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Interim Management Statement Q3 2016

Columbus delivers 71% growth in earnings¹

In the first three quarters of 2016 Columbus delivers revenue growth of 7% and increases EBITDA¹ by 71%. The strong growth is driven by the services business.

In accordance with the regulations for listed companies' submission of interim statements, Columbus A/S hereby submits the interim management statement for the period 01.01.2016-30.09.2016 (9 months).

Strong growth driven by the services business

Revenue in Q3 YTD 2016 amounted to DKK 855m (2015: DKK 800m), corresponding to an increase of 7% compared to the same period last year. EBITDA¹ amounted to DKK 87.6m (2015: DKK 51.1m), corresponding to an increase of 71% compared to the same period last year.

In local currencies, the revenue increased by 10%. The revenue is primarily affected by the negative development in GBP and RUB compared to 2015.

The revenue growth is primarily driven by a solid growth in the services business and acquisitions made in 2015 and 2016.

In February 2016, Columbus acquired the Danish consultancy and hosting business SystemHosting A/S and in July the US ERP consultancy, CSG.

The increase in EBITDA is driven by increased earnings in the services business and by previously mentioned acquisitions. The increased profitability is caused by an improvement in chargeable hours in both Columbus Norway and Columbus US.

Financial value drivers (KPI's)

In connection with Columbus' new five-year strategy, the Group has determined three value drivers, which reflect the new strategic direction. The value drivers measure the development in relation to significant success criteria for future growth and value creation.

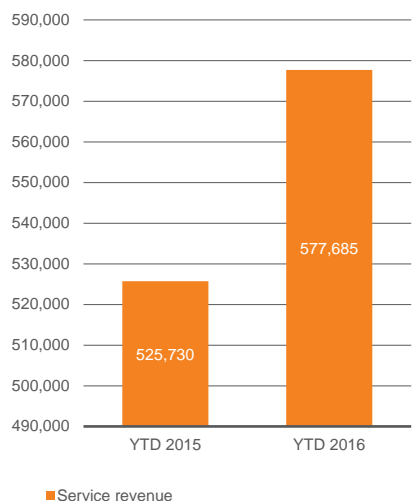
Value drivers:

1. Improve profitability in the services business

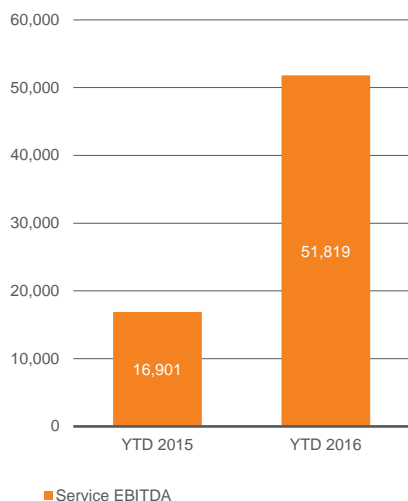
Columbus' services business is the largest revenue contributor in the Group. Columbus aims to deliver higher productivity and quality in the services business to optimize delivery, minimize risk and control cost. The value driver "Service EBITDA" reflects the achievement of this target.

In Q3 YTD the service EBITDA increased from DKK 17m in 2015 to DKK 52m in 2016, an increase of DKK 35m. The main reason for this improvement is an increase in chargeable hours from 54% to 58%. The increase primarily comes from an increase in chargeable hours in the US and in Norway, and secondarily from the effect of acquisitions.

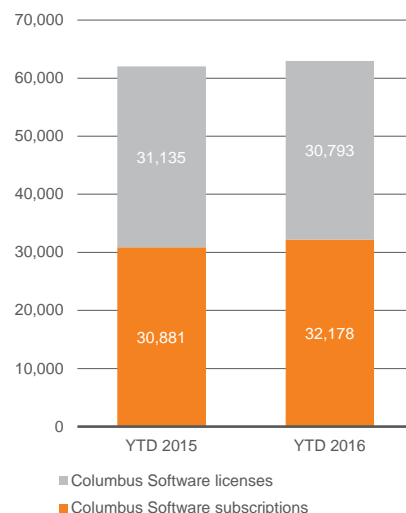
Development in service revenue



Development in service EBITDA



Development in sale of Columbus Software



2. Scaling of own software sales

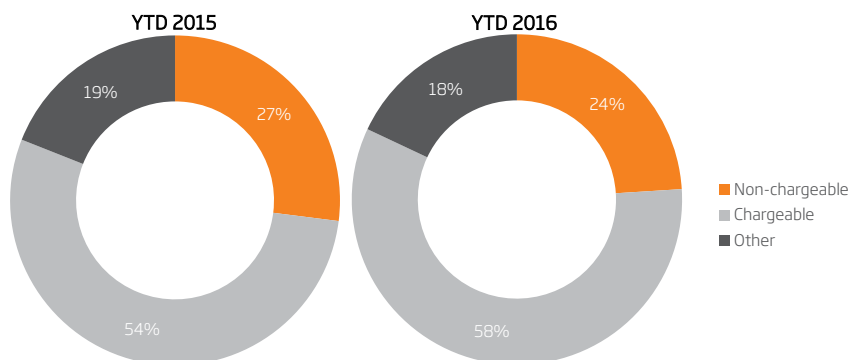
Columbus Software generates high earnings while creating high value for customers. We aim to grow our software sales within Columbus Software licenses, subscriptions and cloud solutions.

In Q3 YTD the sale of Columbus Software increased by 2% compared to the same period last year. Subscriptions increased by 4%, whereas the sale of software licenses decreased slightly.

The reason for the decreasing sale of licenses is, generally seen, that the digital market development - and thereby the expected cloud conversion - is taking place faster than anticipated. Furthermore, Microsoft announced in October 2016 that their new SW portfolio (Dynamics365) will only be offered as cloud subscriptions and no longer as perpetual licensing. Due to these new terms and conditions companies are initially reluctant to replace or upgrade their business applications. At the same time the new license terms

result in a lower revenue from sale of software, as sale of cloud subscriptions is recognized on an ongoing basis instead of upfront at the time of sale and delivery. When customers subscribe to Microsoft Software, they also wish to subscribe to Columbus Software instead of buying licenses. Therefore, the Microsoft cloud conversion also leads to a cloud conversion of Columbus Software. In case the realized cloud revenue in Q3 YTD had been sold as perpetual licensing instead of as cloud subscriptions, Columbus' software revenue in Q3 YTD would have increased by 7%.

Development in the consultancy business



3. Growth in recurring revenue

Columbus expects to grow the recurring revenue as this creates more stability in the business. The recurring and predictable revenue consists of Columbus Software subscriptions, third party software subscriptions, cloud revenue and ColumbusCare contracts.

Development in recurring revenue



These revenue categories support a positive development in the customer relations, where Columbus becomes the strategic business partner.

Recurring revenue increased by 8%, primarily affected by the acquisition of the cloud and hosting company, SystemHosting, which Columbus acquired in February 2016. The proportion of recurring revenue constitutes 24% of the total revenue and is at the same level as last year. The development is in line with expectations.

Expectations to 2016

Columbus maintains the announced expectations to revenue, EBITDA¹, Service EBITDA and dividend in 2016:

- Revenue in the level of DKK 1.2bn
- EBITDA¹ in the level of DKK 124m
- Service EBITDA of DKK 84m
- 10% dividend on nominal share capital

The expectations to Columbus Software are reduced from DKK 105m to the level of DKK 95m due to the fact that the cloud conversion is taking place faster than anticipated.

Latest developments

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

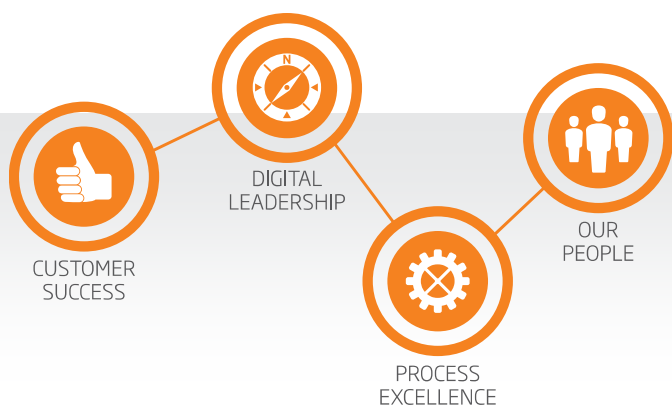
DKK '000	YTD 2016	YTD 2015	2015
Columbus Software licenses	30,793	31,135	52,251
Columbus Software subscriptions	32,178	30,881	44,530
External software licenses	61,655	66,919	107,525
External software subscriptions	136,126	131,482	184,524
Consultancy	577,685	525,730	715,545
Other	17,057	14,166	19,068
Total net revenue	855,494	800,313	1,123,443
EBITDA before share-based payment	87,632	51,111	105,225
Share-based payment	-3,399	-944	-1,362
EBITDA	84,233	50,167	103,863

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Columbus' Columbus2020 strategy - towards growth

Based on Columbus' strengthened position, as a result of successful execution of the Columbus15 strategy, the company launched a growth strategy in March. The strategy is named Columbus2020 and consists of four interconnected strategic elements.



Customer Success - Taking care of our customers for life

Columbus' fundamental goal is to take care of our customers for life. Columbus aims to be widely recognized as a strategic business partner that enhances our customer's success by improving the value realization of

their ERP investments and by leading them in the digital transformation of their business. This means that Columbus will intensify the focus on creating a unique customer experience and increase customer

satisfaction from the customer meet Columbus for the first time to delivering unique solutions, high quality services and streamlined project delivery and support 24/7.



Digital Leadership - Accelerate business innovation

Columbus helps our customers in the digital transformation of their business. With Digital Leadership Columbus has two focus areas. Firstly, Columbus will continue to strengthen our leadership position within ERP by investing in new companies, applications,

methodologies and business processes that optimizes and improves the implementation of ERP-solutions. Secondly, Columbus will establish a leadership position within Digital Transformation. Many companies are about to or in the process of transforming their

business in order to succeed in the digital economy. Columbus will develop solutions and services within cloud, mobile, social, analytics and Internet of Things that help companies take advantage of the digital opportunities.



Process Excellence - Quality in everything we do

In Columbus, we constantly strive to optimize and streamline our business operations in order to achieve strong sales excellence and deliver projects, services and support of high

quality to our customers. Our goal is to create the best customer experience in the industry. The focal point is quality in everything we do - from the initial contact with customers,

over sales and design of the business solution to the implementation process and lifetime support. This means an intense focus on optimizing and streamlining our processes globally.



Our People - Attract, develop and retain the best people

Columbus' greatest asset is our employees and therefore it is crucial that we attract and retain the best people in the industry. We want to attract highly skilled people by

providing challenging career opportunities, attractive working conditions and professional and personal growth. Columbus want to create a customer culture, where

meeting the customers' expectations sets the direction in everything we do. This means that Columbus always strives to deliver projects on time, within budget and at the highest quality.

Income statement

DKK '000	YTD 2016	YTD 2015	2015
Net revenue	855,495	800,313	1,123,443
External project costs	-183,258	-193,139	-274,962
Gross profit	672,237	607,174	848,481
Staff expenses and remuneration before share-based payment	-468,738	-452,212	-606,755
Other external costs	-116,064	-106,322	-150,013
Other operating income	546	2,494	13,549
Other operating costs	-349	-23	-37
EBITDA before share-based payment	87,632	51,111	105,225
Share-based payment	-3,399	-944	-1,362
EBITDA	84,233	50,167	103,863
Depreciation	-24,051	-21,156	-29,020
Operating profit (EBIT)	60,182	29,011	74,843
Financial income	106	5,142	9,183
Financial expense	-1,396	-230	-626
Pre-tax earnings	58,892	33,923	83,400

Financial income and expenses

Financial income and expenses primarily concerns exchange rate adjustments in relation to group receivables and monetary items.

Balance sheet

DKK '000	YTD 2016	YTD 2015	2015
ASSETS			
Goodwill	379.687	314.390	319.249
Other intangible assets	28.769	22.179	21.604
Development projects finalized	52.906	33.283	56.996
Development projects in progress	12.210	21.089	2.065
Other tangible assets	15.821	12.890	12.631
Deferred tax assets	17.592	14.245	18.951
Total long-term assets	506.985	418.076	431.496
Inventories	328	517	1.303
Trade receivables	113.700	134.228	141.710
Contract work in progress	9.357	13.936	11.546
Corporate tax receivables	1.552	6.043	333
Deferred tax assets	7.500	7.500	7.500
Other receivables	13.240	10.320	12.058
Prepayments	8.063	6.518	9.542
Receivables	153.412	178.545	182.689
Cash	73.152	40.802	82.294
Total short-term assets	226.892	219.864	266.285
TOTAL ASSETS	733.877	637.940	697.781

Balance sheet

DKK '000	YTD 2016	YTD 2015	2015
EQUITY AND LIABILITIES			
Share capital	145,247	142,123	142,123
Reserves on foreign currency translation	-14,585	-8,279	-11,006
Retained profit	295,332	216,472	255,062
Group shareholder equity	425,994	350,316	386,179
Minority interests	1,844	2,135	2,573
Equity	427,838	352,451	388,752
Deferred tax	6,436	421	6,454
Provisions	19,652	21,440	13,876
Non-current liabilities	26,088	21,861	20,330
Debt to credit institutions	27,551	16,426	420
Client prepayments	32,150	31,862	43,374
Trade payables	38,823	43,727	68,270
Corporate tax payables	11,455	8,493	10,601
Other liabilities	133,893	138,626	138,723
Accruals	36,079	24,494	27,311
Current liabilities	279,951	263,628	288,699
Total liabilities	306,039	285,489	309,029
TOTAL EQUITY AND LIABILITIES	733,877	637,940	697,781

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 areas	Description	Geographical segment
ISV (Independent Software Vendor)	Development and sale of industry-specific software within Columbus' three focus industries: Retail, food and manufacturing	No specific area
Consultancy	Sale and implementation of standard business systems.	Western Europe Eastern Europe North America

Information about the Group's segment is stated below.

DKK '000	ISV	Consultancy			HQ, GDC and Eliminations	Total
		Western Europe	Eastern Europe	North America		
YTD 2016						
Columbus Software licenses	25,080	10,605	1,774	2,910	-9,576	30,793
Columbus Software subscriptions	27,521	10,126	907	5,091	-11,467	32,178
External software licenses	0	18,833	6,466	36,806	-450	61,655
External software subscriptions	0	48,066	15,102	73,758	-800	136,126
Consultancy	10,485	334,306	65,549	186,941	-19,596	577,685
Other	850	7,852	1,300	6,833	223	17,058
Total net revenue	63,936	429,788	91,098	312,339	-41,666	855,495
Gross earnings	56,283	326,277	70,294	205,716	13,667	672,237
EBITDA	30,431	59,537	6,285	18,395	-30,415	84,233

DKK '000	ISV	Consultancy			HQ, GDC and Eliminations	Total
		Western Europe	Eastern Europe	North America		
YTD 2015						
Columbus Software licenses	22,766	10,689	2,484	4,597	-9,401	31,135
Columbus Software subscriptions	24,651	9,027	808	3,950	-7,555	30,881
External software licenses	0	23,319	10,739	32,836	25	66,919
External software subscriptions	-128	49,585	16,489	65,723	-187	131,482
Consultancy	12,318	291,574	67,931	166,491	-12,584	525,730
Other	463	5,771	1,360	6,487	85	14,166
Total net revenue	60,070	389,965	99,811	280,084	-29,617	800,313
Gross earnings	52,061	293,284	72,695	177,415	11,719	607,174
EBITDA	28,247	30,159	5,673	7,194	-21,106	50,167