

Q3 Report 2020

Columbus A/S



Digital transformation
for a better tomorrow

Highlights

Focus and simplicity:

- Launch of new strategy
- New CEO in process
- To-Increase software business, a very valuable asset, held for sale (revenue DKK 112.5m YTD, EBITDA DKK 58m YTD)
- New organizational structure in the US

Revenue YTD*

DKK 1,241m

corresponding to a decrease of 5%.

EBITDA YTD*

DKK 110m

corresponding to a decline of 10%.
Normalized EBITDA stable.

Profit before tax YTD*

DKK 56m

corresponding to a decline of 25%.
Normalized Profit before tax declined by 16%.

Recurring revenue YTD*

DKK 305m

corresponding to a growth of 6%. The proportion of recurring revenue increased to 25% of the total revenue.

Columbus Care sales YTD*

DKK 121m

corresponding to a growth of 16%.

Cloud Services YTD*

DKK 40m

corresponding to a growth of 35%.

*All numbers and comments are on continued business

Contents

Highlights	2
Full focus on our next strategic journey	4
EBITDA improving due to tight cost control	6
Outlook for 2020	10
Statement by management	11
Financial statements Q3/2020	12
Statement of comprehensive income	13
Balance sheet	14
Statement of changes in equity - Group	16
Cash flow	17
Notes	18

Full focus on our next strategic journey

The third quarter was the start of a major transition for Columbus. We jumpstarted our new strategy - Focus23 - with the announcement of 28 October about the potential sale of our software business To-Increase, and we initiated the process of finding a new CEO for Columbus.

The consequences of COVID-19 remain a concern for us, impacting our people and their families, our customers and our businesses in many of our markets. Our first priority is the health and safety of our employees and customers, while also ensuring the health of our business, both short-term and long-term.

Ready to unleash the full potential with Focus23

Columbus' current strategy Columbus2020 which will retire by the end of the year has given us a strong starting point for taking Columbus to the next level.

With Focus23¹, we will focus on serving larger customers within our key industries Food, Retail and Manufacturing with focus on delivering a broader range of advisory, digital services and solutions to our key customers. We will continue to meet the customers as a trusted advisor with the goal of creating more value in our customers' digital transformation journey as well as lifetime partnerships with our customers.

In the new strategy we set our strategic direction of becoming a more focused

operation with increased customer focus. We will implement a global and simplified operating model to leverage global delivery capacity and synergies in the organization.

The announcement of a potential sale of our very valuable software company To-Increase was the first step in focusing our business to become a true global consultancy.

We are simplifying the US organization in two separate divisions. As a consequence, our Business Unit Executive in the US will leave Columbus.

I am convinced that Columbus' new strategic direction will create value for customers, our people and shareholders.

A new strong leader for our company

In relation to this strategy work, it became clear that Columbus required new CEO competences in order to implement the new strategy. We are now in the process of finding the right profile to take Columbus to the next level and we will announce the successor as soon as we can.

I have full confidence in our interim leadership of Corporate CFO Hans Henrik Thrane, our Group Senior Management team and all our Business Unit Executives. Since August they have steered Columbus through Q3 with COVID-19 on the side while finalizing the sprint of the strategy process.

A resilient third quarter

We came out of Q3 with a reasonable result despite operating in markets being impacted by COVID-19. Our business demonstrated resilience during the first volatile months since the outbreak which is thanks to the strong commitment of Columbus' employees.

We have managed to maintain a healthy business in Q3 with improved profitability. Revenue declined by 5% YTD but was compensated by cost savings resulting in normalized EBITDA stable at DKK 89m and a margin of 7%.

Promising expectations for long-term growth

COVID-19 continues to impact our business with delayed projects and tenders, and we expect that our revenue performance for 2020 will be in the lower level of our guided intervals, however EBITDA outlook is adjusted upward.

Our expectations for long-term growth are positive. We are operating in a market with a great potential as the need for digitalization will continue to increase. With Focus23, we aim to gradually increase profitable growth to minimum 10% annually in 2023.

On behalf of the Board, I would like to thank everyone in Columbus for their dedication and hard work, our customers for their business and trust in Columbus as well as our shareholders for your continued support.

Ib Kunhø
Chairman of the Board



¹ Our new strategy Focus23 will be announced in a separate company release on 12 November 2020

Key figures and ratios

DKK '000	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Income related figures					
Columbus Software licenses	369	764	2,890	6,369	10,328
Columbus Software subscriptions	4,066	3,825	16,027	16,260	22,422
Columbus Cloud	2,908	2,342	8,395	5,737	8,365
Columbus Software	7,343	6,931	27,312	28,366	41,115
External licenses	13,976	15,148	57,119	51,673	73,774
External subscriptions	33,237	38,583	128,245	137,957	194,797
External cloud	12,151	8,917	31,089	23,572	33,698
Service	267,917	315,369	983,233	1,033,149	1,400,541
Other	3,742	6,042	13,940	24,975	31,529
Net revenue	338,365	390,991	1,240,939	1,299,691	1,775,454
Recurring revenue % of total revenue	27.3%	23.5%	24.6%	22.2%	22.8%
EBITDA before share-based payment	41,111	52,640	114,050	125,061	165,297
EBITDA	39,895	51,642	110,401	122,066	159,827
EBIT	25,849	37,502	67,478	80,017	13,787
Net financial items	-6,275	1,622	-11,713	-5,734	-11,506
Profit before tax	19,574	39,124	55,765	74,283	2,281
Tax on the result for the period	-13,152	-9,022	-17,599	-5,102	-20,774
Result for the year, continued operations	6,422	30,102	38,166	69,181	-18,493
Result for the year, discontinued operations	3,206	4,654	14,051	16,855	39,482
Profit after tax	9,628	34,757	52,217	86,036	20,990
Balance sheet					
Non-current assets	949,843	1,217,682	949,843	1,217,682	1,124,568
Current assets	416,887	457,132	416,887	457,132	529,949
Assets classified as held for sale	208,007	0	208,007	0	0
Total assets	1,574,737	1,674,814	1,574,737	1,674,814	1,654,517
Group shareholder equity	695,284	715,554	695,284	715,554	665,354
Minority interests	3,160	2,609	3,160	2,609	3,126
Total liabilities	789,573	956,651	789,573	956,651	986,037
Total equity and liabilities	1,574,737	1,674,814	1,574,737	1,674,814	1,654,517
Investments in tangible assets	965	1,404	3,272	4,549	5,728
Cash flow					
Cash flow from operating activities	-34,045	-1,471	116,161	46,544	105,462
Cash flow from investing activities	-2,880	-1,468	-87,738	-69,491	-74,421
Cash flow from financing activities	-9,334	-5,868	-28,524	-10,023	-39,813
Cash flow from continuing operations	-46,259	-8,807	-101	-32,970	-8,772
Cash flow from discontinued operations	3,696	13,713	8,084	25,174	45,695
Total net change in cash and cash equivalents	-42,563	4,906	7,983	-7,796	36,923
Key ratios					
EBITDA-margin	11.8%	13.2%	8.9%	9.4%	12.3%
Operating profit margin (EBIT-margin)	7.6%	9.6%	5.4%	6.2%	0.8%
Equity ratio*	44.2%	42.7%	44.2%	42.7%	40.2%
Return on equity*	1.4%	5.4%	7.4%	13.2%	3.2%
Return on invested capital including goodwill (ROIC)*	3.5%	4.0%	9.3%	8.8%	12.0%
Number of shares, in thousands	124,622	124,622	124,622	124,622	124,622
Average number of shares, in thousands	124,622	123,012	124,622	123,012	124,013
Book value of equity per share (BVPS)	5.58	5.74	5.58	5.74	5.34
Earnings per share (EPS) from continuing operations	0.05	0.25	0.31	0.56	-0.15
Earnings per share (EPS)	0.08	0.29	0.42	0.70	0.17
Cash flow per share	-0.27	-0.01	0.93	0.38	0.85
Share price, end of period	7.20	9.60	7.20	9.60	9.65
Average full time employee for the period	1,795	1,844	1,889	1,808	1,834

* 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"

EBITDA¹ improving due to tight cost control

All numbers and comments are on the continued business excluding assets classified as held for sale and discontinued businesses.

Q3 2020 was the start of a major transition for Columbus with a sales process initiated for the software company To-Increase and subsequently considering the business as asset held for sale in the quarterly reporting.

Furthermore, the Spanish entity was closed, and the earn-out for the iStone business adjusted accordingly. Finally, the financial numbers are impacted by an extraordinary customer provision for a major fixed price project in Columbus Norway.

Improved normalized EBITDA

Customer investments continued to slow down during Q3, thus affecting Columbus' revenue development. In Q3 revenue declined by 13% to DKK 338m.

Adjusting for the acquisition of Advania in 2020 the organic revenue declined by 15%.

The revenue decline was compensated by cost savings resulting in improved normalized EBITDA of 25% to DKK 24m in Q3 providing a normalized margin

increase of 2.3 percentage points to 7.3% showing our ability to adjust our business to changing market conditions. Reported EBITDA decreased by 23% to DKK 40m in Q3.

YTD revenue declined by 5% to DKK 1,241m. Despite the declining revenue Normalized EBITDA was stable at DKK 89m, due to tight capacity and cost control.

DKKm	Q3 2020	Q3 2019	Development	YTD 2020	YTD 2019	Development
Revenue reported	338	391	-13%	1,241	1,300	-5%
Revenue from acquisitions	-6	0	0%	-33	0	0%
Organic revenue	332	391	-15%	1,207	1,300	-7%
EBITDA reported	40	52	-23%	110	122	-10%
Customer provision	15	39	-63%	15	39	-63%
Reversal of earn-out	-28	-71	-61%	-28	-71	-61%
EBITDA from acquisitions	-2	0	0%	-7	0	0%
Normalized EBITDA	24	19	25%	89	90	0%
Normalized EBITDA margin	7.3%	5.0%	47%	7.4%	6.9%	7%

¹ Normalized EBITDA



DKKm	Q3 2020	Q3 2019	Development	YTD 2020	YTD 2019	Development
Columbus Software licenses	0	1	-52%	3	6	-55%
Columbus Software subscriptions	4	4	6%	16	16	-1%
Columbus Cloud	3	2	24%	8	6	46%
External software licenses	14	15	-8%	57	52	11%
External software subscriptions	33	39	-14%	128	138	-7%
External cloud	12	9	36%	31	24	32%
Services	268	315	-15%	983	1,033	-5%
Other	4	6	-38%	14	25	-44%
Total net revenue	338	391	-13%	1,241	1,300	-5%
EBITDA	40	52	-23%	110	122	-10%

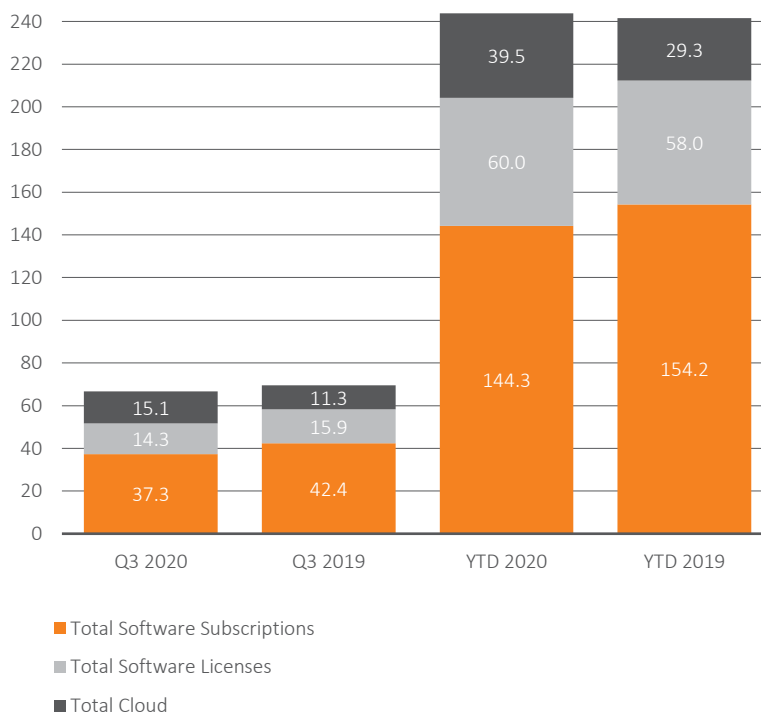
Revenue development

Cloud increased by 34% in Q3

Cloud revenue grew steadily by 34% due to the ongoing cloud conversion. Consequently, software licenses decreased by 10% to DKK 14m and subscriptions decreased by 12% to DKK 37m. The total product revenue declined by 4% to 67m in Q3.

YTD total product revenue increased by 1% to DKK 244m. Software licences increased by 3% to DKK 60m, Subscriptions decreased by 6% to DKK 144m, and Cloud grew by 35% to DKK 40m.

Development in product revenue (DKKm)



Continued progress in Columbus Care

Columbus Care continued to progress with a revenue increase of 4% to DKK 40m in Q3 and 16% to DKK 121m YTD.

A number of new customer investments are still on hold, and Columbus has further engaged in a number of time limited COVID-19 discounts.

Services revenue declined by 15% to DKK 268m in Q3. The decline is impacted by the continued global COVID-19 uncertainty. The reduced number of consultants also had a negative impact on revenue.

YTD the services revenue declined by 5% to DKK 983m.

Growth in recurring revenue

In Q3, recurring revenue was at the same level as last year of DKK 92m. The recurring revenue continues to constitute a larger part of the total revenue with Q3 recurring revenue constituting 27% of total revenue (Q3 2019: 24%).

YTD recurring revenue increased by 6% to DKK 305m and constituted 25% of the total revenue (2019: 22%).

Cost development

Capacity adjustment reducing cost

In Q3 staff cost decreased by 4% to DKK 233m as an effect of the capacity adjustments in March and April. YTD the staff cost is 1% lower than last year at DKK 784m.

Less traveling reducing cost

Other external cost decreased by 21% in Q3 to DKK 32m. The reduction is primarily related to less internal travel cost.

YTD other external cost was 9% lower than last year at DKK 109m.

The reported EBITDA shows a decline due to customer provision and earn-out adjustment.

During Q3, the estimated time to complete a major fixed price project in Columbus Norway has resulted in an

extraordinary provision. In addition, Columbus had cost related to close down of the Spanish business unit, and as the Spanish business unit was part of the acquisition of iStone, the related earn-out was adjusted accordingly.

The normalized Q3 EBITDA increased from DKK 19m to DKK 24m, corresponding to an EBITDA margin increase of two percentage points from 5% to 7% due to the reduced staff costs and other external costs.

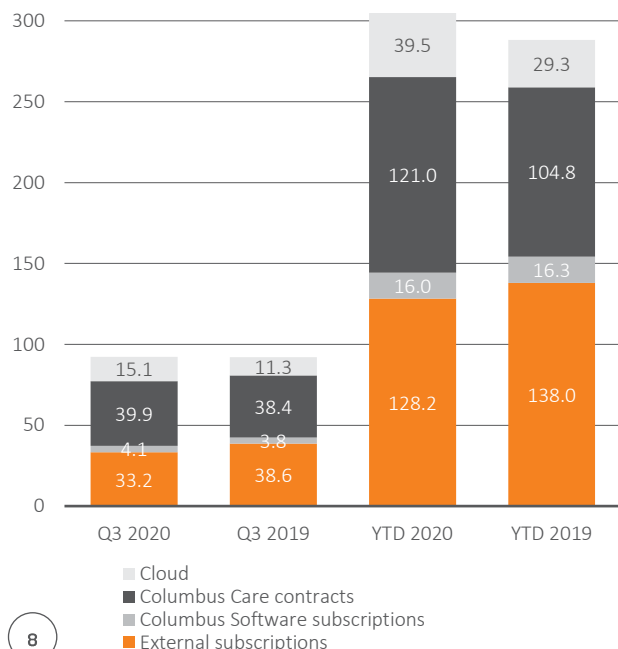
YTD the normalized EBITDA was stable at DKK 89m, corresponding to an EBITDA margin of 7%.

The reported result before tax YTD decreased by 25% to DKK 56m.

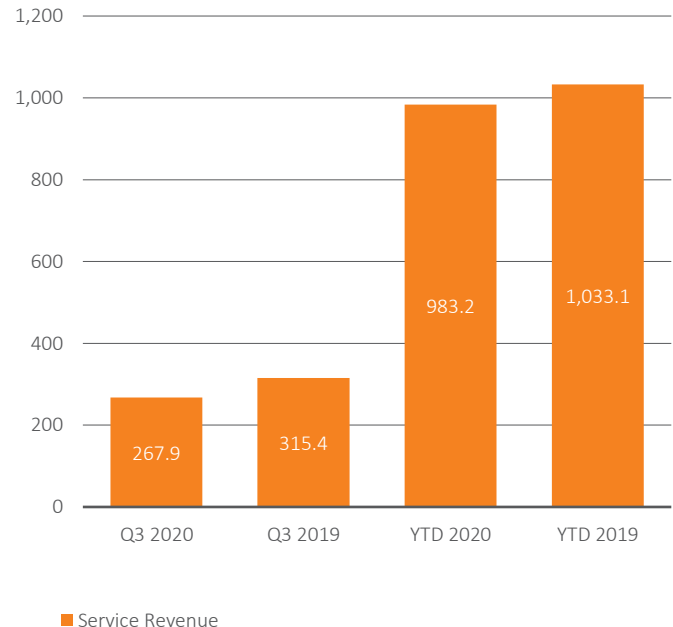
Cash

Cash flow in Q3 was negative DKK 43m mainly due to working capital changes as the various governmental programs for postponing tax and VAT payments expired in Q3.

Development in recurring revenue (DKK m)



Development in Service Revenue (DKK m)





YTD cash flow remained positive DKK 8m. This is due to a strong cash flow from operating activities of DKK 116m. Cash flow from acquisitions and divestments of business amounted to DKK 80m. In total, Columbus' cash position improved by DKK 5m compared to 31 December 2019.

Accounts receivable

We have continued our close monitoring of accounts receivables and continue to have no significant loss on accounts receivable.

Equity

Columbus' equity has increased by DKK 30m since 31 December 2019, primarily due to the positive net result. With a total equity of DKK 698m, Columbus has a solvency of 44% (2019: 40%). The high solvency ratio together with the cash position leaves Columbus in a strong financial position.

Development in business segments

Western Europe Normalized EBITDA improving

Revenue declined by 4% to DKK 298m. Adjusting for the acquisition of Advania in 2020 the revenue declined by 6% to DKK 292m. Reported EBITDA declined by 12% to DKK 43m in Q3.

Normalized for customer provision, acquisition and earn-out the EBITDA increased by 68% to DKK 27m.

YTD the revenue decline was slightly lower at 1% to DKK 1,049m. Adjusting for the acquisition of Advania in 2020 the revenue declined by 4% to DKK 1,015m. YTD reported EBITDA declined by 3% to DKK 126m, but normalized for customer provisions, acquisition and earn-out the EBITDA increased by 7% to DKK 105m giving a Normalized EBITDA margin improvement of 1.1 percentage points to 10.4%.

Eastern Europe revenue stable YTD

Revenue declined by 10% to DKK 30m and EBITDA declined by 30% to DKK 2m in Q3.

YTD revenue increased by 1% to DKK 105m and EBITDA was stable at DKK 10m.

The revenue decrease in Q3 was mainly due to a decrease in service revenue. Service revenue remains higher than last year YTD.

North America still impacted by COVID-19

Revenue declined by 23% to DKK 56m and EBITDA declined by 17% to DKK 3m in Q3.

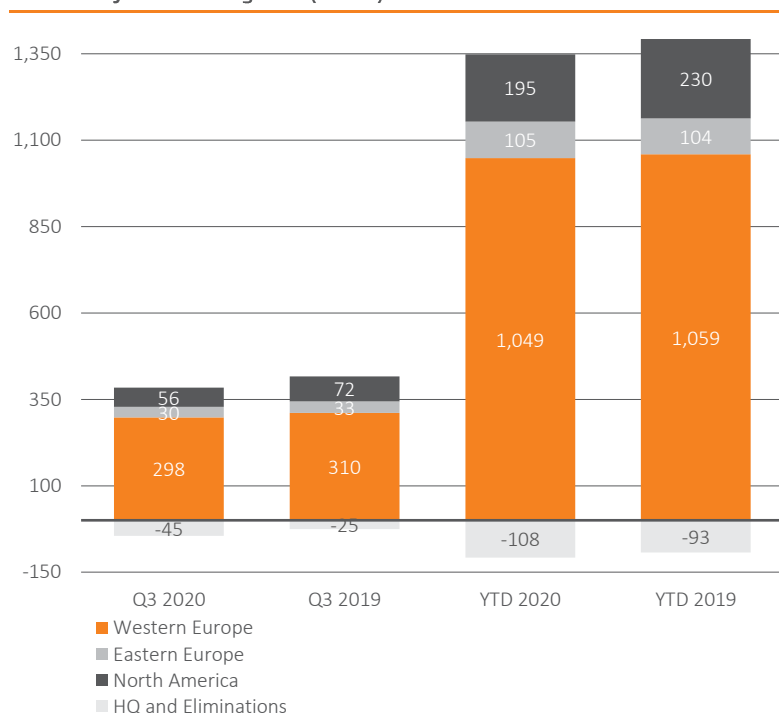
YTD revenue declined by 16% to DKK 195m, but EBITDA increased by 59% to DKK 8m.

The revenue decline both in Q3 and YTD was mainly driven by a continued decline in service revenue due to slower turnaround than expected and COVID-19 decreasing US investments.

Due to the continued presence of COVID-19 in the US, the turnaround for US is being slowed down. This is also changing the way customers are engaging and in order to meet the market demand we will focus the business in two different units that support improved customer engagement – one focusing on larger customers and one focusing on small and mid-market customers.

This has been accelerated by COVID-19 in that the synergies between the two is less than the complexity it creates to run them in the same unit. At the same time, our current Business Unit Executive will be pursuing a role outside Columbus.

Revenue by business segment (DKKm)



Outlook for 2020

EBITDA outlook for 2020 is adjusted upwards with DKK 15m.

In the Interim Report H1 we announced the following full year guidance for 2020:

- Revenue in the range of DKK 1,750m and DKK 1,850m.
- EBITDA in the range of DKK 175m and DKK 185m.

Based on the financial performance in Q3 2020, current order book and pipeline forecast, our full year guidance for 2020 for **the total business, including assets held for sale** is as follows:

- Revenue is expected to be in the range of DKK 1,750m and DKK 1,850m.
- EBITDA is expected to be in the range of DKK 190m and DKK 200m.

Adjusted for the assets held for sale and discontinued businesses, our full year guidance for 2020 for our **continued business** is as follows:

- Revenue is expected to be in the range of DKK 1,600m and DKK 1,700m. (Revenue in 2019 was DKK 1,775m)
- EBITDA is expected to be in the range of DKK 125m and DKK 135m. (EBITDA in 2019 was DKK 160m)

Outlook for Q4 2020

The outlook for the continued business implies a continued revenue and EBITDA decline in Q4 compared to last year.

The reason for the expected decline in EBITDA in Q4 is – like in Q3 - extraordinary recognition of non-recurring income in Q4 2019.

Isolated from the extraordinary items in Q4 2019 an actual continued progress in EBITDA from operations is expected in Q4 2020 despite the continued revenue decline.

Events after the balance sheet date

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

DKKm	Revenue range	EBITDA range
H1 outlook 2020 reported	1750 - 1850	175 - 185
Change to outlook	0 - 0	15 - 15
Q3 outlook total business incl. assets held for sale	1.750 - 1.850	190 - 200
Discontinued business	150 - 150	65 - 65
Q3 outlook continued business	1.600 - 1.700	125 - 135

Statement by management

We have today considered and approved the interim financial report for the period 1 January 2020 – 30 September 2020 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 2020, and of the results of the Group's operations and cash flows during the first three quarters of 2020.

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.

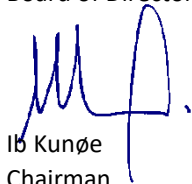
Ballerup, 12 November 2020

Executive Board



Hans Henrik Thrane
Interim CEO & Corporate CFO

Board of Directors



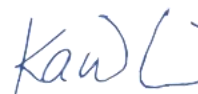
Ib Kunøe
Chairman



Sven Madsen
Deputy Chairman



Peter Skov Hansen



Karina Kirk Ringsted

Financial statements Q3/2020



Statement of comprehensive income

DKK '000	Note	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Net revenue	3	338,365	390,991	1,240,939	1,299,691	1,775,454
External project costs		-60,491	-126,450	-262,743	-337,793	-442,491
Gross profit		277,874	264,541	978,196	961,898	1,332,963
Staff expenses and remuneration	4	-232,955	-242,686	-783,762	-788,190	1,069,359
Other external costs		-32,112	-40,680	-109,177	-120,524	-172,531
Other operating income		28,478	71,495	28,972	71,937	74,236
Other operating costs		-173	-31	-179	-61	-13
EBITDA before share-based payment		41,111	52,640	114,050	125,061	165,297
Share-based payment	4	-1,216	-998	-3,649	-2,995	-5,470
EBITDA		39,895	51,642	110,401	122,066	159,827
Depreciation, amortization and impairment	5	-14,046	-14,140	-42,923	-42,049	-146,040
Operating profit (EBIT)		25,849	37,502	67,478	80,017	13,787
Financial income		394	3,277	655	382	590
Financial expenses		-6,669	-1,655	-12,368	-6,116	-12,096
Profit before tax from continuing operations		19,574	39,124	55,765	74,283	2,281
Corporate tax		-13,152	-9,022	-17,599	-5,102	-20,774
Profit after tax from continuing operations		6,422	30,102	38,166	69,181	-18,493
Profit after tax from discontinued operations	9	3,206	4,654	14,051	16,855	39,482
Profit after tax for the period		9,628	34,757	52,217	86,036	20,990
Items that may be reclassified subsequently to profit and loss:						
Foreign exchange adjustments of subsidiaries		-6,373	-175	-25,902	-8,802	4,139
Other comprehensive income		-6,373	-175	-25,902	-8,802	4,139
Total income for the period		3,255	34,582	26,315	77,234	25,129
Allocated to:						
Shareholders in Columbus A/S		9,670	35,320	52,173	86,179	20,619
Minority interests		-42	-563	44	-143	371
		9,628	34,757	52,217	86,036	20,990
Total comprehensive income allocated to:						
Shareholders Columbus A/S		3,299	35,145	26,281	77,379	24,757
Minority interests		-44	-563	34	-145	372
		3,255	34,582	26,315	77,234	25,129
Earnings per share from continuing operations of DKK 1.25 (EPS)		0.05	0.25	0.31	0.56	-0.15
Earnings per share from continuing operations of DKK 1.25, diluted (EPS-D)		0.05	0.25	0.31	0.56	-0.15
Earnings per share of DKK 1.25 (EPS)		0.08	0.29	0.42	0.70	0.17
Earnings per share of DKK 1.25, diluted (EPS-D)		0.08	0.29	0.42	0.70	0.17

Balance sheet

DKK '000	Note	YTD 2020	YTD 2019	2019
ASSETS				
Goodwill		760,156	929,404	845,774
Customer base		46,413	53,617	50,933
Other intangible assets		9,251	8,143	10,565
Development projects finalized		4,995	56,723	78,852
Development projects in progress		4,664	26,481	6,066
Property, plant and equipment		8,916	22,935	12,248
Right-of-use assets		86,371	85,964	85,927
Deferred tax assets		21,798	26,929	26,737
Other receivables		7,280	7,485	7,466
Total non-current assets		949,843	1,217,682	1,124,568
Trade receivables	6	203,971	268,086	307,231
Contract assets	7	25,190	31,093	28,605
Corporate tax receivables		1,309	8,978	1,360
Deferred tax assets		4,878	7,595	2,812
Other receivables		3,513	15,218	16,564
Prepayments		25,973	24,981	26,113
Receivables		264,834	355,951	382,685
Cash		152,053	101,181	147,264
Total current assets		416,887	457,132	529,949
Assets classified as held for sale	10	208,007	0	0
TOTAL ASSETS		1,574,737	1,674,814	1,654,517

Balance sheet

DKK '000	Note	YTD 2020	YTD 2019	2019
EQUITY AND LIABILITIES				
Share capital		155,778	155,778	155,778
Reserves on foreign currency translation		-66,257	-53,249	-40,365
Retained profit		605,763	613,025	549,941
Group shareholders' equity		695,284	715,554	665,354
Minority interests		3,160	2,609	3,126
Equity		698,444	718,163	668,480
Deferred tax		13,634	21,337	26,296
Other provisions		20,818	42,710	28,635
Contingent consideration		0	143,250	157,850
Debt to credit institutions		176,000	182,484	176,000
Lease liability right-of-use assets		59,557	59,058	58,911
Non-current liabilities		270,009	448,839	447,692
Debt to credit institutions		0	23,423	0
Contingent consideration		99,830	31,843	15,774
Contract liabilities	7	18,490	13,777	17,727
Trade payables		45,935	71,097	85,618
Corporate tax payables		13,393	5,212	5,127
Other payables		259,814	233,972	272,367
Other provisions		20,927	27,517	26,000
Accruals and deferred income		30,057	68,131	82,872
Lease liability right-of-use assets		31,118	32,840	32,860
Current liabilities		519,564	507,812	538,345
Total liabilities		789,573	956,651	986,037
Total liabilities relating to assets classified as held for sale	10	86,720	0	0
TOTAL EQUITY AND LIABILITIES		1,574,737	1,674,814	1,654,517

Statement of changes in equity - Group

DKK '000	Shareholders in Columbus A/S				
	Share capital	Reserves on foreign currency translation	Retained profits	Minority interests	Equity
YTD 2020					
Balance at 1 January 2020	155,778	-40,365	549,941	3,126	668,480
Profit after tax	0	0	52,173	44	52,217
Currency adjustments of investments in subsidiaries	0	-25,892	0	-10	-25,902
Total comprehensive income	0	-25,892	52,173	34	26,315
Capital increase	0	0	0	0	0
Share-based payment cf. note 4	0	0	3,649	0	3,649
Payment of dividend	0	0	0	0	0
Balance at 30 September 2020	155,778	-66,257	605,763	3,160	698,444
YTD 2019					
Balance at 1 January 2019	152,234	-44,503	528,608	3,381	639,720
IFRS 16 opening adjustment	0	0	-4,849	-261	-5,110
Balance at 1 January 2019	152,234	-44,503	523,759	3,120	634,610
Profit after tax	0	0	86,179	-143	86,036
Currency adjustments of investments in subsidiaries	0	-8,746	0	-2	-8,748
Total comprehensive income	0	-8,746	86,179	-145	77,288
Capital increase	3,544	0	15,671	0	19,215
Share-based payment, cf. note 4	0	0	2,994	0	2,994
Payment of dividend	0	0	-15,578	-366	-15,944
Balance at 30 September 2019	155,778	-53,249	613,025	2,609	718,163
2019					
Balance at 1 January 2019	152,234	-44,503	528,608	3,381	639,720
IFRS 16 opening adjustment	0	0	-4,849	-261	-5,110
Balance at 1 January 2019	152,234	-44,503	523,759	3,120	634,610
Profit after tax	0	0	20,619	371	20,990
Currency adjustments of investments in subsidiaries	0	4,138	0	1	4,139
Total comprehensive income	0	4,138	20,619	372	25,129
Capital increase	3,544	0	15,671	0	19,215
Share-based payment, cf. note 4	0	0	5,470	0	5,470
Payment of dividend	0	0	-15,575	-366	-15,944
Balance at 31 December 2019	155,778	-40,365	549,941	3,126	668,480

Cash flow

DKK '000	Note	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Operating profit (EBIT)		25,849	37,502	67,478	80,017	13,787
Non-recurring income and expenses from acquisitions		-28,176	-71,495	-28,176	-71,495	-76,777
Depreciation, amortization and impairment	5	14,046	14,140	42,923	42,049	146,040
Cost of incentive scheme	4	1,216	998	3,649	2,995	5,470
Changes in net working capital		-34,239	25,720	47,065	17,823	44,942
Cash flow from primary activities		-21,304	6,865	132,939	71,389	133,462
Interest received, etc.		-2,582	269	-4,180	-212	-2,824
Interest paid, etc.		-8,262	-2,349	-8,993	-7,470	-5,152
Corporate tax paid		-1,897	-6,256	-3,605	-17,163	-20,024
Cash flow from operating activities		-34,045	-1,471	116,161	46,544	105,463
Net investment in development projects		-4,234	-72	-4,669	-4,129	-2,166
Acquisition of tangible assets		-965	-1,404	-3,272	-4,549	-5,728
Acquisition of intangible assets		-13	0	-13	0	-5,608
Disposal of tangible assets		0	8	0	0	2,136
Disposal of intangible assets		0	0	0	0	0
Acquisition of subsidiaries and activities	8	4,364	0	-77,752	-60,813	-63,055
Disposals of subsidiaries and activities		-2,032	0	-2,032	0	0
Cash flow from investing activities		-2,879	-1,468	-87,739	-69,491	-74,420
Proceeds from capital increase/warrants exercised		0	0	0	19,215	19,215
Overdraft facilities		0	3,876	0	15,172	-6,513
Right-of-use-assets payments		-9,334	-9,378	-28,524	-28,466	-36,571
Dividends paid		0	-366	0	-15,944	-15,944
Cash flow from financing activities		-9,334	-5,868	-28,524	-10,022	-39,813
Cash flow from continuing operations		-46,259	-8,807	-102	-32,970	-8,771
Cash flow from discontinued operations	9	3,696	13,713	8,084	25,174	45,695
Total net change in cash and cash equivalents		-42,563	4,906	7,982	-7,796	36,924
Cash funds at the beginning of the period		190,915	96,350	147,264	108,909	108,909
Exchange rate adjustments		3,701	-76	-3,194	68	1,432
Cash funds at the end of the period		152,053	101,181	152,053	101,181	147,264

Notes

Note	Page
Note 1 – Accounting Policies	19
Note 2 - Segment data	20
Note 3 - Net revenue	25
Note 4 - Staff expenses and remuneration	26
Note 5 – Depreciation, amortization and impairment	27
Note 6 – Trade receivables	28
Note 7 – Contract assets and contract liabilities	29
Note 8 – Business combinations	30
Note 9 – Discontinued Operations	32
Note 10 – Assets classified as held for sale	33

Notes

Note 1 – Accounting Policies

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 2019 but due to assets classified as held for sale and discontinued business the following accounting policies are applied:

Discontinued operations

Discontinued operations comprise all gain and losses for operations either being held for sale or which have already been disposed of. Discontinued operations are reported separately from the continued operations in the financial statements. Comparative figures are restated to segregate the continuing and discontinuing assets, liabilities, income, expenses, and cash flows.

Assets classified as held for sale

Assets classified as held for sale comprise assets and liabilities. The value of these are highly probable to be recovered through a sale within 12 months rather than through continued use. Assets and liabilities classified as held for sale are measured at the carrying amount at the time of classification as 'held for sale' or at market value less selling costs, whichever is lower. The carrying amount is measured in accordance with the Group's accounting policies. No depreciation or amortisation is effected on intangible assets and property, plant and equipment from the time of classification as 'held for sale'.

For more information on the accounting policies, we refer to our Annual Report for 2019.

Significant accounting assessments

Columbus Norway is facing challenges with a major fixed price customer project which was part of the acquisition of iStone. The management has assessed uncertainty related to the project based on assumptions concerning future developments. The actual development may therefore differ from the estimates and judgements made as more detailed information becomes available. The management has used all information available to mitigate the uncertainty.

Notes

Note 2 - Segment data

As the rest of the report the figures in the segment note only include continued business.

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 areas	Description	Geographical segment
		Western Europe
		Eastern Europe
Consultancy	Sale, implementation and service of standard business systems	North America

Information about the Group's segments is stated below.

DKK '000	Consultancy			HQ and Eliminations	Total
	Western Europe	Eastern Europe	North America		
Q3 2020					
Columbus Software licenses	126	184	48	11	369
Columbus Software subscriptions	2,431	145	1,495	-5	4,066
Columbus Cloud	2,784	354	4	-234	2,908
External licenses	10,927	1,157	3,608	-1,716	13,976
External subscriptions	18,078	2,140	13,226	-207	33,237
External cloud	7,376	628	4,312	-165	12,151
Services	253,051	25,083	32,821	-43,038	267,917
Other	3,244	290	60	148	3,742
Total net revenue	298,017	29,981	55,574	-45,206	338,365
Gross profit	209,692	25,667	36,710	5,805	277,874
EBITDA	42,921	2,076	3,242	-8,344	39,895
Operating profit (EBIT)	23,615	130	551	1,553	25,849
Profit before tax	18,822	-744	407	1,089	19,574
Profit after tax	4,104	-82	370	2,030	6,422

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 2 - Segment data continued

DKK '000	Consultancy			HQ and Eliminations	Total
	Western Europe	Eastern Europe	North America		
Q3 2019					
Columbus Software licenses	137	361	266	0	764
Columbus Software subscriptions	2,445	192	1,242	-53	3,825
Columbus Cloud	2,040	198	153	-48	2,342
External licenses	9,221	1,856	4,798	-727	15,148
External subscriptions	18,725	2,644	17,470	-256	38,583
External cloud	4,558	237	4,122	0	8,917
Services	267,437	27,676	43,468	-23,212	315,369
Other	5,750	231	825	-764	6,042
Total net revenue	310,313	33,394	72,344	-25,060	390,991
Gross profit	183,862	27,917	48,946	3,815	264,541
EBITDA	48,579	2,982	3,904	-3,823	51,642
Operating profit (EBIT)	16,255	638	447	20,163	37,502
Profit before tax	15,510	723	-1,582	24,474	39,124
Profit after tax	10,483	358	-1,588	20,850	30,102

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 2 - Segment data continued

DKK '000	Consultancy			HQ and Eliminations	Total
	Western Europe	Eastern Europe	North America		
YTD 2020					
Columbus Software licenses	1,405	1,111	499	-125	2,890
Columbus Software subscriptions	11,088	758	4,214	-33	16,027
Columbus Cloud	7,753	1,064	0	-422	8,395
External licenses	36,834	6,656	14,970	-1,341	57,119
External subscriptions	59,137	12,772	56,493	-157	128,245
External cloud	16,000	1,479	13,479	131	31,089
Services	902,670	80,884	104,275	-104,596	983,233
Other	13,680	590	670	-1,000	13,940
Total net revenue	1,048,567	105,314	194,600	-107,543	1,240,939
Gross profit	759,024	84,959	120,622	13,591	978,196
EBITDA	126,241	9,660	7,808	-33,308	110,401
Operating profit (EBIT)	68,430	3,438	-1,378	-3,012	67,478
Profit before tax	62,822	3,231	-1,877	-8,411	55,765
Profit after tax	45,888	3,118	-1,427	-9,413	38,166
Segment assets	1,088,503	97,373	181,890	-1,036	1,366,730
Segment liabilities	406,299	38,335	38,166	306,773	789,573
Non-current assets	632,093	58,386	152,239	107,125	949,843
Asset investments	2,586	105	58	5,548	8,297
Depreciation, amortization and impairment	-27,891	-3,705	-5,855	-5,472	-42,923
Average number of employees	1,335	333	171	50	1,889

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 2 - Segment data continued

DKK '000	Consultancy			HQ and Eliminations	Total
	Western Europe	Eastern Europe	North America		
YTD 2019					
Columbus Software licenses	2,718	2,633	1,062	-45	6,369
Columbus Software subscriptions	11,259	1,022	4,051	-72	16,260
Columbus Cloud	5,174	465	153	-55	5,737
External licenses	30,142	7,360	14,933	-762	51,673
External subscriptions	60,242	12,676	65,294	-256	137,957
External cloud	11,163	688	11,721	0	23,572
Services	914,095	78,377	130,553	-89,875	1,033,149
Other	24,119	722	2,538	-2,403	24,975
Total net revenue	1,058,911	103,942	230,306	-93,468	1,299,691
Gross profit	722,171	83,066	147,829	8,833	961,898
EBITDA	130,411	9,722	4,915	-22,983	122,066
Operating profit (EBIT)	75,154	2,692	-7,033	9,204	80,017
Profit before tax	74,469	1,603	-12,530	10,741	74,283
Profit after tax	71,048	-92	-10,219	8,444	69,181
Segment assets	1,035,672	99,177	286,081	253,883	1,674,814
Segment liabilities	360,586	41,573	47,381	1,225,274	956,651
Non-current assets	699,237	59,728	245,921	212,796	1,217,682
Asset investments	6,866	605	352	3,636	11,459
Depreciation, amortization and impairment	-26,856	-4,233	-6,172	-4,788	-42,049
Average number of employees	1,237	323	195	53	1,808

52m DKK has been restated from HQ and Eliminations to Western Europe compared to the Q3 report 2019. The net revenue is not affected by the restatement.

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 2 - Segment data continued

DKK '000	Consultancy			HQ and Eliminations	Total
	Western Europe	Eastern Europe	North America		
2019					
Columbus Software licenses	4,862	4,183	1,350	-67	10,328
Columbus Software subscriptions	15,218	1,700	5,562	-58	22,422
Columbus Cloud	7,470	719	222	-46	8,365
External licenses	44,679	11,712	18,768	-1,385	73,774
External subscriptions	88,763	18,320	88,029	-315	194,797
External cloud	17,337	984	15,377	0	33,698
Services	1,241,319	108,887	171,870	-121,535	1,400,541
Other	33,801	1,315	3,496	-7,083	31,529
Total net revenue	1,453,449	147,820	304,674	-130,489	1,775,454
Gross profit	994,200	116,742	194,072	27,949	1,332,963
EBITDA	147,353	14,401	4,819	-6,746	159,827
Operating result (EBIT)	74,585	5,101	-97,907	32,008	13,787
Profit before tax	74,009	3,692	-101,138	25,718	2,281
Profit after tax	75,227	1,024	-107,900	13,156	-18,493
Segment assets	1,162,723	113,443	195,820	182,531	1,654,517
Segment liabilities	414,326	53,904	50,960	466,847	986,037
Non-current assets	630,765	58,963	148,880	285,960	1,124,568
Asset investments	12,055	2,069	576	7,440	22,140
Depreciation, amortization and impairment	-36,176	-5,210	-98,138	-6,516	-146,040
Average number of employees	1,275	327	186	46	1,834

69m DKK has been restated from HQ and Eliminations to Western Europe compared to the annual report 2019. The net revenue is not affected by the restatement.

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 - Net revenue

DKK '000	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Sale of products					
Columbus Software licenses	369	764	2,890	6,369	10,328
Columbus Software subscriptions	4,066	3,825	16,027	16,260	22,422
Columbus Cloud	2,908	2,342	8,395	5,737	8,365
External licenses	13,976	15,148	57,119	51,673	73,774
External subscriptions	33,237	38,583	128,245	137,957	194,797
External Cloud	12,151	8,917	31,089	23,572	33,698
Total sale of products	66,707	69,579	243,765	241,567	343,384
Sale of services					
Sales value of finished projects	269,310	258,215	1,019,777	1,001,604	1,334,666
Change in contract assets	-1,393	57,154	-36,544	31,545	65,875
Other services	3,742	6,042	13,940	24,975	31,529
Total sale of services	271,659	321,411	997,174	1,058,124	1,432,070
Total net revenue	338,365	390,991	1,240,939	1,299,691	1,775,454
Contract assets, beginning of period	96,850	40,517	132,000	66,125	66,125
Contract assets, end of period	95,456	97,670	95,456	97,670	132,000
Total change in contract assets	-1,393	57,154	-36,544	31,545	65,875

Notes

Note 4 - Staff expenses and remuneration

DKK '000	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Staff expenses					
Salary and wages	209,303	210,258	646,709	685,151	863,763
Other social security costs	27,237	40,277	109,007	79,201	162,827
Other staff expenses	-3,585	-7,849	28,046	23,837	42,769
Staff costs before share-based payment	232,955	242,686	783,762	788,190	1,069,359
Share-based payment	1,216	998	3,649	2,995	5,470
Staff expenses	234,171	243,684	787,411	791,185	1,074,829
Average number of employees	1,795	1,844	1,889	1,808	1,834

Notes

Note 5 – Depreciation, amortization and impairment

DKK '000	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Depreciation	9,665	11,653	29,708	34,753	45,607
Amortization	4,381	2,488	13,216	7,296	10,433
Impairment	0	0	0	0	90,000
Total depreciation, amortization and impairment	14,046	14,140	42,923	42,049	146,040

In 2019 there was an extraordinary write down of goodwill in the US business of DKK 90m. The recoverable amount of the impaired goodwill in US represents DKK 127m. The impairment and recoverable amount are associated with estimates and judgements made by the management based on expected future events. The management assesses that the measurement is fairly stated.

Notes

Note 6 – Trade receivables

DKK '000	YTD 2020	YTD 2019	2019
Receivables (gross) at 1 January	322,535	327,367	327,367
Change in receivables during the period	-99,751	-42,719	-4,832
Receivables (gross) end of period	222,784	284,648	322,535
Provisions for bad debt at 1 January	15,304	11,256	11,256
Change in provisions for bad debt during the period	3,310	5,427	8,341
Loss realized during the period	199	-121	-4,293
Provisions for bad debt end of period	18,813	16,562	15,304
Carrying amount end of period	203,971	268,086	307,231

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

DKK '000	YTD 2020	YTD 2019	2019
Age of receivables (gross):			
Not due	164,709	180,461	191,825
0-30 days	26,783	51,962	85,958
30-60 days	7,769	16,954	17,671
61-90 days	4,277	12,036	8,927
91-180 days	4,800	9,850	9,651
181-270 days	4,446	8,439	1,414
270-360 days	4,988	2,337	3,163
Above 360 days	5,013	2,608	3,925
Total	222,784	284,648	322,535

DKK '000	YTD 2020	YTD 2019	2019
Age of impairment:			
Not due	313	503	655
0-30 days	134	260	430
30-60 days	194	424	442
61-90 days	321	903	672
91-180 days	3,405	1,970	4,603
181-270 days	4,446	7,558	1,414
271-360 days	4,988	2,337	3,163
Over 360 days	5,013	2,608	3,925
Total	18,813	16,562	15,304

Notes

Note 6 – Trade receivables, continued

DKK '000	YTD 2020	YTD 2019	2019
Provision matrix:			
Not due	0.2%	0.3%	0.3%
0-30 days	0.5%	0.5%	0.5%
30-60 days	2.5%	2.5%	2.5%
61-90 days	7.5%	7.5%	7.5%
91-180 days	70.9%	20.0%	47.7%
181-270 days	100.0%	89.6%	100.0%
271-360 days	100.0%	100.0%	100.0%
Over 360 days	100.0%	100.0%	100.0%

Note 7 – Contract assets and contract liabilities

DKK '000	YTD 2020	YTD 2019	2019
Balance at 1 January	10,877	-5,427	-5,427
Changes contract assets during the period	-36,544	31,545	65,874
Changes on account billing and prepayments during the period	32,367	-8,802	-49,570
Balance at 30 September	6,700	17,316	10,877
Work in progress	95,456	97,670	132,000
On account billing and prepayments	-88,756	-80,354	-121,122
Balance at 30 September	6,700	17,316	10,877
The net value is included in the balance as follows:			
Contract assets	25,190	31,093	28,605
Contract liabilities (client prepayments)	-18,490	-13,777	-17,727
Balance at 30 September	6,700	17,316	10,877

Contract assets have been tested for impairment in line with the groups accounting principles. The result of the impairment test did not give rise to any impairment of the contract work in progress.

Notes

Note 8 – Business combinations

Acquisition of companies in 2020

The Group has per 6 January 2020 acquired Advania Business Solutions.

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	100%	100%	36,357
Total					36,357

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

Estimated tax deductibility of goodwill for Advania Business Solutions is DKK 0m.

Advania Business Solutions has since the acquisition 6 January 2020 had a revenue of DKK 33m and a result after tax of DKK 4m.

Acquisition of companies in 2019

There have been no acquisitions during 2019.

Notes

Note 8 – Business combinations, continued

Opening balances

DKK ´000	Advania Business Solutions	Total 2020	Total 2019
Tangible fixed assets	13	13	0
Other intangible assets	10,800	10,800	0
Other receivables	85	85	0
Total non-current assets	10,898	10,898	0
Trade receivables	14,826	14,826	0
Work in progress	191	191	0
Prepayments	5,315	5,315	0
Total current assets	20,332	20,332	0
Corporation tax and deferred tax	-2,187	-2,187	0
Deferred income	-3,736	-3,736	0
Accruals	-398	-398	0
Other debt	-5,404	-5,404	0
Total current debt	-11,725	-11,725	0
Net assets acquired	19,505	19,505	0
Goodwill	16,852	16,852	0
Total consideration	36,357	36,357	0
Net working capital not paid	-6,812	-6,812	0
Acquired cash funds	0	0	0
Contingent consideration	0	0	0
Cash consideration on acquisition date	29,545	29,545	0
Contingent consideration payments*	5,825	48,207	63,055
Net cash flows on acquisitions	35,370	77,752	63,055

* Contingent consideration payments in 2020 relate to the acquisitions of iStone AB. (DKK 38,645k.), HiGH Software (DKK 3,737 k.) and Advania Business Solutions (DKK 5,825 k.)

Contingent consideration payments in 2019 relate to the acquisitions of iStone AB (DKK 55,343 k.), HÄT Systems (DKK 747k.) and HiGH Software (DKK 6,965 k.)

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.

DKK ´000	Total 2020	Total 2019
Fair value assessment of trade receivables		
Trade receivables, gross amount	15,103	0
Trade receivables, not expected to be collected	-277	0
Trade receivables, fair value	14,826	0

Notes

Note 9 – Discontinued Operations

Discontinued operations in 2020

During Q3 2020 Columbus initiated the process of a potential sale of our software company To-Increase, which represents our entire ISV segment. A sale of To-Increase is considered highly probable within a period of 12 months and is therefore reported as discontinued operations in the profit and loss. Assets and liabilities are reported as assets classified as held for sale, cf. note 10.

In addition, during Q3 2020 we have liquidated our Spanish subsidiary and consequently reported this as discontinued operations.

DKK '000	Q3 2020	Q3 2019	YTD 2020	YTD 2019	2019
Net revenue	25,198	31,826	91,789	100,284	156,230
External project costs	4,407	1,353	11,088	3,694	5,384
Gross profit	29,606	33,179	102,877	103,978	161,613
Staff expenses and remuneration	-11,641	-18,943	-45,540	-49,653	-67,552
Other external costs	-2,086	-2,590	-8,382	-12,318	-20,036
Other operating income	0	-5	12	748	4,238
Other operating costs	0	37	0	34	-20
EBITDA	15,878	11,677	48,968	42,789	78,242
Depreciation, amortization and impairment	-9,061	-8,413	-26,319	-24,474	-32,842
Operating profit (EBIT)	6,817	3,264	22,649	18,315	45,401
Financial income	2,500	1,623	4,689	2,347	3,414
Financial expenses	-2,953	-286	-4,807	-830	-2,360
Profit before tax from discontinuing operations	6,364	4,601	22,531	19,833	46,455
Corporate tax	-1,126	53	-6,448	-2,978	-6,972
Profit after tax from discontinuing operations	5,238	4,654	16,083	16,855	39,482
Gain (loss) on divestment of discontinued operations	-2,032	0	-2,032	0	0
Profit from discontinued operations	3,206	4,654	14,051	16,855	39,482
Earnings per share from discontinued operations of DKK 1.25 (EPS)	0.03	0.04	0.11	0.14	0.32
Earnings per share from discontinued operations of DKK 1.25, diluted (EPS-D)	0.03	0.04	0.11	0.14	0.32
Cash flow					
Cash flow from operating activities	12,368	23,859	35,941	52,675	83,683
Cash flow from investing activities	-7,095	-8,557	-23,300	-22,910	-31,949
Cash flow from financing activities	-1,577	-1,589	-4,557	-4,591	-6,039
Cash flow from discontinued operations	3,696	13,713	8,084	25,174	45,695
Gain (loss) on divestment of discontinued operations					
Net assets	8,818	0	8,818	0	0
Other cost related to disposal	-10,851	0	-10,851	0	0
Total Gain (loss) on divestment of discontinued operations	-2,032	0	-2,032	0	0

Notes

Note 10 – Assets classified as held for sale

DKK '000	YTD 2020	YTD 2019	2019
Goodwill	81,734	0	0
Customer base	1,622	0	0
Other intangible assets	0	0	0
Development projects finalized	52,399	0	0
Development projects in progress	29,201	0	0
Property, plant and equipment	1,518	0	0
Right-of-use assets	15,389	0	0
Trade receivables	21,084	0	0
Contract assets	968	0	0
Corporate tax receivables	0	0	0
Deferred tax assets	0	0	0
Other receivables	1,250	0	0
Prepayments	2,842	0	0
Cash	0	0	0
Total assets classified as held for sale	208,007	0	0
Deferred tax	16,602	0	0
Other provisions	4,468	0	0
Contingent consideration	0	0	0
Debt to credit institutions	0	0	0
Lease liability right-of-use assets	16,439	0	0
Contract liabilities	3,218	0	0
Trade payables	4,184	0	0
Corporate tax payables	564	0	0
Other payables	9,634	0	0
Accruals and deferred income	31,611	0	0
Total liabilities relating to assets classified as held for sale	86,720	0	0
Net assets	121,287	0	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 2015". 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 of equity	$\frac{\text{Result after tax and excl. minority interests}}{\text{Average equity excl. minority interests}}$	
Return on invested capital (ROIC)	$\frac{\text{EBITA}}{\text{Average invested capital including goodwill}}$	
Equity ratio	$\frac{\text{Equity excl. minority interests}}{\text{Total liabilities}}$	
Earnings per share (EPS)	$\frac{\text{Result after tax and excl. minority interests}}{\text{Average number of shares}}$	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)	$\frac{\text{Theoretical rate}}{\text{Listed price of stock the day before the subscription and/or stock right cease}}$	

Notes

Alternative Performance Measures

Recurring Revenue

Recurring Revenue includes Columbus Software subscriptions, Columbus Cloud revenue, external subscriptions, external cloud revenue, Columbus Care contracts.

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.

Columbus Software Sales

Columbus Software Sales is the revenue from Columbus own developed Software Solutions and thus comprise an element in the revenue composition in Columbus.

The purpose to disclose this measure is to inform readers on the performance to capitalize the Software Investments in Columbus.

Forward looking statements

Columbus A/S' financial reports, whether in the form of annual report or interim report filed with the Danish Business Authority and/or announced via the company's website and/or NASDAQ Copenhagen, as well as any presentations based on such financial reports, and any other written information released, or oral statements made, to the public based on this report or in the future on behalf of Columbus A/S may contain forward looking statements. Such statements are subject to many uncertainties and risks, as various factors of which several are beyond Columbus A/S' control, may cause that the actual development and results differ materially from the expectations.

Live webcast and conference call

Columbus is hosting a live webcast and conference call at 12 November at 13:00 CET.

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

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

For further information

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