

Release no. 15/2017

Interim Management Statement Q1 2017

Columbus delivers a solid start to the year with 13% revenue growth

In the first quarter of 2017, Columbus delivers revenue growth of 13% and an increase in EBITDA of 14%. The growth is primarily driven by strong growth in 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 01.01.2017-31.03.2017 (3 months).

Growth driven by the services business

Revenue in Q1 2017 amounted to DKK 310m (2016: DKK 275m), corresponding to an increase of 13% compared to the same period last year. EBITDA* amounted to DKK 29m (2016: DKK 26m), corresponding to an increase of 14%.

The revenue growth was primarily driven by a solid growth in revenue in the services business of 18%.

The increase in EBITDA was also driven by an increase in earnings in the services business of 33%.

Financial value drivers (KPI's)

In connection with the Columbus2020 strategy, the Group has determined three value drivers, which reflect the strategic direction. The value drivers measure the development in relation to significant success criteria for future growth and value creation.

- Improve profitability in the services business
- Scaling of own software sales
- Growth in recurring revenue

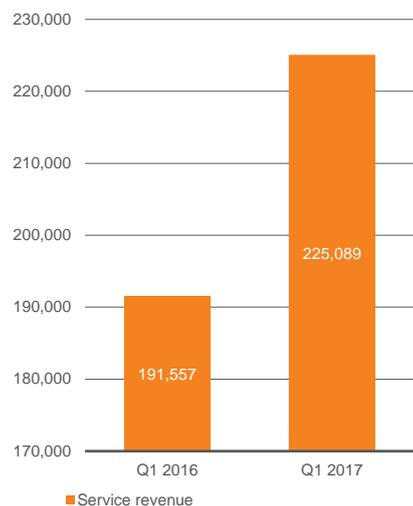
Below, the development in these three financial value drivers are reviewed.

Growth and increased earnings in the services business

In Q1 2017 the revenue in the services business increased by 18% to DKK 225m (2016: DKK 192m). The increase primarily came from an increase in realized hourly rates and the effect from acquisitions made in 2016 and 2017.

In Q1 2017 the service EBITDA increased from DKK 20m to DKK 26m, an increase of 33%. The increase primarily came from the higher realized hourly rates and acquisitions. Furthermore, a major parameter for the improvement in the Service EBITDA was increased utilization of Columbus' Global Delivery Center in India.

Development in service revenue

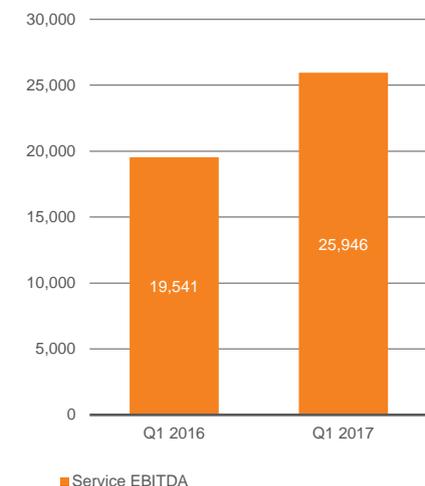


Chargeable hours declined from 58% to 55% in the first quarter of the year, affected by a decrease in chargeable hours in the US SMB business, as well as by a normalization of the chargeable hours in England and Russia.

Columbus Software sales increased by 5%

In Q1 2017 the sale of Columbus Software increased by 5%. As a consequence of the cloud conversion license sales decreased by 20%. However, the cloud revenue increased to DKK 664,000.

Development in service EBITDA

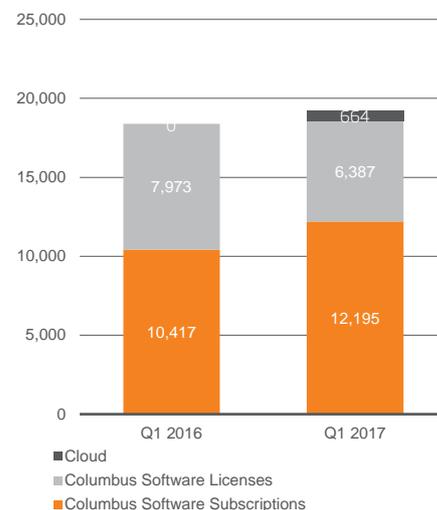


The revenue from subscriptions increased by 17% due to a satisfactory renewal rate of previous year's sale of licenses. The sale of Columbus Software developed according to plan.

Growth in recurring revenue

The recurring revenue consists of Columbus Software subscriptions, third party software subscriptions, cloud revenue, hosting revenue and ColumbusCare contracts.

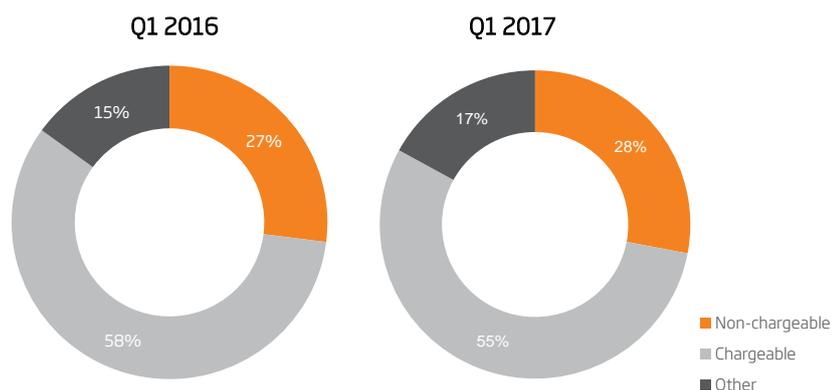
Development in sale of Columbus Software



Recurring revenue increased by 17%.

The sale of ColumbusCare contracts increased significantly by 62%, which is a satisfactory development.

Development in the consultancy business *



Development in recurring revenue



*Excl. Cambridge Online Systems

Recurring revenue constituted 24.4% of total revenue (2016: 23.6%). The development is according to plan.

Acquisitions in 2017

In January 2017 Columbus acquired the US IT services company, Tridea Partners, which holds a leading position within ERP and CRM in the growing food and beverage industry in the US.

Columbus maintains expectations to 2017

Columbus maintains the announced expectations to revenue, EBITDA¹, Service EBITDA and dividend in 2017:

- Revenue in the level of DKK 1.35bn.
- EBITDA* in the level of DKK 150m.
- Service EBITDA of DKK 80m.
- 10% dividend on nominal share capital

Latest developments

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

*EBITDA before share-based payment

| DKK '000 | Q1 2017 | Q1 2016 | 2016 |
|-----------------------------------|----------------|----------------|------------------|
| Columbus licenses | 6,387 | 7,973 | 44,187 |
| Columbus subscriptions | 12,859 | 10,417 | 46,876 |
| External licenses | 16,967 | 18,210 | 86,495 |
| External subscriptions | 42,995 | 42,108 | 195,164 |
| Services | 225,089 | 191,557 | 796,401 |
| Other | 5,755 | 5,066 | 23,584 |
| Total net revenue | 310,053 | 275,331 | 1,192,707 |
| EBITDA before share-based payment | 29,454 | 25,908 | 144,070 |
| Share-based payment | -597 | -546 | -5,524 |
| EBITDA | 28,857 | 25,362 | 138,546 |

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Columbus® | 2020



Columbus' Columbus2020 strategi - vejen til vækst

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 | Q1 2017 | Q1 2016 | 2016 |
|--|----------------|----------------|----------------|
| Net revenue | 310,053 | 275,331 | 1,192,707 |
| External project costs | -60,371 | -52,677 | -264,601 |
| Gross profit | 249,682 | 222,654 | 928,106 |
| Staff expenses and remuneration | -178,584 | -160,439 | -631,675 |
| Other external costs | -41,669 | -36,223 | -158,982 |
| Other operating income | 25 | 0 | 6,685 |
| Other operating costs | 0 | -84 | -64 |
| EBITDA before share-based payment | 29,454 | 25,908 | 144,070 |
| Share-based payment | -597 | -546 | -5,524 |
| EBITDA | 28,857 | 25,362 | 138,546 |
| Depreciation | -9,778 | -7,501 | -33,275 |
| Operating profit (EBIT) | 19,079 | 17,861 | 74,843 |
| Financial income | 18 | 90 | 2,674 |
| Financial expense | -2,388 | -1,754 | -642 |
| Profit before tax | 16,709 | 16,197 | 107,303 |

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 | Q1 2017 | Q1 2016 | 2016 |
|----------------------------------|----------------|----------------|----------------|
| ASSETS | | | |
| Goodwill | 464,391 | 339,962 | 415,152 |
| Customer base | 34,370 | 29,977 | 30,562 |
| License rights | 19 | 0 | 17 |
| Development projects finalized | 64,541 | 55,781 | 59,354 |
| Development projects in progress | 5,310 | 5,319 | 8,491 |
| Property, plant and equipment | 15,975 | 16,293 | 17,142 |
| Deferred tax assets | 21,086 | 18,581 | 17,053 |
| Total non-current assets | 605,692 | 465,913 | 547,771 |
| Inventories | 688 | 1,228 | 205 |
| Trade receivables | 136,582 | 119,950 | 151,475 |
| Contract work in progress | 13,815 | 17,858 | 8,994 |
| Corporate tax receivables | 6,429 | 346 | 11,531 |
| Deferred tax assets | 3,400 | 7,500 | 7,500 |
| Other receivables | 7,107 | 10,368 | 8,155 |
| Prepayments | 13,711 | 10,622 | 7,206 |
| Receivables | 181,044 | 166,644 | 194,861 |
| Cash | 64,918 | 52,333 | 94,669 |
| Total current assets | 246,650 | 220,205 | 289,735 |
| TOTAL ASSETS | 852,342 | 686,118 | 837,506 |

Balance sheet

| DKK '000 | Q1 2017 | Q1 2016 | 2016 |
|--|----------------|----------------|----------------|
| EQUITY AND LIABILITIES | | | |
| Share capital | 149,832 | 142,123 | 145,247 |
| Reserves on foreign currency translation | -7,163 | -16,302 | -6,475 |
| Retained profit | 360,454 | 270,400 | 331,041 |
| Group shareholders' equity | 503,123 | 396,221 | 469,813 |
| Minority interests | 2,653 | 2,791 | 1,774 |
| Equity | 505,776 | 399,012 | 471,587 |
| Deferred tax | 10,619 | 6,436 | 10,614 |
| Provisions | 18,008 | 13,049 | 11,532 |
| Non-current liabilities | 28,627 | 19,485 | 22,146 |
| Debt to credit institutions | 20,607 | 1,302 | 29,091 |
| Client prepayments | 27,885 | 30,077 | 33,645 |
| Trade payables | 48,033 | 43,080 | 66,211 |
| Corporate tax payables | 19,209 | 9,528 | 24,177 |
| Other liabilities | 157,118 | 151,660 | 157,228 |
| Accruals | 45,087 | 31,974 | 33,421 |
| Current liabilities | 317,939 | 267,621 | 343,773 |
| Total liabilities | 346,566 | 287,106 | 365,919 |
| TOTAL EQUITY AND LIABILITIES | 852,342 | 686,118 | 837,506 |

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 |
| | | 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 | ISV | Consultancy | | | HQ, GDC and Eliminations | Total |
|---------------------------------|---------------|----------------|----------------|----------------|--------------------------|----------------|
| | | Western Europe | Eastern Europe | North America | | |
| Q1 2017 | | | | | | |
| Columbus Software licenses | 5,523 | 2,777 | 721 | 159 | -2,793 | 6,387 |
| Columbus Software subscriptions | 10,020 | 4,151 | 449 | 1,257 | -3,018 | 12,859 |
| External licenses | 0 | 5,031 | 3,523 | 8,481 | -68 | 16,967 |
| External subscriptions | 0 | 12,414 | 5,138 | 25,450 | -7 | 42,995 |
| Services | 4,177 | 119,095 | 25,662 | 79,530 | -3,375 | 225,089 |
| Other | 283 | 2,645 | 423 | 2,688 | -284 | 5,755 |
| Total net revenue | 20,003 | 146,113 | 35,916 | 117,565 | -9,545 | 310,053 |
| Gross profit | 16,949 | 114,996 | 28,095 | 82,783 | 6,859 | 249,682 |
| EBITDA | 9,679 | 18,055 | 4,279 | 3,941 | -7,097 | 28,857 |

| DKK '000 | ISV | Consultancy | | | HQ, GDC and Eliminations | Total |
|---------------------------------|---------------|----------------|----------------|----------------|--------------------------|----------------|
| | | Western Europe | Eastern Europe | North America | | |
| Q1 2016 | | | | | | |
| Columbus Software licenses | 6,678 | 2,157 | 378 | 417 | -1,657 | 7,973 |
| Columbus Software subscriptions | 9,107 | 2,758 | 321 | 1,078 | -2,847 | 10,417 |
| External licenses | 0 | 5,140 | 2,119 | 10,964 | -13 | 18,210 |
| External subscriptions | 0 | 15,104 | 4,807 | 22,284 | -87 | 42,108 |
| Services | 3,869 | 109,570 | 20,998 | 63,389 | -6,269 | 191,557 |
| Other | 196 | 2,330 | 409 | 2,082 | 49 | 5,066 |
| Total net revenue | 19,850 | 137,059 | 29,032 | 100,214 | -10,824 | 275,331 |
| Gross profit | 18,976 | 105,945 | 23,011 | 67,480 | 7,242 | 222,654 |
| EBITDA | 9,696 | 13,934 | 2,427 | 5,278 | -5,973 | 25,362 |