CONSULTANCY

SERVICES

- Cloud ERP
- Digital Commerce
- Data & Analytics
- Customer Experience
- Digital Advisory
- Security

GEOGRAPHIES



# Equity story – creating shareholder value

The Columbus share gives shareholders an exposure to growth markets within digital transformation, ESG and technology trends such as AI and cybersecurity. With a defined growth strategy focused on delivering digital advisory and solving complex industry challenges for larger customers, Columbus is positioned to deliver on the growth ambitions of New Heights.

Based on the leading position in the Nordics and UK within Cloud ERP and digital commerce in our key industries; food & beverage, retail & distribution, manufacturing and life science Columbus will continue to create value to its shareholders.

Loyal customers, leveraging industry expertise, core business services in strong ecosystem and an agile delivery setup illustrates Columbus' strength profile. Columbus' highly skilled employees are the engine in retaining high customer satisfaction. Columbus has more than 1,100 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, AI and cyber security Columbus is positioned to deliver on the New Heights goals.

Shareholder value will be created organically by growing the business, improving profitability and non-organically by identifying relevant acquisition opportunities.

**DIGITAL GROWTH MARKETS**
Leading position in the Nordics and UK within Cloud ERP and Digital Commerce in our key industries; retail & distribution, food, manufacturing and life science.

**GROWING LOYAL CUSTOMER BASE**
Focusing on large Enterprises in key industries. Our customer centric approach builds high satisfaction and retention among our +1,100 customers.

**LEVERAGING INDUSTRY EXPERTISE**
35 years of experience and today +1,500 digital advisors and industry experts form the A-team for each customer.

**SOLUTIONS IN STRONG ECOSYSTEMS**
Strategic alliances with Microsoft, Infor M3, SAP, Salesforce, inRiver, Optimizely and Censhare, Commercetools & other key partners.

**CORE BUSINESS SERVICES**
• Digital Advisory • Cloud ERP
• Data & Analytics • Digital Commerce
• Customer Experience & Engagement
• Application Management & Evolve
• AI Innovation • Security
• Compliance & Business Continuity • Sustainability

**10% CAGR & 15% EBITDA MARGIN**
Growing revenue by 10% CAGR while delivering EBITDA margin of 15% by the end of 2026.

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

**INVESTMENTS IN NEW GROWTH AREAS**
Adding additional growth tracks by entering life science and investment in high growth areas such as cyber security, AI and ESG.

**GROWTH STRATEGY–NEW HEIGHTS**
Builds on top of a streamlined foundation with a strategic ambition to become a proven leader in delivering core business technology and lasting value in our key industries.

# Financial highlights 2023

**Revenue (DKK)**

1,540m

corresponding to an increase of 11%.

**Recurring revenue (DKK) ***

205m

corresponding to an increase of 6%

**EBITDA (DKK)***

118m

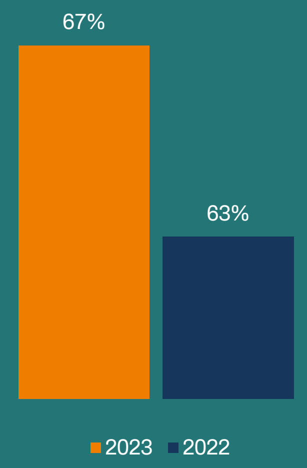
corresponding to an increase of 28%.

**Profit before tax (DKK)***

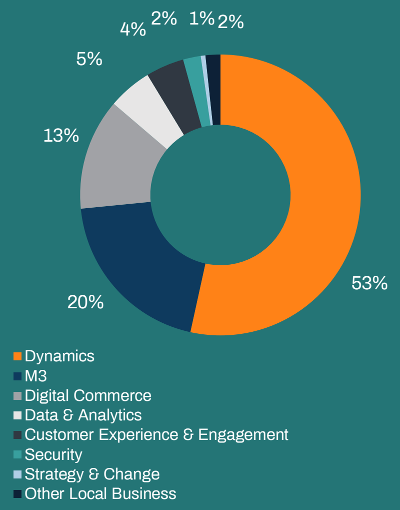
39m

corresponding to an increase of 23%.

**Efficiency**



**Services revenue split 2023**



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* For definition of Alternative Performance Measures, see page 114

**Letter from the Chairman of the Board and the CEO & President**

# Surpassing our organic growth expectations

Organic growth has been our strategic benchmark for the past three years, and in 2023 we achieved growth of 11% surpassing our Focus23 long-term target of 10%. In line with expectations, we also increased profitability to an EBITDA margin of 7.6% and launched a new three-year growth strategy, New Heights. We are satisfied with the results in 2023 and we expect the positive development to continue in 2024.

**2024 marks the beginning of a new strategy period**

In 2023 we successfully concluded our three-year strategy, Focus23, with the overall goal of reaching 10% profitable organic growth annually by 2023. We surpassed these expectations delivering growth of 11%, and 15% adjusted for currency and acquisition.

During the past three years, Columbus has streamlined the organization and expanded the service offering to support enterprise companies in their digital transformation as a lifetime partner. Now it is time to enhance our profitability while continuing to grow our topline.

We aim to continuously grow the top line by 10% annually, and at the same time we will improve profitability to an EBITDA margin of 15% by the end of 2026.

Future growth will be driven by four strategic initiatives covering both organic and acquisitive opportunities, and we are already well underway with the acquisition of ICY Security (Q2 2023) and Endless Gain (Q1 2024) and by our growing position in the life science industry. The strategic initiatives are explained in detail in the section about New Heights on page 22.

### Adding Endless Gain

With the acquisition of Endless Gain Ltd, Columbus will be able to provide a complete offering within digital commerce. Endless Gain is a leading conversion rate optimization consultancy focused on enhancing the digital customer experience in all of Columbus' key markets. Endless Gain adds 25 highly skilled consultants located in the UK and India to Columbus' global Digital Commerce team consisting of more than 250 consultants.

### Entering Life Science

In 2023, we took another strategic step by entering a new growth industry – life science. We already serve customers in the industry which has great synergies with our existing customers in the food manufacturing industry. Both require efficient and effective supply chain management to ensure the quality and tracking of their products. In the future we will be targeting our sales activities and developing new services for the life science industry.

### Accelerating our sustainability efforts

2023 was also the year where our focus on sustainability materialized and we made significant progress in terms of our own ESG compliance with a Double Materiality Assessment, actions to reduce our CO2 emissions, and Diversity, Equity & Inclusion initiatives.

We also took an important step towards our commercial focus with new offerings addressing our customers' challenges with taking control of their ESG data and transforming them into ESG metrics. As a digital consultancy, we are experts in data and ERP systems and can help companies automate ESG data to not only comply with the CSRD requirements, but also to follow progress in real time being able to act on it and ultimately accelerate their sustainable performance.

### AI-advisory will grow in the future

AI will transform the way we work at all levels and in all sectors. While we are still in the early phase of fully understanding the impact of AI, there is no doubt that the potential within AI is massive – both for our customers and Columbus.

In 2023, we initiated a global AI Innovation Program with the purpose of exploring new growth potential and increasing business efficiency for our customers.

### Gaining market share in a reluctant market

Throughout 2023, we have acted in a nervous market affected by the geopolitical turmoil. In some cases, we have experienced longer decision processes or projects being postponed or implemented in phases. But despite the underlying nervousness, we gained market share and attracted new customers welcoming strong brands such as Nuuday, Bavarian Nordic and 21st Bio from Denmark, Compass Group AB and Fristad Workwear in Sweden, Jernia from Norway and Origin Enterprise and Games workshop in the UK.

Our focus on larger customers and larger engagements has turned out foresighted for us. We have to a greater extent been able to support our customers with multiple services within our Business Lines, enhancing long-lasting customer relationships.

### Strong development in Q4 2023

In Q4 2023, revenue was DKK 414m, up by 13% compared to the same period last year and 16% adjusted for currency and acquisitions. EBITDA was DKK 40m and the EBITDA margin was 10%. The results were generated by a positive development in all business segments and especially strong development in UK and Denmark.

In the UK we saw strong growth of 61% in constant currency largely driven by a few extraordinarily large projects. Denmark also delivered a strong quarter growing 20% with a high activity level across all Business Lines. Our largest Market Unit, Sweden, grew by 16% in constant currency showing great momentum in a market affected by a challenged economy. In Norway, however, we saw a more mixed picture during the year after a long period of strong growth declining by 6% in constant currency.

For 2023, Columbus delivered a total revenue of DKK 1,540m (2022: DKK 1,389m) and our EBITDA result was DKK 118m (2022: DKK 92m), corresponding to an EBITDA margin of 7.6% (2022: 6.6%).

### Welcoming 2024

The first months of 2024 have been in line with our positive expectations and for the year we expect an organic revenue growth of 8-10%, and an EBITDA margin of 9-10%.

We want to thank our employees for your commitment and contribution to the results and our business partners and shareholders for your support and trust in Columbus.

Ib Kunøe
Chairman of the Board

Søren Krogh Knudsen
CEO & President

> *The strong underlying development in Q4 2023 is expected to continue in 2024. However, we closely monitor the external conditions as the geopolitical uncertainty quickly could affect the market development.*

> *After three years of streamlining the company, Columbus is now ready to unfold the earnings potential and reach new heights. We have the organization in place to roll out the initiatives of the EBITDA15 program to improve profitability.*

# Key figures and ratios

| DKK ´000 | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| **Income related figures** | | | | | |
| Sale of services | 1,475,056 | 1,317,042 | 1,210,291 | 1,183,857 | 1,417,652 |
| Sale of products | 64,899 | 72,392 | 68,893 | 79,360 | 103,082 |
| **Net revenue** | **1,539,955** | **1,389,434** | **1,279,184** | **1,263,217** | **1,520,734** |
| Recurring revenue % of total revenue | 13.3% | 13.8% | 13.8% | 14.9% | 14.9% |
| EBITDA | 117,534 | 91,830 | 89,307 | 100,885 | 157,263 |
| EBIT | 60,088 | 35,135 | 40,444 | 50,925 | 12,632 |
| Net financial items | -20,750 | -3,047 | -3,410 | -16,853 | -10,733 |
| Profit before tax | 39,338 | 32,088 | 37,034 | 34,072 | 1,898 |
| Profit after tax, continuing operations | 23,762 | 29,903 | 43,547 | 23,663 | -18,876 |
| Profit after tax, discontinued operations | 3,127 | -41,216 | 715,001 | 24,899 | 39,866 |
| Profit after tax | 26,889 | -11,313 | 758,548 | 48,562 | 20,990 |
| **Balance sheet** | | | | | |
| Non-current assets | 852,442 | 796,222 | 833,808 | 987,440 | 1,127,381 |
| Current assets | 445,409 | 387,725 | 434,789 | 438,944 | 527,136 |
| Assets classified as held for sale | 0 | 0 | 0 | 214,481 | 0 |
| **Total assets** | **1,297,851** | **1,183,947** | **1,268,597** | **1,640,865** | **1,654,517** |
| Group shareholder equity | 716,829 | 706,405 | 740,980 | 712,421 | 665,354 |
| Minority interests | 0 | 0 | 0 | 3,184 | 3,126 |
| Total liabilities | 581,022 | 477,542 | 527,617 | 831,369 | 986,037 |
| Total liabilities relating to assets classified as held for sale | 0 | 0 | 0 | 93,891 | 0 |
| **Total equity and liabilities** | **1,297,851** | **1,183,947** | **1,268,597** | **1,640,865** | **1,654,517** |

2019-2020 income statement is not restated and includes discontinued operations.

All 2019-2021 balance sheet items include continuing and discontinued operations.

| DKK ´000 | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| **Investments in tangible assets** | **7,888** | **8,239** | **7,434** | **3,832** | **5,957** |
| **Cash flow** | | | | | |
| Cash flow from operating activities | 76,954 | 27,431 | -19,674 | 190,863 | 189,146 |
| Cash flow from investing activities | -47,080 | -37,987 | 754,434 | -127,830 | -106,370 |
| Cash flow from financing activities | -15,894 | -13,932 | -844,922 | -43,972 | -45,853 |
| **Total net change in cash and cash equivalents** | **13,980** | **-24,488** | **-110,162** | **19,061** | **36,923** |
| Cash flow from continuing operations | 13,980 | -25,227 | -84,738 | -52,656 | -13,141 |
| Cash flow from discontinued operations | 0 | 739 | -25,424 | 71,717 | 50,064 |
| **Total net change in cash and cash equivalents** | **13,980** | **-24,488** | **-110,162** | **19,061** | **36,923** |
| **Key ratios** | | | | | |
| EBITDA-margin | 7.6% | 6.6% | 7.0% | 8.0% | 10.3% |
| EBIT-margin | 3.9% | 2.5% | 3.2% | 4.0% | 0.8% |
| Equity ratio | 55.2% | 59.7% | 58.4% | 43.4% | 40.2% |
| Return on equity | 3.8% | -1.6% | 104.5% | 7.0% | 3.3% |
| Return on invested capital (ROIC) | 9.6% | 7.0% | 7.6% | 7.8% | 12.4% |
| Number of shares | 129,276 | 129,276 | 129,276 | 124,622 | 124,622 |
| Average number of shares | 129,276 | 129,276 | 128,192 | 124,622 | 123,012 |
| Book value of equity per share (BVPS) (DKK) | 5.54 | 5.46 | 5.73 | 5.72 | 5.34 |
| Earnings per share (EPS) from continuing operations (DKK) | 0.18 | 0.23 | 0.33 | 0.19 | -0.16 |
| Cash flow per share (DKK) | 0.60 | 0.21 | -0.15 | 1.53 | 1.54 |
| Share price, end of period (DKK) | 7.10 | 6.29 | 9.54 | 11.24 | 9.65 |
| Average full time employee for the period | 1,568 | 1,536 | 1,455 | 1,665 | 1,834 |

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

# 2023 financial performance: Continued solid organic growth

Columbus' revenue amounted to DKK 1,540m in 2023, corresponding to an increase of 10.8%. EBITDA increased by 28.0% to DKK 118m.

Most Business Lines and Market Units contributed to the revenue growth, especially our strategic Business Lines Data & Analytics and Customer Experience & Engagement showed continued rapid growth.

Service revenue for 2023 ended at DKK 1,475m, corresponding to an increase of 12.0%. Product revenue decreased by 10.4% and follows Columbus expectations of the continued shifting towards cloud-based solutions.

Due to the significant currency headwind in 2023, revenue ended in the low end of the announced guidance of DKK 1,550 – 1,600. Columbus is primarily exposed to currency fluctuations, especially in SEK and NOK, which decreased significantly compared to 2022. Consequently, total revenue was negatively affected by DKK 86m. When adjusting for acquisitions and currency, organic growth was 14.8%, which is above the announced guidance of 8-12%.

**Service revenue split on Business Lines**

| DKK ´000 | **2023** | **2022** | **∆%** |
|---|---:|---:|---:|
| Dynamics | 778,901 | 693,988 | 12.2% |
| M3 | 301,472 | 303,231 | -0.6% |
| Digital Commerce | 195,418 | 192,262 | 1.6% |
| Data & Analytics | 77,233 | 59,653 | 29.5% |
| Customer Experience & Engagement | 67,248 | 45,179 | 48.8% |
| Security | 29,538 | 0 | - |
| Strategy & Change | 8,389 | 6,513 | 28.8% |
| Other Local Business | 16,857 | 16,216 | 4.0% |
| **Total sale of services** | **1,475,056** | **1,317,042** | **12.0%** |
| | | | |
| **Total sale of products** | **64,899** | **72,392** | **-10.4%** |
| | | | |
| **Total net revenue** | **1,539,955** | **1,389,434** | **10.8%** |

In order to mitigate the currency effect, we have increased our focus on contract profitability on cross border deliveries. Especially Sweden and Norway were negatively impacted by the development in currencies.

EBITDA amounted to DKK 118m, equal to 7.6% EBITDA margin. This is in the low end of the announced guidance of DKK 119-139m and EBITDA margin of 7.4 – 9%. EBITDA is slightly affected by the negative currency, as the majority of the income and cost are held in the same currency.

## Development in Business Lines

### Dynamics

Dynamics offers the full range of Microsoft Dynamics 365 ERP services, spanning services for supply chain, production, finance, project control and HR. Our role is to guide advise and support our customers throughout their cloud transformation journey, enabling them to optimize their value chain and drive business growth.

As the largest Business Line within Columbus, Dynamics operates in all Market Units Columbus. Columbus holds the distinction of being the largest Microsoft Dynamics ERP partner in Northern Europe and has been part of the Microsoft Inner Circle for over two decades.

In 2023, The Business Line increased service revenue by 12.2%, with service revenue amounting to DKK 779m for the year. Since the merge of the D365 and Care Business Lines in 2022, the Business Line has seen a significant improvement in efficiency due to better internal resource allocation and improved collaboration. Additionally, the utilization of resources in India contributed to robust revenue growth and an improved contribution margin.

The growth is primarily driven by the UK and Denmark, both of which experienced substantial acceleration in 2023.

Measured in constant currency, Dynamics grew by 16.2%.

### M3

Columbus holds the distinction of being the world's largest independent partner for Infor Cloud Solutions and M3, presented as the M3 Business Line. As an Infor Global Alliance partner, we support more than 350 customers, assisting them with new implementations, upgrade projects and worldwide support services. The M3 Business Line collaborates with a number of best-in-class partners, offering complementary software solutions to empower our customers in their own digital transformations.

The M3 Business Line's largest market is in the Nordics. Additionally, we have strong foothold in all other markets Columbus operates.

In 2023, service revenue amounted to DKK 301m, corresponding to a decrease of 0.6%. This decline is primarily related to a decline in SEK, since M3's largest market is in Sweden. However, when measured in constant currency, M3 grew by 4.7%. Throughout 2023, M3 continued its focus on Cloud implementations and Care services, both for new and existing solutions.

Furthermore, the management intensified efforts to optimize resource allocation across Market Units, ensuring the right mix of resources on projects. The strategic focus will continue in 2024.

### Digital Commerce

Digital Commerce plays an important role in helping leading retailers, wholesalers and manufacturers improve their competitive edge by modernizing and futureproofing their customer facing digital channels and commerce platforms.

Digital Commerce helps optimize the customer journey and grow customers' digital business focusing on user experience (UX), growth services and strategic advisory. Digital Commerce holds a robust position particularly in the Swedish and Norwegian markets.

In 2023, service revenue amounted to DKK 195m compared to DKK 192m, corresponding to a growth of 1.6%. The Business Line has performed strongly in Sweden, UK, and Denmark while the Norwegian market experienced a slowdown. Unfavourable currency fluctuations negatively impacted the growth by 8.1%. However, when measured in constant currency, the growth was 9.7%.

The Business Line expanded its knowledge base further in 2023, both through a successful graduate program and by attracting new highly skilled senior consultants. On 3 January 2024, Columbus confirmed the acquisition of the UK-based e-commerce consultancy Endless Gain Ltd., adding 25 highly skilled consultants located in the UK and India.

### Data & Analytics

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

**Dynamics**

Advice and implement ERP solutions and provide lifetime support in an evergreen cloud environment. Empowered by global resources, local presence and strong
industry knowledge

12.2%

**Service revenue growth**

639

**Average FTE**

**M3**

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

-0.6%

**Service revenue growth**

265

**Average FTE**

**Digital Commerce**

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

1.6%

**Service revenue growth**

216

**Average FTE**

**Data & Analytics**

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

29.5%

**Service revenue growth**

87

**Average FTE**

Data & Analytics operates in the Nordic countries, the UK as well as in the US. We have a strong market position in Denmark.

The Business Line is realizing a large portion of revenue by offering cross Business-Line solutions to existing customers.

In 2023, service revenue amounted to DKK 77m, corresponding to a growth of 29.5% compared to last year. The growth is mainly driven by organizations embarking on their cloud journey and customers investing in a Common Data Platform.

The Business Line is starting to see increased sales arising from existing customers, particularly former ERP customers and returning long-term customers. Deal sizes are increasing, with projects becoming larger in scope, especially in Norway and Sweden.

**Customer Experience & Engagement**

Customer Experience & Engagement (CXE) is creating value to our customers through development of their own end-customer experience with specific attention to customer and prospect management as well as service engagements. Our services span across implementation of new business solutions, delivery management and process optimization to ensure high value creation for our customers.

CXE's core markets are the UK, Norway and Sweden and in 2023 CXE expanded into the Danish market. CXE actively participates in cross Business Line projects, with a high degree of projects based on Microsoft Dynamics solutions.

In 2023, the service revenue amounted to DKK 67m, corresponding to a growth of 48.8%. The growth is mainly driven by the Swedish and UK markets as well as from the expansion into the Danish market. The large presence in Sweden and Norway has impacted the Business Line negatively due to weakened currencies. However, when measured in constant currencies, the growth was 57.7%.

**Security**

The Security Business Line was established with the acquisition of ICY Security in April 2023. ICY Security stands out a one of the largest consultancies and implementation companies in the Nordics specializing in Identity & Access Management (IAM) with many years of experience within cyber security.

With the acquisition of ICY Security, Columbus has expanded its business to meet customers' increasing demand for secure access to business-critical data. The focus on Identity & Access Management is a natural step for many of Columbus' customers that are looking to raise the organisation's cyber security level.

The Security Business Line has during 2023 been well integrated into Columbus, and has started to explore Columbus' existing customer base to cross sell. At the end of 2023, Security initiated a planned expansion into the Norwegian market, which will materialize during Q1 2024.

In 2023, the service revenue amounted to DKK 30m. As 2023 is the first year Security is part of Columbus, no comparative figures exist. The service revenue is lower than expected for 2023, however, management maintains their positive growth expectations for Security.

**Customer Experience & Engagement**

Help our customers create new value through the positive engagement and development of their customer experience, specifically focused on customer management and service engagements within the full omnichannel journey

48.8%

**Service revenue growth**

70

**Average FTE**

**Security**

Help our customers build IAM competencies to reduce cybersecurity risk and cost while becoming more efficient and agile in executing business initiatives

-

**Service revenue growth**

36

**Average FTE**

**Strategy & Change**

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

28.8%

**Service revenue growth**

14

**Average FTE**

### Strategy & Change

Strategy and Change was founded as a Business Line in 2022, and has now grown to 14 people across Sweden, Norway and the UK. In 2023, Service revenue amounted to DKK 8m.

During 2023, Strategy & Change has grown to be play a key part in large projects across Columbus' Business Lines by providing digital advisory and transformation strategy rather than doing standalone projects. This has led to the decision to merge the Strategy & Change Business Line into other Business Lines from January 2024.

### Development in Market Units

Revenue growth has been positive in most markets in 2023 with currency affecting some markets significantly.

The **Swedish Market Unit**, which is our largest market, delivered 6.1% growth in service revenue compared to 2022. The service revenue for 2023 amounted to DKK 557m. The revenue arising from the Swedish market is negatively impacted by the weakening of SEK, which impacts the revenue by DKK 48m, corresponding to an organic growth in Sweden of 14.4%.

All Columbus Business Lines are present in the Swedish market, except for Security. The growth is spread across all Business Lines.

### Service revenue split in Market Units

| DKK ´000 | 2023 | 2022 | Δ% |
|---|---|---|---|
| Sweden | 557,072 | 525,024 | 6.1% |
| Denmark | 331,809 | 252,862 | 31.2% |
| Norway | 234,391 | 262,271 | -10.6% |
| UK | 229,317 | 159,916 | 43.4% |
| US | 82,608 | 80,284 | 2.9% |
| Other | 35,531 | 32,337 | 9.9% |
| GDC | 4,328 | 4,348 | -0.5% |
| **Total sale of services** | **1,475,056** | **1,317,042** | **12.0%** |
| **Total sale of products** | **64,899** | **72,392** | **-10.4%** |
| **Total net revenue** | **1,539,955** | **1,389,434** | **10.8%** |

The **Danish Market Unit** has grown by 31.2% compared to last year, with service revenue amounting to DKK 332m.

All Columbus Business Lines are represented in the Danish Market, with Dynamics being the largest Business Line. Part of the strong growth in the market comes from the acquisition of ICY Security with a service revenue of DKK 30m in 2023. Organic growth for the Danish market was 17.1%.

Our **Norwegian Market Unit** has faced a combination of challenged market conditions as well as headwind from a weakened NOK resulting in a decline in service revenue of 10.6%. Isolated, currency affect service revenue by DKK 31m. In 2023, service revenue amounted to DKK 234m, corresponding to an organic growth of 0.4%.

Most Business Lines are present in the Norwegian Market Unit. The largest contributor is the Dynamics Business Line. The development in the year comprised of growth from M3, Data & Analytics and Customer Experience & Engagement. The development in Dynamics was flat, and Digital Commerce declined. DC was significantly affected by the slowdown in the Retail sector.

The **UK Market Unit** has delivered 43.4% growth in 2023, with service revenue amounting to DKK 229m. The revenue is affected negatively by currency of DKK 4m. The largest Business Line in the market is Dynamics, which showed strong growth in 2023. Further, both Digital Commerce, Data & Analytics as well as Customer Experience and Engagement all showed double digit growth figures.

The **US Market Unit** accounted for DKK 83m in service revenue, corresponding to a growth of 2.9%. The revenue is negatively affected by DKK 2m in currency, corresponding to an organic growth of 4.4%. The US Market Unit is mainly comprised of the Business Lines Dynamics, M3 and Data & Analytics.

### Currency Impact

Columbus has been impacted extraordinarily by currency in 2023, due to the weakening of SEK and NOK. Sweden is Columbus' largest market, and the SEK has decreased by 7.7% on average in 2023 compared to 2022. Norway is the third largest market in Columbus and the NOK decreased by 11.6% on average in 2023 compared to 2022.

The exposure to currency fluctuations is mainly a risk on translation to the groups' functional currency, DKK, since most income and expenses are held in the same currency. Cross border delivery has increased in order to utilize resources most efficiently across geographies. This is a key value driver both for efficiency purposes, and for Columbus to deliver the right competencies for our customers, no matter where in the world they are located.

### Growth in recurring revenue

Recurring revenue grew by 6% to DKK 205m. The recurring revenue has been a stable part of the total revenue over the past years, with recurring revenue constituting 13-15%. In 2023 recurring revenue increased slightly less than the rest of the business, resulting in a slightly lower part of total revenue of 13%. Management is focused on keeping the recurring revenue a stable and growing part of the total revenue.

### Efficiency

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

The efficiency in 2023 was ranging between 65% and 70%, with an average for the year of 67% compared to 63% in 2022. This is considered to be a significant improvement and an important factor in increasing the earnings.

The KPI is affected by national vacation periods during the year, which is the main factor for the KPI to fluctuate during the year. Another factor impacting the KPI is the Young Professionals Programme with the purpose to grow new talent. New starters generally have a lower efficiency during the initial period of employment, and gradually increasing over time.

### EBITDA development

EBITDA amounted to DKK 118m in 2023, compared to DKK 92m in 2022, corresponding to an increase of 28.0%.

The EBITDA margin grew by 1 percentage point, ending at 7.6%.

EBITDA is mainly impacted by our ability to deliver profitable projects and keeping a healthy efficiency. Gross profit margin decreased slightly from 90.3% to 89.0%. The development is mainly related to an increased use of subcontractors.

Staff expenses increased by 6.4% amounting to DKK 1,103m in 2023. The increase is in line with the increase in revenue.

Other external costs increased by 7.1%, which is mainly related to slightly increased IT expenses.

EBITDA is also affected by other operating income which is positively affected with DKK 3m mainly related to adjustment of earn-out provisions.

### Profit before tax

Profit before tax amounted to DKK 39m compared to DKK 32m in 2022, corresponding to an increase of 22.6%.

The increase is mainly affected by increased operational efficiency, but negatively affected by increased financial expenses. Financial expenses increased to DKK 24m compared to DKK 6m in 2022, primarily from loss on currency as well as increased interest expenses from loans and fair value adjustment of contingent consideration.

### Discontinued operations

In 2023 discontinued operations comprised mainly of received considerations from previous divestments, which had been fully written off. Discontinued operations further comprise expenses related to aftermath from previous divestments. For further information, please see note 27 and 28.

### Cash

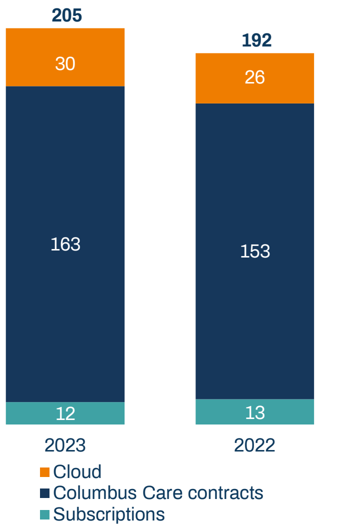
Cash flow from operating activities was positive with DKK 77m, mainly related to the significantly improved positive cash flows from the operating profit. Changes in net working capital affect the cash flow negatively, and is mainly related to increased trade receivables, which is linked to the growth in the business. Cash flow from investing activities was negative with DKK 47m mainly related to investment in M&A activities, internal IT applications as well as purchase of tangible assets.

Cash flow from financing was negative with DKK 16m mainly related to proceeds from borrowings, repayment of overdraft facilities, payment of dividend and repayment of lease liabilities.

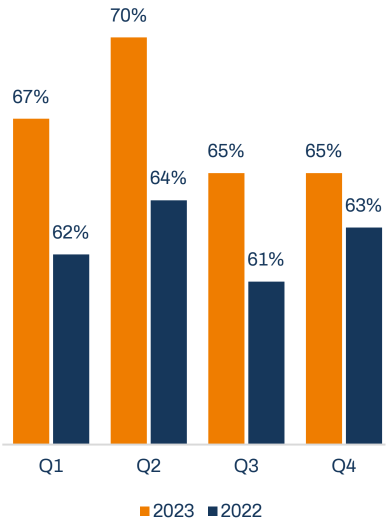
### Equity

Columbus' equity has increased by DKK 10m since 31 December 2022, to DKK 717m, primarily due to the positive net result as well as payment of dividend. The net result comprised a profit of DKK 24m from the continuing business and a profit of DKK 3m from the discontinued business. With a total equity of DKK 717m, Columbus has a solvency of 55% (2022: 60%).

**Recurring revenue**



**Efficiency**



## Events after the reporting period

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

On 1 January 2024 Columbus confirmed the acquisition of Endless Gain Ltd. Please refer to note 21 for more information about the business combination.

In January 2024, the Swedish city court ruled judgement and awarded damages and costs to Columbus in the range of SEK 43-45m. This was related to a court case against the Swedish M3 consultancy company M3CS AB and its founders, in a dispute about disloyal behaviour, breach of IP and other unlawful acts.

On 21 February 2024, M3CS AB fulfilled the judgement by payment of SEK 44.8m. The judgement against M3CS settled the majority of a separate legal case that Columbus had against the former minority shareholders in iStone in 2022. The combined gain to be accounted for in Q1 2024 will be around DKK 20m after deducting the receivable from the former minority shareholders and related cost.

# Acquisitions in new growth areas

## ICY Security – adding Cybersecurity to the service portfolio

In April 2023, Columbus acquired the Danish company ICY Security.

ICY Security is among the largest consultancies and implementation companies in the Nordics within Identity & Access Management (IAM), Privileged access Management (PAM), and CIAM (Customer Identity & Access Management). ICY Security employs 50 highly skilled consultants with a customer base of more than 70 customers.

The acquisition extends Columbus' offerings following the increased need for cyber security services to secure access to business-critical data. The focus on Identity & Access Management is a natural step for many of Columbus' customers that are looking to raise the organisation's cyber security level.

**Integration update**

The operational integration has progressed as planned. ICY Security is now a fully integrated Business Line in Columbus, named Security.

From a business perspective, we have experienced that achieving the expected business synergies is taking longer time than initially expected. This is mainly due to Columbus' customer maturity and readiness in terms of requesting ICY Security's offerings.

As part of the integration plan, ICY Security will be expanding its activities to the Nordic markets during 2024. However, the expansion is being executed faster than the initial plan. Today, we are present in Norwegian market with three employees growing the operation and Sweden is in the process of staffing up.

**Next step**

In 2024 all Danish activities will be gathered at the Columbus headquarter which we expect will make the corporation flourish even further.

Looking ahead, we recognize that the full realization of acquisition synergies unfolds over an extended period of time, and we remain committed to leveraging the synergies to enhance the business.

## Endless Gain – enhancing the digital customer experience

In November 2023, Columbus submitted a conditional offer to acquire the UK-based e-commerce consultancy Endless Gain. On 2 January 2024, the acquisition was confirmed.

Endless Gain is a leading conversion rate optimization consultancy focused on enhancing the digital customer experience for the UK retail industry. Endless gain employs 25 highly skilled consultants, located in UK and India. With a specialized emphasis on the UK's retail sector, Endless Gain has partnered with prestigious brands such as Dreams, Jigsaw, Shark Ninja and Moss Bros.

The acquisition of Endless Gain extends Columbus' offerings within digital commerce to offer conversion rate optimization (CRO) and experimentation which is key in effectively enhancing online customer experience.

**Integration update**

The overarching integration strategy is to integrate the company swiftly with minimal business disruption prioritizing sales enablement and customer collaboration. The integration is progressing as planned within all areas such as operations, it-systems and information sharing. In addition, collaboration and knowledge sharing was supported by a joint kick-off in the beginning of 2024.

The full integration is expected to be completed within the first quarter of 2024.

**Next step**

Columbus and Endless Gain are working on capitalizing on the synergies and to leverage the advantages presented by the acquisition. Endless Gain's next steps are to focus on cross-sales with Digital Commerce, as well as other Columbus' business lines. Moreover, their aspiration is to penetrate Scandinavian markets and organically grow the operation with Columbus' assistance.

# Outlook for 2024

In line with Columbus's newly launched strategy New Heights we expect to continue the growth journey in 2024 as well as deliver steady earnings improvements.

During the strategy period Focus23 Columbus was deeply focused on building the foundation for future growth. Based on the implemented organizational changes, a new backbone operational system across the Group and the newly launched three-year strategy, New Heights, Columbus is ready to continue the growth journey and to increase focus on profitability improvement. In 2024 we expect organic growth of 8-10% and earnings improvements through enhanced efficiency and focus on contract profitability.

In 2024 Columbus will further develop the fast-growing Core Business Services: Data & Analytics, Digital Commerce, Customer Experience and Security which together with our strong digital transformational Business Lines Dynamics and M3 offer a unique IT services delivery package to our customers.

Besides the already strong foothold in the industries, food, retail & distribution and manufacturing, we have also life science as a key focus industry.

Our commitment and continuous efforts to improve earning is now part of Columbus' new Strategy, New Heights. As part of the new strategy, we established a dedicated program named EBITDA15, where increased focus on below listed areas will support our mid-term aim to reach an EBITDA of 15%:

- Continuous focus on efficiency
- Increasing use of Columbus' service centers
- Commercial excellence
- Leveraging of Columbus' strong business model

The outlook is subject to the general uncertainties in our markets, such as the current macro-economic conditions, higher than normal exchange rate volatility and a continuous geopolitical situation that may impact the general business environment.

Although we continue to see a strong demand for our digital advisory and services, we do anticipate that some reluctance in IT investments and the need to divide projects up into "smaller bites" will continue throughout 2024. If the general uncertainties worsen during 2024, it may impact the Group's growth and margin negatively.

Based on the financial performance in 2023 and the current order book and pipeline forecast, our full year guidance for 2024 is as follows:

| | Outlook 2024 | Realized 2023 | Outlook 2023 |
|---|---|---|---|
| Organic revenue growth | 8-10% | 14.8% | 8-12% |
| EBITDA margin | 9-10% | 7.6% | 7.4-9.0% |

# Our business

# A strong foundation for growth

With the Focus23 strategy, we have successfully turned our company to strong growth surpassing our organic growth targets of 10% - delivering 15% organic growth in 2023.

**Strong execution of Focus23**
The strategic direction set with Focus23 was based on a need to consolidate and focus our business while gearing up to accelerate in the market.

We have achieved strong organic growth for the past 2,5 years and are currently outperforming our market, gaining market share from competitors. Q3 2023 marked the fulfilment of our commitment to the 10% organic growth target for the year, which was further improved in Q4 delivering 16% organic growth adjusted for acquisitions and divestments in constant currencies. We close 2023 with an organic growth of 15%.

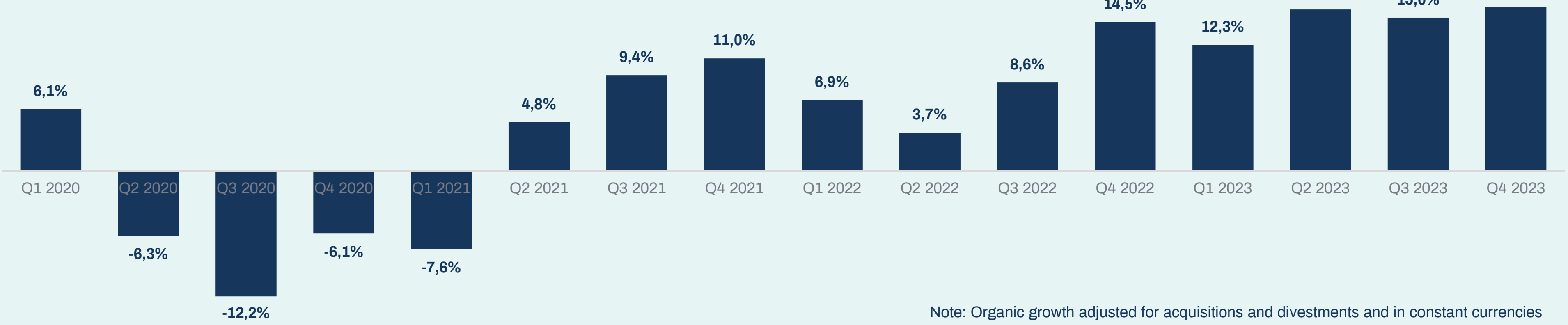
Our customer base is transitioning toward larger customers and larger engagements as we have successfully continued the focus on key industries. We are increasingly able to support customers with multiple services from our portfolio as we take on the role of digital partner and build lasting relationships. 85% of our customer base continue to do business with us year after year. This adds stability to our business.

We have divested non-focus areas such as our software business To-Increase and have stepped out of the markets such as Russia and the Baltics to focus on our larger markets.

We have further specialized in our key industries and built strong relationships with customers who act as flagship references proving our ability to safely guide them through change and implement new technology delivering value.

In addition, we have strengthened our business model with a new operating model with global delivery capacity and local market presence, while increasing transparency in our business with a new global business platform. Thus, increasing operational insight, cooperation, and ability to differentiate in the market. This has also created the foundation for more effective operations. Despite seeing a positive trend in our EBITDA margin ending 2023 at 7.6% up from 6.6% in 2022, we have not improved our profitability fast enough.

**Organic Revenue Growth, YoY**



Note: Organic growth adjusted for acquisitions and divestments and in constant currencies

Market turbulence and slowdown in 2023 has led to increased competition. In addition, our focus on delivering top line growth while executing internal transformation, has affected our ability to deliver on the bottom line. Going into the next strategic period, improving EBITDA will be a key focus for us. We start seeing the positive effects of the new business platform and our focus on effective operations. We have already improved our efficiency to 67% in 2023 up from 63% in 2022 and there is more to come working with multiple levers in the EBITDA15 program.

**Building on strongholds**

We will leverage the strongholds built during the last strategic period and improve our customer focus, intimacy, and advisory. This means that we continue the development of our industry-specific deliveries and advice to priority segments. We strengthen our cross-selling and help customers navigate the complex digital landscape claiming the position as a strong business advisor with deep technical expertise and delivery responsibility.

We have a solid financial position with potential to add acquisitive growth to strengthen our market position. The recent acquisitions of ICY Security and Endless Gain mark the beginning of this journey, adding strong capabilities and new growth areas to our business.

Going forward, we will further leverage our streamlined global operation. This will help us reach our profitability targets while delivering even more value to customers by enabling our strong global delivery capacity and access to top talent in a market that is increasingly characterized by intense talent competition.

In summary, Focus23 has brought us to a very strong market position and left us more streamlined and capable of going into New Heights.

FOCUS 23

COLUMBUS
GROWTH STRATEGY

# New Heights

20°24 ⟶ 26

# New Heights strategy

Continuing our strong growth path with 10% CAGR and a significant improvement in profitability reaching a 15% EBITDA margin by 2026.

During the past three years, Columbus has streamlined the organization and strengthened the market position. With New Heights, we will continue to build on our strongholds while enhancing profitability.

### Ambition and environment

We are outgrowing our market and have delivered an organic growth of 15% in 2023 compared to a growth of 7%[1] in our primary market. A strong performance given the turbulence of the market during the same period.

We have a market share of around 2%[1] in Sweden, Norway and Denmark, which leaves ample room for us to grow.

Looking to the future, our market is expected to continue to grow, although at a lower rate compared to the last two years. We are confident that we can continue our performance and maintain the strong growth path with an average 10% CAGR over the coming three-year period.

With New Heights, we take the next step and increase our profitability steadily toward 2026, reaching an 15% EBITDA margin. We have built a strong foundation during the past strategic period which we will leverage, thus further improving our commerciality and effectiveness.

### Market position and segmentation

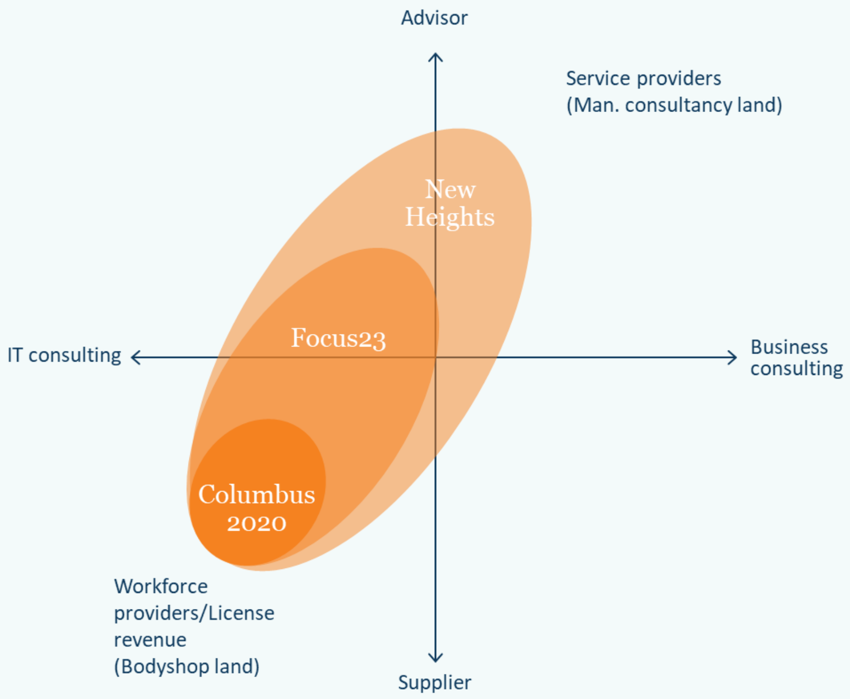
Our market position lies in the sweet spot where strong business advisory and deep technical expertise meet delivery responsibility.

We are continuously moving up in the market toward more advisory and business-oriented services. But we do not leave any of our existing market space behind. We add on to cover more.

This essentially means that we have skin in the game when we advise because we also manage the infrastructure and implement the technology.

**Market position**

Our market position lies in the sweet spot where strong business advisory and deep technical expertise meet delivery responsibility



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[1] Source: Radar Research. Market definition: IT services consulting in Manufacturing, Retail & Distribution, Food & Beverage and Life Science of private companies with ann. Turnover DKK +500m in Scandinavia and UK

We are market leader among our medium-sized target customers within our primary markets in Scandinavia, and continue to grow from our strong position in this space.

In addition, we will focus on growing the upper segment of large and multinational companies to capitalize more on cross-sales from our expanded service portfolio. We experience that we bring more value to customers by spanning wider across specialist disciplines, thus bringing our entire portfolio of services into play.

At the same time, we deliver concrete technology and help our customers to keep green lights on systems – this gives us an edge.

By focusing on customers working with the production, moving, and selling of physical goods we keep our advice and solutions relevant and contextual, helping customers solve some of the most complex industry challenges.

## New strategic initiatives

New Heights consists of four central strategic initiatives which will drive future growth:

**Expand and invest in our service portfolio**

We will strengthen our market position by harvesting the benefits of new acquisitions into high-growth services, such as security, and add on scale to existing offerings. We are already expanding our security offerings and capabilities to more markets, and our latest acquisition Endless Gain, is strengthening our Digital Commerce offerings.

**Expand our playing field**

We are expanding our playing field and entering a new growing industry, life science with great synergy to our existing business. More specifically, we target private companies operating in the research, development, manufacturing, and distribution of pharmaceuticals, MedTech, and biomedical technologies. These companies also produce physical goods and have similar challenges to our existing customer base such as regulatory requirements in production processes and effective supply chain management. We are already working in the industry and have first-hand experience driving digital transformation with our existing customers. In the future, we will target our sales activities and develop new services for the life science industry.

**Seize market opportunity as lifetime partner**

Expanding our "Evolve services" will further strengthen our position as a lifetime partner and elevate our managed service offering. This service goes beyond keeping systems up and running and expands into helping customers mature their capabilities and innovate 'evolve' in the modern cloud environment. Our unique position is differentiated against local competitors who do not possess the capabilities and lack the scale. Expanding this area ensures that a larger part of our income stream is stable and resilient in possible fluctuating market conditions.

STRATEGIC AMBITION

## Proven leader in delivering core business technology and lasting value

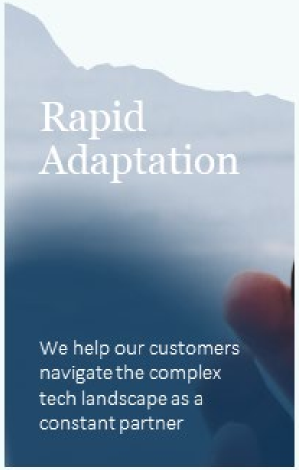
in Manufacturing, Retail & Distribution, Food & Beverage and Life Science


**People First**

We stand out as an attractive and caring employer


**Industry Expertise**

We win customers with our unique industry expertise


**Rapid Adaptation**

We help our customers navigate the complex tech landscape as a constant partner


**Scalable Business Model**

We keep a lean and scalable model with focus on local market customer intimacy while leveraging our global delivery strength of experienced people

**Initiate EBITDA15 program**
We have launched our EBITDA15 program to increase profitability through concrete organizational focus areas. Our margin will be expanded through productivity increases, commercial excellence, and leveraging of our business model.

### Strategic pillars
The ambition and strategic initiatives in New Heights are going to be reached by continuously working with three distinct growth pillars standing on our solid foundation.

**People First**
Our customers demand the best people to solve their challenges and as a digital consultancy it is crucial that we can attract and retain the best talents. Therefore, we focus on creating a working environment, where we think people first, and stand out as a caring and attractive employer in the highly competitive labor market we face today.

**Industry Expertise**
We pride ourselves on our industry expertise, and when we bring this to life for customers, we win. Truly understanding the industry, and combining the knowledge with deep technical expertise, is a differentiator and key to our success and growth. As we continue to structurally enforce industry perspectives, we deliver more value to customers.

**Rapid adaptation**
The technical landscape is changing constantly. We often hear our customers raise deep concerns about how to keep up with trends and changes in the increasingly complex environment of modern-day business. The new wave of Artificial Intelligence provides many opportunities in areas that were previously untouched and the emergence of low-code is democratizing systems development making it accessible to a whole new part of the workforce.

Rapid adaptation addresses these concerns and opportunities as we partner up with customers to help them navigate trends and understand where to place their resources to get the most from their technology assets.

We follow through and help them adapt and implement to harvest the maximum value of the opportunities in the marketplace.

**Scalable business model**
We scale our business on the foundation of the lean and powerful business model we have created – we protect, refine, and optimize it to support our expansion. We strengthen our methodology, global workforce, and ability to work across our service portfolio, adding flexibility and opportunities for employees.

→ AMBITION

## Proven leader in delivering core business technology and lasting value

in Manufacturing, Retail & Distribution, Food & Beverage and Life Science

→ GOAL

**10%** REVENUE GROWTH[1]

**15%** EBITDA MARGIN[2]

Note: 1) 10% compounded annual growth over the period; 2) 15% margin by end-2026

# Market trends

In 2023, Columbus has outgrown its primary market and continues to see a large potential for differentiated industry specialists like Columbus.

**Primary market continues to grow**
Our primary market, defined as the Consulting market within IT Services, is projected to a growth rate of around 3%[1] annually, due to a general slowdown in the economic activity.

We maintain a neutral perspective on market conditions and have fitted our strategy to this market view and stay responsive to market shifts and risks.

**Outgrowing primary market**
In 2023, we have outgrown our market and have delivered 14.8% organic growth in constant currencies compared to 7% growth in our primary market. We consider this a strong accomplishment given the turbulence of the market in the same period.

We have a market share of around 2% in Scandinavia, which leaves ample room for us to continue the growth journey.

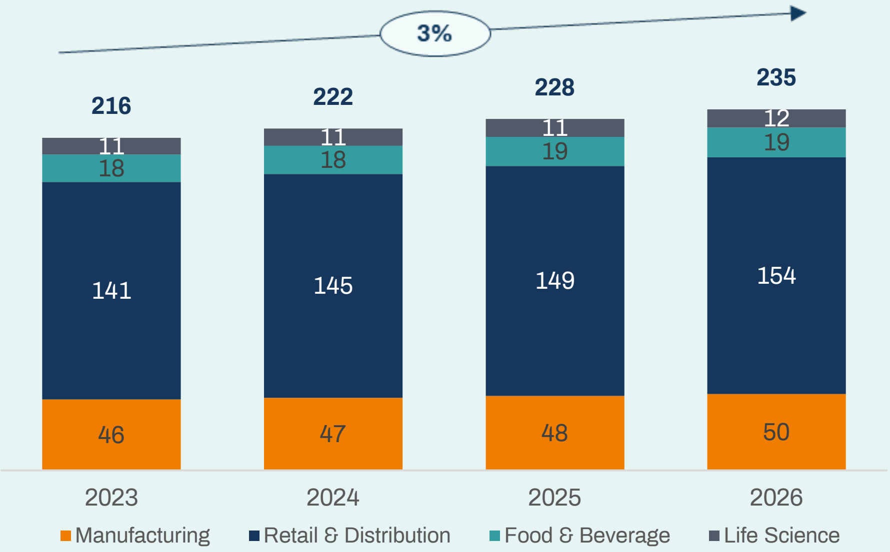
**Market shifts supporting demand**
The global marketplace is undergoing profound transformation marked by a series of shifts that are reshaping the way businesses operate. This creates continued demand for our services.

The evolving market dynamics are defined by a convergence of factors, from supply chain resilience and automation pressures to the imperative of seamless digital channels, sustainability and compliance. All underlined by the crucial need for resilience and security.

Navigating these themes effectively using technology is key for businesses aspiring to thrive in the modern marketplace.

We help our customers to relocate when their supply chains are disrupted or when the need for increased traceability, agility and control is vital for effective production. When there is a need for a seamless online experience, robust e-commerce platforms and agile digital strategies. Or when facing unforeseen challenges and cyber threats investing in resilient, reliable infrastructure and cybersecurity measures to safeguard operations, customer data, and reputation.

**Primary market[1]: IT services consulting spend (bnDKK)**



Being able to support our customers in facing these complex industry challenges is the reason why they continue to do business with us and why we have a reliable strong business model.

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[1] Source: Radar Research. Market definition: IT services consulting in Manufacturing, Retail & Distribution, Food & Beverage and Life Science of private companies with ann. Turnover DKK +500 m in Scandinavia and UK

# Our core business services

Leveraging our comprehensive portfolio of Core Business Services, we are equipped to guide our customers throughout their complete digital transformation journey

Columbus has been a leader in the ERP landscape for many years, consistently innovating and staying relevant in our key industries and markets. Recently, we have strengthened our presence in the digital transformation space by offering comprehensive, end-to-end digital solutions that unveil new opportunities for our customers throughout their digital transformation journey. This makes us capable of fostering long-term relationships as a digital transformation partner continuously solving complex industry problems and together evolving our customer's business.

Our portfolio includes a variety of core business services with a focus on creating high value for customers in the life science, food & beverage, retail & distribution, and manufacturing sectors. These services are part of robust ecosystems, ensuring our customers have access to the best technology for their specific business needs and challenges.

Our core business services are built in strong ecosystems that ensure our customers the best technology based on best practices suited for their specific business needs and challenges.

## Our Core Business Services

### Cloud ERP

We help customers digitize their business processes through implementation, risk mitigation, and support of cutting-edge solutions, using a business-driven process approach. Our expertise in cloud ERP ensures a seamless transition, optimizing digital experiences for maximum benefit.

### Data & Analytics

Organizations at any stage of development can leverage our customized strategies for value delivery and cost-cutting. We empower customers to delineate and execute a data-centric journey, utilizing insights to inform strategic decisions and foster continual improvement. Our emphasis on data, business, and people ensures a holistic approach to sustained success, making operations more effective and efficient.

### Digital Commerce

Companies of all maturity levels benefit from our tailored growth and value delivery strategies. We ensure successful project implementation, streamline operations for omnichannel excellence, and optimize digital commerce experiences. Our expertise in Conversion Rate Optimization (CRO) enhances online presence, increasing the likelihood of turning website visitors into valuable customers, maximizing the impact of digital initiatives.

### Cybersecurity

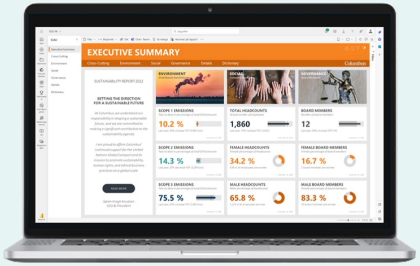
We offer expert cybersecurity guidance and implementation, aligning business priorities with a customized strategy to drive efficiency and minimize security risks. Our services include managing security operations and overseeing the evolution of your cybersecurity efforts, allowing you to focus on your core business.

### AI Innovation

As Artificial Intelligence (AI) continues to evolve and redefine various industries and processes, Columbus offers AI consulting, from idea generation to feasibility analyses. We support customers with Microsoft Co-pilots and low code/no code solutions, making AI accessible to all. We also help with data strategy, quality assurance, migration services, and analytical platforms that enhance Business Intelligence solutions.

### Sustainability

Digitalization and data are essential for all companies to improve sustainable performance and become ESG compliant. The challenge for many companies is to get the right data from their ERP system and transform it into ESG metrics to help monitor and report progress. For many companies, this is a manual and tiresome process. Columbus' framework “ESG Data Accelerator” automates ESG data to follow the progress in real-time, thus being able to act on it, while pulling the right data for ESG reporting. In addition, Columbus helps companies in our key industries to optimize sustainable performance with industry sustainability services, such as Resource Efficient Food Manufacturing, and Digital Advisory.



### Customer Experience & Engagement

In today's business landscape, delivering an exceptional Customer Experience is crucial. We aim to empower customers through positive customer engagement and a comprehensive CRM strategy for enhanced satisfaction, loyalty, and value creation

### Compliance & Business Continuity

Organizations face compliance challenges, but Columbus transforms them into opportunities for sustained success. With a focus on governance, risk mitigation, and security, we offer resilient, industry-agnostic services for effective and smooth operations. Our approach ensures compliance while implementing robust control measures, contributing to a seamless and resilient operational environment.

### Application Management & Evolve

We address IT challenges, safeguarding, and evolving systems for future needs. We focus on continuous evolution, productivity, security, and cost control, and provide expertise in enabling digital strategy, Enterprise Architecture, financial insights, and technology debt management.

### Digital Advisory

Organizations can benefit from Columbus' Digital Advisory service, guiding strategic vision with a comprehensive suite of thoughtful solutions. We assist customers in creating value through engagement and development of their strategy and business change agenda. Our expertise in business transformation ensures that potential is unlocked, offering a clear roadmap to maximize overall value with a focus on value-driven, people-centric, and holistic business transformation.

### Awards & Recognition in 2023

We received the International Infor Channel Innovation Award 2023 for our commitment to innovation and customer experience. Additionally, we earned the Inner Circle membership for Microsoft Business Application Partners globally for the 20th year in a row and were named Microsoft Business Application Partner of the Year in Norway.

2023/2024
INNERCIRCLE
for Microsoft Business Applications

PARTNER OF THE YEAR: NORWAY
Microsoft
Business Application
Columbus
WINNER 2023

Roger Labrell, Alliance Director Nordic, Infor
Tina Algkvist, Senior Vice President, M3, Columbus
Malte Ekedahl General Manager & SVP Nordic, Infor

# Business model – creating customer value

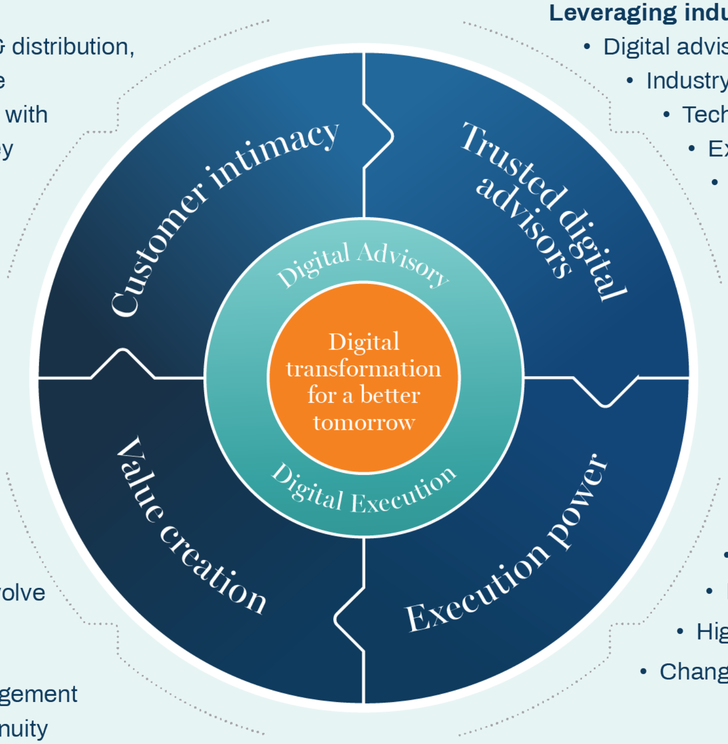
Columbus' purpose is digital transformation for a better tomorrow, and our solid business model ensures that we can deliver on our purpose.

Columbus is leveraging on 35 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, New Heights.



**Growing loyal customer base**
- Industry focus on food, retail & distribution, manufacturing and life science
- 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

**Core business services**
- Digital Advisory
- Cloud ERP
- Data & Analytics
- Digital Commerce
- Application Management & Evolve
- AI Innovation
- Security
- Customer Experience & Engagement
- Compliance & Business Continuity
- Sustainability

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

**Solutions in strong ecosystems**

Microsoft infor SAP salesforce Litium inriver commercetools Optimizely censhare

…and other key partners

# People in Columbus

Columbus' new strategy, New Heights, has a clear focus on our people. Our commitment to "People First" is a key growth pillar.

In 2023, Columbus rolled out the 'New Heights' strategy, which has a clear focus on our people as a People First company. We are aiming to be an attractive and caring employer. This is something we believe that we can evolve through our employer branding projects, working with our company culture and by offering exciting development opportunities to help our employees explore their potential.

At the heart of our business is our commitment to "People First". This means that we prioritize our people which is the foundation for servicing our customers and the overall business.

Throughout the year, we have been actively working on leadership on projects to bring "People First" to life and strengthen our standing as an employer of choice. Our Heartbeat scored 50 eNPS in 2023 (2022: 47), along with a commendable response rate 80%, highlight our dedication in this area.

## Columbus culture

The Leadership Principles framework was implemented during 2022 and has now become an integrated part of our culture - supported by our company values. Together, these principles guide us in fostering a value-driven culture.

Throughout the year, our commitment to live our values and leadership principles has continued. New employees at Columbus took part in workshops, getting acquainted with our company culture during their onboarding. The Culture Ambassador Community, consisting of employees from various parts of the organization, have actively been working to promote diversity, equity and inclusion, our values and leadership principles in our daily work.

We have been proactively integrating our values and leadership principles into relevant internal processes e.g. our new Career Pathways. Regular evaluations, conducted mainly through our annual employee survey, have given us valuable insight into how our employees perceive and connect with the values and the principles. As we continue to work with our culture, our goal is to increase employee engagement and align it with our commitment to "People First".

## Career Development

Career Pathways is Columbus' new career framework that was launched in 2023. The framework aims to improve personal development and growth, provide clear career path options, increase fulfilment and engagement, retain talent and attract new hires. This initiative is a key strategic milestone in our People First pillar of the "New Heights" strategy.

The framework currently consists of three career pathways for consultants: *Engagement Path*, *Business Path* and *Technical Path*, where each is divided into seniority levels to clarify competence requirements and expectations. Regardless of the career pathway one belongs to as a consultant, the Common Foundation is the basis for all. The Common Foundation consists of shared expectations we have of our consultants which consists of four areas: *Lead Yourself and Others, Build Business, Industry Expertise,* and *Build Culture.*

Career Pathways will be used for full-year and mid-year performance conversations and create greater transparency to support progression and promotion within a pathway or across pathways. The framework will undergo further development in 2024.

## Diversity, Equity & Inclusion

At Columbus we strive to build a diverse workforce that embraces all our differences. Putting together diverse teams will help us to increase creativity, employee engagement and lead to better team performance. We are committed to fostering an inclusive workplace where everyone has equal opportunities for development and success.

Throughout the year, we introduced a new Diversity & Inclusion (D&I) course in Columbus Academy, aiming to gain a better understanding of the significance and impact of D&I. Additionally, we developed a new Diversity, Equity & Inclusion (DE&I) policy - providing guidance and outlining strategies to promote DE&I in our company. Through this policy, we seek to set the tone for our organization and integrate DE&I into our business.

As part of our DE&I efforts, we conducted a new global exit process and survey. The goal was to create a standardized process and system for follow-up and enabling analysis at a global company level. DE&I has also been prioritized in our global recruitment process. Analyzing and adapting our global recruitment process through a

DE&I perspective has resulted in the implementation of new practices and positive advancements. One such example is the implementation of Candidate-NPS, aimed at evaluating how candidates perceive the recruitment process, with a particular focus on inclusion.

During 2023 Columbus started a new global women's network as a way to strengthen our employees and become an attractive destination for new female talents. This initiative aims to create opportunities for networking, sharing of knowledge and to inspire and highlight female role models. The first event took place in November 2023 and proved successful. Going forward, Columbus plans to conduct two seminars per year, incorporating group discussions on specific themes.

Throughout the year, we have also been working on developing a mentorship program aimed to help employees accelerate their careers, develop new skills and achieve their career aspirations within the organization. The first pilot will be initiated in the beginning of 2024.

### New HR system

In 2023, Columbus achieved a major milestone with the launch of Bamboo, our new HR system. The system solution includes onboarding, offboarding and a tool for performance appraisals, including career pathing. Aligned with our strategic goals of achieving operational efficiency and enhancing the employees' impact, Bamboo will provide streamlined processes and superior and consistent employee experience. The system was launched at the end of 2023 and has started to be used by employees in the organization.

### Academy

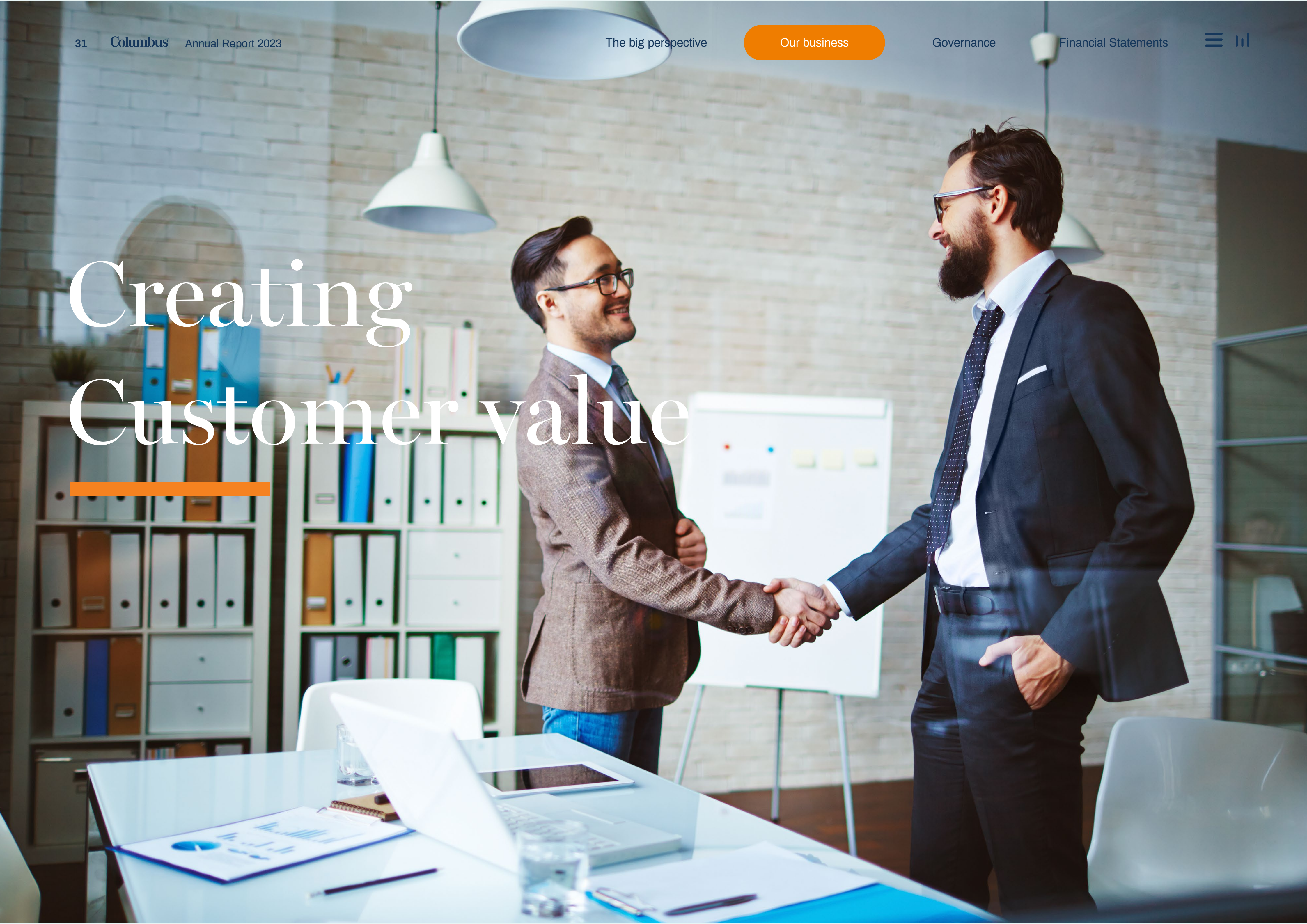
2023 has been a remarkable journey for Academy, shaping our training portal into a hub of innovation and learning. Here are some key achievements that prove our commitment to employee development:

- Throughout the year, Academy successfully has onboarded 25+ global internal coaches and 2 trainers.
- We have developed our learning platform with additional functionalities to streamline processes and reduce manual work. Increased utilization of AI has expanded system capabilities.
- The release of 14 new courses and a comprehensive accelerator training program, represents a big step forward in our training offerings.

Information regarding Academy and its offerings has been widely communicated throughout the organization and a new page has been created on our global intranet, Polaris.

To increase training effectiveness, participants are now encouraged to share their feedback through a new survey, providing us with an NPS score for specific courses.

# Creating Customer value



**Customer Case**

# Jernia's cloud migration: a solid foundation for continuous development

Jernia, a leading Norwegian distribution company of home supplies, successfully migrated from on-premises ERP to Infor CloudSuite. The modern ERP platform has established a solid foundation for improving operations continuously while introducing new and efficient services. Thorough preparation and a strong collaboration with Columbus ensured that the transition was on time, within budget, and with minimal downtime.

In partnership with Columbus, Jernia migrated from on-premises ERP to Infor CloudSuite IA Distribution, a standardized solution for the retail industry. This was a vital element of Jernia's organization-wide digitalization strategy, adapting to the future industry requirements. The project focused on maximizing utilization of standard functionality, resulting in less than 5% requiring customizations.

Despite the complexity of ERP systems and the challenges associated with cloud migrations, the project was executed according to plan.

"Throughout the delivery process, we efficiently tackled challenges, particularly during the go-live phase. It's quite remarkable since not many ERP projects are successfully delivered on time, within budget, and with minimal downtime", says Stian Nybro, Business Systems & Project Manager at Jernia.

The strategic move to Infor CloudSuite IA Distribution enables Jernia to improve its ERP platform continuously and introduce more efficient services. Emphasizing the importance of a modern and reliable ERP platform, Jernia highlights its role in supporting business growth, revitalization, and maintaining a competitive edge to deliver customer service. Another key aspect was to continue developing the successful omnichannel approach.

The retailer established process owners responsible for finance, logistics, and sales, ensuring alignment with business objectives. Budget allocations allowed these key individuals to dedicate substantial time to the project, mitigating the risk associated with heavy workloads and absence.

The collaborative work culture between Columbus and Jernia was characterized by daily meetings, transparent communication, and a strong team mentality which played a crucial role in the project's success.

Post-implementation, Jernia initiated a project to utilize the full benefits of their cloud migration to ensure ongoing development and exploration of the new applications. Looking ahead, Jernia plans to continue the collaboration and expressing confidence in Columbus's support to help identify and implement improvements.

## FACTS AND SUMMARY

Jernia has migrated to the cloud to meet the changing industry demands, efficiently introduce new services, and improve operational efficiency.

In partnership with Columbus, Jernia transitioned from its on-premises ERP system to Infor CloudSuite IA Distribution.

Post go-live, Jernia continues the collaboration with Columbus to utilize further capabilities of the platform.

Customer Case

# The role of IAM in Nuuday's digital transformation

The leading Danish telecom company Nuuday is undergoing a massive digital transformation to deliver innovative digital services and great customer experiences. Identity and Access Management is one of the enabler projects for Nuuday's transformation. The conglomerate, consisting of brands such as YouSee, TDC Erhverv and Hiper, chose Columbus Security as a partner to scope the IAM project, evaluate the IAM tool market, and implement the selected IAM solution.

Five years ago, the acquisition of Nuuday's parent company, TDC Group, prompted a division into two entities. TDC NET assumed responsibility for infrastructure management, while Nuuday shifted its focus towards telephony, television, broadband and network. The legal separation was concluded in early 2022.

Post the split from TDC Group, Nuuday pursued technological autonomy, aiming to oversee its digital infrastructure and services independently. IAM, previously managed by TDC NET and its subcontractors, became essential as Nuuday prepared to develop a new digital portfolio.

Columbus Security started assessing Nuuday's needs and opportunities, aligning them with current and future ambitions. Subsequently, the consultancy guided Nuuday through the IAM market, evaluating vendors and analysing their compatibility with Nuuday's requirements and objectives.

Columbus Security supported in scoping the project and initiating the procurement process. Following a thorough assessment and analysis of use cases, the security experts led the procurement process to identify the ideal IAM tool for Nuuday, ultimately selecting a suitable platform.

During procurement and final negotiations, Columbus Security helped Nuuday prepare to take responsibility for the new Identity and Governance System (IGA). In addition, the consultancy developed a target operating model and user processes for internal and external users and advised Nuuday on their chosen CIAM platform for customer data management.

Initially facing resource constraints, Nuuday relied on Columbus Security to build the platform. Subsequently, Nuuday recruited additional consultants and equipped them to sustain the development and implementation.

“Columbus Security has been excellent in helping scope the task and find the products we needed in the market. They have also filled the recruitment gaps until I could bring in full-time employees to manage the tasks”, says Kenny Damgaard Outzen, Director, Head of Digital Workplace & IAM at Nuuday.

Implemented in August 2022, the MVP version of the platform meets Nuuday's customer platform requirements and provides several benefits. IAM independence enhances security, streamlines workflows, simplifies access, and improves user experience. Looking ahead, Nuuday has established one of the critical components in the foundation to position the company for continued growth and innovation.

## FACTS AND SUMMARY

Nuuday's digital transformation is enabled by IAM.

Columbus Security played a key role in scoping, evaluating, and implementing IAM.

Nuuday has achieved technological autonomy after the split from TDC Group.

**Customer Case**

# Watson Marlow innovate their sales and marketing with Microsoft D365 Customer Engagement

Watson-Marlow Fluid Technology Solutions (WMFTS) is a premium pump manufacturer and supplier. WMFTS realized it needed help on its digital transformation journey to become a total customer solutions provider.

After a thorough selection process to find a partner that aligned with the company's core values, Columbus emerged as the standout candidate. Once Columbus came on board, Watson-Marlow outlined its digitalization plan.

However, as discussions progressed and goals were further explored—such as centralizing global operations, enhancing customer connections, and achieving internal targets—Watson-Marlow changed its approach.

It became evident that prioritising customer engagement was more important than updating the ERP system. This shift allowed WMFTS to realize the benefits of moving to the cloud sooner than planned, highlight how combining technology and strategy can lead to real success. Another highlight was implementing the new customer relationship management (CRM) platform. Together, Columbus and Watson-Marlow conducted a 12-workshop series with 60 key Watson-Marlow worldwide stakeholders designed to identify value and the organizational changes required to deliver it.

The goal was to increase user buy-in early in the technology transition process. Therefore, user adoption of the new CRM system across their 650-person user base became the highest priority KPI. Columbus helped WMFTS recognize that without user adoption none of the other benefits were achievable.

The move drove real organizational value in improved operational efficiency, a more customer-focused culture, better data insights and a more systematized approach across the team.

As a result, WMFTS are now able to:

- Report accurately on leads generated
- Determine how many of those leads qualified into opportunities
- Understand which opportunities turned into sales orders

"Within the total customer solution, CRM delivery enables us to maintain our price point while ensuring a competitive advantage that provides the entire business with a clearer, more comprehensive picture. This helps us to make informed decisions based on facts," says Andrew Jones, Head of Sales Excellence & Governance at WMFTS.

Andrew continues, “Columbus was the best fit for Watson-Marlow. We didn't want a third party, we wanted a true partner and we also knew we had this big culture change to go through”, he says. “Their change management process and team really stood out. We've absolutely overachieved and that's because of Columbus.”

Toby Mankertz, Business Transformation Advisor at Columbus echoed some of Andrew's comments and applauded their approach, saying, “Watson-Marlow has really engaged with delivering for the users, and they're doing it with their user base, not to their user base. They very quickly picked up that ball and ran with it. That's to be commended.”

## FACTS AND SUMMARY

To achieve their goal of becoming a total customer solutions provider, WMFTS sought digital transformation.

WMFTS partnered with Columbus to implement a Microsoft Dynamics CRM platform.

Following a successful implementation, Columbus and WMFTS continue their collaboration on additional projects.

**Customer Case**

# Stommen Group transforms its business digitally with a long-term and holistic partnership

Stommen Group is undertaking a comprehensive digital transformation through a long-term and holistic partnership with Columbus. Migrating from on-premises to Microsoft Dynamics 365 Finance & Supply Chain Management, and implementing Power BI, and Litium is essential to realizing the ambition.

Swedish-based Stommen Group consists of Brafab, Furninova, Mti Furninova, Affari of Sweden, Ambiente, Conform, and State of Elevenate. In partnership with Columbus, the group is transforming its business digitally.

The collaboration with Columbus began within Digital Commerce to implement Litium. After gaining trust in the Columbus team, Stommen Group proceeded with Data Analytics to implement Power BI, along with Microsoft Dynamics 365 Finance & Supply Chain Management as their ERP system.

Most recently, Stommen Group migrated Brafab from on-premises to Microsoft Dynamics 365 Finance & Supply Chain Management. The shift was driven by the need to meet increasing customer demands, minimize manual processes, enable scalability, and mitigate business risks, including over-reliance on employees and suppliers. They sought to adopt new technology and prioritize value-adding tasks.

Consultants providing a clear methodology, a dedicated project team, and allocated working hours have been fundamental to the success. As a result, the cloud platform establishes a foundation for continuous group-wide development.

“Lacking internal expertise, we choose Columbus for its proven methodology to guide us from A to Z, challenging us and providing recommendations. This collaboration has transformed us from a process-immature organization to one that is process-oriented. We couldn't have done it without a holistic and long-term partner”, says Jimmy Petersson, CIO at Stommen Group.

The biggest challenge throughout the ERP project was the shift from IT to business and transitioning from customized solutions to standard solutions. To succeed, Stommen Group focused on gaining acceptance within the organization and prioritizing change management and internal communication.

Through standardized processes and systems, the conglomerate aims to make group co-investments, reduce silos, decrease maintenance and support, and centralize finance operations across the organization. Additionally, the group is striving to be more data-driven, enabling quicker and better decisions. Utilizing modern technology and an omnichannel approach, Stommen Group aims to attract prospective employees and customers.

Looking ahead, the next phase involves implementing Microsoft Dynamics 365 Finance & Supply Chain Management at Affari of Sweden. Stommen Group plans to develop the cloud platform long-term in partnership with Columbus.

FACTS AND SUMMARY

Stommen Group is digitally transforming its business to optimize operations.

Key technologies include Microsoft Dynamics 365 Finance & Supply Chain Management, Power BI, and Lithium.

The ongoing collaboration with Columbus aims to transform the entire group digitally.

# 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 35 recommendations and does not comply with six of the recommendations. Deviations are all explained in the Statutory Report on Corporate Governance for 2023 according to the "comply or explain principle".

## Shareholders

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

## Management

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

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

## Board of Directors

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

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

The Board of Directors holds at least ten meetings a year according to a meeting schedule planned one year in advance at the Board meeting in December. Extraordinary Board meetings are held according to need. In 2023, 12 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 2023, the Board of Directors focused on the following areas:

- Macro-economic situation
- Acquisitions
- Financial reporting
- Capital and share structure
- 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 51.

### Executive Board

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

### Audit Committee

The purpose of the Audit Committee is to supervise accounting, audit processes and independence, risk and controlling issues. The Audit Committee consists of Peter Skov Hansen (Chair) 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 2023, six meetings were held. Both Audit Committee members attended all meetings.

In 2023, the Audit Committee focused on the following areas:

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

### Evaluation of performance

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

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

Based on the evaluation, which was conducted in 2023, it was concluded that the work of the Board of Directors and Executive Board is efficient, and that the composition and qualifications of the Board of Directors is appropriate in terms of professional experience and relevant special competences to perform the tasks of the Board of Directors in the best possible manner.

### Remuneration

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

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

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

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

### Board of Directors

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

The Chair 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 2023.

### 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

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

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 2023. Pursuant to Section 139b of the Danish Companies Act, Columbus has prepared a Remuneration Report for 2023 which is available at the Company's website. The Remuneration Report provides an overview and detailed description of the total remuneration received by each member of the Board of Directors and of the Executive Board for the 2023 financial year with comparative figures for past financial years where relevant.

## Diversity and inclusion

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

In Columbus, we believe that diversity, equity and inclusion are essential to drive innovation and creativity and enables better decision-making. We are committed to building a diverse workplace that is welcoming, respectful and inclusive for all employees. Our vision is to grow a diverse and talented culture.

### DE&I goals

To promote DE&I, Columbus will:

- **Increase diversity:** We strive to build a diverse workforce that embraces all our differences. Putting together diverse teams means increased creativity, more perspectives, etc. that help us develop ourselves and our business. A more diverse workforce can also help us to better understand and collaborate with each other internally and with our customers and suppliers.
- **Promote equality:** We recognize that Equality is key to creating a fair workplace and ensure that everyone has equal opportunities to develop and succeed.
- **Encourage inclusion:** Inclusion is the foundation of a strong and vibrant workplace. Columbus strives to create an environment where every employee can be authentic, bring their whole selves to work and where diverse ideas are welcomed.
- **Prevent discrimination and harassment:** Columbus does not tolerate any kind of discrimination, violence, harassment or bullying of employees and provides a mechanism for reporting and addressing such incidents.

To reach our DE&I goals, we are working with several commitments which are also reflected by our company values – Build, Trust, Collaborate, Stay Curious and Deliver Customer Success.

## Reporting on diversity

Pursuant to Section 99b of the Danish Financial Statements Act, Columbus is required to report on gender diversity on management levels in the Danish company Columbus A/S.

When calculating the gender distribution, only the two legal genders (male/female) are considered, as stated in the applicable legislation.

The management levels in Columbus A/S comprises the Board of Directors and "other management levels". Columbus defines "other management levels" as a first management level, which comprises the Executive Board and C-level management who are organizationally at the same management level as the Executive Board, and a second management level, which includes people managers who report directly to the first management level.

## Remuneration of the Executive Board 2023

| | Fixed remuneration | | | | Variable remuneration | | | |
|---|---|---|---|---|---|---|---|---|
| DKK ´000 | Fixed base salary | Pension | Other benefits | Total | Short-term bonus | Granted Share-based instruments | Total | Total fixed & variable remuneration |
| Søren Krogh Knudsen, CEO | 4.500 | 68 | 253 | **4.821** | 667 | 0 | **667** | **5.488** |
| In percent | 82% | 1% | 5% | 88% | 12% | 0% | 12% | 100% |
| Brian Iversen, CFO | 2.249 | 34 | 146 | **2.429** | 288 | 590 | **878** | **3.307** |
| In percent | 68% | 1% | 4% | 73% | 9% | 18% | 27% | 100% |
| **Total without special allowance** | **6.749** | **102** | **399** | **7.250** | **955** | **590** | **1.545** | **8.795** |
| In percent | 77% | 1% | 5% | 82% | 11% | 7% | 18% | 100% |

The Board of Directors consists of five members, one female member and four male members, resulting in a proportion of women of 20%. No changes were made to the Board of Directors in 2023.

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

In 2020 the Board of Directors set a target to increase the proportion of women in the Board to 33% in 2025. The Board maintains this target.

Other management levels consists of 15 members. At the end of 2023, the gender distribution was 33% women and 67% men, which is the same level as last year.

Columbus will continue to focus on increasing the proportion of women at other management levels and will work towards a target of minimum 40% female managers in the Danish company Columbus A/S towards 2027.

Initiatives in 2023 with the aim to increase the proportion of women at other management levels:

- Implemented a candidate NPS survey, which supports us in getting feedback on our recruitment process from a DE&I perspective.
- Introduced a new D&I course.
- Included questions related to DE&I in our global employee survey in order to monitor our work climate.
- Launched a network for women in Columbus.
- Launched a new career framework to make it visible to employees how they can advance or develop in the organization.
- When hiring for a position externally, whenever possible, at least one female candidate must be identified.

Initiatives implemented in 2023 and initiatives planned for 2024 to increase the proportion of women are described in further detail in the Sustainability Report and the DE&I policy.

**Global targets**

Columbus' Sustainability Strategy includes a diversity program and a target of reaching a gender distribution of 40% women and 60% men in 2027 globally in Columbus.

At the end of 2023, the proportion of women globally in Columbus was 30%, slightly declining from 31% at the end of 2022, primarily due to the acquisition of ICY Security, with a gender distribution of 83% men and 17% women. Excluding ICY, we would have been at the same level as last year.

The proportion of women across all management levels globally in Columbus was 28%, which is the same level as at the end of 2022.

Further development of initiatives to reach the target will continue during 2024. We expect that our initiatives will start showing results during 2024.

**Reporting in accordance with Section 107d of the Danish Financial Statements Act**

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

So far Columbus has not found it relevant with specific diversity targets, besides gender distribution, for the Group Management, since the Company, due to its global structure, already has a high diversity in terms of nationality, age and educational background in its Business Unit management. The composition of the Board of Directors is considered appropriate in terms of professional experience and relevant special competencies to perform the tasks of the Board of Directors.

### Data Ethics

The Board of Directors has adopted a Data Ethics Policy and continues to comply with statutory regulations regarding data and privacy protection. The purpose of the Data Ethics Policy is to establish high standards for data processing principles, that Columbus wishes to adhere to, and to emphasize our commitment to a responsible and sustainable use of data, and also to account for a high degree of transparency in our general data collection/use. The policy is reviewed annually.

| **Board of Directors, Columbus A/S** | **2023** |
|---|---|
| Total number of members | 5 |
| Women (%) | 20 |
| Men (%) | 80 |
| Target proportion of female members (%) | 33 |
| Target year | 2025 |

| **Other management level, Columbus A/S** | **2023** |
|---|---|
| Total number of members | 15 |
| Women (%) | 33 |
| Men (%) | 67 |
| Target proportion of female members (%) | 40 |
| Target year | 2027 |

Columbus will periodically review and revise its Data Ethics principles to reflect evolving technologies, the regulatory landscape, stakeholder expectations, and its 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, as much as the creation and collection of data exposes us to a degree of risk, when an analysis is prepared on collected data, and consumers act upon that insight, that action compounds into a new and additional risk for the organization.

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

At Columbus, controlled and sustainable utilization of data is a vital component in data management lifecycle. While Columbus is concentrating its resources on building an ecosystem that is well-connected and can evolve sustainable technologies to define customer needs, Data privacy and security are integral to the future of these services.

In the reporting year, Columbus initiated a process to proactively refresh its risk assessment of data processing systems, to ensure that we continue to uphold our organisational data privacy and processing standards. In addition, the relevant privacy notices and banners underwent an annual revision to reflect current practices and ensure compliance.

Columbus will ensure by means of ongoing and new immersive awareness programs, that the organisation is fully aware of, and committed to respecting data ethics within Columbus. We consequently set high standards for ourselves in terms of our data collection sources, what we do with the data, and how we use them.

Amongst other obligations we will refrain from any comprehensive data collection that might tantamount lead to an act of mass surveillance. Data in Columbus possession is processed and stored in a secure manner, reducing any risk of data breach.

With this 2023 report on Data Ethics, Columbus complies with section 99d of the Danish Financial Statements Act.

## Internal controls and risk management related to financial reporting

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

### Overall control environment

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

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

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

### Risk assessment

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

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

### Control activities and monitoring

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

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

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

### Information and communication

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

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

### Whistleblower function

As part of the risk management, Columbus has established a whistle-blower function for expedient and confidential notification of possible or suspected wrongdoing. At the end 2023, no cases had been reported through the whistle-blower scheme.

### Further information

The statutory report on Corporate Governance for 2023, 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 2023, cf. section 139b of the Danish Companies Act is available at: www.columbusglobal.com/Investors/Remuneration

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

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

# Setting the direction for a better tomorrow

# From strategy to action: Our progress in 2023

2023 marked the year where Columbus put its sustainability ambitions into action. We defined our ESG roadmap, and we took services to market to help customers accelerate their sustainable performance and ESG compliance.

In 2022, we launched a sustainability strategy aimed at contributing to the sustainability agenda by acting responsibly as a global business in relation to ESG while helping our customers accelerate their sustainable performance.

The EU Corporate Sustainability Reporting Directive (CSRD) requires companies to disclose information regarding their environment, social and governance (ESG) performance. For Columbus, CSRD will become effective from the financial year 2024 where the sustainability report will be an integrated part of the annual report.

We have initiated a Double Materiality Assessment to identify material topics for Columbus which will guide us throughout 2024. Thus, becoming compliant with the CSRD requirements prior to reporting on the financial year 2024.

## Sustainability strategy

Columbus' sustainability strategy is built on two streams; an external stream focused on enabling sustainable impact for our customers and an internal stream focused on our own ESG ambitions; Building sustainable operations (E), Growing a diverse and talented culture (S), Ensuring responsible business conduct (G).

## Customers – Enabling sustainable impact

Our ambition is to help our customers accelerate sustainable performance and development by providing digital solutions that promote sustainability, growth, and profitability in their business. In 2023, we took an important step in addressing the challenge for many companies to become compliant with the upcoming CSRD requirements. The challenge for many companies is to get the right data from their ERP system and transform it into ESG metrics to help monitor and report progress. For many companies, this is a manual and tiresome process.

Columbus has developed the framework ESG Data Accelerator which helps our customers take control of their ESG data. The ESG Data Accelerator automates ESG data, enabling companies to follow their sustainability progress in real-time. Thus, being able to act on the data, whilst pulling the right data for ESG reporting.

Another focus is to help customers in our key industries of retail & distribution, food & beverage, manufacturing, and life science to accelerate their sustainable performance.

As these industries all produce physical products, they typically have a high level of greenhouse gas emissions that result from the production, processing, and transportation of products. Having a clear picture of the product journey from raw materials to the point of sale and ensuring that suppliers comply with environmental and social standards is just one example of the increasing requirements from the EU legislation. Columbus can help elevate our customers' supply chain performance with new technologies such as AI and transform demand forecasting and inventory management.

For the food manufacturing industry, Columbus has launched our Resource-efficient Food Manufacturing service where we help customers drive efficiency across their food production. We follow a step-by-step program to get the full picture of how to improve resource efficiency and sustainable manufacturing of the food product.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

## Building sustainable operations

We are committed to reducing our environmental footprint by optimizing our daily operations. As a 100% consultancy company Columbus does not produce any physical products or develop any software solutions. Most of Columbus' CO2 emissions stem from business travel, data centers and the impact of running our offices.

In 2023, we have focused on transitioning the energy mix in our offices over to more renewable energy. Today, 70% of our energy comes from renewable sources. In addition, we are in the process of implementing a company car policy, transitioning all company cars from internal combustion to electric by 2028. We are also working on optimizing our ways of travelling with a new travel policy and guidelines. In 2024, we will restate our baseline to comply with the CSRD requirements.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

## Growing a diverse and talented culture

As a people first company, our ambition is to ensure an inclusive and diverse working environment which is engaging with meaningful work, where people can explore and grow.

In 2023, we launched a new career framework to improve personal development and growth. We also implemented a new HR system to support career development that enhances the employee's impact and ensures streamlined processes across our global company.

Regarding diversity, equity and inclusion (DE&I), some of our key initiatives have revolved around adapting our existing processes and policies to increase the perspective on DE&I. In 2023, we have strengthened both our onboarding and offboarding processes with a Candidate NPS and global exit surveys with a particular focus on inclusion. We have also incorporated questions about inclusion and diversity in our annual employee satisfaction survey to help us improve.

Columbus has set a goal of increasing the proportion of women in Columbus, thus aiming for 40% women by 2027. Today, the proportion of women in Columbus is 30%. In 2023, we initiated a range of activities to cater for increased diversity.

We launched a new Diversity & Inclusion course in our Columbus Academy to help gain a better understanding of the significance and impact of D&I. We also applied a new DE&I policy and launched a new network for women in Columbus, named Women Inspirational Network (WIN) to inspire with role models and strengthen women's network.

The new DE&I policy also includes a section covering Human Rights stating that Columbus does not tolerate any kind of discrimination, violence, harassment or bullying of employees and provides a mechanism for reporting and addressing such incidents.

In 2024, we will conduct a human rights impact assessment as part of the sustainability Due Diligence in compliance with the UNGP standard.

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

## Ensuring responsible business conduct

Columbus operates in 10 countries, each with distinctive laws, regulations, and cultures. Therefore, its key for Columbus to ensure that we act with the same level of integrity across our markets and in compliance with the applicable legislation.
Our Code of Conduct is our ethical guideline for business conduct to ensure that we, on a global level, are dedicated to promoting ethical business practices.

In 2023, we adopted an Anti-Bribery and Anti-corruption Policy. The policy will be renewed annually and updated with new initiatives and actions, if relevant.

As a listed Danish company, we access and report on economic activities in accordance with the EU Taxonomy. At the end of the year, we initiated a Double Materiality Assessment to comply with the CSRD requirements, which will become effective for Columbus for the financial year 2024. This will help us prioritize our efforts and focus on the areas where we can make the most significant impact.

Our sustainability focus is anchored at the highest level in Columbus with the Executive Management and the Board of Directors who approve the direction and targets. Our Audit Committee monitors the procedures and performance of our sustainability activities.

It is essential for us that our sustainability initiatives become an integrated part of our organization, not being run as a side-line project with no link to our business. Therefore, we have defined a governance model going forward, with organizational ownership of ESG initiatives and commercial sustainability activities.

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

### Further information

The Sustainability Report 2023 is available at:
www.columbusglobal.com/Investors/CSR

The Anti-Bribery & Anti-Corruption Policy is available at: www.columbusglobal.com/Investors/Polices&Articlesofassociation

# ESG key figures

| ESG key figures overview | 2023 | Unit | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|---|
| **Environment**[1] | | | | | | |
| $CO_2$e, scope 1 (direct GHG emissions) | 133 | $tCO_2$e | 92 | – | – | – |
| $CO_2$e, scope 2 (indirect GHG emissions) | 388 | $tCO_2$e | 154 | – | – | – |
| $CO_2$e, scope 3 (other indirect GHG emissions) | 5,107 | $tCO_2$e | 1,631 | – | – | – |
| **Social** | | | | | | |
| Average full-time employees | 1,568 | FTE | 1,536 | 1,455 | 1,655 | 1,834 |
| Gender diversity | 30%/70% | Female/Male | 31%/69% | 29%/71% | 28%/72% | – |
| Gender diversity for managers, principals and partners | 28%/72% | Female/Male | 28%/72% | 29%/71% | 29%/71% | – |
| Sickness absence | 2.17[2] | % | 2.34 | – | – | – |
| Employee satisfaction | +50 | eNPS | +47 | +40 | +33 | – |
| **Governance** | | | | | | |
| Gender diversity – Board of Directors (BoD) | 20%/80% | f/m | 20%/80% | 25%/75% | 25%/75% | 25%/75% |
| Attendance at the BoD meetings | 100 | % | 100 | 100 | 100 | 100 |
| CEO pay ratio | 1:9 | times | 1:7 | 1:8 | 1:22[3] | 1:9 |

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[1] 2023 figures includes more scopes than 2022. For details see Sustainability report.

[2] Excluding Columbus India, as illness registration cannot be separated from other paid absense.

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

# Corporate Social Responsibility

In Columbus, we are committed to contribute to the UN Sustainable Development Goals. We focus on seven of the 17 SDGs. In 2023, we have taken important steps within all SDG targets.

**Columbus support the UN Global Compact**

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

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

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

**More Information**

Columbus' statutory statement on Corporate Social Responsibility (Sustainability Report) pursuant to section 99a of the Danish Financial Statements Act for the financial year 2023 is available on the company's website at www.columbusglobal.com/Investors/CSR

## Gender equality

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

## Decent work and economic growth

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

## Industry, innovation and infrastructure

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

## Reduce inequalities

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

## Responsible consumption and production

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

## Climate action

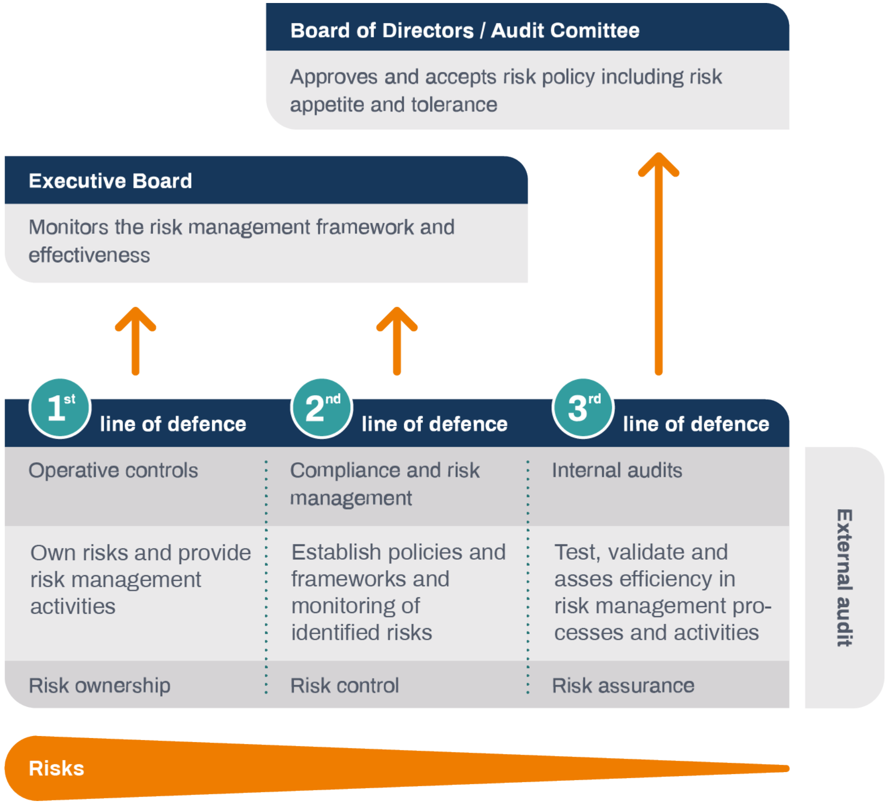
We aim to reduce our environmental footprint globally by improving our daily operation such as flight travel, increase green transportation, recycle our waste and optimize our consumption and energy mix.

## Peace, justice and strong institutions

We ensure responsible business conduct by acting transparently and as a morally accountable company and comply with EU, UN and OECD regulations, such as UDHR and CSRD.

# Risk management

As a global company operating in a continuously changing environment, Columbus is exposed to several commercial, compliance 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, compliance, 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, Compliance 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.

As a stock listed company with operations in serval countries around the world, Columbus is exposed to various regulations from governments and states. Risk such as data storage, environmental regulations, workplace health and safety and corruption are constantly changing and is constantly monitored within our risk framework.

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 40 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<br>**IT, GDPR and cybercrime** | B<br>**Project and contract risks** | C<br>**Employee dependency** | D<br>**Competitive pressure and market changes** | E<br>**Partnership with software providers** |
|---|---|---|---|---|---|
| **Risk** | Key Information Security risks are malicious attacks and security/data incidents leading to breach of Confidentiality, Integrity and Availability of Business Information. Equally significant risk is violation of privacy laws such as GDPR (General Data Protection Regulation) in EU and UK. | 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 & 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 diminishing Columbus' competitive edge.<br>Increased market volatility and a fragile economy situation increase the general risk picture. | Columbus' business is to a wide extent based on implementation and servicing of customer solutions based on third party software and cloud products. Partnerships with our software and cloud providers is of crucial importance to the implementation of Columbus' business strategy. |
| **Impact** | Business disruptions, data loss, contract breach, regulatory implications, and penalties. | 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 a full-time dedicated IT Security and Governance program that designs, steers implementation, monitors compliance, and tests effectiveness of Information Security and Data Protection measures across the organization. In that process, dedicated people, processes, and technological solutions are deployed. Columbus leverages ISO 27001 standard as a baseline for its information security controls program and continuously assesses new risks to the business that may need attention. | Columbus continuously optimizes the project scoping process with standard templates, contracts and include learnings from previous projects. Through project reviews, implemented standard contracts and ongoing analyses before, during, and after initiation, Columbus aims to identify issues and problems before they escalate. This mitigation has lowered during the past years. | Columbus has the goal of being an attractive workplace and achieving 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 to be able to monitor and act. | Columbus is continuously improving and developing new market and industry relevant services and solutions. Market and competitor analysis is a standard part of our management and C-level meetings. A key area of our strategy is to constantly develop our skilled employees to ensure high quality in delivery of projects and services. | Columbus has a long-lasting strategic partnerships with Microsoft and Infor, and is considered one of their main implementation partners. Columbus is continuously in close dialog with our major partners on an ongoing basis. |

# Group overview

| Company | Country | Ownership by Columbus A/S, % | Columbus A/S' share of voting right, % | Average no. of employees 2023 |
|---|---|---|---|---|
| Columbus A/S | Denmark | | | 308 |
| **Subsidiaries** | | | | |
| **Western Europe** | | | | |
| Columbus Norway AS | Norway | 100 | 100 | 181 |
| Columbus Sweden AB | Sweden | 100 | 100 | 438 |
| Columbus Global (UK) Ltd. | England | 100 | 100 | 191 |
| Columbus Deutschland GmbH | Germany | 100 | 100 | 24 |
| ICY Security ApS | Denmark | 100 | 100 | 38 |

| Company | Country | Ownership by Columbus A/S, % | Columbus A/S' share of voting right, % | Average no. of employees 2023 |
|---|---|---|---|---|
| **Eastern Europe** | | | | |
| Columbus Global s.r.o | Czech | 100 | 100 | 37 |
| Columbus Poland Sp.z.o.o. | Poland | 100 | 100 | 48 |
| **North America** | | | | |
| Columbus US Inc. | USA | 100 | 100 | 47 |
| **Asia** | | | | |
| Columbus Global Services India Pvt. Ltd. | India | 100 | 100 | 243 |
| **Rest of world** | | | | |
| Columbus Chile SpA | Chile | 100 | 100 | 13 |

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

# Board of Directors

|  | **Ib Kunøe** | **Sven Madsen** |
|---|---|---|
| **Born** | 1943 | 1964 |
| **Title and position** | Chairman of the board<br>Member of the Board since 2004, re-elected in 2023, term expires 2024 | Deputy Chairman of the board<br>Member of the Board since 2007, re-elected in 2023, term expires 2024<br>CFO in Consolidated Holdings A/S<br>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 |
| **Considered independent** | No | No |
| **Chairman of the board** | Consolidated Holdings A/S, X-Yachts A/S, X-Yachts Marina A/S, CALUM Ballerup K/S, CALUM Åbyhøj K/S, CALUM Værløse K/S, CALUM Bagsværdlund K/S, CALUM Rødovre K/S, Komplementarselskabet Åbyhøj ApS, Komplementarselskabet Værløse ApS, Komplementarselskabet Bagsværdlund ApS, Komplementarselskabet Rødovre ApS and Komplementarselskabet Ballerup ApS | Atea ASA, CHV III ApS, Dansk Emballage A/S |
| **Member of the Board** | Atrium Partner A/S | Consolidated Holdings A/S, core:workers AB, core:workers Holding A/S, X-Yachts A/S, X-Yachts Marina 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 2023** | 450,000 | 948,529 |
| **Changes in fiscal year, shares** | 0 | 0 |

| | **Peter Skov Hansen** | **Karina Kirk Ringsted** |
|---|---|---|
| **Born** | 1951 | 1971 |
| **Title and position** | Member of the Board since 2012, re-elected in 2023, term expires 2024<br>Chair of the Audit Committee | Member of the Board since 2018, re-elected in 2023, term expires 2024<br>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) from CBS, NYU Stern School of Business, MBA selected classes (1994), Executive, Board Leadership and Governance (2017) |
| **Considered independent** | Yes | Yes |
| **Chairman of the board** | - | – |
| **Member of the Board** | X-Yachts A/S | Ringsted Olie A/S and BRO Kommunikation 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 2023** | 280,000 | 45,000 |
| **Changes in fiscal year, shares** | 0 | 0 |

**Per Ove Kogut**

| | |
|---|---|
| **Born** | 1964 |
| **Title and position** | Member of the Board since 2022, term expires 2024 |
| **Education** | Master, Public Administration & IT science from the University of Copenhagen |
| **Considered independent** | Yes |
| **Chairman of the board** | Digital Hub Denmark, Epista life science A/S |
| **Member of the Board** | Loyal Solutions A/S and Automize A/S |
| **Special competencies** | General management, management of consulting companies, market and customer leadership and business development. |
| **No. of shares 31 Dec 2023** | 0 |
| **Changes in fiscal year, shares** | 0 |

# Executive Board


|  | **Søren Krogh Knudsen** | **Brian Iversen** |
|---|---|---|
| **Born** | 1974 | 1969 |
| **Title and position** | CEO & President<br>Joined in June 2021 | CFO<br>Joined in October 2022 |
| **Education** | Holds an executive MBA in Business Administration, economics and an Academy Profession Degree in Financial Management. | Holds an MBA from Henley University in the UK and a Graduate Diploma in Finance & Accounting. |
| **Chairman of the board** | - | - |
| **Special competencies** | General management, technology-driven transformation programs, turnarounds and growth strategies | Leading, optimizing and developing global finance operations, implementing strategic programs, M&A's and improving business performance. |
| **No. of shares 31 Dec 2023** | 494,658 | 0 |
| **Changes in fiscal year, shares** | 0 | 0 |
| **Total no. of warrants 1 Jan 2023** | 999,999 | 0 |
| **No. of warrants exercised in 2023** | 0 | 0 |
| **No. of warrants granted in 2023** | 0 | 450,000 |
| **Total no. of warrants 31 Dec 2023** | 999,999 | 450,000 |

# Shareholder information

## Share capital

At the end of 2023 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 (2022: 129,276,264 shares at DKK 1.25 corresponding to nominal share capital of DKK 161,595,330).

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

## Share development

At the end of 2023, the price of the Columbus A/S share was DKK 7.10, while at the end of 2022 it was DKK 6.29 – an increase of 12.90% (2022: -33.96%) [1].

In 2023, a total of 14m shares were traded corresponding to 10.9% of the total number of shares at the end of 2023 (2022: 12.4%). The average trade per business day in 2023 was DKK 0.34m (2022: DKK 0.5m)[1].

The Company's market value amounted to DKK 917.9m at the end of 2023 against DKK 813.1m at the end of 2022.

## Shareholders

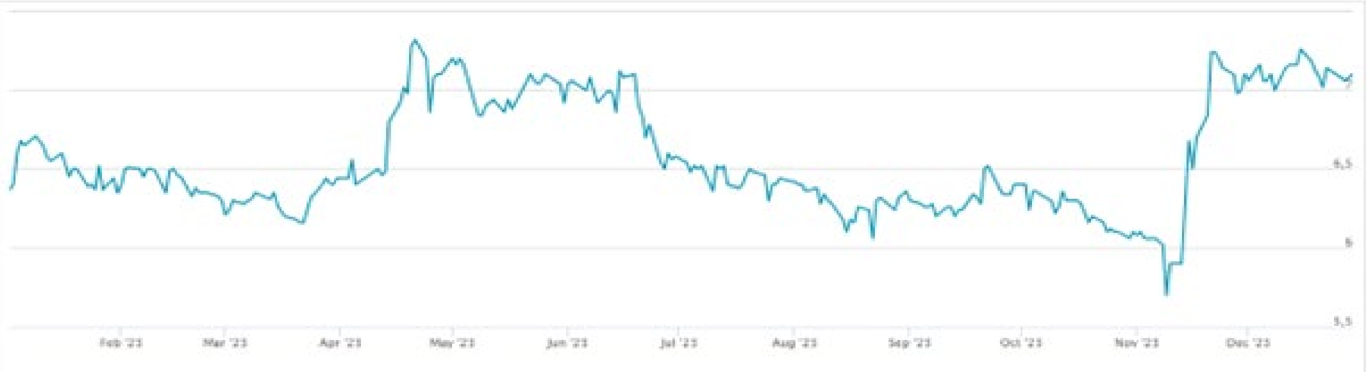
At the end of 2023 Columbus A/S had 6,931 registered shareholders, who together owned 96.74% of the total share capital.

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

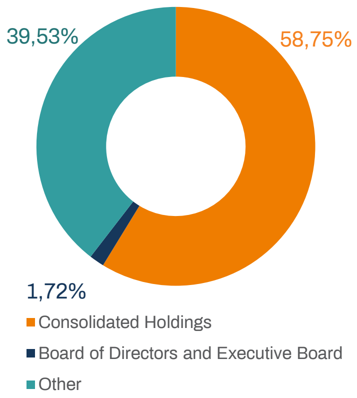
| | No. of shares | % |
|---|---|---|
| Consolidated Holdings A/S | 75,946,715 | 58.75 |
| Ib Kunøe | 450,000 | 0.35 |
| | 76,396,715 | 59.10* |

* Due to shareholder voting agreements, Consolidated Holdings A/S holds 62.20% of the voting rights.

### Share price development in 2023[1]:



### Shareholders (13 March 2024)



| Financial calendar 2024 | |
|---|---|
| Annual Report 2023 | 13 March 2024 |
| Annual General Meeting | 25 April 2024 |
| Interim Report Q1 2024 | 8 May 2024 |
| Interim Report Q2 2024 | 22 August 2024 |
| Interim Report Q3 2024 | 6 November 2024 |

| 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 | Small Cap |
| Share price at year-end | DKK 7.10 |

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[1] Source: Nasdaq Copenhagen A/S

Members of Columbus A/S' Board of Directors and Executive Board owned in total 60.47% of the share capital at the end of 2023.

### Dividend

The Company's dividend policy is to distribute a 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 continuously 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: www.columbusglobal.com/Ivestors/Subscribefornews

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

Announcements to Nasdaq Copenhagen in 2023 can be found at the Company's Investor site: www.columbusglobal.com/Investors/Announcements.

### Contact

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

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

Columbus
Lautrupvang 6
2750 Ballerup
Tel: +45 7020 5000

### General Meeting

The Company's Annual General Meeting will be held on:
25 April 2024 at 10.00 a.m.
on the Company's address at:
Lautrupvang 6, 2750 Ballerup.

# Financial statements

# Statement of comprehensive income

| | | Group | | Parent Company | |
|---|---|---|---|---|---|
| DKK ´000 | Note | **2023** | 2022 | **2023** | 2022 |
| Net revenue | 3 | 1,539,955 | 1,389,434 | 393,148 | 346,153 |
| External project costs | | -168,716 | -135,350 | -48,989 | -68,916 |
| **Gross profit** | | **1,371,239** | **1,254,084** | **344,159** | **277,237** |
| Staff expenses and remuneration | 4 | -1,102,820 | -1,036,275 | -283,319 | -251,164 |
| Other external costs | | -154,359 | -144,090 | -70,110 | -60,929 |
| Other operating income | 6 | 3,474 | 18,111 | 57,433 | 55,267 |
| **EBITDA** | | **117,534** | **91,830** | **48,163** | **20,411** |
| Depreciation, amortization and impairment | 5 | -57,446 | -56,695 | -21,155 | -19,369 |
| **Operating profit (EBIT)** | | **60,088** | **35,135** | **27,008** | **1,042** |
| Financial income | 7 | 2,818 | 2,909 | 26,727 | 67,439 |
| Financial expenses | 7 | -23,568 | -5,956 | -14,655 | -5,090 |
| **Profit before tax from continuing operations** | | **39,338** | **32,088** | **39,080** | **63,391** |
| Corporate tax | 8 | -15,576 | -2,185 | -6,465 | -3,064 |
| **Profit after tax from continuing operations** | | **23,762** | **29,903** | **32,615** | **60,327** |
| **Profit (loss) after tax from discontinued operations** | 27 | **3,127** | **-41,216** | **1,172** | **-35,209** |
| **Profit (loss) after tax for the period** | | **26,889** | **-11,313** | **33,787** | **25,118** |

| | | Group | | Parent Company | |
|---|---|---|---|---|---|
| DKK ´000 | Note | **2023** | 2022 | **2023** | 2022 |
| Items that may be reclassified subsequently to profit and loss: | | | | | |
| Foreign exchange adjustments of subsidiaries | | -910 | -8,201 | 0 | 0 |
| **Other comprehensive income** | | **-910** | **-8,201** | **0** | **0** |
| **Total comprehensive income for the period** | | **25,979** | **-19,514** | **33,787** | **25,118** |
| Profit (loss) after tax allocated to: | | | | | |
| Shareholders in Columbus A/S | | 26,889 | -11,313 | | |
| Minority interests | | 0 | 0 | | |
| | | **26,889** | **-11,313** | | |
| Total comprehensive income allocated to: | | | | | |
| Shareholders in Columbus A/S | | 25,979 | -19,514 | | |
| Minority interests | | 0 | 0 | | |
| | | **25,979** | **-19,514** | | |
| Earnings per share of DKK 1.25 (EPS) | | 0.21 | -0.09 | | |
| Earnings per share of DKK 1.25, diluted (EPS-D) | | 0.21 | -0.09 | | |

# Balance sheet

| | | Group | | Parent Company | |
|---|---|---|---|---|---|
| DKK ´000 | Note | **2023** | 2022 | **2023** | 2022 |
| **ASSETS** | | | | | |
| Goodwill | 10 | 654,243 | 603,299 | 131,656 | 131,656 |
| Customer base | 10 | 14,392 | 17,430 | 0 | 0 |
| Internal applications | 10 | 44,869 | 51,029 | 44,869 | 51,029 |
| Development projects finalized | 10 | 638 | 1,650 | 188 | 685 |
| Property, plant and equipment | 11 | 13,890 | 12,349 | 1,713 | 1,869 |
| Right-of-use assets | 12 | 82,328 | 65,316 | 17,353 | 11,880 |
| Investments in subsidiaries | 13 | 0 | 0 | 782,431 | 730,438 |
| Deferred tax assets | 8 | 22,740 | 28,640 | 0 | 1,883 |
| Other receivables | | 19,342 | 16,509 | 10,071 | 12,143 |
| **Total non-current assets** | | **852,442** | **796,222** | **988,281** | **941,583** |
| Trade receivables | 14 | 293,906 | 254,800 | 63,182 | 47,723 |
| Contract assets | 15 | 9,065 | 5,822 | 1,375 | 229 |
| Receivables from subsidiaries | | 0 | 0 | 82,611 | 69,202 |
| Corporate tax receivables | 8 | 2,049 | 2,254 | 0 | 0 |
| Other receivables | | 13,709 | 12,930 | 9,740 | 8,759 |
| Receivables from divestment of activities | 28 | 57,322 | 59,264 | 0 | 0 |
| Prepayments | | 31,089 | 19,868 | 13,745 | 8,801 |
| **Receivables** | | **407,140** | **354,938** | **170,653** | **134,714** |
| Cash | | 38,269 | 32,787 | 602 | 0 |
| **Total current assets** | | **445,409** | **387,725** | **171,255** | **134,714** |
| **TOTAL ASSETS** | | **1,297,851** | **1,183,947** | **1,159,536** | **1,076,297** |

| | | Group | | Parent Company | |
|---|---|---|---|---|---|
| DKK ´000 | Note | **2023** | 2022 | **2023** | 2022 |
| **EQUITY AND LIABILITIES** | | | | | |
| Share capital | 16 | 161,595 | 161,595 | 161,595 | 161,595 |
| Reserves on foreign currency translation | | -68,553 | -67,643 | 0 | 0 |
| Reserve to development costs | | 0 | 0 | 35,145 | 40,337 |
| Retained profit | | 623,787 | 612,453 | 628,597 | 605,173 |
| **Equity** | | **716,829** | **706,405** | **825,337** | **807,105** |
| Deferred tax | 8 | 5,771 | 2,852 | 4,168 | 0 |
| Other provisions | | 829 | 866 | 829 | 866 |
| Contingent consideration | 17 | 16,961 | 0 | 16,961 | 0 |
| Debt to credit institutions | | 116,000 | 76,000 | 116,000 | 76,000 |
| Lease liability right-of-use assets | 18 | 60,687 | 40,796 | 12,468 | 6,372 |
| **Non-current liabilities** | | **200,248** | **120,514** | **150,426** | **83,238** |
| Debt to credit institutions | | 36,297 | 52,335 | 36,314 | 75,094 |
| Debt to subsidiaries | | 0 | 0 | 58,651 | 40,746 |
| Contract liabilities | 15 | 8,241 | 9,960 | 2,752 | 2,210 |
| Trade payables | | 60,666 | 64,926 | 20,249 | 23,319 |
| Corporate tax payables | 8 | 1,848 | 1,426 | 0 | 0 |
| Other payables | 19 | 217,938 | 164,557 | 54,414 | 33,202 |
| Accruals and deferred income | | 31,755 | 36,898 | 5,833 | 5,182 |
| Lease liability right-of-use assets | 18 | 24,029 | 26,926 | 5,560 | 6,201 |
| **Current liabilities** | | **380,774** | **357,028** | **183,773** | **185,954** |
| **Total liabilities** | | **581,022** | **477,542** | **334,199** | **269,192** |
| **TOTAL EQUITY AND LIABILITIES** | | **1,297,851** | **1,183,947** | **1,159,536** | **1,076,297** |

# Statement of changes in equity - Group

| DKK ´000 | Share capital | Reserves on foreign currency translation | Retained profits | Equity |
|---|---|---|---|---|
| **2023** | | | | |
| **Balance at 1 Jan 2023** | **161,595** | **-67,643** | **612,453** | **706,405** |
| Profit after tax | 0 | 0 | 26,889 | 26,889 |
| Currency adjustments of investments in subsidiaries | 0 | -910 | 0 | -910 |
| **Total comprehensive income** | **0** | **-910** | **26,889** | **25,979** |
| Share-based payment | 0 | 0 | 605 | 605 |
| Payment of dividend | 0 | 0 | -16,160 | -16,160 |
| **Balance at 31 Dec 2023** | **161,595** | **-68,553** | **623,787** | **716,829** |

At the Annual General Meeting held on 24 April 2023, Columbus adopted a dividend of DKK 0.125 per share.

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

**Accounting policies**

Dividend

Proposed dividends are recognized as a liability at the time of approval by the General Meeting (time of declaration).

Translation reserve

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

# Statement of changes in equity – Parent company

| DKK ´000 | Share capital | Reserve to develop-ment costs | Retained profits | Equity |
|---|---|---|---|---|
| **2023** | | | | |
| **Balance at 1 Jan 2023** | **161,595** | **40,337** | **605,173** | **807,105** |
| Profit after tax | 0 | 0 | 33,787 | 33,787 |
| **Total comprehensive income** | **0** | **0** | **33,787** | **33,787** |
| Share-based payment cf. note 4 | 0 | 0 | 605 | 605 |
| Payment of dividend | 0 | 0 | -16,160 | -16,160 |
| Development costs | 0 | -5,192 | 5,192 | 0 |
| **Balance at 31 Dec 2023** | **161,595** | **35,145** | **628,597** | **825,337** |

At the Annual General Meeting held on 24 April 2023, Columbus adopted a dividend of DKK 0.125 per share.

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

# Cash flow

| | | Group | | Parent Company | |
|---|---|---|---|---|---|
| DKK ´000 | Note | 2023 | 2022 | 2023 | 2022 |
| Operating profit (EBIT) | | 60,088 | 35,135 | 27,008 | 1,042 |
| Non-recurring income and expenses from acquisitions | | -3,104 | 0 | -3,104 | 0 |
| Depreciation, amortization and impairment | 5 | 57,446 | 56,695 | 21,155 | 19,369 |
| Cost of incentive scheme | | 605 | 1,099 | 605 | 1,099 |
| Changes in net working capital | 25 | -21,025 | -61,086 | 1,947 | -83,604 |
| **Cash flow from primary activities** | | **94,010** | **31,843** | **47,611** | **-62,094** |
| Interest received, etc. | | 2,423 | 648 | 6,761 | 3,202 |
| Interest paid, etc. | | -11,776 | -5,956 | -12,616 | -5,109 |
| Corporate tax paid | | -7,703 | -169 | -415 | -1,062 |
| Cash flow from operating activities discontinued operations | 27 | 0 | 1,065 | 0 | 0 |
| **Cash flow from operating activities** | | **76,954** | **27,431** | **41,341** | **-65,063** |
| Acquisition of tangible assets | | -7,888 | -8,239 | -951 | -1,010 |
| Acquisition of intangible assets | | -7,095 | -15,823 | -7,095 | -15,823 |
| Disposal of tangible assets | | 7 | 258 | 0 | 50 |
| Payments for Financial assets | | 1,864 | 0 | 1,864 | 0 |
| Acquisition of activities | | -35,895 | -5,415 | -34,045 | -5,415 |
| Disposal of activities | 28 | 1,927 | -8,768 | 1,172 | 1,603 |
| Dividends received from subsidiaries | | 0 | 0 | 16,204 | 55,073 |
| **Cash flow from investing activities** | | **-47,080** | **-37,987** | **-22,851** | **34,478** |
| Proceeds from borrowings | | 40,000 | 0 | 40,000 | 0 |
| Overdraft facilities | | -12,533 | 33,324 | -38,780 | 41,336 |
| Repayment of lease liabilities | | -27,201 | -30,770 | -6,316 | -6,246 |
| Dividends paid | | -16,160 | -16,160 | -16,160 | -16,160 |
| Cash flow from financing activities discontinued operations | 27 | 0 | -326 | 0 | 0 |
| **Cash flow from financing activities** | | **-15,894** | **-13,932** | **-21,256** | **18,930** |
| **Total net change in cash and cash equivalents** | | **13,980** | **-24,488** | **-2,766** | **-11,655** |
| Cash funds at the beginning of the period | | 32,787 | 62,943 | 0 | 2,491 |
| Exchange rate adjustments | | -8,498 | -5,668 | 3,368 | 9,164 |
| **Cash funds at the end of the period** | | **38,269** | **32,787** | **602** | **0** |

*Comparative figures for parent company 2022 have been adjusted due to misstatement in change in net working capital and overdraft facilities. Change in net working capital has been adjusted from DKK -23,074k to DKK -83,604k. Overdraft facilities have been adjusted from DKK -19,194k to DKK 41,336k. The adjustment has not impacted to total net change in cash and cash equivalents. The correction has further impacted Note 25 – Change in net working capital and Note 26 – Cash flow from financing activities.

**Accounting policies**

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

**Cash flow from operating activities**

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

**Cash flow from investment activities**

Cash flow from investment activities comprises 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 comprises 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.

# Notes

# Notes

## Note 1 – Significant accounting principles

The financial statements for 2023 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 IFRS accounting standards 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 Company.

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

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

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

**Principles of consolidation**
The consolidated financial statements are prepared based on financial reporting for Columbus A/S and entities controlled by Columbus A/S. Control exists when Columbus has effective power over the entity and has the right to variable returns from the entity. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal. The consolidated financial statements are prepared by combining financial statements uniform items. The financial reporting that is used for the consolidation is prepared in accordance with the Group's accounting policies.

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

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

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

**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 value in use. For cash-generating units, the impairment is firstly distributed on goodwill, and then any remaining impairment is distributed to other assets in the unit.

# Notes

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

### The effect of amended accounting standards

All amended standards, which entered into force with effect from fiscal periods beginning at 1 January 2023, and interpretations that are relevant to the Columbus Group are used in preparing the financial statements. Columbus Group has assessed that the amended standards and interpretations have not had any material impact on Columbus Annual Report 2023.

### New standards and interpretations effective from 2023

All new and revised standards, which entered into force with effect from fiscal periods beginning at 1 January 2023, 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 2023.

IASB has also issued new and amended standards and interpretations which have not yet been effective and therefore also not yet been implemented in the consolidated financial statements for 2023. Columbus expects to implement these new standards and amendments when they take effect and become mandatory. None of the new standards and amendments issued are expected to have any significant impact on the consolidated financial statement when implemented.

### External project costs

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

### Other external costs

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

### Prepayments

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

### Deferred income

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

# Notes

## Note 2 – Material accounting estimates and judgements

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

The performed estimates and judgements are based on historical experience and other factors that management considers reasonable under the circumstances, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. The Company is also subject to risks and uncertainties that may cause actual results to differ from these estimates. Specific risks for the Columbus Group are described in "Risk Management", cf. page 47.

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 |
| Contingent considerations | 21 |
| Receivables from divestment of activities | 28 |

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

The following judgements and estimates are considered as the most material 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 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 2023, the carrying value of recognized tax was DKK 16,969k, which is estimated to be realized in the foreseeable future (5 years or less), see note 8.

**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 an appropriate discount rate. On 31 December 2023, the carrying value of goodwill is DKK 654,243k. 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 2023, the carrying value of internal applications is DKK 44,869k. For a more detailed description of methods and assumptions related to recognition of internal applications, see note 10.

**Contingent consideration**
The contingent consideration on the balance sheet pertains to an earn-out agreement associated with the acquisition of ICY Security in April 2023. This earn-out agreement is divided into three distinct target periods, with measurements based on revenue achieved and contribution from the business line. The actual earn-out amount, which depends on future performance, involves a significant estimate related to the business's performance. To estimate the most likely performance and consequent earn-out achievement, management takes into account the current budgets for the upcoming year, as well as long-term expectations and plans. As of 31 December 2023, the fair value of the contingent consideration on the balance sheet stands at DKK 16,961k. For additional information on the earn-out agreement, please refer to note 21.

**Receivables from divestment of activities**
Please refer to note 28 for more information.

# Notes

## Note 3 – Segment data

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

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

Management monitors the business, primarily based on the Business Lines and secondarily on the geographical segments. Information about the Group's Business Lines is stated below.

Along with the Focus23 strategy, the Group has transformed its operations into a global operating model, with the strategic Business Lines becoming the primary driver for decision-making. Previously, Columbus used geography to divide each segment. Markets are now a secondary driver and only used for assessing market strategies and maintaining customer relations.

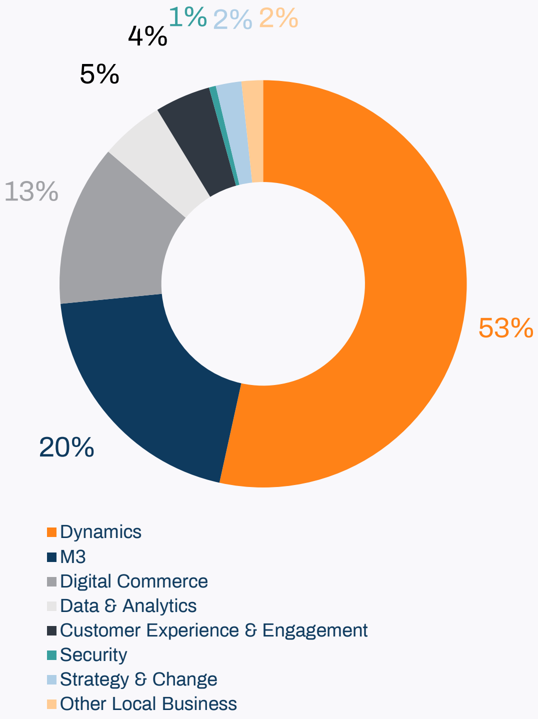
The Business Lines relate to the type of services and products that are delivered, and comprise of Dynamics, M3, Digital Commerce, Data & Analytics, Customer Experience & Engagement, Security and Strategy & Change. The remaining revenue which does not fall into any of the above-mentioned Business Lines, is classified as Other Local Business.

Market Units comprise of significant geographical markets that the Group operates in. Management uses the Market Units to assess market conditions and performance on revenue only.

The operating segments are measured from revenue to contribution, as this represents the significant part of the operation of the segments. The balance sheet is measured for legal entities only.

Cost related to functions necessary to support the business is classified as Enabling Functions and comprise of all cost not directly related to a specific Business Line, including costs related to facility, marketing, finance, people, legal and management. Enabling Functions mostly operate as global teams, servicing across Business Line and geography.

### Business Lines revenue split 2023



# Notes

## Note 3 – Segment data continued

| DKK ´000 | Services | Products | **Total revenue** | Direct costs | **Contribution** | **CM %** |
|---|---|---|---|---|---|---|
| **2023** | | | | | | |
| Dynamics | 778,901 | 44,151 | **823,052** | -598,198 | **224,854** | **27.3%** |
| M3 | 301,472 | 6,362 | **307,834** | -247,591 | **60,243** | **19.6%** |
| Digital Commerce | 195,418 | 1,820 | **197,238** | -163,584 | **33,654** | **17.1%** |
| Data & Analytics | 77,233 | 658 | **77,891** | -64,991 | **12,900** | **16.6%** |
| Customer Experience & Engagement | 67,248 | 700 | **67,948** | -59,006 | **8,942** | **13.2%** |
| Security | 29,538 | 1,757 | **31,295** | -36,083 | **-4,788** | **-15.3%** |
| Strategy & Change | 8,389 | 0 | **8,389** | -17,446 | **-9,057** | **-108.0%** |
| Other Local Business | 16,857 | 9,451 | **26,308** | -16,245 | **10,063** | **38.3%** |
| **Total** | **1,475,056** | **64,899** | **1,539,955** | **-1,203,144** | **336,811** | **21.9%** |
| Enabling Functions | | | | | **-219,277** | |
| **EBITDA** | | | | | **117,534** | |

| DKK ´000 | Services | Products | **Total revenue** | Direct costs | **Contribution** | **CM %** |
|---|---|---|---|---|---|---|
| **2022** | | | | | | |
| Dynamics | 693,988 | 49,149 | **743,137** | -546,600 | **196,537** | **26.4%** |
| M3 | 303,231 | 10,455 | **313,686** | -251,546 | **62,140** | **19.8%** |
| Digital Commerce | 192,262 | 1,751 | **194,013** | -158,349 | **35,664** | **18.4%** |
| Data & Analytics | 59,653 | 690 | **60,343** | -53,391 | **6,952** | **11.5%** |
| Customer Experience & Engagement | 45,179 | 876 | **46,055** | -44,367 | **1,688** | **3.7%** |
| Strategy & Change | 6,513 | 0 | **6,513** | -11,905 | **-5,392** | **-82.8%** |
| Other Local Business | 16,216 | 9,471 | **25,687** | -17,032 | **8,655** | **33.7%** |
| **Total** | **1,317,042** | **72,392** | **1,389,434** | **-1,083,190** | **306,244** | **22.0%** |
| Enabling Functions | | | | | **-214,414** | |
| **EBITDA** | | | | | **91,830** | |

### Development in Business Lines

All comments relating to the growth of the Business Lines have been described in the management commentary under the financial review.

Reconciliation between EBITDA and Profit before tax is shown in the comprehensive income statement.

### Introducing our new strategic Business Line Security

In response to the growing demand for robust security solutions in the market, we have expanded our offerings to address the evolving needs of our customers.

In a constant changing world, we have observed a significant surge in demand for security related products and services across various industries. The rise in cybersecurity threats, data breaches, and the need for advanced physical security measures have prompted businesses to seek reliable partners in fortifying their defences.

By introducing our Security Business Line we are aiming to help both new and existing clients with their PAM and IAM security. By leveraging cutting edge technologies, a dedicated team of experts, and a commitment to excellence, we have already garnered positive feedback from early adopters. Customers have lauded our comprehensive approach to security, which encompasses from state-of-the-art software solutions.

# Notes

## Note 3 – Segment data continued

| DKK ´000 | Sweden | Denmark | Norway | UK | US | Other | GDC | Eliminations | Total |
|---|---|---|---|---|---|---|---|---|---|
| **2023** | | | | | | | | | |
| Sale of services | 557,072 | 331,809 | 234,391 | 229,317 | 82,608 | 35,531 | 4,328 | 0 | **1,475,056** |
| Sale of products | 24,212 | 19,400 | 6,910 | 10,071 | 4,306 | 0 | 0 | 0 | **64,899** |
| **Total revenue from own markets** | **581,284** | **351,209** | **241,301** | **239,388** | **86,914** | **35,531** | **4,328** | **0** | **1,539,955** |
| Total revenue from group companies | 45,266 | 73,665 | 13,280 | 12,379 | 6,157 | 6,621 | 108,220 | -265,588 | 0 |
| **Total revenue** | **626,550** | **424,874** | **254,581** | **251,767** | **93,071** | **42,152** | **112,548** | **-265,588** | **1,539,955** |
| **Average number of FTE** | **438** | **346** | **181** | **191** | **47** | **37** | **328** | **0** | **1,568** |
| **Non-current assets** | **357,064** | **263,652** | **57,574** | **45,128** | **22,980** | **64,838** | **18,466** | **0** | **829,702** |
| **2022** | | | | | | | | | |
| Sale of services | 525,024 | 252,862 | 262,271 | 159,916 | 80,284 | 32,337 | 4,348 | 0 | **1,317,042** |
| Sale of products | 25,168 | 20,412 | 9,019 | 12,880 | 4,913 | 0 | 0 | 0 | **72,392** |
| **Total revenue from own markets** | **550,192** | **273,274** | **271,290** | **172,796** | **85,197** | **32,337** | **4,348** | **0** | **1,389,434** |
| Total revenue from group companies | 52,462 | 72,879 | 11,599 | 15,996 | 2,073 | 3,032 | 103,587 | -261,628 | **0** |
| **Total revenue** | **602,654** | **346,153** | **282,889** | **188,792** | **87,270** | **35,369** | **107,935** | **-261,628** | **1,389,434** |
| **Average number of FTE** | **426** | **294** | **173** | **188** | **60** | **34** | **361** | **0** | **1,536** |
| **Non-current assets** | **349,453** | **209,261** | **62,788** | **46,281** | **24,638** | **60,741** | **14,420** | **0** | **767,582** |

# Notes

## Note 3 – Segment data continued

| Average FTE | 2023 | 2022 |
|---|---|---|
| **Business Line** | | |
| Dynamics | 639 | 635 |
| M3 | 265 | 270 |
| Digital Commerce | 216 | 209 |
| Data & Analytics | 87 | 76 |
| Customer Experience & Engagement | 70 | 62 |
| Security | 36 | 0 |
| Strategy & Change | 14 | 11 |
| Other Local Business | 29 | 39 |
| **Business Line average number of FTE** | **1,356** | **1,302** |
| Enabling Functions | 212 | 234 |
| **Average number of FTE** | **1,568** | **1,536** |

### Accounting policies

Due to the changes in our reporting to the Executive Board, two new performance measures have been introduced in 2023.

**Direct costs**
Direct costs comprise all costs directly related to a given Business Line. This includes subcontractor costs, staff costs for consultants, sales personnel as well as management for the given Business Line, other external costs and other operating income and expenses.

**Contribution and contribution margin (CM)**
The contribution is comprising revenue for the given Business Line deducted all direct costs for the given Business Line. Contribution margin is calculated as contribution divided by total revenue.

**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 primarily enters contracts which span over a longer period. Revenue is recognized on an ongoing basis since the product delivered is generally not usable for Columbus in other circumstances. Additionally, the asset is under control of the customer, and Columbus has the right to payment for work performed according to the contract.

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

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

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

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

# Notes

### External licenses

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

### External subscriptions

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

### External cloud

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

### Services/other

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

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

# Notes

## Note 4 – Staff expenses and remuneration

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK ´000 | **2023** | 2022 | **2023** | 2022 |
| Staff expenses | | | | |
| Salary and wages | 944,367 | 865,700 | 277,783 | 241,183 |
| Other social security costs | 130,749 | 137,720 | 2,261 | 2,956 |
| Other staff expenses | 27,099 | 31,756 | 2,670 | 5,926 |
| Share-based payment | 605 | 1,099 | 605 | 1,099 |
| **Total staff expenses** | **1,102,820** | **1,036,275** | **283,319** | **251,164** |
| Average number of FTEs | 1,568 | 1,536 | 308 | 294 |

The key management in the Group are remunerated as follows:

| DKK ´000 | Executive Board | Board of Directors | **Total Executive Management** | Other senior employees |
|---|---|---|---|---|
| **2023** | | | | |
| Salary and wages | 8,795 | 1,163 | 9,958 | 17,382 |
| Share-based payment | 605 | 0 | 605 | 0 |
| Severance pay | 0 | 0 | 0 | 0 |
| | **9,400** | **1,163** | **10,563** | **17,382** |
| **2022** | | | | |
| Salary and wages | 6,932 | 1,163 | 8,095 | 15,474* |
| Share-based payment | 813 | 0 | 813 | 37 |
| Severance pay | 1,628 | 0 | 1,628 | 0 |
| | **9,373** | **1,163** | **10,536** | **15,511** |

*In the 2022 annual report, the salary amount for other senior employees was incorrectly reported as DKK 12.8m, the correct amount was DKK 15.5m which is corrected in the 2023 report.

Other senior employees are defined as those employees involved in management of the parent company, as well as the Managing Directors of the parent company's subsidiaries. The remuneration to other senior employees is DKK 1.8m higher than 2022, due to one new employee, two employees who started in the middle of 2022 and now receive a full year salary as well as general increase in salaries.

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

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

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

In April 2023 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 2026. At the grant date the fair value of the warrants was DKK 589,500. 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 do 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 | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| Outstanding 1 January | 2,817,499 | 3,215,799 | 9.75 | 9.73 |
| Granted during the period | 450,000 | 0 | 6.45 | 0.00 |
| Lost due to termination of employment | 0 | -398,300 | 0.00 | 9.61 |
| Expired during the period | -1,517,500 | 0 | 8.99 | 0.00 |
| **Outstanding end of period** | **1,749,999** | **2,817,499** | **9.56** | **9.75** |

| | | |
|---|---|---|
| Number of warrants which can be exercised at balance sheet date | 966,666 | 1,338,333 |
| Weighted average contractual life (years) | 1.81 | 1.76 |
| Weighted average exercise rate | 10.63 | 9.58 |

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 2023 | 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 June 2021 | 10.63 | 10.63 | 1,299,999 | 32.8% | -0.50% | 0.30 |
| Granted April 2023 | 6.45 | 6.45 | 450,000 | 25.3% | 2.60% | 2.30 |

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

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK ´000 | **2023** | 2022 | **2023** | 2022 |
| Expensed share-based payment related to equity instruments | 605 | 1,099 | 605 | 1,099 |

### 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 | **2023** | 2022 | **2023** | 2022 |
| Depreciation | 35,324 | 35,814 | 7,404 | 7,245 |
| Amortization | 22,122 | 20,881 | 13,751 | 12,124 |
| **Total depreciation, amortization and impairment** | **57,446** | **56,695** | **21,155** | **19,369** |

## Note 6 – Other operating income

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK ´000 | **2023** | 2022 | **2023** | 2022 |
| Central cost allocation Columbus Group | 0 | 0 | 57,433 | 55,267 |
| Other services | 3,474 | 18,111 | 0 | 0 |
| **Total other operating income** | **3,474** | **18,111** | **57,433** | **55,267** |

Other operating income from other services is primarily related to adjustment of unearned earn out.

### 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 | **2023** | 2022 | **2023** | 2022 |
| **Financial income** | | | | |
| Interest income from subsidiaries | 0 | 0 | 4,935 | 2,741 |
| Interest income on bank deposits, etc. | 2,358 | 18 | 1,821 | 18 |
| Other financial income | 460 | 630 | 397 | 443 |
| **Interest income on financial assets measured at amortised cost** | **2,818** | **648** | **7,153** | **3,202** |
| Dividends from subsidiaries | 0 | 0 | 16,204 | 55,073 |
| Foreign exchange gains (net) | 0 | 2,261 | 3,370 | 9,164 |
| **Total financial income** | **2,818** | **2,909** | **26,727** | **67,439** |
| **Financial expenses** | | | | |
| Interests expense to subsidiaries | 0 | 0 | 3,383 | 2,179 |
| Interest expense on bank loans | 8,539 | 2,763 | 8,535 | 1,455 |
| Interest expense leases, Right-of-use-assets | 3,205 | 1,966 | 685 | 378 |
| Other financial expense | 2,071 | 1,227 | 2,052 | 1,078 |
| **Interest expense from financial liabilities that are measured at amortised cost** | **13,815** | **5,956** | **14,655** | **5,090** |
| Foreign exchange loss (net) | 9,753 | 0 | 0 | 0 |
| **Total financial expenses** | **23,568** | **5,956** | **14,655** | **5,090** |

### 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 | **2023** | 2022 | **2023** | 2022 |
| **Tax on result for the year** | | | | |
| Current tax | 7,097 | 432 | 0 | 0 |
| Change in deferred tax | 285 | 8,625 | 5,195 | 1,973 |
| Withholding tax | 586 | 3,081 | 414 | 1,857 |
| Adjustment to previous years | 7,608 | -9,953 | 856 | -766 |
| **Total tax on result for the year** | **15,576** | **2,185** | **6,465** | **3,064** |
| **Tax on result for the year explained as follows** | | | | |
| Calculated 22% on pre-tax earnings on continuing operations | 8,654 | 7,059 | 8,598 | 13,946 |
| Tax effect of: | | | | |
| Adjustment to tax concerning previous years | 7,608 | -9,953 | 856 | -766 |
| Adjustment to tax rates in foreign subsidiaries relative to 22% | -262 | 268 | 0 | 0 |
| Non-capitalized tax value of losses | 539 | 4,864 | 0 | 0 |
| Withholding tax | -586 | 3,081 | -414 | 1,857 |
| Not taxable income | -262 | -120 | -3,827 | -12,219 |
| Not taxable expenses | 289 | 530 | 136 | 246 |
| Capitalized tax value, current year | 856 | 0 | 0 | 0 |
| Other adjustments | -1,260 | -3,544 | 1,117 | 0 |
| **Total tax on result for the year** | **15,576** | **2,185** | **6,465** | **3,064** |
| **Effective tax rate (%)** | **39.60** | **6.81** | **16.54** | **4.83** |

The effective tax rate in 2023 is high mainly due to an adjustment from previous years.

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK ´000 | **2023** | 2022 | **2023** | 2022 |
| Corporate tax receivable (net) | | | | |
| Balance at 1 January | 828 | 10,870 | 0 | 5,673 |
| Currency adjustment | 23 | -733 | 0 | 0 |
| Adjustment to previous years | 0 | -8,333 | 0 | -4,877 |
| Current tax for the year | -7,097 | -432 | 0 | 0 |
| Tax paid on account for the year | 5,144 | 0 | 0 | 0 |
| Corporate tax paid during the year | 1,349 | -270 | 0 | -796 |
| Disposals due to divestment of activities | 0 | -274 | 0 | 0 |
| Additions from business combinations | -46 | 0 | 0 | 0 |
| **Balance at 31 December** | **201** | **828** | **0** | **0** |
| Corporate tax receivable | 2,049 | 2,254 | 0 | 0 |
| Corporate tax payable | -1,848 | -1,426 | 0 | 0 |
| **Balance at 31 December** | **201** | **828** | **0** | **0** |

# Notes

## Note 8 – Corporate tax (continued)

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK ´000 | **2023** | 2022 | **2023** | 2022 |
| **Deferred tax assets/liabilities (net)** | | | | |
| Balance at 1 January | 25,788 | 17,374 | 1,883 | -1,788 |
| **Deferred tax assets / liabilities 1 January** | **25,788** | **17,374** | **1,883** | **-1,788** |
| Currency adjustments | -886 | -1,747 | 0 | 0 |
| Adjustment to previous years | -7,608 | 18,286 | -856 | 5,644 |
| Additions from business combinations | -40 | 0 | 0 | 0 |
| This year's change in deferred tax | -285 | -8,625 | -5,195 | -1,973 |
| Disposals due to divestment of activities | 0 | 500 | 0 | 0 |
| **Balance at 31 December** | **16,969** | **25,788** | **-4,168** | **1,883** |
| **Deferred tax assets / liabilities relate to** | | | | |
| Intangible assets | -14,710 | -4,324 | -7,002 | -3,105 |
| Tangible assets | 2,680 | 2,990 | 1,871 | 2,377 |
| Current assets | 2,128 | 5,833 | -2,478 | 1,226 |
| Loss carry forward | 26,871 | 21,289 | 3,441 | 1,385 |
| **Balance at 31 December** | **16,969** | **25,788** | **-4,168** | **1,883** |

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

The capitalized loss carry forward primarily relates to the subsidiaries in Sweden and Norway. The Swedish deferred tax asset primarily originates from before the acquisition of iStone in 2018, and is now being recovered by the ordinary operations. The Norwegian subsidiary has incurred the losses over the past two years, primarily due to a slowdown in the market and significant negative impact from the NOK. The group has concluded that the Norwegian deferred tax asset will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the subsidiary.

The Group's non-capitalized tax assets amount to DKK 32m (2022: DKK 34m).

### Accounting policies

Income tax for the year, comprising current tax and movements in deferred tax, is recognized in the statement of comprehensive income by the portion attributable to the profit and directly in equity or in other comprehensive income to the extent that it relates to items recognized directly in equity and in other comprehensive income. Exchange adjustments of deferred tax is recognized as part of the adjustment of deferred tax.

Current tax liabilities and receivables are recognized in the balance sheet as estimated tax on the taxable income, adjusted for prepaid tax.

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

Deferred tax is recognized using the balance sheet liability method on all temporary differences between accounting and tax values of assets and liabilities. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, unless the parent is able to control when the deferred tax is realized, and it is probable that the deferred tax will not crystalize as current tax in the foreseeable future. Deferred tax is calculated based on the expected recovery of each asset and settlement of each liability.

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

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

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

# Notes

## Note 9 – Earnings per share

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

| DKK ´000 | **2023** | 2022 |
|---|---|---|
| Result for the year from continuing operations | 23,762 | 29,903 |
| **Result used for calculating earnings per share from continuing operations, diluted** | **23,762** | **29,903** |
| Result for the year from discontinued operations | 3,127 | -41,216 |
| **Result used for calculating earnings per share, diluted** | **26,889** | **-11,313** |
| Average number of shares listed on NASDAQ Copenhagen (pcs.) | 129,276,264 | 129,276,264 |
| **Number of shares used to calculate earnings per share (pcs.)** | **129,276,264** | **129,276,264** |
| Average dilutive effect on outstanding subscription rights (pcs.) | 9,807 | 0 |
| **Number of shares used to calculate earnings per share, diluted (pcs.)** | **129,286,071** | **129,276,264** |
| Earnings per share from continuing operations of DKK 1.25 (EPS) | 0.18 | 0.23 |
| Earnings per share from continuing operations of DKK 1.25, diluted (EPS-D) | 0.18 | 0.23 |
| Earnings per share from discontinued operations of DKK 1.25 (EPS) | 0.02 | -0.32 |
| Earnings per share from discontinued operations of DKK 1.25, diluted (EPS-D) | 0.02 | -0.32 |
| Earnings per share of DKK 1.25 (EPS) | 0.21 | -0.09 |
| Earnings per share of DKK 1.25, diluted (EPS-D) | 0.21 | -0.09 |

# Notes

## Note 10 – Intangible assets

| DKK ´000 | Goodwill | Customer base | Internal applications | Development projects finalized | **Total** |
|---|---|---|---|---|---|
| **Group 2023** | | | | | |
| Balance at 1 January 2023 | 757,109 | 64,080 | 73,237 | 23,613 | 918,039 |
| Currency translation | -3,277 | -31 | 0 | -210 | -3,518 |
| Additions | 0 | 0 | 7,094 | 0 | 7,094 |
| Additions relating to acquisitions | 51,563 | 5,300 | 0 | 0 | 56,863 |
| Disposal for the year | 0 | -23,452 | 0 | -810 | -24,262 |
| **Balance at 31 December 2023** | **805,395** | **45,897** | **80,331** | **22,593** | **954,216** |
| Amortization at 1 January 2023 | 153,810 | 46,650 | 22,208 | 21,963 | 244,631 |
| Currency translation | -2,658 | 450 | 0 | -209 | -2,417 |
| Amortization | 0 | 7,857 | 13,254 | 1,011 | 22,122 |
| Reversal of amortization | 0 | -23,452 | 0 | -810 | -24,262 |
| **Amortization at 31 December 2023** | **151,152** | **31,505** | **35,462** | **21,955** | **240,074** |
| **Carrying amount at 31 December 2023** | **654,243** | **14,392** | **44,869** | **638** | **714,142** |

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

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

The addition on goodwill and customer base relates to the acquisition of ICY Security cf. note 21.
The addition on internal applications relates to update of a number of the groups internal IT systems.

# Notes

## Note 10 – Intangible assets (continued)

### Goodwill

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

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK ´000 | 2023 | 2022 | 2023 | 2022 |
| **Business Line** | | | | |
| Dynamics | 309,391 | 309,250 | 116,040 | 115,955 |
| M3 | 157,173 | 157,601 | 4,600 | 4,600 |
| Digital Commerce | 107,296 | 106,083 | 692 | 692 |
| Data & Analytics | 16,140 | 16,340 | 10,025 | 10,025 |
| Customer Experience & Engagement | 6,921 | 6,946 | 83 | 83 |
| Strategy & Change | 0 | 1,221 | 0 | 85 |
| Security | 51,562 | 0 | 0 | 0 |
| Other Local Business | 5,760 | 5,858 | 216 | 216 |
| **Total goodwill** | **654,243** | **603,299** | **131,656** | **131,656** |

In 2023 Columbus has redefined its operating segments and concurrently changed the definition of cash-generating units to Business Lines. As a consequence of the redefined operating segments, the goodwill has been allocated to the Business Lines based on Revenue and EBTIDA. The above shown figures therefore have been adjusted with comparative figures.

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 2023 (31 December 2022).
The recoverable amount of goodwill related to the individual cash generating units is calculated based on the Discounted Cash Flows method (DCF).

**Future cash flows**

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

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

The 3-year projection period is based on assumptions for the main revenue stream in Columbus i.e., Consultancy. For the two largest Business Lines who operates within ERP applications, comprising Dynamics an M3, growth rates are generally slightly more modest (8-10%), based on the mature business models. For our strategic Business Lines, comprising of Digital Commerce, Data & Analytics, Customer Experience & Engagement and Security, slightly higher growth rates are applied (8-20%), based on the historic higher growth rate and higher expectations for the future.

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

Columbus is operating in a market where the development has low sensitivity to market development in general and to the development in general IT spending by companies. The management believes that likely changes in the key assumptions will not cause the carrying amount of goodwill to exceed the recoverable amounts. Group management has performed a sensitivity analysis of goodwill impairment tests to show the headroom between carrying amount and the recoverable amounts. The sensitivity analysis focuses 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 11.4% pre-tax (2022: 10.3%). The discount rate has been determined based on the Capital Asset Pricing Model and comprise a risk-free interest rate, the market risk premium and a beta factor, covering systematic market risk and a company premium. The values for the risk-free interest rate, the market risk premium and the beta factor are determined using external sources. The Group applies the same discount rates for all cash generating units, as the risk of the individual cash generating units are reflected in their estimated cash flow.

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

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

# Notes

## Note 10 – Intangible assets (continued)

| DKK ´000 | Goodwill | Customer base | Internal applications | Development projects finalized | Total |
|---|---|---|---|---|---|
| **Parent 2023** | | | | | |
| Balance at 1 January 2023 | 132,640 | 8,250 | 73,238 | 13,667 | 227,795 |
| Additions | 0 | 0 | 7,095 | 0 | 7,095 |
| **Balance at 31 December 2023** | **132,640** | **8,250** | **80,333** | **13,667** | **234,890** |
| Amortization at 1 January 2023 | 984 | 8,250 | 22,209 | 12,982 | 44,425 |
| Amortization | 0 | 0 | 13,255 | 497 | 13,752 |
| **Amortization at 31 December 2023** | **984** | **8,250** | **35,464** | **13,479** | **58,177** |
| **Carrying amount at 31 December 2023** | **131,656** | **0** | **44,869** | **188** | **176,713** |

Internal applications include development projects for internal use with a net carrying amount of DKK 44,869k.

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

Test of impairment of goodwill for the parent company is carried out in a similar approach to the Group. Please refer to disclosure of the Group impairment test for further description.

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

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

# 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.

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# Notes

## Note 11 – Tangible assets

| DKK ´000 | Land and buildings | Leasehold improvements | Fixtures and equipment | Total |
|---|---|---|---|---|
| **Group 2023** | | | | |
| Balance at 1 January 2023 | 91 | 2,708 | 15,647 | 18,446 |
| Foreign currency translation | 0 | 14 | 64 | 78 |
| Additions | 0 | 127 | 7,751 | 7,878 |
| Additions related to acquisitions | 0 | 0 | 11 | 11 |
| Disposals | -91 | 0 | -1,004 | -1,095 |
| **Balance at 31 December 2023** | **0** | **2,849** | **22,469** | **25,318** |
| Depreciation at 1 January 2023 | 91 | 1,194 | 4,812 | 6,097 |
| Foreign currency translation | 0 | 16 | -69 | -53 |
| Depreciation | 0 | 418 | 6,054 | 6,472 |
| Additions related to acquisitions | 0 | 0 | 0 | 0 |
| Reversed depreciation on disposals | -91 | 0 | -997 | -1,088 |
| **Depreciation at 31 December 2023** | **0** | **1,628** | **9,800** | **11,428** |
| **Carrying amount at 31 December 2023** | **0** | **1,221** | **12,669** | **13,890** |

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

# Notes

## Note 11 – Tangible assets (continued)

| DKK ´000 | Leasehold improvements | Fixtures and equipment | Total |
|---|---|---|---|
| **Parent 2023** | | | |
| Balance at 1 January 2023 | 491 | 3,972 | 4,463 |
| Additions | 0 | 951 | 951 |
| **Balance at 31 December 2023** | **491** | **4,923** | **5,414** |
| Depreciation at 1 January 2023 | 491 | 2,103 | 2,594 |
| Depreciation | 0 | 1,107 | 1,107 |
| **Depreciation at 31 December 2023** | **491** | **3,210** | **3,701** |
| **Carrying amount at 31 December 2023** | **0** | **1,713** | **1,713** |

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

### Accounting policies

**Property plant and equipment**

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

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

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

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

# Notes

## Note 12 – Right-of-use-assets

| DKK ´000 | Other equipment | Cars | Offices | Total |
|---|---|---|---|---|
| **Group 2023** | | | | |
| Balance at 1 January 2023 | 3,336 | 16,125 | 153,264 | 172,725 |
| Foreign currency translation | -2 | 80 | -300 | -222 |
| Re-assessment of existing assets | 1,159 | 228 | 34,307 | 35,694 |
| Additions | 479 | 5,798 | 5,768 | 12,045 |
| Additions related to acquisitions | 0 | 331 | 1,663 | 1,994 |
| Disposals | -813 | -5,961 | -20,771 | -27,545 |
| **Balance at 31 December 2023** | **4,159** | **16,601** | **173,931** | **194,691** |
| Depreciation at 1 January 2023 | 1,462 | 6,413 | 99,534 | 107,409 |
| Foreign currency translation | -9 | -7 | -344 | -360 |
| Depreciation | 768 | 3,635 | 24,450 | 28,853 |
| Reversed depreciation on disposals | -594 | -3,445 | -19,500 | -23,539 |
| **Depreciation at 31 December 2023** | **1,627** | **6,596** | **104,140** | **112,363** |
| **Carrying amount at 31 December 2023** | **2,532** | **10,005** | **69,791** | **82,328** |

Total cash flow for the Group relating to right-of-use-assets is equal to the actual payments on the leases amounting to DKK 27m. For more information about lease the lease liability for right-of-use assets, please refer to note 18.

There has been an increase of 26% in right-of-use-assets compared to 2022, which mainly relates to reassessment of lease terms.

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

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

# Notes

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

| DKK ´000 | Other equipment | Cars | Offices | Total |
|---|---|---|---|---|
| **Parent 2023** | | | | |
| Balance at 1 January 2023 | 274 | 3,764 | 41,298 | 45,336 |
| Re-assessment of existing assets | 268 | 314 | 9,688 | 10,270 |
| Additions | 416 | 1,075 | 33 | 1,524 |
| Disposals | 0 | -1,052 | 0 | -1,052 |
| **Balance at 31 December 2023** | **958** | **4,101** | **51,019** | **56,078** |
| Depreciation at 1 January 2023 | 126 | 2,283 | 31,047 | 33,456 |
| Depreciation | 146 | 1,198 | 4,954 | 6,298 |
| Reversed depreciation on disposals | 0 | -1,029 | 0 | -1,029 |
| **Depreciation at 31 December 2023** | **272** | **2,452** | **36,001** | **38,725** |
| **Carrying amount at 31 December 2023** | **686** | **1,649** | **15,018** | **17,353** |

Total cash flow for the parent company relating to right-of-use-assets is equal to the actual payments on the leases amounting to DKK 6.3m.

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

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

# Notes

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

### Accounting policies

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

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

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

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

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

The interest rate used for measuring new lease liabilities is 8.43% (2022: in the range between 2.84% and 5.84%).

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

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

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

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

# Notes

## Note 13 – Investments in subsidiaries

| | Parent Company | |
|---|---|---|
| DKK ´000 | **2023** | 2022 |
| Balance at 1 January | 981,346 | 981,346 |
| Additions | 53,920 | 0 |
| Disposals related to liquidation | -4,752 | 0 |
| **Balance at 31 December** | **1,030,514** | **981,346** |
| Write down at 1 January | -250,908 | -214,097 |
| Write down | 0 | -36,811 |
| Reversal of write down on disposal | 2,825 | 0 |
| **Amortization and write down at 31 December** | **-248,083** | **-250,908** |
| **Carrying amount 31 December** | **782,431** | **730,438** |

Addition in 2023 relates to the acquisition of ICY Security in April 2023, cf. note 21. The disposal relates to liquidation of a dormant Swiss subsidiary.

For an overview of investments in subsidiaries, please refer to the Group overview on page 50

### 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 | **2023** | 2022 | **2023** | 2022 |
| **Receivables (gross) at 1 Jan** | **261,422** | **281,133** | **53,297** | **59,728** |
| Change in receivables during the period | 34,385 | -19,711 | 10,577 | -6,431 |
| **Receivables (gross) end of period** | **295,807** | **261,422** | **63,874** | **53,297** |
| **Provisions for bad debt at 1 Jan** | **6,622** | **11,550** | **5,574** | **1,277** |
| Change in provisions for bad debt during the period | -4,767 | -7,074 | -4,955 | 4,273 |
| Loss realized during the period | 46 | 2,146 | 73 | 24 |
| **Provisions for bad debt end of period** | **1,901** | **6,622** | **692** | **5,574** |
| **Carrying amount end of period** | **293,906** | **254,800** | **63,182** | **47,723** |

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 | **2023** | 2022 | **2023** | 2022 |
| Age of receivables (gross): | | | | |
| Not due | 193,805 | 174,400 | 50,163 | 35,410 |
| 0-30 days | 88,157 | 72,614 | 11,518 | 15,625 |
| 30-60 days | 8,333 | 9,009 | 1,253 | 1,141 |
| 61-90 days | 1,068 | 3,358 | 416 | 339 |
| 91-180 days | 1,705 | 1,724 | 0 | 457 |
| 181-270 days | 1,978 | 114 | 344 | 189 |
| 270-360 days | 197 | 3 | 0 | 35 |
| Above 360 days | 564 | 200 | 180 | 101 |
| **Total** | **295,807** | **261,422** | **63,874** | **53,297** |

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK ´000 | **2023** | 2022 | **2023** | 2022 |
| Age of impairment: | | | | |
| Not due | 18 | 5,091 | 4 | 5,106 |
| 0-30 days | 220 | 363 | 29 | 78 |
| 30-60 days | 125 | 226 | 19 | 29 |
| 61-90 days | 53 | 252 | 116 | 25 |
| 91-180 days | 426 | 431 | 0 | 114 |
| 181-270 days | 298 | 57 | 344 | 95 |
| 271-360 days | 197 | 2 | 0 | 26 |
| Over 360 days | 564 | 200 | 180 | 101 |
| **Total** | **1,901** | **6,622** | **692** | **5,574** |

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK ´000 | **2023** | 2022 | **2023** | 2022 |
| Provision matrix: | | | | |
| Not due | 0.0% | 2.9% | 0.0% | 14.4% |
| 0-30 days | 0.3% | 0.5% | 0.3% | 0.5% |
| 30-60 days | 1.5% | 2.5% | 1.5% | 2.5% |
| 61-90 days | 5.0% | 7.5% | 28.0% | 7.4% |
| 91-180 days | 25.0% | 25.0% | 100.0% | 25.0% |
| 181-270 days | 15.1% | 50.0% | 100.0% | 50.0% |
| 271-360 days | 100.0% | 75.0% | 0.0% | 75.0% |
| Over 360 days | 100.0% | 100.0% | 100.0% | 100.0% |

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

# Notes

## Note 14 – Trade receivables (continued)

### Accounting policies

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

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

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

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

## Note 15 – Contract assets and contract liabilities

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK ´000 | **2023** | 2022 | **2023** | 2022 |
| **Balance at 1 Jan** | **-4,138** | **-5,815** | **-1,981** | **-5,973** |
| Changes contract assets during the period | 25,631 | 136 | 2,279 | 1,726 |
| Changes on account billing and prepayments during the period | -20,669 | 1,541 | -1,675 | 2,266 |
| **Balance at end of period** | **824** | **-4,138** | **-1,377** | **-1,981** |
| Work in progress | 39,297 | 13,666 | 9,542 | 7,263 |
| On account billing and prepayments | -38,473 | -17,804 | -10,919 | -9,244 |
| **Balance at end of period** | **824** | **-4,138** | **-1,377** | **-1,981** |
| The net value is included in the balance as follows: | | | | |
| Contract assets | 9,065 | 5,822 | 1,375 | 229 |
| Contract liabilities | -8,241 | -9,960 | -2,752 | -2,210 |
| **Balance at end of period** | **824** | **-4,138** | **-1,377** | **-1,981** |

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 2022 (DKK 8,778k) DKK 7,038k has been recognized as revenue in the reporting period corresponding to 80%.

The Group's total value of contracts represents DKK 37,529k as of 31 December 2023 (DKK 15,137k as of December 2022). DKK 5,252k of the total contract value is recognized as revenue as of 31 December 2022 (DKK 5,461k as of 31 December 2022). The remaining DKK 32,276k is expected to be recognized as revenue within 12-18 months from the balance date (DKK 9,676k as of 31 December 2022). The higher contract values in 2023 compared to 2022 are affected by higher activity and acquisition of ICY Security ApS in the financial year.

# Notes

## Note 15 – Contract assets and contract liabilities (continued)

### Accounting policies

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

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

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

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

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

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

## Note 16 – Share capital

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

There has been no capital increase in 2023.

| | Parent Company | |
|---|---|---|
| | **2023** | 2022 |
| Number of shares at the beginning of the year | 129,276,264 | 129,276,264 |
| Capital increase | 0 | 0 |
| **Number of shares at 31 December** | **129,276,264** | **129,276,264** |

# Notes

## Note 17 – Provisions and contingent consideration

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK ´000 | **2023** | 2022 | **2023** | 2022 |
| Contingent consideration | 16,961 | 0 | 16,961 | 0 |
| Other provisions | 829 | 866 | 829 | 866 |
| | **17,790** | **866** | **17,790** | **866** |

| DKK ´000 | Contingent consideration | Other provisions | Total |
|---|---|---|---|
| **Group 2023** | | | |
| **Balance (non-current) at 1 January 2023** | **0** | **866** | **866** |
| **Balance (current) at 1 January 2023** | **0** | **0** | **0** |
| Additions during the period | 18,025 | 0 | 18,025 |
| Fair value adjustment | 2,040 | 0 | 2,040 |
| Unachieved earn-out during the period | -3,104 | 0 | -3,104 |
| Changes in other provisions | 0 | -37 | -37 |
| **Carrying amount at 31 December 2023** | **16,961** | **829** | **17,790** |
| **Carrying amount non-current at 31 December 2023** | **16,961** | **829** | **17,790** |
| **Carrying amount current at 31 December 2023** | **0** | **0** | **0** |

**Contingent consideration**
The addition of earn-out is related to the acquisition of ICY Security ApS. The earn-out target amount comprises DKK 85m and is measured as the most likely scenario and discounted until time of payment. The earn-out agreement covers a three-year period whereof first period for 2023 has been adjusted to match the actual achievement.

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

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

# Notes

## Note 17 – Provisions and contingent consideration (continued)

| DKK ´000 | Contingent consideration | Other provisions | Total |
|---|---|---|---|
| **Parent 2023** | | | |
| **Balance (non-current) at 1 January 2023** | **0** | **866** | **866** |
| **Balance (current) at 1 January 2023** | **0** | **0** | **0** |
| Additions during the period | 18,025 | 0 | 18,025 |
| Fair value adjustment | 2,040 | 0 | 2,040 |
| Unachieved earn out during the period | -3,104 | 0 | -3,104 |
| Changes in other provisions | 0 | -37 | -37 |
| **Carrying amount at 31 December 2023** | **16,961** | **829** | **17,790** |
| **Carrying amount non-current at 31 December 2023** | **16,961** | **829** | **17,790** |
| **Carrying amount current at 31 December 2023** | **0** | **0** | **0** |

**Contingent consideration**
The addition of earn-out is related to the acquisition of ICY Security ApS. The earn-out target amount comprise DKK 85m and is measured as the most likely scenario and discounted until time of payment. The earn-out agreement covers a three-year period whereof first period for 2023 has been adjusted to match the actual achievement.

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

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

### 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 of 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 2023** | | | | |
| Less than 1 year | 540 | 3,080 | 20,409 | 24,029 |
| Between 1 and 5 years | 2,035 | 6,995 | 51,657 | 60,687 |
| More than 5 years | 0 | 0 | 0 | 0 |
| | **2,575** | **10,075** | **72,066** | **84,716** |

| DKK ´000 | Other equipment | Cars | Offices | Total |
|---|---|---|---|---|
| **Parent 2023** | | | | |
| Less than 1 year | 142 | 1,051 | 4,368 | 5,561 |
| Between 1 and 5 years | 558 | 636 | 11,273 | 12,467 |
| More than 5 years | 0 | 0 | 0 | 0 |
| | **700** | **1,687** | **15,641** | **18,028** |

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored closely by the management. For more information about right-of use assets, please refer to note 12. For analysis of maturity, please refer to note 24.

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

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

# Notes

## Note 19 – Other payables

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK ´000 | **2023** | 2022 | **2023** | 2022 |
| Payroll cost, payroll tax, retirement benefit obligations etc. | 101,021 | 58,791 | 27,879 | 9,972 |
| Holiday pay etc. | 50,046 | 47,690 | 8,352 | 10,584 |
| VAT payable | 32,482 | 25,224 | 11,604 | 3,515 |
| Other liabilities | 34,389 | 32,852 | 6,579 | 9,131 |
| | **217,938** | **164,557** | **54,414** | **33,202** |

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

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

### Accounting policies

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

Other liabilities are measured at amortized cost.

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

## Note 20 – Contingent liabilities and commitments for expenditures

### Parent Company

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

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

**Commitments for expenditures**
The Company has guaranteed payment of banking arrangements in Nordea for subsidiaries. As of 31 December 2023 the maximum liability is DKK 14.131k (2022: DKK 14.348k).

**Guarantees**
The Company have provided guarantees for its subsidiaries regarding rent expenses. As of 31 December 2023 the guarantees amount to DKK 3.754K (2022: DKK 890K).

# Notes

## Note 21 – Business combinations

**Acquisition of companies in 2023**
The Group has on 11 April 2023 acquired ICY Security ApS. The acquisition was a share purchase.

| Name | Primary activity | Date of control gained | Acquired ownership | Acquired voting rights | Total consideration DKK '000 |
|---|---|---|---|---|---|
| ICY Security ApS | Implementation of Identity and Access management solutions. | 1 April 2023 | 100% | 100% | 53,920 |
| **Total** | | | | | **53,920** |

With the acquisition of ICY Security, Columbus expanded its business to meet customers' increasing demand for secure access to business-critical data.

After recognition of identifiable assets, liabilities and contingent liabilities at fair value, goodwill in relation to the acquisition is assessed to DKK 51.6m. Compared to the previously presented opening balance latest in the Q3 report, the contingent consideration in the opening balance has been remeasured, to align with the fair value of the contingent consideration.

**Contingent consideration**
The contingent consideration is based on a 3-year earn-out period with an increasing potential payout each year based on specified revenue and Business Line contribution targets for each earn-out period. The minimum payout for the entire contingent consideration is DKK 0, while the maximum is DKK 119m. The earn-out period covers the financial years 2023 - 2025.

The most probable undiscounted contingent consideration for the three year period is assessed to DKK 23m. The fair value of the contingent consideration is DKK 18m. The estimates are based a Weighted Average Cost of Capital (WACC) of 8% as the basis for the calculation.

| DKK ´000 | ICY Security ApS | Total 2023 |
|---|---|---|
| Tangible fixed assets | 1,670 | 1,670 |
| Other intangible assets | 5,300 | 5,300 |
| **Total non-current assets** | **6,970** | **6,970** |
| Trade receivables | 9,370 | 9,370 |
| Work in progress | 505 | 505 |
| Prepayments | 507 | 507 |
| Other receivables | 439 | 439 |
| Cash | 3,517 | 3,517 |
| **Total current assets** | **14,338** | **14,338** |
| Trade payables | -2,119 | -2,119 |
| Debt to credit institutions | -68 | -68 |
| Corporation tax and deferred tax | -1,518 | -1,518 |
| Deferred income | -1,037 | -1,037 |
| Accruals | -11,398 | -11,398 |
| Other debt | -2,810 | -2,810 |
| **Total current debt** | **-18,950** | **-18,950** |
| **Net assets acquired** | **2,358** | **2,358** |
| Goodwill | 51,562 | 51,562 |
| **Total consideration** | **53,920** | **53,920** |
| Net working capital not paid | 7,554 | 7,554 |
| Acquired cash funds | -3,449 | -3,449 |
| Contingent consideration | -18,025 | -18,025 |
| **Cash consideration on acquisition date** | **40,000** | **40,000** |

# Notes

## Note 21 – Business combinations (continued)

**Other information**

The fair value of acquired trade receivables is DKK 9m. No material amounts are recognized as provision for loss.

The goodwill is primarily attributable to the specific competences within the IT Security space at ICY Security ApS. The goodwill is fully allocated to our new business line Security and is not deductible for tax purposes.

All transaction cost are included in the Other external cost in the income statement.

**Revenue and profit contribution**

ICY Security ApS contributed revenue of DKK 31m and net profit of DKK -10m to the group for the period from 1 April to 31 December 2023.
If the acquisition had occurred on 1 January 2023, consolidated pro-forma revenue and profit for the year ended 31 December 2023 would have been DKK 1,555m and DKK 27m respectively.

These amounts have been calculated using the subsidiary's results and adjusting them for:

- differences in the accounting policies between the group and the subsidiary, and
- the additional depreciation and amortization that would have been charged assuming the fair value adjustments to intangible assets had applied from 1 April 2023, together with the consequential tax effects.

**Acquisition of companies in 2022**

There have been no acquisitions during 2022.

**Acquisition of companies in 2024**

The Group has per 1 January 2024 acquired Endless Gain Ltd. The acquisition was a share purchase.

| Name | Primary activity | Date of control gained | Acquired ownership | Acquired voting rights | Total consideration DKK '000 |
|---|---|---|---|---|---|
| Endless Gain Limited | E-commerce business | 1 January 2024 | 100% | 100% | 16,471 |
| **Total** | | | | | **16,471** |

After recognition of identifiable assets, liabilities and contingent liabilities at fair value, goodwill in relation to the acquisition was assessed to GBP 929k (As of 31 December 2023 DKK 7,967k).

The opening balance presented is a preliminary balance since post-closing work is still ongoing.

**Contingent consideration**

The contingent consideration is based on a 3-year earn-out period with an increasing potential payout each year based on specified revenue and Business Line contribution targets for each earn-out period. The minimum payout for the entire contingent consideration is GBP 0, while the maximum is GBP 1,950k (As of 31 December 2023 DKK 16,726k). The earn-out period covers the financial years 2024 - 2026.

The most probable undiscounted contingent consideration for the three year period is assessed to GBP 658k (As of 31 December 2023 DKK 5,644k). The fair value of the contingent consideration is GBP 507k (As of 31 December 2023 DKK 4,349k). The estimates are based a Weighted Average Cost of Capital (WACC) of 10% as the basis for the calculation.

# Notes

## Note 21 – Business combinations (continued)

**Other information**
The fair value of acquired trade receivables is GBP 218k (As of 31 December 2023 DKK 1,866k). No material amounts are recognized as provision for loss.

The goodwill is primarily attributable to the specific competences within the advanced analytical and behavioral psychology insights their platform generates in Endless Gain. The goodwill is fully allocated to the business line Digital Commerce and is not deductible for tax purposes.

All transaction cost are included in the Other external cost in the income statement.

**Revenue and profit contribution**
Endless Gain Limited were acquired on first of January, hence all revenue and profit contribution will be included in the financial year 2024.

| DKK ´000 | Endless Gain Limited | Total 2024 |
|---|---|---|
| Other intangible assets | 7,033 | 7,033 |
| **Total non-current assets** | **7,033** | **7,033** |
| Trade receivables | 1,866 | 1,866 |
| Prepayments | 103 | 103 |
| Other receivables | 148 | 148 |
| Cash | 3,139 | 3,139 |
| **Total current assets** | **5,256** | **5,256** |
| Trade payables | -237 | -237 |
| Debt to credit institutions | -123 | -123 |
| Corporation tax and deferred tax | -2,262 | -2,262 |
| Accruals | -174 | -174 |
| Other debt | -989 | -989 |
| **Total current debt** | **-3,785** | **-3,785** |
| **Net assets acquired** | **8,504** | **8,504** |
| Goodwill | 7,967 | 7,967 |
| **Total consideration** | **16,471** | **16,471** |
| Net working capital not paid | 2,733 | 2,733 |
| Acquired cash funds | -3,016 | -3,016 |
| Contingent consideration | -4,350 | -4,350 |
| **Cash consideration on acquisition date** | **11,838** | **11,838** |

# 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 58.75% 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 (62.20%) 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 2023 Columbus received a tax receivable from Consolidated Holdings A/S for DKK 0 (2022: DKK 773k).

### 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.

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

| | Parent | |
|---|---|---|
| DKK ´000 | **2023** | 2022 |
| **Net sales** | | |
| Atea | 793 | 2,354 |
| X-Yachts A/S | 2,248 | 945 |
| **Total** | **3,041** | **3,299** |
| **Net purchase** | | |
| Atea | -16,208 | -16,496 |
| **Total** | **-16,208** | **-16,496** |

Sale to Atea and X-Yachts is primarily consultancy and sale of licenses from 3rd parties.
Purchase from Atea and subsidiaries is primarily office rent, purchase of IT equipment and consultancy services. The lease contract for office rent constitute right-of-use asset of DKK 10,883k and lease liability of DKK 11,411k.

| | Parent | |
|---|---|---|
| DKK ´000 | **2023** | 2022 |
| **Trade receivables** | | |
| X-Yachts A/S | 385 | 99 |
| **Total** | **385** | **99** |
| **Trade payables** | | |
| Atea | -3,073 | -3,129 |
| **Total** | **-3,073** | **-3,129** |

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

# 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 | **2023** | 2022 |
| Purchase from subsidiaries | -35,464 | -48,520 |
| Sold to subsidiaries | 127,185 | 110,610 |

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 | **2023** | 2022 | **2023** | 2022 |
| **Auditor elected by the annual general meeting** | | | | |
| Statutory audit | 2,976 | 2,174 | 481 | 593 |
| Other assurance services | 34 | 71 | 34 | 71 |
| Other non-audit services | 88 | 358 | 88 | 358 |
| **Total audit fee** | **3,098** | **2,603** | **603** | **1,022** |

A few Group enterprises are not audited by the Parent's appointed auditors (PwC) or the auditors foreign affiliates.

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

# Notes

## Note 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 2023** | | | | |
| **Financial assets** | | | | |
| Trade receivables | 293,906 | 0 | 0 | 293,906 |
| Contract assets | 9,065 | 0 | 0 | 9,065 |
| Corporate tax receivables | 2,049 | 0 | 0 | 2,049 |
| Other receivables | 13,709 | 6,521 | 12,820 | 33,050 |
| Receivables from divestment of activities | 57,322 | 0 | 0 | 57,322 |
| Prepayments | 31,089 | 0 | 0 | 31,089 |
| Cash and bank balances | 38,269 | 0 | 0 | 38,269 |
| **Total financial assets** | **445,409** | **6,521** | **12,820** | **464,750** |
| **Financial liabilities** | | | | |
| Debt to credit institutions | 41,656 | 129,398 | 0 | 171,054 |
| Contingent consideration | 0 | 16,961 | 0 | 16,961 |
| Trade payables | 60,666 | 0 | 0 | 60,666 |
| Other payables | 217,938 | 0 | 0 | 217,938 |
| Lease liability right-of-use assets | 29,640 | 68,315 | 0 | 97,955 |
| **Total financial liabilities** | **349,900** | **214,674** | **0** | **564,574** |
| **Ratio** | **1.27** | | | **0.82** |

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 is 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 | -5,359 | -13,398 | 0 | -18,757 |
| Lease liability right-of-use assets | -5,611 | -7,628 | 0 | -13,239 |

**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 2022** | | | | |
| **Financial assets** | | | | |
| Trade receivables | 254,800 | 0 | 0 | 254,800 |
| Contract assets | 5,822 | 0 | 0 | 5,822 |
| Corporate tax receivables | 2,254 | 0 | 0 | 2,254 |
| Other receivables | 12,930 | 9,110 | 7,399 | 29,439 |
| Receivables from divestment of activities | 59,264 | 0 | 0 | 59,264 |
| Prepayments | 19,868 | 0 | 0 | 19,868 |
| Cash and bank balances | 32,787 | 0 | 0 | 32,787 |
| **Total financial assets** | **387,725** | **9,110** | **7,399** | **404,234** |
| **Financial liabilities** | | | | |
| Debt to credit institutions | 55,702 | 84,265 | 0 | 139,967 |
| Trade payables | 64,926 | 0 | 0 | 64,926 |
| Other payables | 164,557 | 0 | 0 | 164,557 |
| Lease liability right-of-use assets | 28,639 | 41,969 | 0 | 70,608 |
| **Total financial liabilities** | **313,824** | **126,234** | **0** | **440,058** |
| **Ratio** | **1.24** | | | **0.92** |

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 | -3,367 | -8,265 | 0 | -11,632 |
| Lease liability right-of-use assets | -1,715 | -1,171 | 0 | -2,886 |

# 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 2023** | | | | |
| **Financial assets** | | | | |
| Trade receivables | 63,182 | 0 | 0 | 63,182 |
| Receivables from subsidiaries | 82,611 | 0 | 0 | 82,611 |
| Contract assets | 1,375 | 0 | 0 | 1,375 |
| Other receivables | 9,737 | 6,521 | 3,553 | 19,811 |
| Prepayments | 13,745 | 0 | 0 | 13,745 |
| Cash and bank balances | 602 | 0 | 0 | 602 |
| **Total financial assets** | **171,252** | **6,521** | **3,553** | **181,326** |
| **Financial liabilities** | | | | |
| Debt to credit institutions | 41,673 | 129,398 | 0 | 171,071 |
| Contingent consideration | 0 | 16,961 | 0 | 16,961 |
| Debt to subsidiaries | 58,651 | 0 | 0 | 58,651 |
| Trade payables | 20,249 | 0 | 0 | 20,249 |
| Other payables | 54,414 | 0 | 0 | 54,414 |
| Lease liability right-of-use assets | 6,842 | 14,235 | 0 | 21,077 |
| **Total financial liabilities** | **181,829** | **160,594** | **0** | **342,423** |
| **Ratio** | **0.94** | | | **0.53** |

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 | -5,359 | -13,398 | 0 | -18,757 |
| Lease liability right-of-use assets | -1,281 | -1,768 | 0 | -3,049 |

# 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 2022** | | | | |
| **Financial assets** | | | | |
| Trade receivables | 47,723 | 0 | 0 | 47,723 |
| Receivables from subsidiaries | 69,202 | 0 | 0 | 69,202 |
| Contract assets | 229 | 0 | 0 | 229 |
| Other receivables | 8,759 | 9,110 | 3,033 | 20,902 |
| Prepayments | 8,801 | 0 | 0 | 8,801 |
| Cash and bank balances | 0 | 0 | 0 | 0 |
| **Total financial assets** | **134,714** | **9,110** | **3,033** | **146,857** |
| **Financial liabilities** | | | | |
| Debt to credit institutions | 78,461 | 84,265 | 0 | 162,726 |
| Debt to subsidiaries | 40,746 | 0 | 0 | 40,746 |
| Trade payables | 23,319 | 0 | 0 | 23,319 |
| Other payables | 33,202 | 0 | 0 | 33,202 |
| Lease liability right-of-use assets | 6,459 | 6,473 | 0 | 12,932 |
| **Total financial liabilities** | **182,187** | **90,738** | **0** | **272,925** |
| **Ratio** | **0.74** | | | **0.54** |

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 | -3,367 | -8,265 | 0 | -11,632 |
| Lease liability right-of-use assets | -257 | -102 | 0 | -359 |

# Notes

## Note 24 – Financial risks and financial instruments (continued)

### Financing facilities

| | Group | |
|---|---|---|
| DKK ´000 | **2023** | 2022 |
| Cash and bank balances | 38,269 | 32,787 |
| Unused credits | 57,619 | 89,978 |
| | **95,888** | **122,765** |

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

**Foreign exchange rate risk, interest rate risk and use of financial instruments**

As a consequence of the operation, investments and financing, the Group is exposed to changes in foreign exchange rates and interest rates. The Parent Company controls the financial risks in the Group centrally and coordinates the cash management, including cash generation and excess liquidity. The Group follows a finance policy approved by the Board of Directors, and operates with a low risk profile, in order to ensure that foreign exchange rate risks and interest risks only occur in commercial situations.

Fluctuations in exchange rates have an effect on the Group's equity, results and revenue. As approx. 76% of the revenue comes from NOK, SEK, GBP, USD, CLP, CZK, PLN and INR the Group has performed a sensitive analysis on the relevant foreign exchange rates. The exchange rate risk for EUR is considered to be minimal. The sensitivity effect is symmetrical in both decrease and increase situations.

### Profit after tax exchange rates sensitivity

| | Group | |
|---|---|---|
| DKK ´000 | **2023** | 2022 |
| Effect of 10% decrease in USD | 391 | 459 |
| Effect of 10% decrease in GBP | -1,385 | 278 |
| Effect of 10% decrease in SEK | -917 | -1,294 |
| Effect of 10% decrease in NOK | 1,199 | -314 |
| Effect of 10% decrease in CLP | -101 | -268 |
| Effect of 10% decrease in CZK | -118 | -118 |
| Effect of 10% decrease in PLN | -259 | -218 |
| Effect of 10% decrease in INR | -551 | -602 |

### Revenue exchange rates sensitivity

| | Group | |
|---|---|---|
| DKK ´000 | **2023** | 2022 |
| Effect of 10% decrease in USD | -9,307 | -8,727 |
| Effect of 10% decrease in GBP | -25,177 | -18,879 |
| Effect of 10% decrease in SEK | -62,655 | -60,265 |
| Effect of 10% decrease in NOK | -25,458 | -28,289 |
| Effect of 10% decrease in CLP | -1,053 | -1,094 |
| Effect of 10% decrease in CZK | -104 | -46 |
| Effect of 10% decrease in PLN | 0 | 0 |
| Effect of 10% decrease in INR | -329 | -329 |

# 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 2023 an increase in interest rates of half a percentage point would increase the Group's interest by DKK 659k (2022: DKK 659k). The financial liabilities included in the sensitivity analysis include long-term and short-term debt to credit institutions.

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

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

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

**Breach of loan agreements**
The Group has neither in the financial year 2023 nor in 2022 failed to perform or defaulted on any loan agreements.

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

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

The Parent's credit risks are primarily deriving from trade receivables and intercompany 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.

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

## Note 25 – Changes in working capital

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK ´000 | **2023** | 2022 | **2023** | 2022 |
| Change in receivables and contract assets | -46,352 | 2,511 | -35,241 | -35,137 |
| Change in trade payable and liabilities | -6,379 | -11,484 | -3,070 | 1,747 |
| Change in other liabilities | 31,706 | -52,113 | 40,258 | -50,214 |
| **Cash flow from changes in working capital** | **-21,025** | **-61,086** | **1,947** | **-83,604** |

*Comparative figures for parent company 2022 have been adjusted due to misstatement in change in receivables and contract assets, and change in other liabilities. Change in receivables and contract assets has been adjusted from DKK -79,358k to DKK -35,137k. Change in other liabilities has been adjusted from DKK 54,537k to DKK -50,214k. The correction has further impacted statement of cash flow and Note 26 – Cash flow from financing activities.

# 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 | Lease liability right-of-use assets | Long term borrowings | Overdraft facilities | Total |
|---|---|---|---|---|
| **Group 2023** | | | | |
| **Balance at 1 January** | **67,722** | **76,000** | **52,335** | **196,057** |
| Cash flow from operations | -27,201 | 0 | -12,533 | -39,734 |
| Additions related to acquisitions | 0 | 40,000 | -3,449 | 36,551 |
| **Cash changes** | **-27,201** | **40,000** | **-15,982** | **-3,183** |
| New leases | 12,045 | 0 | 0 | 12,045 |
| Changes to existing leases | 34,893 | 0 | 0 | 34,893 |
| Reclassification | 0 | 0 | -56 | -56 |
| Foreign exchange movements | -2,743 | 0 | 0 | -2,743 |
| **Non-cash changes** | **44,195** | **0** | **-56** | **44,139** |
| **Balance at 31 December** | **84,716** | **116,000** | **36,297** | **237,013** |

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

# Notes

## Note 26 – Cash flow from financing activities (continued)

| DKK ´000 | Lease liability right-of-use assets | Long term borrowings | Overdraft facilities | Total |
|---|---|---|---|---|
| **Parent 2023** | | | | |
| **Balance at 1 January** | **12,573** | **76,000** | **75,094** | **163,667** |
| Cash flows from operations | -6,316 | 0 | -38,780 | -45,096 |
| Additions related to acquisitions | 0 | 40,000 | 0 | 40,000 |
| **Cash changes** | **-6,316** | **40,000** | **-38,780** | **-5,096** |
| New leases | 1,524 | 0 | 0 | 1,524 |
| Changes to existing leases | 10,932 | 0 | 0 | 10,932 |
| Reclassification | -685 | 0 | 0 | -685 |
| **Non-cash changes** | **11,771** | **0** | **0** | **11,771** |
| **Balance at 31 December** | **18,028** | **116,000** | **36,314** | **170,342** |

| DKK ´000 | Lease liability right-of-use assets | Long term borrowings | Overdraft facilities | Total |
|---|---|---|---|---|
| **Parent 2022** | | | | |
| **Balance at 1 January** | **15,900** | **75,970** | **33,758** | **125,628** |
| Cash flows from operations | -6,246 | 0 | 41,336 | 35,090 |
| **Cash changes** | **-6,246** | **0** | **41,336** | **35,090** |
| New leases | 3,296 | 0 | 0 | 3,296 |
| Reclassification | 0 | 30 | 0 | 30 |
| Foreign exchange movements | -377 | 0 | 0 | -377 |
| **Non-cash changes** | **2,919** | **30** | **0** | **2,949** |
| **Balance at 31 December** | **12,573** | **76,000** | **75,094** | **163,667** |

*Comparative figures for 2022 have been adjusted due to misstatement in the cash flow from operations related to overdraft facilities. Cash flow has been adjusted from DKK -19,194k to DKK 41,336k. The correction has further impacted statement of cash flow and Note 25 – Changes in working capital.

# Notes

## Note 27 – Discontinued operations and gain/loss on sale of shares in subsidiaries

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK ´000 | 2023 | 2022 | 2023 | 2022 |
| Net revenue | 0 | 9,192 | 0 | 0 |
| External project costs | 0 | -464 | 0 | 0 |
| **Gross profit** | **0** | **8,728** | **0** | **0** |
| Staff expenses and remuneration | 0 | -7,768 | 0 | 0 |
| Other external costs | 0 | -700 | 0 | 0 |
| Other operating income | 0 | 0 | 0 | 0 |
| **EBITDA** | **0** | **260** | **0** | **0** |
| Depreciation, amortization and impairment | 0 | -321 | 0 | -36,812 |
| **Operating profit (EBIT)** | **0** | **-61** | **0** | **-36,812** |
| Financial income | 0 | 8,826 | 0 | 0 |
| Financial expenses | 0 | -3,772 | 0 | 0 |
| **Profit (loss) before tax from discontinued operations** | **0** | **4,993** | **0** | **-36,812** |
| Corporate tax | 0 | -243 | 0 | 0 |
| **Profit (loss) after tax from discontinued operations** | **0** | **4,750** | **0** | **-36,812** |
| Total gain (loss) on divestment of discontinued operations | 3,127 | -45,966 | 1,172 | 1,603 |
| **Profit (loss) from discontinued operations** | **3,127** | **-41,216** | **1,172** | **-35,209** |
| Earnings per share from discontinued operations of DKK 1.25 (EPS) | 0.02 | -0.32 | | |
| Earnings per share from discontinued operations of DKK 1.25, diluted (EPS-D) | 0.02 | -0.32 | | |

**Discontinued operations in 2023 - Group**
No new disposals have occurred in 2023. Income from discontinued operations relates to received consideration from previous divestments, that had been written off.

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

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

# Notes

## Note 27 – Discontinued operations (continued)

### Gain (loss) on divestment of discontinued operations

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK ´000 | **2023** | 2022 | **2023** | 2022 |
| Gain (loss) on disposal of subsidiaries | 3,050 | -9,534 | 1,200 | 0 |
| Recirculation of historical currency adjustments | 1,200 | -34,938 | 0 | 0 |
| Transaction costs related to disposal | -1,123 | -1,494 | -28 | 1,603 |
| **Total gain (loss) on divestment of discontinued operations** | **3,127** | **-45,966** | **1,172** | **1,603** |

### Cash flow

| | Group | | Parent Company | |
|---|---|---|---|---|
| DKK ´000 | **2023** | 2022 | **2023** | 2022 |
| Cash flow from operating activities | 0 | 1,065 | 0 | 0 |
| Cash flow from investing activities | 0 | 0 | 0 | 0 |
| Cash flow from financing activities | 0 | -326 | 0 | 0 |
| **Cash flow from discontinued operations** | **0** | **739** | **0** | **0** |

### Accounting policies

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

# Notes

## Note 28 – Disposal of activities

| | Group | | Parent | |
|---|---|---|---|---|
| DKK ´000 | **2023** | 2022 | **2023** | 2022 |
| Goodwill | 0 | 8,822 | 0 | 0 |
| Property, plant and equipment | 0 | 204 | 0 | 0 |
| Right-of-use assets | 0 | 2,102 | 0 | 0 |
| Trade receivables | 0 | 1,762 | 0 | 0 |
| Contract assets | 0 | 3,731 | 0 | 0 |
| Other receivables | 0 | 176 | 0 | 0 |
| Prepayments | 0 | 1,790 | 0 | 0 |
| Cash | 0 | 9,274 | 0 | 0 |
| **Total assets** | **0** | **27,861** | **0** | **0** |

No new disposals of activities has occurred in 2023.
On 16 March 2022, the Group disposed of its 100% equity interest in its Russian subsidiaries.

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.

**Receivables from divestments of activities**
On 1st November 2021, our SMB business in our US entity was sold as part of the Focus23 strategy. The business activity is consequently classified as discontinued operations in 2021. The transaction was settled partly in cash at the transaction date (USD 8m), and partly as deferred consideration which was due in Q2 2022 (USD 8.5m) corresponding to DKK 57.322k. The buyer has still not paid the outstanding amount since they have asserted claims related to the acquired activity. The requirement is not specified or documented further, why a legal collecting process has been initiated to collect our receivable.

| | Group | | Parent | |
|---|---|---|---|---|
| DKK ´000 | **2023** | 2022 | **2023** | 2022 |
| Deferred tax | 0 | 358 | 0 | 0 |
| Lease liability right-of-use assets | 0 | 2,254 | 0 | 0 |
| Contract liabilities | 0 | 2,355 | 0 | 0 |
| Trade payables | 0 | 1,758 | 0 | 0 |
| Corporate tax payables | 0 | 5 | 0 | 0 |
| Other payables | 0 | 9,597 | 0 | 0 |
| **Total liabilities** | **0** | **16,327** | **0** | **0** |
| **Net assets disposed of** | **0** | **11,534** | **0** | **0** |
| Cash and cash equivalents | 3,050 | 2,000 | 1,200 | 0 |
| **Total consideration** | **3,050** | **2,000** | **1,200** | **0** |
| **Loss on disposal of activities** | **3,050** | **-9,534** | **1,200** | **0** |
| Net Cash inflow arising on disposal: | | | | |
| Consideration received in cash and cash equivalents | 3,050 | 2,000 | 1,200 | 0 |
| Less: cash and cash equivalents disposed of | 0 | -9,274 | 0 | 0 |
| Transaction costs related to disposal | -1,123 | -1,494 | -28 | 1,603 |
| **Net cash inflow arising on disposal** | **1,927** | **-8,768** | **1,172** | **1,603** |

# Notes

## Note 29 – Board of Directors and Executive Board

See section "The Board of Directors and Executive Board” in the Management's Review, page 51.

## Note 30 – Shareholder information

See section "Shareholder information" in the Management's Review, page 55.

## Note 31 – Events after the reporting period

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

On 1 January 2024 Columbus confirmed the acquisition of Endless Gain Ltd. Please refer to note 21 for more information about the business combination.

In January 2024, the Swedish city court ruled judgement and awarded damages and costs to Columbus in the range of SEK 43-45m. This was related to a court case against the Swedish M3 consultancy company M3CS AB and its founders, in a dispute about disloyal behaviour, breach of IP and other unlawful acts.

On 21 February 2024, M3CS AB fulfilled the judgement by payment of SEK 44.8m. The judgement against M3CS settled the majority of a separate legal case that Columbus had against the former minority shareholders in iStone in 2022. The combined gain to be accounted for in Q1 2024 will be around DKK 20m after deducting the settled receivable from the former minority shareholder and related cost incurred.

## Note 32 – Approval of publication of the Annual Report

On the Board meeting on 13 March 2024 the Board of Directors approved publication of the Annual Report 2023. The Annual Report 2023 will be submitted for approval by the shareholders of Columbus A/S on the Annual General Meeting on 25 April 2024.

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

### Alternative Performance Measures

**Organic Growth and Revenue**

Organic Growth and Revenue represents the business excluding the impact of acquisitions, divestments and changes in currency.

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

**Constant currency growth**

Growth is measured in constant currency by converting actual figures in local currency to DKK with the historical exchange rate for the given currency. When measuring for a period, the average historical exchange rate is used. Growth is measured based on the actual historical figure compared to the calculated constant currency figure.

**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.

**Efficiency**

Efficiency is calculated as all invoiced customer hours divided by available customer hours. Available customer hours are calculated as normal work schedule hours for all productive employees, less hours for holiday and parental leave.

# 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 01.01.2023 - 31.12.2023.

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 2023 with the file name COLUMBUS-2023-12-31-en.zip in all material aspects is prepared in accordance with ESEF Regulation.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and cash flows for the financial year 2023.

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, 13 March 2024

Executive Board

**Søren Krogh Knudsen**
CEO & President

**Brian Iversen**
Group CFO

Board of Directors

**Ib Kunøe**
Chair

**Sven Madsen**
Deputy Chair

**Peter Skov Hansen**

**Karina Kirk Ringsted**

**Per Ove Kogut**

# Independent Auditor's Reports

To the shareholders of Columbus A/S

## Our opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2023 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.
Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

### What we have audited

The Consolidated Financial Statements and Parent Company Financial Statements of Columbus A/S for the financial year 1 January to 31 December 2023 comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information for the Group as well as for the Parent Company. Collectively referred to as the "Financial Statements".

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our report.

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

### Independence

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

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

### Appointment

We were first appointed auditors of Columbus A/S on 29 April 2022 for the financial year 2022. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 2 years including the financial year 2023.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2023. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

### Statement on Management's Review

Management is responsible for Management's Review.

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

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

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act and Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation).

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act and the disclosure requirements of Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation). We did not identify any material misstatement in Management's Review.

### Management's responsibilities for the Financial Statements

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

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

### Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

### Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of Columbus A/S for the financial year 1 January to 31 December 2023 with the filename COLUMBUS-2023-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

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

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

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

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

In our opinion, the annual report of Columbus A/S for the financial year 1 January to 31 December 2023 with the file name COLUMBUS-2023-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Jacob F Christiansen
State Authorised Public Accountant
mne18628

Kristian Højgaard Carlsen
State Authorised Public Accountant
mne44112

Hellerup, 13 March 2024

**PricewaterhouseCoopers**
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

**For more information about Columbus visit www.columbusglobal.com**