

# Q1 Report 2022

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10 May 2022

# Highlights

7% revenue growth in Q1 with progress in most business areas. EBITDA and efficiency impacted by investments in onboarding of new talents.

## Financial highlights Q1

- Revenue increased by 7% in Q1 2022 to DKK 393m (Q1 2021: DKK 367m).
- EBITDA decreased to DKK 30m in Q1 2022 (Q1 2021: DKK 38m). The decrease is mainly caused by an increase in staff cost, use of sub-contractors and higher spend of other external cost.
- Negative effect of discontinuing Columbus Russia by DKK 25m.

*All numbers and comments are on the continued business (excluding the divested entities Russia, US SMB, To-Increase and Baltics).*

## Operational highlights

- Hiring 114 new talents
- Salary as a percentage of revenue increased by approx. 2% compared to FY 2021
- YTD efficiency 62%
- Divestment of Columbus Russia
- Strengthening our One Columbus culture

*”The first quarter of the year has been heavily focused on building a strong organization to fuel for growth.”, says CEO & President Søren Krogh Knudsen.*

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# On track delivering 7% revenue growth

Columbus realised a solid start to the year with high activity across the business and progress in strategic business areas. Columbus maintains expectations for 2022.

It has been an intense start to the year – a first quarter marked by the necessary decision to close our activities in Russia, but also a quarter with good activity in our remaining business.

## Important topline growth

In Q1 2022, revenue grew organically by 7% to DKK 393m compared to DKK 367m in Q1 2021. Good progress was noted in all areas of the business with the majority of our Business Units delivering top-line growth. Our Norwegian business continued their strong momentum from last year with 13% growth closely followed by Columbus Sweden growing by 10%. So did our strategic business areas Data & Analytics, Customer Experience, Digital Commerce and Columbus Care which grew by 200%, 23%, 17% and 15%, respectively. We start to see a stabilization of our US business with a growth of 5% in Q1 2022.

## The scarcity of talent affects EBITDA

The high demand for talent puts a significant pressure on salaries and causes high attrition in the IT business and Columbus is like the rest of the industry currently facing these issues. Despite these challenges, we have been able to increase our average number of FTE's by 70 in Q1 2022. This has been possible due to our

employer branding activities and dedicated HR efforts.

We generally see a satisfactory level on EBITDA margin from our Cloud ERP businesses and related Care businesses. As part of our Focus23 strategy, we are investing in growing our new Business Lines which are affecting the overall EBITDA margin.

Efficiency has improved from 59% in Q4 2021 to 62% in Q1 2022. Many new hires, ramp up of new consultants and low utilization of our offshore center in India are affecting the efficiency and this remains a key focus for us in the coming quarters. Overall, EBITDA declined from DKK 38m to DKK 30m in Q1 2022, a decline of 23%.

## Exiting the Russian market

Columbus has been running a healthy business in Russia with 213 loyal employees since 1997. However, with Russia's invasion of Ukraine, we could not reconcile doing business in Russia and promptly, Columbus started to investigate the options to exit the Russian market. On 16 March 2022, Columbus handed over the ownership of the Russian business to the management of the Russian business for a purchase price of DKK 2m.

We are deeply concerned about the situation in Ukraine and Columbus has made financial contribution to various humanitarian aid in Ukraine. We have a small number of affiliated consultants in Ukraine, and we have taken the necessary actions to ensure the safety of their families.

## One Columbus culture

During Q1, we continued the strong focus on One Columbus which implied investment in a Leadership Principles program, global incentive schemes and increasing number of Columbus Academy training courses. In March, we appointed our new Chief People Officer Per Fredriksson to further strengthen our focus on attracting and retaining talent in Columbus. All in all, the first quarter of the year has been heavily focused on building a strong organization to fuel for growth.

## Our sustainability focus starts materializing

In Columbus we are focused on building solutions to help our customers accelerate their sustainability ambitions. As an example, we recently launched a pilot project in India for Efficient Management of Renewable Energy for a major Energy distribution company in Delhi, BSES Yamuna Power Limited, in corporation with the Danish Embassy and Nordic Innovation.

It makes me proud to see how our employees are taking leadership to move Columbus forward in the sustainability agenda.

## Deliver customer value

As always, our focus is to earn the trust of our customers by ensuring that we advise, implement, and maintain our customers' critical business applications. Delivering a composable commerce solution to Tech-Step in Norway, combining the best-of-breed commerce components into a custom specific solution, and a brand-new customer experience platform to the newly acquired Schibsted Denmark company are two good examples of this.

I remain confident that Columbus is on the right path and well positioned to move into a position as trusted digital advisor. For 2022, Columbus maintains our guidance to revenue growth of between 8% and 15% and EBITDA in the range of DKK 120m to 145m corresponding to a margin of 7.4% to 9.5%.

I want to thank our employees, customers, and partners for their contribution to the results.

*Søren Krogh Knudsen*  
CEO & President

# Key figures and ratios

DKK '000	Q1 2022	Q1 2021	2021
<b>Income related figures</b>			
Sale of services	343,041	321,618	1,210,291
Sale of products	49,808	45,016	204,108
<b>Net revenue</b>	<b>392,849</b>	<b>366,634</b>	<b>1,414,399</b>
Recurring revenue % of total revenue	17.8%	18.9%	21.4%
EBITDA before share-based payment	29,864	38,457	92,464
EBITDA	29,546	38,155	89,307
EBIT	15,671	26,296	40,444
Net financial items	1,803	5,675	-3,410
Profit before tax	17,474	31,971	37,034
Profit after tax, continuing operations	13,417	29,586	43,547
Profit after tax, discontinued operations	-25,431	736,094	715,001
Profit after tax	-12,014	765,680	758,548

DKK '000	Q1 2022	Q1 2021	2021
<b>Balance sheet*</b>			
Non-current assets	832,251	979,082	833,808
Current assets	406,305	1,256,268	434,789
<b>Total assets</b>	<b>1,238,556</b>	<b>2,235,350</b>	<b>1,268,597</b>
Group shareholder equity	737,996	1,480,474	740,980
Total liabilities	500,560	754,876	527,617
<b>Total equity and liabilities</b>	<b>1,238,556</b>	<b>2,235,350</b>	<b>1,268,597</b>

DKK '000	Q1 2022	Q1 2021	2021
<b>Investments in tangible assets</b>	<b>763</b>	<b>2,035</b>	<b>7,434</b>
<b>Cash flow</b>			
Cash flow from operating activities	23,621	7,172	-13,863
Cash flow from investing activities	-10,835	813,623	754,434
Cash flow from financing activities	-27,201	-38,955	-847,512
<b>Total net change in cash and cash equivalents</b>	<b>-14,415</b>	<b>781,840</b>	<b>-106,941</b>
Cash flow from continuing operations	-11,687	805,120	-81,517
Cash flow from discontinued operations	-2,728	-23,280	-25,424
<b>Total net change in cash and cash equivalents</b>	<b>-14,415</b>	<b>781,840</b>	<b>-106,941</b>
<b>Key ratios</b>			
EBITDA-margin	7.5%	10.4%	6.3%
EBIT-margin	4.0%	7.2%	2.9%
Equity ratio	59.6%	66.2%	58.4%
Return on equity	-1.1%	69.0%	104.5%
Return on invested capital (ROIC)	2.7%	3.8%	10.1%
Number of shares	129,276	124,622	129,276
Average number of shares	129,276	124,622	128,192
Book value of equity per share (BVPS) (DKK)	5.71	11.88	5.73
Earnings per share (EPS) from continuing operations (DKK)	0.10	0.23	0.33
Cash flow per share (DKK)	0.18	0.06	-0.11
Share price, end of period (DKK)	9.40	15.40	9.54
Average full time employee for the period	1,507	1,437	1,455

\*All 2021 balance sheet items include US SMB business which were sold off in November 2021, as well as the Russian Business which were sold off in March 2022.

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

# Revenue growth of 7% in Q1 2022

## Revenue development

Columbus realised a revenue of DKK 393m in Q1 2022, corresponding to an increase of 7%. Service revenue grew by 7% and derived from all our Market Units and all Business Lines, except Cloud ERP. We are satisfied with the continued organic revenue growth in Q1 2022, and we expect an increased growth during the remaining quarters of the year.

Cloud ERP declined by 5% in service revenue, which is not considered satisfactory and remains a focus point. Our second and third largest Business Lines, Columbus Care and Digital Commerce, continued to show strong growth with 15% and

17% increase in service revenue, respectively.

## Development in Market Units

All our major markets delivered service revenue growth in Q1 2022. The Norwegian market showed a strong development with an increase of 13% closely followed by Sweden with an increase of 6%.

In the US we start to see the results of increased focus on our core business, with a growth of 8% compared to Q1 2021.

## Increase in recurring revenue

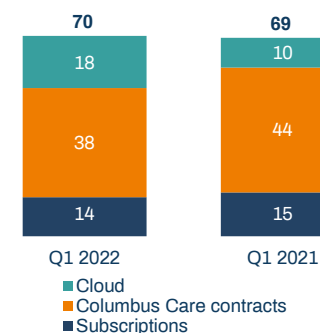
In Q1 2022 recurring revenue increased by DKK 1m to DKK 70m, thus remaining

relatively stable. The development was affected by cloud increasing significantly by DKK 8m, with a negative impact from Columbus Care contracts decreasing by DKK 6m.

Subscriptions related to perpetual licenses continued to decline as our customers are converting to cloud. Going forward, Columbus expects subscriptions to decline to insignificant amounts as part of the cloud conversion.

Due to the increase in total revenue, recurring revenue constituted 18% of total revenue, compared to 19% in Q1 2021.

## Development in recurring revenue



## Service revenue split on Business Lines

DKK '000	Q1 2022	Q1 2021	Δ%
Cloud ERP	179,511	188,908	-5.0%
Columbus Care	71,808	62,693	14.5%
Digital Commerce	45,930	39,431	16.5%
Data & Analytics	15,319	5,106	200.0%
Customer Experience & Engagement	11,527	9,393	22.7%
Other Local Business	18,946	16,087	17.8%
<b>Total sale of services</b>	<b>343,041</b>	<b>321,618</b>	<b>6.7%</b>
<b>Total sale of products</b>	<b>49,808</b>	<b>45,016</b>	<b>10.6%</b>
<b>Total net revenue</b>	<b>392,849</b>	<b>366,634</b>	<b>7.2%</b>

## Service revenue split on Market units

DKK '000	Q1 2022	Q1 2021	Δ%
Sweden	139,099	131,044	6.1%
Denmark	65,564	63,556	3.2%
Norway	70,000	61,852	13.2%
UK	39,989	38,096	5.0%
US	19,961	18,538	7.7%
Other	7,275	7,411	-1.8%
GDC	1,153	1,121	2.9%
<b>Total sale of services</b>	<b>343,041</b>	<b>321,618</b>	<b>6.7%</b>
<b>Total sale of products</b>	<b>49,808</b>	<b>45,016</b>	<b>10.6%</b>
<b>Total net revenue</b>	<b>392,849</b>	<b>366,634</b>	<b>7.2%</b>

### Efficiency

Currently, the technology consulting sector is facing a very heated job market. This is driving high attrition and pressure on salaries. Columbus is currently facing these market conditions.

Efficiency for Q1 2022 was 62% for the group. This is an improvement compared to Q4 2021 which was 59%. Despite the attrition in Q1 2022 we have managed to increase average number of FTE's by 70 compared to Q1 2021. The large attrition and the compensation with new hires is causing a short-term pressure on our efficiency due to ramp up of new consultants.

Management will continue to focus on the efficiency during the coming quarters supported by our new organization and operating model.

### EBITDA development

In Q1 2022 reported EBITDA declined by 23% to DKK 30m, resulting in an EBITDA margin of 8% compared to 10% in Q1 2021. However, the EBITDA margin has increased from 6% to 8% compared to full year 2021.

The EBITDA is impacted by the salary increases in the IT market in general, low efficiency, higher spend on external costs related to normalized level of travel costs and costs related to social activities, which were low last year due to Covid-19 restrictions.

The mentioned decline in EBITDA is derived from our major markets, Sweden, Denmark, and UK.

We generally see a satisfactory level on EBITDA margin from our Cloud ERP businesses and related Care businesses. As part of our Focus23 strategy, we are investing in growing our new Business Lines such as Data & Analytics, Customer Experience & Engagement and Digital Commerce. These strategic investments are affecting our overall EBITDA margin.

In Norway and US, EBITDA is increasing as a consequence of the growing revenue. US is also positively affected by cost reduction in the continued US business.

Despite the stabilization of revenue and a satisfactory local efficiency, we are still facing a declining EBITDA in Denmark. The Danish EBITDA is mainly affected by a larger customer with business in Ukraine and Russia who terminated their engagement. Additionally, we have incurred a loss due to free work on a fixed price project.

### Profit before tax

Compared to Q1 2021, profit before tax declined by DKK 14m to DKK 17m. The decline is mainly driven by the decline in EBITDA.

### Discontinued operations

As a consequence of Russia's invasion of Ukraine, Columbus has divested the entire Russian Market Unit as of 16 March 2022. The Russian business was sold to the local management in the Russian Market Unit. The impact of the divestment to comprehensive income amounted to DKK -25m.

### Cash

Cash flow from operating activities was positive with DKK 24m due to a positive cash flow from primary activities, including operating profit.

### Equity

Columbus' equity decreased by net DKK 3m since 31 December 2021, primarily due to the divestment of Russia. With a total equity of DKK 738m, Columbus has a solvency of 60% (2021: 58%). The high solvency ratio leaves Columbus in a strong financial position.

# Outlook for 2022

## Financial guidance

Columbus experiences a continued increase in demand for our services and digital solutions. Q1 2022 was a good start to the year and progress towards the target for 2022.

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

Based on the financial performance in Q1 2022, current order book and pipeline, our full year guidance for 2022 will remain unchanged as follows.

Columbus exited the Russian market by divesting our former Russian market unit, without changing the outlook for 2022. The comparative figures for 2021 are adjusted for the discontinued operation in the Russian market, resulting in the implied growth rates of 8% – 15% on revenue and 34% - 62% growth on EBITDA.

DKKm	Revenue	EBITDA
2022 Outlook	1,525 - 1,625	120 - 145
Implied growth to 2021	8% - 15%	34% - 62%
Implied EBITDA margin		7.4% - 9.5%



# Statement by management

We have today considered and approved the interim financial report for the period 1 January 2022 – 31 March 2022 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 2022, and of the results of the Group's operations and cash flows during the first quarter of 2022.

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, 10 May 2022

Executive Board



**Søren Krogh Knudsen**  
CEO & President

**Hans Henrik Thrane**  
Corporate CFO

Board of Directors



**Ib Kunøe**  
Chairman



**Sven Madsen**  
Deputy Chairman



**Peter Skov Hansen**



**Karina Kirk Ringsted**



**Per Ove Kogut**



# Financial --- statements



# Statement of comprehensive income

DKK '000	Note	Q1 2022	Q1 2021	2021
Net revenue	2	392,849	366,634	1,414,399
External project costs		-61,860	-54,558	-249,843
<b>Gross profit</b>		<b>330,989</b>	<b>312,076</b>	<b>1,164,556</b>
Staff expenses and remuneration	3	-269,061	-246,942	-946,699
Other external costs		-32,064	-26,917	-124,343
Other operating income		0	245	1,644
Other operating costs		0	-5	-2,694
<b>EBITDA before share-based payment</b>		<b>29,864</b>	<b>38,457</b>	<b>92,464</b>
Share-based payment		-318	-302	-3,157
<b>EBITDA</b>		<b>29,546</b>	<b>38,155</b>	<b>89,307</b>
Depreciation, amortization and impairment	4	-13,875	-11,859	-48,863
<b>Operating profit (EBIT)</b>		<b>15,671</b>	<b>26,296</b>	<b>40,444</b>
Financial income		3,756	7,364	1,995
Financial expenses		-1,953	-1,689	-5,405
<b>Profit before tax from continuing operations</b>		<b>17,474</b>	<b>31,971</b>	<b>37,034</b>
Corporate tax		-4,057	-2,385	6,513
<b>Profit after tax from continuing operations</b>		<b>13,417</b>	<b>29,586</b>	<b>43,547</b>
<b>Profit after tax from discontinued operations</b>	7	<b>-25,431</b>	<b>736,094</b>	<b>715,001</b>
<b>Profit after tax for the period</b>		<b>-12,014</b>	<b>765,680</b>	<b>758,548</b>

DKK '000	Note	Q1 2022	Q1 2021	2021
Items that may be reclassified subsequently to profit and loss:				
Foreign exchange adjustments of subsidiaries		8,712	1,463	-13,174
<b>Other comprehensive income</b>		<b>8,712</b>	<b>1,463</b>	<b>-13,174</b>
<b>Total comprehensive income for the period</b>		<b>-3,302</b>	<b>767,143</b>	<b>745,374</b>
Profit after tax allocated to:				
Shareholders in Columbus A/S		-12,014	766,287	759,155
Minority interests		0	-607	-607
		<b>-12,014</b>	<b>765,680</b>	<b>758,548</b>
Total comprehensive income allocated to:				
Shareholders in Columbus A/S		-3,302	767,751	745,982
Minority interests		0	-608	-608
		<b>-3,302</b>	<b>767,143</b>	<b>745,374</b>
Earnings per share of DKK 1.25 (EPS)		-0.09	6.14	5.91
Earnings per share of DKK 1.25, diluted (EPS-D)		-0.09	6.14	5.89

# Balance sheet

DKK '000	Note	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>ASSETS</b>				
Goodwill		632,201	764,015	644,451
Customer base		24,964	38,087	27,174
Internal applications		48,222	23,371	46,512
Development projects finalized		2,722	4,122	3,070
Property, plant and equipment		10,129	9,022	10,866
Right-of-use assets		61,009	74,364	61,422
Deferred tax assets		32,238	46,540	22,916
Other receivables		20,766	19,561	17,397
<b>Total non-current assets</b>		<b>832,251</b>	<b>979,082</b>	<b>833,808</b>
Trade receivables	5	265,750	247,983	269,583
Contract assets	6	17,532	7,673	11,433
Corporate tax receivables		2,852	7,774	12,041
Other receivables		1,336	16,931	3,791
Receivables from divestment of activities	8	56,952	0	55,631
Prepayments		18,583	24,208	19,367
<b>Receivables</b>		<b>363,005</b>	<b>304,569</b>	<b>371,846</b>
Cash		43,300	951,699	62,943
<b>Total current assets</b>		<b>406,305</b>	<b>1,256,268</b>	<b>434,789</b>
<b>TOTAL ASSETS</b>		<b>1,238,556</b>	<b>2,235,350</b>	<b>1,268,597</b>

DKK '000	Note	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>EQUITY AND LIABILITIES</b>				
Share capital		161,595	155,778	161,595
Reserves on foreign currency translation		-50,730	-44,805	-59,442
Retained profit		627,131	1,369,501	638,827
<b>Equity</b>		<b>737,996</b>	<b>1,480,474</b>	<b>740,980</b>
Deferred tax		2,277	21,946	5,542
Other provisions		1,056	21,872	1,056
Debt to credit institutions		75,970	176,000	75,970
Lease liability right-of-use assets		34,697	47,062	36,454
<b>Non-current liabilities</b>		<b>114,000</b>	<b>266,880</b>	<b>119,022</b>
Debt to credit institutions		3,846	0	19,044
Contingent consideration		6,539	80,367	6,539
Contract liabilities	6	16,048	13,070	17,248
Trade payables		49,517	56,869	79,168
Corporate tax payables		4,415	7,673	1,171
Other payables		232,772	257,304	217,406
Other provisions		6,722	7,000	6,722
Accruals and deferred income		37,523	34,722	32,938
Lease liability right-of-use assets		29,178	30,991	28,359
<b>Current liabilities</b>		<b>386,560</b>	<b>487,996</b>	<b>408,595</b>
<b>Total liabilities</b>		<b>500,560</b>	<b>754,876</b>	<b>527,617</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,238,556</b>	<b>2,235,350</b>	<b>1,268,597</b>

# Statement of changes in equity

DKK '000	Shareholders in Columbus A/S			
	Share capital	Reserves on foreign currency translation	Retained profits	Equity
<b>Q1 2022</b>				
<b>Balance at 1 Jan 2022</b>	<b>161,595</b>	<b>-59,442</b>	<b>638,827</b>	<b>740,980</b>
Profit after tax	0	0	-12,014	-12,014
Currency adjustments of investments in subsidiaries	0	8,712	0	8,712
<b>Total comprehensive income</b>	<b>0</b>	<b>8,712</b>	<b>-12,014</b>	<b>-3,302</b>
Share-based payment	0	0	318	318
<b>Balance at 31 Mar 2022</b>	<b>161,595</b>	<b>-50,730</b>	<b>627,131</b>	<b>737,996</b>

DKK '000	Shareholders in Columbus A/S				
	Share capital	Reserves on foreign currency translation	Retained profits	Minority interests	Equity
<b>Q1 2021</b>					
<b>Balance at 1 Jan 2021</b>	<b>155,778</b>	<b>-46,269</b>	<b>602,912</b>	<b>3,184</b>	<b>715,605</b>
Profit after tax	0	0	766,287	-607	765,680
Currency adjustments of investments in subsidiaries	0	1,464	0	-1	1,463
<b>Total comprehensive income</b>	<b>0</b>	<b>1,464</b>	<b>766,287</b>	<b>-608</b>	<b>767,143</b>
Share-based payment	0	0	302	0	302
Disposal of minority interest	0	0	0	-2,576	-2,576
<b>Balance at 31 Mar 2021</b>	<b>155,778</b>	<b>-44,805</b>	<b>1,369,501</b>	<b>0</b>	<b>1,480,474</b>

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

# Cash flow

DKK '000	Note	Q1 2022	Q1 2021	2021
Operating profit (EBIT)		15,671	26,296	40,444
Depreciation, amortization and impairment	4	13,875	11,859	48,863
Cost of incentive scheme		318	302	1,666
Changes in net working capital		-5,674	-27,481	-87,221
<b>Cash flow from primary activities</b>		<b>24,190</b>	<b>10,976</b>	<b>3,752</b>
Interest received, etc.		3,871	8,049	3,204
Interest paid, etc.		-1,574	-5,669	-7,271
Corporate tax paid		-3,823	-16,077	-8,957
Cash flow from operating activities discontinued operations	7	957	9,893	-4,591
<b>Cash flow from operating activities</b>		<b>23,621</b>	<b>7,172</b>	<b>-13,863</b>
Net investment in development projects		0	-2	-2
Acquisition of tangible assets		-763	-2,035	-7,434
Acquisition of intangible assets		-4,229	-6,110	-33,234
Disposal of tangible assets		28	-13	87
Acquisition of activities		356	0	-74,152
Disposal of activities	8	-6,227	824,798	876,648
Cash flow from investing activities discontinued operations	7	0	-3,015	-7,479
<b>Cash flow from investing activities</b>		<b>-10,835</b>	<b>813,623</b>	<b>754,434</b>

DKK '000	Note	Q1 2022	Q1 2021	2021
Proceeds from capital increase/warrants exercised		0	0	56,570
Repayment of loan		0	0	-100,030
Overdraft facilities		-15,198	0	19,044
Repayment of lease liabilities		-8,318	-8,797	-34,084
Dividends paid		0	0	-775,658
Cash flow from financing activities discontinued operations	7	-3,685	-30,158	-13,354
<b>Cash flow from financing activities</b>		<b>-27,201</b>	<b>-38,955</b>	<b>-847,512</b>
<b>Total net change in cash and cash equivalents</b>		<b>-14,415</b>	<b>781,840</b>	<b>-106,941</b>
Cash funds at the beginning of the period		62,943	164,211	164,211
Exchange rate adjustments		-5,228	5,648	5,673
<b>Cash funds at the end of the period</b>		<b>43,300</b>	<b>951,699</b>	<b>62,943</b>

# Notes

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# Notes

## Note 1 – Significant accounting principles

The consolidated interim financial report is prepared in accordance with IAS 34, Presentation of Interim Financial Reporting, as approved by the EU. 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 prepared in accordance with International Financial Reporting Standards, as approved by the EU, and additional Danish disclosure requirements for interim financial reports of listed companies and is unchanged compared to 2021, except for any new, amended or revised accounting standards and interpretations endorsed by the EU, effective for the accounting period beginning on 1 January 2022, as well as the following accounting policies.

### **Gains and losses on divestments or dissolution of subsidiaries or associates**

Gains or losses on divestments or dissolutions 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.

For more information on the accounting policies, we refer to our Annual Report for 2021.

# Notes

## Note 2 – Segment data

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

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

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

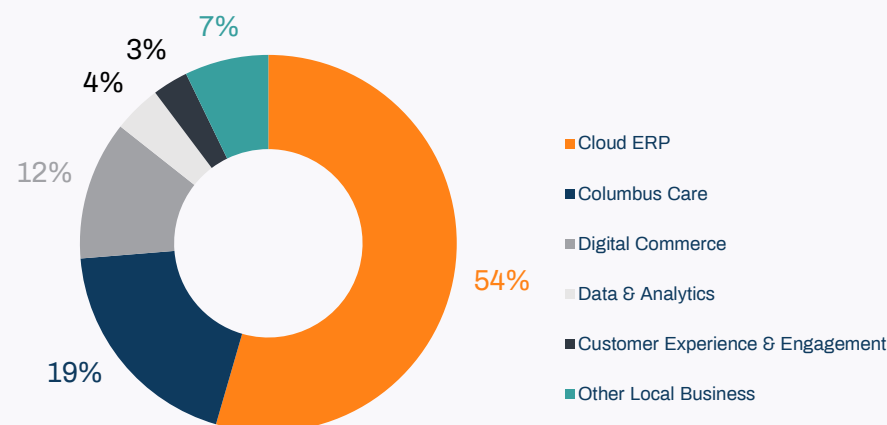
DKK '000	Q1 2022	Q1 2021	2021
<b>Sale of services</b>			
Cloud ERP	179,511	188,908	655,813
Columbus Care	71,808	62,693	260,812
Digital Commerce	45,930	39,431	157,184
Data & Analytics	15,319	5,106	37,676
Customer Experience & Engagement	11,527	9,393	30,008
Other Local Business	18,946	16,087	68,798
<b>Total sale of services</b>	<b>343,041</b>	<b>321,618</b>	<b>1,210,291</b>
<b>Sale of products</b>			
Cloud ERP	34,532	33,082	149,913
Columbus Care	3,730	2,500	11,082
Digital Commerce	924	3,636	11,883
Data & Analytics	820	281	1,911
Customer Experience & Engagement	487	469	2,109
Other Local Business	9,315	5,048	27,210
<b>Total sale of products</b>	<b>49,808</b>	<b>45,016</b>	<b>204,108</b>
<b>Total net revenue</b>	<b>392,849</b>	<b>366,634</b>	<b>1,414,399</b>

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

Business Lines relate to the type of services or products that are delivered, and comprise of Cloud ERP, Columbus Care, Digital Commerce, Data & Analytics, Customer Experience & Engagement and Other Local Business. Market Units comprise of significant geographical markets that the group operates in.

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

### Business Lines Revenue Split Q1 2022





DKK '000	Sweden	Denmark	Norway	UK	US	Other	GDC	Eliminations	Total
<b>Q1 2022</b>									
Sale of services	139,099	65,564	70,000	39,989	19,961	7,275	1,153	0	343,041
Sale of products	13,832	15,562	6,542	10,984	2,888	0	0	0	49,808
<b>Total revenue from own markets</b>	<b>152,931</b>	<b>81,126</b>	<b>76,542</b>	<b>50,973</b>	<b>22,849</b>	<b>7,275</b>	<b>1,153</b>	<b>0</b>	<b>392,849</b>
Total revenue from group companies	12,896	20,332	3,502	4,204	546	939	26,547	-68,966	0
<b>Total revenue</b>	<b>165,827</b>	<b>101,458</b>	<b>80,044</b>	<b>55,177</b>	<b>23,395</b>	<b>8,214</b>	<b>27,700</b>	<b>-68,966</b>	<b>392,849</b>
Gross profit	110,352	70,367	55,510	43,962	17,563	8,214	25,021	0	330,989
EBITDA	7,515	4,020	8,802	1,912	-840	889	6,977	271	29,546
Operating profit (EBIT)									15,671
Profit before tax									17,474
Profit after tax									13,417
<b>Average number of FTEs</b>	<b>409</b>	<b>291</b>	<b>163</b>	<b>186</b>	<b>64</b>	<b>32</b>	<b>363</b>	<b>0</b>	<b>1,507</b>
<b>Q1 2021</b>									
Sale of services	131,044	63,556	61,852	38,096	18,538	7,411	1,121	0	321,618
Sale of products	8,263	17,103	6,059	9,982	3,279	330	0	0	45,016
<b>Total revenue from own markets</b>	<b>139,307</b>	<b>80,659</b>	<b>67,911</b>	<b>48,078</b>	<b>21,817</b>	<b>7,741</b>	<b>1,121</b>	<b>0</b>	<b>366,634</b>
Total revenue from group companies	16,407	20,257	1,099	5,078	248	3,154	28,374	-74,617	0
<b>Total revenue</b>	<b>155,714</b>	<b>100,916</b>	<b>69,010</b>	<b>53,156</b>	<b>22,065</b>	<b>10,895</b>	<b>29,495</b>	<b>-74,617</b>	<b>366,634</b>
Gross profit	96,990	73,624	44,296	45,380	15,829	9,316	28,120	-1,479	312,076
EBITDA	12,231	7,898	7,226	7,723	-4,405	3,147	4,288	47	38,155
Operating profit (EBIT)									26,296
Profit before tax									31,971
Profit after tax									29,586
<b>Average number of FTE</b>	<b>397</b>	<b>289</b>	<b>130</b>	<b>171</b>	<b>66</b>	<b>28</b>	<b>356</b>	<b>0</b>	<b>1,437</b>

# Notes

## Note 2 – Segment data (continued)

DKK '000	Sweden	Denmark	Norway	UK	US	Other	GDC	Eliminations	Total
<b>2021</b>									
Sale of services	483,888	247,979	230,828	137,767	80,915	26,666	2,248	0	<b>1,210,291</b>
Sale of products	43,169	75,567	28,327	37,460	18,158	1,427	0	0	<b>204,108</b>
<b>Total revenue from own markets</b>	<b>527,057</b>	<b>323,546</b>	<b>259,155</b>	<b>175,227</b>	<b>99,073</b>	<b>28,093</b>	<b>2,248</b>	<b>0</b>	<b>1,414,399</b>
Total revenue from group companies	70,021	77,743	7,402	21,565	818	9,589	105,662	-292,800	<b>0</b>
<b>Total revenue</b>	<b>597,078</b>	<b>401,289</b>	<b>266,557</b>	<b>196,792</b>	<b>99,891</b>	<b>37,682</b>	<b>107,910</b>	<b>-292,800</b>	<b>1,414,399</b>
Gross profit	372,372	263,007	164,458	158,958	69,212	32,774	102,913	862	<b>1,164,556</b>
EBITDA	32,996	18,709	19,150	10,829	-7,523	6,314	11,748	-2,916	89,307
Operating profit (EBIT)									40,444
Profit before tax									37,034
Profit after tax									43,547
<b>Average number of FTEs</b>	<b>378</b>	<b>290</b>	<b>139</b>	<b>177</b>	<b>67</b>	<b>31</b>	<b>373</b>	<b>0</b>	<b>1,455</b>

### Non-current assets

DKK '000	31 Mar 2022	31 Mar 2021	31 Dec 2021
Sweden	382,896	421,426	384,985
Denmark	227,501	218,520	209,660
Norway	72,987	72,581	75,670
UK	50,066	51,574	50,935
US	25,609	139,674	25,648
Russia	0	4,810	15,895
Other	17,802	17,473	17,333
GDC	55,390	53,024	53,682
<b>Total</b>	<b>832,251</b>	<b>979,082</b>	<b>833,808</b>

### Non-current assets distributed in legal entities

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

In order to be able to estimate the results of the segments and allocate resources between these, the Board of Directors also monitors the tangible, intangible and financial assets related to each segment.

# Notes

## Note 3 – Staff expenses and remuneration

DKK '000	Q1 2022	Q1 2021	2021
<b>Staff expenses</b>			
Salary and wages	218,388	196,832	791,063
Other social security costs	33,384	35,511	130,518
Other staff expenses	17,289	14,599	25,118
<b>Staff costs before share-based payment</b>	<b>269,061</b>	<b>246,942</b>	<b>946,699</b>
Share-based payment	318	302	3,157
<b>Staff expenses</b>	<b>269,379</b>	<b>247,244</b>	<b>949,856</b>
Average number of FTEs	1,507	1,437	1,455

## Note 4 – Depreciation, amortization and impairment

DKK '000	Q1 2022	Q1 2021	2021
Depreciation	8,808	8,731	33,973
Amortization	5,067	3,170	14,890
<b>Total depreciation, amortization and impairment</b>	<b>13,875</b>	<b>11,859</b>	<b>48,863</b>

# Notes

## Note 5 – Trade receivables

DKK '000	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>Receivables (gross) at 1 Jan</b>	<b>281,133</b>	<b>241,749</b>	<b>241,749</b>
Change in receivables during the period	-10,333	21,509	39,384
<b>Receivables (gross) end of period</b>	<b>270,800</b>	<b>263,258</b>	<b>281,133</b>
<b>Provisions for bad debt at 1 Jan</b>	<b>11,550</b>	<b>19,178</b>	<b>19,178</b>
Change in provisions for bad debt during the period	-6,469	-3,885	-7,609
Loss realized during the period	-31	-18	-19
<b>Provisions for bad debt end of period</b>	<b>5,050</b>	<b>15,275</b>	<b>11,550</b>
<b>Carrying amount end of period</b>	<b>265,750</b>	<b>247,983</b>	<b>269,583</b>

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 2022	31 Mar 2021	31 Dec 2021
Age of receivables (gross):			
Not due	209,778	199,885	190,113
0-30 days	43,637	43,110	57,896
30-60 days	6,398	5,980	9,859
61-90 days	3,570	417	8,033
91-180 days	6,096	4,109	4,627
181-270 days	415	1,269	2,131
270-360 days	263	764	142
Above 360 days	643	7,724	8,332
<b>Total</b>	<b>270,800</b>	<b>263,258</b>	<b>281,133</b>

DKK '000	31 Mar 2022	31 Mar 2021	31 Dec 2021
Age of impairment:			
Not due	301	266	747
0-30 days	218	216	50
30-60 days	160	735	130
61-90 days	268	192	250
91-180 days	2,782	4,109	1,019
181-270 days	415	1,269	880
271-360 days	263	764	142
Over 360 days	643	7,724	8,332
<b>Total</b>	<b>5,050</b>	<b>15,275</b>	<b>11,550</b>

DKK '000	31 Mar 2022	31 Mar 2021	31 Dec 2021
Provision matrix:			
Not due	0.1%	0.1%	0.4%
0-30 days	0.5%	0.5%	0.1%
30-60 days	2.5%	12.3%	1.3%
61-90 days	7.5%	46.0%	3.1%
91-180 days	45.6%	100.0%	22.0%
181-270 days	100.0%	100.0%	41.3%
271-360 days	100.2%	100.0%	99.4%
Over 360 days	99.9%	100.0%	100.0%

# Notes

## Note 6 – Contract assets and contract liabilities

DKK '000	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>Balance at 1 Jan</b>	<b>-5,815</b>	<b>-4,874</b>	<b>-4,874</b>
Changes contract assets during the period	4,510	-11,221	-32,400
Changes on account billing and prepayments during the period	2,789	10,698	31,459
<b>Balance at end of period</b>	<b>1,484</b>	<b>-5,397</b>	<b>-5,815</b>
Work in progress	18,039	34,708	13,529
On account billing and prepayments	-16,555	-40,105	-19,344
<b>Balance at end of period</b>	<b>1,484</b>	<b>-5,397</b>	<b>-5,815</b>
The net value is included in the balance as follows:			
Contract assets	17,532	7,673	11,433
Contract liabilities	-16,048	-13,070	-17,248
<b>Balance at end of period</b>	<b>1,484</b>	<b>-5,397</b>	<b>-5,815</b>

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 – Discontinued operations

DKK '000	Q1 2022	Q1 2021	2021
Net revenue	9,456	83,286	224,745
External project costs	-728	-24,330	-73,241
<b>Gross profit</b>	<b>8,728</b>	<b>58,956</b>	<b>151,504</b>
Staff expenses and remuneration	-7,768	-39,376	-99,996
Other external costs	-700	-5,522	-13,037
Other operating income	0	15	15
<b>EBITDA</b>	<b>260</b>	<b>14,073</b>	<b>38,486</b>
Depreciation, amortization and impairment	-321	-1,833	-5,333
<b>Operating profit (EBIT)</b>	<b>-61</b>	<b>12,240</b>	<b>33,153</b>
Financial income	25	1,004	2,420
Financial expenses	-17,152	-961	-2,443
<b>Profit before tax from discontinuing operations</b>	<b>-17,188</b>	<b>12,283</b>	<b>33,130</b>
Corporate tax	-243	-204	-671
<b>Profit after tax from discontinuing operations</b>	<b>-17,431</b>	<b>12,079</b>	<b>32,459</b>
Total gain (loss) on divestment of discontinued operations	-8,000	724,015	682,542
<b>Profit from discontinued operations</b>	<b>-25,431</b>	<b>736,094</b>	<b>715,001</b>
Earnings per share from discontinued operations of DKK 1.25 (EPS)	-0.20	5.91	5.58
Earnings per share from discontinued operations of DKK 1.25, diluted (EPS-D)	-0.20	5.91	5.56

DKK '000	Q1 2022	Q1 2021	2021
Cash flow from operating activities	957	9,893	-4,591
Cash flow from investing activities	0	-3,015	-7,479
Cash flow from financing activities	-3,685	-30,158	-13,354
<b>Cash flow from discontinued operations</b>	<b>-2,728</b>	<b>-23,280</b>	<b>-25,424</b>
DKK '000	Q1 2022	Q1 2021	2021
Loss on disposal of subsidiaries	-9,535	0	0
Transaction costs related to disposal	1,535	724,015	682,542
<b>Total gain (loss) on divestment of discontinued operations</b>	<b>-8,000</b>	<b>724,015</b>	<b>682,542</b>

### Discontinued operations in 2022

In March, Columbus A/S entered into an agreement to hand over Columbus Russia to the management of the company. The purchase agreement covers 100% of the ownership of the Russian business, and the business is therefore reported as discontinued operations in the profit and loss for 2022 and 2021. The Russian business was represented in our consultancy segment.

# Notes

## Note 8 – Disposal of activities

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

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

On 1<sup>st</sup> 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 is due in Q2 2022 (USD 8,5m).

The gain on disposal is included in the profit for the year from discontinued operations, note 7.

At the date of disposal, the carrying amounts of disposed subsidiaries net assets were as follows.

DKK '000	31 Mar 2022	31 Mar 2021	31 Dec 2021
Goodwill	8,822	97,258	197,980
Customer base	0	5,166	7,295
Other intangible assets	0	19	19
Development projects finalized	0	52,334	52,334
Development projects in progress	0	42,404	42,404
Property, plant and equipment	204	2,281	2,419
Right-of-use assets	2,102	20,712	20,712
Trade receivables	1,762	36,753	36,404
Contract assets	3,731	7,575	7,575
Corporate tax receivables	0	1,052	1,052
Deferred tax assets	0	370	30,961
Other receivables	176	1,474	1,506
Prepayments	1,790	2,800	6,957
Cash	9,274	22,169	22,169
<b>Total assets</b>	<b>27,861</b>	<b>292,367</b>	<b>429,787</b>

DKK '000	31 Mar 2022	31 Mar 2021	31 Dec 2021
Deferred tax	358	19,095	19,095
Debt to credit institutions	0	357	357
Lease liability right-of-use assets	2,254	20,277	20,277
Contract liabilities	2,355	3,854	3,854
Trade payables	1,758	14,829	18,425
Corporate tax payables	5	54	54
Other payables	9,597	30,221	31,180
Accruals and deferred income	0	30,578	30,578
<b>Total liabilities</b>	<b>16,327</b>	<b>119,265</b>	<b>123,818</b>
Minority interests	0	0	2,847
<b>Net assets disposed of</b>	<b>11,535</b>	<b>173,102</b>	<b>303,122</b>
Cash and cash equivalents	2,000	865,279	928,334
Deferred consideration	0	29,535	71,883
<b>Total consideration</b>	<b>2,000</b>	<b>894,814</b>	<b>1,000,217</b>
<b>Gain on disposal of activities</b>	<b>-9,535</b>	<b>0</b>	<b>697,095</b>
Net Cash inflow arising on disposal:			
Consideration received in cash and cash equivalents	2,000	874,096	938,619
Less: cash and cash equivalents disposed of	-9,274	-22,169	-22,169
Transaction costs related to disposal	1,047	-27,129	-39,802
<b>Net cash inflow arising on disposal</b>	<b>-6,227</b>	<b>824,798</b>	<b>876,648</b>

# 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.

#### EBITDA before Share Based Payment

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

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

#### 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.



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