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Company announcement

Columbus acquires IT services and cloud company in the UK

Today, Columbus A/S has concluded an agreement about acquisition of Cambridge Online Systems Ltd., a leading IT services and cloud company in the UK.

The acquisition of Cambridge Online Systems strengthens Columbus' position and presence in the UK ERP market, and at the same time it strengthens Columbus' cloud competencies globally. The acquisition is in line with Columbus' strategy to expand in the Group's main markets.

Cambridge Online Systems is a well-established company with a substantial market share within ERP, CRM and cloud. Cambridge Online Systems is recognized for high quality and service, and the company services a large number of international customers with a high level of customer loyalty.

"Our UK subsidiary has shown significant growth during the recent years, today holding a leading position in a growing UK ERP market. With Cambridge Online Systems on board we accelerate that progress while being able to service our customers even better", says CEO and President in Columbus, Thomas Honoré.

Cambridge Online Systems, which was founded in 1978, has 71 employees in their office in Cambridge. In the financial year 2015/2016 (31 July 2016), Cambridge Online Systems had a revenue of DKK 48.6m and an EBITDA of DKK 5.0m.

Cambridge Online Systems continues as an independent company. Except for the departure of David Crabb, the current management team in Cambridge Online Systems continues. Managing director

in Columbus UK, Mary Hunter, takes over the position as managing director for both companies.

The agreed acquisition price is DKK 25.0m Enterprise Value +/- regulation of normalized working capital. The amount to be paid at closing of the agreement on 1 December 2016 is DKK 20.8m. The remaining amount of DKK 4.2m is dependent on agreed targets and is expected to be paid over the next two years.

The acquisition is financed by Columbus' own available funds.

Columbus expects to take over net assets of DKK -1.6m adjusted to fair value at the acquisition date. Hereafter DKK 26.6m is expected to be capitalized as intangible assets.

Since the closing date is 1 December 2016, Columbus does not expect the acquisition to affect the announced expectations to 2016.

Thus, expectations are maintained as follows:

- Revenue in the level of DKK 1.2bn
- EBITDA* in the level of DKK 124m
- Columbus Software in the level of DKK 95m
- Service EBITDA of DKK 84m

For 2017 isolated, the acquisition is expected to contribute with a revenue in the level of DKK 49.4m and an EBITDA* in the level of DKK 3.5m, as 2017 is expected to be negatively affected by integration costs.

*EBITDA before share-based compensation

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