

Columbus[®]

Interim Report Q3 2022

15 November 2022

Highlights

9% revenue growth in Q3 2022 with growth in all Business Lines. Efficiency was 61% which is expected in a period with summer vacation. EBITDA ended at DKK 16m, which is an improvement compared to last year and compared to previous quarters. However, EBITDA is realized below management expectations. On 14 November 2022, Columbus updated outlook for 2022.

Q3 2022 highlights

- Revenue growth of 9% amounting to DKK 334m
- EBITDA amounts to DKK 16m
- Efficiency of 61% in a quarter with summer vacation
- Our new CFO Brian Iversen joined Columbus
- Merge of Project and Care Business Lines
- Pricing and cost initiatives start materializing
- Launch of new sustainability strategy

Q3 2022 YTD highlights

- Revenue growth of 7% amounting to DKK 1,117m
- EBITDA amounted to DKK 62m which is on par with 2021
- Pricing and cost initiatives initiated
- Improved efficiency
- Stable number of employees

Outlook updated

- On 14 November 2022, the financial full-year guidance for 2022 was updated:
- Revenue guidance is specified to DKK ~1,525m, a growth of 8%.
 - EBITDA is adjusted to DKK ~100m, a growth of 12%.

“Despite rapid changes in the macro-economic environment, we delivered a satisfactory Q3 driven by immense effort in all our Business Lines and Market Units. We will continue to focus on increasing efficiency to improve EBITDA margin further”, says CEO & President Søren Krogh Knudsen.

Contents

Highlights	2
Solid organic growth despite macro-economic uncertainty	3
Key figures and ratios	4
Revenue growth of 9% in Q3 2022	5
Outlook for 2022	8
Statement by management	9
Financial statements	10

Webcast 15 November 2022 at 13:00 CET:

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

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Solid organic growth despite macro-economic uncertainty

In Q3 2022 focus has been on strengthening customer centricity, while implementing initiatives to further improve efficiency. Financial results in Q3 2022 were in line with expectations with revenue growth of 9%, being the 6th consecutive quarter with organic growth. Columbus has updated outlook with specified revenue and adjusted EBITDA guidance.

Columbus delivered positive business progress in all areas of the business in Q3 2022, despite uncertainty in the macro-economic business climate.

Positive development in Q3 2022

Columbus grew revenue in Q3 2022 to DKK 334m – corresponding to a growth of 9% compared to Q3 2021. The positive development has been driven by all Business Lines. Revenue grew to DKK 1,117m for the first nine months of 2022 - equal to 7% compared to last year.

EBITDA in Q3 2022 ended at DKK 16m, which is an improvement compared to last year and compared to previous quarters in 2022. The improvement in profitability is linked to the increased focus on employee efficiency and improved rates and commercial conditions. EBITDA grew to DKK 62m for the first nine months of 2022 which is on par with 2021.

During 2022, we implemented significant organizational and operational initiatives as well as process optimizations while investing in growing new Business Lines. In Q3 2022, we welcomed 46 new talents for

our Accelerator Program which is our career program for young graduates. These investments are impacting EBITDA to a greater extent than initially expected.

Efficiency was 61% which is expected in a quarter with summer vacation and ramp up of the organization. In Q2 2022 efficiency was registered at 64%, up from 62% in Q1 2022 and 59% in Q4 2021. Efficiency is our key performance indicator, and we will continue to implement initiatives that help drive efficiency further.

During the initial growth phase full efficiency has not been reached leading to lower ramp-up of profit levels.

Customer centricity improved

As part of Columbus' Focus23 strategy to improve customer centricity, we have implemented a strategic **Customer Development Program** towards our largest and most strategic customers in our main markets. The program implies a designated customer team collaborating strategically with the customer on C-level to ensure a proactive and holistic approach to value creation.

Another important initiative to improve customer centricity – and to serve our customers better in the new cloud reality – is the merge of our Project and Care Business Lines into two global Business Lines: **Dynamics** and **M3**. These two Business Lines constitute 73% of Group revenue in Q3 2022 year to date.

The reorganization supports the emergence of the evergreen cloud environment which means that ERP implementation cycles are reduced from years to months, and releases have gone from single go-lives to multiple sequential go-lives. With the merge of Project and Care, we simplify and improve customer interaction, reduce complexity in our organization, and strengthen our ability to set the best customer teams.

Setting our sustainability ambitions

Sustainability is a strategic focus for Columbus, both in terms of acting responsibly in an environmental, social and governance perspective, while – as a trusted digital advisor – helping our customers in their sustainability journey. In Q3 2022, we launched and started the implementation of our new sustainability strategy.

A key focus is to build digital solutions and advisory services to accelerate our customers' sustainable performance while helping them comply with the increasing requirement for non-financial reporting and compliance. In Q3 2022, we initiated the development of a broad portfolio of advisory services and solutions within sustainability, and we expect to launch the first solutions in the beginning of 2023.

Updated financial guidance for 2022

We are satisfied with the organic growth of 9%, which Columbus has delivered on average in the past 6 quarters. We have at the same time invested in our business which affected our earnings. On 14 November, Columbus specified its 2022 full year revenue guidance to DKK ~1,525m and adjusted EBITDA to DKK ~100m to reflect the slower than expected efficiency improvements and higher uncertainty in our markets.

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	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Income related figures					
Sale of services	294,262	249,709	971,697	891,817	1,210,291
Sale of products	40,026	57,114	145,143	155,377	204,108
Net revenue	334,288	306,823	1,116,840	1,047,194	1,414,399
Revenue (IFRS)*	309,526	275,409	1,024,500	951,133	1,279,184
Recurring revenue % of total revenue	20.6%	23.5%	19.6%	20.8%	21.4%
EBITDA before share-based payment	16,385	2,025	63,060	64,301	92,464
EBITDA	16,067	749	62,107	62,421	89,307
EBIT	1,762	-11,334	19,587	26,879	40,444
Net financial items	-3,306	-2,535	-1,452	-1,761	-3,410
Profit before tax	-1,544	-13,869	18,135	25,118	37,034
Profit after tax, continuing operations	-3,585	-12,004	10,675	20,571	43,547
Profit after tax, discontinued operations	2,031	7,725	-22,957	750,166	715,001
Profit after tax	-1,554	-4,279	-12,282	770,737	758,548
DKK '000			30 Sep 2022	30 Sep 2021	2021
Balance sheet**					
Non-current assets			795,600	891,334	833,808
Current assets			399,706	342,320	434,789
Assets classified as held for sale			0	110,523	0
Total assets			1,195,306	1,344,177	1,268,597
Group shareholder equity			701,455	769,825	740,980
Total liabilities			493,851	570,996	527,617
Total liabilities relating to assets classified as held for sale			0	3,356	0
Total equity and liabilities			1,195,306	1,344,177	1,268,597

DKK '000	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Investments in tangible assets	2,365	2,579	6,653	6,216	7,434
Cash flow					
Cash flow from operating activities	-45,021	-32,022	-24,002	-36,001	-13,863
Cash flow from investing activities	-2,874	-16,745	-26,010	713,931	754,434
Cash flow from financing activities	33,600	-125,983	25,183	-797,904	-847,512
Total net change in cash and cash equivalents	-14,295	-174,750	-24,830	-119,974	-106,941
Cash flow from continuing operations	-14,237	-186,362	-18,579	-121,862	-81,517
Cash flow from discontinued operations	-58	11,612	-6,251	1,889	-25,424
Total net change in cash and cash equivalents	-14,295	-174,750	-24,830	-119,974	-106,941
Key ratios					
EBITDA-margin	4.8%	0.2%	5.6%	6.0%	6.3%
EBIT-margin	0.5%	-3.7%	1.8%	2.6%	2.9%
Equity ratio	58.7%	57.3%	58.7%	57.3%	58.4%
Return on equity	-0.2%	-0.6%	-1.7%	102.1%	104.5%
Return on invested capital (ROIC)	0.9%	-0.8%	3.1%	3.9%	10.1%
Number of shares	129,276	129,276	129,276	129,276	129,276
Average number of shares	129,276	127,825	129,276	127,825	128,192
Book value of equity per share (BVPS) (DKK)	5.43	5.95	5.43	5.95	5.73
Earnings per share (EPS) from continuing operations (DKK)	-0.03	-0.09	-0.03	-0.09	0.33
Cash flow per share (DKK)	-0.35	-0.25	-0.19	-0.28	-0.11
Share price, end of period (DKK)	7.89	9.41	7.89	9.41	9.54
Average full time employee for the period	1,551	1,438	1,528	1,427	1,455

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

*Due to an Agenda Decision approved by the IFRS Interpretations Committee on April 20th, Columbus will implement a change in accounting principles from January 1st 2023. Under the Agenda Decision, revenue from resale of software is recognized on a net basis – See note 1 for more information. The revenue is presented above according to the new accounting principle (Revenue IFRS) as well as the current accounting principle (Net Revenue).

**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.

Revenue growth of 9% in Q3 2022

Revenue development

In Q3 2022 Columbus realized a revenue of DKK 334m, corresponding to an increase of 9% compared to Q3 2021. The increase is driven by service sales, which increased by 18% compared to the same period last year. Product sales declined by 30% in Q3 2022 which was expected due to the cloud conversion.

The first nine months of 2022 closed with a revenue of DKK 1,117m, corresponding to an increase of 7%. Product sales, which covers third-party software, decreased by 7% in the period, while services grew by 9%. The product revenue continued decline follows the expectation for the Group's revenue composition.

We have seen a continued positive services development in Q3 2022 within all Business Lines, which is in line with expectations.

The Business Lines Cloud ERP and Columbus Care have been merged into two new global Business Lines, Dynamics and M3. The comparative figures have been adjusted to match the new Business Lines. Measured against former Business Lines, Cloud ERP grew by 13%, and Columbus Care grew by 10%.

We continue to see very strong growth in Digital Commerce (+29%), Data & Analytics (+51%) and Customer Experience & Engagement (+147%), which are key

Business Lines in extending our capabilities within digital advisory.

Development in Market Units

All our Market Units delivered significant growth on service revenue in Q3 2022.

The Swedish market which is our largest market delivered 23% increase in service revenue in Q3 2022. In Q3 2022 YTD revenue growth was 11%. The progress was driven by all Business Lines. Our M3 business continued to demonstrate their strong market position welcoming new customers and extending businesses with existing customers. M3 Cloud upgrades in Q3 for **Ewellix** and **Fristads** are two examples of

our many long-term partnerships with M3 customers.

Denmark is back on track with 4% growth in Q3 2022. The development includes new customer wins covering new cloud solutions with **Creativ Company** to implement a large solution across eight countries and **7f Technology Partners** where we are currently implementing the solution in a large manufacturing company in Warsaw. In addition, we entered into a partnership with **Dantherm Group A/S** on implementing Microsoft D365 F&SCM as their new ERP system, which will be implemented in their headquarter in Denmark as well as rollout to their Italian location.

Service revenue split on Business Lines

DKK '000	Q3 2022	Q3 2021	Δ%	YTD 2022	YTD 2021	Δ%
Dynamics	144,764	134,794	7.4%	477,382	466,611	2.3%
M3	69,975	56,384	24.1%	230,516	219,571	5.0%
Digital Commerce	40,261	31,233	28.9%	133,448	112,684	18.4%
Data & Analytics	13,444	8,928	50.6%	44,046	25,910	70.0%
Customer Experience & Engagement	9,851	3,992	146.8%	33,916	20,552	65.0%
Other Local Business	15,967	14,378	11.1%	52,389	46,489	12.7%
Total sale of services	294,262	249,709	17.8%	971,697	891,817	9.0%
Total sale of products	40,026	57,114	-29.9%	145,143	155,377	-6.6%
Total net revenue	334,288	306,823	9.0%	1,116,840	1,047,194	6.7%

Service revenue split on Market Units

DKK '000	Q3 2022	Q3 2021	Δ%	YTD 2022	YTD 2021	Δ%
Sweden	107,676	87,566	23.0%	388,521	348,982	11.3%
Denmark	58,566	56,441	3.8%	185,056	184,632	0.2%
Norway	55,789	45,464	22.7%	193,051	170,851	13.0%
UK	41,085	34,101	20.5%	119,153	107,250	11.1%
US	21,209	19,859	6.8%	59,472	58,966	0.9%
Other	9,020	5,738	57.2%	23,577	19,262	22.4%
GDC	917	540	69.8%	2,867	1,874	53.0%
Total sale of services	294,262	249,709	17.8%	971,697	891,817	9.0%
Total sale of products	40,026	57,114	-29.9%	145,143	155,377	-6.6%
Total net revenue	334,288	306,823	9.0%	1,116,840	1,047,194	6.7%

Norway continues to deliver strong progress, growing 23% in Q3 2022, thus delivering 13% growth in Q3 2022 YTD. The progress is driven by all Business Lines. Our Digital Commerce business closed a number of new projects, among others new digital commerce solutions based on modern composable architecture to **Norsk Gjenvinning** and **Hagelandsgruppen** which are in the implementation process. Data & Analytics and Customer Experience & Engagements are also showing extraordinary strong performance in Q3.

The UK Market Unit delivered 21% growth in Q3 2022, and 11% growth Q3 2022 YTD. The progress is mainly driven by Dynamics and Customer Experience & Engagement. Columbus UK signed a 5-year Columbus Care agreement which is the largest Care contract signed for many years in the UK.

The US Market Unit is still struggling with slowdowns on existing projects as mentioned in Q2 2022. However, the change in exchange rates positively impacted the revenue by DKK 3m in Q3 2022.

Decreased recurring revenue

In Q3 2022 recurring revenue amounted to DKK 69m, corresponding to a 4% decrease compared to Q3 2021. Cloud continues to grow and is expected to take over for the majority of the current subscriptions in the future.

Care contracts remain on a stable level compared to Q3 2021, however, YTD Care contracts declined due to loss of two

significant customers in Q2 2022 as mentioned in the Q2 Interim Report. In Q3 2022, recurring revenue constituted 21% of total revenue compared to 24% in Q3 2021.

Efficiency in line with expectations

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

The efficiency in Q3 2022 was 61%, compared to 64% in Q2 2022. The decrease is due to summer vacation, which generally lowers the efficiency as well as ramp up of the organization. The efficiency level is in line with expectations and is expected to continue to improve in the future.

EBITDA development

In Q3 2022 reported EBITDA amounted to DKK 16m, which is an increase of DKK 15m compared to Q3 2021. Q3 2021 was affected by significant investments in new hires and internal systems causing a lower EBITDA.

The EBITDA margin corresponds to 4.8%, which is considered in line with expectations for a low activity period and is an improvement compared to Q2 2022 with an EBITDA margin of 4.2%.

For the first nine months of 2022 EBITDA amounted to DKK 62m, which is on the same level as last year. YTD EBITDA margin was 5.6%.

During 2022, we implemented significant organizational and operational initiatives, recruited many new employees to fuel for growth and made significant investments in growing and extending new global Business Lines. These investments are affecting EBITDA to a greater extent than initially estimated.

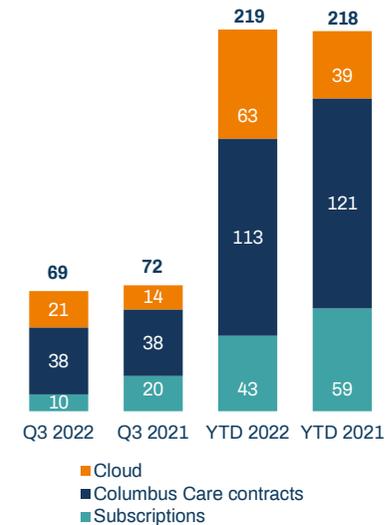
In the Q2 2022 Interim Report, new pricing initiatives were described. By the end of Q3 2022, these initiatives started to materialize in improved profitability in projects. The rates and commercial conditions are expected to continue to improve during the coming period and is an essential improvement in delivering the targeted results.

On the cost side, the main increase is salary cost, which is affected by the increased number of employees (average FTE's) which increased by 8% from Q3 2021 (1,438) to Q3 2022 (1,551).

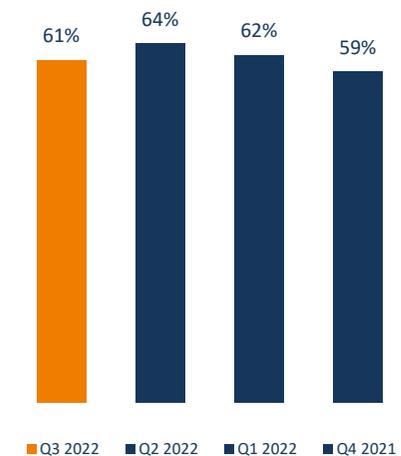
Additionally, when compared to Q3 2021, other external costs decreased by 19% in Q3 2022, amounting to DKK 30m. In Q3 2021, other external cost was impacted by extraordinary hiring cost and advisory costs.

In regard to travel and expenses for social employee activities, we are now fully back to a pre-Covid cost level.

Development in recurring revenue



Development in efficiency



Profit before tax

Compared to Q3 2021, profit before tax increased by DKK 12m to DKK -2m. The increase is mainly driven by the improved EBITDA in Q3 2022.

For the first nine months of 2022 profit before tax amounted to DKK 18m, corresponding to a decrease of 28%.

Discontinued operations

In Q3 2022 no new events related to discontinued operations have occurred. The only change in discontinued operations is aftermath of the former executed divestments.

The YTD figures relate to the divestment of our former Russian business, which was divested as a consequence of the Russian invasion of Ukraine. 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 in Q3 2022 was negative with DKK 45m due to a low operating profit combined with a negative change in net working capital. The net working capital is mainly affected by a reduction in other payables as well as decreased prepayments from customers.

Further, in Q3 2022 the Group utilized an additional line of credit of DKK 50m to secure liquidity during the summer period, which historically has a more negative cash flow than the rest of the year. The

additional line of credit was issued in Q2 and extended in to Q3 2022.

Equity

Columbus' equity decreased by net DKK 40m since 31 December 2021, primarily due to the divestment of Russia, significant currency adjustment of the goodwill posted in foreign currencies as well as payment of DKK 16m in dividend in Q2 2022.



Outlook for 2022

The financial guidance was updated on 14 November 2022.

Financial guidance updated

During the past six quarters Columbus continued to deliver solid organic growth despite increased uncertainty in our business environment.

Investments in new business areas and higher value consulting skills have proven to deliver growth. Equally, streamlining of our operations and processes continues to deliver positive effects. However, these initiatives have required significant effort in the short-term resulting in slower efficiency improvements and cost optimizations than expected

Revenue guidance specified

Our top-line is developing satisfactorily although with slightly lower overall growth than expected due to longer sales processes. Consequently, on 14 November 2022, we specified the full-year revenue guidance, from a range of DKK 1,525m – 1,625m to:

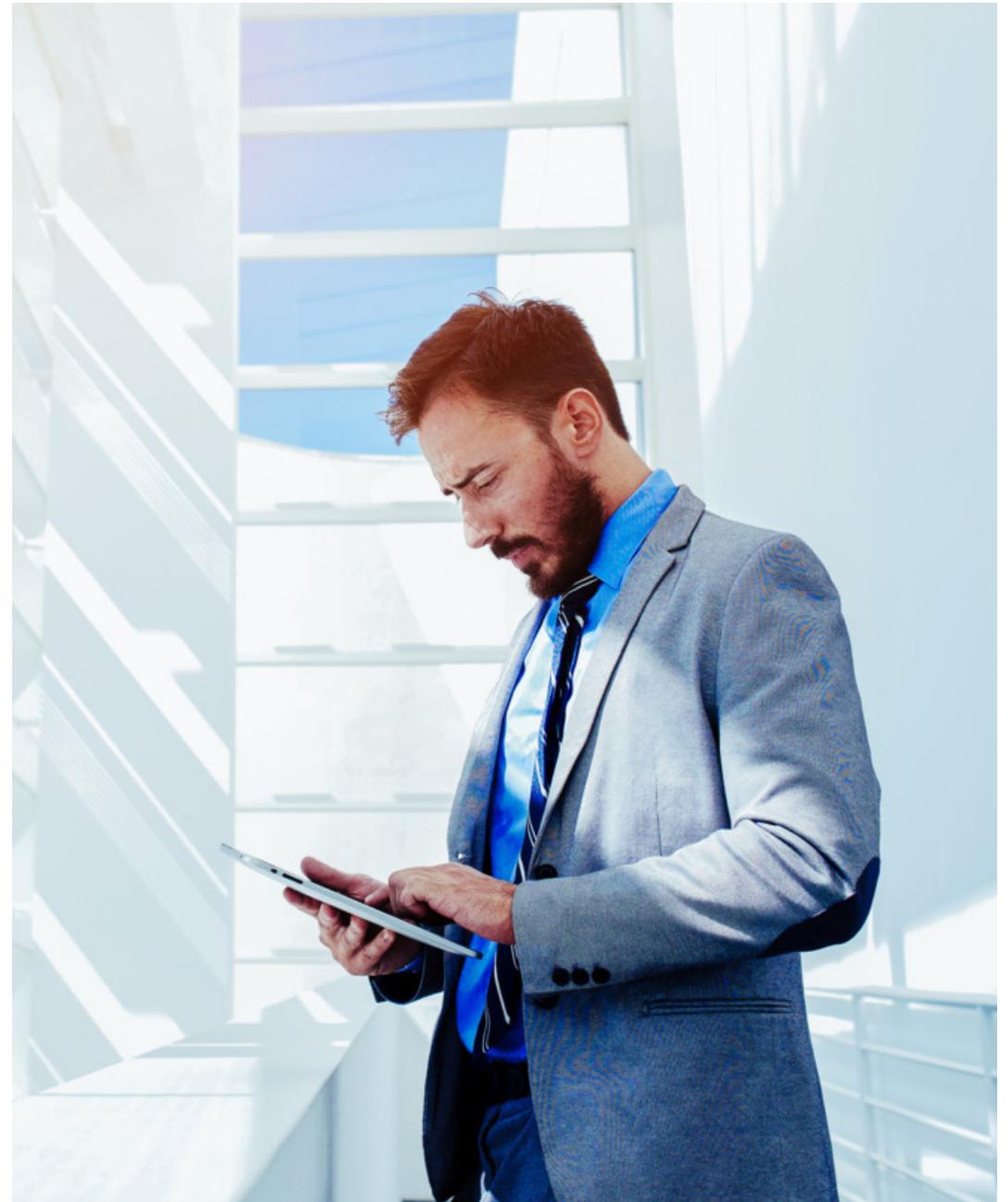
- Revenue guidance is specified to DKK ~1,525m

EBITDA guidance adjusted

To reflect the slower than expected efficiency improvements in second half of 2022 and general higher uncertainty in the markets in which Columbus operates, Columbus revised the EBITDA guidance for 2022 on 14 November 2022 from a range of DKK 120m – 145m to:

- EBITDA guidance is adjusted to DKK ~100m

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



Statement by management

We have today considered and approved the interim financial report for the period 1 January 2022 – 30 September 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 30 September 2022, and of the results of the Group's operations and cash flows during the first nine months 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, 15 November 2022

Executive Board



Søren Krogh Knudsen
CEO & President

Brian Iversen
Group CFO

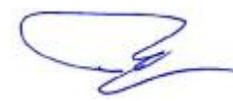
Board of Directors



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	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Net revenue	2	334,288	306,823	1,116,840	1,047,194	1,414,399
External project costs		-55,133	-46,716	-195,000	-167,714	-249,843
Gross profit		279,155	260,107	921,840	879,480	1,164,556
Staff expenses and remuneration	3	-233,721	-219,979	-774,875	-721,796	-946,699
Other external costs		-30,073	-37,116	-101,868	-92,712	-124,343
Other operating income		1,024	1,626	17,963	337	1,642
Other operating costs		0	-2,613	0	-1,008	-2,692
EBITDA before share-based payment		16,385	2,025	63,060	64,301	92,464
Share-based payment		-318	-1,276	-953	-1,880	-3,157
EBITDA		16,067	749	62,107	62,421	89,307
Depreciation, amortization and impairment	4	-14,305	-12,083	-42,520	-35,542	-48,863
Operating profit (EBIT)		1,762	-11,334	19,587	26,879	40,444
Financial income		306	0	3,092	6,133	1,995
Financial expenses		-3,612	-2,535	-4,544	-7,894	-5,405
Profit before tax from continuing operations		-1,544	-13,869	18,135	25,118	37,034
Corporate tax		-2,041	1,865	-7,460	-4,547	6,513
Profit after tax from continuing operations		-3,585	-12,004	10,675	20,571	43,547
Profit (loss) after tax from discontinued operations	7	2,031	7,725	-22,957	750,166	715,001
Profit (loss) after tax for the period		-1,554	-4,279	-12,282	770,737	758,548

DKK '000	Note	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Items that may be reclassified subsequently to profit and loss:						
Foreign exchange adjustments of subsidiaries		-216	-696	-12,036	4,757	-13,174
Other comprehensive income		-216	-696	-12,036	4,757	-13,174
Total comprehensive income for the period		-1,770	-4,975	-24,318	775,494	745,374
Profit (loss) after tax allocated to:						
Shareholders in Columbus A/S		-1,554	-4,279	-12,282	771,344	759,155
Minority interests		0	0	0	-607	-607
		-1,554	-4,279	-12,282	770,737	758,548
Total comprehensive income allocated to:						
Shareholders in Columbus A/S		-1,770	-4,975	-24,318	776,102	745,982
Minority interests		0	0	0	-608	-608
		-1,770	-4,975	-24,318	775,494	745,374
Earnings per share of DKK 1.25 (EPS)		-0.01	-0.03	-0.10	6.03	5.91
Earnings per share of DKK 1.25, diluted (EPS-D)		-0.01	-0.03	-0.10	6.01	5.89

Balance sheet

DKK '000	Note	30 Sep 2022	30 Sep 2021	31 Dec 2021
ASSETS				
Goodwill		611,797	665,569	644,451
Customer base		19,563	29,504	27,174
Internal applications		50,660	35,932	46,512
Development projects finalized		1,988	3,407	3,070
Property, plant and equipment		12,788	10,955	10,866
Right-of-use assets		56,227	82,533	61,422
Deferred tax assets		27,291	44,699	22,916
Other receivables		15,286	18,735	17,397
Total non-current assets		795,600	891,334	833,808
Trade receivables	5	233,745	234,544	269,583
Contract assets	6	10,814	7,686	11,433
Corporate tax receivables		13,752	5,395	12,041
Other receivables		18,240	13,014	3,791
Receivables from divestment of activities	8	64,844	0	55,631
Prepayments		19,896	30,102	19,367
Receivables		361,291	290,741	371,846
Cash		38,415	51,579	62,943
Total current assets		399,706	342,320	434,789
Assets classified as held for sale	9	0	110,523	0
TOTAL ASSETS		1,195,306	1,344,177	1,268,597

DKK '000	Note	30 Sep 2022	30 Sep 2021	31 Dec 2021
EQUITY AND LIABILITIES				
Share capital		161,595	161,596	161,595
Reserves on foreign currency translation		-71,478	-41,511	-59,442
Retained profit		611,338	649,740	638,827
Equity		701,455	769,825	740,980
Deferred tax		5,313	20,439	5,542
Other provisions		955	1,056	1,056
Debt to credit institutions		76,000	75,970	75,970
Lease liability right-of-use assets		33,709	54,906	36,454
Non-current liabilities		115,977	152,371	119,022
Debt to credit institutions		91,816	58,979	19,044
Contingent consideration		0	6,539	6,539
Contract liabilities	6	7,454	11,406	17,248
Trade payables		38,462	35,439	79,168
Corporate tax payables		3,765	4,865	1,171
Other payables		186,646	228,293	217,406
Other provisions		0	13,722	6,722
Accruals and deferred income		24,655	28,254	32,938
Lease liability right-of-use assets		25,076	31,128	28,359
Current liabilities		377,874	418,625	408,595
Total liabilities		493,851	570,996	527,617
Total liabilities relating to assets classified as held for sale	9	0	3,356	0
TOTAL EQUITY AND LIABILITIES		1,195,306	1,344,177	1,268,597

Statement of changes in equity

DKK '000	Shareholders in Columbus A/S			
	Share capital	Reserves on foreign currency translation	Retained profits	Equity
YTD 2022				
Balance at 1 Jan 2022	161,595	-59,442	638,827	740,980
Profit after tax	0	0	-12,282	-12,282
Currency adjustments of investments in subsidiaries	0	-12,036	0	-12,036
Total comprehensive income	0	-12,036	-12,282	-24,318
Share-based payment	0	0	953	953
Payment of dividend	0	0	-16,160	-16,160
Balance at 30 Sep 2022	161,595	-71,478	611,338	701,455

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	771,344	-607	770,737
Currency adjustments of investments in subsidiaries	0	4,758	0	-1	4,757
Total comprehensive income	0	4,758	771,344	-608	775,494
Capital increase	5,818	0	50,752	0	56,570
Share-based payment	0	0	390	0	390
Disposal of minority interest	0	0	0	-2,576	-2,576
Payment of dividend	0	0	-775,658	0	-775,658
Balance at 30 Sep 2021	161,596	-41,511	649,740	0	769,825

DKK '000	Shareholders in Columbus A/S				
	Share capital	Reserves on foreign currency translation	Retained profits	Minority interests	Equity
2021					
Balance at 1 Jan 2021	155,778	-46,269	602,912	3,184	715,605
Profit after tax	0	0	759,155	-607	758,548
Currency adjustments of investments in subsidiaries	0	-13,173	0	-1	-13,174
Total comprehensive income	0	-13,173	759,155	-608	745,374
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
Balance at 31 Dec 2021	161,595	-59,442	638,827	0	740,980

Cash flow

DKK '000	Note	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Operating profit (EBIT)		1,762	-11,334	19,587	26,879	40,444
Depreciation, amortization and impairment	4	14,305	12,083	42,520	35,542	48,863
Cost of incentive scheme		318	1,276	953	1,880	1,666
Changes in net working capital		-49,479	-34,500	-66,740	-102,398	-87,221
Cash flow from primary activities		-33,094	-32,475	-3,680	-38,098	3,752
Interest received, etc.		950	1,128	6,092	8,877	3,204
Interest paid, etc.		-3,768	-3,059	-6,055	-11,932	-7,271
Corporate tax paid		-9,051	-4,373	-17,793	-17,570	-8,957
Cash flow from operating activities discontinued operations	7	-58	6,757	-2,566	22,722	-4,591
Cash flow from operating activities		-45,021	-32,022	-24,002	-36,001	-13,863
Net investment in development projects		0	0	0	-2	-2
Acquisition of tangible assets		-2,365	-2,579	-6,653	-6,216	-7,434
Acquisition of intangible assets		-2,919	-20,084	-12,357	-28,252	-33,234
Disposal of tangible assets		-3	46	32	48	87
Disposal of intangible assets		0	7,872	0	7,872	0
Acquisition of activities		382	-1,543	-3,210	-74,152	-74,152
Disposal of activities	8	2,031	-457	-3,823	822,112	876,648
Cash flow from investing activities discontinued operations	7	0	0	0	-7,479	-7,479
Cash flow from investing activities		-2,874	-16,745	-26,010	713,931	754,434

DKK '000	Note	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Proceeds from capital increase/warrants exercised		0	0	0	56,570	56,570
Repayment of loan		0	-100,030	0	-100,030	-100,030
Overdraft facilities		41,816	58,979	69,900	58,979	19,044
Repayment of lease liabilities		-8,216	-8,043	-24,872	-24,411	-34,084
Dividends paid		0	-81,744	-16,160	-775,658	-775,658
Cash flow from financing activities discontinued operations	7	0	4,855	-3,685	-13,354	-13,354
Cash flow from financing activities		33,600	-125,983	25,183	-797,904	-847,512
Cash flow from continuing operations		-14,237	-186,362	-18,579	-121,862	-81,517
Cash flow from discontinued operations		-58	11,612	-6,251	1,889	-25,424
Total net change in cash and cash equivalents		-14,295	-174,750	-24,830	-119,974	-106,941
Cash funds at the beginning of the period		47,618	226,332	62,943	164,211	164,211
Exchange rate adjustments		5,091	-3	301	7,342	5,673
Cash funds at the end of the period		38,415	51,579	38,415	51,579	62,943

Notes

Note	Page
Note 1 – Significant accounting principles	16
Note 2 – Segment data	17
Note 3 – Staff expenses and remuneration	21
Note 4 – Depreciation, amortization and impairment	21
Note 5 – Trade receivables	22
Note 6 – Contract assets and contract liabilities	23
Note 7 – Discontinued operations	24
Note 8 – Disposal of activities	25
Note 9 – Assets classified as held for sale	26
Key figures, ratios and Alternative Performance Measures	27

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, 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.

On April 20, the IFRS Interpretations Committee approved an Agenda Decision which provides guidance as to how a software reseller might apply the principal/agent criteria in IFRS 15 "Revenue from Contracts with Customers" to the resale of standard software to a customer.

The decision has implications for whether revenue from the resale of standard software is recognized on a gross or net basis under IFRS 15.

In its historic accounts, Columbus has determined that it acts as a principal in the resale of standard software and vendor services and has recognized revenue from these products and services on a gross basis (with gross invoiced sales reported as revenue, and costs of the resold products reported as external project costs).

Under the new guidance from the IFRS interpretations committee, Columbus has determined that it acts as an agent in the resale of standard software and vendor services under the principal/agent criteria in IFRS 15 "Revenue from Contracts with Customers". For this reason, Columbus will from 1st January 2023 implement a change to its accounting policy and recognized revenue from these products and services on a net basis (with gross invoiced sales, less costs of the resold products reported as revenue).

The decision to change its accounting policy to conform with the Agenda Decision of the IFRS Interpretations Committee requires a restatement of prior years' accounts under IAS 8.

The impact on Columbus' financial statements is:

For Q3 2022:

- Revenue is reduced by DKK 25m
- External project cost is reduced by DKK 25m
- Gross profit, EBITDA, net profit after tax, balance sheet and cash flow statement are unchanged.

For YTD 2022:

- Revenue is reduced by DKK 92m
- Cost of sales is reduced by DKK 92m
- Gross profit, EBITDA, net profit after tax, balance sheet and cash flow statement are unchanged.

Except from above, the accounting policies applied in the interim financial report are 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. 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)
Dynamics	Sweden	Poland
M3	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.

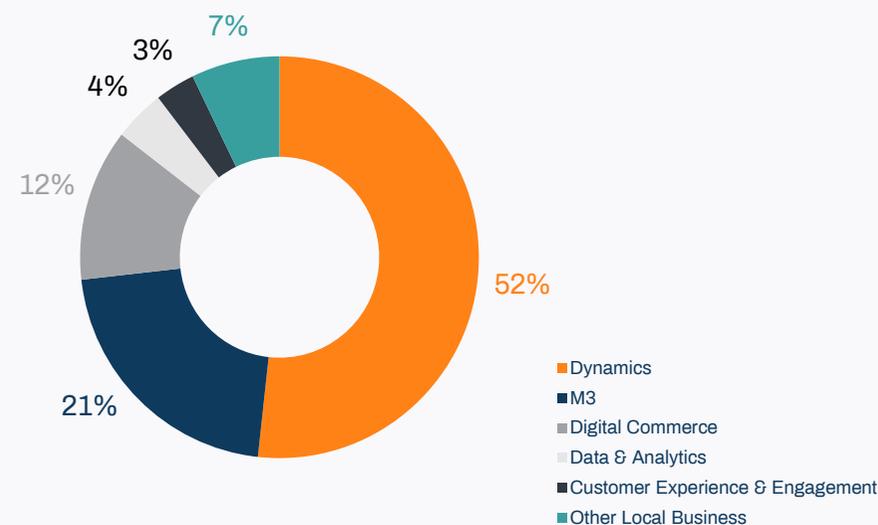
DKK '000	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Sale of services					
Dynamics	144,764	134,794	477,382	466,611	619,793
M3	69,975	56,384	230,516	219,571	296,832
Digital Commerce	40,261	31,233	133,448	112,684	157,184
Data & Analytics	13,444	8,928	44,046	25,910	37,676
Customer Experience & Engagement	9,851	3,992	33,916	20,552	30,008
Other Local Business	15,967	14,378	52,389	46,489	68,798
Total sale of services	294,262	249,709	971,697	891,817	1,210,291
Sale of products					
Dynamics	27,637	37,074	100,386	104,124	141,226
M3	762	7,918	9,362	18,797	19,769
Digital Commerce	889	3,717	3,284	10,896	11,883
Data & Analytics	1,422	881	2,242	1,536	1,911
Customer Experience & Engagement	392	486	2,165	1,480	2,109
Other Local Business	8,924	7,038	27,704	18,544	27,210
Total sale of products	40,026	57,114	145,143	155,377	204,108
Total net revenue	334,288	306,823	1,116,840	1,047,194	1,414,399

Business Lines relate to the type of services or products that are delivered, and comprise of Dynamics, M3, Digital Commerce, Data & Analytics, Customer Experience & Engagement and Other Local Business. From this report and forward, the Cloud ERP and Care Business Lines are combined and split into Dynamics and M3.

Market Units comprise of significant geographical markets that the group operates in.

The operating segments are measured from revenue to profit before tax, 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 YTD 2022



DKK '000	Sweden	Denmark	Norway	UK	US	Other	GDC	Eliminations	Total
Q3 2022									
Sale of services	107,676	58,566	55,789	41,085	21,209	9,020	917	0	294,262
Sale of products	10,425	15,502	5,565	5,650	2,884	0	0	0	40,026
Total revenue from own markets	118,101	74,068	61,354	46,735	24,093	9,020	917	0	334,288
Total revenue from group companies	11,213	15,463	2,321	3,817	581	487	23,008	-56,890	0
Total revenue	129,314	89,531	63,675	50,552	24,674	9,507	23,925	-56,890	334,288
Gross profit	82,389	62,124	43,850	41,498	18,669	9,684	20,941	0	279,155
EBITDA	-253	4,880	4,442	1,149	315	1,293	4,596	-355	16,067
Operating profit (EBIT)	-5,598	-55	3,069	394	-120	1,018	3,409	-355	1,762
Profit before tax	-5,927	-514	994	335	105	872	2,591	0	-1,544
Profit after tax									-3,585
Average number of FTEs	429	295	178	188	60	35	367	0	1,551
Q3 2021									
Sale of services	87,566	56,441	45,464	34,101	19,859	5,738	540	0	249,709
Sale of products	21,840	16,823	4,715	9,975	3,154	607	0	0	57,114
Total revenue from own markets	109,406	73,264	50,179	44,076	23,013	6,345	540	0	306,823
Total revenue from group companies	16,487	10,852	1,217	5,865	189	2,296	17,437	-54,343	0
Total revenue	125,893	84,116	51,396	49,941	23,202	8,641	17,977	-54,343	306,823
Gross profit	94,419	51,622	35,125	38,615	16,559	7,219	16,548	0	260,107
EBITDA	10,123	-8,447	3,651	1,950	-3,096	265	-5,230	1,533	749
Operating profit (EBIT)	5,077	-11,719	2,546	1,197	-3,849	117	-6,236	1,533	-11,334
Profit before tax	4,983	-12,986	4,145	1,062	-4,144	120	-7,049	0	-13,869
Profit after tax									-12,004
Average number of FTE	364	291	140	174	62	31	376	0	1,438

DKK '000	Sweden	Denmark	Norway	UK	US	Other	GDC	Eliminations	Total
YTD 2022									
Sale of services	388,521	185,056	193,051	119,153	59,472	23,577	2,867	0	971,697
Sale of products	36,195	49,542	19,706	26,023	13,677	0	0	0	145,143
Total revenue from own markets	424,716	234,598	212,757	145,176	73,149	23,577	2,867	0	1,116,840
Total revenue from group companies	37,660	54,527	8,883	12,169	1,393	2,171	76,367	-193,170	0
Total revenue	462,376	289,125	221,640	157,345	74,542	25,748	79,234	-193,170	1,116,840
Gross profit	302,297	193,935	150,710	125,127	52,333	26,801	70,637	0	921,840
EBITDA	15,487	15,474	16,710	-1,219	-879	3,132	13,903	-501	62,107
Operating profit (EBIT)	-488	1,128	12,555	-3,467	-2,277	2,308	10,329	-501	19,587
Profit before tax	-539	6,806	3,917	-3,657	-1,041	3,586	9,063	0	18,135
Profit after tax									10,675
Average number of FTEs	417	292	170	188	63	33	366	0	1,528
YTD 2021									
Sale of services	348,982	184,632	170,851	107,250	58,966	19,262	1,874	0	891,817
Sale of products	39,469	54,148	18,877	27,722	13,734	1,427	0	0	155,377
Total revenue from own markets	388,451	238,780	189,728	134,972	72,700	20,689	1,874	0	1,047,194
Total revenue from group companies	48,757	54,270	3,354	16,508	618	8,516	71,431	-203,454	0
Total revenue	437,208	293,050	193,082	151,480	73,318	29,205	73,305	-203,454	1,047,194
Gross profit	275,684	209,332	125,335	125,859	50,363	24,591	68,316	0	879,480
EBITDA	27,505	562	20,168	12,438	-9,400	5,139	4,385	1,624	62,421
Operating profit (EBIT)	12,344	-7,849	16,452	10,194	-11,931	4,556	1,489	1,624	26,879
Profit before tax	11,214	-7,175	19,360	9,848	-13,122	4,510	483	0	25,118
Profit after tax									20,571
Average number of FTE	371	288	135	174	65	30	364	0	1,427

Notes

Note 2 – Segment data (continued)

DKK '000	Sweden	Denmark	Norway	UK	US	Other	GDC	Eliminations	Total
2021									
Sale of services	483,888	247,979	230,828	137,767	80,915	26,666	2,248	0	1,210,291
Sale of products	43,169	75,567	28,327	37,460	18,158	1,427	0	0	204,108
Total revenue from own markets	527,057	323,546	259,155	175,227	99,073	28,093	2,248	0	1,414,399
Total revenue from group companies	70,021	77,743	7,402	21,565	818	9,589	105,662	-292,800	0
Total revenue	597,078	401,289	266,557	196,792	99,891	37,682	107,910	-292,800	1,414,399
Gross profit	372,372	263,007	164,458	158,958	69,212	32,774	102,913	862	1,164,556
EBITDA	32,996	18,709	19,150	10,829	-7,523	6,314	11,748	-2,916	89,307
Operating profit (EBIT)	12,737	6,093	13,956	7,822	-10,536	5,556	7,732	-2,916	40,444
Profit before tax	11,450	1,039	17,002	7,381	-11,708	5,448	6,422	0	37,034
Profit after tax									43,547
Average number of FTEs	378	290	139	177	67	31	373	0	1,455

Non-current assets

DKK '000	30 Sep 2022	30 Sep 2021	31 Dec 2021
Sweden	365,348	401,903	384,985
Denmark	222,540	212,111	209,660
Norway	63,460	75,222	75,670
UK	47,017	50,046	50,935
US	27,195	41,384	25,648
Russia	0	35,068	15,895
Other	17,943	17,508	17,333
GDC	52,097	58,092	53,682
Total	795,600	891,334	833,808

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	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Staff expenses					
Salary and wages	198,271	182,120	653,555	592,700	791,063
Other social security costs	30,654	33,761	98,295	102,476	130,518
Other staff expenses	4,796	4,098	23,025	26,620	25,118
Staff costs before share-based payment	233,721	219,979	774,875	721,796	946,699
Share-based payment	318	1,276	953	1,880	3,157
Staff expenses	234,039	221,255	775,828	723,676	949,856
Average number of FTEs	1,551	1,438	1,528	1,427	1,455

Note 4 – Depreciation, amortization and impairment

DKK '000	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Depreciation	9,025	8,399	26,999	25,675	33,973
Amortization	5,280	3,684	15,521	9,867	14,890
Total depreciation, amortization and impairment	14,305	12,083	42,520	35,542	48,863

Notes

Note 5 – Trade receivables

DKK '000	30 Sep 2022	30 Sep 2021	31 Dec 2021
Receivables (gross) at 1 Jan	281,133	241,749	241,749
Change in receivables during the period	-46,051	9,894	39,384
Receivables (gross) end of period	235,082	251,643	281,133
Provisions for bad debt at 1 Jan	11,550	19,178	19,178
Change in provisions for bad debt during the period	-12,327	-2,060	-7,609
Loss realized during the period	2,114	-19	-19
Provisions for bad debt end of period	1,337	17,099	11,550
Carrying amount end of period	233,745	234,544	269,583

Provisions for bad debt are made based on the lifetime expected credit losses in line with the Group's accounting policies. The change in provisions for bad debt as per 30 September 2022 is high partly due to improved collection process and due to write off of 2 customer receivables which were fully provisioned for.

DKK '000	30 Sep 2022	30 Sep 2021	31 Dec 2021
Age of receivables (gross):			
Not due	214,085	216,315	190,113
0-30 days	12,113	5,643	57,896
30-60 days	5,689	9,315	9,859
61-90 days	1,153	3,561	8,033
91-180 days	1,343	4,714	4,627
181-270 days	137	2,424	2,131
270-360 days	532	855	142
Above 360 days	30	8,816	8,332
Total	235,082	251,643	281,133

DKK '000	30 Sep 2022	30 Sep 2021	31 Dec 2021
Age of impairment:			
Not due	35	24	747
0-30 days	61	61	50
30-60 days	142	233	130
61-90 days	86	267	250
91-180 days	314	4,419	1,019
181-270 days	137	2,424	880
271-360 days	532	855	142
Over 360 days	30	8,816	8,332
Total	1,337	17,099	11,550

DKK '000	30 Sep 2022	30 Sep 2021	31 Dec 2021
Provision matrix:			
Not due	0.0%	0.0%	0.4%
0-30 days	0.5%	1.1%	0.1%
30-60 days	2.5%	2.5%	1.3%
61-90 days	7.5%	7.5%	3.1%
91-180 days	23.4%	93.7%	22.0%
181-270 days	100.0%	100.0%	41.3%
271-360 days	100.0%	100.0%	99.4%
Over 360 days	100.0%	100.0%	100.0%

Notes

Note 6 – Contract assets and contract liabilities

DKK '000	30 Sep 2022	30 Sep 2021	31 Dec 2021
Balance at 1 Jan	-5,815	-4,874	-4,874
Changes contract assets during the period	5,835	-22,141	-32,400
Changes on account billing and prepayments during the period	3,340	21,217	31,459
Reclassified to assets held for sale	0	2,078	0
Balance at end of period	3,360	-3,720	-5,815
Work in progress	19,364	23,788	13,529
On account billing and prepayments	-16,004	-27,508	-19,344
Balance at end of period	3,360	-3,720	-5,815
The net value is included in the balance as follows:			
Contract assets	10,814	7,686	11,433
Contract liabilities	-7,454	-11,406	-17,248
Balance at end of period	3,360	-3,720	-5,815

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	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Net revenue	0	49,816	9,456	185,711	224,745
External project costs	0	-15,337	-728	-59,838	-73,241
Gross profit	0	34,479	8,728	125,873	151,504
Staff expenses and remuneration	0	-22,848	-7,768	-84,002	-99,996
Other external costs	0	-2,661	-700	-11,033	-13,037
Other operating income	0	0	0	15	15
EBITDA	0	8,970	260	30,853	38,486
Depreciation, amortization and impairment	0	-1,244	-321	-4,288	-5,333
Operating profit (EBIT)	0	7,726	-61	26,565	33,153
Financial income	0	275	7,890	1,497	2,420
Financial expenses	0	-183	-24,958	-1,531	-2,443
Profit (loss) before tax from discontinued operations	0	7,818	-17,129	26,531	33,130
Corporate tax	0	16	-243	-248	-671
Profit (loss) after tax from discontinued operations	0	7,834	-17,372	26,283	32,459
Total gain (loss) on divestment of discontinued operations	2,031	-132	-5,585	723,883	682,542
Profit (loss) from discontinued operations	2,031	7,702	-22,957	750,166	715,001
Earnings per share from discontinued operations of DKK 1.25 (EPS)	0.02	0.06	-0.18	5.87	5.58
Earnings per share from discontinued operations of DKK 1.25, diluted (EPS-D)	0.02	0.06	-0.18	5.84	5.56

DKK '000	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Cash flow from operating activities	-58	6,757	-2,566	22,722	-4,591
Cash flow from investing activities	0	0	0	-7,479	-7,479
Cash flow from financing activities	0	4,855	-3,685	-13,354	-13,354
Cash flow from discontinued operations	-58	11,612	-6,251	1,889	-25,424
DKK '000	Q3 2022	Q3 2021	YTD 2022	YTD 2021	2021
Gain (loss) on disposal of subsidiaries	0	0	-9,535	721,712	697,095
Transaction costs related to disposal	2,031	-132	3,950	2,171	-14,553
Total gain (loss) on divestment of discontinued operations	2,031	-132	-5,585	723,883	682,542

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.

Notes

Note 8 – Disposal of activities

On 16th March 2022, the Group disposed of its 100% equity interest in Russian subsidiary. The business was sold off to the local management, as a consequence of the invasion of Ukraine.

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). The buyer has still not paid the outstanding amount to which a legal collecting process has been initiated to collect our receivable.

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	30 Sep 2022	30 Sep 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
Total assets	27,861	292,367	429,787

DKK '000	30 Sep 2022	30 Sep 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
Total liabilities	16,327	119,265	123,818
Minority interests	0	0	2,847
Net assets disposed of	11,535	173,102	303,122
Cash and cash equivalents	2,000	865,279	928,334
Deferred consideration	0	29,535	71,883
Total consideration	2,000	894,814	1,000,217
Gain on disposal of activities	-9,535	721,712	697,095
Net Cash inflow arising on disposal:			
Consideration received in cash and cash equivalents	2,000	865,279	928,334
Less: cash and cash equivalents disposed of	-9,274	-22,169	-22,169
Transaction costs related to disposal	3,451	-20,998	-29,517
Net cash inflow arising on disposal	-3,823	822,112	876,648

Notes

Note 9 – Assets classified as held for sale

At 30 September 2021, the US SMB business segment is classified as held for sale.

DKK '000	30 Sep 2022	30 Sep 2021	31 Dec 2021
Goodwill	0	101,312	0
Customer base	0	2,706	0
Trade receivables	0	6,505	0
Total assets classified as held for sale	0	110,523	0
Contract liabilities	0	2,078	0
Other payables	0	1,278	0
Total liabilities relating to assets classified as held for sale	0	3,356	0
Net assets	0	107,167	0

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.

Revenue (IFRS)

Revenue (IFRS) is an Alternative Performance Measure which reflects the net revenue from products sales, and is shown to inform about the revised revenue level after the change of accounting principles, which will be adopted as a consequence of the Agenda Decision approved by the IFRS Interpretations Committee on April 20th.

The Performance Measure includes gross invoiced revenue from sale of third party software, less the product cost of third party software.

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 expending 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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