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Company announcement

Columbus exits the Russian market

Today, Columbus A/S has entered into an agreement to hand over its Russian business unit to the management of Columbus Russia.

As a consequence of Russia's invasion of Ukraine, Columbus has investigated options to exit the Russian market. Today, Columbus has entered into an agreement to hand over 100% of the ownership of the Russian business to the management of the Russian business.

The agreed purchase price is DKK 2m which will be paid to Columbus in two installments, four and five years after closing.

The agreement is effective as of 16 March 2022. The Russian business unit will cease using the Columbus brand immediately. Columbus has already prior to this announcement taken actions to ensure that the Russian business unit from an IT security perspective has been detached from Columbus' IT environment.

Due to the decline in RUB since 31 December 2021, the carrying value of the Russian business has declined from DKK 20m to DKK 11m. With the agreed purchase price of DKK 2m, the exit of the Russia market will impact group equity negatively by DKK 9m.

The revenue from the Russian business unit in 2021 was DKK 68m constituting 4.5% of Group revenue in 2021. Columbus considers the decision to hand over the Russian Business Unit to the management group in Columbus Russia the best solution under the circumstances securing a rapid and complete exit whilst providing the most responsible solution for our former 213 Russian colleagues.

Financial Implications and Outlook

The outlook for 2022 is unchanged as presented in the Annual Report 2021, and is as follows:

- Revenue is expected to be in the range of DKK 1,525m – 1,625m corresponding to an organic growth of 8% to 15% (excluding Russia)
- EBITDA is expected to be in the range of DKK 120m –145m corresponding to a growth of 16% to 21% (excluding Russia).

About Columbus

Columbus is a global digital consultancy headquartered in Denmark. For +30 years, we have helped more than 2.500 ambitious companies transform, maximize, and futureproof their business digitally. Columbus employs more than 1,750 digital advisors and consultants focused on the manufacturing-, retail & distribution-, and food & process industries. We offer end-to-end digital services and solutions within Strategy & Change, Cloud ERP, Data & Analytics, Application Management, Digital Commerce, and Customer Experience. Columbus has offices and partners all over the world and we deliver our solutions and services locally – on a global scale. www.columbusglobal.com

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