

Company Announcement

SimCorp reports solid order intake, ARR (LTM) growth of 10.4%, revenue growth of 4.3% and EBIT margin of 13.5% in Q1 2022

Q1 2022 highlights

- Total order intake of EUR 26.0m was more than double the EUR 12.6m signed in the same period last year, primarily due to early renewals of two subscription agreements in North America (NA) where revenue will be recognized in Q1 2023 and in 2027, respectively.
- In Q1 2022, two new SimCorp Dimension deals in Luxembourg and NA and one new SimCorp Sofia deal in Italy were signed. In addition, we welcomed three new clients through our existing outsourcing partners, and three Investment Accounting Services (IAS) deals were signed. No revenue was recognized in Q1 on the NA and IAS deals.
- At March 31, 2022, the order book amounted to EUR 81.5m, an increase of EUR 32.4m when compared with the order book at March 31, 2021, and an increase of EUR 8.5m when compared with the order book at December 31, 2021.
- Annual Recurring Revenue (ARR) for the last twelve months covering the period Q2 2021-Q1 2022 was EUR 283.2m, an increase of 10.4% when compared with the period Q2 2020-Q1 2021, and an organic increase of 9.7% when measured in local currencies, due to solid growth in SaaS revenue.
- Reported revenue was EUR 114.7m, an increase of 4.3% when compared with a particularly strong Q1 2021, and an organic increase of 4.1% when measured in local currencies. In Q1 2021, two SimCorp Dimension subscription order renewals in North America, signed in 2020, were recognized as revenue, positively impacting both revenue and EBIT in Q1 2021.
- EBIT of EUR 15.5m was as expected lower than EUR 23.9m in Q1 2021 due in large part to investments in the future, including investments in new SaaS operations and solutions.
- EBIT margin was 13.5% compared with 21.8% in Q1 2021. The EBIT margin measured in local currencies was 13.4%.
- Net profit was EUR 13.3m compared with EUR 20.2m in Q1 2021.
- Free cash flow was EUR 20.1m compared with EUR 39.4m in Q1 2021. The decrease was due to lower profit and timing of invoicing and payments, which led to higher receivables and higher paid income and salary related taxes in Q1 2022.

Subsequent events

- Since the closing of Q1 2022, one new SimCorp Sofia deal in Italy and a strategic partnership Memorandum of Understanding with a leading investment manager and existing client in APAC have been signed.

Financial guidance 2022

- SimCorp maintains its expectations for 2022 as announced in its Annual Report 2021, i.e. the expectations for 2022 are to grow revenue in local currencies by between 7% and 12%, and to grow Annual Recurring Revenue (ARR) in local currencies by between 10% and 15%, and to generate an EBIT margin measured in local currencies of between 23.0% and 26.0%, excluding expected exceptional costs of EUR 3-5m in 2022 in relation to supporting our Ukrainian employees and their families.

Management's report for the three months ended March 31, 2022

SimCorp CEO, Christian Kromann, comments: *In Q1 2022, we achieved a solid order intake and delivered ARR and organic revenue growth, which demonstrates the strength and relevance of our SaaS offering and the strong match of this offering to our client base. In many ways, however, the war and humanitarian crisis in Ukraine defined our Q1 2022. With more than 240 colleagues at our office in Kyiv, our paramount focus has been to ensure the safety of them and their families. Our thoughts remain with the Ukrainian people at this difficult time."*

Investor presentation

SimCorp's Executive Management Board will present the report on a conference call [date and time] (CEST). Please use any of the following phone numbers to dial in to the conference call:

From Denmark:	+45 3272 0417
From USA:	+1 646 741 3167
From other countries:	+44 (0) 2071 928338
Pin code to access the call:	4698290

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/qfo3y3ta>

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

Enquiries regarding this announcement should be addressed to

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Financial highlights and key ratios for the SimCorp Group

EUR '000	2022 Q1	2021 Q1	2021 FY
Income Statement			
Revenue	114,713	109,977	496,274
Earnings before interest, tax, depreciation, and amortization (EBITDA)	19,152	27,870	147,796
Operating profit (EBIT)	15,527	23,926	132,417
Financial items, net	2,170	2,869	5,001
Profit before tax	17,697	26,795	137,418
Profit for the period	13,321	20,228	109,992
Balance Sheet			
Share capital	5,441	5,441	5,441
Total equity	293,627	254,066	323,107
Bank loan / revolving credit facility	20,167	-	-
Intangible assets	91,845	95,183	92,691
Property, plant, and equipment	41,848	46,053	43,692
Receivables	130,167	97,198	96,543
Contract assets	213,410	176,031	221,000
Cash and cash equivalents	49,768	51,732	47,692
Total assets	558,632	487,880	526,312
Cash Flow			
Net cash from operating activities	23,172	42,441	90,696
Net cash used in investing activities	-699	-477	-5,675
Net cash used in financing activities	-20,501	-43,518	-90,996
Free cash flow	20,091	39,352	78,628
Investment in property, plant, and equipment	572	412	1,259
Change in cash and cash equivalents	1,972	-1,554	-5,975
Employees			
Number of employees at the end of the period	2,045	1,904	1,998
Average number of employees - FTE	1,994	1,854	1,871
ARR			
Annual Recurring Revenue (ARR) Last Twelve Months (EUR '000)	283,195	256,737	277,352
Financial Ratios			
Revenue growth (%)	4.3	6.9	8.8
Organic revenue growth (%)	4.1	9.4	8.7
ARR growth (%)	10.4	10.9	10.5
ARR as share of total revenue (5)	56.5	55.4	55.9
EBIT margin (%)	13.5	21.8	26.7
ROIC (return on invested capital) (%)	21.2	37.6	44.7
Receivables turnover ratio	5.5	6.3	8.9
Equity ratio (%)	52.6	52.1	61.4
Return on equity (%)	16.3	28.3	35.4
Share Performance			
Earnings per share - EPS (EUR)	0.34	0.51	2.76
Diluted earnings per share - EPS-D (EUR)	0.34	0.51	2.74
Cash flow per share - CFPS (EUR)	0.58	1.06	2.27
Number of Shares			
Average number of shares (m)	39.5	39.7	39.9
Average number of shares - diluted (m)	39.7	40.1	40.1
EUR/DKK rate of exchange at end of period	7.4379	7.4373	7.4365

Please refer to the definition of ratios on page 67 of the Annual Report 2021. The interim report is unaudited and has not been reviewed by external auditors.

Management's report for the three months ended March 31, 2022

Update on the situation in Ukraine

We are all shocked and deeply saddened by the situation in Ukraine. All our thoughts are with our Ukrainian colleagues and the Ukrainian people at this difficult time. SimCorp remains committed to its employees and our presence in Ukraine, where SimCorp has been for the last 15 years. The safety of the employees has been the top priority, and SimCorp has offered all the help and support it can. SimCorp has 243 Ukrainian employees as well as more than 100 external consultants currently working for SimCorp in Ukraine. We have offered relocation to all of our employees and their families and 87 of our Ukrainian colleagues (and families) have moved to other SimCorp locations, primarily Warsaw.

In Q1 2022, we incurred exceptional costs of EUR 0.8m in relation to helping and supporting our Ukrainian colleagues and their families, and we foresee total exceptional costs in 2022 of EUR 3-5m.

SimCorp has experienced, and may continue to experience, some interruptions in Product Development capacity, but SimCorp does not foresee any material impact on operations or the business. SimCorp has strong business continuity plans in place. Furthermore, all Dimension IP rights are owned in Denmark and all work is stored in Denmark or elsewhere outside of Ukraine.

From a business perspective, SimCorp doesn't have any offices, operations or clients in either Russia or Belarus.

Development in sales and orders

Total order intake of EUR 26.0m was more than double the EUR 12.6m signed in the same period last year, primarily due to early renewals of two subscription agreements in North America (NA) where revenue will be recognized in Q1 2023 and in 2027, respectively.

In Q1 2022, two new SimCorp Dimension deals in Luxembourg and NA and one new SimCorp Sofia deal in Italy were signed. In addition, we welcomed three new clients through our existing outsourcing partners, and three Investment Accounting Services (IAS) deals were signed. No revenue was recognized in Q1 on the NA and IAS deals.

A number of additional SimCorp Dimension license contracts were signed in Q1 2022, and a number of SimCorp – client communication solution (Coric) subscription agreements, as well as most of the SimCorp Sofia agreements, were renewed at the beginning of the year. The annual renewal of SimCorp Sofia's subscription-based agreements is predominantly in the first quarter of a year and accounted for EUR 3.2m compared with EUR 2.7m in same period last year.

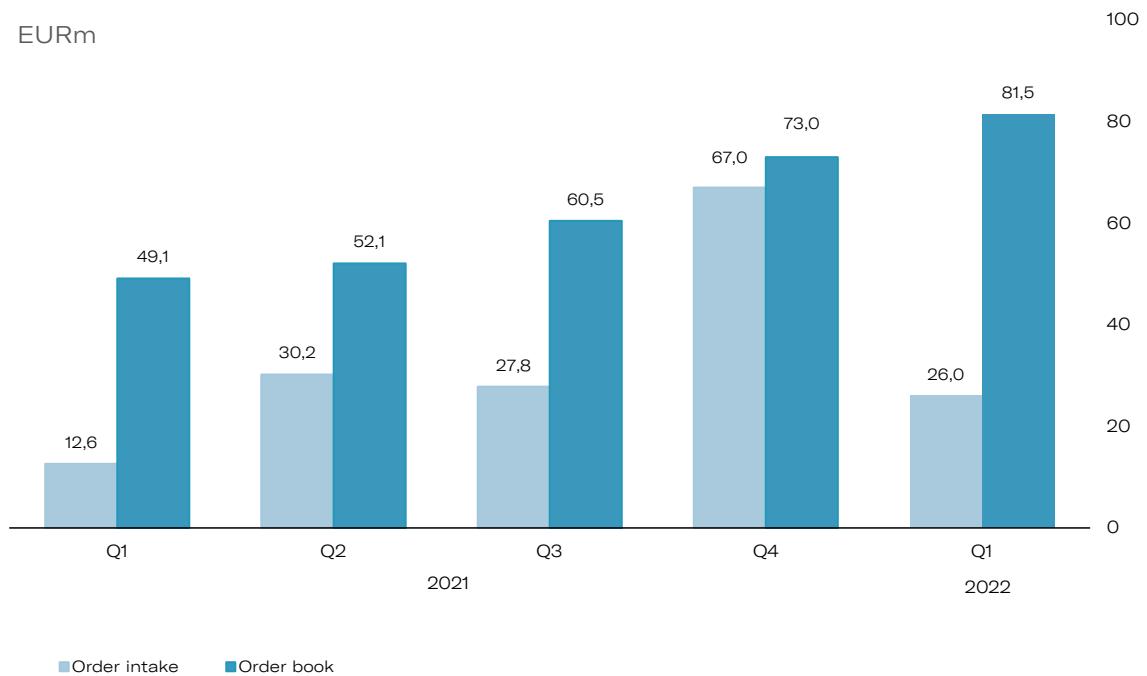
Data Management Services (Datacare) and Regulatory Reporting Platform (RRP) subscription services order intake accounted for EUR 1.1m in Q1 2022 compared with EUR 1.0m in Q1 2021.

In Q1 2022, there was one conversion from a perpetual to a subscription license that increased order intake and additional license sales by EUR 1.7m compared with no impact in Q1 2021 as no conversions in Q1 2021.

Total order book was EUR 81.5m at March 31, 2022, which is an increase of EUR 32.4m compared with the order book at March 31, 2021. In Q1 2021, two SimCorp Dimension subscription order renewals in North America in 2020 were revenue recognized, which reduced the order book in Q1 2021. Compared with December 31, 2021, the order book increased by EUR 8.5m.

Included in the order book is SimCorp Dimension Client-Driven Development (CDD) of EUR 12.3m (March 31, 2021: EUR 12.6m) related to orders where income will be recognized when the software is delivered, and subscription services orders of EUR 33.5m (March 31, 2021: EUR 17.4m) where the income will be recognized over the term of the agreement commencing with the start of service delivery.

SimCorp licenses, quarterly order intake and order book¹



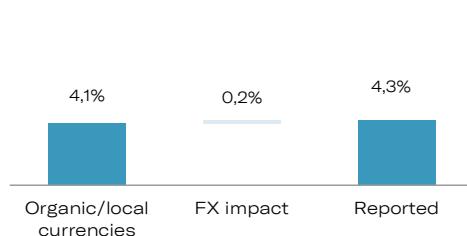
¹ Order intake and order book include initial licenses to new clients as well as additional licenses to existing clients. The order book is the total license value of signed license agreements, including Client-Driven Development (CDD) orders, that have not yet been recognized in income, and the order book includes subscription services such as Digital Engagement Portal, Data Management Services (Datacare), Investment Accounting Services (IAS), and Regulatory Reporting Platform (RRP) that are recognized over the term of the subscription service.

Revenue

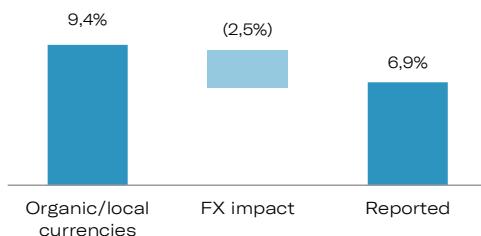
Q1 2022 reported revenue of EUR 114.7m was an increase 4.3% relative to particularly strong Q1 2021. Measured in local currencies, the organic increase was 4.1%.

The currency impact on revenue growth is shown below:

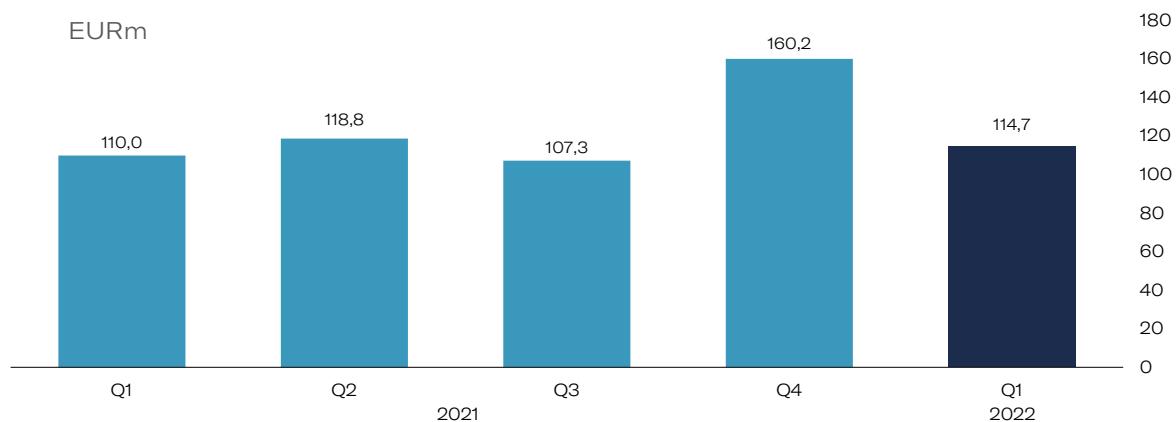
Q1 2022 revenue growth



Q1 2021 revenue growth



The development and distribution of quarterly revenue is shown below:

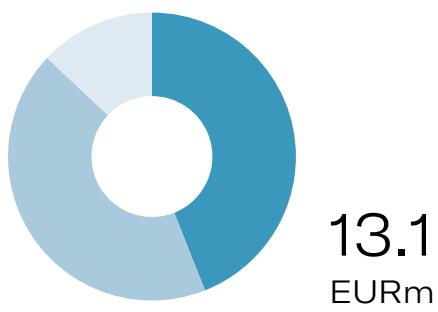
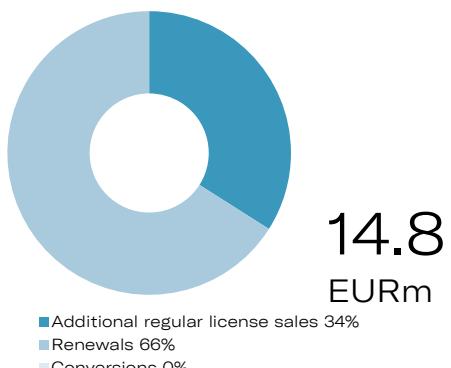
Revenue

Q1 Revenue EURm	Revenue Q1 2022	Share of revenue Q1 2022	Revenue Q1 2021	Share of revenue Q1 2021	Revenue growth	Organic revenue growth in local currencies
Licenses - initial sales	3.1	2.7%	3.6	3.2%	-13.1%	-13.3%
Licenses - additional sales	13.1	11.4%	14.8	13.4%	-11.1%	-11.5%
Software updates and support	46.4	40.5%	44.8	40.8%	3.5%	3.4%
Professional services	41.9	36.5%	40.3	36.7%	3.9%	3.7%
Hosting and other fees	10.2	8.9%	6.5	5.9%	57.1%	56.6%
Total revenue	114.7	100.0%	110.0	100.0%	4.3%	4.1%

In Q1 2022, revenue recognized from initial and additional license sales was EUR 16.2m, a decrease of EUR 2.2m, or 12.0% compared with Q1 2021.

Initial license sales of EUR 3.1m was a decrease of 13.1%, and 13.3% measured in local currencies compared with Q1 2021.

Reported additional license sales decreased by 11.1%, and 11.5% measured in local currencies, due to less revenue from renewals. The split of additional license sales is shown below:

Q1 2022 add-on license sales split**Q1 2021 add-on license sales split**

■ Additional regular license sales 44%
■ Renewals 43%
■ Conversions 13%

■ Additional regular license sales 34%
■ Renewals 66%
■ Conversions 0%

Revenue from renewals decreased from EUR 9.8m in Q1 2021 to EUR 5.6m, primarily due to the relatively high impact from SimCorp Dimension and SimCorp's client communication solution (Coric) renewals in North America in Q1 2021. Conversions accounted for EUR 1.7m compared with nil in Q1 2021. Additional regular license revenue increased from EUR 5.0m in Q1 2021 to EUR 5.8m.

In Q1 2022, software updates and support revenue increased by 3.5% from EUR 44.8m in Q1 2021 to EUR 46.4m. Currency fluctuations impacted the software updates and support revenue positively by 0.1%-points, so organic growth in local currencies was 3.4%.

Fees from professional services amounted to EUR 41.9m in Q1 2022, against EUR 40.3m in Q1 2021. Organic professional services growth in local currencies was 3.7%.

Hosting and other fees amounted to EUR 10.2m compared with EUR 6.5m in Q1 2021. The reported growth of 57.1% was primarily due to growth in fees from clients on a hosted as a service solution.

Annual Recurring Revenue (ARR) for the last twelve months (LTM) covering the period Q2 2021-Q1 2022 was EUR 283.2m, an increase of 10.4% when compared with the period Q2 2020-Q1 2021, and an organic increase of 9.7% when measured in local currencies, due to solid growth in Software as a Service (SaaS) revenue. ARR LTM is a backward looking measure, and is therefore not fully capturing the value of entering new SaaS deals. Consequently, from 2023 we intend to introduce a forward looking ARR measure.

ARR LTM EURm	Share of total revenue		Share of total revenue		Organic/ local currencies growth	
	Q1 2022 LTM	Q1 2022 LTM	Q1 2021 LTM	Q1 2021 LTM	Growth	
Annual Recurring Revenue	283.2	56.5%	256.6	55.4%	10.4%	9.7%
LTM - Last Twelve Months						

ARR of EUR 283.2m was equivalent to 56.5% of revenue for the period Q2 2021-Q1 2022 compared with ARR of EUR 277.4m, equivalent to 55.9% of revenue for the period Q1 2021 to Q4 2021, and ARR of EUR 256.6m, equivalent 55.4% of revenue for the period Q2 2020 to Q1 2021.

Operating Costs

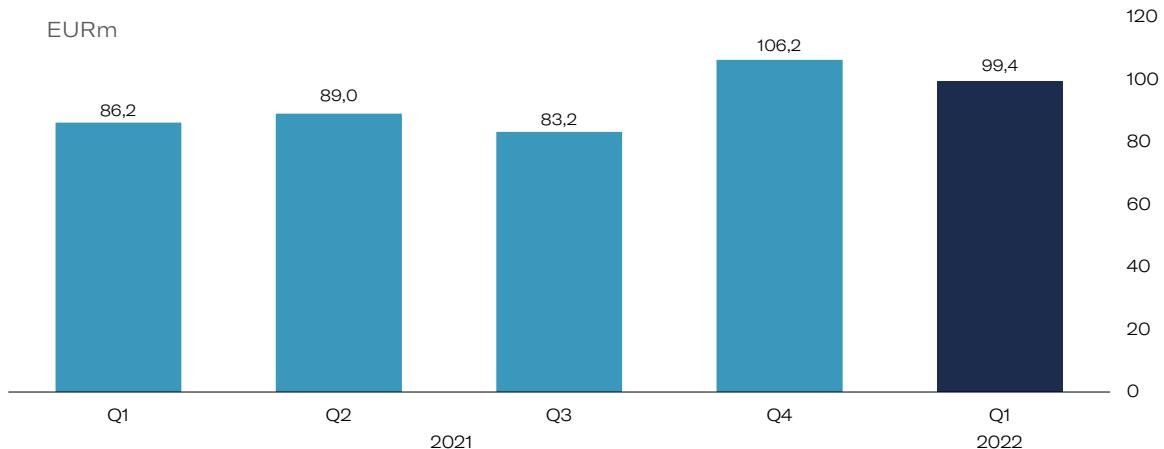
SimCorp's total operating cost (including depreciation and amortization) was EUR 99.4m in Q1 2022 compared with EUR 86.2m in Q1 2021, an increase of 15.3% in reported currency, and 15.3% in local currencies.

Cost in Q1 2022 was as expected impacted by investments in the future, including investments in new SaaS operations and solutions, such as Investment Accounting Services (IAS). In addition, we have incurred extra cost of EUR 0.8m in relation to helping and supporting our Ukrainian colleagues and their families.

Salaries and staff related costs accounted for 68% of total costs, compared with 72% in Q1 2021.

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

Operating Costs



Q1 Operating costs EURm	Costs Q1 2022	Share of costs Q1 2022	Share of Revenue Q1 2022	Costs Q1 2021	Share of costs Q1 2021	Share of revenue Q1 2021	Growth	Organic growth in local currencies
Cost of sales	52.5	52.9%	47.7%	45.4	52.7%	41.3%	15.6%	15.6%
Research and development costs	24.7	24.8%	22.4%	23.3	27.0%	21.2%	6.0%	5.9%
Sales and marketing costs	13.7	13.8%	12.5%	10.9	12.6%	9.9%	25.7%	26.4%
Administrative expenses	8.5	8.5%	7.7%	6.6	7.7%	6.0%	27.3%	28.4%
Total operating costs	99.4	100.0%	90.3%	86.2	100.0%	78.4%	15.3%	15.3%

Cost of sales, including costs for implementation consultants and hosting activities, increased by 15.6% to EUR 52.5m compared with EUR 45.4m in Q1 2021 as a consequence of a planned investments in new SaaS operations and solutions, higher level of business activity for professional services and hosting, and due to an internal restructuring made in Q2 2021, moving staff from our product division to business support. In local currencies, the increase was also 15.6%. Costs of sales in Q1 2022 represented 47.7% of revenue compared with 41.3% in the same period last year.

Compared with Q1 last year, research and development costs increased by 6.0% in reported currency and 5.9% in local currencies as we continue to invest in the future. The increase would have been higher, if we hadn't moved staff from our product division to business support in Q2 2021. R&D costs in Q1 2022 represented 22.4% of revenue compared with 21.2% in Q1 2021.

Sales and marketing costs were EUR 13.7m in reported currency, an increase of 25.7% compared with Q1 2021 and an increase of 26.4% in local currencies. The costs increase related to higher travel and meeting activities and higher sales commission fees due to higher order intake in the quarter. Sales and marketing costs in Q1 2022 represented 12.5% of revenue compared with 9.9% in same period last year.

Administrative expenses increased by 27.3% to EUR 8.5m. The increase is mainly because of extra costs related to Ukraine and internal project costs. Administrative expenses in Q1 2022 represented 7.7% of revenue compared with 6.0% in Q1 2021.

Employees

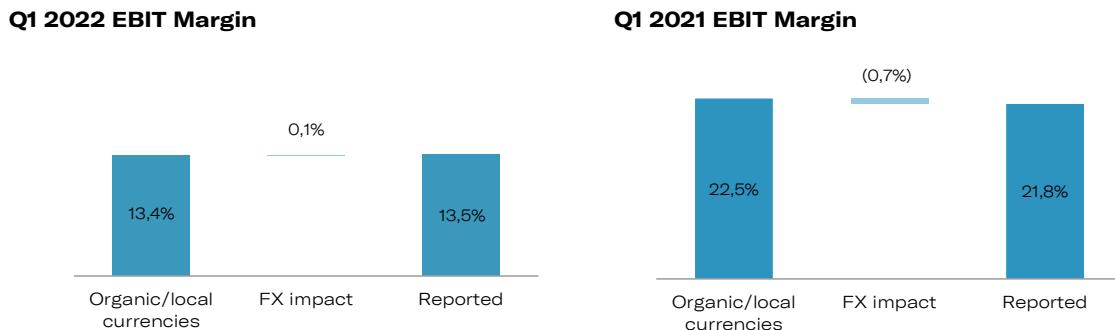
At March 31, 2022, the Group had 2,045 employees, 141 (7.4%) employees more than at March 31, 2021.

The Group had on average 1,994 FTEs in the first three months of 2022 compared with 1,854 FTEs in the same period last year.

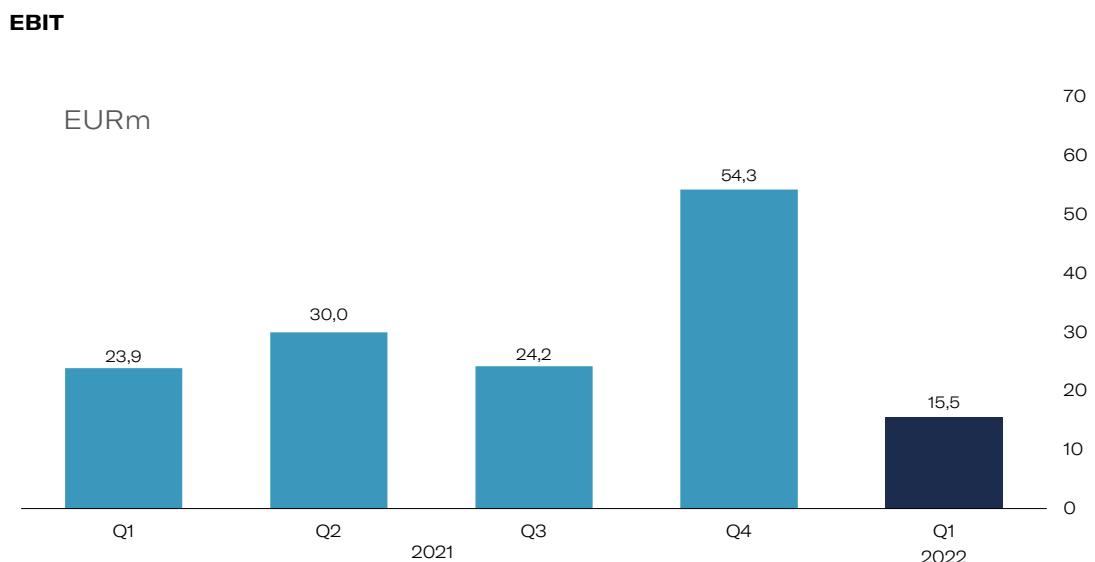
Group performance

For the first three months of 2022, the Group posted EBIT of EUR 15.5m compared with EUR 23.9m in Q1 2021. The reported EBIT margin was therefore 13.5% compared with the EBIT margin of 21.8% in Q1 2021. Currency rate fluctuations had a positive impact on the EBIT margin of 0.1%-points in Q1 2022, and the EBIT margin measured in local currencies was 13.4%.

The currency impact on EBIT margin is shown below:



The development in quarterly EBIT is shown below:



Profit and comprehensive income

Financial items for Q1 2022 comprised a net income of EUR 2.2m compared with a net income of EUR 2.9m in same period last year. Financial income and expenses are primarily related to foreign exchange adjustments.

The Group posted pre-tax profit of EUR 17.7m against pre-tax profit of EUR 26.8m in Q1 2021. The estimated tax charge of EUR 4.4m is equivalent to a tax rate of 24.7% compared with estimated taxes of EUR 6.6m or 24.5% in Q1 2021. Thus, the Group's net profit for Q1 2022 amounted to EUR 13.3m against a profit of EUR 20.2m for the same period last year.

Exchange rate adjustments on translation of foreign assets and liabilities amounted to a net income of EUR 0.4m in Q1 2022, which is included in other comprehensive income. Total comprehensive income for Q1 2022 was thus EUR 13.7m against EUR 22.1m in Q1 of last year.

Balance sheet

SimCorp's total assets were EUR 558.6m at March 31, 2022 compared with EUR 487.9m a year earlier, an increase of EUR 70.7m, due to higher contract assets and receivables.

Cash holdings amounted to EUR 49.8m. Draw on credit facilities was EUR 20.2m. Consequently, net cash holdings was EUR 29.6m compared with EUR 51.7m a year earlier, which was primarily due to lower free cash flow.

Receivables amounted to EUR 130.2m at March 31, 2022, representing an increase of EUR 33.0m compared with March 31, 2021, and EUR 33.6m higher than at December 31, 2021, partly due to late invoicing in some countries, which were going live on new ERP system in Q1 2022.

Contract assets was EUR 213.4m, an increase of EUR 37.4m compared with March 31, 2021. Compared with December 31, 2021, contract assets decreased by EUR 7.6m. New and additional subscription-based licenses added EUR 9.9m to contract assets in Q1 2022, finance income recognized added EUR 0.5m, foreign exchange adjustments added EUR 4.0m, and reversal of expected credit loss provision added EUR 0.1m. Reductions stem from invoiced subscription-based license fees of EUR 22.1m in Q1 2022.

The Group's total non-current assets were EUR 144.6m compared with EUR 147.3m at December 31, 2021.

Goodwill was EUR 61.6m at March 31, 2022 compared with EUR 61.6m at the end of 2021. No impairment to goodwill was made in Q1 2022.

The carrying amount of acquired software was EUR 9.4m compared with EUR 9.8m at the end of 2021 and the value of client relationships was EUR 20.8m compared with EUR 21.2m at the end of 2021. The decreases were due to amortization.

The carrying amount of leasehold assets was EUR 38.6m compared with EUR 40.1m at the end of 2021. The decrease was due to amortization.

Other property, plant, and equipment amounted to EUR 3.2m against EUR 3.6m at the end of 2021.

Other financial assets of EUR 4.8m includes investments in partners, Alkymi and Domos.

The deferred tax asset was EUR 2.9m compared with EUR 3.1m at the end of 2021.

SimCorp's total liabilities were EUR 265.0m at March 31, 2022, compared with EUR 233.8m at March 31, 2021.

Cash flow

Operating activities generated a cash inflow of EUR 23.2m in Q1 2022 compared with EUR 42.4m in Q1 last year. Payment of income taxes amounted to EUR 9.8m, against EUR 6.3m in Q1 2021.

EUR 0.7m was spent on investing activities, compared with EUR 0.5m in Q1 2021.

Free cash flow (cash flow from operations reduced by CAPEX and reduced by the principal element of lease payments) was EUR 20.1m compared with EUR 39.4m in Q1 2021. The decrease was due to lower profit and timing of invoicing and payments, which led to higher receivables and higher paid income and salary related taxes in Q1 2022.

Cash used in financing activities of EUR 20.5m related to the payment of dividends of EUR 29.5m, net of withholding tax, purchase of treasury shares of EUR 8.6m, and the repayment of lease liabilities of EUR 2.5m. Furthermore, in Q1 2022 SimCorp utilized EUR 20.2m from its credit facilities as part of financing dividends payments and share buyback. In Q1 2021, cash used in financing activities of EUR 43.5m related to the payment of dividends of EUR 30.3m, net of withholding tax, purchase of treasury shares of EUR 10.5m, and the repayment of lease liabilities of EUR 2.7m.

Changes in equity

The company's equity amounted to EUR 293.6m at March 31, 2022. This was a decrease of EUR 29.5m from December 31, 2021. Equity was reduced by the purchase of treasury shares of EUR 9.3m and by the declared dividends of EUR 39.9m. The payment of dividends was approved by the shareholders at the AGM on March 24, 2022. Equity was increased by comprehensive income for Q1 2022 of EUR 13.7m as well as the effects of share-based remuneration of EUR 6.0m, net of tax.

Outlook for the financial year 2022*)

SimCorp generated a financial result during the first three months of 2022 in line with SimCorp's expectations. SimCorp's intake of license contract orders and revenue recognition varies considerably from one period to the next.

The Q1 2022 intake of orders was EUR 26.0m compared with EUR 12.6m Q1 2021. SimCorp enters Q2 2022 with signed revenue of EUR 356m for 2022, compared with EUR 341m at the same time in 2021. So far in Q2, one new SimCorp Sofia deal in Italy and a strategic partnership Memorandum of Understanding with a leading investment manager and existing client in APAC have been signed.

SimCorp maintains its expectations for 2022 as announced in its Annual Report 2021, i.e. the expectations for 2022 are to grow revenue in local currencies by between 7% and 12%, and Annual Recurring Revenue (ARR) in local currency to grow between 10% and 15%, and to generate an EBIT margin measured in local currencies of between 23.0% and 26.0%, excluding expected exceptional costs of EUR 3-5m in 2022 in relation to supporting our Ukrainian employees and their families.

Included in the expected EBIT margin for 2022 is a negative short-term impact of around 2%-points from planned investments in the future, including investments in the new SaaS operations and solutions, such as Investment Accounting Services (IAS)

We will have a 2-3% higher salary increase in 2022 compared with recent years due to higher inflation and demand for skilled labor.

In the Annual Report 2021, we assumed that H1 2022 would be impacted by COVID-19 restrictions, while H2 2022 was expected to be less impacted as the world returns to more normal working conditions. We now see that our early sales pipeline, not least in North America, is improving, which supports the assumptions made in the Annual Report 2021.

Based on the exchange rates prevailing at April 30, 2022, SimCorp estimates reported revenue to be positively impacted from currency fluctuations by around 2.0% (previously positive 1.3%) and reported EBIT margin to be positively impacted from currency fluctuations by around 0.5%-points (previously positive 0.2%-points).

*) This announcement contains certain forward-looking statements and expectations in respect of the 2022 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.

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 31-36 of SimCorp's Annual Report 2021 describe the most important general risk factors and the risk management measures applied in everyday operations. Management believes that the description of these potential risks still pertains to the current situation.

Shareholder information

Transferred shares in relation to restricted stock units programs

Long-term restricted stock units incentive plan allotted in 2019

51,032 shares vested in Q1 2021 and were transferred to the Executive Management Board and key employees, who participated in the long-term incentive program in 2019 and who have fulfilled the program's criteria. The transfer included 22,679 shares to the Executive Management Board and 195 shares to employee elected members of the Board of Directors. 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 2019 to 2021. 100% of the maximum number of shares under the program were allotted.

Sign-on and incentive programs

2,960 shares vested in Q1 2022 and were transferred to the Group's employees, in terms of sign-on and incentive programs, who have fulfilled the programs' criteria.

Corporate bonus restricted stock units programs 2018, 2019 and 2020

64,620 shares vested in Q1 2022 and were transferred to the Group's employees relating to the corporate bonus restricted stock units programs for 2018, 2019 and 2020, including 540 shares to employee-elected members of the Board of Directors.

Cancelation of restricted stock units

In connection with CFO Michael Rosenvold's resignation 2,390 restricted stock units that would have vested in 2022 and 5,781 restricted stock units that would have vested with one third in 2024, 2025 and 2026 have been canceled. Michael Rosenvold keeps the remaining restricted stock units, and they will vest in accordance with the timing of each restricted stock unit program.

Allotment 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 2022. A total of 59,792 restricted stock units was granted, including 23,821 restricted stock units to the Executive Management Board and 187 restricted stock units to employee-elected members of the Board of Directors. The fair value of these restricted stock units amounted to EUR 4.0m 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 ARR growth and annual minimum average net operating profit after tax for the financial years 2022 to 2024. 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, 117,966 restricted stock units related to the corporate bonus program for 2021 were granted to Group employees. The fair value of these restricted stock units amounted to EUR 6.7m 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 year, a further one third after two years and the last third after three years subject to continued employment.

374,632 restricted stock units are outstanding at the time of reporting, including 59,792 restricted stock units that were granted after the AGM. The restricted stock units will be transferred in whole or in part between 2022 and 2026 to program participants still employed when the restricted stock units vest, some subject to performance conditions.

Holding of treasury shares

In Q1 2022, 118,612 treasury shares vested, and the Company transferred the treasury shares in relation to the restricted stock unit programs in accordance with the approved remuneration policy for the Board of Directors, Executive Management and employees. In addition, the Company transferred 1,697 treasury shares to members of the Board of Directors equivalent to one third of their total remuneration for 2021.

The Company has purchased 128,800 treasury shares in Q1 2022 at an average price of DKK 539.28 per share, totaling EUR 9.3m. In comparison, SimCorp purchased 101,400 treasury shares at an average price of DKK 772.69 per share, totaling EUR 10.5m, in Q1 2021.

At March 31, 2021, the Company's holding of treasury shares amounted to 1,079,627 treasury shares, equal to 2.7% of the Company's issued share capital.

In addition to the purchases in Q1 2022, the Company has in the period from April 1 to May 17, 2022 acquired 119,300 treasury shares at a total price of EUR 7.8m under the EUR 20.0m "Safe Harbour" program that runs to July 31, 2022.

In 2022, the Company has up until May 17, 2022 acquired shares amounting to EUR 17.1m. At May 17, 2022, the Company's holding of treasury shares amounted to 1,198,927 treasury shares, equal to 3.0% of the Company's issued share capital. Purchases for an amount of EUR 2.9m remain to be executed under the program.

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, 2022.

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 at March 31, 2022 and of the profit of the Group's operations and cash flow for the period January 1 - March 31, 2022.

Besides what has been disclosed in the interim report, there are no significant changes to the Group's risks and uncertainties, as disclosed in the Annual Report 2021.

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, 19 May 2022

Executive Management Board

Christian Kromann
Chief Executive Officer

Michael Rosenvold
Chief Financial Officer

Georg Hetrodt
Chief Product Officer

Board of Directors

Peter Schütze
Chair

Morten Hübbe
Vice Chair

Simon Jeffreys

Susan Standiford

Adam Warby

Joan A. Binstock

Charlotte Søndergaard
Klausen

Neil Cook

Sven Rinke

Consolidated income statement

EUR '000	2022 Q1	2021 Q1	2021 FY
Revenue	114,713	109,977	496,274
Cost of sales	52,505	45,426	196,982
Gross profit	62,208	64,551	299,292
Other operating income	179	140	709
Research and development costs	24,689	23,331	91,771
Sales and marketing costs	13,722	10,860	50,230
Administrative expenses	8,449	6,574	25,583
Operating profit (EBIT)	15,527	23,926	132,417
Share of profit after tax in associates	49	38	174
Financial income/expenses, net	2,121	2,831	4,827
Profit before tax	17,697	26,795	137,418
Tax on the profit for the period	4,376	6,567	27,426
Profit for the period	13,321	20,228	109,992
Earnings per Share			
Earnings per share - EPS (EUR)	0.34	0.51	2.76
Diluted earnings per share - EPS-D (EUR)	0.34	0.51	2.74

Statement of comprehensive income

EUR '000	2022 Q1	2021 Q1	2021 FY
Profit for the period	13,321	20,228	109,992
Other comprehensive income			
Items that will not be reclassified subsequently to the income statement:			
Remeasurements of defined benefit plans	-	-	1,934
Tax, remeasurement of defined benefit plans	-	-	-396
Items that may be reclassified subsequently to the income statement, when specific conditions are met:			
Foreign currency translation differences for foreign operations	405	1,871	2,500
Other comprehensive income after tax	405	1,871	4,038
Total comprehensive income	13,726	22,099	114,030

Consolidated balance sheet

EUR '000	Mar. 31 2022	Mar. 31 2021	Dec. 31 2021
Assets			
Goodwill	61,623	61,589	61,645
Software	9,384	11,091	9,801
Client relationships	20,838	22,503	21,245
Total intangible assets	91,845	95,183	92,691
Leasehold	38,618	42,173	40,095
Technical equipment	744	976	860
Other equipment, fixtures, fittings and prepayments	2,486	2,904	2,737
Total property, plant, and equipment	41,848	46,053	43,692
Investments in associates	916	857	909
Deposits	2,250	2,108	2,123
Deferred tax	2,914	3,965	3,091
Other financial assets	4,842	405	4,843
Total other non-current assets	10,922	7,335	10,966
Total non-current assets	144,615	148,571	147,349
Receivables	130,167	97,198	96,543
Contract assets	213,410	176,031	221,000
Income tax receivables	5,188	2,732	2,060
Prepayments	15,484	11,616	11,668
Cash and cash equivalents	49,768	51,732	47,692
Total current assets	414,017	339,309	378,963
Total assets	558,632	487,880	526,312
EUR '000	Mar. 31 2022	Mar. 31 2021	Dec. 31 2021
Liabilities and Equity			
Share capital	5,441	5,441	5,441
Exchange adjustment reserve	-1,820	-2,854	-2,225
Retained earnings	290,006	251,479	280,003
Proposed dividend	-	-	39,888
Total equity	293,627	254,066	323,107
Lease liabilities	29,856	32,888	32,088
Deferred tax	35,575	30,845	33,121
Provisions	9,934	11,064	9,743
Total non-current liabilities	75,365	74,797	74,952
Bank loan / revolving credit facility	20,167	-	-
Lease liabilities	8,304	9,697	8,577
Prepayments from clients	71,880	61,945	31,239
Trade payables	33,841	22,110	29,126
Other payables	39,826	50,306	49,993
Income tax payables	4,844	4,652	8,886
Provisions	710	488	432
Dividends and related taxes	10,068	9,819	-
Total current liabilities	189,640	159,017	128,253
Total liabilities	265,005	233,814	203,205
Total liabilities and equity	558,632	487,880	526,312

Consolidated cash flow statement

EUR '000	2022 Q1	2021 Q1	2021 FY
Profit for the period	13,321	20,228	109,992
Depreciation/amortization	3,625	3,944	15,379
Share of profit after tax in associates	-49	-38	-174
Financial income	-2,337	-3,089	-5,774
Financial expenses	216	258	947
Tax on the profit for the period	4,376	6,567	27,426
Other non-cash	2,118	3,595	12,904
Adjustment share based remuneration	6,296	2,295	11,332
Change in provisions	469	-286	-1,663
Changes in contract assets	7,979	46	-44,861
Changes in working capital	-2,991	15,306	-11,169
Financial income received	2	-	5
Financial expenses paid	-88	-97	-319
Income tax paid	-9,765	-6,288	-23,329
Net cash from operating activities	23,172	42,441	90,696
Purchase of property, plant, and equipment, net	-572	-412	-1,259
Sale and purchase of financial assets, net	-127	-65	-4,507
Dividends from associates	-	-	91
Net cash used in investing activities	-699	-477	-5,675
Dividends paid	-29,531	-30,306	-40,086
Purchase of treasury shares	-8,628	-10,535	-40,102
Repayment of lease liability	-2,509	-2,677	-10,808
Proceeds, credit facilities / loans	20,167	-	-
Net cash used in financing activities	-20,501	-43,518	-90,996
Change in cash and cash equivalents	1,972	-1,554	-5,975
Cash and cash equivalents at beginning of period	47,692	53,051	53,051
Foreign exchange adjustment of cash and cash equivalents	104	235	616
Cash and cash equivalents end of period	49,768	51,732	47,692

Statement of changes in equity

EUR '000	Share capital	Exchange adjustment reserve	Retained earnings	Dividends for the year	Total
2022					
Equity at January 1	5,441	-2,225	280,003	39,888	323,107
Net profit for the period	-	-	13,321	-	13,321
Total other comprehensive income	-	405	-	-	405
Total comprehensive income for the period	-	405	13,321	-	13,726
Transactions with owners					
Dividends paid to shareholders	-	-	52	-39,888	-39,836
Share-based payment	-	-	6,296	-	6,296
Tax, share-based payment	-	-	-327	-	-327
Purchase of treasury shares	-	-	-9,339	-	-9,339
Equity at March 31	5,441	-1,820	290,006	-	293,627
2021					
Equity at January 1	5,441	-4,725	237,409	40,125	278,250
Net profit for the period	-	-	20,228	-	20,228
Total other comprehensive income	-	1,871	-	-	1,871
Total comprehensive income for the period	5,441	1,871	20,228	-	22,099
Transactions with owners					
Dividends paid to shareholders	-	-	39	-40,125	-40,086
Share-based payment	-	-	4,692	-	4,692
Tax, share-based payment	-	-	-354	-	-354
Purchase of treasury shares	-	-	-10,535	-	-10,535
Equity at March 31	5,441	-2,854	251,479	-	254,066
Net profit for the period	-	-	89,764	-	89,764
Total other comprehensive income	-	629	1,538	-	2,167
Total comprehensive income for the period	-	629	91,302	-	91,931
Transactions with owners					
Share-based payment	-	-	6,305	-	6,305
Tax, share-based payment	-	-	37	-	37
Purchase of treasury shares	-	-	-29,567	-	-29,567
Proposed dividends to shareholders	-	-	-39,888	39,888	-
Equity at December 31	5,441	-2,225	280,003	39,888	323,107

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 2021. See the Annual Report 2021 for a comprehensive description of the accounting policies applied.

Change in accounting policies

Effective 1 January 2022, a number of new accounting standards and interpretations have been implemented which do not have any monetary effect on the SimCorp Group's result, assets, liabilities or equity.

Judgments and estimates

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

The most significant estimates made by management when using the Group's accounting policies and the most significant judgment uncertainties attached hereto are the same for the preparation of the interim report as for the preparation of the Annual Report 2021.

Segment information

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. "Research and development" and "Corporate functions" and "Elimination/Not allocated" are not operating segments, and the disclosure forms part of the reconciliation of segment data to the group income statement rather than being information about operating segments.

EUR '000	EMEA	Asia and Australia	North America	SimCorp Sofia	Research and development	Corporate functions	Elimination/Not allocated	Group
January 1 - March 31, 2022								
Licenses - initial sales	2,184	502	340	60	-	-	-	3,086
Licenses - additional sales	7,522	99	2,267	3,239	-	-	-	13,127
Software updates and support	34,427	3,696	6,852	1,297	103	-	-	46,375
Professional services	23,238	4,623	10,663	3,389	-	-	-	41,913
Hosting and other fees	5,806	1,230	2,932	-	223	21	-	10,212
External revenue	73,177	10,150	23,054	7,985	326	21	-	114,713
Revenue between segments	12,040	863	2,095	8	37,764	10,045	-62,815	-
Total segment revenue	85,217	11,013	25,149	7,993	38,090	10,066	-62,815	114,713
EBITDA	10,522	1,166	3,598	5,108	17,910	-19,152	-	19,152
Depreciation and amortization	1,141	191	362	296	694	941	-	3,625
Segment operating profit (EBIT)	9,381	975	3,236	4,812	17,216	-20,093	-	15,527
Financial items, net								2,170
Profit for the period before tax								17,697
Total assets	265,826	48,530	103,689	57,681	60,207	3,591	19,108	558,632
January 1 - March 31, 2021								
Licenses - initial sales	682	441	2,428	-	-	-	-	3,551
Licenses - additional sales	5,315	177	6,538	2,728	-	-	-	14,758
Software updates and support	33,219	3,826	6,520	1,170	82	-	-	44,817
Professional services	22,098	4,313	11,231	2,709	-	-	-	40,351
Hosting and other fees	3,295	742	2,352	-	63	48	-	6,500
External revenue	64,609	9,499	29,069	6,607	145	48	-	109,977
Revenue between segments	8,041	675	1,965	412	46,492	8,386	-65,971	-
Total segment revenue	72,650	10,174	31,034	7,019	46,637	8,434	-65,971	109,977
EBITDA	7,776	1,255	2,976	3,956	23,450	-11,543	-	27,870
Depreciation and amortization	1,144	172	313	413	790	1,112	-	3,944
Segment operating profit (EBIT)	6,632	1,083	2,663	3,543	22,660	-12,655	-	23,926
Financial items, net								2,869
Profit for the period before tax								26,795
Total assets	181,254	45,658	91,649	49,873	77,366	19,795	22,285	487,880

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.

Contingent liabilities

No material changes have occurred to the contingent liabilities referred to in the Annual Report 2021.

Events after March 31, 2022

Since the closing of Q1 2022, one new SimCorp Sofia deal in Italy and a strategic partnership Memorandum of Understanding (MoU) with a leading investment manager and existing client in APAC have been signed.

The intention of the MoU being to form a new company to provide a premier, fully integrated, front-to-back investment administration services for asset managers and asset owners in Australia, New Zealand, and Asia.

Upon the translation of the MOU into a final strategic agreement, such agreement will become a "large contract" for SimCorp's software and services, including SimCorp Dimension, data management, cloud, investment accounting services and managed services, and SimCorp will disclose a separate company announcement about this.

Furthermore, SimCorp will as part of the formation of the new company make a minority investment in the jointly held legal entity which will undertake investment administration operations in Australia, New Zealand, and Asia.

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