

# Company Announcement

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## SimCorp reports revenue of EUR 456m and EBIT margin of 27.3% for 2020

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### Q4 2020 highlights:

- In Q4 2020, five new SimCorp Dimension and two 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.
- In Q4 2020, SimCorp signed a large multi-year strategic agreement with State Street Bank International GmbH.
- Order intake was EUR 56.6m, an increase of EUR 21.5m compared with Q4 2019.
- Reported revenue was EUR 146.2m, an increase of 14.3% compared with Q4 2019, primarily due to strong additional license sales.
- EBIT was EUR 58.4m and EBIT margin was 40.0% compared with EBIT of EUR 34.0m and EBIT margin of 26.6% in Q4 2019.
- Free cash flow was EUR 21.3m, an increase of EUR 16.4m compared with Q4 2019.

### FY 2020 highlights:

- In 2020, 12 new SimCorp Dimension and five new stand-alone SimCorp Coric license deals were signed, of which
  - 13 deals were included in order intake and revenue
  - For two deals, both order intake and revenue are being recognized over the contract period
  - For two deals, both order intake and revenue recognition have been deferred.
- Order intake was EUR 115.1m, an increase of EUR 15.4m or 15.5% compared with 2019.
- At December 31, 2020, the order book amounted to EUR 56.1m, an increase of EUR 17.9m compared with the order book at the same date last year.
- Reported revenue was EUR 456.0m, an increase of 0.3% compared with 2019.
- EBIT was EUR 124.3m compared with EUR 127.8m in 2019.
- EBIT margin was 27.3% compared with 28.1% in 2019.

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- Measured in local currencies, SimCorp achieved revenue growth for 2020 of 1.4% and an EBIT margin of 27.6%, which for revenue growth was in the middle of the guidance range of between minus 2% and plus 4% and for EBIT margin was at the upper end of the range of between 25.0% and 28.0%, both measured in local currencies.
- Net profit was EUR 88.3m compared with EUR 96.9m in 2019.
- Free cash flow was EUR 91.8m, an increase of 29.5% compared with EUR 70.9m in 2019, and cash conversion was 104%.
- The net cash position was EUR 53.1m compared with EUR 11.9m at year-end 2019.
- Total assets were EUR 470.8m at December 31, 2020 compared with EUR 437.9m at year-end 2019.
- SimCorp entered 2021 with EUR 289.2m of the full year's revenue signed, an improvement of EUR 10.4m or 4% compared with last year, due to a stronger inflow of professional services agreements.
- The Board of Directors intends to recommend to shareholders at the Annual General Meeting 2021 that dividends of EUR 40.1m be declared at the rate of DKK 7.50 per share compared with DKK 7.50 last year, equivalent to 45% (2019: 41%) of profit for the year and 44% (2019: 56%) of free cash flow in 2020.
- In addition, provided there are no specific requirements for liquidity, SimCorp expects to initiate a new share buyback program in 2021. The intention is to purchase shares for EUR 40m over the next 12 months in two half yearly buy-back programs of EUR 20m each.

### Subsequent events:

- At the AGM 2021, the Board of Directors will propose Susan Standiford as new member of the Board of Directors.

### Financial guidance 2021:

- For 2021, SimCorp expects revenue to grow between 6% and 11% and EBIT margin to be between 24.5% and 27.5%, measured in local currencies.

**Klaus Hulse, SimCorp CEO comments:** *“SimCorp delivered a solid performance in 2020 despite challenges caused by the COVID-19 pandemic with 17 new client wins, revenue of EUR 456.0m, EBIT of EUR 124.3m, and free cash flow of EUR 91.8m. Our performance was underpinned by the strength of our client base, significant new wins, as well as a resilient and committed group of employees who responded seamlessly in a challenging year. We believe that our strategy continues to position the company, its employees and our clients for a successful and prosperous future.”*

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### **Investor presentation**

SimCorp's Executive Management Board will present the report at a conference call on Wednesday February 10, 2021 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:	7188469

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/pdxhfns3>

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>.

The Annual Report 2020 is available via this link

<https://www.simcorp.com/annual-report-2020>

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

Investor contacts:

Klaus Holve, Chief Executive Officer, SimCorp A/S (+45 3544 8800, +45 2326 0000)

Michael Rosenvold, Chief Financial Officer, SimCorp A/S (+45 3544 8800, +45 5235 0000)

Anders Hjort, Head of Investor Relations, SimCorp A/S (+45 3544 8800, +45 2892 8881)

Media contact:

Mette Trier, Communications Principal, SimCorp A/S (+45 4060 8296)

Mittal Shah, PR Manager – SimCorp UK, North America, Asia Pacific (+44 (0)207 397 8072)

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## Financial highlights and key ratios for the SimCorp Group

EUR '000	2020 Q4	2019 Q4	2020 FY	2019 FY
<b>INCOME STATEMENT</b>				
Revenue	146,169	127,839	455,970	454,531
Earnings before interest, tax, depreciation, and amortization (EBITDA)	62,428	38,319	140,390	142,576
Operating profit (EBIT)	58,408	33,955	124,296	127,824
Financial items, net	-3,518	-1,884	-8,200	-23
Profit before tax	54,890	32,071	116,096	127,801
Profit for the period	42,579	24,336	88,258	96,901
<b>STATEMENT OF FINANCIAL POSITION</b>				
Share capital	5,441	5,441	5,441	5,441
Total equity	278,250	230,020	278,250	230,020
Revolving credit facility	-	20,000	-	20,000
Intangible assets	95,725	99,557	95,725	99,557
Property, plant, and equipment	47,650	55,650	47,650	55,650
Receivables	82,513	81,804	82,513	81,804
Contract assets	175,928	151,774	175,928	151,774
Cash and cash equivalents	53,051	31,851	53,051	31,851
Total assets	470,842	437,912	470,842	437,912
<b>CASH FLOW</b>				
Net cash from operating activities	24,774	8,016	104,565	82,505
Net cash used in investing activities	-482	-529	-2,681	-60,214
Net cash used in financing activities	-2,961	-2,595	-80,242	-38,249
Free cash flow	21,299	4,903	91,809	70,903
Investment in property, plant, and equipment	483	496	2,399	1,722
Change in cash and cash equivalents	21,331	4,893	21,642	-15,958
<b>EMPLOYEES</b>				
Number of employees at the end of the period	1,901	1,871	1,901	1,871
Average number of employees - FTE	1,837	1,801	1,840	1,703
<b>FINANCIAL RATIOS</b>				
EBIT margin (%)	40.0	26.6	27.3	28.1
ROIC (return on invested capital) (%)	86.6	52.9	46.6	58.7
Receivables turnover ratio	11.2	10.5	8.7	9.3
Equity ratio (%)	59.1	52.5	59.1	52.5
Return on equity (%)	66.6	44.9	33.4	46.5
<b>SHARE PERFORMANCE</b>				
Earnings per share - EPS (EUR)	1.07	0.61	2.22	2.44
Diluted earnings per share - EPS-D (EUR)	1.07	0.61	2.20	2.42
Cash flow per share - CFPS (EUR)	0.62	0.20	2.64	2.08
<b>MARKET VALUE RATIOS</b>				
Average number of shares (m)	39.6	39.6	39.7	39.7
Average number of shares - diluted (m)	40.0	40.0	40.0	40.1
EUR/DKK rate of exchange at end of period	7.4393	7.4697	7.4393	7.4697

Please refer to the definition of ratios on page 51 of the Annual Report 2020.

This interim report is unaudited and has not been reviewed by external auditors, for audited financial statements please refer to the comprehensive Annual Report 2020.

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## Management's report

### Development in sales and orders

Five new SimCorp Dimension contracts were signed in Q4 2020, two in EMEA, two in North America (NA), and one in APAC, all on subscription-based terms. Two new stand-alone SimCorp Coric license deals were signed in Q4 2020 in NA.

Six out the seven new orders were recognized in Q4 2020, while one will be recognized in Q1 2021 when an opt-out clause expires.

The contract signed in Q3 2020 in APAC with an opt-out clause was revenue recognized in Q4 2020, as an opt-out clause expired.

In Q4 2020, SimCorp signed several agreements with existing clients, of which the most notable was a large multi-year strategic agreement with its existing client, State Street Bank International GmbH. The agreement, which includes hosting and managed services, sees SimCorp and State Street Bank International GmbH form a business partnership to provide a premier, fully integrated, front-to-back investment outsourcing solution for insurance firms in Europe, Middle East and Africa (EMEA). This expansion of the relationship with State Street Bank International GmbH includes a conversion from their existing perpetual license agreement to a new subscription-based license agreement.

Two existing SimCorp Dimension clients in NA auto-renewed their subscription contract for two years in Q3 2020 with effective dates in Q1 2021. One of them extended the renewal by an additional three years in Q4 2020. The additional three year renewal has been included in order intake and in the order book in Q4 2020, while all revenue recognition related to the two renewals will take place in Q1 2021.

In Q4 2020, there were two conversions from perpetual to subscription-based licenses compared with one conversion in Q4 2019. The conversions in Q4 2020 increased order intake by EUR 9.2m compared with EUR 4.3m in Q4 2019.

Total order intake in Q4 2020 was EUR 56.6m compared with EUR 35.1m in the same period last year. Datacare order intake accounted for EUR 7.5m in Q4 2020.

In FY 2020, order intake was EUR 115.1m compared with EUR 99.7m in the same period last year. Datacare order intake accounted for EUR 12.9m in 2020 compared with EUR 2.0m in 2019.

A total of 12 new SimCorp Dimension license contracts and five new stand-alone SimCorp Coric license contracts were signed during this year. In comparison, a total of 12 new SimCorp Dimension, three new SimCorp Coric and one new SimCorp Gain agreements, were signed in 2019.

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Region	Client	Product	Order intake	Revenue
<b>Q1 2020 new clients</b>				
EMEA	ANIMA SGR	SimCorp Dimension	Q1 2020	Q3 2020
NA	Mawer Investment Management	SimCorp Dimension & Coric	Q1 2020	Q3 2020
NA	Undisclosed investment manager	SimCorp Coric	Q1 2020	Q1 2020
<b>Q2 2020 new clients</b>				
EMEA	Undisclosed investment manager	SimCorp Dimension	Over contract period	Over contract period
NA	Undisclosed investment manager	SimCorp Coric	Q4 2020	Over contract period <sup>1)</sup>
NA	Undisclosed investment manager	SimCorp Coric	Q2 2020	Q2 2020
<b>Q3 2020 new clients</b>				
APAC	Central Bank of Sri Lanka	SimCorp Dimension	Q3 2020	Q3 2020
APAC	Undisclosed investment manager	SimCorp Dimension	Q3 2020	Q4 2020
APAC	Undisclosed investment manager	SimCorp Dimension	Over next two years <sup>2)</sup>	Over next two years <sup>2)</sup>
NA	Undisclosed investment manager	SimCorp Dimension & Datacare <sup>3)</sup>	Q3 2020	Q3 2020
<b>Q4 2020 new clients</b>				
NA	Undisclosed investment manager	SimCorp Coric	Q4 2020	Q4 2020
EMEA	Allianz Global Investors	SimCorp Dimension	Q4 2020	Q4 2020
APAC	Hesta	SimCorp Dimension	Q4 2020	Q4 2020
NA	Undisclosed investment manager	SimCorp Dimension	Q4 2020	Q4 2020
NA	Undisclosed investment manager	SimCorp Coric	Q4 2020	Q4 2020
EMEA	Undisclosed investment manager	SimCorp Dimension	Q4 2020	Q4 2020
NA	Undisclosed investment manager	SimCorp Dimension	Q4 2020	Q1 2021 <sup>4)</sup>

<sup>1)</sup> Client reporting SaaS portal revenue recognized over the contract period

<sup>2)</sup> Order intake and revenue will be recognized over next two years based on milestones

<sup>3)</sup> Datacare revenue will be recognized in a straight line over the term of the agreement

<sup>4)</sup> Revenue will be recognized after expiry of opt out clause

In FY 2020, one SimCorp Dimension and six SimCorp Coric agreements were renewed, compared with 14 SimCorp Coric agreements in 2019. The renewal of SimCorp Italiana's subscription-based agreements amounted to EUR 5.5m in 2020 compared with EUR 4.4m last year.

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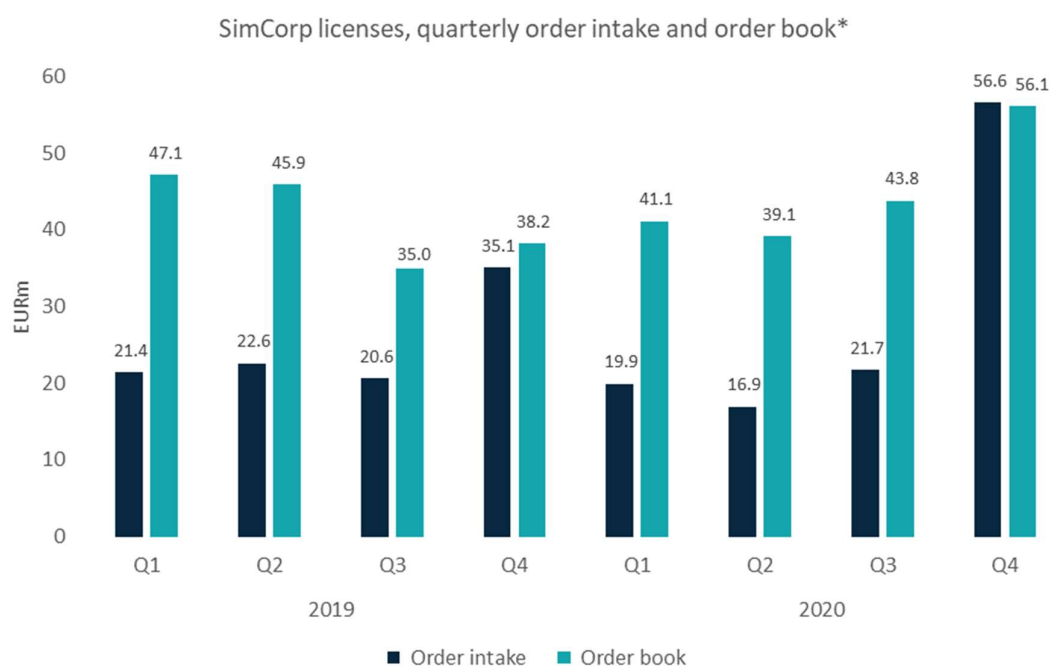
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In FY 2020, there were five conversions from perpetual to subscription-based licenses compared with three conversions in 2019. The conversions in FY 2020 increased order intake by EUR 18.1m compared with EUR 10.8m in 2019.

On December 31, 2020, the order book amounted to EUR 56.1m, an increase of EUR 17.9m compared with same date last year. Compared with September 30, 2020, the order book had increased by EUR 12.3m. Datacare order book accounted for EUR 13.8m on December 31, 2020 compared with EUR 1.8m at the same time last year. CDD order book accounted for EUR 13.9m on December 31, 2020 compared with EUR 17.0m at the same time last year.



\* 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. In 2020, the order intake and order book includes Subscription Services such as Datacare and SFTR, and accordingly 2019 order intake and order book have been adjusted by Subscription Services of EUR 2.0m and EUR 1.8m, respectively.

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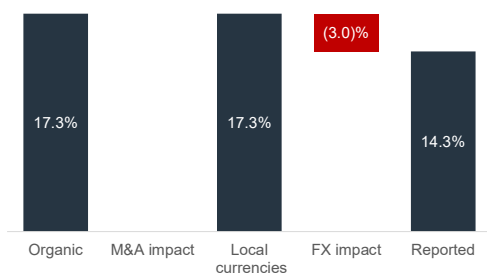
### Revenue

Q4 2020 revenue in reported currency was EUR 146.2m, 14.3% higher than in Q4 2019. Measured in local currencies the increase was 17.3%, which was also the organic growth in Q4 2020, as AIM Software was acquired on August 1, 2019.

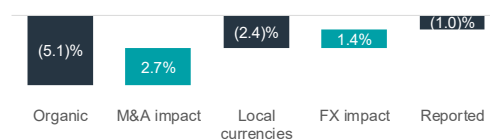
SimCorp generated revenue of EUR 456.0m in FY 2020 compared with EUR 454.5m in 2019, equivalent to an increase of 0.3%. Exchange rate fluctuations for the period had a negative impact on revenue of 1.1%. Measured in local currencies, revenue thus increased by 1.4%. The acquisition of AIM Software accounted for 1.5%-points, and measured in local currencies, the organic growth thus declined by 0.1%.

The development and distribution of quarterly revenue are shown below:

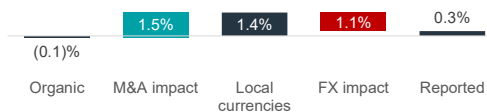
#### Q4 2020 revenue growth



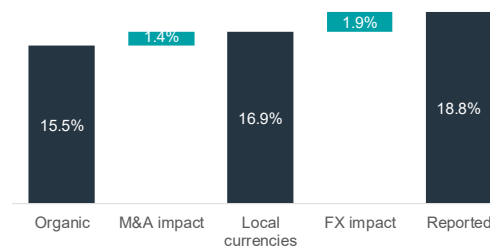
#### Q4 2019 revenue growth



#### FY 2020 revenue growth



#### FY 2019 revenue growth

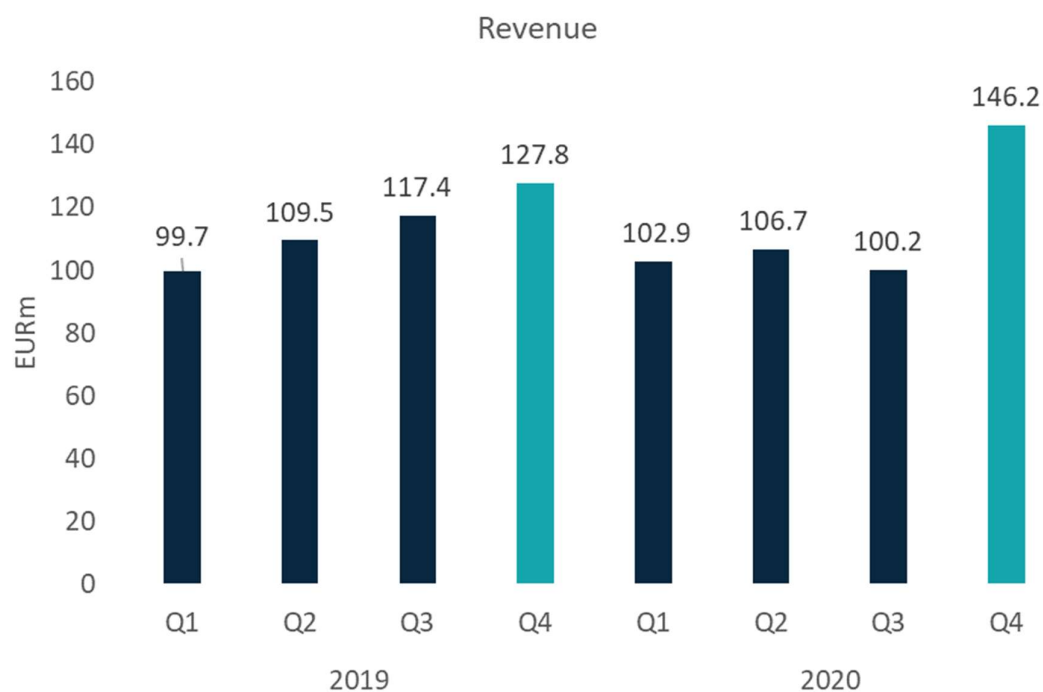


The development and distribution of quarterly revenue are shown below:



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### Q4 revenue

EURm	Revenue Q4 2020	Share of revenue Q4 2020	Revenue Q4 2019	Share of revenue Q4 2019	Revenue growth	Revenue growth local currencies	Organic revenue growth local currencies
Licenses - initial sales	9.3	6.4%	19.0	14.9%	-50.8%	-47.8%	-47.8%
Licenses - additional sales	33.1	22.7%	13.2	10.3%	151.0%	154.0%	154.0%
Software updates and support	44.5	30.4%	42.6	33.3%	4.4%	6.1%	6.1%
Professional services	43.7	29.9%	45.4	35.5%	-3.8%	-0.1%	-0.1%
Hosting and other fees	15.6	10.6%	7.6	6.0%	104.1%	110.0%	110.0%
<b>Total revenue</b>	<b>146.2</b>	<b>100.0%</b>	<b>127.8</b>	<b>100.0%</b>	<b>14.3%</b>	<b>17.3%</b>	<b>17.3%</b>

### FY revenue

EURm	2020	Share of revenue 2020	2019	Share of revenue 2019	Revenue growth	Revenue growth local currencies	Organic revenue growth local currencies
Licenses - initial sales	22.4	4.9%	54.6	12.0%	-59.0%	-57.1%	-57.1%
Licenses - additional sales	69.2	15.2%	51.2	11.3%	35.3%	36.0%	33.0%
Software updates and support	176.6	38.7%	167.4	36.8%	5.4%	6.0%	4.8%
Professional services	154.7	33.9%	153.2	33.7%	1.0%	2.2%	0.6%
Hosting and other fees	33.1	7.3%	28.1	6.2%	18.0%	20.1%	16.9%
<b>Total revenue</b>	<b>456.0</b>	<b>100.0%</b>	<b>454.5</b>	<b>100.0%</b>	<b>0.3%</b>	<b>1.4%</b>	<b>-0.1%</b>

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In Q4 2020, SimCorp had initial license sales of EUR 9.3m, EUR 9.7m lower than in Q4 2019, mainly due to lower average deal size. Additional license sales of EUR 33.1m in Q4 2020 was, however, EUR 19.9m higher than in Q4 2019. Revenue recognized from initial and additional license sales totaled EUR 42.5m, EUR 10.3m or 31.9% higher than in Q4 2019.

In FY 2020, SimCorp had initial license sales of EUR 22.4m, EUR 32.2m lower than in 2019, mainly due to lower average deal size. Additional license sales of EUR 69.2m in FY 2020 were, however, EUR 18.0m higher than in 2019. Revenue recognized from initial and additional license sales totaled EUR 91.6m, EUR 14.2m or 13.4% lower than in 2019. Currency fluctuations impacted total license fee negatively by 1.3%. Measured in local currencies, the decrease was thus 12.1%. The underlying organic revenue change in total license fee was a decline of 13.5% in 2020, reflecting a 1.4%-point positive impact from the acquisition of AIM Software.

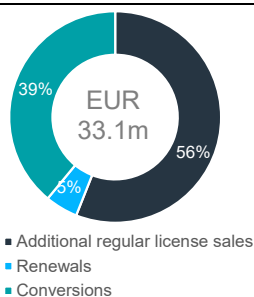
In Q4 2020, there were two conversions from perpetual to subscription-based license contracts (Q4 2019: one conversion), which accounted for around 39% (Q4 2019: 33%) of the total additional license sales. Renewals accounted for around 5% (Q4 2019: 9%) of additional sales, and additional regular license sales accounted for 56% (Q4 2019: 58%) of total additional license sales.

For the FY 2020, the additional order intake was positively impacted by EUR 18.1m from five clients converting their perpetual contracts to subscription-based license contracts (2019: EUR 10.8m from three clients). Additional license revenue was positively impacted by EUR 18.9m (2019: EUR 12.3m). For the five clients converting in 2020, the annual subscription-based payments will be EUR 0.4m higher than the software updates and support fee under the perpetual contracts due to the sale of additional functionality in connection with the conversions, but the annual software updates and support fees will be EUR 3.0m (2019: EUR 1.6m) lower, as the subscription license revenue is recognized on contract completion under IFRS 15.

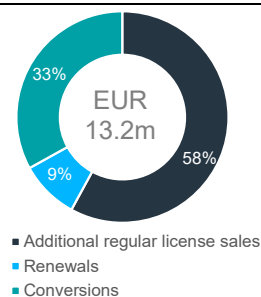
In FY 2020, revenue from conversions accounted for around 27% (2019: 24%) of the total additional license sales, while renewals accounted for 18% (2019: 19%), and additional regular license sales accounted for 55% (2019: 57%) of total additional license sales.

The split of additional license sales is shown below:

**Q4 2020 additional license sales split**



**Q4 2019 additional license sales split**



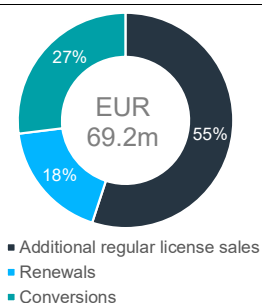
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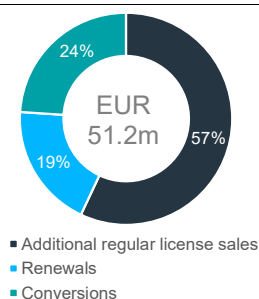
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**FY 2020 additional license sales split**



**FY 2019 additional license sales split**



Five clients canceled SimCorp Dimension contracts in 2020. Two SimCorp Coric, seven SimCorp Gain, and two small SimCorp Sofia licenses were also canceled. The annual software updates and support fee for the canceled contracts amounted to EUR 3.0m, equivalent to 0.7%-points of 2020 revenue compared with EUR 2.6m in 2019, equivalent to 0.6%-points of 2019 revenue.

In Q4 2020, software updates and support revenue increased by 4.4% from EUR 42.6m in Q4 2019 to EUR 44.5m. Currency fluctuations impacted the software updates and support revenue negatively by 1.7%. Consequently, organic growth for Q4 in software updates and support revenue was 6.1%.

In FY 2020, software updates and support revenue increased by 5.4% from EUR 167.4m for the same period last year to EUR 176.6m. Currency fluctuations impacted the software updates and support revenue negatively by 0.6%, and the acquisition of AIM Software impacted the software updates and support revenue positively by 1.2%. Consequently, organic growth for 2020 in software updates and support revenue was 4.8%. License agreements signed in 2020 will increase annual software updates and support revenue by around EUR 8m once fully implemented (2019: EUR 9m), while canceled contracts in 2020 and conversions from perpetual to subscription-based licenses will decrease annual software updates and support revenue by around EUR 6.0m (2019: EUR 4.2m).

Fees from professional services amounted to EUR 43.7m in Q4 2020 compared with EUR 45.4m in Q4 2019, a decrease of 3.8% in reported currency. Currency fluctuations impacted the revenue negatively by 3.7%, resulting in organic growth of minus 0.1%.

In FY 2020, fees from professional services increased by 1.0% from EUR 153.2m last year to EUR 154.7m. Currency fluctuations impacted the professional services revenue negatively by 1.2%, while the acquisition of AIM Software impacted the professional services revenue positively by 1.6%. Consequently, organic growth in professional services revenue was 0.6%.

Hosting, other fees, and selling of other third-party products amounted to EUR 15.6m compared with EUR 7.6m in Q4 2019. In Q4 2020, we added three new as a service hosted clients, bringing the total number of clients on an as a service hosted solution to 28, of which one of them is a SimCorp Coric client and the other 27 are SimCorp Dimension clients.

In FY 2020, hosting, other fees, and selling of other third-party products amounted to EUR 33.1m compared with EUR 28.1m in 2019.

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SimCorp business model is evolving more and more from a software solution model towards a service delivery model. SimCorp will therefore commence reporting Annual Recurring Revenue (ARR) on a quarterly basis, calculated as 12 months rolling ARR, where ARR is total revenue, less total license fee, plus subscription-based license fee, less implementation services, less other non-recurring fees. In 2020, the ARR was EUR 250.9m, which was equivalent to 55.0% of total revenue. In 2019, the ARR was EUR 220.9m, which was equivalent to 48.6% of total revenue. The ARR growth in 2020 was 13.6% in EUR, and 14.4% in local currencies.

**Operating costs**

In early March, several cost reduction measures were initiated, including travel restrictions, cancellations of conferences and events, hiring freeze on non-critical positions, and postponement of planned salary increases from January 1 to July 1, 2020. The effect of these measures was visible in both Q4 and FY 2020.

On the other hand, SimCorp remains committed to continuing to invest 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 8.1% in 2020, while all other cost lines declined organically.

SimCorp's total operating costs (including depreciation and amortization) were EUR 87.8m in Q4 2020 compared with EUR 93.9m in Q4 2019, a decrease of 6.6% in reported currency, of which 1.6%-points of the decrease was due to currency fluctuations.

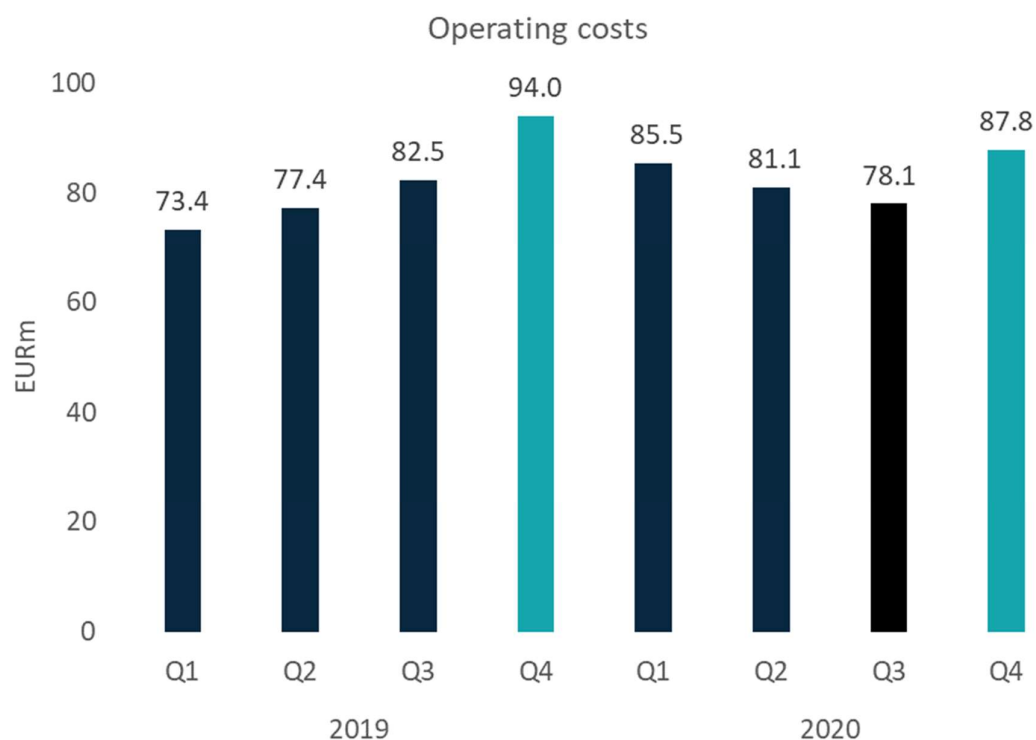
In FY 2020, the total operating costs (including depreciation and amortization) were EUR 332.5m compared with EUR 327.2m in 2019, an increase of 1.6% in reported currency. Currency fluctuations reduced the total operating costs by 0.6%. Measured in local currencies and adjusted for the impact of the acquisition of AIM Software of 2.8%, the organic operating costs decreased by 0.6% compared with 2019 due to the cost reduction measures taken, especially related to travel restrictions and cancellations of events.

In FY 2020, 74% of SimCorp's total operating costs were directly related to employees, compared with 68% in 2019.

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

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### Q4 operating costs

EURm	Costs Q4 2020	Share of costs Q4 2020	Share of Revenue Q4 2020	Costs Q4 2019	Share of costs Q4 2019	Share of revenue Q4 2019	Growth	Growth local currency
Cost of sales	44.7	50.9%	30.6%	47.4	50.5%	36.7%	-5.8%	-3.6%
Research and development costs	25.3	28.8%	17.3%	23.0	24.5%	17.8%	10.1%	10.5%
Sales and marketing costs	14.1	16.1%	9.7%	14.4	15.4%	11.2%	-2.2%	0.6%
Administrative expenses	3.7	4.2%	2.5%	9.1	9.7%	7.1%	-60.0%	-60.0%
<b>Total operating cost</b>	<b>87.8</b>	<b>100.0%</b>	<b>60.1%</b>	<b>93.9</b>	<b>100.0%</b>	<b>72.8%</b>	<b>-6.6%</b>	<b>-5.0%</b>

### FY operating costs

EURm	Costs 2020	Share of costs 2020	Share of Revenue 2020	Costs 2019	Share of costs 2019	Share of revenue 2019	Growth	Growth local currency	Organic growth local currency
Cost of sales	167.4	50.3%	36.7%	167.1	51.1%	36.8%	0.2%	1.0%	-1.5%
Research and development costs	91.8	27.6%	20.1%	82.9	25.3%	18.2%	10.7%	10.8%	8.1%
Sales and marketing costs	50.2	15.1%	11.0%	49.1	15.0%	10.8%	2.2%	3.3%	-1.3%
Administrative expenses	23.1	7.0%	5.1%	28.1	8.6%	6.2%	-17.7%	-17.9%	-20.6%
<b>Total operating cost</b>	<b>332.5</b>	<b>100.0%</b>	<b>72.9%</b>	<b>327.2</b>	<b>100.0%</b>	<b>72.0%</b>	<b>1.6%</b>	<b>2.2%</b>	<b>-0.6%</b>

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## Company Announcement

SimCorp reports revenue of EUR 456m and EBIT margin of 27.3% for 2020

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### Employees

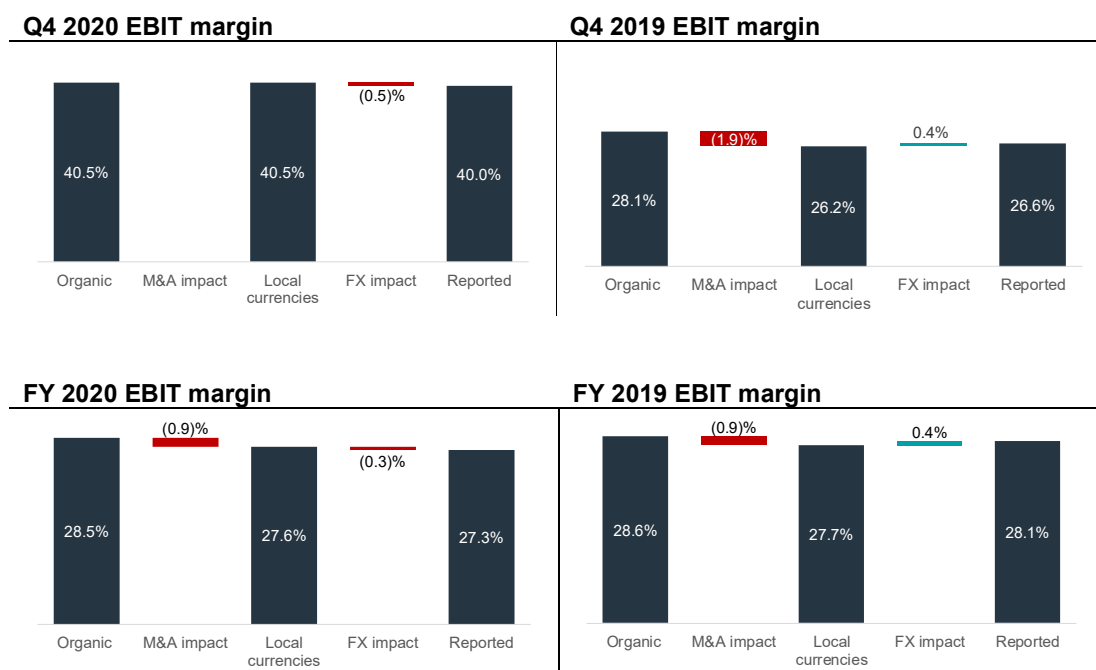
The average number of full-time employees increased by 137 or 8% from 1,703 in 2019 to 1,840 in 2020 (of which 68 employees related to the acquisition of AIM Software). The number of employees (headcount) was 1,901 at the end of 2020 compared with 1,871 at the end of 2019, an increase of 30 employees.

### Group performance

In Q4 2020, the Group posted EBIT of EUR 58.4m compared with EUR 34.0m in Q4 2019. The reported EBIT margin was 40.0% compared with 26.6% in Q4 2019. Currency rate fluctuations had a negative net impact on the EBIT margin of 0.5%-points in Q4 2020, and the underlying organic EBIT margin measured in local currency was 40.5%.

For FY 2020, the Group generated an EBIT of EUR 124.3m compared with EUR 127.8m in 2019, a difference of EUR 3.5m. The reported EBIT margin was 27.3% compared with the EBIT margin of 28.1% in 2019. Exchange rate fluctuations had a negative net impact on the EBIT margin of 0.3%-points. The acquisition of AIM Software had a negative impact on the EBIT margin of 0.9%-points. The underlying organic EBIT margin was 28.5%. The organic EBIT margin of 28.5% was on a level with the organic EBIT margin of 28.6% in 2019. The reported 2020 EBIT margin is the second highest EBIT margin achieved in the last five years.

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



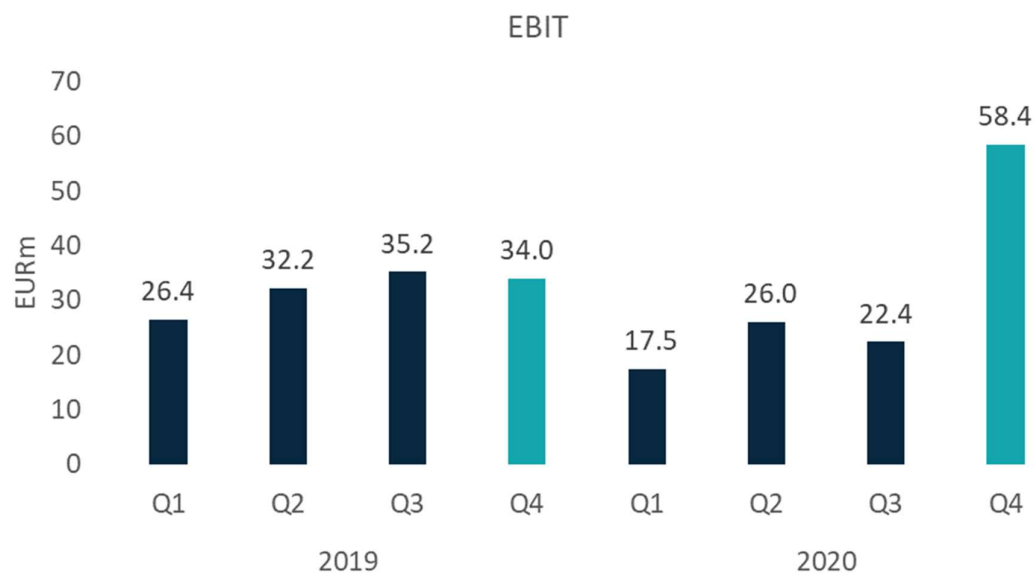
The development in quarterly EBIT is shown below:

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**Company Announcement**

SimCorp reports revenue of EUR 456m and EBIT margin of 27.3% for 2020

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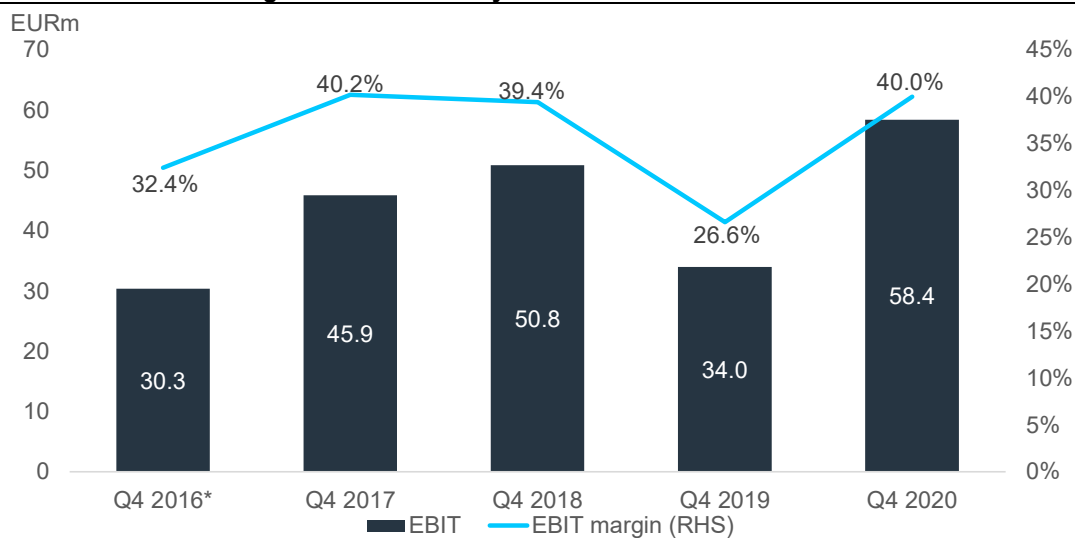


The development in Q4 and FY EBIT and EBIT margin over the last five years are shown below:

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**Q4 EBIT and EBIT margin for the last five years**

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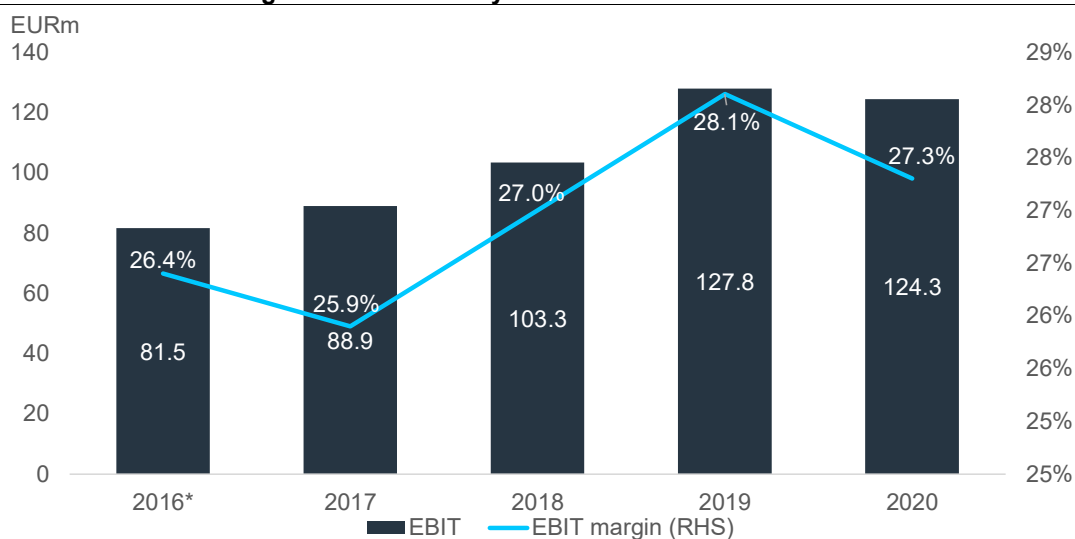
## Company Announcement

SimCorp reports revenue of EUR 456m and EBIT margin of 27.3% for 2020

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

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\* 2016 restated based on IFRS 15.

### Profit and comprehensive income

Financial items for Q4 2020 comprised a net expense of EUR 3.5m compared with a net expense of EUR 1.9m in the same period last year. Financial items were primarily related to foreign exchange adjustments.

In Q4 2020, the Group realized a pre-tax profit of EUR 54.9m, against EUR 32.1m in 2019, and a net profit of EUR 42.6m compared with EUR 24.3m last year.

Exchange rate adjustments on translation of foreign assets and liabilities amounted to a net expense of EUR 0.3m in Q4 2020, which is included in other comprehensive income. Total comprehensive income amounted to EUR 42.3m against EUR 23.4m in Q4 2019.

Financial items for FY 2020 comprised a net expense of EUR 8.2m compared with a net expense of EUR 23 thousand in same period last year. Financial items were primarily related to foreign exchange adjustments.

The Group posted pre-tax profit of EUR 116.1m against pre-tax profit of EUR 127.8m in FY 2019.

The estimated tax charge of EUR 27.8m is equivalent to a tax rate of 24.0% compared with the estimated tax of EUR 30.9m and a tax rate of 24.2% in 2019. Thus, the Group's net profit for FY 2020 amounted to EUR 88.3m against a profit of EUR 96.9m for the same period last year.

After exchange rate adjustments on translation of foreign assets and liabilities, a net expense of EUR 2.7m, the total comprehensive income amounted to EUR 85.6m against EUR 97.2m in 2019.



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## Company Announcement

SimCorp reports revenue of EUR 456m and EBIT margin of 27.3% for 2020

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### Statement of financial position

SimCorp's total assets were EUR 470.8m at December 31, 2020 compared with EUR 437.9m a year earlier, an increase of EUR 32.9m. The increase was primarily related to changes in contract assets and cash holdings.

Cash holdings increased by EUR 21.2m from EUR 31.9m at December 31, 2019 to EUR 53.1m. The net cash position was EUR 53.1m at the end of December 2020 compared with EUR 11.9m at the end of December 2019, an increase of EUR 41.2m.

Compared with December 31, 2019 contract assets increased by EUR 24.1m from EUR 151.8m to EUR 175.9m. New and additional subscription-based licenses added EUR 67.3m to contract assets, finance income recognized added EUR 2.3m, while invoiced subscription-based license fee reduced the position by EUR 37.9m, and foreign exchange adjustments and expected loss provisions reduced the position by EUR 7.6m.

Receivables amounted to EUR 82.5m at December 31, 2020 compared with EUR 81.8m a year earlier.

The Group's total non-current assets were EUR 150.9m compared with EUR 163.5m at December 31, 2019.

Goodwill was EUR 61.4m at December 31, 2020 compared with EUR 61.2m at December 31, 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 2020.

The carrying amount of acquired software was EUR 11.5m compared with EUR 13.3m at the end of 2019 and the value of client relationships was EUR 22.9m compared with EUR 25.0m at the end of 2019. The decreases were due to amortization.

The carrying amount of leasehold assets was EUR 43.7m compared with EUR 51.6m at the end of 2019. The decreases were due to amortization.

Other property, plant, and equipment amounted to EUR 4.0m compared with EUR 4.1m at the end of 2019.

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

Deferred tax assets were EUR 4.2m compared with EUR 5.4m 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 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 456m and EBIT margin of 27.3% for 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>29,470</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	-29,470
<b>Goodwill</b>	<b>33,024</b>	<b>405</b>	<b>33,429</b>

## Cash flow

Q4 2020, free cash flow (cash flow from operations reduced by CAPEX and reduced by the principal element of lease payments) was EUR 21.3m compared with EUR 4.9m in Q4 2019, an increase of EUR 16.4m.

In FY 2020, free cash flow was EUR 91.8m compared with EUR 70.9m in 2019, an increase of EUR 20.9m or 29.5%. The increase can partly be explained by a EUR 10.2m increase in Other payables from the end of 2019 to the end to 2020, primarily due to postponed payments of income taxes and social charges offered under government COVID-19 related support schemes.

Operating activities generated in Q4 2020 a cash inflow of EUR 24.8m compared with EUR 8.0m in the same period last year.

In FY 2020, operating activities generated a cash inflow of EUR 104.6m compared with EUR 82.5m in same period last year. Payment of income taxes amounted to EUR 20.7m, against EUR 23.5m in 2019.

In Q4 2020, EUR 0.5m was spent on investing activities compared with EUR 0.5m in Q4 2019, and for FY 2020, EUR 2.7m was spent on investing activities compared with EUR 60.2m in 2019. The higher amount in 2019 was due to the acquisition of AIM Software.

Cash used in financing activities in Q4 2020 of EUR 3.0m related to repayment of lease liabilities (Q4 2019: EUR 2.6m).

Cash used in financing activities in FY 2020 of EUR 80.2m related to the payment of dividends of EUR 39.9m, purchase of treasury shares of EUR 10.0m, repayment of lease liabilities of EUR 10.3m, 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 9.8m, and repayment of credit facilities of EUR 20.0m in the same period last year.

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**Company Announcement**

SimCorp reports revenue of EUR 456m and EBIT margin of 27.3% for 2020

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**Changes in equity**

The Group's equity amounted to EUR 278.3m on December 31, 2020. This was an increase of EUR 48.3m 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 2020 of EUR 85.6m as well as the effects of share-based remuneration of EUR 12.6m, net of tax.

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## Company Announcement

SimCorp reports revenue of EUR 456m and EBIT margin of 27.3% for 2020

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### Outlook for the financial year 2021\*

Based on the current business environment, the current pipeline, and SimCorp's market position, the expectations for 2021 are to grow revenue in local currencies by between 6% and 11% and to generate an EBIT margin measured in local currencies of between 24.5% and 27.5%.

Conversions from perpetual to subscription-based licenses are expected to be lower in 2021 compared with 2020, having an estimated 2%-points negative impact on revenue growth. Partially offsetting the impact of fewer conversions, renewals of existing contracts are expected to be higher in 2021 compared with 2020, having an estimated 1%-point positive impact on revenue growth. In total, conversions and renewals are expected to have an estimated negative impact on the revenue growth of 1%-point and estimated 0.7%-points negative impact on EBIT margin, which is included in the guidance.

Software updates and support revenue is estimated to be at the same level in 2021 as in 2020 as growth from new agreements with initial and existing clients, and small price increases due to low inflation are expected to be offset by conversions and cancellations of existing contracts.

SimCorp entered 2021 with signed revenue for the full year of EUR 289.2m, an increase of EUR 10.4m or 4% compared with the beginning of 2020, due to stronger inflow of professional services.

On a macroeconomic level, SimCorp regards the underlying trends for 2021 as slightly negative to its business, due to the continued challenges caused by the COVID-19 pandemic and political turmoil. SimCorp expects COVID-19 restrictions to be maintained until planned vaccine programs have been successfully implemented across its markets. In the short term, this is expected to lead to some hesitancy in clients' decision making, thereby causing longer sales processes. Hence, it is assumed that H1 2021 will be impacted by COVID-19 restrictions, while H2 2021 is expected to be less impacted as the world returns to more normal working conditions.

Based on the exchange rates prevailing at the end of January 2021, SimCorp estimates reported revenue to be negatively impacted from currency fluctuations by around 1.2% and reported EBIT margin to be negatively impacted from currency fluctuations by around 0.1%-points.

\* This announcement contains certain forward-looking statements and expectations in respect of the 2021 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 456m and EBIT margin of 27.3% for 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 24-26 of SimCorp's Annual Report 2020 describe the most important general risk factors and the risk management measures utilized in everyday operations.

### Shareholder information

#### Restricted stock units

In Q4 2020, 846 restricted stock units (RSUs) were granted to four employees related to retention incentives. The RSUs will vest after three years subject to continued employment. In Q4 2020, 7,173 RSUs vested and were transferred to SimCorp's CFO as part of his sign-on program agreed in October 2017.

In Q4 2020, one incentive plan with 2,640 RSUs was canceled due to the EMEA restructuring. The incentive plan will be replaced by a new incentive plan in 2021. In Q4 2020, 2,497 RSUs were canceled for the LTIP RSU 2018 program covering the financial years 2018-2020 as a performance adjustment as the achievement was 96.4% of targets.

In 2020, SimCorp delivered in total 163,686 treasury shares with a nominal value of DKK 1 on the vesting of restricted stock units.

Furthermore, 2,587 treasury shares will be delivered after publication of this annual report as remuneration to the Board of Directors in accordance with a resolution adopted by shareholders at the Annual General Meeting 2020.

347,476 restricted stock units were outstanding on December 31, 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.

#### Holding of treasury shares

In 2020, SimCorp purchased 112,654 treasury shares with a nominal value of DKK 1 at 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 2019.

At December 31, 2020, SimCorp held 849,449 treasury shares with a nominal value of DKK 1 each (2.1% of the total share capital) at a cost of EUR 52.6m and a market value of EUR 103.0m. At December 31, 2019, SimCorp held 900,481 treasury shares with a nominal value of DKK 1 each (2.2% of the total share capital) at a cost of EUR 50.9m and a market value of EUR 91.3m.

#### Board and Committee matters

At the AGM 2021, the Board of Directors will propose the election of Susan Standiford as a seventh shareholder-elected member of the Board of Directors, which will bring the number of members of the underrepresented gender up to two of seven members. Susan Standiford brings extensive experience within software and technology from her leadership career at a number of international technology companies.

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## Company Announcement

SimCorp reports revenue of EUR 456m and EBIT margin of 27.3% for 2020

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## Signatures

The Board of Directors and the Executive Management Board have today considered and approved the Annual Report for 2020 of SimCorp A/S, including the audited consolidated financial statements. The Board of Directors and the Executive Management Board have also today considered and approved this interim report for 2020.

The consolidated financial statements in the Annual Report 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and further requirements according to the Danish Financial Statements Act.

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 report gives a true and fair view of the Group's assets, liabilities and financial position as at December 31, 2020 and of the profit of the Group's operations and cash flow for the period January 1 - December 31, 2020.

Furthermore, this interim report gives, together with what is disclosed in the Annual Report 2020, a fair representation of the Group's activities, financial position and description of the most material risks and uncertainties which the Group is facing.

February 10, 2021

Executive Management Board:

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Klaus Hølse  
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

---

Hervé Couturier

---

Simon Jeffreys

---

Adam Warby

---

Joan A. Binstock

---

Else Braathen

---

Vera Bergforth

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Hugues Chabanis

## Company Announcement

SimCorp reports revenue of EUR 456m and EBIT margin of 27.3% for 2020

## Consolidated income statement

EUR '000	2020 Q4	2019 Q4	2020 FY	2019 FY
Revenue	146,169	127,839	455,970	454,531
Cost of sales	44,689	47,422	167,415	167,141
<b>Gross profit</b>	<b>101,480</b>	<b>80,417</b>	<b>288,555</b>	<b>287,390</b>
Other operating income	25	111	846	533
Research and development costs	25,324	22,992	91,830	82,938
Sales and marketing costs	14,122	14,443	50,198	49,105
Administrative expenses	3,651	9,138	23,077	28,056
<b>Operating profit (EBIT)</b>	<b>58,408</b>	<b>33,955</b>	<b>124,296</b>	<b>127,824</b>
Share of profit after tax in associates	83	82	104	125
Financial income/expenses, net	-3,601	-1,966	-8,304	-148
<b>Profit before tax</b>	<b>54,890</b>	<b>32,071</b>	<b>116,096</b>	<b>127,801</b>
Tax on the profit for the period	12,311	7,735	27,838	30,900
<b>Profit for the period</b>	<b>42,579</b>	<b>24,336</b>	<b>88,258</b>	<b>96,901</b>
<b>EARNINGS PER SHARE</b>				
Earnings per share - EPS (EUR)	1.07	0.61	2.22	2.44
Diluted earnings per share - EPS-D (EUR)	1.07	0.61	2.20	2.42

## Statement of comprehensive income

EUR '000	2020 Q4	2019 Q4	2020 FY	2019 FY
<b>Profit for the period</b>	<b>42,579</b>	<b>24,336</b>	<b>88,258</b>	<b>96,901</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified subsequently to the income statement:				
Remeasurements of defined benefit plans	47	-1,473	47	-1,473
Tax, remeasurement of defined benefit plans	-1	323	-1	323
Items that may be reclassified subsequently to the income statement, when specific conditions are met:				
Foreign currency translation differences for foreign operations	-280	249	-2,742	1,426
<b>Other comprehensive income after tax</b>	<b>-234</b>	<b>-901</b>	<b>-2,696</b>	<b>276</b>
<b>Total comprehensive income</b>	<b>42,345</b>	<b>23,435</b>	<b>85,562</b>	<b>97,177</b>

## Company Announcement

SimCorp reports revenue of EUR 456m and EBIT margin of 27.3% for 2020

## Consolidated statement of financial position

EUR '000	Dec. 31 2020	Dec. 31 2019
<b>ASSETS</b>		
Goodwill	61,367	61,178
Software	11,471	13,348
Client relationships	22,887	25,031
<b>Total intangible assets</b>	<b>95,725</b>	<b>99,557</b>
Leasehold	43,684	51,589
Technical equipment	1,063	1,506
Other equipment, fixtures, fittings and prepayments	2,903	2,555
<b>Total property, plant, and equipment</b>	<b>47,650</b>	<b>55,650</b>
Investments in associates	881	808
Deposits	2,031	2,095
Deferred tax	4,173	5,357
Other financial assets	404	-
<b>Total other non-current assets</b>	<b>7,489</b>	<b>8,260</b>
<b>Total non-current assets</b>	<b>150,864</b>	<b>163,467</b>
Receivables	82,513	81,804
Contract assets	175,928	151,774
Income tax receivables	1,194	2,341
Prepayments	7,292	6,675
Cash and cash equivalents	53,051	31,851
<b>Total current assets</b>	<b>319,978</b>	<b>274,445</b>
<b>Total assets</b>	<b>470,842</b>	<b>437,912</b>
<b>LIABILITIES AND EQUITY</b>		
Share capital	5,441	5,441
Exchange adjustment reserve	-4,725	-1,983
Retained earnings	237,409	186,643
Proposed dividend	40,125	39,919
<b>Total equity</b>	<b>278,250</b>	<b>230,020</b>
Lease liabilities	34,547	41,585
Deferred tax	28,323	25,931
Provisions	11,119	12,796
<b>Total non-current liabilities</b>	<b>73,989</b>	<b>80,312</b>
Revolving credit facility	-	20,000
Lease liabilities	9,630	10,063
Prepayments from clients	26,231	24,678
Trade payables	17,747	18,503
Other payables	59,158	48,922
Income tax payables	5,118	4,389
Provisions	719	1,025
<b>Total current liabilities</b>	<b>118,603</b>	<b>127,580</b>
<b>Total liabilities</b>	<b>192,592</b>	<b>207,892</b>
<b>Total liabilities and equity</b>	<b>470,842</b>	<b>437,912</b>



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## Company Announcement

SimCorp reports revenue of EUR 456m and EBIT margin of 27.3% for 2020

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### Consolidated cash flow statement

EUR '000	2020 Q4	2019 Q4	2020 FY	2019 FY
Profit for the period	42,579	24,336	88,258	96,901
Depreciation	4,020	4,364	16,094	14,752
Share of profit after tax in associates	-83	-82	-104	-125
Financial income/expenses, net	3,601	1,966	8,304	148
Tax on the profit for the period	12,311	7,735	27,838	30,900
Other non-cash	-373	-2,201	-7,037	598
Adjustment share-based remuneration	1,827	982	10,997	10,243
Change in provisions	-6,793	3,760	-2,055	4,837
Changes in contract assets	-25,694	-18,474	-24,558	-63,492
Changes in working capital	7,170	-1,291	9,302	11,496
Financial income received	1	10	101	135
Financial expenses paid	-1,577	-56	-1,901	-342
Income tax paid	-12,215	-13,033	-20,674	-23,546
<b>Net cash from operating activities</b>	<b>24,774</b>	<b>8,016</b>	<b>104,565</b>	<b>82,505</b>
Purchase of subsidiaries, net of cash acquired	-	-	-	-58,468
Purchase of property, plant, and equipment, net	-483	-496	-2,399	-1,722
Sale and purchase of financial assets, net	1	-33	-361	-105
Dividends from associates	-	-	79	81
<b>Net cash used in investing activities</b>	<b>-482</b>	<b>-529</b>	<b>-2,681</b>	<b>-60,214</b>
Dividends paid	40	17	-39,879	-35,881
Purchase of treasury shares	-9	6	-10,006	-12,488
Repayment of lease liability	-2,992	-2,618	-10,357	-9,880
Proceeds, credit facilities / loans	-30,167	-	-	40,000
Repayment, loans	30,167	-	-20,000	-20,000
<b>Net cash used in financing activities</b>	<b>-2,961</b>	<b>-2,595</b>	<b>-80,242</b>	<b>-38,249</b>
<b>Change in cash and cash equivalents</b>	<b>21,331</b>	<b>4,893</b>	<b>21,642</b>	<b>-15,958</b>
Cash and cash equivalents at beginning of period	455	26,903	31,851	47,500
Foreign exchange adjustment of cash and cash equivalents	-897	56	-442	309
<b>Cash and cash equivalents end of period</b>	<b>20,889</b>	<b>31,851</b>	<b>53,051</b>	<b>31,851</b>

## Company Announcement

SimCorp reports revenue of EUR 456m and EBIT margin of 27.3% for 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 year	-	-	-	88,258	-	88,258
Total other comprehensive income	-	-	-2,742	46	-	-2,696
<b>Total comprehensive income for the year</b>	-	-	-2,742	88,304	-	85,562
<b>Transactions with owners</b>						
Dividends paid to shareholders	-	-	-	40	-39,919	-39,879
Share-based payment	-	-	-	10,997	-	10,997
Tax, share-based payment	-	-	-	1,556	-	1,556
Purchase of treasury shares	-	-	-	-10,006	-	-10,006
Proposed dividends to shareholders	-	-	-	-40,125	40,125	-
<b>Equity at December 31</b>	<b>5,441</b>	<b>-</b>	<b>-4,725</b>	<b>237,409</b>	<b>40,125</b>	<b>278,250</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 position 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 year	-	-	-	96,901	-	96,901
Total other comprehensive income	-	-	1,426	-1,150	-	276
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1,426</b>	<b>95,751</b>	<b>-</b>	<b>97,177</b>
<b>Transactions with owners</b>						
Dividends paid to shareholders	-	-	-	53	-35,934	-35,881
Share-based payment	-	-	-	10,243	-	10,243
Tax, share-based payment	-	-	-	1,910	-	1,910
Purchase of treasury shares	-	-	-	-12,488	-	-12,488
Proposed dividends to shareholders	-	-	-	-39,919	39,919	-
<b>Equity at December 31</b>	<b>5,441</b>	<b>-</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 456m and EBIT margin of 27.3% for 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 2020. See the Annual Report 2020 for a comprehensive description of the accounting policies applied.

### **Change in accounting policies**

Effective January 1, 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 2020.

### **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, goodwill has been allocated to research and development as this CGU is ultimately expected to benefit from the acquisition.

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.

## Company Announcement

SimCorp reports revenue of EUR 456m and EBIT margin of 27.3% for 2020

2020 EUR '000	EMEA	Asia and Australia	North America	SimCorp Sofia	Research and devel- opment	Corporate functions	Elimina- tion/ Not allocated	Group
<b>October 1 - December 31, 2020</b>								
External revenue	93,019	14,118	33,355	4,783	712	182	-	146,169
Revenue between segments	8,927	528	1,469	269	66,613	18,917	-96,723	-
<b>Total segment revenue</b>	<b>101,946</b>	<b>14,646</b>	<b>34,824</b>	<b>5,052</b>	<b>67,325</b>	<b>19,099</b>	<b>-96,723</b>	<b>146,169</b>
EBITDA	8,899	894	3,023	1,620	44,071	3,921	-	62,428
Depreciation and amortization	759	164	379	410	783	1,525	-	4,020
<b>Segment operating profit (EBIT)</b>	<b>8,140</b>	<b>730</b>	<b>2,644</b>	<b>1,210</b>	<b>43,288</b>	<b>2,396</b>	<b>-</b>	<b>58,408</b>
Financial items, net	-	-	-	-	-	-	-3,518	-3,518
<b>Profit for the period before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,890</b>
<b>January 1 - December 31, 2020</b>								
External revenue	296,447	35,899	101,907	19,724	1,811	182	-	455,970
Revenue between segments	27,332	2,022	4,617	1,122	183,855	55,927	-274,875	-
<b>Total segment revenue</b>	<b>323,779</b>	<b>37,921</b>	<b>106,524</b>	<b>20,846</b>	<b>185,666</b>	<b>56,109</b>	<b>-274,875</b>	<b>455,970</b>
EBITDA	28,508	3,070	7,713	8,569	97,746	-5,216	-	140,390
Depreciation and amortization	3,006	680	1,382	1,639	3,110	6,277	-	16,094
<b>Segment operating profit (EBIT)</b>	<b>25,502</b>	<b>2,390</b>	<b>6,331</b>	<b>6,930</b>	<b>94,636</b>	<b>-11,493</b>	<b>-</b>	<b>124,296</b>
Financial items, net	-	-	-	-	-	-	-8,200	-8,200
<b>Profit for the period before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116,096</b>
<b>Total assets</b>	<b>153,678</b>	<b>40,358</b>	<b>81,887</b>	<b>44,053</b>	<b>99,059</b>	<b>17,933</b>	<b>33,874</b>	<b>470,842</b>
<b>2019</b>								
EUR '000	EMEA	Asia and Australia	North America	SimCorp Sofia	Research and devel- opment	Corporate functions	Elimina- tion/ Not allocated	Group
<b>October 1 - December 31, 2019</b>								
External revenue	88,212	8,879	26,344	4,042	-145	507	-	127,839
Revenue between segments	2,633	531	1,111	339	62,575	9,649	-76,838	-
<b>Total segment revenue</b>	<b>90,845</b>	<b>9,410</b>	<b>27,455</b>	<b>4,381</b>	<b>62,430</b>	<b>10,156</b>	<b>-76,838</b>	<b>127,839</b>
EBITDA	2,990	1,104	3,256	840	39,804	-9,676	-	38,319
Depreciation and amortization	1,053	179	349	419	800	1,564	-	4,364
<b>Segment operating profit (EBIT)</b>	<b>1,937</b>	<b>925</b>	<b>2,907</b>	<b>421</b>	<b>39,004</b>	<b>-11,240</b>	<b>-</b>	<b>33,955</b>
Financial items, net	-	-	-	-	-	-	-1,884	-1,884
<b>Profit for the period before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,071</b>
<b>January 1 - December 31, 2019</b>								
External revenue	288,216	53,555	92,233	19,290	730	507	-	454,531
Revenue between segments	28,432	1,091	4,218	958	191,781	38,510	-264,990	-
<b>Total segment revenue</b>	<b>316,648</b>	<b>54,646</b>	<b>96,451</b>	<b>20,248</b>	<b>192,511</b>	<b>39,017</b>	<b>-264,990</b>	<b>454,531</b>
EBITDA	25,698	4,332	8,994	7,775	107,692	-11,915	-	142,576
Depreciation and amortization	3,497	575	1,410	1,631	2,026	5,613	-	14,752
<b>Segment operating profit (EBIT)</b>	<b>22,201</b>	<b>3,757</b>	<b>7,584</b>	<b>6,144</b>	<b>105,666</b>	<b>-17,528</b>	<b>-</b>	<b>127,824</b>
Financial items, net	-	-	-	-	-	-	-23	-23
<b>Profit for the period before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127,801</b>
<b>Total assets</b>	<b>129,659</b>	<b>44,588</b>	<b>79,358</b>	<b>43,691</b>	<b>105,231</b>	<b>17,543</b>	<b>17,842</b>	<b>437,912</b>

### Contingent liabilities

Please refer to the Annual Report 2020.

### Events after December 31, 2020

No significant events have occurred after December 31, 2020 other than as described separately in this interim report.