

Columbus[®] | Once you
know how...

A close-up photograph of two hands, one from the left and one from the right, with fingers extended to form a heart shape. The background is a soft-focus landscape of a field at sunset, with the sun low on the horizon, creating a warm, golden glow. The hands are in the foreground, and the field extends into the distance.

A profitable start to the year

Q1 Report 2021

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

18 May, 2021 – Announcement No. 24

Highlights

All in all, a strong development in the first quarter of 2021, with progress across the business. Revenue declined by 8%, which was more than compensated by a rise in EBITDA of 40%. Solid progress in key business areas, tight cost control and high efficiency in the services business have driven the results.

Financial highlights

- Revenue declined by 8% in Q1 2021 to DKK 421m (Q1 2020: 457m).
- EBITDA increased by 40% in Q1 2021 to DKK 55m (Q1 2020: 39m).
- Profit before tax increased by 103% to DKK 48m (Q1 2020: 23m).
- Extraordinary dividend payout of DKK 6 per share, amounting to DKK 776m in total.

All numbers and comments in the Q1 report are on the continued business, thus excluding discontinued operations (excluding the divested entities To-Increase and Baltics).

Operational highlights

- Our new CEO, Søren Krogh Knudsen, who will join Columbus 7 June 2021, was appointed.
- Columbus realised a strong start to the year with high utilization in our consultancy business resulting in a record-high EBITDA margin of 13%.
- Completion of the divestment of our software company, To-Increase and our Baltic companies in Estonia and Lithuania were important milestones in executing our Focus23 strategy.

“Despite an overall decline in revenue of 8% in the first quarter of 2021, Columbus delivered a significant EBITDA growth of 40%. With a profitable result, the initial execution of Focus23 in Q1, and the forthcoming onboarding of our new CEO Søren Krogh Knudsen, we are confident that 2021 will be a successful year for Columbus”.



Live webcast and conference call

Columbus is hosting a live webcast and conference call at 18 May 2021 at 13:00 CET.

The webcast is hosted by Interim CEO & Corporate CFO Hans Henrik Thrane.

Please login to the webcast via Columbus' Investor Site <https://ir.columbusglobal.com/calendar-and-events>

For further information

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A profitable start to the year

Columbus came off to a strong start of 2021 with progress across the business resulting in 40% EBITDA growth as well as a promising pipeline for the coming quarters. We have appointed our new CEO, Søren Krogh Knudsen, who will lead the continuous progress of Columbus, and we are executing on our new Focus23 strategy with the ambition to become digital trusted advisor for our customers.

High efficiency in our consultancy business

Despite an overall decline in revenue of 8% in the first quarter of 2021, Columbus delivered a significant EBITDA growth of 40%, and the EBITDA margin increased from 8.6% to 13.1% due to tight cost control and high efficiency in our consultancy business raising the rate of invoiced customer work from 54% to 58%.

As expected, revenue in Q1 2021 declined due to Covid-19 related reductions in people capacity in April 2020. With increased demand in Q4, we initiated onboarding activities which continued during Q1 2021. In our key strategic business areas, such as Digital Commerce, Data & Analytics and Customer Experience & Engagement, we still saw increased revenue, and we have built a very solid pipeline to deliver growth across our business in the coming quarters.

We are ready to deliver on Focus23

On 23 April 2021, we announced our new CEO, Søren Krogh Knudsen. Søren has a background within the management

consultancy industry and a very strong track record in transformational change and driving profitable growth. I look very much forward to welcoming Søren as he joins us on 7 June 2021.

The Focus23 strategy, which we launched in November 2020, will set the direction for Columbus in the coming years. Our ambition is to become digital advisors for our customers driving increased customer value. In order to focus the business on digital advisory, we are implementing a more focused and simplified operation with increased customer centricity. A key priority is to unleash the full growth potential and make it possible to gradually increase organic growth to minimum 10% annually from 2023

Divestments successfully completed

During the first quarter, we reached the first important milestones that build the foundation for our strategic journey. As the first step to focus the business on digital advisory, we completed the divestment of our software company To-Increase on 26 January 2021. Columbus realized a

total net proceed of DKK 858m and a substantial amount of DKK 776m was rewarded to our shareholders as an extraordinary dividend of DKK 6 per share.

In addition, we divested our Baltic entities. The Baltic companies will continue to be part of the Columbus network in a partnership model.

New global customer focused organization

As a major step in forming our new customer centric operation, we are in the process of re-organizing Columbus into global Business Lines and local Market Units. This re-organization allows us to pull together our global strength around our solution areas and create full customer focus in our marketplaces.

As part of the increased customer focus, we are changing the way we strategically work together with our customers. We focus our capabilities in order to be a relevant partner to our prioritized customers and customer development is achieved through a close collaboration and planning

with the customer and our focused customer team.

To support this new operating model, we are implementing a new global business platform to support collaboration and system support across Business Lines and Market Units.

Unleashing the potential

With a strong profitability, the initial execution of Focus23 in Q1, the forthcoming onboarding of our new CEO Søren Krogh Knudsen and our strong leadership team, I am confident that Columbus will deliver strong performance and progress in 2021 within our new strategic direction.

I want to thank Columbus' employees for their continued dedication and contribution to the results. Likewise, we would like to thank our customers for their business and trust in Columbus, and our shareholders for your continued support.



Ib Kunøe Chairman of the Board

Key figures and ratios

DKK '000	Q1 2021	Q1 2020	2020
Income related figures			
Sale of services	349,249	369,515	1,261,457
Sale of products	71,375	87,380	316,877
Net revenue	420,624	456,895	1,578,334
Recurring revenue % of total revenue	22.7%	21.5%	24.5%
EBITDA before share-based payment	55,444	40,540	138,707
EBITDA	55,142	39,324	134,228
EBIT	42,011	25,275	80,997
Net financial items	5,652	-1,831	-16,852
Profit before tax	47,663	23,444	64,145
Profit for the year, continuing operations	45,094	20,578	53,736
Profit for the year, discontinued operations	720,586	2,163	-5,172
Profit after tax	765,680	22,741	48,564

DKK '000	31 Mar 2021	31 Mar 2020	31 Dec 2020
Balance sheet*			
Non-current assets	979,082	1,135,604	987,440
Current assets	1,256,268	481,002	438,944
Assets classified as held for sale	0	0	214,481
Total assets	2,235,350	1,616,606	1,640,865
Group shareholder equity	1,480,474	649,487	712,421
Minority interests	0	2,924	3,184
Total liabilities	754,876	964,195	831,369
Total liabilities relating to assets classified as held for sale	0	0	93,891
Total equity and liabilities	2,235,350	1,616,606	1,640,865

DKK '000	Q1 2021	Q1 2020	2020
Investments in tangible assets	2,035	1,392	3,832
Cash flow			
Cash flow from operating activities	16,340	35,974	190,862
Cash flow from investing activities	804,806	-44,884	-127,830
Cash flow from financing activities	-38,955	-11,465	-43,972
Total net change in cash and cash equivalents	782,191	-20,375	19,060
Key ratios			
EBITDA-margin	13.1%	8.6%	8.5%
Operating profit margin (EBIT-margin)	10.0%	5.5%	5.1%
Equity ratio**	66.2%	40.2%	43.4%
Return on equity**	72.0%	3.4%	7.0%
Return on invested capital (ROIC)**	5.8%	3.1%	11.9%
Number of shares	124,622	124,622	124,622
Average number of shares	124,622	124,622	124,622
Book value of equity per share (BVPS)	11.88	5.21	5.72
Earnings per share (EPS) from continuing operations	6.14	0.18	0.43
Cash flow per share	0.13	0.29	1.53
Share price, end of period	15,40	5,97	11,24
Average full time employee for the period	1,659	1,836	1,707

*All 2020 balance sheet items include Baltics which were sold March 2021. Balance sheet items as of March 2020 include To-Increase which was classified as held for sale as of December 2020

** Key ratios are calculated with balance sheet items including assets classified as held for sale

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

EBITDA increased by 40% in the first three months of 2021

Columbus came off to a strong start to the year. We experienced great demand in the market and has been fully engaged in on-going customer projects across our business.

Q1 2021 was also the quarter in which Columbus completed the divestment of our software company To-Increase and our Baltic companies in Estonia and Lithuania. The divestments are in line with our new Focus23 strategy execution.

Revenue development

Columbus realised a revenue of DKK 421m in Q1 2021 corresponding to a decline of 7.9%. Organically, the revenue declined by 7.5%. The decline in revenue is primarily due to a decrease in the number

of employees compared to Q1 last year resulting in less customer work (1,659 average FTEs against 1,836 last year).

Most Market Units declined in revenue due to the reduced number of employees. However, Columbus Norway delivered growth in Q1 2021 with improvement across the business.

When the corona pandemic broke out back in March 2020, Columbus did its utmost to mitigate risks and to keep the business in good health by adjusting the business to the expected activity level. During Q4, we began to see the market picking up, and therefore we started onboarding people which is expected to continue throughout 2021. In Q1 2021

market demand has significantly increased and we have a solid pipeline with expected revenue growth for Q2 2021.

EBITDA improved significantly

Reported EBITDA increased by 40.2%. Normalized EBITDA¹ increased by 26.1% to DKK 55m providing normalized margin increase of 3.4 percentage points to 13.0%.

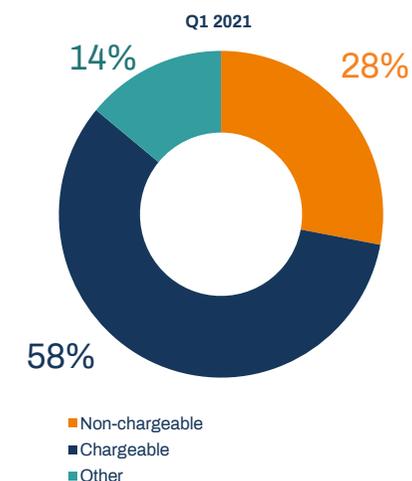
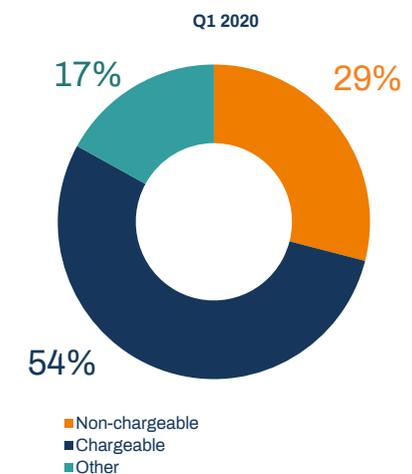
The EBITDA increase is mainly driven by significantly higher customer work amounting to 58% vs. 54% last year and by cost savings, in particular less travel costs, employee related costs and provision for bad debt.

The high demand in Q1 2021 resulted in very high utilization of our consultancy business (customer hours) despite that most of our employees are still serving our customers remotely working from home.

DKKm	Q1 2021	Q1 2020	Development
Revenue reported	421	457	-7.9%
Foreign exchange	2	0	0.0%
Organic revenue	423	457	-7.5%
EBITDA reported	55	39	40.2%
Adjustment of provision for loss making contract	0	4	-100.0%
Normalized EBITDA	55	44	26.1%
Normalized EBITDA-margin	13.0%	9.6%	36.3%

¹ EBITDA adjusted for provision for loss-making contract

Development in customer work



Profit before tax

Columbus realised a profit before tax of DKK 48m in Q1 2021, corresponding to an increase of 103%. The increase is mainly driven by the positive development in EBITDA and financial income from currency adjustments.

Development in service revenue and business segments

Service revenue declined by 5% to DKK 349m in Q1 2021. The decline is impacted by the reduced number of consultants, especially in our Cloud ERP business declining by 8%.

However, we see a high demand for digital transformation and especially our new strategic Business Lines such as Digital Commerce, Data & Analytics and Customer Experience & Engagement are increasing respectively 4%, 9% and 45% compared to Q1 last year. Columbus Care declined by 4% due to decline in the consultancy revenue, however the recurring contracts increased by 21%.

Stable development in recurring revenue

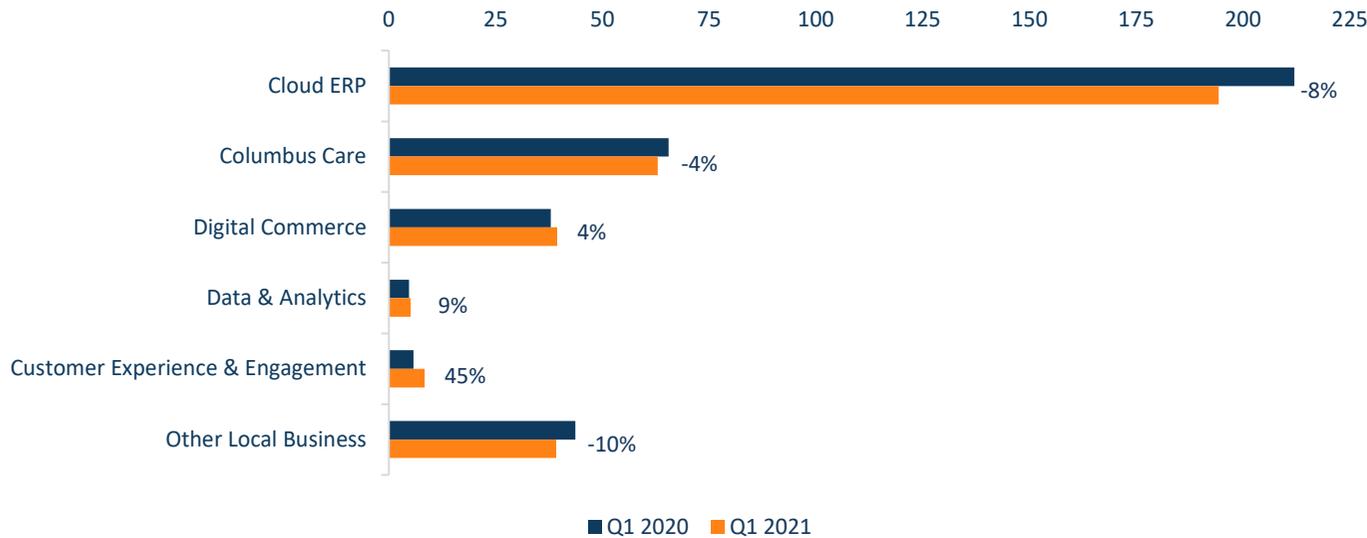
In Q1, recurring revenue was at the same level as last year of DKK 95m (Q1 2020 98m).

The recurring revenue continues to constitute a larger part of the total revenue with Q1 recurring revenue constituting 23% of total revenue (Q1 2020: 22%).

The development in the recurring revenue shows great progress in Columbus Care contracts (+21%) and Cloud products (+17%) and a decline in subscriptions. Going forward, Columbus expects subscriptions to decline as part of the cloud conversion, however the decline in Q1 2021 is higher than expected due to a larger decline from SMB customers in the US business as well as a decline in US Dollars.

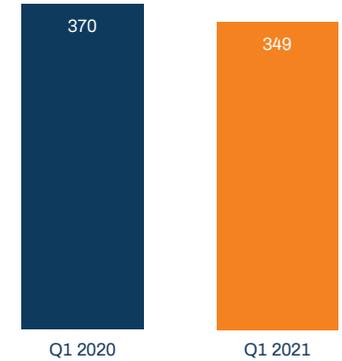
Service revenue split on Business Lines

DKK m



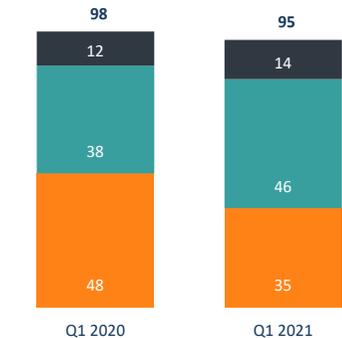
Development in service revenue

DKK m



Development in recurring revenue

DKK m



■ Subscriptions
■ Columbus Care contracts
■ Cloud

Outlook for 2021

Financial guidance

Despite the continued Covid-19 uncertainty and the negative market impact, the management believes that there are good business opportunities going forward.

Columbus' ambition is to gradually increase profitable growth to minimum 10% annually by 2023.

In our latest 2021 guidance which was published in our annual report for 2020, we had included Baltics' full year expected revenue and EBITDA. As we divested Baltics in Q1 2021, Baltics will not be included in the figures for continued business in 2021. However, based on the financial performance in Q1 2021, current order book and pipeline, our guidance for full-year 2021 will remain unchanged as follows:

Revenue is expected to be in the range of DKK 1,650m – 1,800m corresponding to a growth of 5% to 14%.

EBITDA is expected to be in the range of DKK 125m – 150m corresponding to an increase of 1% to 21% compared to the 2020 EBITDA adjusted for customer provision and earn-out adjustments.

Events after the balance sheet date

The Board of Directors' proposal of an extraordinary dividend of DKK 6 per share was adopted at the Annual General Meeting 27 April 2021. This has impacted Columbus' cash position with DKK 776m.

No other events or transactions with a material effect on the company's financial position have occurred since the balance sheet date.

DKKm	Revenue		EBITDA			
2021 Outlook	1,650	-	1,800	125	-	150
Implied growth to 2020 result	5%	-	14%	1%	-	21%



Statement by management

We have today considered and approved the interim financial report for the period 1 January 2021 – 31 March 2021 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 2021, and of the results of the Group's operations and cash flows during the first quarter of 2021.

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, 18 May 2021

Executive Board



Hans Henrik Thrane
Interim CEO & Corporate
CFO

Board of Directors



Ib Kunøe
Chairman



Sven Madsen
Deputy Chairman



Peter Skov Hansen



Karina Kirk Ringsted

Financial --- statements



Statement of comprehensive income

DKK '000	Note	Q1 2021	Q1 2020	2020
Net revenue	2	420,624	456,895	1,578,334
External project costs		-76,602	-98,430	-333,541
Gross profit		344,022	358,465	1,244,793
Staff expenses and remuneration	3	-266,808	-272,150	-1,010,972
Other external costs		-22,010	-45,765	-141,362
Other operating income		243	0	46,265
Other operating costs		-3	-10	-17
EBITDA before share-based payment		55,444	40,540	138,707
Share-based payment	3	-302	-1,216	-4,479
EBITDA		55,142	39,324	134,228
Depreciation, amortization and impairment	4	-13,131	-14,049	-53,231
Operating profit (EBIT)		42,011	25,275	80,997
Financial income		8,173	10	949
Financial expenses		-2,521	-1,841	-17,801
Profit before tax from continuing operations		47,663	23,444	64,145
Corporate tax		-2,569	-2,866	-10,409
Profit after tax from continuing operations		45,094	20,578	53,736
Profit after tax from discontinued operations	8	720,586	2,163	-5,172
Profit after tax for the period		765,680	22,741	48,564

DKK '000	Note	Q1 2021	Q1 2020	2020
Items that may be reclassified subsequently to profit and loss:				
Foreign exchange adjustments of subsidiaries		1,463	-40,026	-5,918
Other comprehensive income		1,463	-40,026	-5,918
Total comprehensive income for the period		767,143	-17,285	42,646
Profit after tax allocated to:				
Shareholders in Columbus A/S		766,287	22,942	48,494
Minority interests		-607	-201	70
		765,680	22,741	48,564
Total comprehensive income allocated to:				
Shareholders Columbus A/S		767,751	-17,083	42,588
Minority interests		-608	-202	58
		767,143	-17,285	42,646
Earnings per share of DKK 1.25 (EPS)		6.14	0.18	0.43
Earnings per share of DKK 1.25, diluted (EPS-D)		6.14	0.18	0.43

Balance sheet

DKK '000	Note	31 Mar 2021	31 Mar 2020	31 Dec 2020
ASSETS				
Goodwill		764,015	833,786	776,961
Customer base		38,087	54,221	41,394
Other intangible assets		23,371	10,012	17,805
Development projects finalized		4,122	72,569	3,397
Development projects in progress		0	13,813	940
Property, plant and equipment		9,022	11,694	8,674
Right-of-use assets		74,364	98,991	87,616
Deferred tax assets		46,540	32,858	43,390
Other receivables		19,561	7,660	7,263
Total non-current assets		979,082	1,135,604	987,440
Trade receivables	5	247,983	287,477	222,571
Contract assets	6	7,673	34,899	14,733
Corporate tax receivables		7,774	7,338	871
Other receivables		16,931	8,619	8,058
Prepayments		24,208	23,923	28,498
Receivables		304,569	362,256	274,731
Cash		951,699	118,746	164,213
Total current assets		1,256,268	481,002	438,944
Assets classified as held for sale	10	0	0	214,481
TOTAL ASSETS		2,235,350	1,616,606	1,640,865

DKK '000	Note	31 Mar 2021	31 Mar 2020	31 Dec 2020
EQUITY AND LIABILITIES				
Share capital		155,778	155,778	155,778
Reserves on foreign currency translation		-44,805	-84,587	-46,269
Retained profit		1,369,501	578,296	602,912
Group shareholders' equity		1,480,474	649,487	712,421
Minority interests		0	2,924	3,184
Equity		1,480,474	652,411	715,605
Deferred tax		21,946	22,085	24,493
Other provisions		21,872	40,716	21,337
Debt to credit institutions		176,000	169,708	176,000
Lease liability right-of-use assets		47,062	74,460	59,929
Non-current liabilities		266,880	306,969	281,759
Debt to credit institutions		0	2,750	0
Contingent consideration		80,367	161,037	81,594
Contract liabilities	6	13,070	21,854	19,607
Trade payables		56,869	59,937	69,210
Corporate tax payables		7,673	18,802	10,202
Other payables		257,304	279,757	300,470
Other provisions		7,000	0	6,722
Accruals and deferred income		34,722	79,446	29,799
Lease liability right-of-use assets		30,991	33,643	32,006
Current liabilities		487,996	657,226	549,610
Total liabilities		754,876	964,195	831,369
Total liabilities relating to assets classified as held for sale	10	0	0	93,891
TOTAL EQUITY AND LIABILITIES		2,235,350	1,616,606	1,640,865

Statement of changes in equity

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

DKK '000	Shareholders in Columbus A/S				
	Share capital	Reserves on foreign currency translation	Retained profits	Minority interests	Equity
YTD 2020					
Balance at 1 Jan 2020	155,778	-40,365	549,941	3,126	668,480
Profit after tax	0	0	22,942	-201	22,741
Currency adjustments of investments in subsidiaries	0	-44,222	4,197	-1	-40,026
Total comprehensive income	0	-44,222	27,139	-202	-17,285
Share-based payment, cf. note 3	0	0	1,216	0	1,216
Balance at 31 Mar 2020	155,778	-84,587	578,296	2,924	652,411

DKK '000	Shareholders in Columbus A/S				
	Share capital	Reserves on foreign currency translation	Retained profits	Minority interests	Equity
2020					
Balance at 1 Jan 2020	155,778	-40,365	549,941	3,126	668,480
Profit after tax	0	0	48,494	70	48,564
Currency adjustments of investments in subsidiaries	0	-5,904	-2	-12	-5,918
Total comprehensive income	0	-5,904	48,492	58	42,646
Share-based payment, cf. note 3	0	0	4,479	0	4,479
Balance at 31 Dec 2020	155,778	-46,269	602,912	3,184	715,605

Cash flow

DKK '000	Note	Q1 2021	Q1 2020	2020
Operating profit (EBIT)		42,011	25,275	80,997
Non-recurring income and expenses from acquisitions		0	0	-45,766
Depreciation, amortization and impairment	4	13,131	14,049	53,231
Cost of incentive scheme	3	302	1,216	4,479
Changes in net working capital		-25,567	1,650	31,574
Cash flow from primary activities		29,877	42,190	124,515
Interest received, etc.		8,049	544	594
Interest paid, etc.		-5,669	-20,461	-3,363
Corporate tax paid		-16,077	-418	-6,019
Cash flow from operating activities discontinued operations	8	160	14,119	75,135
Cash flow from operating activities		16,340	35,974	190,862
Net investment in development projects		-2	1	509
Acquisition of tangible assets		-2,035	-1,392	-3,832
Acquisition of intangible assets		-6,110	0	-9,408
Disposal of tangible assets		-13	0	0
Acquisition of subsidiaries and activities	7	0	-35,370	-75,147
Disposals of subsidiaries and activities	9	815,981	0	-2,696
Cash flow from investing activities discontinued operations	8	-3,015	-8,123	-37,256
Cash flow from investing activities		804,806	-44,884	-127,830
Repayment of lease liabilities		-8,797	-9,473	-36,050
Cash flow from financing activities discontinued operations	8	-30,158	-1,992	-7,922
Cash flow from financing activities		-38,955	-11,465	-43,972
Total net change in cash and cash equivalents		782,191	-20,375	19,060
Cash funds at the beginning of the period		164,213	147,264	147,264
Exchange rate adjustments		5,295	-8,143	-2,112
Cash funds at the end of the period		951,699	118,746	164,212

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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 2020, except for any new, amended or revised accounting standards and interpretations endorsed by the EU, effective for the accounting period beginning on 1 January 2021, 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 2020.

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
Cloud ERP	Sweden
Columbus Care	Denmark
Digital Commerce	Norway
Data & Analytics	UK
Customer Experience & Engagement	US
Other Local Business	Russia

Management monitors the business primarily based on the Business Lines and the geographical segments.

Information about the Group's segments is stated below.

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 has 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, Data & Analytics, Customer Experience & Engagement and Other Local Business. Market Units comprise of significant geographical markets that the group operates in. The Market Units are classified as being the market where the customer is located, rather than the legal entity it is delivered by.

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.

DKK '000	Sweden	Denmark	Norway	UK	US	Russia	Cross Market Units	Eliminations	Total
Q1 2021									
Sale of services	143,627	63,556	61,933	38,096	30,296	10,620	1,121	0	349,249
Sale of products	7,866	17,103	5,978	9,982	28,580	1,866	0	0	71,375
Total net revenue	151,493	80,659	67,911	48,078	58,876	12,486	1,121	0	420,624
Gross profit	135,119	75,023	44,257	45,380	35,566	10,362	-1,685	0	344,022
EBITDA	22,420	7,077	7,718	7,915	1,968	78	-2,684	10,650	55,142
Operating profit (EBIT)									42,011
Profit before tax									47,663
Profit after tax									45,094
Average number of employees	563	326	154	207	164	170	75	0	1,659

Notes

Note 2 – Segment data (continued)

DKK '000	Sweden	Denmark	Norway	UK	US	Russia	Cross Market Units	Eliminations	Total
Q1 2020									
Sale of services	154,296	65,444	53,655	43,443	38,206	14,242	229	0	369,515
Sale of products	9,589	17,779	14,129	8,965	32,479	4,439	0	0	87,380
Total net revenue	163,885	83,223	67,784	52,408	70,685	18,681	229	0	456,895
Gross profit	133,735	71,049	46,405	45,010	44,026	14,817	3,423	0	358,465
EBITDA	18,154	8,464	5,339	5,533	-213	998	-7,387	8,436	39,324
Operating profit (EBIT)									25,275
Profit before tax									23,444
Profit after tax									20,578
Average number of employees	641	341	194	221	174	205	60	0	1,836
2020									
Sale of services	527,582	247,746	151,567	143,747	136,323	54,089	403	0	1,261,457
Sale of products	36,711	83,452	35,868	28,882	116,777	15,187	0	0	316,877
Total net revenue	564,293	331,198	187,435	172,629	253,100	69,276	403	0	1,578,334
Gross profit	463,723	281,863	133,581	154,537	157,119	55,774	-1,804	0	1,244,793
EBITDA	41,562	45,442	-17,851	22,429	-7,735	5,583	11,076	33,722	134,228
Operating profit (EBIT)									80,997
Profit before tax									64,145
Profit after tax									53,736
Average number of employees	590	338	155	213	167	190	54	0	1,707

Notes

Note 2 – Segment data (continued)

The table below shows the revenue for each Business Lines, divided into revenue from sale of services and revenue from sale of products.

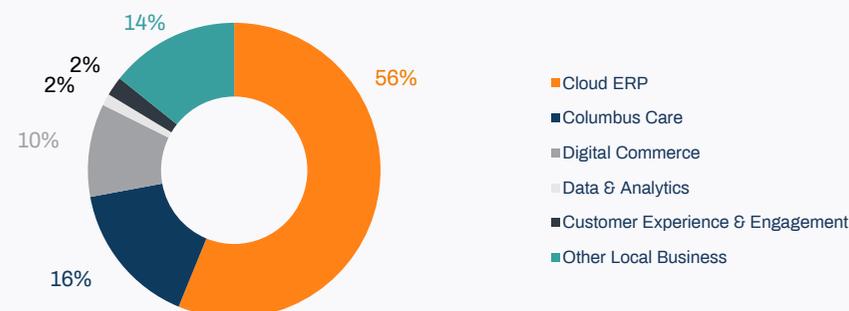
DKK '000	Q1 2021	Q1 2020	2020
Sale of services			
Cloud ERP	194,263	212,020	696,786
Columbus Care	62,928	65,480	235,231
Digital Commerce	39,431	37,881	128,059
Data & Analytics	5,106	4,690	18,236
Customer Experience & Engagement	8,363	5,769	23,803
Other Local Business	39,157	43,674	159,342
Total sale of services	349,249	369,515	1,261,457
Sale of products			
Cloud ERP	42,265	53,301	187,803
Columbus Care	3,801	4,494	19,821
Digital Commerce	3,508	3,185	10,196
Data & Analytics	281	330	908
Customer Experience & Engagement	469	831	2,742
Other Local Business	21,051	25,238	95,407
Total sale of products	71,375	87,380	316,877
Total net revenue	420,624	456,895	1,578,334

Revenue and non-current assets distributed in legal entities

The Group's revenue from external customers and non-current assets distribution in geographical areas are specified below. Revenue is distributed according to the country of the entity from where invoicing has taken place, and the 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.

Business Lines Revenue Split Q1 2021



Legal entities	Net revenue from external customers			Non-current assets		
	DKK '000	Q1 2021	Q1 2020	2020	31 Mar 2021	31 Mar 2020
Sweden	159,482	176,724	595,297	486,116	446,215	498,248
Denmark	72,672	78,916	311,921	169,900	149,642	156,263
Norway	67,911	59,251	175,789	77,067	69,782	72,159
United Kingdom	48,079	52,407	172,629	51,581	50,144	49,108
USA	58,876	70,686	253,100	147,049	162,015	142,368
Russia	12,483	18,682	69,193	35,741	37,695	34,894
Rest of the world	1,121	229	405	11,628	220,111	34,400
Total	420,624	456,895	1,578,334	979,082	1,135,604	987,440

*The non-current assets for the rest of the world segment is higher as of 31 March 2020 compared to 31 December 2020 and 31 March 2021, due to To-Increase was not held for sale at this point. To-Increase amounted to DKK 183,297k as of 31 March 2020.

Notes

Note 3 – Staff expenses and remuneration

DKK '000	Q1 2021	Q1 2020	2020
Staff expenses			
Salary and wages	215,440	220,723	828,236
Other social security costs	36,212	37,261	144,610
Other staff expenses	15,156	14,166	38,126
Staff costs before share-based payment	266,808	272,150	1,010,972
Share-based payment	302	1,216	4,479
Staff expenses	267,110	273,366	1,015,451
Average number of employees	1,659	1,836	1,707

Note 4 – Depreciation, amortization and impairment

DKK '000	Q1 2021	Q1 2020	2020
Depreciation	9,235	9,680	37,434
Amortization	3,896	4,369	15,797
Total depreciation, amortization and impairment	13,131	14,049	53,231

Notes

Note 5 – Trade receivables

DKK '000	31 Mar 2021	31 Mar 2020	31 Dec 2020
Receivables (gross) at 1 Jan	241,749	322,535	322,535
Change in receivables during the period	21,509	-16,458	-80,786
Receivables (gross) end of period	263,258	306,077	241,749
Provisions for bad debt at 1 Jan	19,178	15,304	15,304
Change in provisions for bad debt during the period	-3,885	3,308	3,799
Loss realized during the period	-18	-12	75
Provisions for bad debt end of period	15,275	18,600	19,178
Carrying amount end of period	247,983	287,477	222,571

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 2021	31 Mar 2020	31 Dec 2020
Age of receivables (gross):			
Not due	199,885	213,505	167,236
0-30 days	43,110	48,743	48,834
30-60 days	5,980	12,256	9,827
61-90 days	417	5,724	2,771
91-180 days	4,109	16,322	4,508
181-270 days	1,269	5,188	954
270-360 days	764	1,710	1,874
Above 360 days	7,724	2,629	5,745
Total	263,258	306,077	241,749

DKK '000	31 Mar 2021	31 Mar 2020	31 Dec 2020
Age of impairment:			
Not due	266	278	2,599
0-30 days	216	244	1,044
30-60 days	735	306	446
61-90 days	192	429	2,008
91-180 days	4,109	7,815	4,508
181-270 days	1,269	5,188	954
271-360 days	764	1,710	1,874
Over 360 days	7,724	2,630	5,745
Total	15,275	18,600	19,178

DKK '000	31 Mar 2021	31 Mar 2020	31 Dec 2020
Provision matrix:			
Not due	0.1%	0.1%	1.6%
0-30 days	0.5%	0.5%	2.1%
30-60 days	12.3%	2.5%	4.5%
61-90 days	46.0%	7.5%	72.5%
91-180 days	100.0%	47.9%	100.0%
181-270 days	100.0%	100.0%	100.0%
271-360 days	100.0%	100.0%	100.0%
Over 360 days	100.0%	100.0%	100.0%

Notes

Note 6 – Contract assets and contract liabilities

DKK '000	31 Mar 2021	31 Mar 2020	31 Dec 2020
Balance at 1 Jan	-4,874	10,877	10,877
Changes contract assets during the period	-11,221	-2,459	-65,331
Changes on account billing and prepayments during the period	10,698	4,627	47,526
Reclassified to assets held for sale	0	0	2,054
Balance at end of period	-5,397	13,045	-4,874
Work in progress	34,708	129,541	45,929
On account billing and prepayments	-40,105	-116,495	-50,803
Balance at end of period	-5,397	13,045	-4,874
The net value is included in the balance as follows:			
Contract assets	7,673	34,899	14,733
Contract liabilities	-13,070	-21,854	-19,607
Balance at end of period	-5,397	13,045	-4,874

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 combinations

Acquisition of companies in 2021

There have been no acquisitions during Q1 2021.

Acquisition of companies in 2020

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

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

With the acquisition of Advania Business Solutions, Columbus creates a Microsoft Dynamics cloud Powerhouse in Norway. After recognition of identifiable assets, liabilities and contingent liabilities at fair value, goodwill in relation to the acquisition was assessed to DKK 16.8m. Customer base is recognised separate from goodwill and goodwill therefore relates to knowhow.

Estimated tax deductibility of goodwill for Advania Business Solutions is DKK 16.8m.

Advania Business Solutions has since the acquisition 6 January 2020 had a revenue of DKK 44m and a result after tax of DKK 11m.

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

Opening balances

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

* Contingent consideration payments in 2020 relate to the acquisitions of iStone AB, which were paid in Q2 and Q4 2020. (DKK 38,645k.), BMI (DKK 1,132k) Since the acquisition date of Advania Business Solution the other intangible assets have been revalued with DKK 3m and this has affected the goodwill accordingly.

Notes

Note 8 – Discontinued operations

DKK '000	Q1 2021	Q1 2020	2020
Net revenue	29,296	53,216	208,487
External project costs	-2,286	-3,553	-8,395
Gross profit	27,010	49,663	200,092
Staff expenses and remuneration	-19,510	-29,175	-113,992
Other external costs	-3,707	-6,537	-16,832
Other operating income	15	14	314
Other operating costs	0	0	0
EBITDA	3,808	13,965	69,582
Depreciation, amortization and impairment	-561	-9,473	-29,912
Operating profit (EBIT)	3,247	4,492	39,670
Financial income	195	534	49
Financial expenses	-129	-131	-1,621
Profit before tax from discontinuing operations	3,313	4,895	38,098
Corporate tax	-20	-2,732	-13,768
Profit after tax from discontinuing operations	3,293	2,163	24,330
Total gain (loss) on divestment of discontinued operations	717,293	0	-29,502
Profit from discontinued operations	720,586	2,163	-5,172
Earnings per share from discontinued operations of DKK 1.25 (EPS)	5.78	0.02	-0.04
Earnings per share from discontinued operations of DKK 1.25, diluted (EPS-D)	5.78	0.02	-0.04

DKK '000	Q1 2021	Q1 2020	2020
Gain on disposal of subsidiaries	721,712	0	0
Transaction costs related to disposal	-4,419	0	-29,502
Total gain (loss) on divestment of discontinued operations	717,293	0	-29,502

Cash flow

DKK '000	Q1 2021	Q1 2020	2020
Cash flow from operating activities	160	14,119	75,135
Cash flow from investing activities	-3,015	-8,123	-37,256
Cash flow from financing activities	-30,158	-1,992	-7,922
Cash flow from discontinued operations	-33,013	4,004	29,957

Discontinued operations in 2021

During 2020 Columbus initiated the process of a sale of our software company To-Increase, which represented our entire ISV segment. The sale was finalised in January 2021, and the business is therefore reported as discontinued operations in the profit and loss.

Further, our Danish private cloud business was sold in January 2021 and this business is consequently also classified as discontinued operations. The private cloud business was represented in our consultancy segment across all Market Units.

Finally, in March 2021 our two companies in the Baltics was sold and consequently also classified as discontinued operations. The Baltic entities was represented in our consultancy segment.

Notes

Note 9 – Disposal of subsidiaries

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.

There were no disposals of subsidiaries made in 2020.

The deferred consideration will be partly settled in cash by the purchaser in April 2021 (DKK 12m), and the remaining consideration will be paid in monthly instalments until 2026.

The gain on disposal is included in the profit for the year from discontinued operations, note 8.

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

DKK '000	31 Mar 2021	31 Mar 2020	31 Dec 2020
Goodwill	97,258	0	0
Customer base	5,166	0	0
Other intangible assets	19	0	0
Development projects finalized	52,334	0	0
Development projects in progress	42,404	0	0
Property, plant and equipment	2,281	0	0
Right-of-use assets	20,712	0	0
Investments in subsidiaries	0	0	0
Trade receivables	36,753	0	0
Contract assets	7,575	0	0
Corporate tax receivables	1,052	0	0
Deferred tax assets	370	0	0
Other receivables	1,474	0	0
Prepayments	2,800	0	0
Cash	22,169	0	0
Total assets	292,367	0	0

DKK '000	31 Mar 2021	31 Mar 2020	31 Dec 2020
Deferred tax	19,095	0	0
Other provisions	0	0	0
Contingent consideration	0	0	0
Debt to credit institutions	357	0	0
Lease liability right-of-use assets	20,277	0	0
Contract liabilities	3,854	0	0
Trade payables	14,829	0	0
Corporate tax payables	54	0	0
Other payables	30,221	0	0
Accruals and deferred income	30,578	0	0
Total liabilities	119,265	0	0
Net assets disposed of	173,102	0	0
Cash and cash equivalents	865,279	0	0
Deferred consideration	29,535	0	0
Total consideration	894,814	0	0
Gain on disposal of subsidiaries	721,712	0	0
Net Cash inflow arising on disposal:			
Consideration received in cash and cash equivalents	865,279	0	0
Less: cash and cash equivalents disposed of	-22,169	0	0
Transaction costs related to disposal	-27,129	0	0
Net Cash inflow arising on disposal	815,981	0	0

Notes

Note 10 – Assets classified as held for sale

At 31 March 2021, no parts of group were classified as held for sale.

DKK '000	31 Mar 2021	31 Mar 2020	31 Dec 2020
Goodwill	0	0	81,683
Customer base	0	0	4,670
Development projects finalized	0	0	52,350
Development projects in progress	0	0	38,899
Property, plant and equipment	0	0	1,567
Right-of-use assets	0	0	16,086
Trade receivables	0	0	15,739
Contract assets	0	0	950
Corporate tax receivables	0	0	1,050
Other receivables	0	0	676
Prepayments	0	0	811
Total assets classified as held for sale	0	0	214,481
Deferred tax	0	0	17,181
Other provisions	0	0	4,464
Lease liability right-of-use assets	0	0	15,409
Contract liabilities	0	0	3,004
Trade payables	0	0	3,278
Other payables	0	0	13,380
Accruals and deferred income	0	0	37,175
Total liabilities relating to assets classified as held for sale	0	0	93,891
Net assets	0	0	120,590

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.

Normalized EBITDA

Normalized EBITDA represents the business excluding the impact of one-off items, such as acquisitions, divestments etc. Details on the normalization is provided on page 5.

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