Leading digital transformation

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Columbus®
Once you know how...

This presentation and related comments 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

AGENDA

- Leading digital business transformation
- Highlights H1 2016
- Strong market positions
- Financial Value Drivers
- Short-term & long-term guidance

Columbus at a glance

Leading digital business transformation

Columbus is leading digital business transformation

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Global IT services company
with development and sale of own industry specific business solutions

Leader in digital business
solutions that help companies digitally transform their business

2016 Revenue Guidance
in the range of **DKK 1.2bn**

1,200 employees worldwide
including 250 new starters last year

Focus on three sectors:
Manufacturing, Food, Retail

2016 EBITDA* Guidance
in the range of **DKK 124m**

* EBITDA before share-based payment

Highlights H1 2016

Revenue

8% growth

amounting to DKK 595m

EBITDA*

70% growth

amounting to DKK 66.8m

Net result

55% growth

amounting to DKK 39.6m

Columbus Software

9% growth

amounting to DKK 45.8m

Service revenue

10% growth

amounting to DKK 391m

Acquisition

SystemHosting

* EBITDA before share-based payment

Strong market position

Why do customers choose Columbus?

1 We help our customers digitally transform their business and improve the value realization of their business applications investments.

2 We mitigate the inherent risks associated with implementing, upgrading and replacing legacy ERP systems.

3 We lead our customers wiht best-practice consulting services we have refined over thousands of engagements

4 We take care of our customers and aspire to keep them for life.

Columbus' core purpose is to help organizations digitally transform their business and maximize productivity by offering innovative and leading business solutions.

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Strong market position in key industries

Optimizing business processes

- Who: The world's leading pizza delivery company
- Challenge: Lack of visibility, consistency, timeliness of data due to a range of disparate systems

- Solution: End-to-end ERP-solution delivered through standard business processes by Columbus RapidValue:
  - Columbus Software
  - Microsoft Dynamics AX
  - Consultancy services
  - 24x7 ColumbusCare support

- Outcome: Immediate access to real-time data to help the business make realistic decisions across the business

Digitization of retail sales channel

- Who: The largest retailer of electronics and household appliances with more than 150 stores in Ukraine

- Challenge: Restructuring of the business due to merger, which also demanded a complete new omni channel strategy

- Solution: ERP-system delivered through Columbus RapidValue including webstore solution:
  - A range of Columbus Software including Columbus MCR and Webstore
  - Consultancy services
  - Microsoft Dynamics AX

- Outcome: Significantly reduction of cost as well as new digital go-to-market platform

Hosted ERP for fast growing company

- Who: Fast growing manufacturer of audio power solutions divested by B&O

- Challenge: After separation from B&O, ICEpower needed a new digital business solution (360° solution)

- Solution: Hosted ERP-solution:

  - Columbus Software

  - Consultancy services

  - Dynamics Navision

  - Office365 platform

  - ColumbusCare support

- Outcome: Highly scalable ERP-solution to support fast growth

Financial Value Drivers

Financial Value Drivers

1 High profitability in the services business

High earnings potential in the services business by continuing to optimize deliveries, minimize risk and control costs

**2** Scaling of own software sales

High margin on sales of own software which opens opportunities for additional sales and creates value for customers
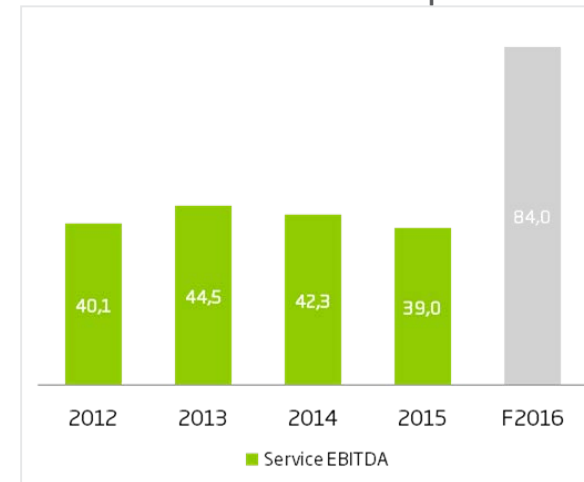
3 Recurring revenue and cloud revenue

Support agreements and cloud revenue are recurring revenue, which also establish long and strong customer relationships
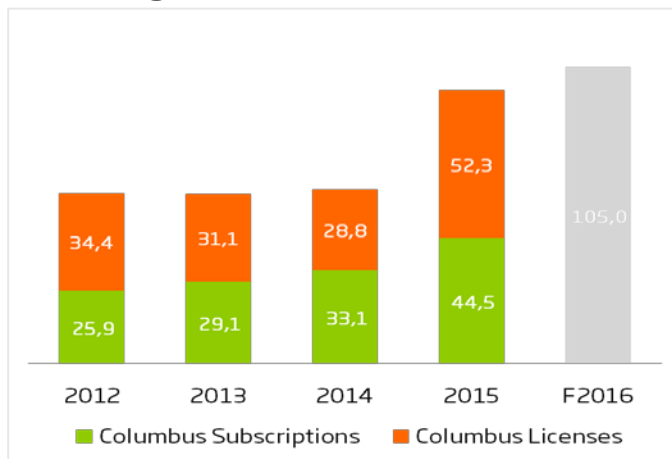
Development in Financial Value Drivers
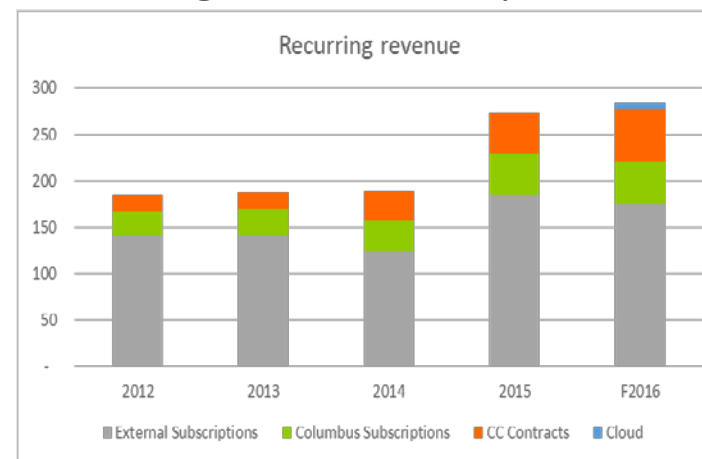
Total Revenue and EBITDA
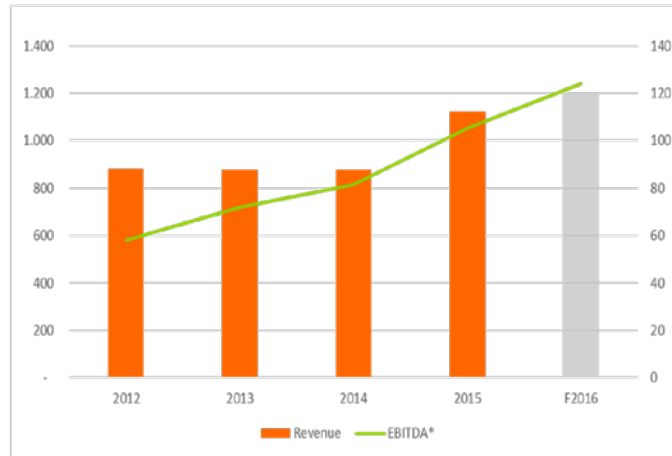
Service EBITDA development

Scaling of Columbus Software

Recurring Revenue development

Short- and long-term

Financial Guidance

Financial guidance for 2016

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Revenue, in the range of
DKK 1.2bn

EBITDA*, in the range of
DKK 124m

Service EBITDA, in the range of
DKK 84m

Software revenue, in the range of
DKK 105m

Dividend
10% dividend
on nominal share capital

Short-term guidance

* EBITDA before share-based payment

Long-term guidance for 2018

Revenue

10% growth

average per year

Recurring revenue

30%

of total revenue in 2018

EBITDA

10%

EBITDA margin per year

Dividend

10% pay-out

of nominal value each year

Long-term guidance

Appendix

Supplementary material

Income Statement H1 2016

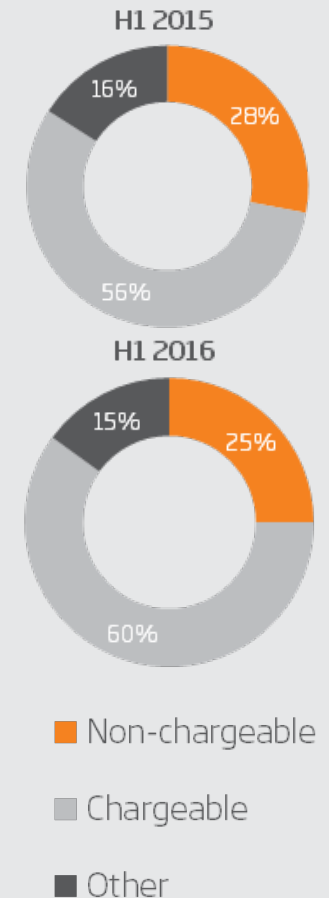| Income statement (mDKK)	H1 2016	H1 2015	Δ%
Columbus Software	45,8	42,0	9%
External Software	147,4	141,9	4%
Service	390,8	354,7	10%
Other	10,5	9,8	8%
Net Sales	594,5	548,4	**8%**
External project costs	-134,7	-134,4	0%
Gross profit	459,8	414,0	**11%**
Staff expenses and remuneration	-319,9	-306,6	4%
Other external costs	-73,1	-68,1	7%
EBITDA before share-based payment	66,8	39,4	**70%**
Share-based payment	-1,1	-0,6	73%
EBITDA	65,7	38,7	**70%**
Depreciation	-15,2	-14,1	8%
Net Financial Income	-0,6	6,8	-109%
Tax	-10,3	-6,0	70%
Net result	39,6	25,5	**55%**

H1 2016: Improve profitability in the services business

- Service EBITDA increased by DKK 24.3m

- Primary due to an increase in customer work (56% to 60%) mainly in US and Norway

- Secondary due to full year effect of 2015 acquisitions and acquisition of Systemhosting in February 2016
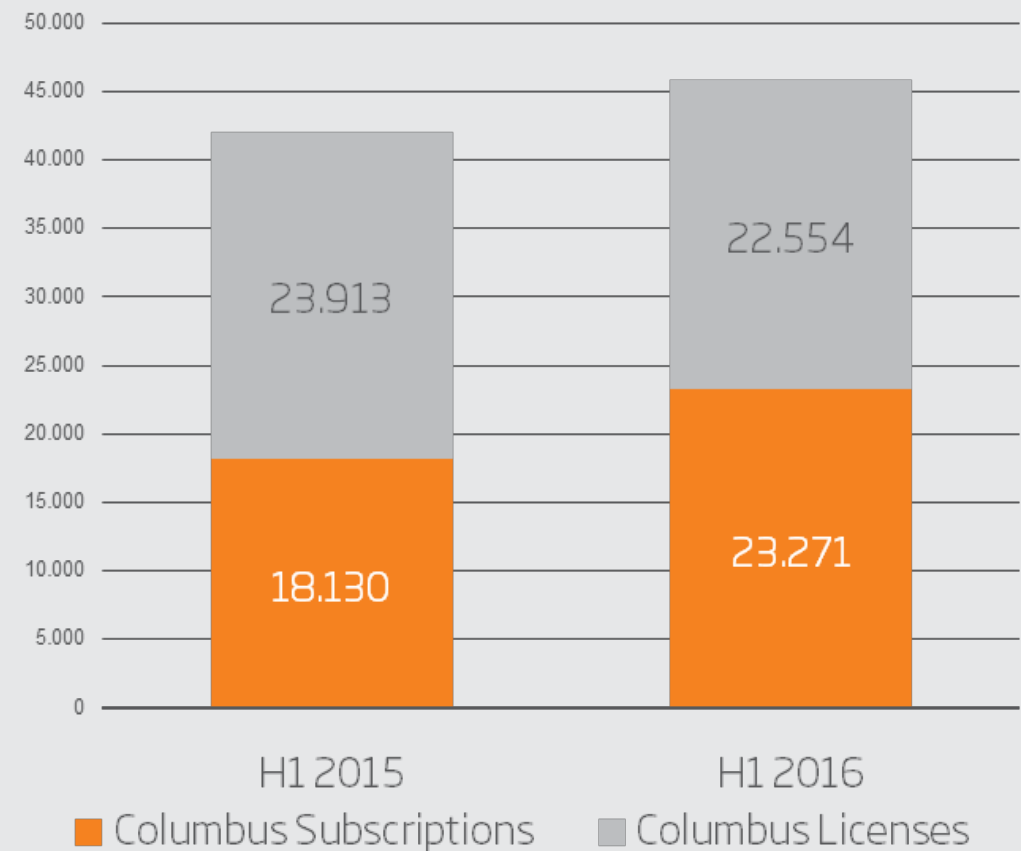
Service EBITDA

	H1 2015	H1 2016
Service EBITDA	11.543	35.799

Customer Work

H1 2015

- 28%
- 56%
- 16%

H1 2016

- 25%
- 60%
- 15%

- Non-chargeable
- Chargeable
- Other
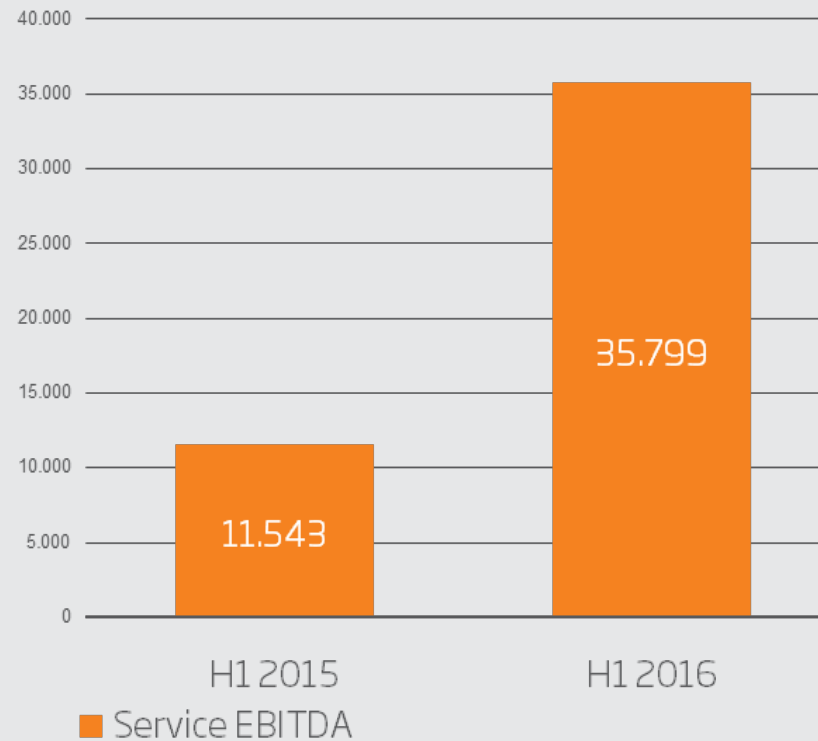
H1 2016: Scaling of Columbus Software

- Total revenue from sale of Columbus Software increased by 9%, amounting to DKK 46m

- Columbus NAV solutions had the biggest growth YoY with 32%:
  - NAV Anywere grew by 138%
  - NAV Business Integration Solutions grew by 22%

- Best selling products:
  - Columbus Business Integration Solutions (BIS)
  - Columbus Advanced Discrete Manufacturing Solutions (ADM)
  - Columbus Invoice Workflow

Columbus Software revenue

	H1 2015	H1 2016
Columbus Licenses	23.913	22.554
Columbus Subscriptions	18.130	23.271

Chart axis: 0 – 50.000

Legend: ■ Columbus Subscriptions ■ Columbus Licenses

H1 2016: Growth in Recurring revenue

- Recurring revenue consists of:
  - Columbus Software subscriptions
  - External subscriptions
  - ColumbusCare contracts
  - Cloud revenue
- Recurring revenue increased by 13% constituting 25% of total revenue (LY 24%)
- Development in line with expectations

Recurring revenue

Chart data:

	H1 2015	H1 2016
ColumbusCare contracts	20.934	25.965
Columbus Software subscriptions	18.130	23.271
External subscriptions	92.495	97.276
Cloud		2.501

Legend:
- Cloud
- ColumbusCare contracts
- Columbus Software subscriptions
- External subscriptions