

Columbus[®]

Interim Report Q1 2024

8 May 2024

Highlights

Revenue growth of 14% in Q1 2024, primarily arising from our key Cloud ERP Business Lines, Dynamics and M3. EBITDA amounted to DKK 55m, corresponding to an EBITDA margin of 12.4%. Excluding a net gain of DKK 20m from settlement of M3CS legal case, the EBITDA margin was 7.9%. Overall, a satisfactory start to the year.

Q1 2024 highlights

- Revenue growth of 14% amounting to DKK 444m. 11% growth adjusted for acquisitions and currency.
- EBITDA amounted to DKK 55m. DKK 35m adjusted for the M3CS legal case.
- EBITDA margin was 12.4% compared to 10.0% in Q1 2023. Adjusted for the M3CS legal case, EBITDA margin was 7.9%.
- Efficiency of 62% in Q1 2024, compared to 64% in Q1 2023.

Outlook 2024 maintained

Based on the development in the first quarter of 2024, our strong pipeline and order backlog, we maintain our 2024 expectations:

- Revenue guidance expected to be in the range of 8-10% organic growth
- EBITDA margin expected to be in the range of 9-10%.

“We came off to a good start of the year driven by strong performance in our Cloud ERP business. Our customers’ focus on safeguarding critical business systems is currently reshaping demand, thus underlining the strength of our end-to-end portfolio of services in a wide range of markets.”

CEO & President Søren Krogh Knudsen

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Webcast 8 May 2024 at 13:00 CET:

Webcast and presentation material: [LINK](#)
Registration to attend telephone conference: [LINK](#)

Columbus A/S
Ballerup (Headquarter)
Lautrupvang 6
DK-2750 Ballerup

Tel: +45 70 20 50 00

2024 off to a good start with continued revenue growth

Columbus delivered satisfying growth of 14% in Q1 2024, driven by strong performance in the Cloud ERP business. The EBITDA margin for the quarter was 12.4%, or 7.9% excluding the net gain of DKK 20m from the settlement of the M3CS legal case. In Q1 2024, the Norwegian and Swedish markets weakened, but the development was more than compensated for by the positive Danish and UK markets, thus we are maintaining financial expectations for the year.

Columbus has come off to a good start in 2024, meeting our expectations. This is the first quarter of our new strategy "New Heights", and we have been focused on implementing the selected strategic growth initiatives as well as balancing the different market sentiments.

Safeguarding critical business systems

We experience that our customers' strategic priorities are even more focused towards ensuring resilience, agility, and continuity in operations. Consequently, the demand for IT services is being reshaped to safeguard the core business critical IT systems.

Especially, Columbus' core services within Cloud ERP have been requested, while investments within Data & AI and Digital Commerce have been restrained. Our portfolio of business areas and services in a wide range of markets is showing its strength at the moment, constantly balancing and matching demand.

Cloud ERP drives revenue growth

In Q1 2024, we realized DKK 444m in revenue – a growth of 14% (11% organic).

The growth is primarily driven by a strong development in Cloud ERP, delivering a growth of 17% in Dynamics and 15% in M3. We are especially pleased to see that our M3 business is back to growth after a challenging period. Cloud ERP accounted for 75% of the revenue in Q1 2024.

Revenue in our strategic Business Lines Data & AI and Digital Commerce decreased by 3% and 9%, respectively. As the Business Lines are largely represented in Sweden and Norway, they have been challenged by the underlying nervousness in these markets causing longer decision processes or projects being postponed. In addition, Security has had a slow start to the year, not meeting our expectations.

In the UK and Denmark, we saw a strong start to the year with a revenue growth of 65% and 35%, respectively. Sweden and Norway delivered revenue growth of 1% and -8% respectively.

EBITDA in line with expectations

In Q1 2024 EBITDA amounted to DKK 55m, and the EBITDA margin was 12.4%, or 7.9% excluding the net gain of DKK 20m from the legal proceedings against

M3CS. EBITDA was impacted by early Easter holiday in March, challenges in Security, and increased engagement of sub-contractors due to rapid M3 growth. The EBITDA development was in line with expectations.

Enabling Life Science readiness

To become a trusted partner within the Life Science industry is a key part of "New Heights". Therefore, a global Life Science industry team has been established to drive the development and progress of the initiative covering the go-to-market strategy, sales enablement, and partnerships.

Focus on integrating acquired companies

1 January 2024, we welcomed our new Endless Gain colleagues in the UK and India. The integration process is close to being completed, and the business has demonstrated solid performance in Q1 2024 with a promising outlook.

With the acquisition of ICY Security in April 2023, Columbus expanded its business to meet customers' increasing demand for secure access to business-critical data. The Security Business Line is well

integrated into Columbus; however, the expected cross-sales effect is taking longer time to establish than first anticipated. We have initiated various cost and sales initiatives to improve performance.

Maintaining the 2024 expectations

Based on the development in Q1 2024, our strong pipeline and order backlog, we maintain our financial guidance for the year.

In the months to come we will keep a close eye on the geopolitical situation and its influence on investment appetite and initiated projects, but we are convinced that we have a strong proposition in the current business climate.

I want to thank our employees for continuous commitment and contribution to the results and our customers for trusting and supporting Columbus.



Søren Krogh Knudsen
CEO & President

Key figures and ratios

DKK '000	Q1 2024	Q1 2023	2023
Income related figures			
Sale of services	428,842	376,880	1,475,056
Sale of products	15,398	13,620	64,899
Net revenue	444,240	390,500	1,539,955
Recurring revenue % of total revenue	13.0%	12.4%	13.3%
EBITDA	55,224	39,169	117,534
EBIT	39,787	24,984	60,088
Net financial items	-2,419	-7,947	-20,750
Profit before tax	37,368	17,037	39,338
Profit after tax, continuing operations	35,778	15,260	23,762
Profit after tax, discontinued operations	-711	3,462	3,127
Profit after tax	35,067	18,722	26,889
DKK '000			
	31 Mar 2024	31 Mar 2023	31 Dec 2023
Balance sheet			
Non-current assets	861,877	778,041	852,442
Current assets	490,805	395,977	445,409
Total assets	1,352,682	1,174,018	1,297,851
Group shareholder equity	741,383	720,792	716,829
Total liabilities	611,299	453,226	581,022
Total equity and liabilities	1,352,682	1,174,018	1,297,851

DKK '000	31 Mar 2024	31 Mar 2023	2023
Investments in tangible assets			
	1,469	475	7,888
Cash flow			
Cash flow from operating activities	23,496	35,720	76,954
Cash flow from investing activities	-14,084	1,786	-47,080
Cash flow from financing activities	-7,010	-27,414	-15,894
Total net change in cash and cash equivalents	2,402	10,092	13,980
Cash flow from continuing operations	2,402	10,092	13,980
Cash flow from discontinued operations	0	0	0
Total net change in cash and cash equivalents	2,402	10,092	13,980
Key ratios			
EBITDA-margin	12.4%	10.0%	7.6%
EBIT-margin	9.0%	6.4%	3.9%
Equity ratio	54.8%	61.4%	55.2%
Return on equity	4.8%	2.6%	3.8%
Return on invested capital (ROIC)	5.3%	3.8%	9.6%
Number of shares	129,276	129,276	129,276
Average number of shares	129,276	129,276	129,276
Book value of equity per share (BVPS) (DKK)	5.73	5.58	5.54
Earnings per share (EPS) from continuing operations (DKK)	0.28	0.12	0.18
Earnings per share (EPS)	0.27	0.14	0.21
Cash flow per share (DKK)	0.18	0.28	0.60
Share price, end of period (DKK)	8.04	6.44	7.10
Average full-time employee for the period	1,634	1,520	1,568

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

Revenue growth continues in Q1

Revenue development

In Q1 2024, Columbus realized a revenue of DKK 444m, corresponding to an increase of 14% compared to Q1 2023. The increase is mainly driven by sale of services, which increased by 14% compared to the same period last year and counts for 97% of total revenue in Q1 2024. Product sales increased by 13%, which is in line with expectations.

We continue to see strong growth in service revenue in our major Business Lines Dynamics (17%) and M3 (15%) as well as our strategic Business Line Customer

Experience & Engagement growing by 25%. The strategic Business Line Digital Commerce declined by 9%, caused by the current market uncertainty. The strategic Business Line Data & AI declined by 3% in Q1 2024 after strong growth during 2023 due to market uncertainty in Sweden and Norway, causing longer decision processes and projects being postponed. Our strategic Business Lines are key components in extending our capabilities within digital advisory.

Our largest Business Line, **Dynamics**, delivered a strong Q1 with growth of 17% in

service revenue, and we continue to see a strong win rate and request for our services.

The overall performance across markets is achieved by high efficiency and good customer projects. Dynamics is expected to continue the growth journey during 2024.

After the announcement of the New Heights strategy and the formal introduction of the new Life Science vertical, we are pleased to announce that we have signed contracts with new customers in both pharma production and med-tech.

Furthermore, focused efforts to accelerate expertise in PowerPlatform and AI (Microsoft CoPilot) have been conducted to ensure continued relevance in the Dynamics space.

M3, our second largest Business Line, saw an increase in service revenue of 15%. This increase is impacted by multiple go lives in Q1 and startup of new projects of significant size. The overall M3 business is operating with a satisfactory efficiency.

Service revenue split on Business Lines

DKK '000	Q1 2024	Q1 2023	Δ%
Dynamics	230,038	196,380	17%
M3	93,074	80,595	15%
Digital Commerce	53,379	58,681	-9%
Data & AI	18,707	19,366	-3%
Customer Experience & Engagement	19,427	15,602	25%
Security	7,968	0	100%
Other Local Business	6,249	6,256	0%
Total sale of services	428,842	376,880	14%
Total sale of products	15,398	13,620	13%
Total net revenue	444,240	390,500	14%

Service revenue split on Market Units

DKK '000	Q1 2024	Q1 2023	Δ%
Sweden	147,946	145,865	1%
Denmark	108,318	80,451	35%
Norway	66,115	71,807	-8%
UK	75,534	45,706	65%
US	19,555	22,020	-11%
Other	10,104	10,059	0%
GDC	1,270	972	31%
Total sale of services	428,842	376,880	14%
Total sale of products	15,398	13,620	13%
Total net revenue	444,240	390,500	14%

Digital Commerce revenue decreased by 9% in Q1 2024 compared to Q1 2023. Adjusted for the acquisition of Endless Gain on 1 January 2024, the revenue declined by 16%. The lower than usual growth in the Business Line is primarily due to the uncertainty in the Swedish and Norwegian markets.

The Market uncertainty is impacting the signing and starting pace for new projects, consequently impacting the expectations for the near future of Digital Commerce. The Acquisition of Endless Gain is performing well, and is being rolled out globally adding new and additional business.

Data & AI continues the focus on developing talents, and the participants in the graduate program from autumn 2023 have now graduated. In Q1 2024, a temporary slowdown is impacting the financials due to a delay on existing and new customers signings. This is expected to improve in the coming quarters.

In Q1 2024, there has been a significant focus on launching new services within data storage which will be a key component in Data & AI projects going forward.

From 2024, we changed the name from Data & Analytics to Data & AI to reflect our commitment to delivering innovative and impactful AI solutions to our customers.

In **Customer Experience & Engagement**, a continued focus on expanding is a high priority. The growth is driven globally with an extra focus on Denmark and Sweden. Additional resources are added to ensure continued growth. Short term this negatively impacts efficiency due to onboarding and training.

Security, which was acquired 1 April 2023, started the expansion to the Swedish and Norwegian markets during Q4 2023. Q1 2024 performance was below expectations. We continue to see a strong collaboration with Columbus' other Business Lines, however the expected cross-sales effect is taking longer time to establish than initially expected. We have initiated restructuring and cost initiatives, while at the same time increasing sales efforts to boost cross-sales.

From 1 January 2024, **the Strategy & Growth Business Line**, which is key in our strategic advisory towards our customers, was incorporated in our existing Business Lines to secure the best interaction and one point of contact with our customers.

The service revenue amounted to DKK 429m in Q1 2024 compared to DKK 377m in the same period last year, corresponding to an increase of 14%. The growth is in line with management expectations. Product revenue increased by 13%

which is slightly faster than our service business adjusted for M&A. In total, revenue grew by 14%.

Development in Market Units

In Q1 2024 we saw a scattered picture with both strong growth markets and slightly negative growth markets. This is partly due to macro-economic developments. The currencies have stabilized compared to Q1 2023.

The **Swedish Market Unit**, which is our largest market, delivering 34% of total service revenue in Q1, ending Q1 2024 with a 1% growth. The growth was primarily driven by M3 and Customer Experience & Engagement projects. The Business Lines M3 and Customer Experience & Engagement grew by 10% and 123%, respectively compared to Q1 2023. The Swedish Market Unit is experiencing some reluctance from our customers to commit to and start new engagements due to macroeconomic factors.

The **Danish Market Unit** maintained their strong growth journey with a growth of 35% in service revenue in Q1 2024, primarily driven by Dynamics and M3. Excluding the acquisition of ICY Security in April 2023, Denmark grew by 26%.

The **Norwegian Market Unit** is impacted by challenging market conditions, resulting in a decrease of 8% in revenue compared to Q1 2023. Measured in constant currencies, service revenue decreased by 3%.

The **UK Market Unit** delivered an impressive growth of 65% in Q1 2024, including the newly acquired company Endless Gain and a slightly positive currency impact. Organically, the UK Market Unit delivered a significant growth of 50%. All Business Lines contributed to the positive progress. Especially Dynamics and Digital Commerce demonstrated strong growth in Q1 2024. Currency development impacted the UK Market Unit marginally.

The **US Market Unit** ended Q1 2024 with a 11% decline. US is primarily represented by the M3 and Dynamics Business Lines. The M3 Business Line delivered growth, while the Dynamics Business Line decreased slightly.

End-to-end customer engagements drive value

In Q1 2024, the growth was primarily driven by our Cloud ERP Business Lines welcoming new customers or expanding the engagements with existing customers.

Columbus has successfully implemented a state-of-the-art solution to **Bremnes Seashore**, a leading salmon farming producer in Norway. The solution provides important insight to Bremnes' value chain, automating a number of processes, increasing scalability and reducing cost.

The comprehensive solutions comprise services from more Business Lines, covering Dynamics 365 for Finance & Operations with a CRM and a Data & AI solution.

In Denmark, we successfully implemented a new IT platform for **By Malene Birger**, comprising a global roll-out of Infor M3 and Product Lifecycle Management (PLM). In addition, By Malene Birger entered into a larger support agreement including support for ongoing M3 Cloud updates and integration monitoring, ensuring continued operation and development.

In the UK, we closed a deal with **Avire**, a global producer of light curtains, emergency communication and connectivity solutions. The solution comprises a global roll-out of Dynamics 365 Finance & Supply Chain in seven legal entities across finance, procurement, sales, products, planning, production, quality, and logistics.

Recurring revenue

In Q1 2024, recurring revenue amounted to DKK 58m, corresponding to a growth of 18% compared to Q1 2023. Our Operational Service Agreement (OSA) business, former Care contracts, continued to grow as expected and in line with our service business growth.

Recurring Operational Service Agreements (OSA) followed the same trend as the overall service revenue in Q1 2024, resulting in recurring revenue constituting a stable part of total revenue of 13%.

Efficiency

The efficiency in Q1 2024 reached 62%, compared to 64% in Q1 2023. The decrease is caused by the weakened revenue development in the strategic Business

Lines in Q1 2024, partly due to postponement of new projects. Compared to 2023, we adjusted the calculation methodology of the efficiency KPI to be in line with the organizational setup. Comparison figures have been adjusted accordingly.

EBITDA development

In Q1 2024 reported EBITDA amounted to DKK 55m, which is an increase of DKK 16m compared to Q1 2023. The EBITDA margin was 12.4%. Adjusted for the net gain of DKK 20m from the settlement of the M3CS legal case, the EBITDA margin was 7.9%, which is a decrease compared to Q1 2023. The decrease is primarily linked to the easter holiday falling in Q1 in 2024.

The weak start to the year in some of the strategic Business Lines, especially Security, also impacted the EBITDA margin.

Other external costs increased in line with overall activities. Net other operating income amounted to DKK 20m, which is linked to the M3CS case.

Profit before tax

Compared to Q1 2023, profit before tax increased by 20m to DKK 37m. The increase is primarily arising from the M3CS case reported in other operational income. The reduction in financial expenses is due to the stabilisation in currencies and reduced net debt.

Discontinued operations

In Q1 2024 no new events related to discontinued operations occurred. The loss of DKK 0.7m relates to expenses in connection with former divestments.

Cash

Cash flow from operating activities in Q1 2024 was positive with DKK 24m. The cash flow has decreased by DKK 12m compared to Q1 2023 due to the development in working capital and especially increased accounts receivables linked to increased activity.

Equity

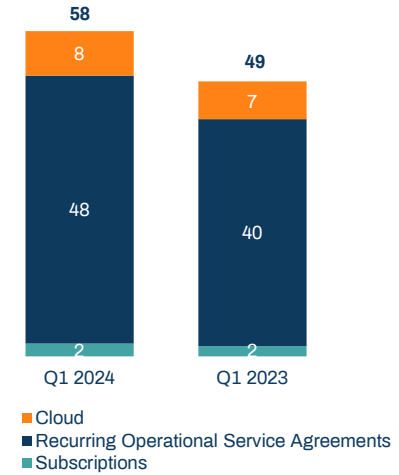
Columbus' equity increased by net DKK 25m since 31 December 2023, primarily due to the retained earnings. In addition, no dividend has been paid out in the quarter.

Employee development

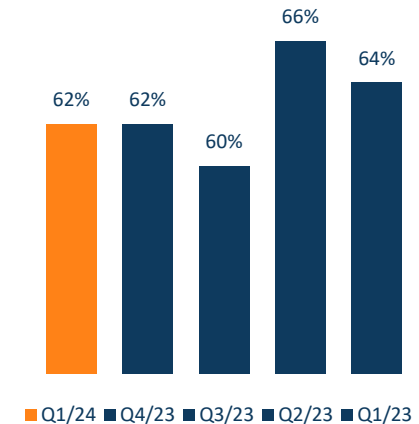
Columbus employs an average of 1,634 FTE's in Q1 2024, which was an increase of 114 FTE's compared to Q1 2023 (1,520 FTEs). The increase in workforce is primarily attributed to the strategic acquisitions of Endless Gain and ICY Security in 2023, which collectively added over 70 employees to the organization.

Furthermore, the organic growth in FTEs is predominantly driven by our Business Lines Dynamics. We also observed modest onboardings in Customer Experience & Engagement and Data & AI contribution to the overall growth.

Development in recurring revenue



Development in efficiency



Outlook for 2024

The financial guidance is maintained.

During the past year, 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, 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.

Besides the already strong foothold in the industries, food, retail & distribution and manufacturing, we have also added 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 margin 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 worsens during 2024, it may impact the Group's growth and margin negatively.

Based on the financial performance in Q1 2024 and the current order book and pipeline forecast, our full year guidance for 2024 is maintained as follows:

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

Statement by management

We have today considered and approved the interim financial report for the period 1 January 2024 – 31 March 2024 for Columbus A/S.

The interim financial report has been prepared in accordance with IAS 34 and additional Danish interim reporting requirements for listed companies. The interim financial report is unaudited and has not been reviewed by the Company's auditor.

We consider the accounting policies applied to be appropriate to the effect that the interim financial report gives a true and fair view of the Group's assets, liabilities and financial position at 31 March 2024, and of the results of the Group's operations and cash flows during the first three months of 2024.

We consider the management report to give a true and fair view of the development in the Group's business activities and financial situation, the financial result for the period and the Group's financial position as a whole together with a true and fair description of the significant risks and uncertainty factors which the Group faces.

Ballerup, 8 May 2024

Executive Board



Søren Krogh Knudsen
CEO & President



Brian Iversen
Group CFO

Board of Directors



Ib Kunøe
Chairman



Sven Madsen
Deputy Chairman



Peter Skov Hansen



Karina Kirk Ringsted



Per Ove Kogut

Financial statements



Statement of comprehensive income

DKK '000	Note	Q1 2024	Q1 2023	2023
Net revenue	2	444,240	390,500	1,539,955
External project costs		-51,294	-38,316	-168,716
Gross profit		392,946	352,184	1,371,239
Staff expenses and remuneration	3	-318,688	-278,101	-1,102,820
Other external costs		-39,160	-35,265	-154,359
Other operating income/expenses		20,126	351	3,474
EBITDA		55,224	39,169	117,534
Depreciation, amortization and impairment	4	-15,437	-14,185	-57,446
Operating profit (EBIT)		39,787	24,984	60,088
Financial income		1,708	321	2,818
Financial expenses		-4,127	-8,268	-23,568
Profit before tax from continuing operations		37,368	17,037	39,338
Corporate tax		-1,590	-1,777	-15,576
Profit after tax from continuing operations		35,778	15,260	23,762
Profit (loss) after tax from discontinued operations	8	-711	3,462	3,127
Profit (loss) after tax for the period		35,067	18,722	26,889

DKK '000	Note	Q1 2024	Q1 2023	2023
Items that may be reclassified subsequently to profit and loss:				
Foreign exchange adjustments of subsidiaries		-10,848	-4,396	-910
Other comprehensive income		-10,848	-4,396	-910
Total comprehensive income for the period		24,219	14,326	25,979
Profit (loss) after tax allocated to:				
Shareholders in Columbus A/S		35,067	18,722	26,889
		35,067	18,722	26,889
Total comprehensive income allocated to:				
Shareholders in Columbus A/S		24,219	14,326	25,979
		24,219	14,326	25,979
Earnings per share of DKK 1.25 (EPS)		0.27	0.14	0.21
Earnings per share of DKK 1.25, diluted (EPS-D)		0.27	0.14	0.21

Balance sheet

DKK '000	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
ASSETS				
Goodwill		652,525	598,922	654,243
Customer base		18,996	15,031	14,392
Internal applications		41,338	49,151	44,869
Development projects finalized		550	1,377	638
Property, plant and equipment		13,067	11,155	13,890
Right-of-use assets		97,602	57,835	82,328
Deferred tax assets		22,285	26,727	22,740
Other receivables		15,514	17,843	19,342
Total non-current assets		861,877	778,041	852,442
Trade receivables	5	347,106	259,878	293,906
Contract assets	6	10,263	8,300	9,065
Corporate tax receivables		1,449	2,503	2,049
Other receivables		8,080	10,084	13,709
Receivables from divestment of activities	8	58,612	58,218	57,322
Prepayments		24,536	20,593	31,089
Receivables		450,046	359,576	407,140
Cash		40,759	36,401	38,269
Total current assets		490,805	395,977	445,409
TOTAL ASSETS		1,352,682	1,174,018	1,297,851

DKK '000	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
EQUITY AND LIABILITIES				
Share capital		161,595	161,595	161,595
Reserves on foreign currency translation		-79,401	-72,039	-68,553
Retained profit		659,189	631,236	623,787
Equity		741,383	720,792	716,829
Deferred tax		6,979	3,143	5,771
Other provisions		829	829	829
Contingent consideration		20,966	0	16,961
Debt to credit institutions		116,000	76,000	116,000
Lease liability right-of-use assets		73,466	34,323	60,687
Non-current liabilities		218,240	114,295	200,248
Debt to credit institutions		33,254	32,296	36,297
Contract liabilities	6	6,034	6,676	8,241
Trade payables		61,469	30,419	60,666
Corporate tax payables		1,183	732	1,848
Other payables		227,924	211,315	217,938
Accruals and deferred income		36,100	31,680	31,755
Lease liability right-of-use assets		27,095	25,813	24,029
Current liabilities		393,059	338,931	380,774
Total liabilities		611,299	453,226	581,022
TOTAL EQUITY AND LIABILITIES		1,352,682	1,174,018	1,297,851

Statement of changes in equity

DKK '000	Shareholders in Columbus A/S			
	Share capital	Reserves on foreign currency translation	Retained profits	Equity
Q1 2024				
Balance at 1 Jan 2024	161,595	-68,553	623,787	716,829
Profit after tax	0	0	35,067	35,067
Currency adjustments of investments in subsidiaries	0	-10,848	0	-10,848
Total comprehensive income	0	-10,848	35,067	24,219
Share-based payment	0	0	335	335
Balance at 31 Mar 2024	161,595	-79,401	659,189	741,383

DKK '000	Shareholders in Columbus A/S			
	Share capital	Reserves on foreign currency translation	Retained profits	Equity
Q1 2023				
Balance at 1 Jan 2023	161,595	-67,643	612,453	706,405
Profit after tax	0	0	18,722	18,722
Currency adjustments of investments in subsidiaries	0	-4,396	0	-4,396
Total comprehensive income	0	-4,396	18,722	14,326
Share-based payment	0	0	61	61
Balance at 31 Mar 2023	161,595	-72,039	631,236	720,792

DKK '000	Shareholders in Columbus A/S			
	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

Cash flow

DKK '000	Note	Q1 2024	Q1 2023	2023
Operating profit (EBIT)		39,787	24,984	60,088
Non-recurring income and expenses from acquisitions		0	0	-3,104
Depreciation, amortization and impairment	4	15,437	14,185	57,446
Cost of incentive scheme		335	61	605
Changes in net working capital		-26,687	-2,147	-21,025
Cash flow from primary activities		28,872	37,083	94,010
Interest received, etc.		895	334	2,423
Interest paid, etc.		-4,018	-1,181	-11,776
Corporate tax paid		-2,253	-516	-7,703
Cash flow from operating activities		23,496	35,720	76,954
Acquisition of tangible assets		-1,469	-475	-7,888
Acquisition of intangible assets		0	-1,339	-7,095
Disposal of tangible assets		19	0	7
Payments for Financial assets		652	0	1,864
Acquisition of activities		-12,575	138	-35,895
Disposal of activities	9	-711	3,462	1,927
Cash flow from investing activities		-14,084	1,786	-47,080

DKK '000	Note	Q1 2024	Q1 2023	2023
Proceeds from borrowings		0	0	40,000
Overdraft facilities		-29	-20,039	-12,533
Repayment of lease liabilities		-6,981	-7,375	-27,201
Dividends paid		0	0	-16,160
Cash flow from financing activities		-7,010	-27,414	-15,894
Cash flow from continuing operations		2,402	10,092	13,980
Total net change in cash and cash equivalents		2,402	10,092	13,980
Cash funds at the beginning of the period		38,269	32,787	32,787
Exchange rate adjustments		88	-6,478	-8,498
Cash funds at the end of the period		40,759	36,401	38,269

Notes

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Notes

Note 1 – Material accounting principles

The consolidated interim financial report is prepared in accordance with IAS 34, Presentation of Interim Financial Reporting, as approved by the EU, and additional Danish disclosure requirements for interim reports of listed companies. The interim financial report is presented in Danish kroner (DKK), which is the Parent Company's functional currency.

The accounting policies applied in the interim financial report are unchanged compared to 2023, except for any new, amended or revised accounting standards and interpretations endorsed by the EU, effective for the accounting period beginning on 1 January 2024.

For more information on the accounting policies, we refer to our Annual Report for 2023.

Note 2 – Segment data

In order to support decisions about allocation of resources and assessment of performance of the segments, the Group's management reporting to the Executive Board 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 & AI	UK	
Customer Experience & Engagement	US	
Security	Other	
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.

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 & AI, Customer Experience & Engagement and Security. 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.

Notes

Note 2 – Segment data (continued)

DKK '000	Services	Products	Total revenue	Direct costs	Contribution	CM %
Q1 2024						
Dynamics	230,038	8,936	238,974	-168,602	70,372	29%
M3	93,074	2,170	95,244	-70,475	24,769	26%
Digital Commerce	53,379	416	53,795	-47,906	5,889	11%
Data & AI	18,707	138	18,845	-18,607	238	1%
Customer Experience & Engagement	19,427	246	19,673	-19,163	510	3%
Security	7,968	588	8,556	-13,107	-4,551	-53%
Other Local Business	6,249	2,904	9,153	-5,211	3,942	43%
Total	428,842	15,398	444,240	-343,071	101,169	23%
Enabling Functions					-45,945	
EBITDA					55,224	

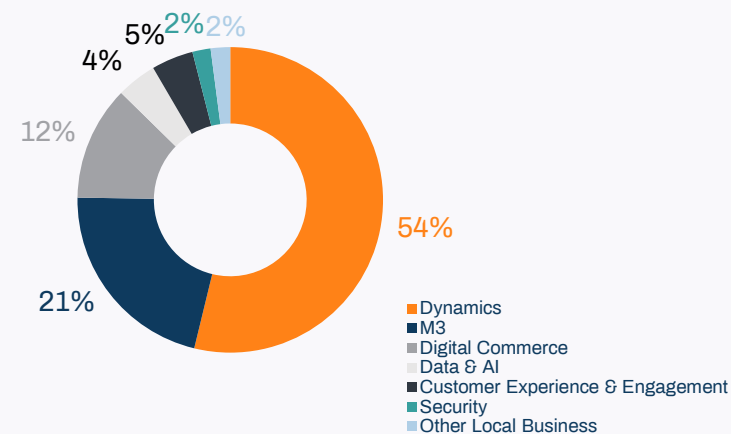
DKK '000	Services	Products	Total revenue	Direct costs	Contribution	CM %
Q1 2023						
Dynamics	196,380	8,071	204,451	-143,807	60,644	30%
M3	80,595	1,989	82,584	-66,156	16,428	20%
Digital Commerce	58,681	775	59,456	-43,942	15,514	26%
Data & AI	19,366	190	19,556	-14,919	4,637	24%
Customer Experience & Engagement	15,602	139	15,741	-13,670	2,071	13%
Other Local Business	6,256	2,456	8,712	-8,507	205	2%
Total	376,880	13,620	390,500	-291,001	99,499	25%
Enabling Functions					-60,330	
EBITDA					39,169	

Development in Business Lines

All comments relating to the growth of the strategic Business Lines have been described in the revenue development segment.

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

Business Lines Revenue Split YTD 2024



Notes

Note 2 – Segment data (continued)

DKK '000	Services	Products	Total revenue	Direct costs	Contribution	CM %	Average FTE	Q1 2024	Q1 2023	2023
2023							Business Line			
Dynamics	778,901	44,151	823,052	-598,198	224,854	27%	Dynamics	669	620	639
M3	301,472	6,362	307,834	-247,591	60,243	20%	M3	259	269	265
Digital Commerce	195,418	1,820	197,238	-163,584	33,654	17%	Digital Commerce	229	219	216
Data & AI	77,233	658	77,891	-64,991	12,900	17%	Data & AI	94	80	87
Customer Experience & Engagement	67,248	700	67,948	-59,006	8,942	13%	Customer Experience & Engagement	83	69	70
Security	29,538	1,757	31,295	-36,083	-4,788	-15%	Security	47	0	36
Other Local Business	25,246	9,451	34,697	-33,691	1,006	3%	Other Local Business	31	29	29
Total	1,475,056	64,899	1,539,955	-1,203,144	336,811	22%	Business Line average number of FTE	1,412	1,286	1,342
Enabling Functions					-219,277		Enabling Functions	222	234	226
EBITDA					117,534		Average number of FTE	1,634	1,520	1,568

Notes

Note 2 – Segment data (continued)

DKK '000	Sweden	Denmark	Norway	UK	US	Other	GDC	Eliminations	Total
Q1 2024									
Sale of services	147,946	108,318	66,115	75,534	19,555	10,104	1,270	0	428,842
Sale of products	5,608	4,311	1,789	2,673	1,017	0	0	0	15,398
Total revenue from own markets	153,554	112,629	67,904	78,207	20,572	10,104	1,270	0	444,240
Total revenue from group companies	15,520	17,256	5,233	4,802	2,574	1,600	31,894	-78,879	0
Total revenue	169,074	129,885	73,137	83,009	23,146	11,704	33,164	-78,879	444,240
Average number of FTE	434	376	179	213	47	36	349	0	1,634
Q1 2023									
Sale of services	145,865	80,451	71,807	45,706	22,020	10,059	972	0	376,880
Sale of products	5,788	3,036	1,730	2,421	645	0	0	0	13,620
Total revenue from own markets	151,653	83,487	73,537	48,127	22,665	10,059	972	0	390,500
Total revenue from group companies	8,946	12,347	1,537	2,383	758	1,097	25,182	-52,250	0
Total revenue	160,599	95,834	75,074	50,510	23,423	11,156	26,154	-52,250	390,500
Average number of FTE	444	296	183	184	50	37	326	0	1,520
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

Notes

Note 3 – Staff expenses and remuneration

DKK '000	Q1 2024	Q1 2023	2023
Staff expenses			
Salary and wages	265,244	227,437	944,367
Other social security costs	36,981	32,971	130,749
Other staff expenses	16,128	17,632	27,099
Share-based payment	335	61	605
Total staff expenses	318,688	278,101	1,102,820
Average number of FTEs	1,634	1,520	1,568

Note 4 – Depreciation, amortization and impairment

DKK '000	Q1 2024	Q1 2023	2023
Depreciation	9,587	8,820	35,324
Amortization	5,850	5,365	22,122
Total depreciation, amortization and impairment	15,437	14,185	57,446

Notes

Note 5 – Trade receivables

DKK '000	31 Mar 2024	31 Mar 2023	31 Dec 2023
Receivables (gross) at 1 Jan	295,807	261,422	261,422
Change in receivables during the period	54,333	1,096	34,385
Receivables (gross) end of period	350,140	262,518	295,807
Provisions for bad debt at 1 Jan	1,901	6,622	6,622
Change in provisions for bad debt during the period	1,133	-4,015	-4,767
Loss realized during the period	0	33	46
Provisions for bad debt end of period	3,034	2,640	1,901
Carrying amount end of period	347,106	259,878	293,906

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

DKK '000	31 Mar 2024	31 Mar 2023	31 Dec 2023
Age of receivables (gross):			
Not due	227,659	206,709	193,805
0-30 days	110,072	44,416	88,157
30-60 days	5,499	3,675	8,333
61-90 days	2,793	1,618	1,068
91-180 days	1,111	5,311	1,705
181-270 days	386	704	1,978
270-360 days	1,720	71	197
Above 360 days	900	14	564
Total	350,140	262,518	295,807

DKK '000	31 Mar 2024	31 Mar 2023	31 Dec 2023
Age of impairment:			
Not due	6	65	18
0-30 days	275	222	220
30-60 days	41	92	125
61-90 days	60	121	53
91-180 days	269	1,351	426
181-270 days	193	704	298
271-360 days	1,290	71	197
Over 360 days	900	14	564
Total	3,034	2,640	1,901

DKK '000	31 Mar 2024	31 Mar 2023	31 Dec 2023
Provision matrix:			
Not due	0.0%	0.0%	0.0%
0-30 days	0.2%	0.5%	0.3%
30-60 days	0.7%	2.5%	1.5%
61-90 days	2.2%	7.5%	5.0%
91-180 days	24.2%	25.4%	25.0%
181-270 days	50.0%	100.0%	15.1%
271-360 days	75.0%	100.0%	100.0%
Over 360 days	100%	100.0%	100.0%

Notes

Note 6 – Contract assets and contract liabilities

DKK '000	31 Mar 2024	31 Mar 2023	31 Dec 2023
Balance at 1 Jan	824	-4,138	-4,138
Changes contract assets during the period	-2,419	4,003	25,631
Changes on account billing and prepayments during the period	5,824	1,759	-20,669
Balance at end of period	4,229	1,624	824
Work in progress	36,878	17,669	39,297
On account billing and prepayments	-32,649	-16,045	-38,473
Balance at end of period	4,229	1,624	824
The net value is included in the balance as follows:			
Contract assets	10,263	8,300	9,065
Contract liabilities	-6,034	-6,676	-8,241
Balance at end of period	4,229	1,624	824

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.

Notes

Note 7 – Business combination

Acquisition of companies in 2024

The Group has per 1 January 2024 acquired Endless Gain Limited. 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	01. January 2024	100%	100%	17,500
Total					17,500

After recognition of identifiable assets, liabilities and contingent liabilities at fair value, goodwill in relation to the acquisition was assessed at GBP 1,049k (As of 31 December 2023 DKK 8,996k).

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 at 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 on a Weighted Average Cost of Capital (WACC) of 10% as the basis for the calculation.

Opening balance

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	8,996	8,996
Total consideration	17,500	17,500
Net working capital not paid	1,704	1,704
Acquired cash funds	-3,016	-3,016
Contingent consideration	-4,350	-4,350
Cash consideration on acquisition date	11,838	11,838

Notes

Note 7 – Business combination (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 is 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.

Acquisition of companies in 2023

The Group has per 11 April 2023 acquired ICY Security ApS. The acquisition was a share purchase. With the acquisition of ICY Security, Columbus expanded its business to meet customers' increasing demand for secure access to business-critical data.

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

After recognition of identifiable assets, liabilities and contingent liabilities at fair value, goodwill in relation to the acquisition is assessed at DKK 51.6m. Compared to the previously presented opening balance latest in the Annual Report 2023, 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 at 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.

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

Notes

Note 7 – Business combination (continued)

Opening balance

DKK '000	ICY Security ApS	Total 2023
Tangible fixed assets	1,670	1,670
Other intangible assets	0	0
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
Tax receivables	0	0
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

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 is included in the Other external cost in the income statement.

Revenue and profit contribution

ICY Security ApS contributed revenue of DKK 9m and contribution of DKK -5m to the group for the period from 1 January to 31 March 2024.

Notes

Note 8 – Discontinued operations

DKK '000	Q1 2024	Q1 2023	2023
Net revenue	0	0	0
External project costs	0	0	0
Gross profit	0	0	0
Staff expenses and remuneration	0	0	0
Other external costs	0	0	0
Other operating income	0	0	0
EBITDA	0	0	0
Depreciation, amortization and impairment	0	0	0
Operating profit (EBIT)	0	0	0
Financial income	0	0	0
Financial expenses	0	0	0
Profit (loss) before tax from discontinued operations	0	0	0
Corporate tax	0	0	0
Profit (loss) after tax from discontinued operations	0	0	0
Total gain (loss) on divestment of discontinued operations	-711	3,462	3,127
Profit (loss) from discontinued operations	-711	3,462	3,127
Earnings per share from discontinued operations of DKK 1.25 (EPS)	-0.01	0.03	0.02
Earnings per share from discontinued operations of DKK 1.25, diluted (EPS-D)	-0.01	0.03	0.02

DKK '000	Q1 2024	Q1 2023	2023
Gain (loss) on disposal of subsidiaries	0	0	3,050
Recirculation of historical currency adjustments	0	0	1,200
Transaction costs related to disposal	-711	3,462	-1,123
Total gain (loss) on divestment of discontinued operations	-711	3,462	3,127

Discontinued operations in 2024

There have not been any discontinued operations in 2024. The transaction costs are related to previous disposals.

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 58.612k. 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.

Notes

Note 9 – Disposal of activities

The transaction costs are related to previous disposals.

DKK '000	31 Mar 2024	31 Mar 2023	31 Dec 2023
Goodwill	0	0	0
Property, plant and equipment	0	0	0
Right-of-use assets	0	0	0
Trade receivables	0	0	0
Contract assets	0	0	0
Other receivables	0	0	0
Prepayments	0	0	0
Cash	0	0	0
Total assets	0	0	0

DKK '000	31 Mar 2024	31 Mar 2023	31 Dec 2023
Deferred tax	0	0	0
Lease liability right-of-use assets	0	0	0
Contract liabilities	0	0	0
Trade payables	0	0	0
Corporate tax payables	0	0	0
Other payables	0	0	0
Total liabilities	0	0	0
Net assets disposed of	0	0	0
Cash and cash equivalents	0	0	3,050
Total consideration	0	0	3,050
Loss on disposal of activities	0	0	3,050
Net Cash inflow arising on disposal:			
Consideration received in cash and cash equivalents	0	0	3,050
Less: cash and cash equivalents disposed of	0	0	0
Transaction costs related to disposal	-711	3,462	-1,123
Net cash inflow arising on disposal	-711	3,462	1,927

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	$\frac{\text{Profit after tax and excl. minority interests}}{\text{Average equity excl. minority interests}}$	
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)	$\frac{\text{Profit after tax and excl. minority interests}}{\text{Average number of shares}}$	x f
Book value per share (BVPS)	$\frac{\text{Equity excl. minority interests end of year} \times 100}{\text{Number of shares end of year}}$	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

Recurring Revenue

Recurring Revenue includes Software maintenance, Cloud revenue and 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.

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.

