

# Company Announcement

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## **SimCorp reports revenue of EUR 310m and EBIT margin of 21% for the first nine months of 2020**

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### **Q3 2020 highlights:**

- In Q3 2020, four new SimCorp Dimension deals were signed, of which
  - Two deals were included in order intake and revenue
  - One deal was included in order intake, but revenue recognition has been deferred
  - For one deal, both order intake and revenue recognition have been deferred.
- Order intake was EUR 21.7m, an increase of EUR 2.6m or 13.6% compared with Q3 2019.
- Reported revenue was EUR 100.2m, a decrease of 14.7% compared with Q3 2019, due to a very strong Q3 2019 and revenue recognition of two new license deals being deferred.
- EBIT was EUR 22.4m and EBIT margin was 22.3% compared with EBIT of EUR 35.2m and EBIT margin of 30.0% in Q3 2019.
- Free cash flow was EUR 17.7m, a decrease of 16.7% compared with Q3 2019.
- On August 12, SimCorp announced that it had completed the next phase in its cloud transformation, now offering SimCorp Dimension as a Service, on Microsoft Azure.

### **9M 2020 highlights:**

- In 9M 2020, seven new SimCorp Dimension and three new stand-alone SimCorp Coric license deals were signed, of which
  - Six deals were included in order intake and revenue
  - One deal was included in order intake, but revenue recognition has been deferred
  - For three deals, both order intake and revenue recognition have been deferred.
- Order intake was EUR 58.5m, a decrease of EUR 4.6m or 7.3% compared with 9M 2019.
- On September 30, 2020, the order book amounted to EUR 43.8m, an increase of EUR 8.8m compared with the order book at the same date last year.
- Reported revenue was EUR 309.8m, a decrease of 5.2% compared with 9M 2019, due to a very strong 9M 2019 and revenue recognition of four new license deals being deferred.
- EBIT was EUR 65.9m compared with EUR 93.9m in 9M 2019.
- EBIT margin was 21.3% compared with 28.7% in 9M 2019.

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- Net profit was EUR 45.7m compared with EUR 72.6m in 9M 2019.
- Free cash flow was EUR 70.5m, an increase of 6.8% compared with 9M 2019.
- SimCorp entered Q4 2020 with EUR 399m of the full year's revenue signed, which is at the same level as at the same time last year.

### Subsequent events:

- Since the closing of Q3 2020, two SimCorp Dimension contracts and one new SimCorp Coric contract have been signed.
- On October 12, SimCorp and State Street Bank International GmbH announced a non-binding Term Sheet to form a business partnership to provide a premier, fully integrated, front-to-back investment outsourcing solution, for insurance firms in EMEA.

### Financial guidance 2020:

- SimCorp maintains its expectations for revenue growth and EBIT margin measured in local currencies for 2020 as announced in its Q2 interim report and company announcement dated October 12, 2020.
- Revenue growth measured in local currencies is expected to be between -5% and 5%, and the expectation for EBIT margin measured in local currencies is between 22.0% and 27.0%.
- Approximately 1.5%-points (previously 2%-point) of the expected revenue growth is related to the acquisition of AIM Software, and the acquisition is expected to impact the EBIT margin negatively by approximately 1%-point, implying an expected organic revenue growth of between -6.5% and 3.5% (previously between -7% and 3%) and an EBIT margin of between 23.0% to 28.0%.

**Klaus Holse, SimCorp CEO comments:** *"With a total of ten new clients in the first nine months of the year, our win rate has been satisfactory despite the challenges caused by the Covid-19 pandemic. A strong focus on building strategic partnerships, most recently with State Street, a highly loyal client base, and not least a deeply committed team make me confident that we are well positioned for closing the year on a strong note."*

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### **Investor presentation**

SimCorp's Executive Management Board will present the report at a conference call on Thursday November 12, 2020 at 11:00 am (CET). Please use any of the following phone numbers to dial in to the conference call:

From Denmark:	+45 32720417
From USA:	+1 6467413167
From other countries:	+44 (0) 2071 928338
Pin code to access the call:	6677753

At the end of the presentation there will be a Q&A session.

It will also be possible to follow the presentation via this link:

<https://edge.media-server.com/mmc/p/9g6c46eg>

The presentation will be available prior to the conference call via SimCorp's website

<http://www.simcorp.com/en/about/investor/presentations-and-events/quarterly-and-annual-investor-meetings>.

### **Enquiries regarding this announcement should be addressed to:**

Investor contacts:

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## Financial highlights and key ratios for the SimCorp Group

EUR '000	2020 Q3	2019 Q3	2020 9M	2019 9M	2019 FY
<b>INCOME STATEMENT</b>					
Revenue	100,150	117,424	309,801	326,692	454,531
Earnings before interest, tax, depreciation, and amortization (EBITDA)	26,312	38,987	77,962	104,258	142,576
Operating profit (EBIT)	22,366	35,179	65,888	93,869	127,824
Financial items, net	-3,435	2,422	-4,682	1,861	-23
Profit before tax	18,931	37,601	61,206	95,730	127,801
Profit for the period	14,090	29,260	45,679	72,565	96,901
<b>BALANCE SHEET</b>					
Share capital	5,441	5,441	5,441	5,441	5,441
Total equity	233,564	203,747	233,564	203,747	230,020
Revolving credit facility	-	20,000	-	20,000	20,000
Intangible assets	96,596	99,930	96,596	99,930	99,557
Property, plant, and equipment	49,433	52,231	49,433	52,231	55,650
Receivables	79,974	76,246	79,974	76,246	81,804
Contract assets	150,638	133,498	150,638	133,498	151,774
Cash and cash equivalents	32,617	26,903	32,617	26,903	31,851
Total assets	427,807	405,065	427,807	405,065	437,912
<b>CASH FLOW</b>					
Net cash from operating activities	20,275	23,826	79,791	74,489	82,505
Net cash used in investing activities	-188	-58,446	-2,199	-59,685	-60,214
Net cash used in financing activities	-27,771	14,138	-77,281	-35,654	-38,249
Free cash flow	17,691	21,245	70,510	66,001	70,903
Investment in property, plant, and equipment	216	-	1,916	1,240	1,722
Change in cash and cash equivalents	-7,684	-20,482	311	-20,850	-15,958
<b>EMPLOYEES</b>					
Number of employees at the end of the period	1,906	1,829	1,906	1,829	1,871
Average number of employees - FTE	1,837	1,733	1,842	1,670	1,703
<b>FINANCIAL RATIOS</b>					
EBIT margin (%)	22.3	30.0	21.3	28.7	28.1
ROIC (return on invested capital) (%)	36.7	65.7	35.7	66.8	58.7
Receivables turnover ratio	8.9	10.2	9.2	9.4	9.3
Equity ratio (%)	54.6	50.3	54.6	50.3	52.5
Return on equity (%)	24.9	61.9	25.6	50.3	46.5
<b>SHARE PERFORMANCE</b>					
Earnings per share - EPS (EUR)	0.35	0.74	1.15	1.83	2.44
Diluted earnings per share - EPS-D (EUR)	0.35	0.73	1.14	1.81	2.42
Cash flow per share - CFPS (EUR)	0.51	0.60	1.99	1.86	2.08
<b>MARKET VALUE RATIOS</b>					
Average number of shares (m)	40.1	39.6	39.8	39.7	39.7
Average number of shares - diluted (m)	40.4	40.0	40.2	40.1	40.1
EUR/DKK rate of exchange at end of period	7.4462	7.4662	7.4462	7.4662	7.4697

Please refer to the definition of ratios on page 56 of the Annual Report 2019. The interim report is unaudited and has not been reviewed by external auditors.

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## Management's report

### Development in sales and orders

Four new SimCorp Dimension contracts were signed in Q3 2020, three in APAC and one in North America (NA), all on subscription-based terms.

Region	Client	Product	Order intake	Revenue	Comments
APAC	Central Bank of Sri Lanka	SimCorp Dimension	✓	✓	
APAC	Undisclosed investment manager	SimCorp Dimension	✓	—	Revenue will be recognized after expiry of opt out clause
APAC	Undisclosed investment manager	SimCorp Dimension	—	—	Order intake and revenue will be recognized over next two years based on milestones
North America	Undisclosed investment manager	SimCorp Dimension & Datacare	✓	✓	Datacare revenue will be recognized in a straight line over the term of the agreement

One of the new orders in APAC was recognized in Q3 2020, another is expected to be recognized in Q4 2020, and the third order has milestone-based recognition, with the milestones expected to be satisfied over the next two years.

In North America, two SimCorp Dimension orders were recognized in Q3 2020, one from an order signed in Q1 2020 and one from the order signed in Q3 2020.

Of the three clients signed in APAC in Q3 2020, one is a fund management company and two are central banks, one being the Central Bank of Sri Lanka. All three are front-to-back SimCorp Dimension agreements, of which one is a cloud-based deployment. The client in North America signed in Q3 2020 is a state pension fund, who will use SimCorp Dimension for a front, middle and back office cloud-based deployment, including two of our recent, strategic offerings, SimCorp BI and SimCorp Datacare.

As mentioned above revenue was recognized in Q3 2020 on an order signed in North America in Q1 2020. The client, Mawer Investment Management Ltd., will use SimCorp Dimension as its multi-asset, front-to-back, investment management platform. The agreement is one in a series of recent North American front-to-back deals, which see buy-side firms choosing SimCorp's front office.

Two existing SimCorp Dimension clients in NA have auto-renewed for two years with effective dates in January 2021. The renewals have been included in order intake and in the order book in Q3 2020, while revenue recognition will take place in Q1 2021. One SimCorp Coric client in EMEA renewed its contracts in Q3 2020.

In Q3 2020, there was one conversion from perpetual to subscription-based license compared with one conversion in Q3 2019. The conversion in Q3 2020 increased order intake by EUR 4.5m, while revenue recognition is deferred and will predominantly be recognized in December 2020, with the remaining part being recognized in 2023 and 2024. In Q3 2019, the revenue recognition from the conversion was EUR 4.7m.

Total order intake in Q3 2020 was EUR 21.7m compared with EUR 19.3m in the same period last year. Datacare order intake accounted for EUR 2.2m in Q3 2020.

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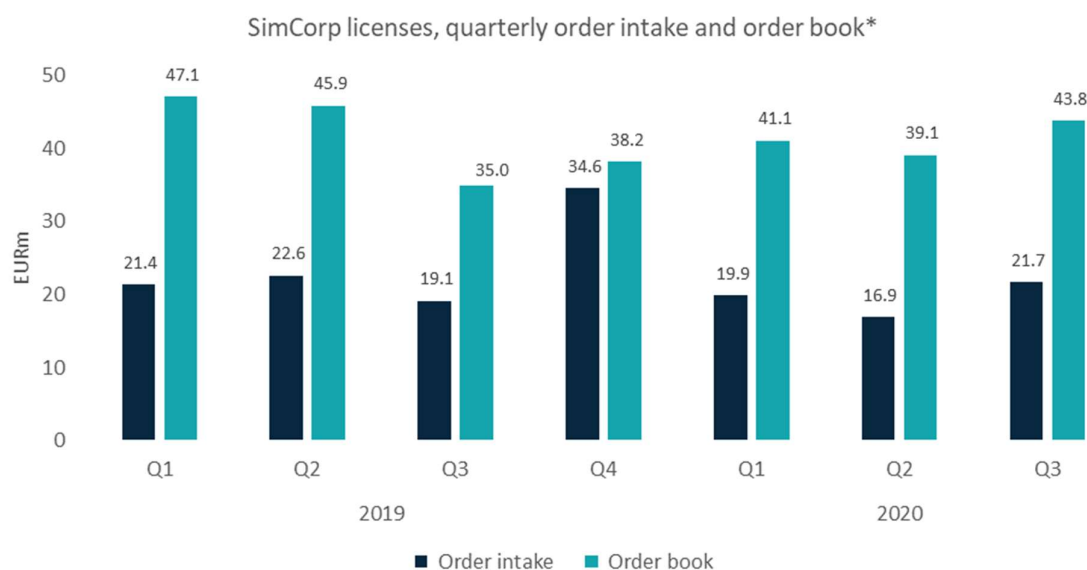
Income recognized from initial and additional licenses totaled EUR 14.8m in Q3 2020, EUR 15.8m lower than in Q3 2019, as Q3 2019 included both the revenue recognition of a large order in Asia where the contract was signed in 2018, and the revenue recognition of a conversion from perpetual to subscription-based license as mentioned above.

In 9M 2020, order intake was EUR 58.5m compared with EUR 63.1m in the same period last year.

A total of seven new subscription-based SimCorp Dimension license contracts and three new stand-alone SimCorp Coric license contracts were signed during the first nine months of the year. This is the same number of new SimCorp Dimension and SimCorp Coric clients as in 9M 2019. Two of the new SimCorp Dimension agreements in 9M 2020 included Datacare.

In 9M 2020, three SimCorp Dimension and three SimCorp Coric agreements were renewed, compared with twelve SimCorp Coric agreements in 9M 2019. The renewal of SimCorp Italiana's subscription-based agreements amounted to EUR 5.7m in 9M 2020 compared with EUR 5.0m in same period last year.

On September 30, 2020, the order book amounted to EUR 43.8m, an increase of EUR 8.8m compared with same date last year. Compared with June 30, 2020, the order book had increased by EUR 4.7m.



\* Order intake and order book include initial licenses to new clients as well as additional licenses to existing clients. The order book is the total license value of signed license agreements, including Client-Driven Development (CDD) orders, that has not yet been recognized in income. SimCorp Gain order intake and order book have been included since the acquisition. From 2020, the order book includes Subscription Services such as Datacare and SFTR, and accordingly Q4 2019 was adjusted by Subscription Services of EUR 1.8m.

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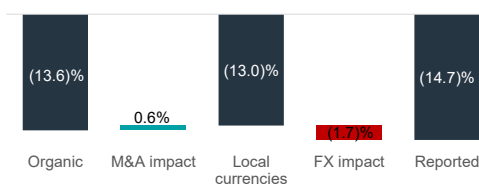
### Revenue

Q3 2020 revenue in reported currency was EUR 100.2m, 14.7% lower than the strong Q3 2019. Measured in local currencies the decrease was 13.0%. The acquisition of SimCorp Gain accounted for 0.6%-points. Revenue measured in local currency excluding M&A activities has decreased by 13.6%.

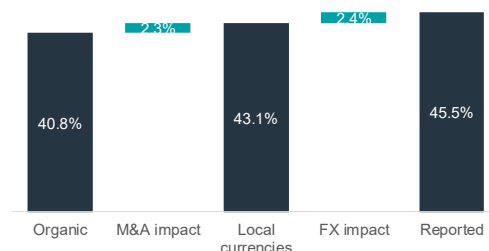
SimCorp generated revenue of EUR 309.8m in 9M 2020 compared with EUR 326.7m in 9M 2019, equivalent to a decrease of 5.2%. Exchange rate fluctuations for the period had a negative impact on revenue of EUR 1.1m, equal to 0.4%. Measured in local currencies, revenue thus decreased by 4.8%. The acquisition of SimCorp Gain accounts for 2.1%-point, and measured in local currencies, the organic growth declined by 6.9%.

The development and distribution of quarterly revenue are shown below:

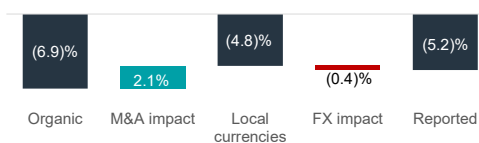
#### Q3 2020 revenue growth



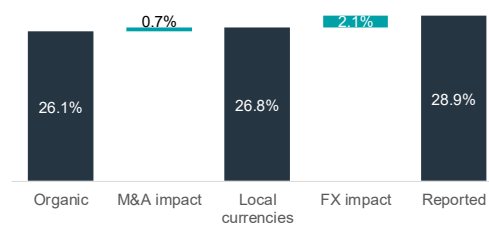
#### Q3 2019 revenue growth



#### 9M 2020 revenue growth



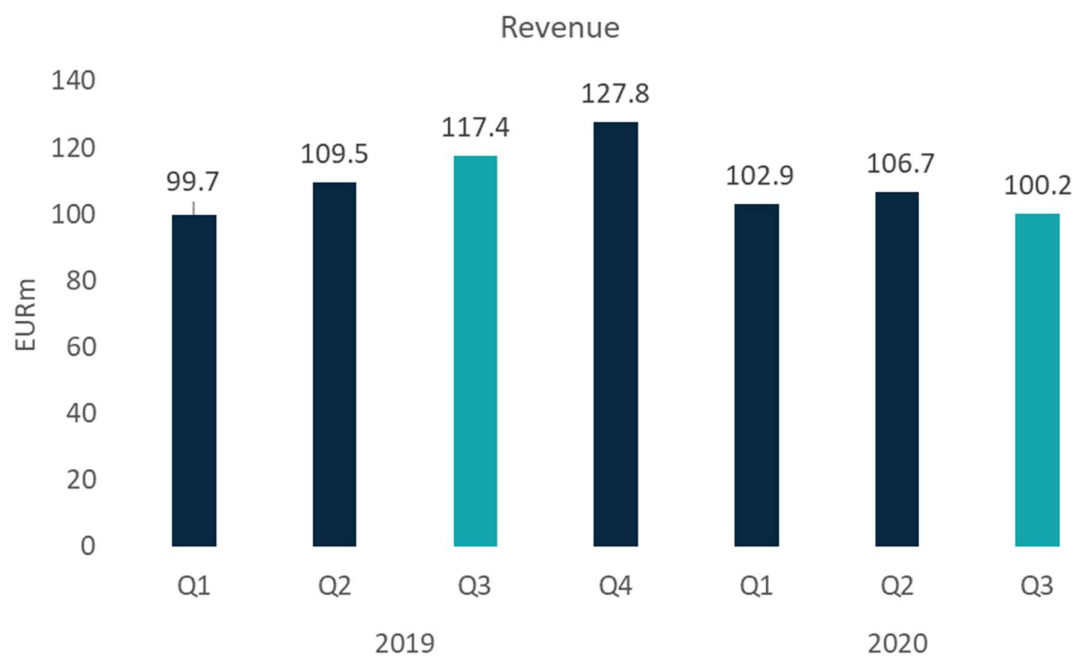
#### 9M 2019 revenue growth



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The development and distribution of quarterly revenue are shown below:



### Q3 revenue

EURm	Revenue Q3 2020	Share of revenue Q3 2020	Revenue Q3 2019	Share of revenue Q3 2019	Revenue growth	Revenue growth local currency	Organic revenue growth local currencies
Licenses - initial sales	8.5	11.7%	13.7	11.7%	-37.7%	-33.6%	-33.6%
Licenses - additional sales	6.3	14.4%	16.9	14.4%	-62.5%	-62.1%	-62.2%
Software updates and support	43.2	36.3%	42.6	36.3%	1.2%	2.2%	1.5%
Professional services	36.0	30.7%	36.1	30.7%	-0.3%	1.8%	0.8%
Hosting and other fees	6.2	6.9%	8.2	6.9%	-24.1%	-21.3%	-22.7%
<b>Total revenue</b>	<b>100.2</b>	<b>100.0%</b>	<b>117.4</b>	<b>100.0%</b>	<b>-14.7%</b>	<b>-13.0%</b>	<b>-13.6%</b>

### 9M revenue

EURm	Revenue 9M 2020	Share of revenue 9M 2020	Revenue 9M 2019	Share of revenue 9M 2019	Revenue growth	Revenue growth local currency	Organic revenue growth local currencies
Licenses - initial sales	13.0	10.9%	35.6	10.9%	-63.4%	-62.0%	-62.0%
Licenses - additional sales	36.1	11.6%	38.0	11.6%	-5.0%	-5.1%	-9.1%
Software updates and support	132.1	38.2%	124.9	38.2%	5.8%	6.0%	4.4%
Professional services	111.0	33.0%	107.8	33.0%	3.0%	3.2%	0.9%
Hosting and other fees	17.6	6.3%	20.4	6.3%	-14.0%	-13.3%	-17.6%
<b>Total revenue</b>	<b>309.8</b>	<b>100.0%</b>	<b>326.7</b>	<b>100.0%</b>	<b>-5.2%</b>	<b>-4.8%</b>	<b>-6.9%</b>

In Q3 2020, SimCorp had initial license sales of EUR 8.5m, EUR 5.2m lower than Q3 2019, mainly due to a very strong Q3 2019, and partly due to revenue recognition for two initial license deals being deferred as certain conditions need to be fulfilled before the license fee can be recognized.



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Revenue recognized from initial and additional license sales totaled EUR 14.8m, EUR 15.8m less than the strong Q3 2019.

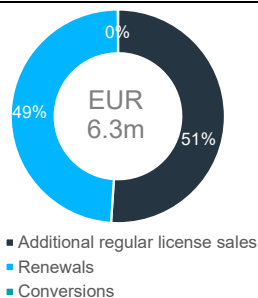
In 9M 2020, revenue recognized from initial and additional license sales was EUR 49.1m, a decrease of EUR 24.5m, or 33.3% compared with the strong 9M 2019. Currency fluctuations impacted total license fee negatively by EUR 0.5m. Measured in local currencies, the decrease was 32.6%. The underlying organic revenue change in total license fee was a decline of 34.7% in 9M 2020, reflecting a 2.1%-points positive impact from the acquisition of AIM Software.

In Q3 2020, no conversion from perpetual to subscription-based license were revenue recognized (Q3 2019: 28%). Renewals accounted for around 49% (Q3 2019: 19%) of additional sales, and additional regular license sales accounted for 51% (Q3 2019: 53%) of total additional license sales.

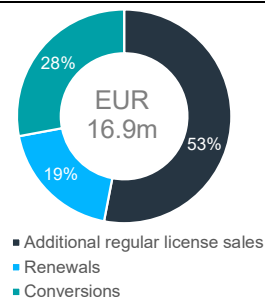
In 9M 2020, revenue from conversions accounted for around 17% (9M 2019: 21%) of the total additional license sales, while renewals accounted for 29% (9M 2019: around 22%), and additional regular license sales accounted for 54% (9M 2019: around 57%) of total additional license sales.

The split of additional license sales is shown below:

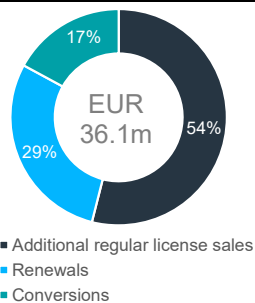
**Q3 2020 additional license sales split**



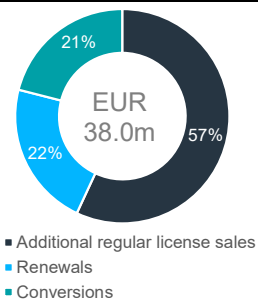
**Q3 2019 additional license sales split**



**9M 2020 additional license sales split**



**9M 2019 additional license sales split**



In Q3 2020, software updates and support revenue increased by 1.2% from EUR 42.6m in Q3 2019 to EUR 43.2m. Currency fluctuations impacted the software updates and support revenue negatively by 1.0%-points, and the acquisition of AIM Software impacted the software updates and support

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revenue positively by 0.7%-points. Consequently, organic growth for Q3 in software updates and support revenue was 1.5%.

In 9M 2020, software updates and support revenue increased by 5.8% from EUR 124.9m for the same period last year to EUR 132.1m. Currency fluctuations impacted the software updates and support revenue negatively by 0.2%-points, and the acquisition of AIM Software impacted the software updates and support revenue positively by 1.6%-points. Consequently, organic growth for 9M in software updates and support revenue was 4.4%.

Fees from professional services amounted to EUR 36.0m in Q3 2020 compared with EUR 36.1m in Q3 2019, a decrease of 0.3% in reported currency. Currency fluctuations impacted the revenue negatively by 2.1%-points, while the acquisition of AIM Software impacted the professional services revenue positively by 1.0%-points, resulting in positive organic growth of 0.8%.

In 9M 2020, fees from professional services increased by 3.0% from EUR 107.8m last year to EUR 111.0m. Currency fluctuations impacted the professional services revenue negatively by 0.2%-points, while the acquisition of AIM Software impacted the professional services revenue positively by 2.3%-points. Consequently, organic growth in professional services revenue was 0.9%.

Hosting, other fees, and selling of other third-party products amounted to EUR 6.2m compared with EUR 8.2m in Q3 2019. In Q3 2020, we added two new ASP hosted clients, bringing the total number of clients on an ASP hosted solution to 24.

In 9M 2020, hosting, other fees, and selling of other third-party products amounted to EUR 17.6m compared with EUR 20.4m in 9M 2019.

### Operating costs

In early March, several cost reduction measures were taken, including travel restrictions, hiring freeze on non-critical positions, and postponement of planned salary increases from January 1 to July 1, 2020. Furthermore, the annual International User Committee Meeting (IUCM) has been postponed from September 2020 to April 2021. The effect of these measures was visible in both Q3 and 9M 2020.

On the other hand, SimCorp remains committed to continue investing in its products, people, and strategic priorities, including cloud lift and other research and development priorities, to realize its long-term growth ambitions. As a consequence, research and development costs increased organically by 7.3% in 9M 2020, while all other cost lines declined organically.

SimCorp's total operating costs (including depreciation and amortization) were EUR 78.1m in Q3 2020 compared with EUR 82.5m in Q3 2019, a decrease of 5.3% in reported currency. Currency fluctuations reduced the total operating costs by 1.0%. Measured in local currencies and adjusted for the impact of the acquisition of AIM Software of 1.8%, organic operating costs were reduced by 6.1%.

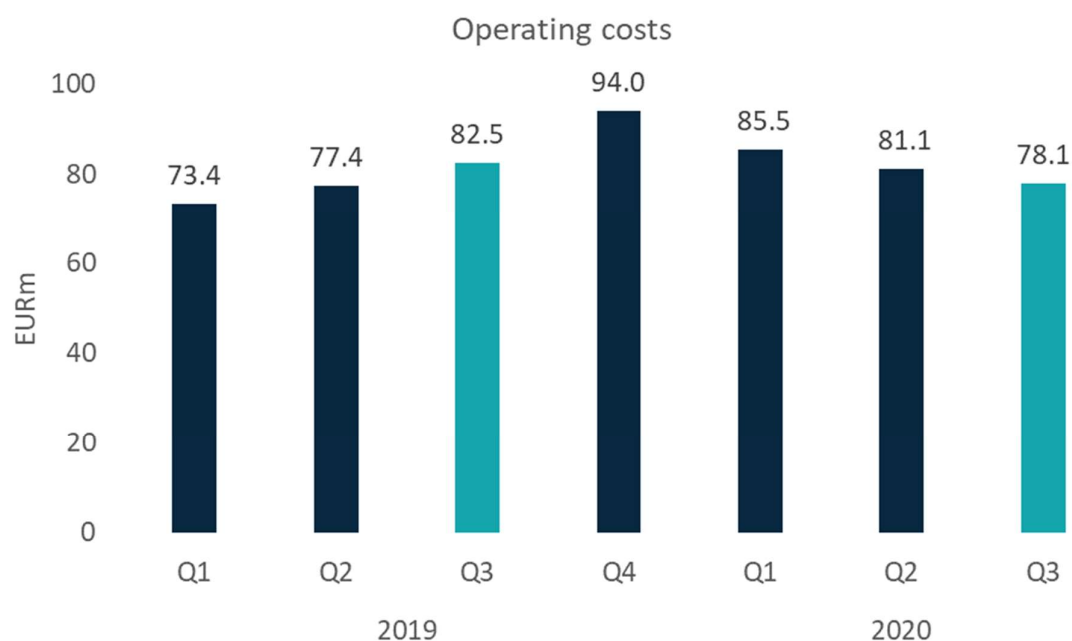
In 9M 2020, the total operating costs (including depreciation and amortization) were EUR 244.7m compared with EUR 233.2m in 9M 2019, an increase of 4.9% in reported currency. Currency fluctuations reduced the total operating costs by 0.2%. Measured in local currencies and adjusted for the impact of the acquisition of AIM Software of 4.0%, the organic operating costs increased by 1.1% compared with 9M 2019.

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In 9M 2020, 74% of SimCorp's total operating costs were directly related to employees, compared with 69% in 9M 2019.

The development and distribution of quarterly operating costs are shown in the tables below:



### Q3 operating costs

EURm	Costs Q3 2020	Share of costs Q3 2020	Share of revenue Q3 2020	Costs Q3 2019	Share of costs Q3 2019	Share of revenue Q3 2019	Growth	Growth local currency	Organic growth local currency
Cost of sales	39.1	50.1%	39.0%	40.8	49.4%	34.6%	-4.1%	-2.5%	-4.2%
Research and development costs	21.8	27.9%	21.8%	21.5	26.0%	18.3%	1.5%	1.4%	1.6%
Sales and marketing costs	11.6	14.8%	11.6%	13.1	15.9%	11.2%	-11.7%	-9.9%	-12.6%
Administrative expenses	5.6	7.2%	5.6%	7.1	8.7%	6.1%	-21.3%	-21.8%	-28.4%
<b>Total operating cost</b>	<b>78.1</b>	<b>100.0%</b>	<b>77.9%</b>	<b>82.5</b>	<b>100.0%</b>	<b>70.2%</b>	<b>-5.3%</b>	<b>-4.3%</b>	<b>-6.1%</b>

### 9M operating costs

EURm	Costs 9M 2020	Share of costs 9M 2020	Share of revenue 9M 2020	Costs 9M 2019	Share of costs 9M 2019	Share of revenue 9M 2019	Growth	Growth local currency	Organic growth local currency
Cost of sales	122.7	50.2%	39.6%	119.7	51.3%	36.6%	2.5%	2.8%	-0.6%
Research and development costs	66.5	27.2%	21.5%	59.9	25.7%	18.3%	10.9%	10.9%	7.3%
Sales and marketing costs	36.1	14.7%	11.6%	34.7	14.9%	10.6%	4.1%	4.5%	-2.1%
Administrative expenses	19.4	7.9%	6.3%	18.9	8.1%	5.8%	2.7%	2.5%	-1.6%
<b>Total operating cost</b>	<b>244.7</b>	<b>100.0%</b>	<b>79.0%</b>	<b>233.2</b>	<b>100.0%</b>	<b>71.4%</b>	<b>4.9%</b>	<b>5.1%</b>	<b>1.1%</b>

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### Employees

The average number of full-time employees increased by 10.3% from 1,670 in 9M 2019 to 1,842 in 9M 2020, of which 71 employees are related to the acquisition of AIM Software. The number of employees (headcount) was 1,906 at the end of 9M 2020 compared with 1,829 at the end of 9M 2019, an increase of 77 employees.

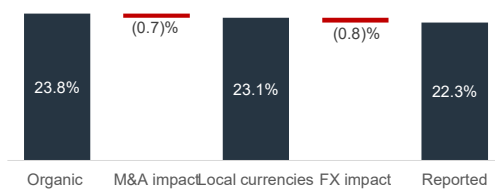
### Group performance

In Q3 2020, the Group posted EBIT of EUR 22.4m compared with EUR 35.2m in Q3 2019. The reported EBIT margin was 22.3% compared with 30.0% in Q3 2019. Currency rate fluctuations had a negative net impact on EBIT of EUR 1.2m or 0.8%-points in Q3 2020 and the acquisition of AIM Software had a negative impact on the EBIT margin of 0.7%-points. The underlying organic EBIT margin measured in local currency was 23.8%.

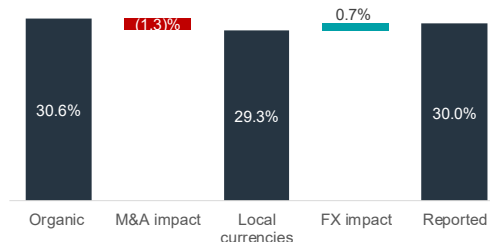
For 9M 2020, the Group generated an EBIT of EUR 65.9m compared with EUR 93.9m in 9M 2019, a difference of EUR 28.0m. However, the 9M 2020 EBIT margin is still the second highest 9M EBIT margin achieved in the last five years. The reported EBIT margin was 21.3% compared with the EBIT margin of 28.7% in 9M 2019. Exchange rate fluctuations had a negative net impact on EBIT of EUR 0.8m, or 0.1%-points. The acquisition of AIM Software had a negative impact on the EBIT margin of 1.2%-points. The underlying organic EBIT margin was 22.6%.

The currency and M&A impact on EBIT margin are shown below:

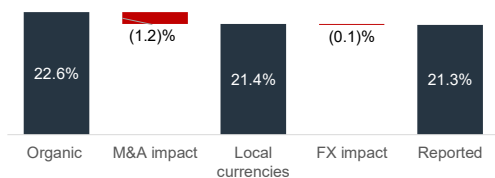
#### Q3 2020 EBIT margin



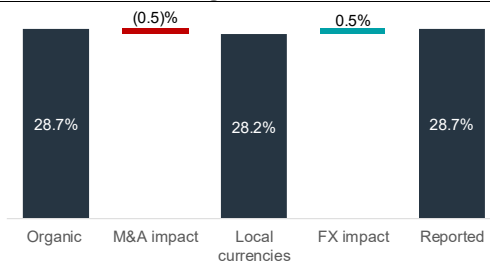
#### Q3 2019 EBIT margin



#### 9M 2020 EBIT margin



#### 9M 2019 EBIT margin



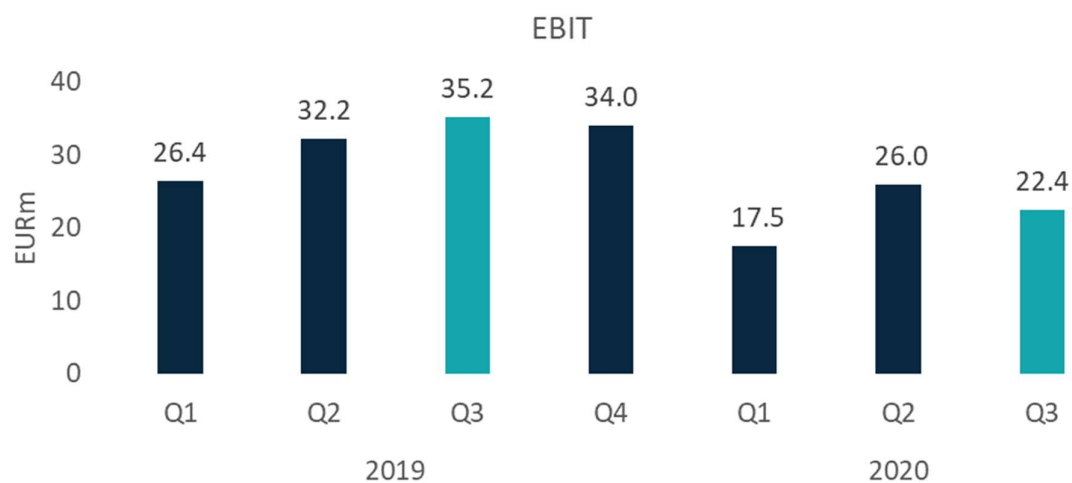
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## Company Announcement

SimCorp reports revenue of EUR 310m and EBIT margin of 21% for the first nine months of 2020

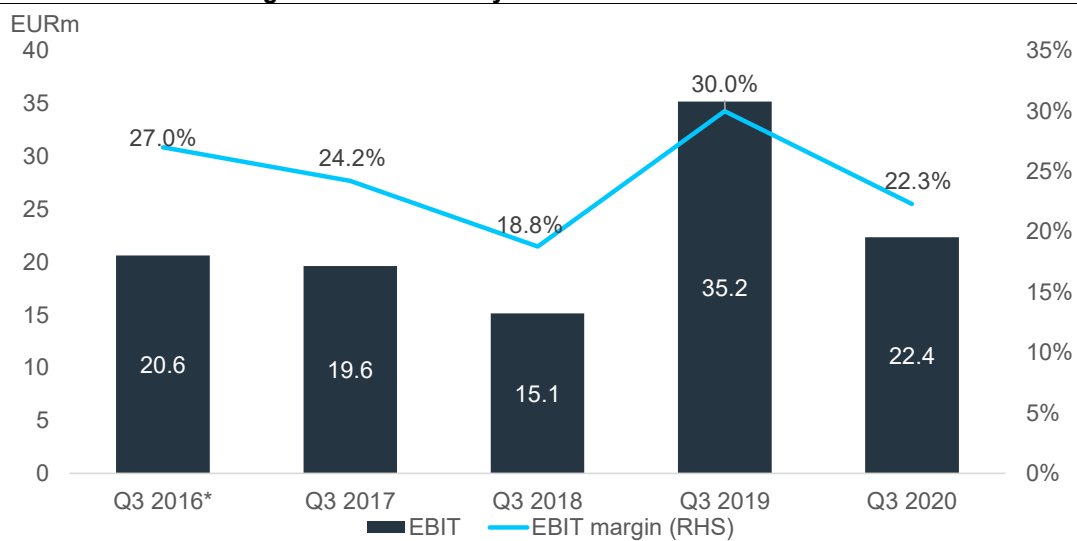
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The development in quarterly EBIT is shown below:



The development in Q3 and 9M EBIT and EBIT margin over the last five years are shown below:

### Q3 EBIT and EBIT margin for the last five years



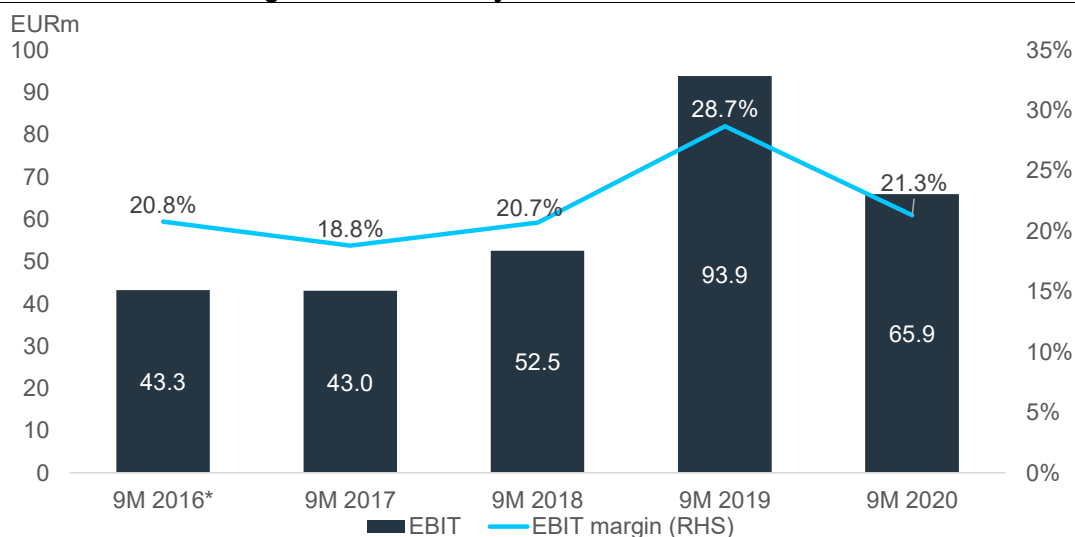
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## Company Announcement

SimCorp reports revenue of EUR 310m and EBIT margin of 21% for the first nine months of 2020

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### 9M EBIT and EBIT margin for the last five years



\* 2016 restated based on IFRS 15.

### Profit and comprehensive income

Financial items for Q3 2020 comprised a net expense of EUR 3.4m compared with a net income of EUR 2.4m in the same period last year. Financial income and expenses were primarily related to foreign exchange adjustments.

In Q3 2020, the Group realized a pre-tax profit of EUR 18.9m, against EUR 37.6m in Q3 2019, and a net profit of EUR 14.1m compared with EUR 29.3m in the same quarter last year.

Exchange rate adjustments on translation of foreign assets and liabilities amounted to a net expense of EUR 0.9m in Q3 2020, which is included in other comprehensive income. Total comprehensive income amounted to EUR 13.2m against EUR 30.5m in Q3 2019.

Financial items for 9M 2020 comprised a net expense of EUR 4.7m compared with a net income of EUR 1.9m in same period last year. The Group posted pre-tax profit of EUR 61.2m against pre-tax profit of EUR 95.7m in 9M 2019.

The estimated tax charge of EUR 15.5m is equivalent to a tax rate of 25.4% compared with the estimated tax of EUR 23.2m and a tax rate of 24.2% in 9M 2019. Thus, the Group's net profit for 9M 2020 amounted to EUR 45.7m against a profit of EUR 72.6m for the same period last year.

After exchange rate adjustments on translation of foreign assets and liabilities, a net expense of EUR 2.5m, the total comprehensive income amounted to EUR 43.2m against EUR 73.7m in 9M 2019.

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## Company Announcement

SimCorp reports revenue of EUR 310m and EBIT margin of 21% for the first nine months of 2020

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### Balance sheet

SimCorp's total assets were EUR 427.8m at September 30, 2020 compared with EUR 405.1m a year earlier, an increase of EUR 22.7m. The increase is primarily related to changes in contract assets of EUR 17.1m.

Cash holdings amounted to EUR 32.6m compared with EUR 26.9m a year earlier. The net cash position was also EUR 32.6m at the end of September 2020 compared with EUR 6.9m at the end of September 2019.

Receivables amounted to EUR 80.0m on September 30, 2020, representing an increase of EUR 3.7m compared with September 30, 2019, but EUR 1.8m lower than on December 31, 2019.

Compared with December 31, 2019 contract assets decreased by EUR 1.1m from EUR 151.8m to EUR 150.6m. New and additional subscription-based licenses added EUR 26.6m to contract assets, finance income recognized added EUR 1.7m, while invoiced subscription-based license fee reduced the balance by EUR 29.3m, and foreign exchange adjustments and expected loss provisions reduced the balance by EUR 0.2m.

The Group's total non-current assets were EUR 154.7m compared with EUR 163.5m on December 31, 2019 and EUR 159.6m on September 30, 2019.

Goodwill was EUR 61.3m on September 30, 2020 compared with EUR 61.2m on December 31, 2019 and EUR 60.7m at the end of September 2019. A final purchase price adjustment of EUR 0.4m to liabilities was made in relation to the acquisition of AIM Software, increasing the goodwill. No impairment to goodwill was made in 9M 2020.

The carrying amount of acquired software was EUR 11.9m compared with EUR 13.3m at the end of 2019 and the value of client relationships was EUR 23.4m compared with EUR 25.0m at the end of 2019. The decreases were due to amortization.

The carrying amount of leasehold assets was EUR 45.4m compared with EUR 51.6m at the end of 2019 and EUR 48.3m at the end September 2019. The decreases were due to amortization.

Other property, plant, and equipment amounted to EUR 2.9m, compared with EUR 2.6m at the end of 2019 and EUR 2.2m at the end September 2019.

Other financial assets of EUR 0.4m includes an investment in Alkymi.

Deferred tax assets was EUR 5.4m, which was at the same level as at the end of 2019.

### Investments

The fair values of the identifiable assets and liabilities at the date of acquisition in 2019 were provisionally estimated and disclosed in Q3 2019. The values were finalized after 12 months and adjusted following the identification of additional liabilities of EUR 0.4m. Comparative figures have not been restated.

The final purchase price allocation in relation to the acquisition of AIM Software is shown below:

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## Company Announcement

SimCorp reports revenue of EUR 310m and EBIT margin of 21% for the first nine months of 2020

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### FAIR VALUE AT ACQUISITION

EUR '000	Preliminary August 1, 2019	Adjustments	July 31, 2020
Intangible assets - client relationships	18,990		18,990
Intangible assets - software	9,392		9,392
Property, plant, and equipment	1,199		1,199
Receivables	3,954		3,954
Contract assets	2,598		2,598
Cash and cash equivalents	4,431		4,431
Deferred tax liability	-5,771		-5,771
Income tax payable	-109		-109
Prepayments from clients	-1,833		-1,833
Trade and other payables	-2,120	-405	-2,525
Lease liabilities	-856		-856
<b>Identifiable net assets</b>	<b>29,875</b>	<b>-405</b>	<b>29,480</b>

### GOODWILL

EUR '000	August 1, 2019		July 31, 2020
Consideration transferred	62,899		62,899
Fair value of identifiable net assets	-29,875	405	-29,475
<b>Goodwill</b>	<b>33,024</b>	<b>405</b>	<b>33,429</b>

## Cash flow

Q3 2020, free cash flow (cash flow from operations reduced by CAPEX and reduced by the principal element of lease payments) was EUR 17.7m compared with EUR 21.3m in Q3 2019, a decrease of 16.7%.

In 9M 2020, free cash flow was EUR 70.5m compared with EUR 66.0m in 9M 2019, an increase of 6.8%.

Operating activities generated in Q3 2020 a cash inflow of EUR 20.3m compared with EUR 23.8m in the same period last year.

In 9M 2020, operating activities generated a cash inflow of EUR 79.8m compared with EUR 74.5m in same period last year. Payment of income taxes amounted to EUR 8.5m, against EUR 10.5m in 9M 2019.

In Q3 2020, EUR 0.2m was spent on investing activities compared with EUR 58.4m in Q3 2019, and for 9M 2020, EUR 2.2m was spent on investing activities compared with EUR 59.7m in 9M 2019. The higher amount in 2019 was due to the acquisition of AIM Software.

Cash used in financing activities in Q3 2020 of EUR 27.8m related to the purchase of treasury shares of EUR 1.9m, repayment of lease liabilities of EUR 2.4m, and repayment of credit facilities of EUR 23.5m compared with purchase of treasury shares of EUR 3.3m, repayment of lease liabilities of EUR 2.6m and withdrawal of EUR 20.0m from credit facilities in the same period last year.

Cash used in financing activities in 9M 2020 of EUR 77.3m related to the payment of dividends of EUR 39.9m, purchase of treasury shares of EUR 10.0m, repayment of lease liabilities of EUR 7.4m, and net repayment of credit facilities of EUR 20.0m compared with payment of dividends of EUR 35.9m, purchase of treasury shares of EUR 12.5m, repayment of lease liabilities of EUR 7.3m, and withdrawal from credit facilities of EUR 20.0m in the same period last year.



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## Company Announcement

SimCorp reports revenue of EUR 310m and EBIT margin of 21% for the first nine months of 2020

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### Changes in equity

The company's equity amounted to EUR 233.6m on September 30, 2020. This was an increase of EUR 3.5m compared with December 31, 2019. Equity was reduced by the purchase of treasury shares of EUR 10.0m and by dividends of EUR 39.9m. Equity was increased by comprehensive income in 9M 2020 of EUR 43.2m as well as effects of share-based remuneration of EUR 10.2m, net of tax.

### Strategy update

In 2019, we presented our new strategy, outlining how we are entering a new phase in the evolution of SimCorp, through which we are transforming SimCorp to become a software-enabled service company. With our cloud transformation as the underlying key enabler, we defined the three strategic imperatives that are forming our overall strategic journey:

1. **Customer experience leadership:** We will take responsibility for solving clients' key business challenges and improving their competitiveness, not just provide them with tools and technology
2. **Everything as a service:** We will make it easy, flexible, and cost effective for clients to consume our technology solutions
3. **Ecosystem enabled innovation:** We will strengthen our capacity and ability to innovate by leveraging the innovation power and scale of a broad-based external ecosystem

During 2020, we have made solid progress on the execution of our three strategic imperatives, also gaining a deeper and broader understanding of the key steps we need to take on our journey towards becoming a software-enabled service company. We see early signs that our new client engagement model is generating more strategic dialogues with our key client stakeholders.

### Customer experience leadership

Being responsive to our clients' needs and delivering on our commitments have always been central to how we conduct our business. We believe that elevating and working systematically with customer experience has the potential to become a real competitive differentiator and source of significant value creation to SimCorp. Already, we have transformed our go-to-market and engagement model, supported by an organizational setup based on client lifecycle needs and with clear accountabilities for driving client success.

Complexity in our business is increasing, which places additional demand on our ability to scale profitably, and results in an ever growing need to industrialize our client engagement efforts. To cater for this development, we need to be more sophisticated and systematic in terms of how we use our resources to win new clients and expand and renew our business with existing ones.

### Everything as a service

The trend towards clients wanting to buy and consume everything as-a-service is continuing with growing momentum. By executing on our everything-as-a-service imperative, we want to make it easy, flexible, cost-effective and highly valuable for clients to consume our technology solutions. Moreover, we want to leverage our developing service capabilities to capture a significantly larger share of our clients' overall IT spend. Furthermore, we believe there are strong mutually reinforcing synergies to be gained by being able to combine deep application and technology knowledge with service delivery capabilities, both from a commercial and an operational efficiency perspective.

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## **Company Announcement**

SimCorp reports revenue of EUR 310m and EBIT margin of 21% for the first nine months of 2020

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We have now gained some experience with what it means to operate managed services whereby we take responsibility for delivering an operational output on a continuous basis. This is fundamentally different from the types of discrete or project-based services we are used to delivering in the traditional 'sell and implement' operating model, where the goal is to maximize billable hours, resource utilization, and bill rate. In future, we will have changed to become, at least partially, an operations company with a multi-delivery mode capability.

### **Ecosystem enabled innovation**

In the past year, we have seen several examples of how our industry is becoming gradually more ecosystem-driven. Companies are forming partnerships and alliances at an increasing pace and intensity, with the aim of amplifying their value propositions in ways they would not have been able to on their own.

Ultimately, we want to secure the long-term sustainability of our business. We believe this will require that we transform into a platform business offering buy side firms end-to-end digitalization of their investment life cycle needs. This implies building out an ecosystem of connected partners with complementary capabilities who leverage the SimCorp platform as a key gateway to the market.

We plan to accelerate the development of commercial partnerships with third-party solution providers, as partnerships in general constitute an underutilized lever to innovate and scale our business. The creation of a rich partner ecosystem will add to SimCorp's net capacity to deliver innovation to its clients, thereby increasing stickiness and growing our share of clients' wallets.

In addition, we will continue to build alliances with various capital markets infrastructure providers, such as custodians, to strengthen our platform value proposition and access market segments we do not want to or are not able to reach as effectively directly.

### **Must-win battles**

Our must-win battles have evolved to the following five strategic focus areas:

- Cloud offer
- Front office
- Alternative investments
- Coric Engage
- Datacare

### **Board and Committee matters**

The Board has approved that the scope of SimCorp's Audit Committee has been extended to also cover matters related to the categories of principal risk to which SimCorp may be exposed. Consequently, the Audit Committee has been renamed Audit and Risk Committee and its Terms of Reference have been updated accordingly and can be found on the company website.

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## Company Announcement

SimCorp reports revenue of EUR 310m and EBIT margin of 21% for the first nine months of 2020

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### Outlook for the financial year 2020\*

SimCorp generated a financial result during the first nine months of 2020 in line with SimCorp's expectations as per Q2 2020 guidance. The 9M 2020 intake of orders was EUR 58.5m compared with EUR 61.3m 9M 2019. SimCorp's intake of license contract orders and revenue recognition varies considerably from one period to the next.

SimCorp enters Q4 2020 with signed revenue of EUR 399m of the projected revenue for 2020, which is at same level as at the same time in 2019. So far in Q4, two new SimCorp Dimension contracts and one new SimCorp Coric contract have been signed.

SimCorp continues to experience a satisfactory, geographically diversified demand for its products and services, but the future outlook remains more uncertain than normal, as it is still difficult to predict the length and impact of lock-downs and restrictions following Covid-19, and how this might impact client behavior.

SimCorp maintains its expectations for revenue growth and EBIT margin measured in local currencies for 2020 as announced in its Q2 2020 interim report and company announcement dated October 12, 2020.

Revenue growth measured in local currencies is expected to be between -5% and 5%, and the expectation for EBIT margin measured in local currencies is between 22.0% and 27.0%.

Approximately 1.5%-points (previously 2%-point) of the expected revenue growth above is related to the acquisition of AIM Software, and the acquisition is expected to impact the EBIT margin negatively by approximately 1%-point, implying an expected organic revenue growth of between -6.5% and 3.5% (previously between -7% and 3%) and an EBIT margin of between 23.0% to 28.0%.

Based on the exchange rates prevailing at October 31, 2020, SimCorp estimates reported revenue to be negatively impacted from currency fluctuations by around 1.0%. The impact from currency fluctuations on reported EBIT margin is expected to be negative by around 0.2%-points. In the previous reporting (Q2 2020), the currency impact on reported revenue was expected to be negative by around 1.3%, and EBIT margin was expected to be negative by around 0.4% points.

\* This announcement contains certain forward-looking statements and expectations in respect of the 2020 financial year. Such forward-looking statements are not guarantees of future performance, and involve risk and uncertainty, and actual performance may deviate materially from that expressed in such forward-looking statements due to a variety of factors. Readers are warned not to rely unduly on such forward-looking statements, which apply only as at the date of this announcement. The Group's revenue is expected to continue to be impacted by relatively few but large system orders, and such orders are expected to be won at relatively irregular intervals. The terms agreed in the individual license agreements will determine the impact on the order book and on license income for any specific financial reporting period. Accordingly, license revenue is likely to vary considerably from one quarter to the next. Unless required by law or corresponding obligations SimCorp A/S is under no duty and undertakes no obligation to update or revise any forward-looking statement after the distribution of this document, whether as a result of new information, future events or otherwise.

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**Company Announcement**

SimCorp reports revenue of EUR 310m and EBIT margin of 21% for the first nine months of 2020

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**Other information****Significant risk and uncertainty factors**

SimCorp operates in a dynamic and complex business environment where performance relies heavily on the ongoing achievement of a number of success criteria. Pages 26-28 of SimCorp's Annual Report 2019 describe the most important general risk factors and the risk management measures utilized in everyday operations. Management believes that the description of these potential risks still pertains to the current situation.

In addition to the above, it has become evident that the Covid-19 pandemic, which has locked down most countries, like terror and war, poses a significant risk and uncertainty factor for SimCorp that has strategic, operational, as well as financial implications. Securing SimCorp employees' health and safety and ensuring that all processes related to SimCorp's products, sales, and services are operating as close as possible to normal during this period is a key priority for SimCorp. Due to the uncertainty of the situation, there is a risk that client decisions relating to sales processes will be postponed or delayed, and that implementation projects at our clients will be delayed or prolonged. Structured sales reviews, the ability to do remote demonstrations and implementations, as well as our standard platform initiative are in place to mitigate the risk of discontinuity in the daily operation of the business.

**Shareholder information****Restricted stock units**

In Q3 2020, 812 restricted stock units were granted to two employees related to sign-on incentives. The restricted stock units will vest after three years subject to continued employment.

In Q3 2020, 1,433 restricted stock units vested and were transferred to two employees.

359,454 restricted stock units are outstanding on September 30, 2020. The restricted stock units will be transferred in whole or in part between 2020 and 2024 to program participants still employed when the restricted stock units vest, some subject to performance conditions.

As part of the executive service agreement entered into with Michael Rosenvold, CFO, restricted stock units with a total market value of DKK 5m were granted the CFO on the condition that he made an investment in SimCorp shares with a total market value of DKK 2.5m and that the restricted stock units would vest 60% after three years' service, 20% after four years' service and the remaining 20% after 5 years' service. The allotment of the 60% restricted stock units equal to 7,173 shares was made with an original vesting date of 1 October 2020. The Board of Directors has decided to defer the vesting date to 12 November 2020, to enable Michael Rosenvold to sell shares after the release of the 9M 2020 financial results to cover his personal income tax liability.

352,281 restricted stock units are outstanding after the transfer on November 12, 2020.

**Holding of treasury shares**

The Company purchased 19,672 treasury shares in Q3 2020 at an average price of DKK 724.68 per share, totaling EUR 1.9m. In total, the Company purchased 112,654 treasury shares in 9M 2020 at

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**Company Announcement**

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an average price of DKK 660.78 per share, totaling EUR 10.0m. In comparison, the Company purchased 150,980 treasury shares at an average price of DKK 617.86 per share, totaling EUR 12.5m, in 9M 2019.

The EUR 10.0m share buyback “Safe Harbour” program was completed on July 31, 2020.

On September 30, 2020, the Company’s holding of treasury shares amounted to 856,710 treasury shares, equal to 2.1% of the Company’s issued share capital.

The Company maintains its position as communicated earlier and does not plan to initiate a new “Safe Harbour” program in 2020 due to the continued uncertainty caused by Covid-19.

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## Company Announcement

SimCorp reports revenue of EUR 310m and EBIT margin of 21% for the first nine months of 2020

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### Signatures

The Board of Directors and the Executive Management Board have today considered and adopted the interim report for the period January 1 - September 30, 2020.

The interim report, which is unaudited and has not been reviewed by the Company's auditors is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and Danish disclosure requirements for interim reports for listed companies.

In our opinion, the interim financial statements give a true and fair view of the Group's assets, liabilities and financial position as of September 30, 2020 and of the profit of the Group's operations and cash flow for the period January 1 - September 30, 2020.

Besides what has been disclosed in the interim report, there are no significant changes to the Group's risks and uncertainties, as disclosed in the Annual Report 2019.

Furthermore, in our opinion the management's report gives a true and fair view of developments in the activities and financial position of the Group, the results for the period and of the Group's financial position in general, and outlines the significant risk and uncertainty factors that may affect the Group.

Copenhagen, November 12, 2020

Executive Management Board:

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Klaus Holse  
Chief Executive Officer

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Michael Rosenvold  
Chief Financial Officer

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Georg Hetrodt  
Chief Product Officer

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Christian Kromann  
Chief Operating Officer

Board of Directors:

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Peter Schütze  
Chairman

---

Morten Hübbe  
Vice Chairman

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Hervé Couturier

---

Simon Jeffreys

---

Adam Warby

---

Joan A. Binstock

---

Else Braathen

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Vera Bergforth

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Hugues Chabanis

## Company Announcement

SimCorp reports revenue of EUR 310m and EBIT margin of 21% for the first nine months of 2020

## Consolidated income statement

EUR '000	2020 Q3	2019 Q3	2020 9M	2019 9M	2019 FY
Revenue	100,150	117,424	309,801	326,692	454,531
Cost of sales	39,079	40,756	122,726	119,719	167,141
<b>Gross profit</b>	61,071	76,668	187,075	206,973	287,390
Other operating income	278	219	821	422	533
Research and development costs	21,790	21,460	66,506	59,946	82,938
Sales and marketing costs	11,579	13,107	36,076	34,662	49,105
Administrative expenses	5,614	7,141	19,426	18,918	28,056
<b>Operating profit (EBIT)</b>	22,366	35,179	65,888	93,869	127,824
Share of profit after tax in associates	-13	-5	21	43	125
Financial income/expenses, net	-3,422	2,427	-4,703	1,818	-148
<b>Profit before tax</b>	18,931	37,601	61,206	95,730	127,801
Tax on the profit for the period	4,841	8,341	15,527	23,165	30,900
<b>Profit for the period</b>	14,090	29,260	45,679	72,565	96,901
<b>EARNINGS PER SHARE</b>					
Earnings per share - EPS (EUR)	0.35	0.74	1.15	1.83	2.44
Diluted earnings per share - EPS-D (EUR)	0.35	0.73	1.14	1.80	2.42

## Statement of comprehensive income

EUR '000	2020 Q3	2019 Q3	2020 9M	2019 9M	2019 FY
<b>Profit for the period</b>	14,090	29,260	45,679	72,565	96,901
<b>Other comprehensive income</b>					
Items that will not be reclassified subsequently to the income statement:					
Remeasurements of defined benefit plans	-	-	-	-	-1,473
Tax, remeasurement of defined benefit plans	-	-	-	-	323
Items that may be reclassified subsequently to the income statement, when specific conditions are met:					
Foreign currency translation differences for foreign operations	-907	1,232	-2,462	1,177	1,426
<b>Other comprehensive income after tax</b>	-907	1,232	-2,462	1,177	276
<b>Total comprehensive income</b>	13,183	30,492	43,217	73,742	97,177

## Company Announcement

SimCorp reports revenue of EUR 310m and EBIT margin of 21% for the first nine months of 2020

## Consolidated balance sheet

EUR '000	Sept. 30 2020	Sept. 30 2019	Dec. 31 2019
<b>ASSETS</b>			
Goodwill	61,326	60,718	61,178
Software	11,901	13,754	13,348
Client relationships	23,369	25,458	25,031
<b>Total intangible assets</b>	<b>96,596</b>	<b>99,930</b>	<b>99,557</b>
Leasehold	45,362	48,333	51,589
Technical equipment	1,185	1,731	1,506
Other equipment, fixtures, fittings and prepayments	2,886	2,167	2,555
<b>Total property, plant, and equipment</b>	<b>49,433</b>	<b>52,231</b>	<b>55,650</b>
Investments in associates	796	699	808
Deposits	2,031	2,084	2,095
Deferred tax	5,393	4,645	5,357
Other financial assets	404	-	-
<b>Total other non-current assets</b>	<b>8,624</b>	<b>7,428</b>	<b>8,260</b>
<b>Total non-current assets</b>	<b>154,653</b>	<b>159,589</b>	<b>163,467</b>
Receivables	79,974	76,246	81,804
Contract assets	150,638	133,498	151,774
Income tax receivables	1,106	1,330	2,341
Prepayments	8,819	7,499	6,675
Cash and cash equivalents	32,617	26,903	31,851
<b>Total current assets</b>	<b>273,154</b>	<b>245,476</b>	<b>274,445</b>
<b>Total assets</b>	<b>427,807</b>	<b>405,065</b>	<b>437,912</b>
<b>LIABILITIES AND EQUITY</b>			
Share capital	5,441	5,441	5,441
Exchange adjustment reserve	-4,445	-2,232	-1,983
Retained earnings	232,568	200,538	186,643
Proposed dividend	-	-	39,919
<b>Total equity</b>	<b>233,564</b>	<b>203,747</b>	<b>230,020</b>
Lease liabilities	36,507	38,422	41,585
Deferred tax	25,716	26,258	25,931
Provisions	18,121	9,722	12,796
<b>Total non-current liabilities</b>	<b>80,344</b>	<b>74,402</b>	<b>80,312</b>
Revolving credit facility	-	20,000	20,000
Lease liabilities	9,136	9,303	10,063
Prepayments from clients	34,757	30,256	24,678
Trade payables	16,108	18,608	18,503
Other payables	44,089	39,686	48,922
Income tax payables	9,371	8,724	4,389
Provisions	438	339	1,025
<b>Total current liabilities</b>	<b>113,899</b>	<b>126,916</b>	<b>127,580</b>
<b>Total liabilities</b>	<b>194,243</b>	<b>201,318</b>	<b>207,892</b>
<b>Total liabilities and equity</b>	<b>427,807</b>	<b>405,065</b>	<b>437,912</b>



## Company Announcement

SimCorp reports revenue of EUR 310m and EBIT margin of 21% for the first nine months of 2020

## Consolidated cash flow statement

EUR '000	2020 Q3	2019 Q3	2020 9M	2019 9M	2019 FY
Profit for the period	14,090	29,260	45,679	72,565	96,901
Depreciation	3,946	3,807	12,074	10,388	14,752
Financial income/expenses, net	3,422	-2,427	4,703	-1,818	148
Tax on the profit for the period	4,841	8,341	15,527	23,165	30,900
Share of profit after tax in associates	13	5	-21	-43	-125
Other non-cash items	-5,046	5,767	-6,664	3,926	598
Adjustment share based remuneration	2,006	1,923	9,170	8,134	10,243
Change in provisions	965	2,291	4,738	1,077	4,837
Changes in contract assets	-1,726	-21,016	1,136	-45,018	-63,492
Changes in working capital	-1,143	-1,978	2,132	12,787	11,496
Financial income received	88	8	100	125	135
Financial expenses paid	-134	-124	-324	-286	-342
Income tax paid	-1,047	-2,031	-8,459	-10,513	-23,546
<b>Net cash from operating activities</b>	<b>20,275</b>	<b>23,826</b>	<b>79,791</b>	<b>74,489</b>	<b>82,505</b>
Purchase of subsidiaries, net of cash acquired	-	-58,468	-	-58,468	-58,468
Purchase of property, plant, and equipment, net	-216	139	-1,916	-1,226	-1,722
Sale and purchase of financial assets, net	28	-117	-362	-72	-105
Dividends from associates	-	-	79	81	81
<b>Net cash used in investing activities</b>	<b>-188</b>	<b>-58,446</b>	<b>-2,199</b>	<b>-59,685</b>	<b>-60,214</b>
Dividends paid	-	-	-39,919	-35,898	-35,881
Purchase of treasury shares	-1,921	-3,267	-9,997	-12,494	-12,488
Repayment of lease liability	-2,368	-2,595	-7,365	-7,262	-9,880
Proceeds, credit facilities / loans	-23,482	20,000	-20,000	20,000	20,000
<b>Net cash used in financing activities</b>	<b>-27,771</b>	<b>14,138</b>	<b>-77,281</b>	<b>-35,654</b>	<b>-38,249</b>
<b>Change in cash and cash equivalents</b>	<b>-7,684</b>	<b>-20,482</b>	<b>311</b>	<b>-20,850</b>	<b>-15,958</b>
Cash and cash equivalents at beginning of period	39,596	47,551	31,851	47,500	47,500
Foreign exchange adjustment of cash and cash equivalents	705	-166	455	253	309
<b>Cash and cash equivalents end of period</b>	<b>32,617</b>	<b>26,903</b>	<b>32,617</b>	<b>26,903</b>	<b>31,851</b>

## Company Announcement

SimCorp reports revenue of EUR 310m and EBIT margin of 21% for the first nine months of 2020

## Statement of changes in equity

EUR '000	Share capital	Share premium	Exchange adjustment reserve	Retained earnings	Dividends for the year	Total
<b>2020</b>						
Equity at January 1	5,441	-	-1,983	186,643	39,919	230,020
Net profit for the period	-	-	-	45,679	-	45,679
Total other comprehensive income	-	-	-2,462	-	-	-2,462
<b>Total comprehensive income for the period</b>	-	-	-2,462	45,679	-	43,217
<b>Transactions with owners</b>						
Dividends paid to shareholders	-	-	-	40	-39,919	-39,879
Share-based payment	-	-	-	9,170	-	9,170
Tax, share-based payment	-	-	-	1,033	-	1,033
Purchase of treasury shares	-	-	-	-9,997	-	-9,997
<b>Equity at September 30</b>	<b>5,441</b>	<b>-</b>	<b>-4,445</b>	<b>232,568</b>	<b>-</b>	<b>233,564</b>
<b>2019</b>						
Equity at January 1	5,441	9,963	-3,409	121,130	35,934	169,059
Reclassification	-	-9,963	-	9,963	-	-
<b>Adjusted balance at January 1</b>	<b>5,441</b>	<b>-</b>	<b>-3,409</b>	<b>131,093</b>	<b>35,934</b>	<b>169,059</b>
Net profit for the period	-	-	-	72,565	-	72,565
Total other comprehensive income	-	-	1,177	-	-	1,177
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>1,177</b>	<b>72,565</b>	<b>-</b>	<b>73,742</b>
<b>Transactions with owners</b>						
Dividends paid to shareholders	-	-	-	36	-35,934	-35,898
Share-based payment	-	-	-	8,211	-	8,211
Tax, share-based payment	-	-	-	1,127	-	1,127
Purchase of treasury shares	-	-	-	-12,494	-	-12,494
<b>Equity at September 30</b>	<b>5,441</b>	<b>-</b>	<b>-2,232</b>	<b>200,538</b>	<b>-</b>	<b>203,747</b>
Net profit for the period	-	-	-	24,336	-	24,336
Total other comprehensive income	-	-	249	-1,150	-	-901
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>249</b>	<b>23,186</b>	<b>-</b>	<b>23,435</b>
<b>Transactions with owners</b>						
Dividends paid to shareholders	-	-	-	17	-	17
Share-based payment	-	-	-	2,032	-	2,032
Tax, share-based payment	-	-	-	783	-	783
Purchase of treasury shares	-	-	-	6	-	6
Proposed dividends to shareholders	-	-	-	-39,919	39,919	-
<b>Equity at December 31</b>	<b>5,441</b>	<b>0</b>	<b>-1,983</b>	<b>186,643</b>	<b>39,919</b>	<b>230,020</b>

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**Company Announcement**

SimCorp reports revenue of EUR 310m and EBIT margin of 21% for the first nine months of 2020

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## **Notes to the financial statements**

### **Accounting policies**

The interim report is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and Danish disclosure requirements for interim reports of listed companies.

The accounting policies applied are consistent with those of the Annual Report 2019 except for the changes described below. See the Annual Report 2019 for a comprehensive description of the accounting policies applied.

### **Change in accounting policies**

Effective 1 January 2020, a number of new accounting standards and interpretations have been implemented which do not have any monetary effect on the SimCorp Group's result, assets, liabilities or equity.

### **Judgments and estimates**

The preparation of interim reports requires management to make accounting judgments and estimates that affect the use of accounting policies and recognized assets, liabilities, income and expenses. Actual results may differ from these estimates.

The most significant estimates made by management when using the Group's accounting policies and the most significant judgment uncertainties attached hereto are the same for the preparation of the interim report as for the preparation of the Annual Report 2019.

### **Segment information**

In 2020, the business activities and internal reporting for SimCorp Coric and SimCorp Gain have been incorporated within the Geographical Sales organization and are therefore no longer reported separately. Furthermore, the Market Units UK, Northern Europe and Middle East, Central Europe and Southern Europe have been merged to EMEA. The comparative information has been restated accordingly. Furthermore, amortization and allocations of assets resulting from purchase price allocation has been included under unallocated as these items are not part of internal reporting for the market units.

## Company Announcement

SimCorp reports revenue of EUR 310m and EBIT margin of 21% for the first nine months of 2020

2020 EUR'000	EMEA	Asia and Australia	North America	SimCorp Sofia	Research and de- velop- ment	Corporate functions	Elimina- tion/ Not allocated	Group
<b>July 1 - September 30, 2020</b>								
External revenue	60,952	8,327	27,393	3,150	328	-	-	100,150
Revenue between segments	6,219	652	1,046	230	38,914	16,475	-63,536	-
<b>Total segment revenue</b>	<b>67,171</b>	<b>8,979</b>	<b>28,439</b>	<b>3,380</b>	<b>39,242</b>	<b>16,475</b>	<b>-63,536</b>	<b>100,150</b>
EBITDA	4,755	855	1,888	662	18,429	-1,335	1,058	26,312
Depreciation and amortization	231	163	322	410	180	1,582	1,058	3,946
<b>Segment operating profit (EBIT)</b>	<b>4,524</b>	<b>692</b>	<b>1,566</b>	<b>252</b>	<b>18,249</b>	<b>-2,917</b>	<b>-</b>	<b>22,366</b>
Financial items, net								-3,435
<b>Profit for the period before tax</b>								<b>18,931</b>
<b>January 1 - September 30, 2020</b>								
External revenue	203,428	21,781	68,552	14,941	1,099	-	-	309,801
Revenue between segments	18,405	1,494	3,148	853	117,242	37,010	-178,152	-
<b>Total segment revenue</b>	<b>221,833</b>	<b>23,275</b>	<b>71,700</b>	<b>15,794</b>	<b>118,341</b>	<b>37,010</b>	<b>-178,152</b>	<b>309,801</b>
EBITDA	19,609	2,176	4,690	6,949	51,892	-9,137	1,783	77,962
Depreciation and amortization	2,247	516	1,003	1,229	544	4,752	1,783	12,074
<b>Segment operating profit (EBIT)</b>	<b>17,362</b>	<b>1,660</b>	<b>3,687</b>	<b>5,720</b>	<b>51,348</b>	<b>-13,889</b>	<b>-</b>	<b>65,888</b>
Financial items, net								-4,682
<b>Profit for the period before tax</b>								<b>61,206</b>
<b>Total assets</b>	<b>140,726</b>	<b>43,589</b>	<b>89,356</b>	<b>45,268</b>	<b>16,275</b>	<b>17,937</b>	<b>74,656</b>	<b>427,807</b>
<b>2019</b>								
<b>EUR'000</b>								
<b>July 1 - September 30, 2019</b>								
External revenue	66,932	23,141	22,443	4,552	356	-	-	117,424
Revenue between segments	8,746	406	1,158	186	46,890	15,069	-72,454	-
<b>Total segment revenue</b>	<b>75,678</b>	<b>23,547</b>	<b>23,601</b>	<b>4,738</b>	<b>47,246</b>	<b>15,069</b>	<b>-72,454</b>	<b>117,424</b>
EBITDA	7,239	2,327	1,537	2,008	25,862	-453	466	38,986
Depreciation and amortization	765	169	355	404	197	1,451	466	3,807
<b>Segment operating profit (EBIT)</b>	<b>6,474</b>	<b>2,158</b>	<b>1,182</b>	<b>1,604</b>	<b>25,665</b>	<b>-1,904</b>	<b>-</b>	<b>35,179</b>
Financial items, net								2,422
<b>Profit for the period before tax</b>								<b>37,601</b>
<b>January 1 - September 30, 2019</b>								
External revenue	200,004	44,676	65,889	15,248	875	-	-	326,692
Revenue between segments	25,799	560	3,107	619	129,206	28,862	-188,152	-
<b>Total segment revenue</b>	<b>225,803</b>	<b>45,236</b>	<b>68,996</b>	<b>15,867</b>	<b>130,081</b>	<b>28,862</b>	<b>-188,152</b>	<b>326,692</b>
EBITDA	22,708	3,228	5,738	6,935	67,203	-2,240	685	104,257
Depreciation and amortization	2,444	396	1,061	1,212	541	4,049	685	10,388
<b>Segment operating profit (EBIT)</b>	<b>20,264</b>	<b>2,832</b>	<b>4,677</b>	<b>5,723</b>	<b>66,662</b>	<b>-6,289</b>	<b>-</b>	<b>93,869</b>
Financial items, net								1,861
<b>Profit for the period before tax</b>								<b>95,730</b>
<b>Total assets</b>	<b>133,743</b>	<b>45,594</b>	<b>78,758</b>	<b>48,969</b>	<b>17,031</b>	<b>16,605</b>	<b>64,365</b>	<b>405,065</b>

Revenue disclosures are based on SimCorp's market units and development activities while asset allocation is based on the physical location of the assets. Unallocated assets relate to non-current headquarter assets, cash, taxes and investments in associates.

### Contingent liabilities

No material changes have occurred to the contingent liabilities referred to in the Annual Report 2019.

### Events after September 30, 2020

No significant events have occurred after the balance sheet date other than described separately in this interim report.