

Company Announcement

SimCorp reports revenue growth of 11% and EBIT margin of 26.5% in Q1 2019

Q1 2019 highlights:

- Q1 2019 reported revenue was EUR 99.7m, an increase of 11.0% when compared with Q1 2018, and an increase of 9.1% when measured in local currencies.
- EBIT was EUR 26.4m compared with EUR 23.3m in Q1 2018. Currency fluctuations impacted EBIT positively by EUR 0.9m.
- EBIT margin was 26.5% compared with 26.0% in Q1 2018. Measured in local currencies, the EBIT margin was 26.1%.
- Net profit was EUR 19.6m compared with EUR 16.3m in Q1 2018.
- Total order intake from new and add-on licenses was EUR 21.4m, an increase of EUR 7.4m compared with same period last year. We welcomed Willis Towers Watson in the UK and Sava Re Group in Slovenia as new clients in Q1 2019.
- At March 31, 2019, the order book amounted to EUR 47.1m, an increase of EUR 28.5m when compared with the order book at March 31, 2018. Compared with December 31, 2018, the order book increased by EUR 1.6m.
- To enable clients to benefit faster from the continuous R&D investments, SimCorp has changed its annual SimCorp Dimension release cycle from two to four releases. Two new versions have already been released in 2019, introducing new functionality within areas like portfolio management, data management and alternative investments handling.
- SimCorp has received three awards so far in 2019. Besides being named 'Best Securities Services Provider' in Global Custodian's Leaders in Custody Awards, SimCorp has also won FTF News' Technology Innovation Award in the categories of 'Best Middle-to-Back Office Integration Solution' and 'Best Client Reporting Solution'.

Financial guidance

- SimCorp maintains its expectations for revenue growth and EBIT margin measured in local currencies for 2019. Revenue growth measured in local currencies is expected to be between 8% and 13%, while the expectation for EBIT margin measured in local currencies remains between 25.5% and 28.5%.

SimCorp CEO, Klaus Hulse, comments: *"With solid financial performance and two new clients in Q1 2019, both of which have signed for our full, integrated, front to back offering, we are off to a good start for the year. We are pleased to have signed a renowned industry leader like Willis Towers Watson in the UK, as this has been a challenging market for some years. Our order book remains strong and our sales pipeline continues to support our financial guidance."*

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Investor presentation

SimCorp's Executive Management Board will present the report on a conference call today Wednesday, May 22, 2019 at 11.00 am (CEST). 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: | 3487117 |

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/m6/p/zck2vsfj>.

The presentation will be available prior to the conference call via SimCorp's website <http://www.simcorp.com/en/about/investor/presentations-and-events/quarterly-and-annual-investor-meetings>.

Enquiries regarding this announcement should be addressed to:

Investor contacts:

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Media contact:

Anders Crillesen, Group Communications Director, (+45 3544 6474, +45 2779 1286)

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Financial highlights and key ratios for the SimCorp Group

| EUR '000 | 2019 Q1 | 2018 Q1 | 2018 FY |
|--|------------|------------|------------|
| INCOME STATEMENT | | | |
| Revenue | 99,737 | 89,890 | 382,626 |
| Earnings before interest, tax, depreciation, and amortization (EBITDA) | 29,651 | 24,470 | 109,268 |
| Operating profit (EBIT) | 26,423 | 23,346 | 103,345 |
| Financial items, net | -31 | -1,698 | -809 |
| Profit before tax | 26,392 | 21,648 | 102,536 |
| Profit for the period | 19,573 | 16,273 | 76,971 |
| BALANCE SHEET | | | |
| Share capital | 5,441 | 5,467 | 5,441 |
| Share premium | 9,963 | 9,963 | 9,963 |
| Total equity | 156,451 | 102,216 | 169,059 |
| Bank loan | - | 30,000 | - |
| Property, plant, and equipment * | 54,785 | 4,994 | 5,377 |
| Receivables | 91,705 | 92,876 | 79,165 |
| Contract assets | 93,880 | 55,402 | 85,684 |
| Cash and cash equivalents | 70,808 | 27,550 | 47,500 |
| Total assets | 369,336 | 242,855 | 270,267 |
| CASH FLOW | | | |
| Cash flow from operating activities | 28,024 | 23,522 | 82,215 |
| Cash flow from investing activities | -314 | -47 | -1,720 |
| Cash flow from financing activities | -4,950 | -27,240 | -64,444 |
| Free cash flow | 25,970 | 23,439 | 80,153 |
| Net change in cash and cash equivalents | 22,760 | -3,765 | 16,051 |
| EMPLOYEES | | | |
| Number of employees at the end of the period | 1,682 | 1,570 | 1,660 |
| Average number of employees - FTE | 1,623 | 1,510 | 1,554 |
| FINANCIAL RATIOS | | | |
| EBIT margin (%) | 26.5 | 26.0 | 27.0 |
| ROIC (return on invested capital) (%) | 72.4 | 76.0 | 27.0 |
| Receivables turnover ratio | 6.1 | 6.5 | 8.2 |
| Equity ratio (%) | 42.4 | 42.1 | 62.6 |
| Return on equity (%) | 43.3 | 51.6 | 59.7 |
| SHARE PERFORMANCE | | | |
| Earnings per share - EPS (EUR) | 0.49 | 0.41 | 1.95 |
| Diluted earnings per share - EPS-D (EUR) | 0.49 | 0.41 | 1.93 |
| Cash flow per share - CFPS (EUR) | 0.70 | 0.59 | 2.08 |
| MARKET VALUE RATIOS | | | |
| Average number of shares (m) | 39.8 | 39.5 | 39.5 |
| Average number of shares - diluted (m) | 40.2 | 39.9 | 39.9 |
| EUR/DKK rate of exchange at end of period | 7.4652 | 7.4513 | 7.4673 |

* 2019 includes right-of-use assets of EUR 50.6m. Please refer to pages 19 and 20 for further details.

Please refer to the definition of ratios on page 61 of the Annual Report 2018. The interim report is unaudited and has not been reviewed by external auditors.

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Management's report – the three months ended March 31, 2019

Development in sales and orders

Two new SimCorp Dimension contracts were signed in Q1 2019 both on subscription-based terms. Willis Towers Watson in UK will use SimCorp Dimension to form the front to back system for its global Delegated Investment business, and Sava Re Group in Slovenia will use the front to back investment management solution.

A number of add-on SimCorp Dimension license contracts were signed in Q1 2019, including one perpetual license that was converted to a subscription-based license, and a number of SimCorp Coric subscription agreements that were renewed.

The additional license sales and order intake were positively impacted by around EUR 1.6m from the client converting its perpetual contract to a 4-year subscription-based license contract^{*)}. In Q1 2018, there was also one conversion, which impacted additional license sales and order intake by around EUR 0.5m.

Q1 2019, total order intake for SimCorp Dimension, SimCorp Coric and SimCorp Sofia licenses was EUR 21.4m compared with EUR 14.0m in the same period last year. Client driven development (CDD) order intake accounted for EUR 1.5m compared with EUR 1.6m in the same period last year.

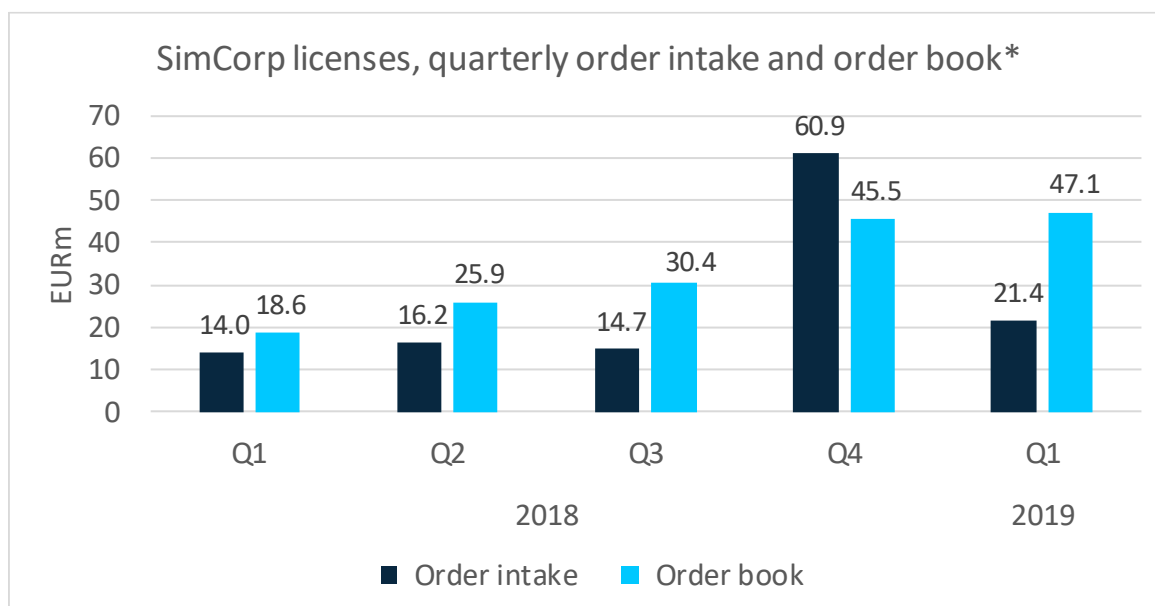
Income recognized from new and add-on licenses totaled EUR 19.7m, EUR 0.1m more than in Q1 2018. The annual renewal of SimCorp Italiana's subscription-based agreements are predominantly in the first quarter of a year and accounted for EUR 3.0m compared with EUR 4.1m in same period last year. The main reason for the lower renewal license fee was that one large client of SimCorp Italiana renewed for 6 months in Q1 2019 as opposed to 12 months in Q1 2018. This client has acquired SimCorp Dimension and will gradually switch from SimCorp Sofia to SimCorp Dimension.

Total order book was EUR 47.1m at March 31, 2019, which is an increase of EUR 28.5m compared with same time last year. Included in the order book is SimCorp Dimension Client Driven Development (CDD) of EUR 18.9m related to orders where income will be recognized when the software is delivered. The increase is a consequence of income recognition being deferred until conditions are fulfilled and for CDD to when the software is delivered. The largest order in the order book is the addition in December 2018 of a significant initial SimCorp Dimension license agreement with an Asian investment company. This contract is subject to the successful completion of milestones in the initial term of the contract, and the remainder of the license revenue is still expected to be recognized in Q2 2019. Compared with December 31, 2018, the order book increased by EUR 1.6m.

^{*)} 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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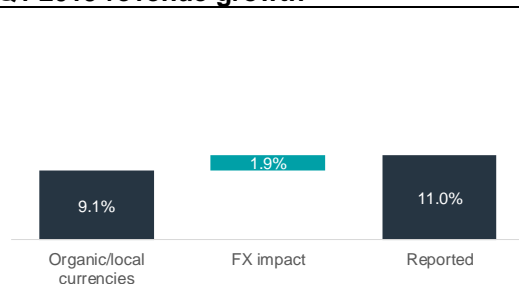
* Order intake and order book include licenses to new clients as well as add-on licenses to existing clients. The order book is the total license value of signed license agreements, including Client Driven Development (CDD) orders, that has not yet been recognized in income. Historic order intake and order book have been restated to include SimCorp Italiana (Sofia).

Revenue

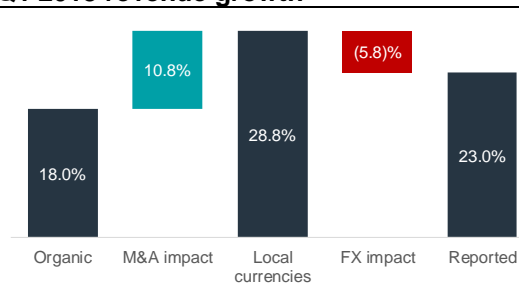
Q1 2019 revenue was up 11.0% relative to Q1 2018, increasing to EUR 99.7m. Measured in local currencies the increase was 9.1%.

The currency and M&A impact on revenue growth is shown below:

Q1 2019 revenue growth



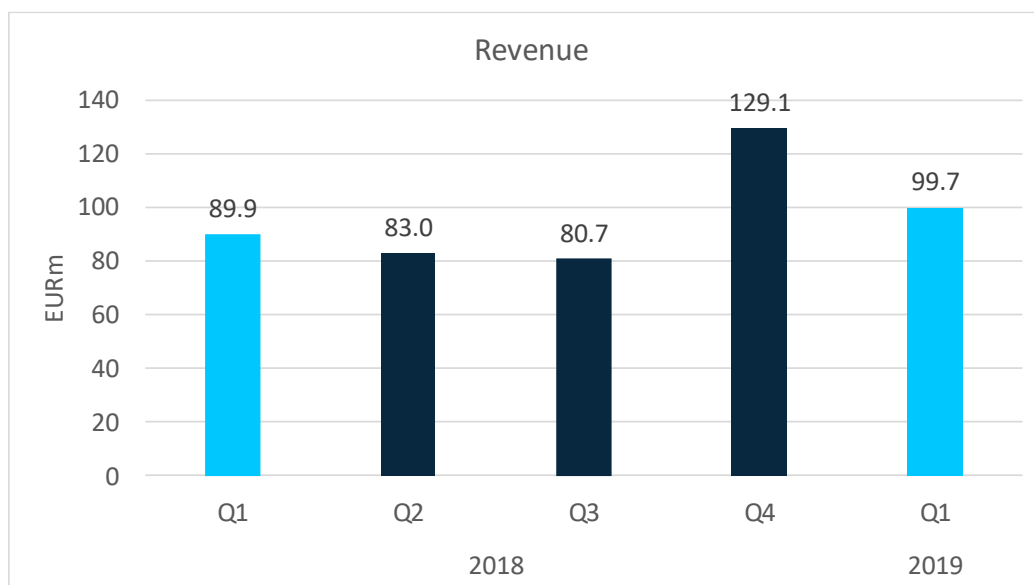
Q1 2018 revenue growth



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The development and distribution of quarterly revenue is shown below:

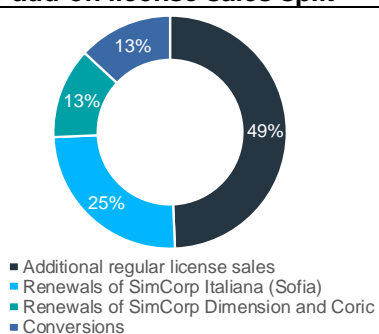


| EURm | Revenue Q1 2019 | Share of revenue Q1 2019 | Revenue Q1 2018 | Share of revenue Q1 2018 | Revenue growth local currency | Revenue growth local currency |
|-------------------------------|--------------------|--------------------------------|--------------------|--------------------------------|--|--|
| Licenses - new sales | 7.8 | 7.8% | 5.3 | 5.9% | 47.6% | 38.6% |
| Licenses - add-on sales | 11.9 | 11.9% | 14.3 | 15.9% | -16.8% | -19.1% |
| Software updates and support | 41.1 | 41.3% | 36.3 | 40.4% | 13.3% | 12.0% |
| Professional services | 34.1 | 34.2% | 31.9 | 35.5% | 7.2% | 4.9% |
| ASP hosting and training fees | 4.8 | 4.8% | 2.1 | 2.3% | 122.1% | 134.9% |
| Total revenue | 99.7 | 100.0% | 89.9 | 100.0% | 11.0% | 9.1% |

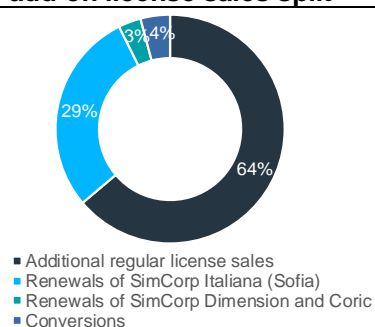
Revenue recognized from new licenses was EUR 7.8m and from add-on licenses EUR 11.9m for the first three months, an increase of EUR 0.1m compared with Q1 2018.

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

Q1 2019 add-on license sales split



Q1 2018 add-on license sales split



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Software updates and support revenue continued to increase with the completion and implementation of new client installations and new functionality to existing clients. This revenue was EUR 41.1m in Q1 2019, up 13.3% on the same period last year. Currency fluctuations impacted the software updates and support income positively by EUR 0.5m (1.3%-points).

Fees from professional services amounted to EUR 34.1m in Q1 2019, against EUR 31.9m in Q1 2018. The activity in professional services is robust and continues at a high level. Currency fluctuations impacted the revenue positively by EUR 0.7m (2.3%-points).

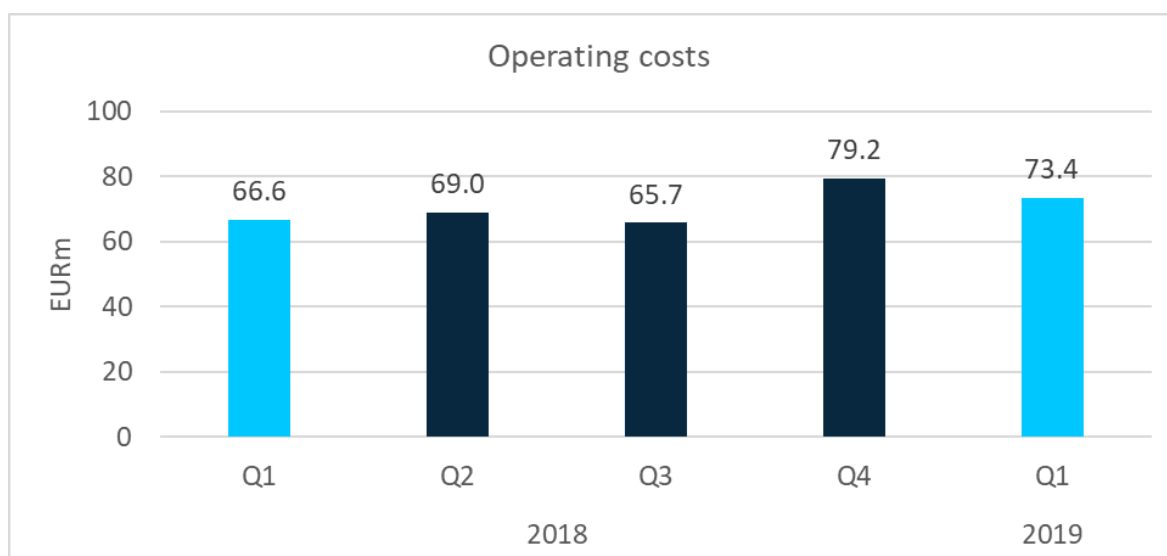
ASP hosting fees and training fees amounted to EUR 4.8m compared with EUR 2.1m in Q1 2018.

Operating Costs

SimCorp's total operating costs (including depreciation and amortization) was EUR 73.4m in Q1 2019 compared with EUR 66.6m in Q1 2018, an increase of 10.2% in reported currency and 8.1% in local currencies. The increase in costs is primarily related to an increase in the number of full-time employees from 1,570 in Q1 2018 to 1,682 in Q1 2019 and the annual salary increase of around 3%.

Salaries and staff related costs accounted for 72% of total costs, similar to Q1 2018.

The development and distribution of quarterly operating costs is shown below:



| EURm | Costs Q1 2019 | Share of costs Q1 2019 | Share of Revenue Q1 2019 | Costs Q1 2018 | Share of costs Q1 2018 | Share of Revenue Q1 2018 | Growth | local currency |
|--------------------------------|---------------|------------------------|--------------------------|---------------|------------------------|--------------------------|--------------|----------------|
| Cost of sales | 39.0 | 53.2% | 39.1% | 35.0 | 52.5% | 38.9% | 11.4% | 8.9% |
| Research and development costs | 19.1 | 26.0% | 19.2% | 16.9 | 25.4% | 18.8% | 13.0% | 11.1% |
| Sales and marketing costs | 9.4 | 12.8% | 9.4% | 9.4 | 14.1% | 10.5% | 0.0% | -2.2% |
| Administrative expenses | 5.9 | 8.0% | 5.9% | 5.3 | 8.0% | 5.9% | 11.3% | 10.2% |
| Total operating cost | 73.4 | 100.0% | 73.6% | 66.6 | 100.0% | 74.1% | 10.2% | 8.1% |

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Cost of sales, including costs for implementation consultants and ASP hosting, increased by 11.4% to EUR 39.0m compared with EUR 35.0m in Q1 2018. In local currencies the increase was 8.9%. The increase was due to higher level of business activity for professional services and ASP hosting, the annual general salary increase, and costs to client related external consultants. Costs of sales in Q1 2019 represented 39.1% of revenue compared with 38.9% in the same period last year.

Compared with Q1 last year, research and development costs increased by 13.0% in reported currency and 11.1% in local currencies. R&D costs in Q1 2019 represented 19.2% of revenue compared with 18.8% in Q1 2018.

Sales and marketing costs were EUR 9.4m in reported currency, unchanged compared with Q1 2018 and decreased by 2.2% in local currencies. Sales and marketing costs in Q1 2019 represented 9.4% of revenue compared with 10.5% in same period last year.

Administrative expenses increased by EUR 0.6m to EUR 5.9m. Administrative expenses in Q1 2019 represented 5.9% of revenue as in Q1 2018.

Employees

At March 31, 2019, the Group had 1,682 employees, 112 (+7%) employees more than at March 31, 2018.

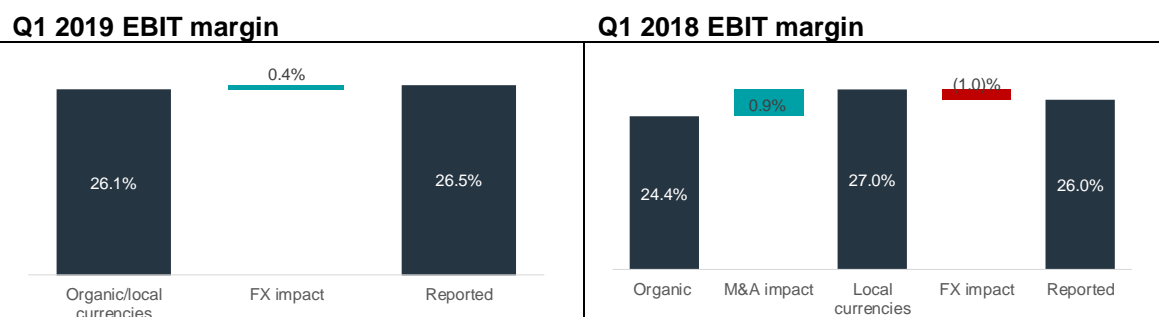
The Group had on average 1,623 FTEs in the first three months of 2019 compared with 1,510 FTEs in the same period last year.

Group performance

For the first three months of 2019, the Group posted EBIT of EUR 26.4m compared with EUR 23.3m in Q1 2018.

EBIT margin increased from 26.0% in Q1 2018 to 26.5%, and when measured in local currencies to 26.1%.

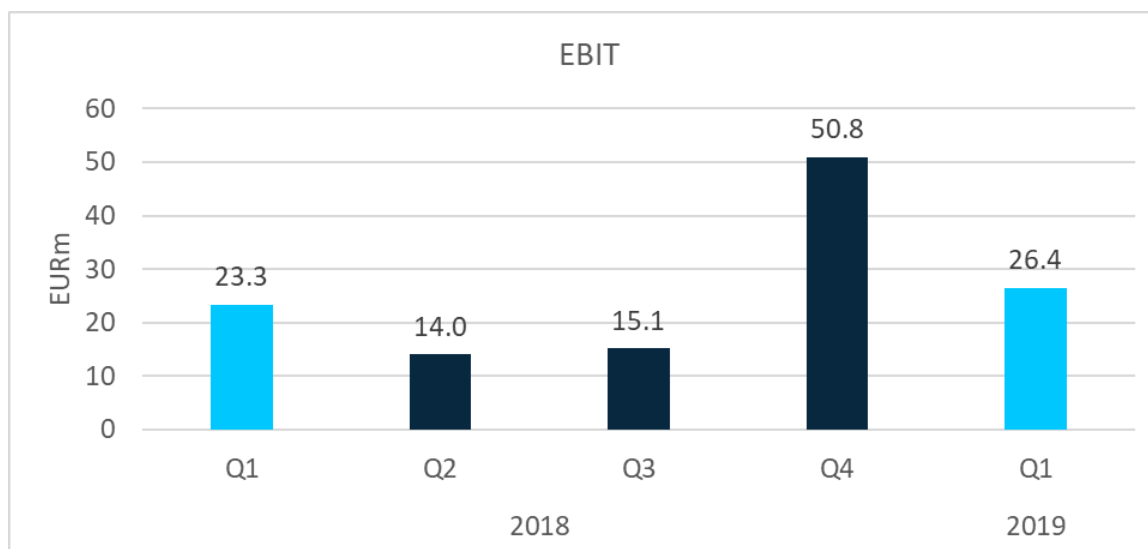
The currency and M&A impact on EBIT margin is shown below:



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The development in quarterly EBIT is shown below:



Profit and comprehensive income

Financial items for Q1 2019 comprised a net expense of EUR 0.03m compared with a net expense of EUR 1.7m in same period last year. Financial income and expenses are primarily related to foreign exchange adjustments.

The Group posted pre-tax profit of EUR 26.4m against pre-tax profit of EUR 21.6m in Q1 2018. The estimated tax charge of EUR 6.8m is equivalent to a tax rate of 25.8% compared with taxes of EUR 5.4m or 24.8% in Q1 2018. Thus, the Group's net profit for Q1 2019 amounted to EUR 19.6m against a profit of EUR 16.3m for the same period last year.

Exchange rate adjustments on translation of foreign assets and liabilities amounted to a net income of EUR 1.5m in Q1 2019, which is included in other comprehensive income.

Total comprehensive income for Q1 2019 was thus EUR 21.0m against EUR 15.9m in Q1 of last year.

Balance sheet

SimCorp's total assets were EUR 369.3m at March 31, 2019 compared with EUR 242.9m a year earlier, an increase of EUR 126.5m. The increase is primarily related to the adoption of IFRS16 Leases of EUR 50.6m, see pages 19 and 20 for further details, an increase in contract assets reflecting the accounting effect of signing new subscriptions agreements in the last 12 months of EUR 38.5m, and an increase in cash and cash equivalent of EUR 43.3m.

Cash holdings amounted to EUR 70.8m compared with EUR 27.6m a year earlier. The difference is mainly due to the timing of payment of dividends. EUR 35.9m was paid in dividends in Q2 2019, whereas EUR 27.2m of the EUR 34.5m in dividends for 2017 was paid in Q1 2018, and the tax on dividends of EUR 7.3m was paid in Q2 2018.

Total receivables amounted to EUR 91.7m at March 31, 2019, representing a decrease of EUR 1.2m compared with March 31, 2018, but EUR 12.5m higher than at December 31, 2018.

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Cash flow

Operating activities generated a cash inflow of EUR 28.0m in Q1 2019 compared with EUR 23.5m in Q1 last year. Payment of income taxes amounted to EUR 5.7m, against EUR 5.8m in Q1 2018.

EUR 0.3m was spent on investing activities, compared with EUR 0.05m in Q1 2018.

Free cash flow (cash flow from operations reduced by CAPEX and reduced by the principal element of lease payments) was EUR 26.0m compared with EUR 23.4m in first three months of 2018.

Cash used in financial activities was related to the purchase of treasury shares, which reduced liquidity by EUR 3.0m, and the repayment of lease liabilities, which reduced liquidity by EUR 2.0m in Q1 2019 compared with payment of dividends of EUR 27.2m in Q1 2018.

Changes in equity

The company's equity amounted to EUR 156.5m at March 31, 2019. This was a decrease of EUR 12.6m from December 31, 2018. Equity was reduced by the purchase of treasury shares of EUR 3.0m and by the declared dividends of EUR 35.9m. The payment of dividends was approved by the shareholders at the AGM on March 27, 2019.

Equity was increased by comprehensive income for Q1 2019 of EUR 21.0m as well as effects of share-based remuneration of EUR 5.2m.

Other business updates

As part of the focus on scaled agile development, and to enable clients to benefit faster from the continuous investments in R&D, SimCorp has changed its annual SimCorp Dimension release cycle from two to four releases. As a result, two new versions of the system have already been released in 2019, introducing new functionality across the investment management value chain, for instance within areas like portfolio management, data management and alternative investments handling.

SimCorp has received three awards so far in 2019. Besides being named 'Best Securities Services Provider' in Global Custodian's Leaders in Custody Awards, SimCorp has also won FTF News' Technology Innovation Award in the categories of 'Best Middle-to-Back Office Integration Solution' and 'Best Client Reporting Solution'.

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Outlook for the financial year 2019*)

SimCorp generated a solid financial result during the first three months of 2019 in line with SimCorp's expectations. SimCorp's intake of license contract orders and revenue recognition varies considerably from one period to the next. As announced in the Annual Report 2018, SimCorp expects to revenue recognize in Q2 2019 the majority of the license revenue from a significant deal won in December 2018.

The Q1 2019 intake of orders was EUR 21.4m compared with EUR 14.0m for the same period last year.

SimCorp enters Q2 2019 with signed revenue of EUR 301m of the projected reported revenue for 2019, compared with EUR 267m at the same time in 2018. In addition, SimCorp has during Q2 2019 signed two new SimCorp Dimension contracts and one new SimCorp Coric contract.

SimCorp continues to experience a satisfactory, geographically diversified demand for its products and services and continues to see the value of the pipeline increase.

SimCorp maintains its expectations for the full year of between 8% and 13% revenue growth measured in local currencies, and an EBIT margin of between 25.5% to 28.5% measured in local currencies.

Based on the exchange rates prevailing at April 30, 2019, SimCorp estimates reported revenue to be positively impacted from currency fluctuations by around 1.5%. The impact from currency fluctuations on reported EBIT margin is expected to be positive by around 0.2%-points. In the previous reporting (Annual Report 2018) the currency impact on reported revenue was expected to be positive by around 1.0% and on EBIT margin positive by around 0.2%-points.

*) 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 will 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. Management believes that the description of these potential risks still applies.

Shareholder information

Transferred shares in relation to restricted stock units programs

Long-term restricted stock units incentive plan allotted in 2016

60,258 shares were in Q1 2019 transferred to the Executive Management Board and key employees, who participated in the long-term incentive program in 2016 and who have fulfilled the program's criteria, including 14,412 shares to the Executive Management Board. The actual number of shares transferred was determined based on the achieved average annual business growth and annual average net operating profit after tax for the financial years 2016 to 2018. 97.5% of the maximum number of shares under the program was allotted.

Corporate bonus restricted stock units programs 2015, 2016 and 2017

90,728 shares were transferred in Q1 2019 to the Group's employees related to the corporate bonus restricted stock units programs for 2015, 2016 and 2017, including 7,664 shares to the Executive Management Board and 710 shares to employee elected members of the Board of Directors.

Sign-on and incentive programs 2014 and 2016

12,267 shares were transferred in Q1 2019 to the Groups employees, with sign-on and incentive programs, who have fulfilled the program's criteria.

Issue of restricted stock units

In accordance with the remuneration policy approved by the shareholders at the AGM, the Board of Directors have granted restricted stock units for the year 2019. A total of 55,357 restricted stock units was granted, including 22,679 restricted stock units to the Executive Management Board. The fair value of these restricted stock units amounted to EUR 4.7m at the time of allotment. The value adjusted for dividends will be included in the income statement over the vesting period of three years. 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 minimum 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.

In addition, 77,108 restricted stock units relating to the corporate bonus program for 2018 were granted to Group employees, including 506 restricted stock units to employee elected members of the Board of Directors. The fair value of these restricted stock units amounted to EUR 5.9m at the time of allotment. The value adjusted for waived group bonus and dividends will be included in the income statement over the vesting periods. These restricted stock units will vest one third after one

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year, a further one third after two years and the last third after three years subject to continued employment.

399,687 restricted stock units are outstanding at the time of reporting, including 55,357 restricted stock units that have been granted after the AGM. 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, some subject to performance conditions.

Holding of treasury shares

In 2019, the Company transferred a total of 163,253 treasury shares in relation to the restricted stock unit programs as mentioned on page 12, and in accordance with the approved remuneration policy for the Board of Directors, Executive Management and employees. In addition, the Company transferred 4,241 treasury shares to the Board of Directors equivalent to one third of their total remuneration for 2018.

The Company has purchased 36,826 treasury shares in Q1 at an average price of DKK 599.93 per share, totaling EUR 3.0m. At March 31, 2019, the Company's holding of treasury shares amounted to 786,748 treasury shares, equal to 1.9% of the Company's issued share capital.

In addition to the purchases in Q1 2019 the Company has in the period from April 1 to May 20, 2019 acquired 41,122 treasury shares at a total price of EUR 3.4m under the EUR 12.5m "Safe Harbour" program that runs to 23 August 2019.

The Company has up until May 20, 2019 acquired shares amounting to EUR 6.4m. At May 20, 2019, the Company's holding of treasury shares amounted to 827,489 treasury shares, equal to 2.0% of the Company's issued share capital.

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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 - March 31, 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 March 31, 2019 and of the profit of the Group's operations and cash flow for the period January 1 - March 31, 2019.

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

Copenhagen, May 22, 2019

Executive Management Board:

Klaus Hølse
Chief Executive Officer

Georg Hetrodt
Chief Product Officer

Michael Rosenvold
Chief Financial 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 Q1 | 2018 Q1 | 2018 FY |
|--|---------------|---------------|----------------|
| Revenue | 99,737 | 89,890 | 382,626 |
| Cost of sales | 39,018 | 35,054 | 148,786 |
| Gross profit | 60,719 | 54,836 | 233,840 |
| Other operating income | 67 | 44 | 1,219 |
| Research and development costs | 19,066 | 16,879 | 69,879 |
| Sales and marketing costs | 9,447 | 9,387 | 40,971 |
| Administrative expenses | 5,850 | 5,268 | 20,864 |
| Operating profit (EBIT) | 26,423 | 23,346 | 103,345 |
| Share of profit after tax in associates | 30 | 19 | 88 |
| Financial income | 1,352 | 870 | 4,694 |
| Financial expenses | 1,413 | 2,587 | 5,591 |
| Profit before tax | 26,392 | 21,648 | 102,536 |
| Tax on the profit for the period | 6,819 | 5,375 | 25,565 |
| Profit for the period | 19,573 | 16,273 | 76,971 |
| EARNINGS PER SHARE | | | |
| Earnings per share - EPS (EUR) | 0.49 | 0.41 | 1.95 |
| Diluted earnings per share - EPS-D (EUR) | 0.49 | 0.41 | 1.93 |

Statement of comprehensive income

| EUR '000 | 2019 Q1 | 2018 Q1 | 2018 FY |
|--|---------------|---------------|---------------|
| Profit for the period | 19,573 | 16,273 | 76,971 |
| Other comprehensive income | | | |
| Items that will not be reclassified subsequently to the income statement: | | | |
| Remeasurements of defined benefit plans | - | - | 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 | 1,475 | -347 | -239 |
| Other comprehensive income after tax | 1,475 | -347 | -97 |
| Total comprehensive income | 21,048 | 15,926 | 76,874 |

Company Announcement

SimCorp reports revenue growth of 11% and EBIT margin of 26.5% in Q1 2019

Consolidated balance sheet

| EUR '000 | Mar. 31 2019 | Mar. 31 2018 | Dec. 31 2018 |
|---|-----------------|-----------------|-----------------|
| ASSETS | | | |
| Goodwill | 28,127 | 28,048 | 27,937 |
| Software | 5,011 | 7,477 | 5,139 |
| Client contracts | 7,226 | 8,241 | 7,368 |
| Total intangible assets | 40,364 | 43,766 | 40,444 |
| Leasehold | 51,069 | 3,034 | 3,106 |
| Technical equipment | 1,951 | 1,080 | 1,475 |
| Other equipment, fixtures, fittings and prepayments | 1,765 | 880 | 796 |
| Total property, plant, and equipment | 54,785 | 4,994 | 5,377 |
| Investments in associates | 790 | 911 | 723 |
| Deposits | 2,243 | 1,954 | 1,983 |
| Deferred tax | 3,513 | 5,367 | 2,328 |
| Total other non-current assets | 6,546 | 8,232 | 5,034 |
| Total non-current assets | 101,695 | 56,992 | 50,855 |
| Receivables | 91,705 | 92,876 | 79,165 |
| Contract assets | 93,880 | 55,402 | 85,684 |
| Income tax receivables | 1,937 | 2,708 | 978 |
| Prepayments | 9,311 | 7,327 | 6,085 |
| Cash and cash equivalents | 70,808 | 27,550 | 47,500 |
| Total current assets | 267,641 | 185,863 | 219,412 |
| Total assets | 369,336 | 242,855 | 270,267 |
| LIABILITIES AND EQUITY | | | |
| Share capital | 5,441 | 5,467 | 5,441 |
| Share premium | 9,963 | 9,963 | 9,963 |
| Exchange adjustment reserve | -1,934 | -3,517 | -3,409 |
| Retained earnings | 142,981 | 90,303 | 121,130 |
| Proposed dividend | - | - | 35,934 |
| Total equity | 156,451 | 102,216 | 169,059 |
| Lease liabilities | 42,732 | - | - |
| Deferred tax | 14,096 | 12,277 | 11,728 |
| Provisions | 7,198 | 8,004 | 8,258 |
| Total non-current liabilities | 64,026 | 20,281 | 19,986 |
| Bank loan | - | 30,000 | - |
| Lease liabilities | 9,722 | - | - |
| Prepayments from clients | 44,433 | 30,412 | 17,704 |
| Trade payables and other payables | 55,213 | 48,194 | 59,675 |
| Income tax payables | 3,054 | 4,098 | 3,117 |
| Provisions | 534 | 324 | 726 |
| Dividends and related taxes | 35,903 | 7,330 | - |
| Total current liabilities | 148,859 | 120,358 | 81,222 |
| Total liabilities | 212,885 | 140,639 | 101,208 |
| Total liabilities and equity | 369,336 | 242,855 | 270,267 |

Company Announcement

SimCorp reports revenue growth of 11% and EBIT margin of 26.5% in Q1 2019

Consolidated cash flow statement

| EUR '000 | 2019 Q1 | 2018 Q1 | 2018 FY |
|--|---------------|----------------|----------------|
| Profit for the period | 19,573 | 16,273 | 76,971 |
| Adjustments for non-cash operating items | 16,877 | 10,372 | 41,675 |
| Changes in contract assets | -8,196 | -5,456 | -35,738 |
| Changes in working capital | 5,542 | 8,191 | 21,917 |
| Cash from operating activities before financial items | 33,796 | 29,380 | 104,825 |
| Financial income received | 102 | 23 | 136 |
| Financial expenses paid | -147 | -102 | -465 |
| Income tax paid | -5,727 | -5,779 | -22,281 |
| Net cash from operating activities | 28,024 | 23,522 | 82,215 |
| Proceeds from sale of share of associates | - | - | 285 |
| Purchase of intangible fixed assets | - | - | -112 |
| Purchase of property, plant, and equipment | -63 | -83 | -1,950 |
| Purchase of financial assets | -391 | -14 | -45 |
| Proceeds from sale of financial assets | 140 | 50 | 59 |
| Dividends from associates | - | - | 43 |
| Net cash used in investing activities | -314 | -47 | -1,720 |
| Net cash from operating and investing activities | 27,710 | 23,475 | 80,495 |
| Dividends paid | - | -27,240 | -34,444 |
| Purchase of treasury shares | -2,959 | - | - |
| Repayment of lease liability | -1,991 | - | - |
| Repayment, loans | - | - | -30,000 |
| Net cash used in financing activities | -4,950 | -27,240 | -64,444 |
| Change in cash and cash equivalents | 22,760 | -3,765 | 16,051 |
| Cash and cash equivalents at beginning of period | 47,500 | 31,412 | 31,412 |
| Foreign exchange adjustment of cash and cash equivalents | 548 | -97 | 37 |
| Cash and cash equivalents end of period | 70,808 | 27,550 | 47,500 |

Company Announcement

SimCorp reports revenue growth of 11% and EBIT margin of 26.5% in Q1 2019

Statement of changes in equity

| EUR '000 | Share capital | Share premium | Exchange adjustment reserve | Retained earnings | Dividends for the year | Total |
|--|---------------|---------------|-----------------------------|-------------------|------------------------|---------|
| 2019 Q1 | | | | | | |
| Equity at January 1 | 5,441 | 9,963 | -3,409 | 121,130 | 35,934 | 169,059 |
| Net profit for the period | - | - | - | 19,573 | - | 19,573 |
| Total other comprehensive income | - | - | 1,475 | - | - | 1,475 |
| Total comprehensive income for the period | - | - | 1,475 | 19,573 | - | 21,048 |
| Transactions with owners | | | | | | |
| Declared dividends to shareholders | - | - | - | 31 | -35,934 | -35,903 |
| Share-based payment | - | - | - | 4,222 | - | 4,222 |
| Tax, share-based payment | - | - | - | 984 | - | 984 |
| Purchase of treasury shares | - | - | - | -2,959 | - | -2,959 |
| Equity at March 31 | 5,441 | 9,963 | -1,934 | 142,981 | - | 156,451 |
| 2018 | | | | | | |
| Equity at January 1 | 5,467 | 9,963 | -3,170 | 69,751 | 34,570 | 116,581 |
| Net profit for the period | - | - | - | 16,273 | - | 16,273 |
| Total other comprehensive income | - | - | -347 | - | - | -347 |
| Total comprehensive income for the period | - | - | -347 | 16,273 | - | 15,926 |
| Transactions with owners | | | | | | |
| Dividends paid to shareholders | - | - | - | 52 | -34,570 | -34,518 |
| Share-based payment | - | - | - | 3,821 | - | 3,821 |
| Tax, share-based payment | - | - | - | 406 | - | 406 |
| Equity at March 31 | 5,467 | 9,963 | -3,517 | 90,303 | 0 | 102,216 |
| Net profit for the period | - | - | - | 60,698 | - | 60,698 |
| Total other comprehensive income | - | - | 108 | 142 | - | 250 |
| Total comprehensive income for the period | - | - | 108 | 60,840 | - | 60,948 |
| Transactions with owners | | | | | | |
| Cancellation of treasury shares | -26 | - | - | 26 | - | - |
| Dividends paid to shareholders | - | - | - | 74 | - | 74 |
| Share-based payment | - | - | - | 5,484 | - | 5,484 |
| Tax, share-based payment | - | - | - | 337 | - | 337 |
| Proposed dividends to shareholders | - | - | - | -35,934 | 35,934 | - |
| Equity at December 31 | 5,441 | 9,963 | -3,409 | 121,130 | 35,934 | 169,059 |

Company Announcement

SimCorp reports revenue growth of 11% and EBIT margin of 26.5% in Q1 2019

Notes

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 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%.

Company Announcement

SimCorp reports revenue growth of 11% and EBIT margin of 26.5% in Q1 2019

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 | Jan. 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 | Mar. 31 2019 | Jan. 1 2019 |
|--|-----------------|----------------|
| Leasehold (depreciation period: 1 to 10 years) | 48,910 | 48,708 |
| Equipment (depreciation period: 1 to 3 years) | 652 | 781 |
| Cars (depreciation period: 1 to 4 years) | 989 | 1,111 |
| Right-of-use assets | 50,551 | 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 | |
|---|---------------|
| Operating lease commitment 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 at January 1, 2019 | 50,479 |
| Current liability | 8,889 |
| Non-current liability | 41,590 |

Impact on segment reporting

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

| EUR'000 | Q1 2019 EBIT | Q1 2019 EBITDA | Segment assets Mar. 31 2019 |
|-------------------------------------|-----------------|-------------------|--------------------------------------|
| UK, Northern Europe and Middle East | -34 | 315 | 7,070 |
| Central Europe | -21 | 196 | 4,191 |
| Southern Europe | -18 | 166 | 3,399 |
| Asia and Australia | -6 | 56 | 1,736 |
| North America | -17 | 155 | 8,919 |
| Research and development | -13 | 117 | 12,212 |
| SimCorp Coric | -9 | 86 | 2,828 |
| SimCorp Sofia | -8 | 74 | 3,505 |
| Segments total | -126 | 1,165 | 43,860 |
| Corporate Functions | -96 | 887 | 6,691 |
| Impact | -222 | 2,052 | 50,551 |

Company Announcement

SimCorp reports revenue growth of 11% and EBIT margin of 26.5% in Q1 2019

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.

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 |
|--|--|-------------------|--------------------|-----------------------|------------------|--------------------------------|------------------|------------------|-------------------|------------------------|----------------------------------|----------------|
| January 1 - March 31, 2019 | | | | | | | | | | | | |
| External revenue | 36,712 | 19,725 | 11,474 | 5,769 | 16,410 | 240 | 2,715 | 6,663 | 99,708 | 29 | - | 99,737 |
| Revenue between segments | 5,566 | 1,854 | 353 | 76 | 810 | 37,483 | 2,060 | 319 | 48,521 | 6,810 | -55,331 | - |
| Total segment revenue | 42,278 | 21,579 | 11,827 | 5,845 | 17,220 | 37,723 | 4,775 | 6,982 | 148,229 | 6,839 | -55,331 | 99,737 |
| EBITDA | 3,559 | 2,010 | 387 | 420 | 1,123 | 16,535 | 2,236 | 3,965 | 30,235 | -584 | - | 29,651 |
| Depreciation and amortization | 455 | 230 | 307 | 80 | 262 | 166 | 241 | 321 | 2,062 | 1,166 | - | 3,228 |
| Segment operating profit (EBIT) | 3,104 | 1,780 | 80 | 340 | 861 | 16,369 | 1,995 | 3,644 | 28,173 | -1,750 | - | 26,423 |
| Total assets | 70,284 | 19,821 | 35,142 | 21,607 | 71,927 | 3,420 | 22,451 | 52,947 | 297,599 | 36,134 | 35,603 | 369,336 |
| January 1 - March 31, 2018 | | | | | | | | | | | | |
| External revenue | 31,374 | 16,454 | 11,408 | 3,739 | 16,803 | 277 | 1,819 | 7,903 | 89,777 | 113 | - | 89,890 |
| Revenue between segments | 7,257 | 2,506 | 235 | 372 | 1,105 | 23,943 | 467 | 230 | 36,115 | 663 | -36,778 | - |
| Total segment revenue | 38,631 | 18,960 | 11,643 | 4,111 | 17,908 | 24,220 | 2,286 | 8,133 | 125,892 | 776 | -36,778 | 89,890 |
| EBITDA | 3,026 | 1,497 | -934 | 189 | 556 | 15,981 | 1,315 | 4,974 | 26,604 | -2,134 | - | 24,470 |
| Depreciation and amortization | 107 | 7 | 75 | 10 | 85 | 28 | 143 | 295 | 750 | 374 | - | 1,124 |
| Segment operating profit (EBIT) | 2,919 | 1,490 | -1,009 | 179 | 471 | 15,953 | 1,172 | 4,679 | 25,854 | -2,508 | - | 23,346 |
| Total assets March 31, 2018 | 52,057 | 16,211 | 33,912 | 16,605 | 40,425 | 2,877 | 25,854 | 54,952 | 242,893 | 4,249 | -4,287 | 242,855 |

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 headquarter assets, cash, and investments in associates.

| EUR '000 | 2019 Q1 | 2018 Q1 |
|---|---------------|---------------|
| Segment operating profit (EBIT) | 26,423 | 23,346 |
| Share of profit after tax on associates | 30 | 19 |
| Financial income | 1,352 | 870 |
| Financial expenses | 1,413 | 2,587 |
| Profit for the period before tax | 26,392 | 21,648 |

A number of other new accounting standards and interpretations were implemented and have no monetary effect on the SimCorp Group's result, assets, liabilities or equity.

Company Announcement

SimCorp reports revenue growth of 11% and EBIT margin of 26.5% in Q1 2019

Board of Directors and Executive Management Board

The Group has prepared general guidelines for incentive pay to members of the company's Board of Directors and Executive Management Board, which were approved by the shareholders at the AGM and posted on the company's website.

The shareholders approved the total remuneration to the Board of Directors for 2019 of DKK 4.5m, comprising DKK 3.0m in cash and DKK 1.5m in SimCorp shares. In addition, the audit committee receives separate remuneration for 2019 for a total of DKK 0.6m comprising DKK 0.4m in cash and DKK 0.2m in SimCorp shares, and the nomination and remuneration committee receives separate remuneration for 2019 for a total of DKK 0.3m comprising DKK 0.2m in cash and DKK 0.1m in SimCorp shares.

Contingent liabilities

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

Events after March 31, 2019

No significant events have occurred after the balance sheet date that affect the interim report.