Capital Markets Day
2011

The markets in which we operate

Torben Munch, COO
Value creation and value capturing

Paul Verdin on strategies

A good strategy is a strategy that makes money in a sustainable and durable way

A good strategy produces sustained out performance

A good strategy is not just luck. It is consistent luck

Factor of success
• Not the economy
• Not the sector
• Not locations

Companies are successful because of what they do (and don’t do)

Back to basics! A good strategy continuously creates and captures value.

Value Creation

Value Capturing
Go to market strategies

The battlefield is a scene of constant chaos. The winner will be the one who controls that chaos, both his own and the enemies’.

Napoleon I
Strategy foundation

- Servicing institutional buy side industry globally
- Delivering an integrated enterprise platform of highly configurable standard software with support for all functions of investment operations
- A basic belief that the enterprise solution eventually will outperform best of breed products
- A focused go-to-market strategy based on a regional approach and market segmentation with a strong local foundation for support and delivery of services
- A perennial guarantee to all clients based on two new annual releases
SimCorp’s operations

North America: 57 employees

The UK: 100 employees

Copenhagen: 449 employees

Nordic: 88 employees

Ukraine: 122 employees

Western Europe: 79 employees

Central Europe: 179 employees

Asia: 37 employees

New offices in Toronto and Luxembourg
Buy side industry

- Asset managers
- Investment funds
- Pension
- Insurance
Est. Market spending – world 2015

Select from menu:
- Institutional asset management
- Packaged software

Market size - Global level

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>1,468</td>
<td>1,521</td>
<td>1,474</td>
<td>1,487</td>
<td>1,564</td>
<td>1,639</td>
<td>1,733</td>
<td>1,830</td>
<td>1,936</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

Size of the market through 2015

Source: Ovum

Copyright Ovum 2010
Est. Market spending – Europe 2015

Select from menu:
- Europe
- Institutional asset management
- Packaged software

Market size - Regional level

<table>
<thead>
<tr>
<th>Spending ($m)</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>304</td>
<td>373</td>
<td>357</td>
<td>352</td>
<td>303</td>
<td>399</td>
<td>419</td>
<td>440</td>
<td></td>
<td>2.4%</td>
</tr>
</tbody>
</table>

Size of the market through 2015

Source: Ovum

Copyright Ovum 2010
Est. Market spending – North America 2015

Select from menu
North America
Institutional asset management
Packaged software

Market size - Regional level

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Spending ($m)</td>
<td>668</td>
<td>680</td>
<td>650</td>
<td>668</td>
<td>701</td>
<td>740</td>
<td>780</td>
<td>821</td>
<td>855</td>
<td></td>
<td>3.3%</td>
</tr>
</tbody>
</table>

Size of the market through 2015

Market size in North America and YOY Growth

Source: Ovum

Copyright Ovum 2010
Est. Market spending – Asia 2015

Select from menu

- Asia and Pacific
- Institutional asset management
- Packaged software

Market size - Regional level

<table>
<thead>
<tr>
<th>Spending ($m)</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia and Pacific</td>
<td>232</td>
<td>293</td>
<td>287</td>
<td>394</td>
<td>309</td>
<td>329</td>
<td>351</td>
<td>374</td>
<td>400</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

Size of the market through 2015

Source: Ovum

Copyright Ovum 2010
Positioning SimCorp and delivering our message

Lars Bjørn Falkenberg, SVP, Global Product & Marketing Management
Building awareness
Building position
SimCorp’s global market place

- 16 geographic markets
- Approximately 1,800 attractive potential clients (organisations based on current business model)
- ~8-10 relevant decision makers in each potential organisation
- Lead/contact management scope of total ~18,000 individuals
Generic marketing framework

Know

SimCorp

Would consider SimCorp

Demand

Fitting operating model and IT architectural strategy

Influenceable

Beyond power of influence

Partly influenceable

Partly influenceable
So how are we doing...

Fitting operating model and IT architectural strategy

Leading strategy (FtB/SaaS)

SimCorp

Would consider SimCorp

No. 1 (46%)
Building awareness and position

Whose attention are we primarily looking for?

Before awareness comes attention

Positive attention requires perceived relevance

- so is software relevant?

No!
Building awareness and position

We need to be perceived as a part of the solution - not as a part of the problem...

Hence, we are building a strong global thought leader position as a platform for sales execution.

Strategic message: Mitigate risk, reduce cost, enable growth.
Thought leader marketing programmes as a foundation for sales execution

» Sales activities

» SimCorp StrategyLab
» Journal of Applied IT & Investment Management
» Resource portals
» Assessment tools
» White papers
» Seminars, events and C-level master classes
» Social media and user community networks
Ex. 1: SimCorp StrategyLab

- "SimCorp StrategyLab" 16,000 Google references
- Co-branded via direct involvement of 60+ world leading professors, industry analysts, management consultants, industry senior executives and leading financial institutions
- Several articles, mentionings and references in Financial Times, The Wall Street Journal, Handelsblatt, Borsen Zeitung and a wide range of industry media
- Key note speaker representations at leading global events
- Distribution of books licensed to world leading publisher McMillan, for sale via amazon.com and book stores worldwide
- Several invitations to join R&D initiatives worldwide
Ex. II: Journal of applied IT & Investment Management

Global circulation: 22,000 copies.

Personal subscription basis + Qantas Airlines Business Class and lounges (+).

Contributions from leading professors, industry analysts, management consultants, industry senior executives and leading financial institutions.
Ex. III: Resource Portal

- E.g. all major regulatory changes and requirements covered
- Expert views and best practise
- IT implications analyses
- Online tests and assessments
- SimCorp Dimension positioning statements
Does it work?

<table>
<thead>
<tr>
<th>Total US media mentionings</th>
<th>SimCorp</th>
<th>Advent</th>
<th>Eagle</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>370</td>
<td>943</td>
<td>233</td>
</tr>
<tr>
<td>2011 YtD</td>
<td><strong>552</strong></td>
<td>455</td>
<td>110</td>
</tr>
</tbody>
</table>

Source: Cognito Analytics
Where to go?

![Graph showing asset management in different countries]

Source: SimCorp based on AGF, Watson Wyatt, BIS, IPE studies 2008
Market attractiveness

- Size
- Structure (segments & operating models)
- Competition (known & unknown)
- Barriers to entry
- Brand awareness
- Brand Image
Potential (based on 2009 figures)
## SimCompass - awareness

<table>
<thead>
<tr>
<th>High awareness</th>
<th>Low awareness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordic</td>
<td>North America</td>
</tr>
<tr>
<td>Germany</td>
<td>France</td>
</tr>
<tr>
<td>Holland</td>
<td>Asia (Hong Kong &amp; Singapore)</td>
</tr>
<tr>
<td>Belgium</td>
<td>Luxemburg</td>
</tr>
<tr>
<td>Austria</td>
<td>Switzerland</td>
</tr>
<tr>
<td>UK</td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td></td>
</tr>
</tbody>
</table>
“KyM”: Know your Market

Market demographics
- To *provide* the necessary data to gauge the size of the market potential in your territory
- *Identify* exact structure as to segments
- *Execute* precise sales and marketing activities to these institutions

Collect data and *maintain* these data
- I.e. named institutions in the Universe, target institutions in the Universe, segment coding, out/insourcing level

Process to collect and maintain the data

Responsible for the collection and maintenance

KPIs for quarterly and yearly target
- I.e. number of institutions to have in Target
- Expected/Planned awareness
“KyC”: Know your Client/Prospect

Data collection to populate the Heat Map

• I.e. contact persons, current use of systems, indication of upcoming selection of systems,..

Data are necessary to populate the heat map and assign an appropriate treatment to each institution according to the heat map.
Qualifying

Universe

Target institutions

“Eligible”

Heatmap

Prospecting - lead

Opportunity stage 10

Opportunity stage 15

Marketing activities

Opportunity stage 50/00

Opportunity stage 40

Opportunity stage 30

Opportunity stage 20

Lead qualification

Sales Client name
Market penetration in different geographies

Having portfolio of markets in different phases of penetration

Market share

Nordio

Revenue per country of origin 2006-2010

Time
Crossing the Chasm in Germany

New customers

Introduction period

enthusiasts

visionaries

The chasm

Tornado phase

pragmaticians

conservatives

skeptics

Mainstream

Time
KAG clients over time: SimCorp’s alley to market leadership

Market Share among KAGs

KAGs

Depositary Banking

Austria
Four phase evolution

1. Market Intelligence – Territory Plan
2. Segmentation – Heat Map
3. Treatment – Marketing
4. Pipeline Development
Case: West or South?

- Size
- Structure (segments & operating models)
- Competition (known & unknown)
- Barriers to entry
- Brand & awareness
North America

Segments
- Our target universe in NA 600 identified institutions
- 110 are singled out as Tier 1 institutions (Mega’s)

Competition
- Advent
- Eagle
- SunGard
- Thomson/Portia

Barriers prior to entry
- Product gap’s
- Tax lots
- MBS
- European Vendor

Done!

Awareness
Low, but
- Leverage of references as they are within the same market space
- Targeted use of sales and marketing resources
France

Segments
• Our target universe in FR 60+ identified institutions

Competition
• Calypso
• Murex
• Misys/Sophis
• SunGard

Barriers prior to entry
• Language Done!

Awareness
Adequate
• Sales organization is scalable
• Staff to be added in accordance with expected growth
Strawberry springer or full throttle?

Cheap
Controllable

Expensive
Requires management

Slow

Can be fast