

Company Announcement

SimCorp reports revenue growth of 21% and EBIT margin of 28% in H1 2019 with eight new clients signed and has upgraded its 2019 financial guidance

Q2 2019 highlights:

- A strong Q2 2019 with signing of four new SimCorp Dimension and two new SimCorp Coric orders, led to reported Q2 2019 revenue of EUR 109.5m. When compared with Q2 2018, an increase of 32.0%, and measured in local currencies, an increase of 30.1%.
- EBIT of EUR 32.3m and EBIT margin of 29.5% compared with EBIT of EUR 14.0m and EBIT margin of 16.9% in Q2 2018. Measured in local currencies EBIT margin was 29.0%.
- Order intake was EUR 22.6m, an increase of EUR 6.4m or 39.5% compared with Q2 2018.

H1 2019 highlights:

- Reported revenue was EUR 209.3m, an increase of 21.1% when compared with H1 2018. Measured in local currencies, SimCorp achieved revenue growth of 19.2% in H1 2019.
- Reported EBIT was EUR 58.7m compared with EUR 37.4m in H1 2018. Reported EBIT margin was 28.0% compared with 21.6% in H1 2018, driven by license revenue growth from new client agreements. Measured in local currencies, EBIT margin was 27.6%.
- Net profit was EUR 43.3m compared with EUR 27.5m in H1 2018.
- Order intake was EUR 44.0m, an increase of EUR 13.8m or 45.7% compared with H1 2018. Six new SimCorp Dimension and two new SimCorp Coric license deals were signed in H1 2019. Both SimCorp Coric deals and one of the SimCorp Dimension deals – with the pension plan of Hydro-Québec, a Canadian public utility company – were signed in the strategically important North American market. Two of the other SimCorp Dimension deals were signed in the UK, for some years a challenging market.
- At June 30, 2019, the order book amounted to EUR 45.9m, an increase of EUR 0.4m compared with the order book at year-end 2018. Revenue from the significant new license agreement with an Asian investment company, signed in Q4 2018, which was originally expected to be recognized in Q2 2019, will be recognized in Q3 as this was when the conditions were met.
- Free cash flow was EUR 44.8m compared with EUR 45.9m in H1 2018.
- SimCorp entered Q3 2019 with EUR 346m of the full year's revenue signed, an improvement of EUR 50m or 16.9% compared with same time last year.

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- On June 6, 2019 SimCorp entered into an agreement to acquire AIM Holdings SCA and its subsidiaries ("AIM Software"). The closing completed on August 1, 2019. The consideration paid was EUR 62.9m, of which EUR 2.9m related to net cash items taken over. The acquisition was financed by own cash reserves and extended credit facilities. As the acquisition of AIM Software took effect from August 1, 2019, AIM Software is not included in the H1 2019 numbers. With the acquisition, SimCorp strengthens its strategic position and competitiveness in the market within the increasingly important business area of data management.
- The initiated EUR 12.5m share buyback ("Safe Harbour") program was completed on August 22, 2019. The Company will not initiate a new "Safe Harbour" program in 2019 due to the acquisition of AIM Software.
- Christian Kromann joined Executive Management Board as Chief Operating Officer (COO) on August 1, 2019.
- The Board has today appointed Adam Warby as new Audit Committee member.

Financial guidance 2019

- SimCorp has upgraded its expectations for revenue growth measured in local currencies for 2019 to be between 12% and 17% (previously 10%-15%), of which approximately 2% is related to the acquisition of AIM Software. SimCorp has also upgraded its expectations for EBIT margin measured in local currencies for 2019 to be between 25.0% and 28.0% (previously 24.5%-27.5%), including 1%-point negative impact from the acquisition of AIM Software. Prior to the acquisition of AIM Software announced on June 6, 2019, SimCorp expected revenue to grow between 8% and 13% and the EBIT margin to be between 25.5% and 28.5%, measured in local currencies.

Klaus Holse, SimCorp CEO comments: "We continue to welcome new customers to the SimCorp community, driving solid revenue growth in the first six months of the year. The pipeline for the rest of the year looks healthy. We are also excited to have welcomed our new colleagues from AIM Software and we are eager to start pursuing the data management opportunities together."

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Investor presentation

SimCorp's Executive Management Board will present the report at a conference call Friday, August 23, 2019 at 11:00 am (CET). Please use any of the following phone numbers to dial in to the conference call:

| | |
|------------------------------|---------------------|
| From Denmark: | +45 3272 8042 |
| From USA: | +1 631 510 7495 |
| From other countries: | +44 (0) 2071 928000 |
| Pin code to access the call: | 4360887 |

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/w8wy8sw2>

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 2018 is available via this link

<https://www.simcorp.com/annual-report-2018>

Enquiries regarding this announcement should be addressed to:

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Financial highlights and key ratios for the SimCorp Group

| EUR '000 | 2019 Q2 | 2018 Q2 | 2019 H1 | 2018 H1 | 2018 FY |
|--|------------|------------|------------|------------|------------|
| INCOME STATEMENT | | | | | |
| Revenue | 109,531 | 82,955 | 209,268 | 172,845 | 382,626 |
| Earnings before interest, tax, depreciation, and amortization (EBITDA) | 35,620 | 15,166 | 65,271 | 39,636 | 109,268 |
| Operating profit (EBIT) | 32,267 | 14,014 | 58,690 | 37,360 | 103,345 |
| Financial items, net | -530 | 1,184 | -561 | -514 | -809 |
| Profit before tax | 31,737 | 15,198 | 58,129 | 36,846 | 102,536 |
| Profit for the period | 23,732 | 11,241 | 43,305 | 27,514 | 76,971 |
| BALANCE SHEET | | | | | |
| Share capital | 5,441 | 5,441 | 5,441 | 5,441 | 5,441 |
| Total equity | 174,500 | 116,267 | 174,500 | 116,267 | 169,059 |
| Bank loan | - | 30,000 | - | 30,000 | - |
| Property, plant, and equipment * | 53,103 | 5,210 | 53,103 | 5,210 | 5,377 |
| Receivables | 76,284 | 71,083 | 76,284 | 71,083 | 79,165 |
| Contract assets | 109,686 | 60,368 | 109,686 | 60,368 | 85,684 |
| Cash and cash equivalents | 47,551 | 42,832 | 47,551 | 42,832 | 47,500 |
| Total assets | 341,024 | 240,710 | 341,024 | 240,710 | 270,267 |
| CASH FLOW | | | | | |
| Cash flow from operating activities | 22,787 | 23,101 | 50,811 | 46,623 | 82,215 |
| Net cash used in investing activities | -1,073 | -636 | -1,387 | -683 | -1,720 |
| Net cash used in financing activities | -44,855 | -7,330 | -49,805 | -34,570 | -64,444 |
| Free cash flow | 18,957 | 22,462 | 44,779 | 45,901 | 80,153 |
| Net change in cash and cash equivalents | -23,141 | 15,135 | -381 | 11,370 | 16,051 |
| EMPLOYEES | | | | | |
| Number of employees at the end of the period | 1,715 | 1,609 | 1,715 | 1,609 | 1,660 |
| Average number of employees - FTE | 1,648 | 1,545 | 1,638 | 1,528 | 1,554 |
| FINANCIAL RATIOS | | | | | |
| EBIT margin (%) | 29.5 | 16.9 | 28.0 | 21.6 | 27.0 |
| ROIC (return on invested capital) (%) | 73.9 | 48.8 | 78.9 | 63.7 | 82.4 |
| Receivables turnover ratio | 8.5 | 8.5 | 8.1 | 8.9 | 8.2 |
| Equity ratio (%) | 51.2 | 48.3 | 51.2 | 48.3 | 62.6 |
| Return on equity (%) | 57.4 | 41.2 | 56.9 | 43.9 | 59.7 |
| SHARE PERFORMANCE | | | | | |
| Earnings per share - EPS (EUR) | 0.60 | 0.29 | 1.09 | 0.70 | 1.95 |
| Diluted earnings per share - EPS-D (EUR) | 0.59 | 0.29 | 1.08 | 0.70 | 1.93 |
| Cash flow per share - CFPS (EUR) | 0.57 | 0.59 | 1.27 | 1.18 | 2.08 |
| MARKET VALUE RATIOS | | | | | |
| Average number of shares (m) | 39.7 | 39.2 | 39.7 | 39.4 | 39.5 |
| Average number of shares - diluted (m) | 40.1 | 39.7 | 40.1 | 39.8 | 39.9 |
| EUR/DKK rate of exchange at end of period | 7.4636 | 7.4525 | 7.4636 | 7.4525 | 7.4673 |

* 2019 includes right-of-use assets, refer to pages 25-27 for further details on the adoption of IFRS 16.

Please refer to the definition of ratios on page 61 of the Annual Report 2018. This interim report is unaudited and has not been reviewed by external auditors, for audited financial statements please refer to the comprehensive Annual Report 2018.

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Management's report

Development in sales and orders

In Q2 2019, four new SimCorp Dimension contracts were signed on subscription-based terms. The contracts were signed with clients in Luxemburg, North America, the UK and APAC. Two new SimCorp Coric contracts were signed in North America.

The Korea Investment Corporation (KIC) is a South Korean sovereign wealth fund, which has signed a license contract to utilize SimCorp Dimension as their new core, integrated investment management solution front to back.

The client in Luxemburg, Banque de Luxembourg Investments will use SimCorp Dimension's front and middle office investment processing. The client in North America, Hydro-Quebec, a Canadian public utility, will use SimCorp Dimension in support of their full front-to-back office processing for the firm's retirement plan.

The client in the UK is a London based asset manager, who will use SimCorp Dimension for their middle and back office operations through our SCDaaS offering and have special focus on post trade processing and complex derivatives. SimCorp Dimension will replace their inhouse solution.

One of the two new Coric clients will use SimCorp Coric's Client Reporting for their client communications and reporting platform to automate and streamline the creation and distribution of client reports, along with improving client reporting workflow capabilities. The other new Coric client will leverage SimCorp Coric's Client Reporting and Sales Enablement solutions, where the solution will be used across their affiliates, using a shared services model; providing client reporting for their affiliates internally.

Q2 2019, order intake was EUR 22.6m compared with EUR 16.2m in the same period last year. Client Driven Development (CDD) order intake accounted for EUR 1.0m compared with EUR 0.6m in the same period last year. There were no conversions from perpetual licenses to subscription licenses in Q2 2019 order intake.

H1 2019, order intake was EUR 44.0m compared with EUR 30.2m in the same period last year. A total of six new subscription based SimCorp Dimension license contracts and two new SimCorp Coric license contracts were signed in H1 2019.

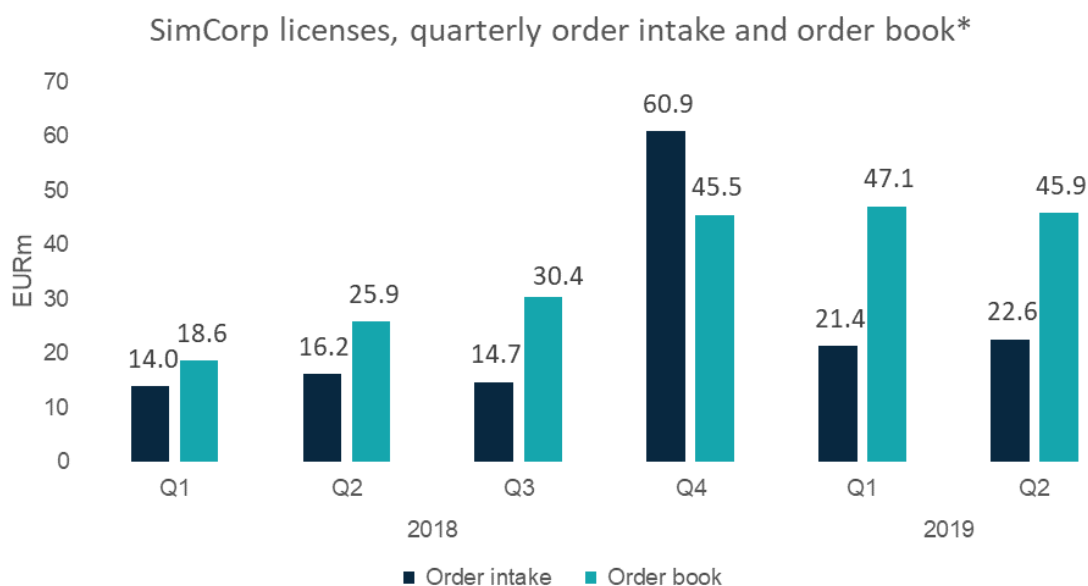
Several existing customers added to their current engagement, including a number of larger perpetual add-on contracts, and four of SimCorp Coric subscription agreements were renewed in H1 2019. The annual renewal of SimCorp Italiana's subscription-based agreements are predominantly in the first part of a year and accounted in H1 2019 for EUR 3.3m compared with EUR 4.3m in same period last year. The main reason for the lower renewal license fee was that one large client of SimCorp Italiana renewed for 6 months in 2019 as opposed to 12 months in 2018. This client has acquired SimCorp Dimension and will gradually switch from SimCorp Sofia to SimCorp Dimension.

The larger add-on SimCorp Dimension sales contracts were primarily signed in Northern Europe and North America. The SimCorp Coric renewals were signed in the UK and in North America.

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The order book of EUR 45.9m at June 30, 2019 is an increase of EUR 20.0m compared with same time last year. EUR 18.0m of the order book is related to CDD orders where income will be recognized when the software is delivered, compared with EUR 5.4m at the same time last year.



* Order intake and order book include licenses to new clients as well as add-on licenses to existing clients. The order book is the total aggregated license value of signed subscription and perpetual license agreements, including CDD orders, that have not yet been recognized in income.

Revenue

Q2 2019 revenue in reported currency was EUR 109.5m, 32.0% higher than in Q2 2018. Measured in local currencies the increase was 30.1%.

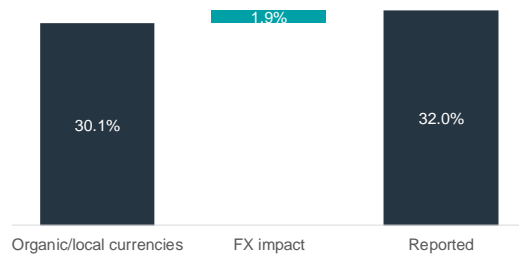
SimCorp generated revenue of EUR 209.3m in H1 2019 compared with EUR 172.8m in H1 2018, equivalent to an increase of 21.1%. The growth was primarily driven by strong license sales to new clients and secondarily by growth in software updates and support, professional services and ASP hosting and training fees. Exchange rate fluctuations for the period had a positive impact on revenue of EUR 3.3m, equal to 1.9%. Measured in local currencies, revenue thus increased by 19.2%.

The currency and acquisition impact on revenue growth is shown below:

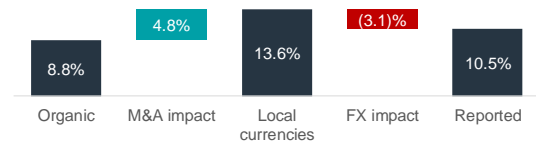
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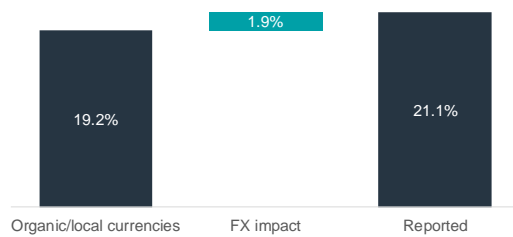
Q2 2019 revenue growth



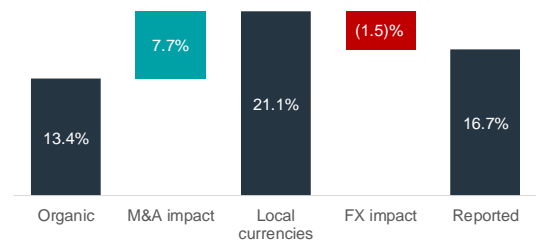
Q2 2018 revenue growth



H1 2019 revenue growth



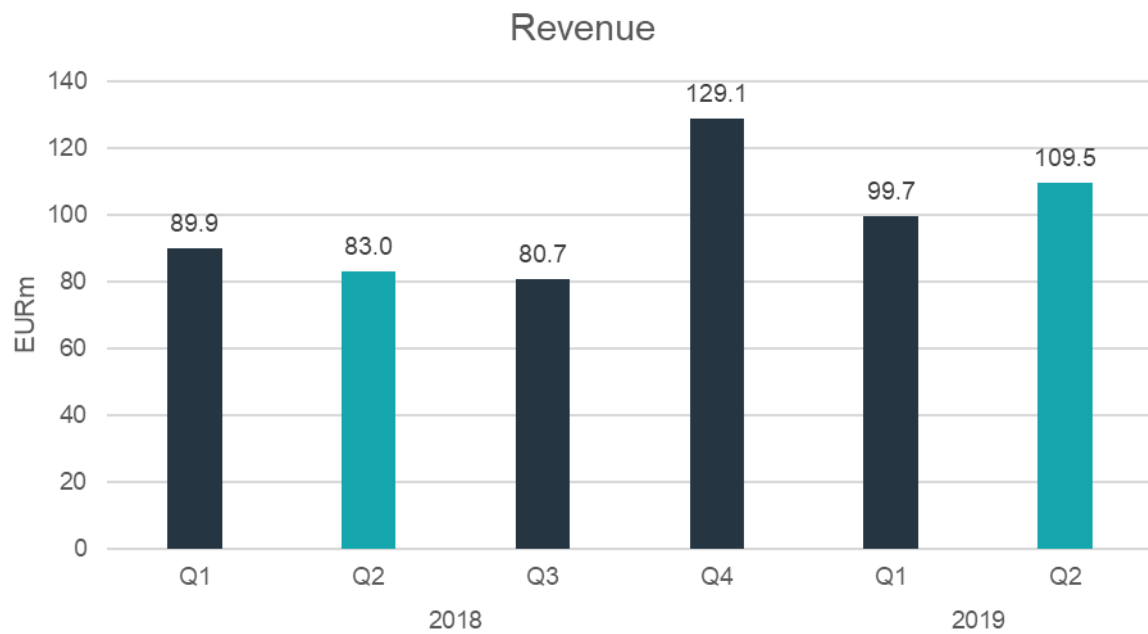
H1 2018 revenue growth



The development and distribution of quarterly revenue is shown below:

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Q2 revenue

| EURm | Revenue Q2 2019 | Share of revenue Q2 2019 | Revenue Q2 2018 | Share of revenue Q2 2018 | Revenue growth | Revenue growth local currency |
|-------------------------------|--------------------|--------------------------------|--------------------|--------------------------------|-------------------|--|
| Licenses - new sales | 14.2 | 12.9% | 2.2 | 2.6% | 549.5% | 539.5% |
| Licenses - additional sales | 9.2 | 8.4% | 7.2 | 8.7% | 28.1% | 24.3% |
| Software updates and support | 41.1 | 37.5% | 36.5 | 44.0% | 12.7% | 11.7% |
| Professional services | 37.5 | 34.3% | 33.0 | 39.8% | 13.6% | 11.7% |
| ASP hosting and training fees | 7.5 | 6.9% | 4.1 | 4.9% | 85.9% | 83.2% |
| Total revenue | 109.5 | 100.0% | 83.0 | 100.0% | 32.0% | 30.1% |

H1 revenue

| EURm | Revenue H1 2019 | Share of revenue H1 2019 | Revenue H1 2018 | Share of revenue H1 2018 | Revenue growth | Revenue growth local currency |
|-------------------------------|--------------------|--------------------------------|--------------------|--------------------------------|-------------------|--|
| Licenses - new sales | 21.9 | 10.5% | 7.5 | 4.3% | 194.2% | 188.4% |
| Licenses - additional sales | 21.1 | 10.1% | 21.5 | 12.4% | -1.8% | -4.1% |
| Software updates and support | 82.3 | 39.3% | 72.8 | 42.1% | 13.0% | 11.8% |
| Professional services | 71.7 | 34.3% | 64.9 | 37.6% | 10.4% | 8.4% |
| ASP hosting and training fees | 12.3 | 5.8% | 6.1 | 3.6% | 101.7% | 98.4% |
| Total revenue | 209.3 | 100.0% | 172.8 | 100.0% | 21.1% | 19.2% |

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In Q2 2019, revenue recognized from new and additional license sales totaled EUR 23.4m, EUR 14.0m more than in Q2 2018 driven by strong performance in Asia, North America and the UK.

In H1 2019, revenue recognized from new and additional license sales was EUR 43.0m, an increase of EUR 14.0m, or 48.3% compared with H1 2018. Currency fluctuations impacted total license fee positively by EUR 0.9m. Measured in local currencies, the increase was 45.5%.

In Q2 2019, there were no conversions from perpetual to subscription-based licenses, however, revenue that had been deferred related to a 2017 conversion accounted for 18%, renewals accounted for around 9%, and additional license sales accounted for around 73%.

In H1 2019, additional order intake was positively impacted by EUR 1.6m from one client converting their perpetual contracts to a 4-year subscription-based license contract^{*)} and additional sales revenue was positively impacted by in total EUR 3.2m. This includes revenue, that had been deferred related to the 2017 conversion mentioned above. In H1 2018, there was also one conversion, which increased additional order intake and license sales by around EUR 0.6m.

^{*)} The client had initially decided to outsource its operation but chose instead to convert to a subscription-based license contract with SimCorp. The annual subscription-based fee will be higher than the current software updates and support fee, but annual software updates and support will be EUR 0.1m lower.

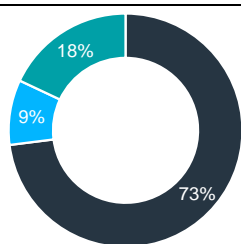
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In H1 2019, revenue from conversions accounted for around 15% (H1 2018: 3%) of the total add-on license sales, while renewals accounted for around 25% (H1 2018: 26%).

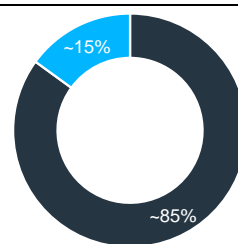
The split in add-on license sales is shown below:

Q2 2019 add-on license sales split



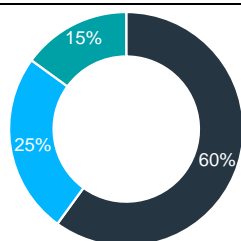
■ Add. regular license sales ■ Renewals ■ Conversions

Q2 2018 add-on license sales split



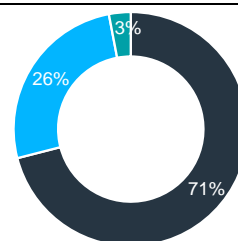
■ Add. regular license sales ■ Renewals ■ Conversions

H1 2019 add-on license sales split



■ Add. regular license sales ■ Renewals ■ Conversions

H1 2018 add-on license sales split



■ Add. regular license sales ■ Renewals ■ Conversions

In Q2 2019, revenue from software updates and support amounted to EUR 41.1m, an increase of 12.7% compared with Q2 last year. Measured in local currencies, the increase was 11.7%.

In H1 2019, software updates and support revenue increased by 13.0% from EUR 72.8m last year to EUR 82.3m. Currency fluctuations impacted the software updates and support revenue positively by 1.2%.

In Q2 2019, revenue from professional services amounted to EUR 37.5m, an increase of 13.6% compared with Q2 last year. Measured in local currencies, the increase was 11.7%.

In H1 2019, fees from professional services increased by 10.4% from EUR 64.9m last year to EUR 71.7m. Currency fluctuations impacted the professional services revenue positively by 2.0%.

In Q2 2019, ASP hosting and training fees amounted to EUR 7.5m compared with EUR 4.1m in Q2 2018.

In H1 2019, ASP hosting and training fees amounted to EUR 12.3m compared with EUR 6.1m in H1 2018. In H1 2019, we added three new ASP hosted clients, bringing the total number of clients on an ASP hosted solution to 15.

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Operating costs

SimCorp's total operating costs (including depreciation and amortization) amounted to EUR 77.4m in Q2 2019, compared with EUR 69.0m in Q2 2018, an increase of 12.0%. Currency fluctuations increased the total costs by 1.9%. Measured in local currencies the increase was 10.1%. The increase in operating costs was mainly linked to the general business growth and sales and marketing, which is related to the high level of new subscription sales in Q2.

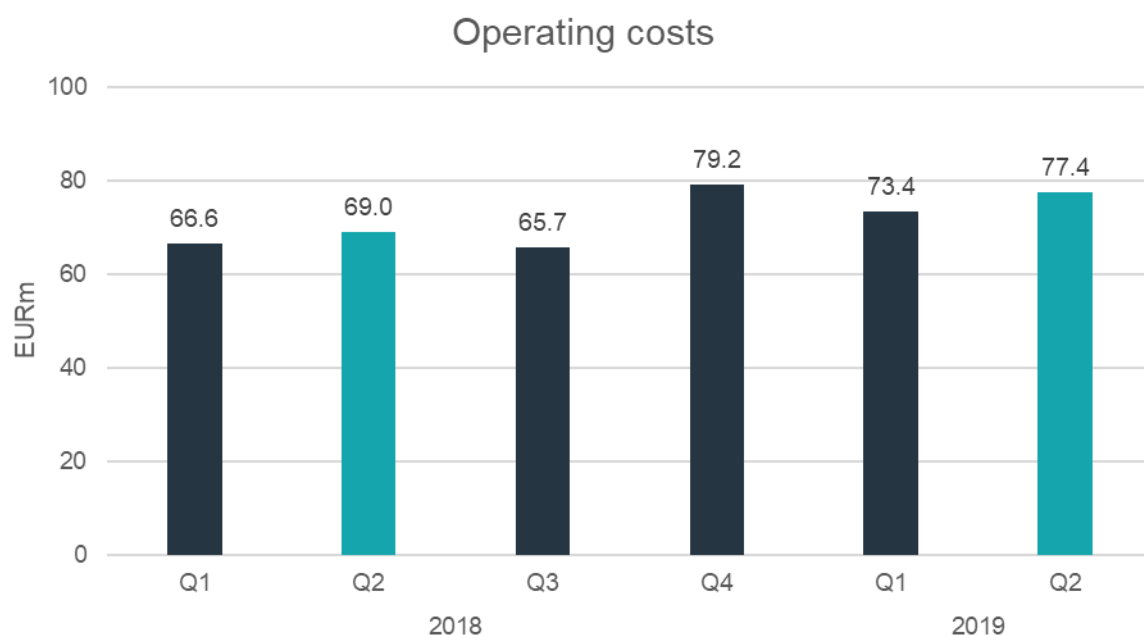
In H1 2019, total operating costs (including depreciation and amortization) increased by 11.2% from EUR 135.6m in H1 2018 to EUR 150.8m. Currency fluctuations increased the total operating costs by 2.0%. Measured in local currencies the operating costs increase was 9.2%.

The increase in operating costs was primarily related to an increase in number the full time employees from 1,609 at end of June 2018 to 1,715 at end of June 2019 and the annual salary increase of around 3%.

In H1 2019, 71% of SimCorp's total operating costs were directly related to employees, similar to H1 2018.

In H1 2019, operating costs includes EUR 0.3m of one-time costs related to the acquisition of AIM Holding S.C.A. (included in the cost line "Administrative expenses").

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



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Q2 operating costs

| | Costs Q2 2019 | Share of costs Q2 2019 | Share of revenue Q2 2019 | Costs Q2 2018 | Share of costs Q2 2018 | Share of revenue Q2 2018 | Growth | Growth local cur- rency |
|--------------------------------|---------------------|------------------------------|--------------------------------|---------------------|------------------------------|--------------------------------|--------------|----------------------------------|
| EURm | | | | | | | | |
| Cost of sales | 39.9 | 51.6% | 36.5% | 36.8 | 53.3% | 44.3% | 8.7% | 6.9% |
| Research and development costs | 19.4 | 25.1% | 17.7% | 17.6 | 25.5% | 21.2% | 9.9% | 9.1% |
| Sales and marketing costs | 12.1 | 15.6% | 11.1% | 9.5 | 13.8% | 11.5% | 27.2% | 20.0% |
| Administrative expenses | 6.0 | 7.7% | 5.4% | 5.1 | 7.4% | 6.1% | 16.6% | 14.4% |
| Total operating cost | 77.4 | 100.0% | 70.7% | 69.0 | 100.0% | 83.1% | 12.0% | 10.1% |

H1 operating costs

| | Costs H1 2019 | Share of costs H1 2019 | Share of revenue H1 2019 | Costs H1 2018 | Share of costs H1 2018 | Share of revenue H1 2018 | Growth | Growth local cur- rency |
|--------------------------------|---------------------|------------------------------|--------------------------------|---------------------|------------------------------|--------------------------------|--------------|----------------------------------|
| EURm | | | | | | | | |
| Cost of sales | 79.0 | 52.4% | 37.7% | 71.8 | 52.9% | 41.5% | 10.0% | 7.8% |
| Research and development costs | 38.4 | 25.5% | 18.4% | 34.5 | 25.5% | 20.0% | 11.4% | 10.2% |
| Sales and marketing costs | 21.6 | 14.3% | 10.3% | 18.9 | 14.0% | 11.0% | 13.9% | 10.4% |
| Administrative expenses | 11.8 | 7.8% | 5.6% | 10.4 | 7.7% | 6.0% | 13.8% | 12.1% |
| Total operating cost | 150.8 | 100.0% | 72.0% | 135.6 | 100.0% | 78.5% | 11.2% | 9.2% |

Employees

The average number of full-time employees increased by 7.2% from 1,528 in H1 2018 to 1,638 in H1 2019. The number of employees (headcounts) were 1,715 at the end of H1 2019 compared with 1,609 at the end of H1 2018.

EBIT and EBIT margin

Q2 EBIT was EUR 32.3m against EUR 14.0m in Q2 last year. Currency rate fluctuations increased EBIT by EUR 1.0m in Q2 2019. EBIT margin was 29.5% compared with 16.9% in Q2 2018. When measured in local currencies, the EBIT margin was 29.0%.

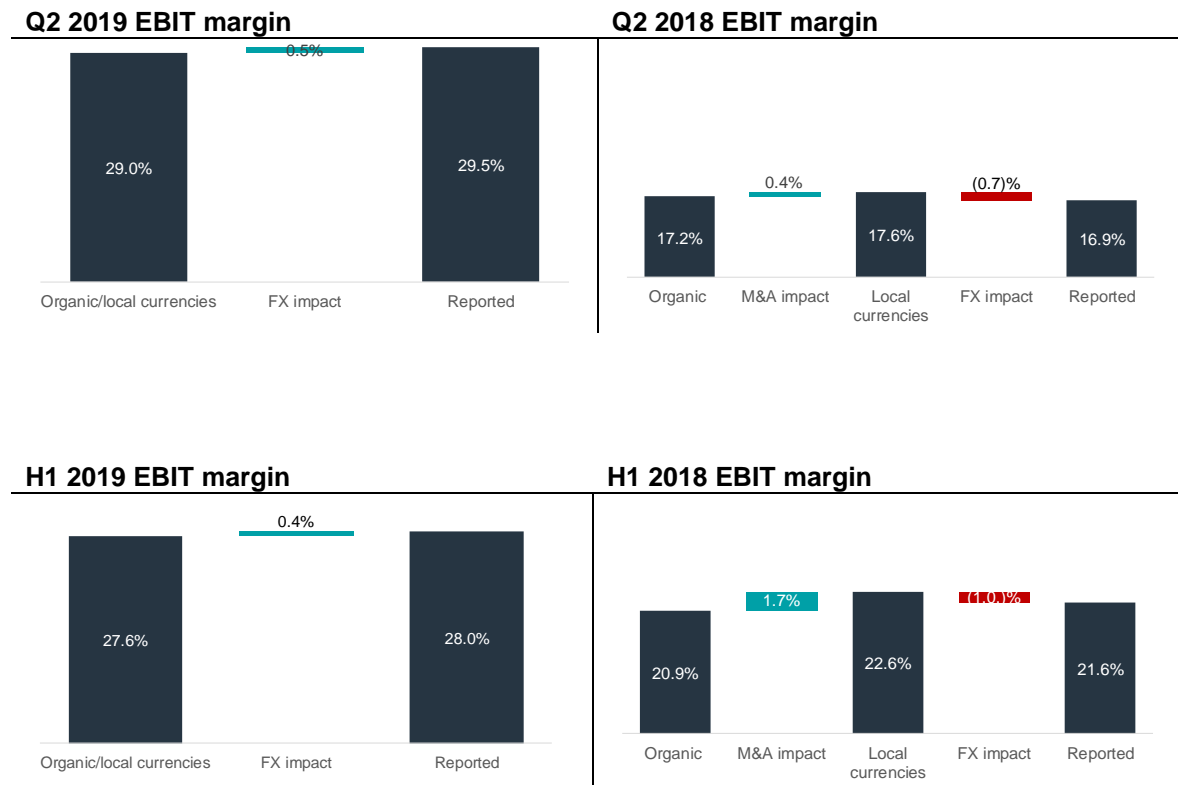
For H1 2019, the Group generated an EBIT of EUR 58.7m compared with EUR 37.4m in H1 2018, an increase of EUR 21.3m. Exchange rate fluctuations had a positive net impact on EBIT of EUR 1.8m.

EBIT margin increased from 21.6% in H1 2018 to 28.0%. When measured in local currencies, the EBIT margin was 27.6% in H1 2019, with the main driver behind the improved margin being revenue growth.

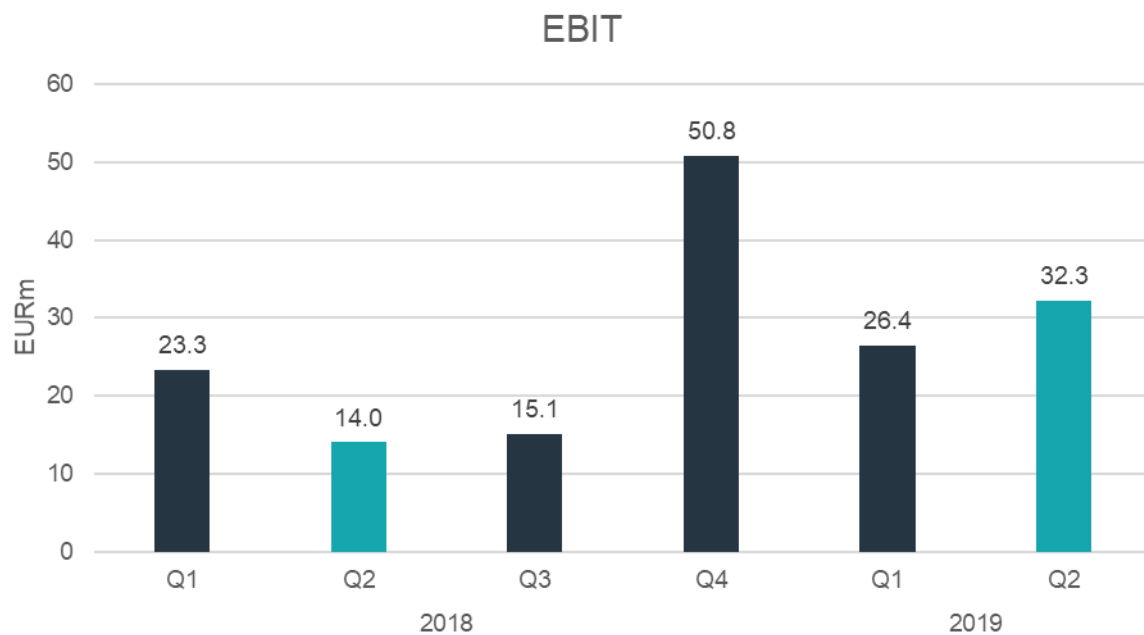
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The currency and M&A impact on EBIT margin is shown below:



The development in quarterly EBIT is shown below:



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Profit and comprehensive income

In Q2 2019, share of profit after tax in associates of EUR 0.02m, financial income of EUR 0.9m and financial expenses of EUR 1.4m resulted in a net financial expense of EUR 0.5m compared with a net financial income of EUR 1.2m in Q2 2018.

In Q2 2019, the Group realized a pre-tax profit of EUR 31.7m, against EUR 15.2m in Q2 2018, and a net profit of EUR 23.7m compared with EUR 11.2m in the same quarter last year.

In H1 2019, share of profit after tax in associates of EUR 0.05m, financial income of EUR 2.2m and financial expenses of EUR 2.8m resulted in a net financial expense of EUR 0.6m compared with a net financial expense of EUR 0.5m in H1 2018. Financial income and expenses are primarily related to foreign exchange adjustments.

In H1 2019, profit before tax was EUR 58.1m against EUR 36.8m in H1 2018. The tax charges for H1 2019 amounted to EUR 14.8m against EUR 9.3m in H1 2018. The effective tax rate was 25.5% compared with 25.3% in H1 2018.

In H1 2019, profit after tax was EUR 43.3m compared with EUR 27.5m in H1 2018. After foreign currency translation differences and other items of EUR -0.06m, the total comprehensive income amounted to EUR 43.3m against EUR 27.7m in H1 2018.

Balance sheet

SimCorp had total assets of EUR 341.0m at June 30, 2019 compared with EUR 240.7m at June 30, 2018. The increase is primarily related to the adoption of IFRS16 Leases of EUR 50.6m, see pages 25-27 for further details, a net increase in contract assets of EUR 49.3m, reflecting the accounting effect of signing new subscriptions agreements less invoicing in the last 12 months.

Cash holdings amounted to EUR 47.6m compared with EUR 42.8m at June 30, 2018. In H1 2019, treasury shares of EUR 9.2m was repurchased compared with no buyback program for treasury shares in H1 2018 due to cash required for repayment of the EUR 30.0m loan obtained in connection with the acquisition of SimCorp Italiana. The net cash position (cash holdings less borrowings) improved from EUR 12.8m at the end of June 2018 to EUR 47.6m.

Total receivables amounted to EUR 76.3m at June 30, 2019, representing an increase of EUR 5.2m or 7.3% compared with June 30, 2018, due to the increased activity level. Total receivables was EUR 2.9m lower than at December 31, 2018.

The Group's total non-current assets were EUR 97.5m compared with EUR 56.8m at June 30, 2018, the increase is primarily related to the adoption of IFRS16, Leases (EUR 48.1m).

Contract assets increased by EUR 49.3m compared with June 30, 2018, as new and additional subscription-based licenses added EUR 68.9m to contract assets in the last 12 months, which exceeded invoiced subscription-based license fees of EUR 19.6m for the last 12 months.

Goodwill was EUR 28.0m at June 30, 2019 similar to June 30, 2018.

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The carrying amount of acquired software decreased by EUR 2.4m from June 30, 2018 to EUR 4.7m at June 30, 2019 and the value of acquired client contracts decreased by EUR 1.1m from June 30, 2018 to EUR 6.9m at June 30, 2019, primarily due to amortization.

The carrying amount of leasehold increased from EUR 2.9m at June 30, 2018 to EUR 49.0m at June 30, 2019 due to the adoption of IFRS 16, see pages 25-27 for further details.

Other property, plant, and equipment amounted to EUR 4.1m against EUR 2.3m at June 30 2018.

Deferred tax assets decreased by EUR 3.5m to EUR 2.1m at June 30, 2019.

SimCorp's total liabilities were EUR 166.5m at June 30, 2019, compared with EUR 124.4m at 30 June, 2018. The increase was primarily due to adoption of IFRS 16.

Cash flow

In Q2 2019, free cash flow (cash flow from operations reduced by CAPEX and lease payments) was EUR 19.0m compared with EUR 22.5m in Q2 2018.

In H1 2019, operating activities generated a net cash inflow of EUR 50.8m against EUR 46.6m in H1 2018, the difference partly related to rent payment of EUR 4.7m in H1 2019 is reported under financing cash flow after the adoption of IFRS 16. Payment of income taxes amounted to EUR 8.5m, against EUR 8.4m in H1 2018.

In H1 2019, there was a net cash outflow of EUR 1.4m from investing activities compared with EUR 0.7m in H1 2018.

In H1 2019, free cash flow was EUR 44.8m compared with EUR 45.9m in H1 2018.

Cash used in financing activities in H1 2019 was related to payment of dividends of EUR 35.9m and purchase of treasury shares of EUR 9.2m and repayment of lease liabilities of EUR 4.7m. Cash used in financing activities in H1 2018 was limited to a dividend payment of EUR 34.4m.

Changes in equity

The Group's equity amounted to EUR 174.5m at June 30, 2019, an increase of EUR 5.4m from December 31, 2018. Comprehensive income amounted to EUR 43.3m against EUR 27.7m in H1 2018. The net effect of share-based payments related to restricted stock units was EUR 7.3m compared with EUR 6.5m in H1 2018. Equity was reduced by purchases of treasury shares of EUR 9.2m and dividends of EUR 35.9m against dividends payments of EUR 34.5m in H1 2018.

Other business updates

On August 1, 2019, Christian Kromann (47) joined SimCorp's Executive Management Board as Chief Operating Officer (COO). Christian Kromann joins SimCorp from a position as CEO of TIA Technology and brings extensive knowledge of the investment management industry. He has served in

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global management positions throughout his career, including various executive positions during the course of 17 years with global investment management vendors, Sungard and FIS.

The Board has today appointed Adam Warby as new Audit Committee member. Adam has 30+ years of international experience in enterprise sales, consulting and global services from a career spanning IBM, Microsoft and Avanade.

SimCorp has received four awards so far in 2019. Earlier in the year, SimCorp was named 'Best Securities Services Provider' in Global Custodian's Leaders in Custody Awards, and won FTF News' Technology Innovation Award in the categories of 'Best Middle-to-Back Office Integration Solution' and 'Best Client Reporting Solution'. Most lately, SimCorp has been awarded 'Best Asset Management System' in the Bobsguide Awards 2019.

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Outlook for the financial year 2019*

SimCorp generated a solid financial result in the first half of 2019. SimCorp's intake of new customers varies considerably from one quarter to the next. The H1 2019 intake of orders was EUR 44.0m compared with EUR 30.2m for the same period last year.

SimCorp has recognized in Q3 2019 the majority of the license revenue from a significant Asia order signed in December 2018. The recognition was previously expected in Q2 2019, but fulfillment of the conditions was delayed to Q3 2019. Since the closing of H1 2019, one new SimCorp Coric contract has been signed.

During Q2 2019, contracts impacting the 2019 full year revenue by EUR 45m were secured, against EUR 29m in the same period last year. SimCorp entered Q3 2019 with EUR 346m (not including AIM software as taken over on August 1, 2019) of the projected 2019 revenue secured compared with EUR 296m the same time last year, an increase of 16.9%.

SimCorp continues to experience a satisfactory, geographically diversified demand for its products and services.

Based on the current business environment, the results for H1 2019, the performance so far in Q3 2019, and the pipeline for the remainder of 2019, SimCorp has upgraded its expectations announced on June 6, 2019.

SimCorp now expects revenue growth measured in local currencies for 2019 to be between 12% and 17% (previously 10%-15%), of which approximately 2% is related to the acquisition of AIM Software, and EBIT margin measured in local currencies for 2019 to be between 25.0% and 28.0% (previously 24.5%-27.5%), including a 1%-point negative impact from the acquisition of AIM Software.

Based on exchange rates prevailing at July 31, 2019, SimCorp estimates reported revenue to be positively impacted from currency fluctuations by around 1.5% (also 1.5% in previous reporting). The impact from currency fluctuations on reported EBIT margin is expected to be positive by around 0.4%-points (0.2%-points in previous reporting).

* This announcement contains certain forward-looking statements and expectations in respect of the 2019 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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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 28-30 of SimCorp's Annual Report 2018 describe the most important general risk factors and the risk management measures utilized in everyday operations.

Shareholder information

Restricted stock units

In Q2 2019, 529 restricted stock units were granted to two employees related to incentive programs. The restricted stock units will vest after three years, subject to continuing employment.

397,323 restricted stock units are outstanding at June 30, 2019. The restricted stock units will be transferred in whole or in part between 2019 and 2022 to program participants still employed when the stock units vest, for the main part subject to performance conditions.

In addition, in connection with Christian Kromann's appointment as COO 6,216 restricted stock units were granted to him on August 1, 2019, as Christian Kromann has completed his personal investment by purchasing 3,108 SimCorp shares. These restricted stock units will vest 60% after three years, 20% after four years, and 20% after five years subject to continued employment.

Furthermore, Christian Kromann has been granted 2,049 restricted stock units related to the 2019 LTIP incentive program. The restricted stock units will vest after three years, subject to continued employment. Furthermore, the restricted stock units are subject to conditions with respect to average annual business growth and annual average net operating profit after tax for the financial years 2019 to 2021. If the two last conditions are only partially satisfied, the number of shares transferred after three years will be reduced, and may possibly lapse completely.

Holding of treasury shares

In Q2 2019, the Company purchased 74,294 treasury shares at an average price of DKK 629.55 per share, totaling EUR 6.3m. For H1 2019 the Company has in total purchased 111,120 treasury shares totaling EUR 9.2m at an average price of DKK 619.73.

At June 30, 2019, the holding of treasury shares amounted to 862,131 treasury shares, equal to 2.1% of the Company's issued share capital. The total purchase value of treasury shares was EUR 47.7m with a market value of EUR 73.3m at June 30, 2019.

In addition to the purchases in H1 2019 the Company has in the period from July 1 to August 22, 2019 acquired 39,860 treasury shares at a total price of EUR 3.3m.

The EUR 12.5m share buyback ("Safe Harbour") program was completed on August 22, 2019. During the program the Company acquired 150,980 treasury shares amounting to EUR 12.5m at an average price of DKK 617.28. At August 22, 2019, the Company's holding of treasury shares amounted to 901,141 treasury shares, equal to 2.2% of the Company's issued share capital.

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The Company will not initiate a new “Safe Harbour” program in 2019 due to the acquisition of AIM Holdings SCA.

Acquisition of AIM Holdings SCA.

On June 6, 2019, SimCorp announced that it had signed an agreement to acquire all the shares of AIM Holding SCA and its subsidiaries (“AIM Software”), for a total enterprise value of EUR 60m. The purchasing price was adjusted upwards by EUR 2.9m upon closing of the agreement, reflecting the net cash items taken over. The acquisition was financed by own cash reserves and extended credit facilities.

AIM Software is a leading provider of data management solutions with a specialized focus on the buy-side, and has been a long-standing partner to SimCorp. AIM Software has around 75 employees, with offices in Vienna, London and New York. Additionally, it has 40 people with a third-party service provider. In 2018, AIM Software generated revenue of EUR 16m. Please refer to Company Announcement no. 21/2019.

The acquisition will strengthen SimCorp’s strategic position and competitiveness in the market. Data management is an area of growing importance to buy side firms and increasingly central to any investment manager’s operational foundation. Also, it is often a key consideration in system selection processes. AIM Software’s market-leading solution will provide SimCorp with an even stronger value proposition, adding new capabilities in an area naturally linked to its existing front-to-back offering.

SimCorp expects to realize cross-selling synergies from the complimentary products and shared target client base, as well as cost synergies, for instance from combining the two firm’s office locations.

In 2019, SimCorp expects the acquisition to increase its revenue by approximately 2% and have a negative impact on its EBIT margin of approximately 1%-point due to lower initial profitability and certain non-recurring costs associated with the acquisition.

The acquisition is also expected to be EBIT margin dilutive in 2020, while EBIT margin neutral from 2021 due to full impact of synergy realizations.

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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 - June 30, 2019.

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 June 30, 2019 and of the profit of the Group's operations and cash flow for the period January 1 - June 30, 2019.

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 consolidated annual report 2018.

Furthermore, the management's commentary gives a fair representation of the Group's activities, financial position and description of the material risks and uncertainties which the Group is facing.

August 22, 2019

Executive Management Board:

Klaus Holse
Chief Executive Officer

Michael Rosenvold
Chief Financial Officer

Georg Hetrodt
Chief Product Officer

Christian Kromann
Chief Operating Officer

Board of Directors:

Peter Schütze
Chairman

Morten Hübbe
Vice Chairman

Hervé Couturier

Simon Jeffreys

Adam Warby

Joan A. Binstock

Else Braathen

Vera Bergforth

Hugues Chabanis

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Consolidated income statement

| EUR '000 | 2019 Q2 | 2018 Q2 | 2019 H1 | 2018 H1 | 2018 FY |
|--|------------|------------|------------|------------|------------|
| Revenue | 109,531 | 82,955 | 209,268 | 172,845 | 382,626 |
| Cost of sales | 39,945 | 36,758 | 78,963 | 71,812 | 148,786 |
| Gross profit | 69,586 | 46,197 | 130,305 | 101,033 | 233,840 |
| Other operating income | 136 | 86 | 203 | 130 | 1,219 |
| Research and development costs | 19,420 | 17,664 | 38,486 | 34,543 | 69,879 |
| Sales and marketing costs | 12,108 | 9,521 | 21,555 | 18,908 | 40,971 |
| Administrative expenses | 5,927 | 5,084 | 11,777 | 10,352 | 20,864 |
| Operating profit (EBIT) | 32,267 | 14,014 | 58,690 | 37,360 | 103,345 |
| Share of profit after tax in associates | 18 | 26 | 48 | 45 | 88 |
| Financial income | 888 | 2,376 | 2,240 | 3,246 | 4,694 |
| Financial expenses | 1,436 | 1,218 | 2,849 | 3,805 | 5,591 |
| Profit before tax | 31,737 | 15,198 | 58,129 | 36,846 | 102,536 |
| Tax on the profit for the period | 8,005 | 3,957 | 14,824 | 9,332 | 25,565 |
| Profit for the period | 23,732 | 11,241 | 43,305 | 27,514 | 76,971 |
| EARNINGS PER SHARE | | | | | |
| Earnings per share - EPS (EUR) | 0.60 | 0.29 | 1.09 | 0.70 | 1.95 |
| Diluted earnings per share - EPS-D (EUR) | 0.59 | 0.29 | 1.08 | 0.70 | 1.93 |

Statement of comprehensive income

| EUR '000 | 2019 Q2 | 2018 Q2 | 2019 H1 | 2018 H1 | 2018 FY |
|--|------------|------------|------------|------------|------------|
| Profit for the period | 23,732 | 11,241 | 43,305 | 27,514 | 76,971 |
| Other comprehensive income | | | | | |
| Items that will not be reclassified subsequently to the income statement: | | | | | |
| Remeasurements of defined benefit plans | - | -5 | - | -5 | 181 |
| Tax, remeasurement of defined benefit plans | - | - | - | - | -39 |
| Items that may be reclassified subsequently to the income statement, when specific conditions are met: | | | | | |
| Foreign currency translation differences for foreign operations | -1,530 | 555 | -55 | 208 | -239 |
| Other comprehensive income after tax | -1,530 | 550 | -55 | 203 | -97 |
| Total comprehensive income | 22,202 | 11,791 | 43,250 | 27,717 | 76,874 |

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Consolidated balance sheet

| EUR '000 | Jun. 30 2019 | Jun. 30 2018 | Dec. 31 2018 |
|---|-----------------|-----------------|-----------------|
| ASSETS | | | |
| Goodwill | 27,962 | 28,009 | 27,937 |
| Software | 4,721 | 7,105 | 5,139 |
| Client contracts | 6,860 | 7,945 | 7,368 |
| Total intangible assets | 39,543 | 43,059 | 40,444 |
| Leasehold | 49,046 | 2,891 | 3,106 |
| Technical equipment | 2,099 | 1,453 | 1,475 |
| Other equipment, fixtures, fittings and prepayments | 1,958 | 866 | 796 |
| Total property, plant, and equipment | 53,103 | 5,210 | 5,377 |
| Investments in associates | 696 | 928 | 723 |
| Deposits | 2,092 | 1,961 | 1,983 |
| Deferred tax | 2,090 | 5,621 | 2,328 |
| Total other non-current assets | 4,878 | 8,510 | 5,034 |
| Total non-current assets | 97,524 | 56,779 | 50,855 |
| Receivables | 76,284 | 71,083 | 79,165 |
| Contract assets | 109,686 | 60,368 | 85,684 |
| Income tax receivables | 1,245 | 1,507 | 978 |
| Prepayments | 8,734 | 8,141 | 6,085 |
| Cash and cash equivalents | 47,551 | 42,832 | 47,500 |
| Total current assets | 243,500 | 183,931 | 219,412 |
| Total assets | 341,024 | 240,710 | 270,267 |
| LIABILITIES AND EQUITY | | | |
| Share capital | 5,441 | 5,441 | 5,441 |
| Share premium | 9,963 | 9,963 | 9,963 |
| Exchange adjustment reserve | -3,464 | -2,962 | -3,409 |
| Retained earnings | 162,560 | 103,825 | 121,130 |
| Proposed dividend | - | - | 35,934 |
| Total equity | 174,500 | 116,267 | 169,059 |
| Lease liabilities | 38,233 | - | - |
| Deferred tax | 16,151 | 11,328 | 11,728 |
| Provisions | 7,319 | 8,246 | 8,258 |
| Total non-current liabilities | 61,703 | 19,574 | 19,986 |
| Bank loan | - | 30,000 | - |
| Lease liabilities | 9,278 | - | - |
| Prepayments from clients | 33,856 | 24,172 | 17,704 |
| Trade payables and other payables | 57,320 | 45,304 | 59,675 |
| Income tax payables | 3,916 | 5,040 | 3,117 |
| Provisions | 451 | 353 | 726 |
| Total current liabilities | 104,821 | 104,869 | 81,222 |
| Total liabilities | 166,524 | 124,443 | 101,208 |
| Total liabilities and equity | 341,024 | 240,710 | 270,267 |

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SimCorp reports revenue growth of 21% and EBIT margin of 28% in H1 2019 with eight new clients signed and has upgraded its 2019 financial guidance

Consolidated cash flow statement

| EUR '000 | 2019 Q2 | 2018 Q2 | 2019 H1 | 2018 H1 | 2018 FY |
|--|----------------|---------------|----------------|----------------|----------------|
| Profit for the period | 23,732 | 11,241 | 43,305 | 27,514 | 76,971 |
| Adjustments for non-cash operating items | 8,393 | 7,577 | 25,270 | 17,949 | 41,675 |
| Changes in contract assets | -15,806 | -4,966 | -24,002 | -10,422 | -35,738 |
| Changes in working capital | 9,223 | 11,849 | 14,765 | 20,040 | 21,917 |
| Cash from operating activities before financial items | 25,542 | 25,701 | 59,338 | 55,081 | 104,825 |
| Financial income received | 15 | 9 | 117 | 32 | 136 |
| Financial expenses paid | -15 | -25 | -162 | -127 | -465 |
| Income tax paid | -2,755 | -2,584 | -8,482 | -8,363 | -22,281 |
| Net cash from operating activities | 22,787 | 23,101 | 50,811 | 46,623 | 82,215 |
| Proceeds from sale of share of associates | - | - | - | - | 285 |
| Purchase of intangible fixed assets | - | - | - | - | -112 |
| Purchase of property, plant, and equipment | -1,154 | -639 | -1,365 | -722 | -1,950 |
| Purchase of financial assets | - | - | -243 | -14 | -45 |
| Proceeds from sale of financial assets | - | 3 | 140 | 53 | 59 |
| Dividends from associates | 81 | - | 81 | - | 43 |
| Net cash used in investing activities | -1,073 | -636 | -1,387 | -683 | -1,720 |
| Net cash from operating and investing activities | 21,714 | 22,465 | 49,424 | 45,940 | 80,495 |
| Dividends paid | -35,911 | -7,330 | -35,911 | -34,570 | -34,444 |
| Purchase of treasury shares | -6,268 | - | -9,227 | - | - |
| Repayment of lease liability | -2,676 | - | -4,667 | - | - |
| Repayment, loans | - | - | - | - | -30,000 |
| Net cash used in financing activities | -44,855 | -7,330 | -49,805 | -34,570 | -64,444 |
| Change in cash and cash equivalents | -23,141 | 15,135 | -381 | 11,370 | 16,051 |
| Cash and cash equivalents at beginning of period | 70,808 | 27,550 | 47,500 | 31,412 | 31,412 |
| Foreign exchange adjustment of cash and cash equivalents | -116 | 147 | 432 | 50 | 37 |
| Cash and cash equivalents end of period | 47,551 | 42,832 | 47,551 | 42,832 | 47,500 |

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Statement of changes in equity

| EUR '000 | Share capital | Share premium | Exchange adjustment reserve | Retained earnings | Dividends for the year | Total |
|--|---------------|---------------|-----------------------------|-------------------|------------------------|---------|
| 2019 | | | | | | |
| Equity at January 1 | 5,441 | 9,963 | -3,409 | 121,130 | 35,934 | 169,059 |
| Net profit for the period | - | - | - | 43,305 | - | 43,305 |
| Total other comprehensive income | - | - | -55 | - | - | -55 |
| Total comprehensive income for the period | - | - | -55 | 43,305 | - | 43,250 |
| Transactions with owners | | | | | | |
| Dividends paid to shareholders | - | - | - | 23 | -35,934 | -35,911 |
| Share-based payment | - | - | - | 6,211 | - | 6,211 |
| Tax, share-based payment | - | - | - | 1,118 | - | 1,118 |
| Purchase of treasury shares | - | - | - | -9,227 | - | -9,227 |
| Equity at June 30 | 5,441 | 9,963 | -3,464 | 162,560 | - | 174,500 |
| 2018 | | | | | | |
| Equity at January 1 | 5,467 | 9,963 | -3,170 | 69,751 | 34,570 | 116,581 |
| Net profit for the period | - | - | - | 27,514 | - | 27,514 |
| Total other comprehensive income | - | - | 208 | -5 | - | 203 |
| Total comprehensive income for the period | - | - | 208 | 27,509 | - | 27,717 |
| Transactions with owners | | | | | | |
| Cancellation of treasury shares | -26 | - | - | 26 | - | - |
| Dividends paid to shareholders | - | - | - | 57 | -34,570 | -34,513 |
| Share-based payment | - | - | - | 5,676 | - | 5,676 |
| Tax, share-based payment | - | - | - | 806 | - | 806 |
| Equity at June 30 | 5,441 | 9,963 | -2,962 | 103,825 | - | 116,267 |
| Net profit for the period | - | - | - | 49,457 | - | 49,457 |
| Total other comprehensive income | - | - | -447 | 147 | - | -300 |
| Total comprehensive income for the period | - | - | -447 | 49,604 | - | 49,157 |
| Transactions with owners | | | | | | |
| Dividends paid to shareholders | - | - | - | 69 | - | 69 |
| Share-based payment | - | - | - | 3,629 | - | 3,629 |
| Tax, share-based payment | - | - | - | -63 | - | -63 |
| Proposed dividends to shareholders | - | - | - | -35,934 | 35,934 | - |
| Equity at December 31 | 5,441 | 9,963 | -3,409 | 121,130 | 35,934 | 169,059 |

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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 2018 except for the changes described below. See the Annual Report 2018 for a comprehensive description of the accounting policies applied.

Change in accounting policies**IFRS 16**

Effective January 1, 2019, IFRS 16 Leases was implemented. The standard was adopted applying the modified retrospective approach for the 2019 reporting period, and comparatives for the 2018 reporting period were not restated as permitted under the transition provisions in the standard. On adoption of IFRS 16, SimCorp recognizes lease liabilities in relation to leases, which had previously been classified as ‘Operating Leases’ under the principles of IAS 17 Leases. These leases were measured as payments payable over the remaining lease term.

SimCorp has used several practical expedients permitted by the standard: reliance on previous assessment on whether leases are onerous; accounting as short-term leases those with remaining terms of less than 12 months from January 1, 2019; exclusion of initial direct costs for the measurement of right-of-use asset at the date of initial application; and use of hindsight in determining the term of contracts with options to extend and terminate.

SimCorp has provided information on implementation of IFRS 16 Leases, including the estimated impact on the financial statements for the full year 2019, in the Annual Report 2018 on page 59.

Right-of-use assets are included in the categories under Property, plant, and equipment and the lease liability is presented separately in the balance sheet.

SimCorp’s leases predominately include office leases, and also some company cars and office equipment. With IFRS 16, essentially all leases are recognized in the balance sheet with a corresponding lease liability except for short-term assets and low value assets.

Leased assets are depreciated over the lease term, and payments are allocated between installments on the lease liabilities and interest expense, classified as financial expenses. Liabilities are measured at the present value of the remaining lease payments adjusted with any incentive payments. SimCorp has selected to exclude related operational costs from the assets.

The term for each lease agreement is determined based on the minimum term and if the agreement includes an extension option the period covered by extension option is included if the extension option is reasonably certain to be exercised.

SimCorp applies the marginal borrowing rate in the applicable countries. The incremental borrowing rate, which is the risk-free interest rate plus a credit spread to obtain external financing, was estimated to between 1.0% and 2.5% depending on the geographical location of the asset. The rate is

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used for discounting the lease liabilities on 1 January 2019. The weighted average incremental borrowing rate for lease liabilities on January 1, 2019 was 1.27%.

A number of office lease agreements includes reestablishment and refurbishment obligations when the office is vacated. These obligations are estimated and included in provisions.

The change in accounting policy affected the below items in the balance sheet on January 1, 2019:

| EUR '000 | January 1, 2019 |
|--------------------------------------|-----------------|
| Right-of-use assets | 50,600 |
| Total property, plant, and equipment | -857 |
| Prepayments | -320 |
| Trade payables and other payables | 1,056 |
| Lease liabilities | -50,479 |

The recognized right-of-use assets relate to the following types of assets:

| EUR '000 | June 30, 2019 | January 1, 2019 |
|--|---------------|-----------------|
| Leasehold (depreciation period: 1 to 10 years) | 46,687 | 48,708 |
| Equipment (depreciation period: 1 to 3 years) | 522 | 781 |
| Cars (depreciation period: 1 to 4 years) | 859 | 1,111 |
| Right-of-use assets | 48,068 | 50,600 |

Operating lease commitments at December 31, 2018 reconcile to the opening balance for lease liabilities at January 1, 2019 as follows:

| EUR '000 | 2019 |
|---|---------------|
| Operating lease commitment as at December 31, 2018 | 61,399 |
| Discounted using SimCorp's incremental borrowing rate | 57,555 |
| Short term leases | -282 |
| Low value leases | -53 |
| Contracts reassessed as services agreements | -9,363 |
| Adjustments as a result of a different treatment of extension and termination options | 2,570 |
| Adjustments relating to changes in the index or rate affecting variable payments | 52 |
| Lease liability recognized as at January 1, 2019 | 50,479 |
| Current | 8,889 |
| Non-current | 41,590 |

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SimCorp reports revenue growth of 21% and EBIT margin of 28% in H1 2019 with eight new clients signed and has upgraded its 2019 financial guidance

Impact on segment reporting

EBITDA and EBIT segment assets have increased as a result of the change in accounting policy. The following segments are impacted by the changes:

| EUR '000 | EBIT | EBITDA | Segment assets June 30, 2019 |
|-------------------------------------|------------|--------------|------------------------------------|
| UK, Northern Europe and Middle East | 2 | 920 | 6,203 |
| Central Europe | 6 | 438 | 1,478 |
| Southern Europe | 6 | 374 | 1,898 |
| Asia and Australia | 34 | 379 | 6,523 |
| North America | 7 | 172 | 1,082 |
| Research and development | 41 | 1,230 | 16,400 |
| SimCorp Coric | 5 | 195 | 1,755 |
| SimCorp Sofia | 4 | 169 | 1,289 |
| Segments total | 105 | 3,877 | 36,628 |
| Corporate Functions | 28 | 893 | 11,440 |
| Impact | 133 | 4,770 | 48,068 |

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 2018.

Company Announcement

SimCorp reports revenue growth of 21% and EBIT margin of 28% in H1 2019 with eight new clients signed and has upgraded its 2019 financial guidance

Segment information

| EUR '000 | UK, Northern Europe and Middle East | Central Europe | Southern Europe | Asia and Australia | North America | Research and development | SimCorp Coric | SimCorp Sofia | Segments total | Corporate Functions | Elimination/ Not allocated | Group |
|---------------------------------|---|-------------------|--------------------|-----------------------|------------------|--------------------------------|------------------|------------------|-------------------|------------------------|----------------------------------|----------------|
| April 1 - June 30 2019 | | | | | | | | | | | | |
| External revenue | 34,336 | 18,443 | 9,075 | 15,766 | 24,388 | 279 | 3,126 | 4,033 | 109,446 | 85 | - | 109,531 |
| Revenue between segments | 5,020 | 1,229 | 193 | 90 | 777 | 44,668 | 1,805 | 338 | 54,120 | 8,366 | -62,486 | - |
| Total segment revenue | 39,356 | 19,672 | 9,268 | 15,856 | 25,165 | 44,947 | 4,931 | 4,371 | 163,566 | 8,451 | -62,486 | 109,531 |
| EBITDA | 4,256 | 1,936 | 827 | 475 | 2,972 | 24,186 | 1,327 | 1,292 | 37,271 | -1,651 | - | 35,620 |
| Depreciation and amortization | 491 | 233 | 136 | 147 | 263 | 178 | 242 | 487 | 2,177 | 1,176 | - | 3,353 |
| Segment operating profit | 3,765 | 1,703 | 691 | 328 | 2,709 | 24,008 | 1,085 | 805 | 35,094 | -2,827 | - | 32,267 |
| January 1 - June 30 2019 | | | | | | | | | | | | |
| External revenue | 71,048 | 38,168 | 20,549 | 21,535 | 40,798 | 519 | 5,841 | 10,696 | 209,154 | 114 | - | 209,268 |
| Revenue between segments | 10,586 | 3,083 | 546 | 166 | 1,587 | 82,151 | 3,865 | 657 | 102,641 | 15,176 | -117,817 | - |
| Total segment revenue | 81,634 | 41,251 | 21,095 | 21,701 | 42,385 | 82,670 | 9,706 | 11,353 | 311,795 | 15,290 | -117,817 | 209,268 |
| EBITDA | 7,815 | 3,946 | 1,214 | 895 | 4,095 | 40,721 | 3,563 | 5,257 | 67,506 | -2,235 | - | 65,271 |
| Depreciation and amortization | 946 | 463 | 443 | 227 | 525 | 344 | 483 | 808 | 4,239 | 2,342 | - | 6,581 |
| Segment operating profit | 6,869 | 3,483 | 771 | 668 | 3,570 | 40,377 | 3,080 | 4,449 | 63,267 | -4,577 | - | 58,690 |
| Total assets | 62,944 | 20,880 | 25,130 | 31,385 | 75,078 | 17,644 | 22,885 | 52,786 | 308,732 | 20,040 | 12,252 | 341,024 |
| April 1 - June 30 2018 | | | | | | | | | | | | |
| External revenue | 32,793 | 16,468 | 9,947 | 4,456 | 13,568 | 269 | 1,785 | 3,540 | 82,826 | 129 | - | 82,955 |
| Revenue between segments | 5,950 | 2,142 | 253 | 258 | 1,205 | 27,071 | 312 | 120 | 37,311 | 2,208 | -39,519 | - |
| Total segment revenue | 38,743 | 18,610 | 10,200 | 4,714 | 14,773 | 27,340 | 2,097 | 3,660 | 120,137 | 2,337 | -39,519 | 82,955 |
| EBITDA | 3,397 | 1,716 | -1,313 | 388 | 1,387 | 12,972 | -509 | 1,040 | 19,078 | -3,912 | - | 15,166 |
| Depreciation and amortization | 107 | 8 | 41 | 15 | 85 | 30 | 145 | 326 | 757 | 395 | - | 1,152 |
| Segment operating profit | 3,290 | 1,708 | -1,354 | 373 | 1,302 | 12,942 | -654 | 714 | 18,321 | -4,307 | - | 14,014 |
| January 1 - June 30 2018 | | | | | | | | | | | | |
| External revenue | 64,167 | 32,922 | 21,355 | 8,195 | 30,371 | 546 | 3,604 | 11,443 | 172,603 | 242 | - | 172,845 |
| Revenue between segments | 13,207 | 4,648 | 488 | 630 | 2,310 | 510,13 | 779 | 350 | 73,425 | 2,871 | -76,296 | - |
| Total segment revenue | 77,374 | 37,570 | 21,843 | 8,825 | 32,681 | 515,59 | 4,383 | 11,793 | 246,028 | 3,113 | -76,296 | 172,845 |
| EBITDA | 6,423 | 3,213 | -2,247 | 577 | 1,943 | 28,953 | 806 | 6,014 | 45,682 | -6,046 | - | 39,636 |
| Depreciation and amortization | 214 | 15 | 116 | 25 | 170 | 58 | 288 | 621 | 1,507 | 769 | - | 2,276 |
| Segment operating profit | 6,209 | 3,198 | -2,363 | 552 | 1,773 | 28,895 | 518 | 5,393 | 44,175 | -6,815 | - | 37,360 |
| Total assets | 46,273 | 13,556 | 24,963 | 16,414 | 41,326 | 2,858 | 24,821 | 53,478 | 223,689 | 6,191 | 10,830 | 240,710 |

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.

| EUR '000 | 2019 Q2 | 2018 Q2 | 2019 H1 | 2018 H1 |
|---|---------------|---------------|---------------|---------------|
| Segment operating profit (EBIT) | 32,267 | 14,014 | 58,690 | 37,360 |
| Share of profit after tax in associates | 18 | 26 | 48 | 45 |
| Financial income | 888 | 2,376 | 2,240 | 3,246 |
| Financial expenses | 1,436 | 1,218 | 2,849 | 3,805 |
| Profit for the period before tax | 31,737 | 15,198 | 58,129 | 36,846 |

Contingent liabilities

No material changes have occurred to the contingent liabilities referred to in the Annual Report 2018.

Events after June 30, 2019

On June 6, 2019, SimCorp entered into an agreement to acquire all shares in AIM Holdings S.C.A. The acquisition was completed on August 1, 2019. As the closing of the acquisition is completed just ahead of SimCorp's presentation of its Q2 2019 interim report, a purchase price allocation for the acquisition has not been made yet.

The acquisition was financed by own cash reserves and extended credit facilities.

Except for the acquisition of AIM Holdings SCA, no significant events have occurred after the balance sheet date that affect the interim report.