



# Interim Report H1/2021

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18 August 2021

# Highlights

Solid development in second quarter of 2021, where progress in key business areas, tight cost control and high efficiency in the services business have driven the results.

## Financial highlights

- Revenue increased by 6% in Q2 2021 to DKK 426m (Q2 2020: 402m).
- EBITDA increased by 12% in Q2 2021 to DKK 31m (Q2 2020: 28m).
- Profit before tax increased by 14% to DKK 13m (Q2 2020: 12m).
- Extraordinary dividend pay-out of DKK 6 per share, amounting to DKK 776m in total.

## Operational highlights

- Our new CEO, Søren Krogh Knudsen, joined Columbus 7 June 2021.
- High utilization in our consultancy business rising from 55% to 59%.

All numbers and comments in the H1 report are on the continued business, thus excluding discontinued operations (excluding the divested entities To-Increase and Baltics).

*"We are satisfied with the result for Q2 and the first 6 months overall. Columbus has reached the first milestones in executing the Focus23 strategy, comprising the re-organization of the company in a new customer focused matrix structure. It is time to unleash the full potential of our skilled employees, relevant end-to-end solutions and the increasing demand for digitalization services", says CEO and President Søren Krogh Knudsen.*

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# Solid results – momentum implementing the Focus23 strategy

Columbus delivered a satisfactory second quarter of 2021 with progress across the majority of the business, thus accelerating recruitment of new talents to keep up with market demand. A major step of the Focus23 strategy is being executed to refocus the company around the larger customers in our key industries. It is time to claim a larger market share.

## Increased demand and high efficiency

Columbus delivered a solid Q2 with 6% revenue growth which almost compensated for the revenue decline from Q1. Total revenue for the first 6 months is in line with last year amounting to DKK 847 (2020: DKK 859m.).

During Q2, we have experienced an increased demand for our services and solutions in our markets. Especially our key strategic business areas Digital Commerce, Data & Analytics and Customer Experience delivered strong growth in Q2 as expected.

EBITDA grew by 12% in Q2 which is due to continued high efficiency in our consultancy business. In order to keep up with the demand from our customers we are in the process of staffing up in all areas of the business.

We are satisfied with the results for the first six months of the year, which

undoubtedly has been driven by team effort and our employees' commitment to Columbus' customers.

## Strong foundation for growth

For many years, Columbus has been leading within the ERP space in our key industries and geographical markets and has at the same time managed to stay relevant and innovative. In recent years, Columbus has established a strong market position within digital transformation offering end-to-end digital solutions which has opened new opportunities to help our customers in their entire digital transformation journey.

## Customer-focused and solution-driven

With the new strategy, Focus23, Columbus has framed the next step in our growth journey to become digital trusted advisor for our customers. The strategy is being executed as we speak, prioritizing the Focus & Simplify initiatives comprising a new operating model. In Q2, we reorganized Columbus, refocusing the company around our larger customers with local

Market Units and around solutions with global Business Lines. As we continue to build on our strategy this new setup leads to a simplified operation, increased accountability, faster decision-making and empowering our employees to a greater extent.

## Time to claim a larger market share

When I look at Columbus, I see a company in good progress with increasing momentum in executing the Focus23 strategy, with talented and passionate people, relevant end-to-end solutions portfolio, and global innovation capabilities. I also see a potential for more, and my goal is to fully unleash the true potential of the company.

With the Focus23 strategy I believe that we are on the right track to take Columbus to the next level and conquer our share of the market within the digital advisory space – always with the purpose of delivering value to our customers.

*Søren Krogh Knudsen  
CEO & President*



# Key figures and ratios

DKK '000	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
<b>Income related figures</b>					
Sale of services	348,433	323,820	697,674	693,220	1,261,455
Sale of products	77,917	77,927	149,297	165,419	316,877
<b>Net revenue</b>	<b>426,350</b>	<b>401,747</b>	<b>846,971</b>	<b>858,639</b>	<b>1,578,332</b>
Recurring revenue % of total revenue	24.1%	23.0%	22.8%	21.6%	18.6%
EBITDA before share-based payment	31,630	29,267	87,072	69,806	138,705
EBITDA	31,328	28,051	86,468	67,373	134,226
EBIT	18,517	15,022	60,526	40,295	80,995
Net financial items	-5,074	-3,212	580	-5,042	-16,852
Profit before tax	13,443	11,810	61,106	35,253	64,143
Profit after tax, continuing operations	9,466	10,483	54,559	31,060	53,734
Profit after tax, discontinued operations	-132	9,365	720,454	11,529	-5,172
Profit after tax	9,334	19,848	775,013	42,589	48,562

DKK '000	30 Jun 2021	30 Jun 2020	31 Dec 2020
<b>Balance sheet*</b>			
Non-current assets	975,021	1,164,995	987,440
Current assets	518,273	510,686	438,944
Assets classified as held for sale	0	0	214,481
<b>Total assets</b>	<b>1,493,294</b>	<b>1,675,681</b>	<b>1,640,865</b>
Group shareholder equity	773,522	690,770	712,421
Minority interests	0	3,204	3,184
Total liabilities	719,772	981,707	831,369
Total liabilities relating to assets classified as held for sale	0	0	93,891
<b>Total equity and liabilities</b>	<b>1,493,294</b>	<b>1,675,681</b>	<b>1,640,865</b>

DKK '000	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
<b>Investments in tangible assets</b>	<b>1,603</b>	<b>851</b>	<b>3,637</b>	<b>2,243</b>	<b>3,832</b>
<b>Cash flow</b>					
Cash flow from operating activities	-10,246	133,102	6,095	169,074	190,862
Cash flow from investing activities	-82,745	-51,816	722,063	-96,700	-127,830
Cash flow from financing activities	-633,951	-10,703	-672,907	-22,168	-43,972
<b>Total net change in cash and cash equivalents</b>	<b>-726,942</b>	<b>70,583</b>	<b>55,251</b>	<b>50,206</b>	<b>19,060</b>
<b>Key ratios</b>					
EBITDA-margin	7.3%	7.0%	10.2%	7.8%	8.5%
Operating profit margin	4.3%	3.7%	7.1%	4.7%	5.1%
Equity ratio**	51.8%	41.2%	51.8%	41.2%	43.4%
Return on equity**	1.3%	2.9%	105.9%	6.3%	7.0%
Return on invested capital (ROIC)**	2.9%	2.1%	8.9%	5.5%	11.9%
Number of shares	129,276	124,622	129,276	124,622	124,622
Average number of shares	127,083	124,622	127,083	124,622	124,622
Book value of equity per share (BVPS)	6.62	5.54	5.98	5.54	5.72
Earnings per share (EPS) from continuing operations	0.07	0.08	0.43	0.25	0.43
Cash flow per share	-0.08	1.07	0.05	1.36	1.53
Share price, end of period	10.64	7.47	10.64	7.47	11.24
Average full time employee for the period	1,632	1,729	1,648	1,825	1,707

\*All 2020 balance sheet items include Baltics which were sold March 2021. Balance sheet items as of June 2020 include To-Increase which were classified as held for sale as of Q3 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"

# High market demands result in 6% revenue growth in Q2 2021

## Revenue development

Columbus realised a revenue of DKK 426m in Q2 2021 corresponding to an increase of 6%. Organically, the revenue increased by 5%. The increase is partly due to high demand from our customers and the fact that Q2 last year was hit hard by the uncertainty related to the Covid-19 pandemic. The revenue growth in Q2 2021 comes from all our Market Units except Russia and US.

With the revenue growth in Q2, the revenue gap from Q1 is almost closed leaving a cumulated decline in organic revenue of 2% in H1 2021. The revenue decline is caused by all Market Units except Columbus Norway, which has delivered significant growth in H1 2021.

The positive development in Norway is driven by all Business Lines. In addition, we have had a successful integration of our acquisitions of Advania Business Solutions, which we made in January last year where we have achieved the expected synergies.

## EBITDA improved significantly

In Q2 2021 reported EBITDA increased by 12% to DKK 31m. Normalized EBITDA<sup>1</sup> increased by 3% providing normalized EBITDA-margin of 7.4%.

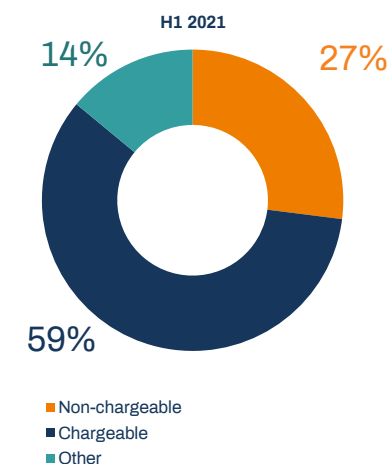
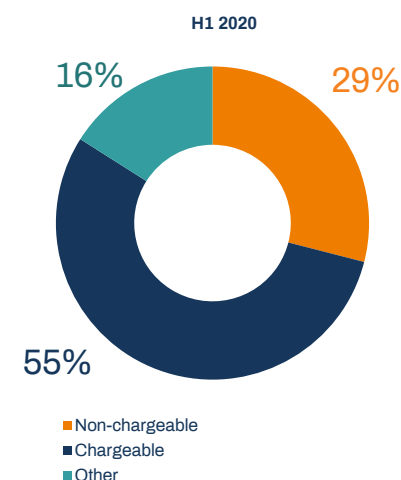
Columbus realised an EBITDA increase of 28% in H1 2021 amounting to DKK 86m. Normalized EBITDA<sup>1</sup> increased by 18% providing normalized EBITDA-margin in H1 2021 to 10.3%.

The EBITDA increase is mainly driven by significantly higher customer work amounting to 59% vs. 55% last year and by cost savings, in particular less travel costs and employee related costs.

DKKm	Q2 2021	Q2 2020	Δ%	H1 2021	H1 2020	Δ%
Revenue reported	426	402	6%	847	859	-1%
Foreign exchange	-5	0	0%	-4	0	0%
<b>Organic revenue</b>	<b>421</b>	<b>402</b>	<b>5%</b>	<b>843</b>	<b>859</b>	<b>-2%</b>
EBITDA reported	31	28	12%	86	67	28%
Adjustment of provision for loss making contract	0	2	-100%	0	6	-100%
<b>Normalized EBITDA<sup>1</sup></b>	<b>31</b>	<b>30</b>	<b>3%</b>	<b>86</b>	<b>73</b>	<b>18%</b>
<b>Normalized EBITDA-margin</b>	<b>7.4%</b>	<b>7.6%</b>	<b>-1.8%</b>	<b>10.3%</b>	<b>8.5%</b>	<b>20.0%</b>

<sup>1</sup> EBITDA adjusted for provision for loss-making contract

## Development in customer work



**Development in service revenue and business segments**

Service revenue increased by 8% to DKK 348m in Q2 2021. The increase is driven by all our Business Lines, where especially Columbus Care, Digital Commerce and Data & Analytics increased with double digit numbers, 18%, 16% and 33% growth compared to Q2 last year.

In H1 2021, service revenue increased by 1% to DKK 698m. The increase is driven by all our Business Lines except Cloud ERP, which is still impacted by the reduced number of consultants compared to last year.

The high demand for digital transformation we saw in Q1 continued into Q2 and in particular our new strategic Business Lines such as Digital Commerce, Data & Analytics and Customer Experience & Engagement

Engagement are delivering satisfactory growth.

**Profit before tax**

Columbus realised a profit before tax of DKK 13m in Q2 2021, corresponding to an increase of 14%. The increase is mainly driven by the positive development in EBITDA.

In H1 2021, Columbus realised a profit before tax of DKK 61m, corresponding to an increase of 73%. The increase is mainly driven by the positive development in EBITDA and financial income from currency adjustments.

**Increase in recurring revenue**

In Q2 2021, recurring revenue increased by 11% to DKK 103m (Q2 2020 DKK 93m).

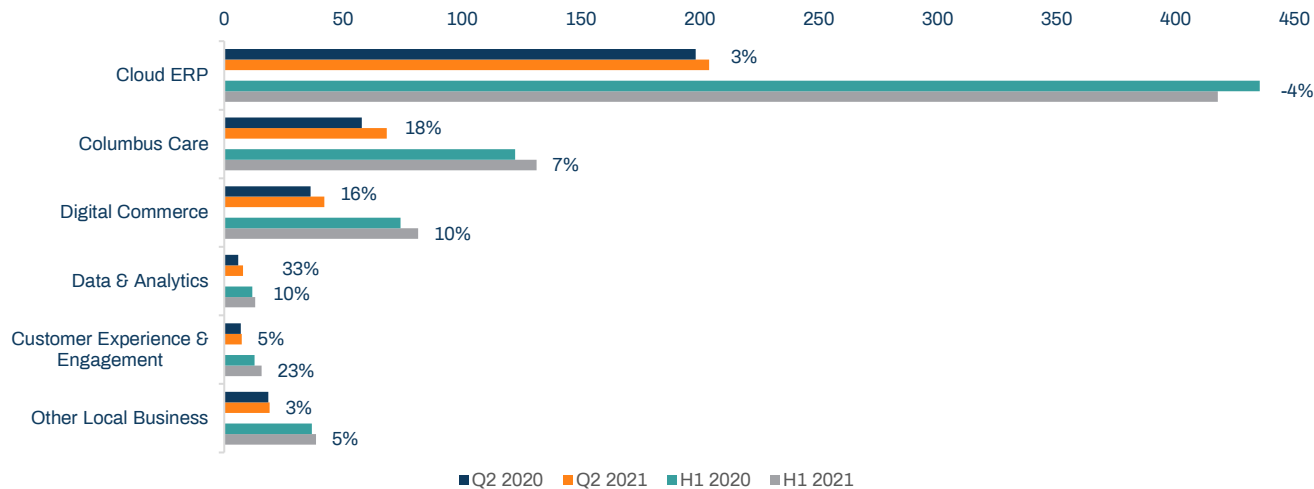
The recurring revenue continues to constitute a larger part of the total revenue with Q2 recurring revenue constituting 24% of total revenue (Q2 2020: 23%).

The development in the recurring revenue in Q2 shows great progress in Columbus Care contracts (+21%) and Cloud products (+75%) and a decline in subscriptions (-13%). Going forward, Columbus expects subscriptions to decline as part of the cloud conversion.

In H1 2021, recurring revenue increased by 4% to DKK 193m (H1 2020 DKK 185m). Recurring revenue in H1 2021 constituted 23% of total revenue (H1 2020: 22%).

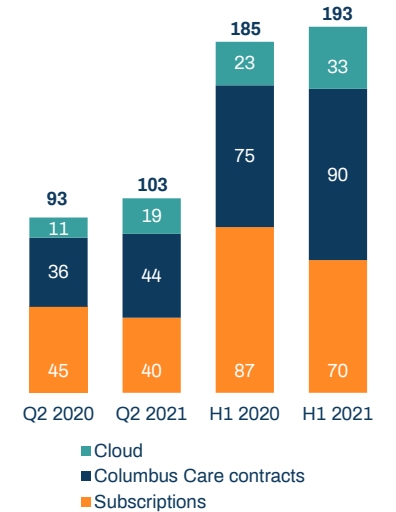
**Service revenue split on Business Lines**

DKK m



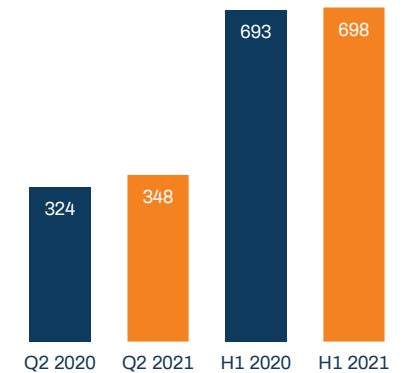
**Development in recurring revenue**

DKK m



**Development in service revenue**

DKK m



### Cash

Development in cash flow in Q2 2021 was negative with DKK 727m, mainly due to the extraordinary dividend payment of DKK 694m and payment of earn-out of DKK 74m in April 2021. Cash flow from operating activities was negative with DKK 10m, as Columbus has decided to pay a significant amount in withheld holiday allowance to a holiday fund in Denmark in June 2021.

The development in cash flow in H1 2021 was positive with DKK 55m, mainly due to the divestments made in Q1 2021 amounting to DKK 816m and the significant transactions in Q2 as just mentioned above. In total, Columbus' cash position improved by DKK 62m compared to 31 December 2020.

### Equity

Columbus' equity has increased by DKK 61m since 31 December 2020, primarily due to the positive net result and the executed divestments. With a total equity of DKK 774m, Columbus has a solvency of 52% (2020: 43%). The high solvency ratio together with the cash position leaves Columbus in a strong financial position.

### Events after the balance sheet date

Due to Columbus' high cash position, the Board of Directors has decided to repay DKK 100m in bank loan in July 2021.

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



# 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.

Based on the financial performance in H1 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.

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





# Statement by management

We have today considered and approved the interim financial report for the period 1 January 2021 – 30 June 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 30 June 2021, and of the results of the Group's operations and cash flows during the first half 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 August 2021

Executive Board



**Søren Krogh Knudsen**  
CEO & President

**Hans Henrik Thrane**  
Corporate CFO

Board of Directors



**Ib Kunø**  
Chairman



**Sven Madsen**  
Deputy Chairman



**Peter Skov Hansen**



**Karina Kirk Ringsted**

# Financial statements



# Statement of comprehensive income

DKK '000	Note	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
Net revenue	2	426,350	401,747	846,971	858,639	1,578,332
External project costs		-86,613	-91,916	-163,214	-190,346	-333,541
<b>Gross profit</b>		<b>339,737</b>	<b>309,831</b>	<b>683,757</b>	<b>668,293</b>	<b>1,244,791</b>
Staff expenses and remuneration	3	-276,652	-252,127	-543,460	-524,276	-1,010,972
Other external costs		-31,531	-28,445	-53,541	-74,210	-141,362
Other operating income		79	12	321	4	46,265
Other operating costs		-3	-4	-5	-5	-17
<b>EBITDA before share-based payment</b>		<b>31,630</b>	<b>29,267</b>	<b>87,072</b>	<b>69,806</b>	<b>138,705</b>
Share-based payment	3	-302	-1,216	-604	-2,433	-4,479
<b>EBITDA</b>		<b>31,328</b>	<b>28,051</b>	<b>86,468</b>	<b>67,373</b>	<b>134,226</b>
Depreciation, amortization and impairment	4	-12,811	-13,029	-25,942	-27,078	-53,231
<b>Operating profit (EBIT)</b>		<b>18,517</b>	<b>15,022</b>	<b>60,526</b>	<b>40,295</b>	<b>80,995</b>
Financial income		456	39	8,629	183	949
Financial expenses		-5,530	-3,251	-8,049	-5,225	-17,801
<b>Profit before tax from continuing operations</b>		<b>13,443</b>	<b>11,810</b>	<b>61,106</b>	<b>35,253</b>	<b>64,143</b>
Corporate tax		-3,977	-1,327	-6,547	-4,193	-10,409
<b>Profit after tax from continuing operations</b>		<b>9,466</b>	<b>10,483</b>	<b>54,559</b>	<b>31,060</b>	<b>53,734</b>
<b>Profit after tax from discontinued operations</b>	8	<b>-132</b>	<b>9,365</b>	<b>720,454</b>	<b>11,529</b>	<b>-5,172</b>
<b>Profit after tax for the period</b>		<b>9,334</b>	<b>19,848</b>	<b>775,013</b>	<b>42,589</b>	<b>48,562</b>

DKK '000	Note	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
Items that may be reclassified subsequently to profit and loss:						
Foreign exchange adjustments of subsidiaries		3,990	20,498	5,453	-19,528	-5,916
<b>Other comprehensive income</b>		<b>3,990</b>	<b>20,498</b>	<b>5,453</b>	<b>-19,528</b>	<b>-5,916</b>
<b>Total comprehensive income for the period</b>		<b>13,324</b>	<b>40,346</b>	<b>780,466</b>	<b>23,061</b>	<b>42,646</b>
Profit after tax allocated to:						
Shareholders in Columbus A/S		9,334	19,562	775,620	42,504	48,492
Minority interests		0	286	-607	85	70
		<b>9,334</b>	<b>19,848</b>	<b>775,013</b>	<b>42,589</b>	<b>48,562</b>
Total comprehensive income allocated to:						
Shareholders in Columbus A/S		13,324	40,066	781,074	22,983	42,588
Minority interests		0	280	-608	78	58
		<b>13,324</b>	<b>40,346</b>	<b>780,466</b>	<b>23,061</b>	<b>42,646</b>
Earnings per share of DKK 1.25 (EPS)		0.07	0.16	6.10	0.34	0.39
Earnings per share of DKK 1.25, diluted (EPS-D)		0.07	0.16	6.07	0.34	0.39

# Balance sheet

DKK '000	Note	30 Jun 2021	30 Jun 2020	31 Dec 2020
<b>ASSETS</b>				
Goodwill		766,367	851,212	776,961
Customer base		35,164	52,274	41,394
Other intangible assets		24,964	9,459	17,805
Development projects finalized		3,741	65,091	3,397
Development projects in progress		0	22,303	940
Property, plant and equipment		9,445	11,271	8,674
Right-of-use assets		74,629	103,306	87,616
Deferred tax assets		41,572	42,308	43,390
Other receivables		19,139	7,771	7,263
<b>Total non-current assets</b>		<b>975,021</b>	<b>1,164,995</b>	<b>987,440</b>
Trade receivables	5	239,622	246,426	222,571
Contract assets	6	7,566	34,814	14,733
Corporate tax receivables		3,561	618	871
Other receivables		3,295	4,809	8,058
Prepayments		37,897	33,104	28,498
<b>Receivables</b>		<b>291,941</b>	<b>319,771</b>	<b>274,731</b>
Cash		226,332	190,915	164,213
<b>Total current assets</b>		<b>518,273</b>	<b>510,686</b>	<b>438,944</b>
<b>Assets classified as held for sale</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>214,481</b>
<b>TOTAL ASSETS</b>		<b>1,493,294</b>	<b>1,675,681</b>	<b>1,640,865</b>

DKK '000	Note	30 Jun 2021	30 Jun 2020	31 Dec 2020
<b>EQUITY AND LIABILITIES</b>				
Share capital		161,596	155,778	155,778
Reserves on foreign currency translation		-40,815	-59,886	-46,269
Retained profit		652,741	594,878	602,912
<b>Group shareholders' equity</b>		<b>773,522</b>	<b>690,770</b>	<b>712,421</b>
Minority interests		0	3,204	3,184
<b>Equity</b>		<b>773,522</b>	<b>693,974</b>	<b>715,605</b>
Deferred tax		20,975	31,206	24,493
Other provisions		1,026	24,498	21,337
Debt to credit institutions		176,000	176,000	176,000
Lease liability right-of-use assets		46,789	71,875	59,929
<b>Non-current liabilities</b>		<b>244,790</b>	<b>303,579</b>	<b>281,759</b>
Contingent consideration		6,539	128,819	81,594
Contract liabilities	6	12,260	19,305	19,607
Trade payables		54,264	70,371	69,210
Corporate tax payables		5,665	18,435	10,202
Other payables		326,039	316,725	300,470
Other provisions		7,000	16,712	6,722
Accruals and deferred income		31,781	70,905	29,799
Lease liability right-of-use assets		31,434	36,856	32,006
<b>Current liabilities</b>		<b>474,982</b>	<b>678,128</b>	<b>549,610</b>
<b>Total liabilities</b>		<b>719,772</b>	<b>981,707</b>	<b>831,369</b>
<b>Total liabilities relating to assets classified as held for sale</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>93,891</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,493,294</b>	<b>1,675,681</b>	<b>1,640,865</b>

# Statement of changes in equity

DKK '000	Shareholders in Columbus A/S				
	Share capital	Reserves on foreign currency translation	Retained profits	Minority interests	Equity
<b>YTD 2021</b>					
<b>Balance at 1 Jan 2021</b>	<b>155,778</b>	<b>-46,269</b>	<b>602,912</b>	<b>3,184</b>	<b>715,605</b>
Profit after tax	0	0	775,620	-607	775,013
Currency adjustments of investments in subsidiaries	0	5,454	0	-1	5,453
<b>Total comprehensive income</b>	<b>0</b>	<b>5,454</b>	<b>775,620</b>	<b>-608</b>	<b>780,466</b>
Capital increase	5,818	0	50,752	0	56,570
Share-based payment	0	0	-886	0	-886
Disposal of minority interest	0	0	0	-2,576	-2,576
Payment of dividend	0	0	-775,657	0	-775,657
<b>Balance at 30 Jun 2021</b>	<b>161,596</b>	<b>-40,815</b>	<b>652,741</b>	<b>0</b>	<b>773,522</b>

DKK '000	Shareholders in Columbus A/S				
	Share capital	Reserves on foreign currency translation	Retained profits	Minority interests	Equity
<b>YTD 2020</b>					
<b>Balance at 1 Jan 2020</b>	<b>155,778</b>	<b>-40,365</b>	<b>549,941</b>	<b>3,126</b>	<b>668,480</b>
Profit after tax	0	0	42,504	85	42,589
Currency adjustments of investments in subsidiaries	0	-19,521	0	-7	-19,528
<b>Total comprehensive income</b>	<b>0</b>	<b>-19,521</b>	<b>42,504</b>	<b>78</b>	<b>23,061</b>
Share-based payment	0	0	2,433	0	2,433
<b>Balance at 30 Jun 2020</b>	<b>155,778</b>	<b>-59,886</b>	<b>594,878</b>	<b>3,204</b>	<b>693,974</b>

DKK '000	Shareholders in Columbus A/S				
	Share capital	Reserves on foreign currency translation	Retained profits	Minority interests	Equity
<b>2020</b>					
<b>Balance at 1 Jan 2020</b>	<b>155,778</b>	<b>-40,365</b>	<b>549,941</b>	<b>3,126</b>	<b>668,480</b>
Profit after tax	0	0	48,492	70	48,562
Currency adjustments of investments in subsidiaries	0	-5,904	0	-12	-5,916
<b>Total comprehensive income</b>	<b>0</b>	<b>-5,904</b>	<b>48,492</b>	<b>58</b>	<b>42,646</b>
Share-based payment	0	0	4,479	0	4,479
<b>Balance at 31 Dec 2020</b>	<b>155,778</b>	<b>-46,269</b>	<b>602,912</b>	<b>3,184</b>	<b>715,605</b>

# Cash flow

DKK '000	Not e	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
Operating profit (EBIT)		18,517	15,022	60,526	40,295	80,995
Non-recurring income and expenses from acquisitions		0	0	0	0	-45,766
Depreciation, amortization and impairment	4	12,811	13,029	25,942	27,078	53,231
Cost of incentive scheme		-1,189	1,217	-884	2,435	4,480
Changes in net working capital		-43,479	60,612	-69,046	62,262	31,574
<b>Cash flow from primary activities</b>		<b>-13,340</b>	<b>89,880</b>	<b>16,538</b>	<b>132,070</b>	<b>124,514</b>
Interest received, etc.		-3,185	-320	4,865	224	594
Interest paid, etc.		-411	17,342	-6,080	-3,119	-3,363
Corporate tax paid		2,226	-2,152	-13,851	-2,570	-6,019
Cash flow from operating activities discontinued operations	8	4,464	28,352	4,623	42,469	75,136
<b>Cash flow from operating activities</b>		<b>-10,246</b>	<b>133,102</b>	<b>6,095</b>	<b>169,074</b>	<b>190,862</b>
Net investment in development projects		0	-436	-2	-435	509
Acquisition of tangible assets		-1,603	-851	-3,637	-2,243	-3,832
Acquisition of intangible assets		-2,059	0	-8,169	0	-9,408
Disposal of tangible assets		14	0	2	0	0
Acquisition of subsidiaries and activities	7	-74,152	-38,645	-74,152	-74,015	-75,147
Disposals of subsidiaries and activities	9	-481	0	815,500	0	-2,696
Cash flow from investing activities discontinued operations	8	-4,464	-11,884	-7,479	-20,007	-37,256
<b>Cash flow from investing activities</b>		<b>-82,745</b>	<b>-51,816</b>	<b>722,063</b>	<b>-96,700</b>	<b>-127,830</b>

DKK '000	Not e	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
Proceeds from capital increase/warrants exercised		56,570	0	56,570	0	0
Repayment of lease liabilities		-8,557	-8,788	-17,354	-18,261	-36,050
Dividends paid		-693,914	0	-693,914	0	0
Cash flow from financing activities discontinued operations	8	11,950	-1,915	-18,209	-3,907	-7,922
<b>Cash flow from financing activities</b>		<b>-633,951</b>	<b>-10,703</b>	<b>-672,907</b>	<b>-22,168</b>	<b>-43,972</b>
<b>Total net change in cash and cash equivalents</b>		<b>-726,942</b>	<b>70,583</b>	<b>55,251</b>	<b>50,206</b>	<b>19,060</b>
Cash funds at the beginning of the period		951,698	118,746	164,213	147,265	147,264
Exchange rate adjustments		1,576	1,586	6,868	-6,556	-2,111
<b>Cash funds at the end of the period</b>		<b>226,332</b>	<b>190,915</b>	<b>226,332</b>	<b>190,915</b>	<b>164,213</b>

# Notes

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# Notes

## Note 1 – Significant accounting principles

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

The accounting policies applied in the interim financial report are prepared in accordance with International Financial Reporting Standards, as approved by the EU, and additional Danish disclosure requirements for interim financial reports of listed companies and is unchanged compared to 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 Business Lines is stated below.

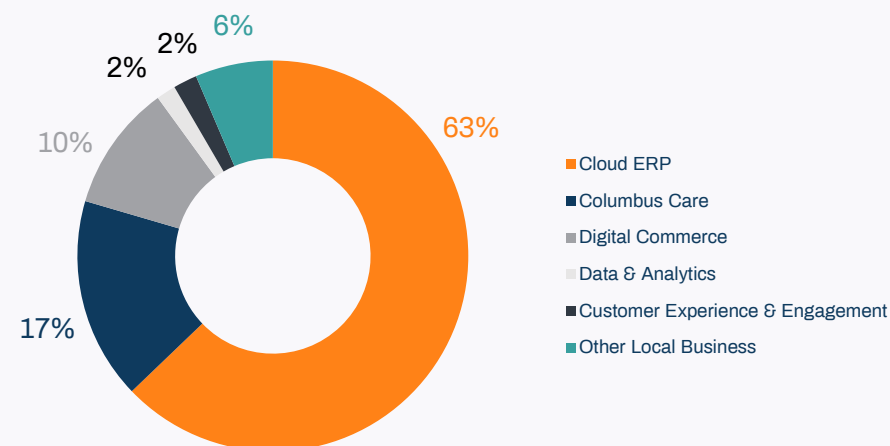
DKK '000	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
<b>Sale of services</b>					
Cloud ERP	203,795	198,207	417,732	435,309	779,904
Columbus Care	68,347	57,870	131,275	122,328	233,143
Digital Commerce	42,019	36,258	81,452	74,139	128,059
Data & Analytics	7,862	5,905	12,969	11,843	24,007
Customer Experience & Engagement	7,342	7,010	15,706	12,743	23,762
Other Local Business	19,068	18,570	38,540	36,858	72,581
<b>Total sale of services</b>	<b>348,433</b>	<b>323,820</b>	<b>697,674</b>	<b>693,220</b>	<b>1,261,455</b>
<b>Sale of products</b>					
Cloud ERP	57,929	58,601	114,457	129,692	248,085
Columbus Care	6,330	4,684	10,131	9,171	19,676
Digital Commerce	3,671	2,636	7,179	5,821	10,196
Data & Analytics	374	155	655	473	895
Customer Experience & Engagement	523	448	992	1,280	2,741
Other Local Business	9,089	11,403	15,882	18,982	35,283
<b>Total sale of products</b>	<b>77,917</b>	<b>77,927</b>	<b>149,297</b>	<b>165,419</b>	<b>316,877</b>
<b>Total net revenue</b>	<b>426,350</b>	<b>401,747</b>	<b>846,971</b>	<b>858,639</b>	<b>1,578,332</b>

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

Business Lines relate to the type of services or products that are delivered, and comprise of Cloud ERP, Columbus Care, 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.

**Business Lines Revenue Split H1 2021**



# Notes

## Note 2 – Segment data (continued)

DKK '000	Sweden	Denmark	Norway	UK	US	Russia	Other*	Total
<b>Q2 2021</b>								
Sale of services	142,612	63,774	63,541	35,053	30,172	13,218	63	<b>348,433</b>
Sale of products	9,350	20,916	8,096	7,765	30,062	1,728	0	<b>77,917</b>
<b>Total net revenue</b>	<b>151,962</b>	<b>84,690</b>	<b>71,637</b>	<b>42,818</b>	<b>60,234</b>	<b>14,946</b>	<b>63</b>	<b>426,350</b>
Gross profit	130,595	74,207	45,938	42,054	35,278	13,079	-1,414	<b>339,737</b>
EBITDA	10,365	3,396	9,966	3,757	2,077	1,417	350	<b>31,328</b>
Operating profit (EBIT)								<b>18,517</b>
Profit before tax								<b>13,443</b>
Profit after tax								<b>9,466</b>
<b>Average number of employees</b>	<b>524</b>	<b>307</b>	<b>159</b>	<b>212</b>	<b>157</b>	<b>179</b>	<b>95</b>	<b>1,632</b>
<b>Q2 2020</b>								
Sale of services	138,572	66,300	39,597	31,455	33,742	14,110	44	<b>323,820</b>
Sale of products	8,184	18,022	7,117	7,374	34,515	2,715	0	<b>77,927</b>
<b>Total net revenue</b>	<b>146,756</b>	<b>84,322</b>	<b>46,714</b>	<b>38,829</b>	<b>68,257</b>	<b>16,825</b>	<b>44</b>	<b>401,747</b>
Gross profit	116,364	70,875	34,412	34,804	39,886	14,479	-989	<b>309,831</b>
EBITDA	2,352	12,041	110	5,021	2,320	1,924	4,283	<b>28,051</b>
Operating profit (EBIT)								<b>15,022</b>
Profit before tax								<b>11,810</b>
Profit after tax								<b>10,483</b>
<b>Average number of employees</b>	<b>623</b>	<b>342</b>	<b>157</b>	<b>190</b>	<b>161</b>	<b>188</b>	<b>68</b>	<b>1,729</b>

\*Other consist of India, Poland, Czech and other shareholder costs

# Notes

## Note 2 – Segment data (continued)

DKK '000	Sweden	Denmark	Norway	UK	US	Russia	Other*	Total
<b>H1 2021</b>								
Sale of services	286,240	127,330	125,474	73,151	60,469	23,831	1,179	<b>697,674</b>
Sale of products	17,217	38,019	14,075	17,747	58,642	3,597	0	<b>149,297</b>
<b>Total net revenue</b>	<b>303,457</b>	<b>165,349</b>	<b>139,549</b>	<b>90,898</b>	<b>119,111</b>	<b>27,428</b>	<b>1,179</b>	<b>846,971</b>
Gross profit	265,714	149,230	90,195	87,434	70,844	23,441	-3,101	<b>683,757</b>
EBITDA	32,785	10,473	17,685	11,672	4,045	1,495	8,313	<b>86,468</b>
Operating profit (EBIT)								<b>60,526</b>
Profit before tax								<b>61,106</b>
Profit after tax								<b>54,559</b>
<b>Average number of employees</b>	<b>540</b>	<b>314</b>	<b>159</b>	<b>214</b>	<b>162</b>	<b>174</b>	<b>85</b>	<b>1,648</b>
<b>H1 2020</b>								
Sale of services	292,867	131,742	93,253	74,897	71,869	28,308	284	<b>693,220</b>
Sale of products	17,773	35,802	21,246	16,339	67,061	7,198	0	<b>165,419</b>
<b>Total net revenue</b>	<b>310,640</b>	<b>167,544</b>	<b>114,499</b>	<b>91,236</b>	<b>138,930</b>	<b>35,506</b>	<b>284</b>	<b>858,639</b>
Gross profit	250,099	141,924	80,817	79,814	83,912	29,296	2,431	<b>668,293</b>
EBITDA	20,506	20,505	5,450	10,554	2,107	2,922	5,329	<b>67,373</b>
Operating profit (EBIT)								<b>40,295</b>
Profit before tax								<b>35,253</b>
Profit after tax								<b>31,060</b>
<b>Average number of employees</b>	<b>641</b>	<b>341</b>	<b>194</b>	<b>221</b>	<b>163</b>	<b>205</b>	<b>60</b>	<b>1,825</b>

\*Other consist of India, Poland, Czech and other shareholder costs

# Notes

## Note 2 – Segment data (continued)

DKK '000	Sweden	Denmark	Norway	UK	US	Russia	Other*	Total
<b>2020</b>								
Sale of services	527,582	247,746	151,567	143,747	136,414	54,089	310	<b>1,261,455</b>
Sale of products	36,711	83,452	35,868	28,882	116,777	15,187	0	<b>316,877</b>
<b>Total net revenue</b>	<b>564,293</b>	<b>331,198</b>	<b>187,435</b>	<b>172,629</b>	<b>253,191</b>	<b>69,276</b>	<b>310</b>	<b>1,578,332</b>
Gross profit	463,723	281,863	133,581	154,537	157,119	55,774	-1,806	<b>1,244,791</b>
EBITDA	41,562	45,442	-17,851	22,429	7,735	5,583	29,326	<b>134,226</b>
Operating profit (EBIT)								<b>80,995</b>
Profit before tax								<b>64,143</b>
Profit after tax								<b>53,734</b>
<b>Average number of employees</b>	<b>590</b>	<b>338</b>	<b>155</b>	<b>213</b>	<b>167</b>	<b>190</b>	<b>54</b>	<b>1,707</b>

\*Other consist of India, Poland, Czech and other shareholder costs

Legal entities DKK '000	Net revenue from external customers				Non-current assets			
	Q2 2021	Q2 2020	H1 2021	H1 2020	2020	30 Jun 2021	30 Jun 2020	31 Dec 2020
Sweden	158,727	155,962	318,207	332,687	595,297	488,260	478,261	498,248
Denmark	77,925	79,954	150,597	158,869	312,014	171,189	149,787	156,263
Norway	71,637	41,876	139,549	101,127	175,789	73,243	71,682	72,159
United Kingdom	42,818	38,829	90,898	91,236	172,629	50,974	48,479	49,108
USA	60,235	68,244	119,111	138,929	253,100	143,461	160,448	142,368
Russia	14,945	16,825	27,428	35,507	69,193	35,371	36,890	34,894
Rest of the world	63	57	1,181	284	310	12,523	219,448	34,400
<b>Total</b>	<b>426,350</b>	<b>401,747</b>	<b>846,971</b>	<b>858,639</b>	<b>1,578,332</b>	<b>975,021</b>	<b>1,164,995</b>	<b>987,440</b>

### 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.

\*The non-current assets for the rest of the world segment are 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	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
<b>Staff expenses</b>					
Salary and wages	223,545	199,011	438,984	419,828	828,236
Other social security costs	34,407	37,343	70,619	74,603	144,610
Other staff expenses	18,700	15,773	33,857	29,845	38,126
<b>Staff costs before share-based payment</b>	<b>276,652</b>	<b>252,127</b>	<b>543,460</b>	<b>524,276</b>	<b>1,010,972</b>
Share-based payment	302	1,216	604	2,433	4,479
<b>Staff expenses</b>	<b>276,954</b>	<b>253,343</b>	<b>544,064</b>	<b>526,709</b>	<b>1,015,451</b>
Average number of employees	1,632	1,729	1,648	1,825	1,707

## Note 4 – Depreciation, amortization and impairment

DKK '000	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
Depreciation	8,985	9,031	18,219	19,013	37,433
Amortization	3,826	3,998	7,723	8,065	15,798
<b>Total depreciation, amortization and impairment</b>	<b>12,811</b>	<b>13,029</b>	<b>25,942</b>	<b>27,078</b>	<b>53,231</b>

# Notes

## Note 5 – Trade receivables

DKK '000	30 Jun 2021	30 Jun 2020	31 Dec 2020
<b>Receivables (gross) at 1 Jan</b>	<b>241,749</b>	<b>322,535</b>	<b>322,535</b>
Change in receivables during the period	13,116	-57,071	-80,786
<b>Receivables (gross) end of period</b>	<b>254,865</b>	<b>265,464</b>	<b>241,749</b>
<b>Provisions for bad debt at 1 Jan</b>	<b>19,178</b>	<b>15,304</b>	<b>15,304</b>
Change in provisions for bad debt during the period	-3,916	3,464	3,799
Loss realized during the period	-19	270	75
<b>Provisions for bad debt end of period</b>	<b>15,243</b>	<b>19,038</b>	<b>19,178</b>
<b>Carrying amount end of period</b>	<b>239,622</b>	<b>246,426</b>	<b>222,571</b>

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

DKK '000	30 Jun 2021	30 Jun 2020	31 Dec 2020
Age of receivables (gross):			
Not due	145,797	188,165	167,236
0-30 days	54,484	36,577	48,834
30-60 days	32,072	8,336	9,827
61-90 days	6,496	8,955	2,771
91-180 days	5,309	10,572	4,508
181-270 days	2,067	6,829	954
270-360 days	1,493	4,318	1,874
Above 360 days	7,147	1,712	5,745
<b>Total</b>	<b>254,865</b>	<b>265,464</b>	<b>241,749</b>

DKK '000	30 Jun 2021	30 Jun 2020	31 Dec 2020
Age of impairment:			
Not due	17	359	2,599
0-30 days	272	183	1,044
30-60 days	802	208	446
61-90 days	487	672	2,008
91-180 days	2,958	4,757	4,508
181-270 days	2,067	6,829	954
271-360 days	1,493	4,318	1,874
Over 360 days	7,147	1,712	5,745
<b>Total</b>	<b>15,243</b>	<b>19,038</b>	<b>19,178</b>

DKK '000	30 Jun 2021	30 Jun 2020	31 Dec 2020
Provision matrix:			
Not due	0.0%	0.2%	1.6%
0-30 days	0.5%	0.5%	2.1%
30-60 days	2.5%	2.5%	4.5%
61-90 days	7.5%	7.5%	72.5%
91-180 days	55.7%	45.0%	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	30 Jun 2021	30 Jun 2020	31 Dec 2020
<b>Balance at 1 Jan</b>	<b>-4,874</b>	<b>10,877</b>	<b>10,877</b>
Changes contract assets during the period	-16,754	4,351	-65,331
Changes on account billing and prepayments during the period	16,934	281	47,526
Reclassified to assets held for sale	0	0	2,054
<b>Balance at end of period</b>	<b>-4,694</b>	<b>15,509</b>	<b>-4,874</b>
Work in progress	29,175	136,351	45,929
On account billing and prepayments	-33,869	-120,842	-50,803
<b>Balance at end of period</b>	<b>-4,694</b>	<b>15,509</b>	<b>-4,874</b>
The net value is included in the balance as follows:			
Contract assets	7,566	34,814	14,733
Contract liabilities	-12,260	-19,305	-19,607
<b>Balance at end of period</b>	<b>-4,694</b>	<b>15,509</b>	<b>-4,874</b>

The Group's contract assets are subject to significant judgements in relation to the classification of the contract and in terms of how the contract is handled and recognized in the financial statements. When determining the appropriate recognition of the contract, the Group accounting policies are applied.

# Notes

## Note 7 – Business combinations

### Acquisition of companies in 2021

There have been no acquisitions during H1 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
<b>Total</b>					<b>36,357</b>

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	H1 2021	2020
<b>Fair value assessment of trade receivables</b>		
Trade receivables, gross amount	0	15,103
Trade receivables, not expected to be collected	0	-277
<b>Trade receivables, fair value</b>	<b>0</b>	<b>14,826</b>

### Opening balances

DKK '000	H1 2021	2020
Tangible fixed assets	0	13
Other intangible assets	0	10,800
Other receivables	0	85
<b>Total non-current assets</b>	<b>0</b>	<b>10,898</b>
Trade receivables	0	14,826
Work in progress	0	191
Prepayments	0	5,315
<b>Total current assets</b>	<b>0</b>	<b>20,332</b>
Corporation tax and deferred tax	0	-2,187
Deferred income	0	-3,736
Accruals	0	-398
Other debt	0	-5,404
<b>Total current debt</b>	<b>0</b>	<b>-11,725</b>
<b>Net assets acquired</b>	<b>0</b>	<b>19,505</b>
Goodwill	0	16,852
<b>Total consideration</b>	<b>0</b>	<b>36,357</b>
Net working capital not paid	0	-987
<b>Cash consideration on acquisition date</b>	<b>0</b>	<b>35,370</b>
Contingent consideration payments*	74,152	39,777
<b>Net cash flows on acquisitions</b>	<b>74,152</b>	<b>75,147</b>

\* 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). Contingent consideration payments in 2021 relate to the acquisitions of iStone AB, which were paid in Q2 2021. (DKK 74,152). Since the acquisition date of Advania Business Solution the other intangible assets have been revalued with DKK 3.8m and this has affected the goodwill accordingly.



# Notes

## Note 8 – Discontinued operations

DKK '000	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
Net revenue	0	57,307	29,296	110,524	208,487
External project costs	0	-1,672	-2,286	-5,225	-8,395
<b>Gross profit</b>	<b>0</b>	<b>55,635</b>	<b>27,010</b>	<b>105,299</b>	<b>200,092</b>
Staff expenses and remuneration	0	-31,253	-19,510	-60,428	-113,992
Other external costs	0	-2,128	-3,707	-8,665	-16,832
Other operating income	0	2	15	16	314
<b>EBITDA</b>	<b>0</b>	<b>22,256</b>	<b>3,808</b>	<b>36,222</b>	<b>69,582</b>
Depreciation, amortization and impairment	0	-9,584	-561	-19,057	-29,912
<b>Operating profit (EBIT)</b>	<b>0</b>	<b>12,672</b>	<b>3,247</b>	<b>17,165</b>	<b>39,670</b>
Financial income	0	8	195	409	49
Financial expenses	0	-471	-129	-469	-1,621
<b>Profit before tax from discontinuing operations</b>	<b>0</b>	<b>12,209</b>	<b>3,313</b>	<b>17,105</b>	<b>38,098</b>
Corporate tax	0	-2,844	-20	-5,576	-13,768
<b>Profit after tax from discontinuing operations</b>	<b>0</b>	<b>9,364</b>	<b>3,293</b>	<b>11,529</b>	<b>24,330</b>
Total gain (loss) on divestment of discontinued operations	-132	0	717,161	0	-29,502
<b>Profit from discontinued operations</b>	<b>-132</b>	<b>9,364</b>	<b>720,454</b>	<b>11,529</b>	<b>-5,172</b>

DKK '000	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
Earnings per share from discontinued operations of DKK 1.25 (EPS)	0.00	0.08	5.67	0.09	-0.04
Earnings per share from discontinued operations of DKK 1.25, diluted (EPS-D)	0.00	0.08	5.64	0.09	-0.04

DKK '000	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
Gain on disposal of subsidiaries	0	0	721,712	0	0
Transaction costs related to disposal	-132	0	-4,551	0	-29,502
<b>Total gain (loss) on divestment of discontinued operations</b>	<b>-132</b>	<b>0</b>	<b>717,161</b>	<b>0</b>	<b>-29,502</b>

DKK '000	Q2 2021	Q2 2020	H1 2021	H1 2020	2020
Cash flow from operating activities	4,464	28,352	4,623	42,469	75,136
Cash flow from investing activities	-4,464	-11,884	-7,479	-20,007	-37,256
Cash flow from financing activities	11,950	-1,915	-18,209	-3,907	-7,922
<b>Cash flow from discontinued operations</b>	<b>11,950</b>	<b>14,553</b>	<b>-21,065</b>	<b>18,555</b>	<b>29,958</b>

### 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 were sold and consequently also classified as discontinued operations. The Baltic entities were 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 was partly settled in cash by the purchaser in April 2021 (DKK 12m), and the remaining consideration will be paid in monthly instalments until 2026.

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	30 Jun 2021	30 Jun 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
<b>Total assets</b>	<b>292,367</b>	<b>0</b>	<b>0</b>

DKK '000	30 Jun 2021	30 Jun 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
<b>Total liabilities</b>	<b>119,265</b>	<b>0</b>	<b>0</b>
<b>Net assets disposed of</b>	<b>173,102</b>	<b>0</b>	<b>0</b>
Cash and cash equivalents	877,229	0	0
Deferred consideration	17,585	0	0
<b>Total consideration</b>	<b>894,814</b>	<b>0</b>	<b>0</b>
<b>Gain on disposal of subsidiaries</b>	<b>721,712</b>	<b>0</b>	<b>0</b>
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	-27,610	0	0
<b>Net Cash inflow arising on disposal</b>	<b>815,500</b>	<b>0</b>	<b>0</b>

# Notes

## Note 10 – Assets classified as held for sale

At 30 June 2021, no parts of group were classified as held for sale.

DKK '000	30 Jun 2021	30 Jun 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
<b>Total assets classified as held for sale</b>	<b>0</b>	<b>0</b>	<b>214,481</b>
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
<b>Total liabilities relating to assets classified as held for sale</b>	<b>0</b>	<b>0</b>	<b>93,891</b>
<b>Net assets</b>	<b>0</b>	<b>0</b>	<b>120,590</b>

# Notes

## Key figures, ratios and Alternative Performance Measures

### Key figures and ratios

Earnings per share (EPS) and diluted earnings per share (EPS-D) are calculated in accordance with IAS 33.

Other ratios are calculated in accordance with the Danish Finance Society "Recommendations & Financial Ratios". The financial ratios stated are calculated as follows:

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

### Alternative Performance Measures

#### Recurring Revenue

Recurring Revenue includes Software maintenance, Cloud revenue and Columbus Care agreements.

Recurring revenue does not necessarily mean a binding contractual agreement. However recurring revenue is defined as revenue with a high degree of certainty for renewal >95%.

The purpose of defining Recurring Revenue is to express a level of predictability in the revenue. The higher degree of Recurring Revenue in pct. of total revenue – the more predictable is the Columbus revenue going forward.

#### EBITDA before Share Based Payment

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

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

#### 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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