

SimCorp Interim Report Q4 2022

Record-high revenue in Q4 2022 – SimCorp accelerates transformation investments and initiates cost efficiency program

Q4 and FY 2022 highlights

- SimCorp generated revenue of EUR 206.1 million in Q4 2022 (Q4 2021: 160.2 million). For FY 2022, reported revenue grew by 13.0% to EUR 561.0 million driven by organic growth of 9.4% (2021: 8.7%) and FX impact of 3.6%. Organic ARR (backward-looking) growth was 12.1% in 2022.
- In Q4 2022, EBIT excluding operating model charges and Ukraine support costs (special items) was EUR 85.2 million (EUR 54.3 million in Q4 2021), corresponding to an EBIT-margin of 41.4%. For FY 2022, the EBIT-margin excluding special items was 24.2% (23.4% in local currency).
- Costs related to the support and safety of Ukrainian employees and their families and operating model restructuring amounted to EUR 1.3 million in Q4 2022 and EUR 9.9 million for FY 2022.
- SimCorp signed five new customers in Q4 (three in North America), resulting in a total of 11 new customers in 2022. The largest deal was signed in EMEA, a 7-year deal with Annual Contract Value¹ above EUR 2 million. Revenue in Q4 included EUR 57 million from conversions, including the conversion of SimCorp's largest customer to a 7-year subscription license agreement.

Strategy update

- The transformation of SimCorp continues, supporting the market competitiveness and expansion of the total addressable market. Revenue generated from the SaaS platform amounted to EUR 88.7 million in 2022, corresponding to annual growth of 31%.
- SimCorp today announces accelerated investments in five key initiatives to further strengthen our strategic growth levers – Platform Leadership, SaaS acceleration and Ecosystem scaling.
- The accelerated investments in the transformation and growth of the SaaS offerings are negatively affecting profitability during the transition period, while SimCorp builds scale and efficiency in its SaaS platform. To fund these investments and ensure continued cost efficiency, SimCorp is today announcing a company-wide cost efficiency program to Fund and Elevate the transformation (Program FuEI).
- The target of the cost efficiency program is to generate annual cost savings of at least EUR 35 million from 2024. The cost saving target in 2023 is EUR 25 million. Non-recurring restructuring costs to execute the program are expected to amount to up to EUR 20 million in 2023.

SimCorp CEO, Christian Kromann, comments:

"Today's announcement marks an important inflection point for SimCorp. With a solid 2022 concluded in line with our expectations, we are gaining confidence in our transformation journey. As such, today we are announcing accelerated investments in five key strategic initiatives that will make a real difference to the speed and execution of our transformation.

At the same time, we are launching a cost efficiency program to fund our increased investments. Cost efficiency is required to fulfil the potential of SimCorp, but we are sad to say goodbye to more than 100 employees, and we are doing our utmost to support them in their next career step.

Embarking on a strict cost journey is critical to the transformation, and we are developing our culture as an organisation with increased focus on financial performance. The significant potential of the transformation is reflected in our new mid-term financial targets – we expect to grow at double-digit average growth rates and return to record-high profitability of above 28% EBIT-margin."

¹ Please refer to the Annual Report for definitions

Supplementary financial disclosures and financial outlook

- As communicated at the Capital Markets Day 2022, SimCorp is introducing supplementary financial disclosures* to reflect the key value drivers of the ongoing transformation – new revenue segmentation, forward-looking ARR and ratable revenue.
- Ratable revenue* amounted to EUR 489.0 million in FY 2022, reflecting growth of 8.4% (5.3% organically). By the end of 2022, forward-looking ARR was EUR 338.5 million, corresponding to organic ARR growth of 11.7% compared to 2021.
- SimCorp's new mid-term financial targets are to grow at double-digit average annual growth rates and return to record-high profitability (EBIT-margin above 28%). The main profitability drivers are increasing the scale and efficiency of the SaaS platform and accelerating revenue (operating leverage).
- In 2023, SimCorp expects that ARR (forward-looking) will accelerate to grow at 12-17%, and ratable revenue will grow 6-11% organically. The EBIT-margin is expected to be between 21-24%, excluding restructuring costs of up to EUR 20 million to execute Program FuEI.

Key financial highlights

EUR million, unless otherwise stated	2022 Q4	2021 Q4	2022 FY	2021 FY	2023 Outlook
Organic ARR (forward-looking) growth (%)	11.7%	NA	11.7%	NA	12-17%
Organic growth of ratable revenue (%)	3.7%	7.5%	5.3%	4.5%	6-11%
Ratable revenue	141.9	133.4	489.0	451.2	
Reported revenue	206.1	160.2	561.0	496.3	
EBIT-margin, excluding special items (%)	41.4%	33.9%	24.2%	26.7%	21-24% (local currencies)
EBIT, excluding special items	85.2	54.3	135.8	132.4	
Special Items	-1.3	NA	-9.9	NA	
Reported EBIT	83.9	54.3	125.9	132.4	

* An Information Memorandum outlining the supplementary financial disclosures including the introduction and definitions of ARR (forward-looking) and ratable revenue is uploaded to our website, [link](#). Please also refer to the Annual Report for definitions

This announcement has been published and registered as a Company Announcement with Inside Information. It is assessed that the following elements of the SimCorp Interim Report Q4 2022 constitute inside information:

- The initiation of a company-wide cost efficiency program.
- The introduction of mid-term targets.
- The outlook for the financial year 2023 including statements related to ratable revenue and forward-looking ARR.

Other financial highlights and key ratios for the SimCorp Group

EUR '000	2022 Q4	2021 Q4	2022 FY	2021 FY
Income Statement				
Revenue	206,071	160,240	560,968	496,274
Earnings before interest, tax, depreciation, and amortization (EBITDA)	87,629	58,107	140,739	147,796
Operating profit (EBIT)	83,948	54,322	125,856	132,417
Financial items, net	-9,278	2,165	2,292	5,001
Profit before tax	74,670	56,487	128,148	137,418
Profit for the period	58,377	48,482	99,254	109,992
Balance Sheet				
Share capital	5,441	5,441	5,441	5,441
Total equity	375,557	323,107	375,557	323,107
Bank loan / credit facility	6,724	-	6,724	-
Intangible assets	88,984	92,691	88,984	92,691
Property, plant, and equipment	41,459	43,692	41,459	43,692
Receivables	112,378	96,543	112,378	96,543
Contract assets	292,903	221,000	292,903	221,000
Cash and cash equivalents	40,546	47,692	40,546	47,692
Total assets	604,328	526,312	604,328	526,312
Cash Flow				
Net cash from operating activities	7,309	1,836	60,340	90,696
Net cash used in investing activities	-428	-4,600	-2,767	-5,675
Net cash used in financing activities	-4,649	-10,754	-64,822	-90,996
Free cash flow	2,425	-1,204	47,155	78,628
Employees				
Number of employees at the end of the period	2,245	1,998	2,245	1,998
Average number of employees - FTE	2,175	1,926	2,067	1,871
Alternative Performance measures				
Annual Recurring Revenue (ARR) (backward-looking) (EUR '000)	321,948	277,352	321,948	277,352
Annual Recurring Revenue (ARR) (forward-looking) (EUR '000)	338,480	302,912	338,480	302,912
Financial Ratios				
Revenue growth (%)	28.6	9.6	13.0	8.8
Organic revenue growth (%)	25.9	7.3	9.4	8.7
ARR (backward-looking) growth, (%)	16.1	10.5	16.1	10.5
Organic ARR (backward-looking) growth (%)	12.1	10.3	12.1	10.3
ARR (backward-looking) as share of total revenue (%)	57.4	55.9	57.4	55.9
EBIT margin (%)	40.7	33.9	22.4	26.7
ROIC (return on invested capital) (%)	87.9	73.1	35.6	44.7
Receivables turnover ratio	12.3	11.5	8.4	8.9
Equity ratio (%)	62.1	61.4	62.1	61.4
Return on equity (%)	67.3	64.4	26.0	35.4
Share Performance				
Earnings per share - EPS (EUR)	1.49	1.23	2.52	2.76
Diluted earnings per share - EPS-D (EUR)	1.47	1.22	2.50	2.74
Cash flow per share - CFPS (EUR)	0.18	0.05	1.53	2.27
Number of Shares				
Average number of shares (million)	39.3	39.6	39.3	39.9
Average number of shares - diluted (million)	39.6	40.0	39.7	40.1
EUR/DKK rate of exchange at end of period	7.4365	7.4365	7.4365	7.4365

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

Strategy update

In 2019, SimCorp launched the current strategy to evolve from a software company to a full-scale Software-as-a-Service (SaaS) company. By continuously executing on this transformation, SimCorp provided SaaS solutions to 64 customers by the end of 2022, and recorded EUR 88.7 million in SaaS revenue in 2022. The market development and the customer trends validate SimCorp's overall strategic direction of a full SaaS platform coupled with technology-enabled services (BPaaS) to offer clients full operating model optionality.

Strategic growth lever 1 - Platform leadership

The main platform remains core for SimCorp's value proposition, with its integrated front-to-back functionality, providing coverage across all asset classes and across the full client value chain. This ensures operational efficiency for clients based on consistent data and a single version of truth for investment decisions, compliance, and reporting.

Strategic growth lever 2 - SaaS acceleration

Since 2019, SimCorp has steadily developed and improved its SaaS business and technology-enabled service offerings. Today, the SaaS platform offers a variety of optionalities for clients requesting a change of their operating models. SimCorp is continuously enhancing the competitiveness of its offering by developing additional solutions to the platform such as the new cloud-native Performance module.

During 2022, SimCorp increased the number of SaaS clients to 64 (16 have signed on to one of SimCorp's tech-enabled service offerings) by signing six new SaaS customers, some of them with an additional BPaaS service component. Moreover, SimCorp converted five customers from on-premise license agreements to SaaS subscription agreements. In December 2022, one of the largest SaaS customers to date went live on SimCorp's automated and public SaaS solution, generating new recurring business from SaaS and BPaaS additions. SimCorp's largest tech-enabled services contract (IOS, BPaaS) was signed in December 2022 with InTech with expected go-live during 2023.

Strategic growth lever 3 - Ecosystem scaling

SimCorp's architecture is based on an open platform to offer improved choice, flexibility and innovation. This is designed to enable integration with our own and with clients' wider technology ecosystems. This includes open innovation with fintech partners and co-creation with clients, as well as connectivity with key players in the broader capital markets ecosystem.

Accelerated transformation investments

SimCorp is today announcing accelerated investments in its core transformation. The investments are focused on five important initiatives to enhance the transformation speed and will add incremental costs corresponding to approximately 3.5%-points on the EBIT-margin:

Platform leadership

1. The Front office offering has been a key development area for SimCorp in recent years. With around 75% of Dimension customers having adopted the Front Office solution, there is continued traction. Further momentum is expected from additional investments into key enhancements such as user experience, user interface, order management and other functionalities to address specific requirements in the North American market. Additionally, SimCorp will invest in additional resources to strengthen the commercial positioning.
2. SimCorp is accelerating a development initiative to materially improve the R&D velocity and productivity. The initiative builds on some of the latest industry tooling as well as redesigning development practices facilitating amongst other things earlier detection of errors and shorter developer feedback loops. The go-live of this program is expected towards the end of 2023 with further productivity improvements to be realized during 2024 and 2025.

SaaS acceleration

3. SimCorp's SaaS offering is highly competitive today, and SimCorp has with high customer satisfaction gone live with some large customers during 2022. Further success is dependent on increased scalability, automation and operational efficiencies. To accelerate the progress, SimCorp will deploy additional development teams with a two-fold objective – 1) Accelerate automation and thereby reduce FTE costs per revenue and 2) Optimize SaaS infrastructure costs by reducing the compute and storage needed to operate Dimension as SaaS.

4. BPaaS was launched in 2019 with an initial focus on Data Management Services (DMS). In 2022, a key offering was added with the introduction of Investment Accounting Services (IAS) and most recently Investment Operations Services (IOS). These introductions support additional customer operating models, strengthen competitiveness in the current addressable market and potentially increase the addressable market. In 2023, SimCorp will invest in BPaaS to accelerate standardization and automation of workflows, streamline connectivity with capital markets participants, and improve the user interfaces. The operational setup for IOS and IAS is still nascent and lacking scale but expanding and automating operations is expected to drive an uplift in profitability.

Commercial excellence

5. The commercial organization is undergoing a restructuring to improve sales performance and to achieve the full revenue potential of the company. This has centered around aligning the commercial teams to the market opportunity, both from a location perspective, and specialising by customer segment. SimCorp will also hire additional, specialised and senior resources to strengthen sales performance globally, with a key focus on North America.

Initiation of cost efficiency program

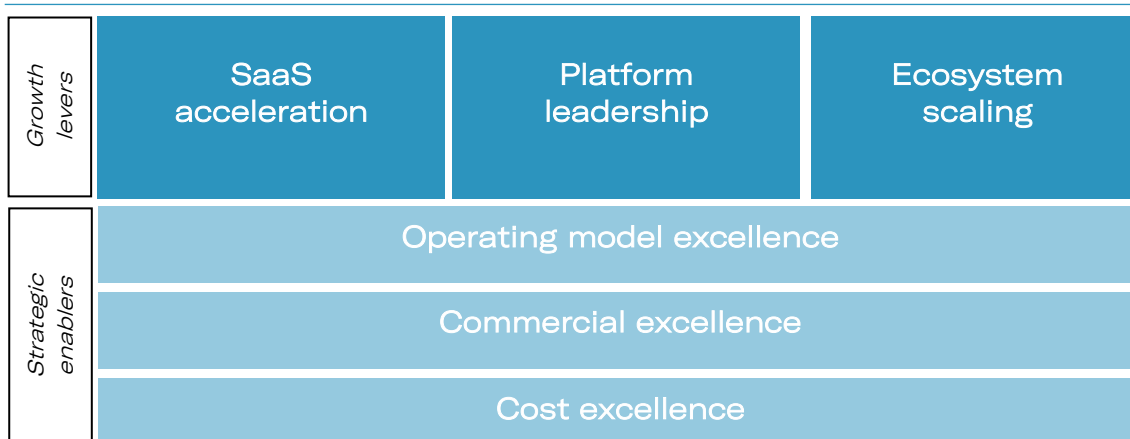
The accelerated investments in transformation are to achieve the long-term growth potential of SimCorp at attractive profitability. To address this, SimCorp today announces the launch of a company-wide cost efficiency program (Program FuEI) aimed at funding and elevating the transformation. The business change towards a more service-based offering makes cost efficiency critical for future market competitiveness, and this program is designed to sharpen and improve the underlying operations, focusing on structural cost improvements to enhance competitiveness and the long-term potential of the company.

- 1) Organization and locations
- 2) Infrastructure
- 3) Enhanced cost management

The initiatives entail redundancy of approximately 120 employees in Q1 2023, re-designation of low-utilization offices to serviced locations and the establishment of two larger hubs in India and Americas to better support our clients. The target of the program is to achieve annual cost savings of at least EUR 35 million from 2024 and approximately EUR 25 million in 2023.

Non-recurring restructuring costs to execute the program are expected to amount to up to EUR 20 million to be fully recognized in 2023, mainly related to severance payments and consultancy support.

SimCorp's strategic framework



Mid-term financial target – returning to record-high profitability

The current transformation to a full-scale SaaS provider is materially changing the revenue, cost and profitability structure of the company. The mid-term financial target is to generate double-digit average growth rates and return to record-high profitability (above 28% EBIT-margin).

The growth potential stems from the development of the core platform combined with expansion opportunities in SaaS and BPaaS offerings. SaaS and BPaaS clients initially require higher cost to serve while building capabilities and scale. The larger share of revenue from SaaS combined with accelerated investments to build scale are drivers of the current profitability development.

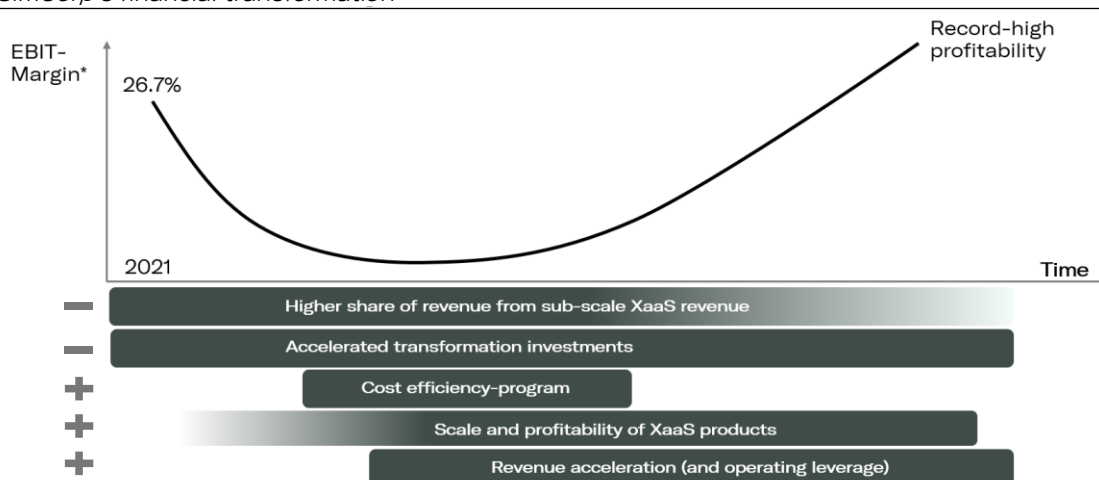
These negative margin drivers are targeted to be more than offset by future scale and efficiency in the SaaS and BPaaS offerings combined with an acceleration of revenue growth. Based on these drivers, SimCorp targets to return to record-high profitability at a significantly higher revenue level.

The five key profitability drivers of the current transformation can be summarized as follows:

- 1) Higher share of revenue from SaaS and BPaaS offerings (unfavorable gross margin mix)
- 2) Accelerated investments in the transformation (building automation and scalability)
- ✚ 3) Cost-efficiency program
- ✚ 4) Increasing scale and profitability of SaaS and BPaaS offerings
- ✚ 5) Revenue acceleration (and operating leverage)

The timing of the impact of the different margin drivers imply that the underlying EBIT-margin will be reduced in the short-term and subsequently increase with revenue acceleration and scale in SaaS and BPaaS offerings.

SimCorp's financial transformation



*Underlying EBIT-margin development (excl. potential impact from FX and share of revenue from IFRS-15 upfront revenue recognition)

Key drivers to reach record-high profitability

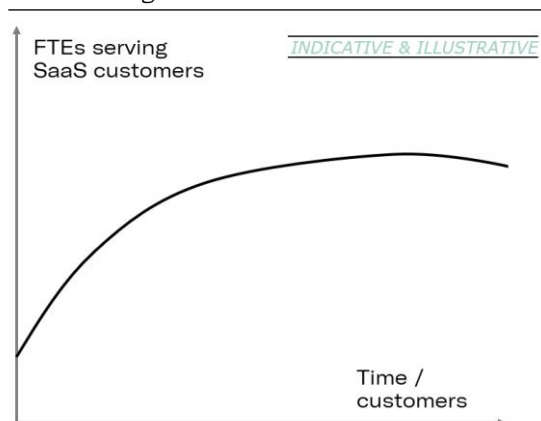
Improving gross margin of SaaS services

The gross margin of the SaaS offering has steadily improved since SimCorp onboarded its first SaaS customer. Today, SimCorp has made the offering profitable through initial automation and experience, but there is significant further potential.

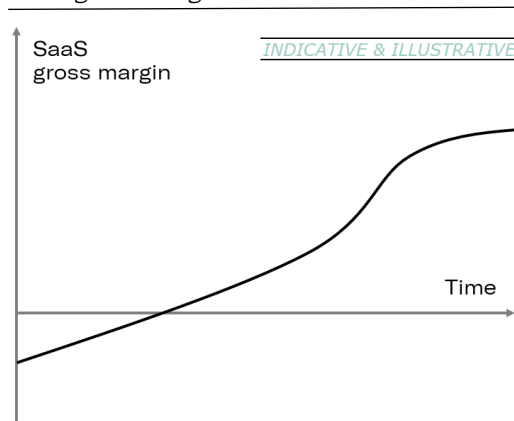
The drivers of the SaaS gross margin are a combination of both time and number of clients (scale). By investing in product enhancements and automation, costs related to infrastructure and managed services reduce. This enables the service of a growing client base with fewer FTEs per client, while maintaining the highest service quality.

This development represents a key milestone for achieving record-high profitability such that the initial negative impact from the adverse revenue mix is more than offset by a steadily increasing SaaS gross margin.

FTEs serving SaaS customers



SaaS gross margin



Revenue acceleration and operating leverage

The investments in SaaS are enabling growth potential across the strategic pillars. Additional investments in Front Office and the revamp of the commercial organization are key enablers for growth in SimCorp's core stronghold, full front-to-back functionality deals. The increasing growth momentum is evidenced by two large and front-to-back deals signed in Q4 2022, in EMEA and US respectively.

The SaaS investments will enable SimCorp to accommodate the continued market demand for cloud solutions and tech-enabled services. SimCorp continues to target new clients within the SaaS and BPaaS offerings, upsell of additional functionalities and more than ten conversions of current on-premise customers to the SaaS platform per year.

Finally, SimCorp is entering new Fintech partnerships and strives to grow from Ecoscaling growth and expanding offering and market reach. In 2022, SimCorp and Australian-based Challenger signed an agreement to launch a new investment administration company. The agreement is now completed and the new company, named Artega Investment Administration, is established. The pipeline is already building and the first customer is expected to be signed in Q1 2023.

Outlook for the financial year 2023

The financial outlook for 2023 reflects the ongoing SaaS transformation, with accelerated investments, and the initiation of the cost efficiency program. The investments are expected to generate solid business growth in 2023, while the profitability deterioration from investments is roughly offset by the cost efficiency program.

Financial outlook for 2023

All numbers in local currency, excluding special items	2022 achieved	2023 financial outlook
ARR (forward-looking) growth (%)	11.7%	12-17%
Ratable revenue growth (%)	5.3%	6-11%
Total cost growth (incl. investments)	14.3%	7-15%
EBIT-margin (%)	24.2%	21-24%

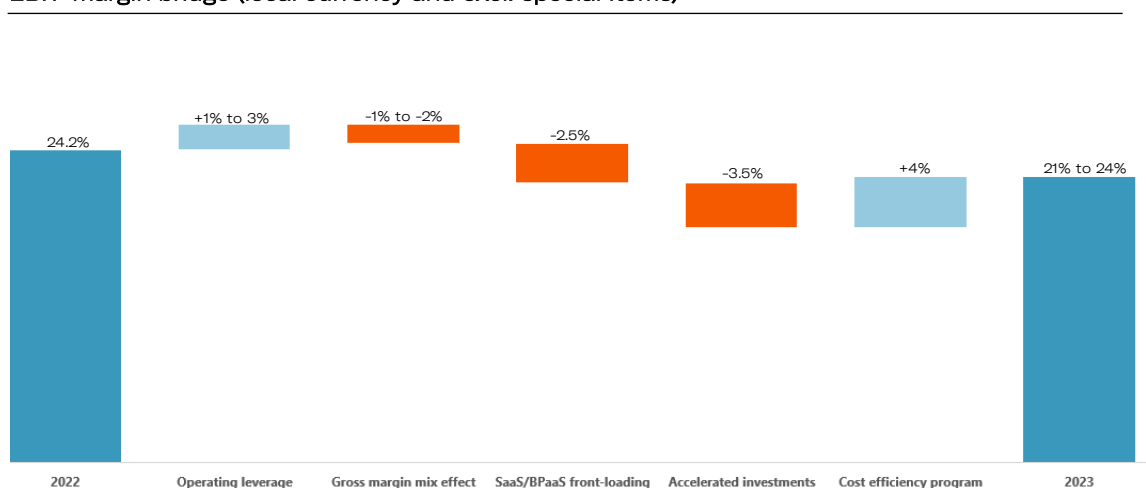
ARR (forward-looking) was EUR 338.5 million by the end of 2022, representing organic growth of 11.7% compared to 2021. The business is expected to continue to grow at accelerating growth rates throughout 2023, ending with ARR (forward-looking) growth of 12-17% by the end of 2023.

With the strong finish of 2022, SimCorp enters 2023 with signed revenue of EUR 364 million for 2023, compared with EUR 323 million at the same time in 2022. ratable revenue is expected to grow by 6-11% in 2023. Reported revenue growth is expected to be in line with Ratable revenue growth.

The EBIT-margin is impacted by a number of factors. The positive impact from revenue growth (operating leverage) will be partly offset by the current inflationary environment, including high cost increases related to salaries, cloud storage and offices. More revenue is also expected to be derived from SaaS and BPaaS with relatively lower gross margin and, simultaneously, SimCorp is ramping up and front-loading new SaaS and BPaaS customers (such as Intech), creating a time lag between cost incurred and revenue generation.

Finally, SimCorp's accelerated investments are expected to add costs corresponding to 3.5%-points to the current run-rate. These investments are more than offset by the cost efficiency program targeting EUR 25 million of in-year cost reductions in 2023, equivalent to approximately 4%-points EBIT-margin effect.

EBIT-margin bridge (local currency and excl. special items)



Based on the exchange rates at the end of January 2023, it is estimated that the foreign exchange rate development will reduce revenue by 1-2% and EBIT-margin by 0-1%-points.

Business update

As expected, the Q4 2022 activity was high for both signing new clients as well as expanding the partnership with existing clients.

In Q4 2022, SimCorp signed three new clients in North America with one client being a new SimCorp Dimension full front-to-back SaaS client in the US. Later in the quarter, a US based asset manager selected SimCorp for client reporting to reduce operational complexity as the client's current system required excess resources and manual processes for each reporting period. Finally, SimCorp signed its largest BPaaS contract, Intech, in Q4 2022. Intech will implement SimCorp's Investment Operations Service solution (IOS) and the agreement covers the integration of SimCorp's full lifecycle management service to support all of Intech's post-trade, performance, compliance, and IBOR-related activities. As part of the agreement, the implementation of SimCorp's Data Warehouse and cloud-native Client Engagement Portal are also included.

In EMEA, SimCorp signed an asset owner for SimCorp's full front-to-back product suite across the entire range of assets, including public and private markets. The move to SimCorp will enable the client's more efficient execution of the institution's global investment strategies, streamlining and consolidating the institution's solution landscape and setup - driving efficiency and ensuring agility.

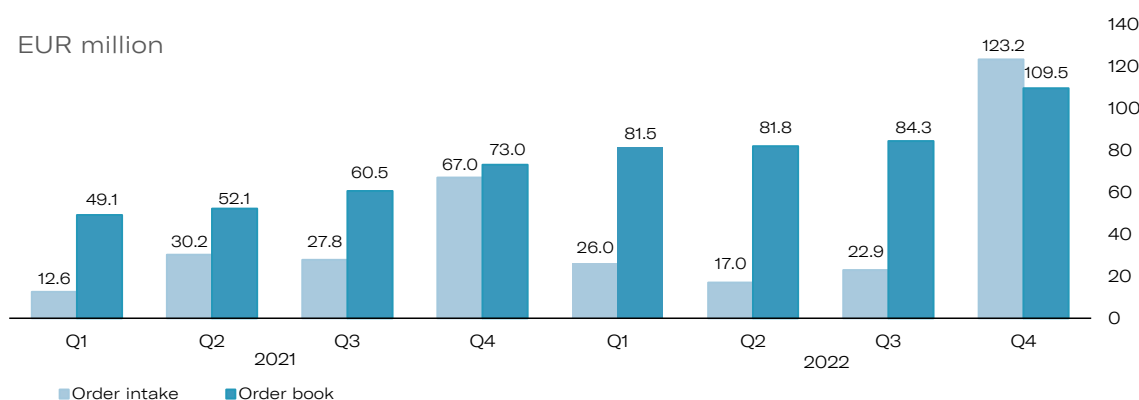
Finally, in APAC in Q4 2022, SimCorp signed its second client in Malaysia in 2022. The client has selected a full front-to-back SaaS offering that will provide a flexible and scalable investment monitoring solution with full transparency on market exposure and financial returns, all consolidated into one automated platform.

A number of expansionary SimCorp Dimension license contracts were signed in Q4 2022. In Q4 2022, SimCorp conducted 14 conversions from perpetual to subscription licenses of which two included migration from on-premise to SaaS.

New customer wins in Q4 2022

Region	Client	Offering	SaaS	Order intake	Revenue recognition
North America	Undisclosed investment manager	Front-to-back	Yes	Q4 2022	License upfront. Software and support over the period
North America	Undisclosed investment manager	Client reporting	Yes	Q4 2022	License upfront. Software and support over the period
North America	InTech Investment Management	IOS (BPaaS)	Yes	Q4 2022	Over the period
EMEA	Undisclosed investment manager	Front-to-back	No (on-premise subscription)	Q4 2022	License upfront. Software and support over the period
APAC	Undisclosed investment manager	Front-to-back	Yes	Q4 2022	License upfront. Software and support over the period

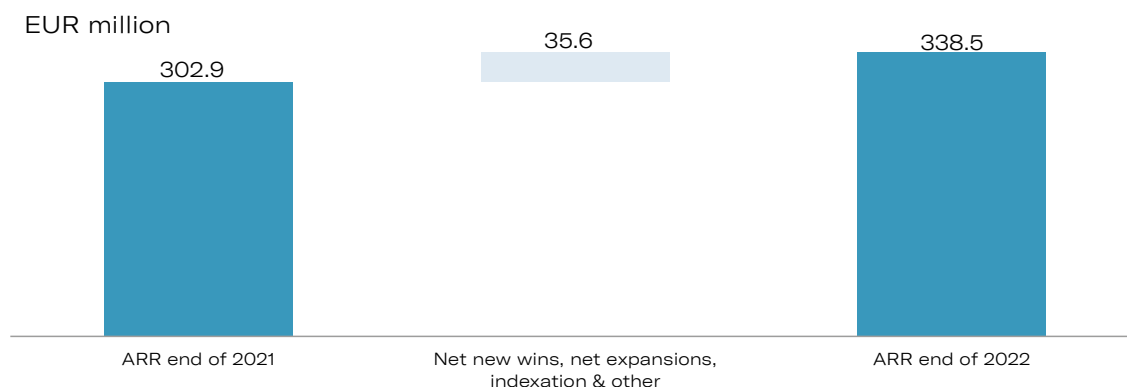
In Q4 2022, the total order intake was EUR 123.2 million compared with EUR 67.0 million in the same period last year, mainly driven by additional license sale. Total order book was EUR 109.5 million at December 31, 2022, which is an increase of EUR 36.5 million compared with the order book at December 31, 2021.



ARR (forward-looking) development³

ARR (forward-looking) grew by 11.7% to EUR 338.5 million measured at foreign exchange rates as at the end of 2022. The largest contributor was net expansions with current customers, predominantly driven by large customers migrating to SaaS platform solutions. Net new wins (net of churn) also contributed positively to the ARR development reflecting 11 new customers signed in 2022. The largest contributors are the two large front-to-back deals signed in Q4 2022 in EMEA and North America, respectively.

ARR (forward-looking) development during 2022



Update on the situation in Ukraine

The situation in Ukraine remained challenging in Q4 2022. Despite the extremely difficult situation, our Ukrainian colleagues are overcoming enormous challenges and continue to manage their daily work with dedication and limited disruption.

In 2022, SimCorp incurred exceptional costs of EUR 2.9 million to help and support our Ukrainian colleagues and their families. The safety of the employees has been the top priority, and SimCorp has offered all the help and support it can, including relocation of employees and their families during the winter.

Other highlights

SimCorp has appointed John Needham as Managing Director for SimCorp North America. With more than 25 years of experience in the financial technology industry, including roles at some of the largest financial institutions in North America, Needham brings relevant understanding of institutional investment management tech. Needham will primarily focus on business development and strategic direction setting for the more than 230 SimCorp employees in North America, seeking to sustain the consistent double-digit growth.

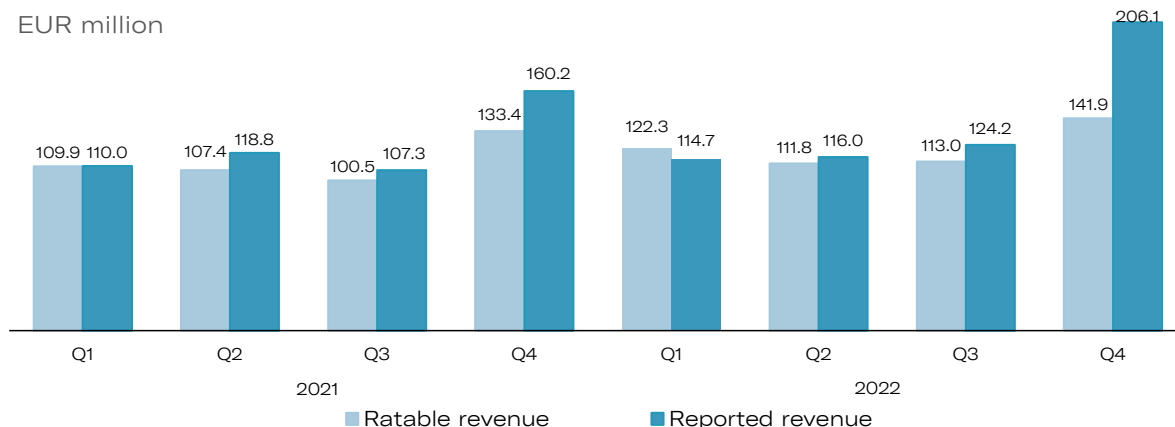
³ SimCorp has published an Information Memorandum outlining supplementary financial disclosures including the introduction and definitions of ARR (forward-looking) and ratable revenue. The Information Memorandum is on our website [link](#)

Q4 2022 Financial review

Revenue development

Q4 2022 reported revenue was EUR 206.1 million corresponding to an increase of 28.6% compared to Q4 2021. The growth was driven by license sales and SaaS services. Measured in local currencies, the increase was 25.9% in Q4 2022 and 9.4% for FY 2022. Ratable revenue was EUR 141.9 million in Q4 2022 – an increase of 6.4% relative to Q4 2021, leading to FY 2022 growth of 8.4% (5.3% measured in local currencies).

Quarterly revenue development



Revenue development per segment

In Q4 2022, On-premise revenue increased by 32.2% driven by license revenue. One new large on-premise SimCorp Dimension client was signed in Q4 2022 and a number of existing clients added new functionalities and modules. The SaaS revenue continued to develop positively in Q4 2022 with revenue of EUR 30.4 million corresponding to increase of 84.2% compared to Q4 2021. The revenue growth was driven both by initial license sale as well as SaaS services with the completion and implementation of new client installations and new functionalities to existing clients. In Q4 2022, there were 14 conversions from perpetual to subscription-based license contracts of which two also migrated from on-premise to SaaS.

Q4 Revenue EURm	Revenue Q4 2022	Revenue Q4 2021	Growth Q4 2022	Revenue FY 2022	Revenue FY 2021	Growth FY 2022
On-premise License sales	87.6	56.3	55.6%	140.1	112.2	24.9%
On-premise Software updates and support	42.0	41.7	0.7%	168.4	164.6	2.3%
Total on-premise revenue	129.6	98.00	32.2%	308.5	276.8	11.5%
SaaS License sales	9.2	3.0	206.7%	17.0	17.8	-4.0%
SaaS Services incl. Software Updates & Support	21.2	13.5	57.0%	71.7	49.9	43.7%
Total SaaS revenue	30.4	16.5	84.2%	88.7	67.7	31.0%
Professional services	46.1	45.8	0.7%	163.8	151.8	7.9%
Total revenue	206.1	160.3	28.6%	561.0	496.3	13.0%

The total license sales (on-premise license sales and SaaS license sales) can be split into the following types:

License split	Q4 2022	Q4 2021	FY 2022	FY 2021
Initial license	13%	5%	11%	16%
Additional regular license	11%	45%	19%	32%
Renewals	9%	7%	13%	14%
Conversions	59%	25%	46%	21%
Other license	8%	18%	11%	17%
Total license revenue	100%	100%	100%	100%

Operating Costs

SimCorp's total operating costs excl. special items (including depreciation and amortization) were EUR 120.8 million in Q4 2022 compared to EUR 106.2 million in Q4 2021, an increase of 13.7% in reported currency, and 12.0% in local currencies.

Headcount increased by 12.3% from 1,998 at the end of Q4 2021 to 2,245 at the end of Q4 2022 mainly reflecting investments and build-up of the SaaS and BPaaS offerings. The vast majority of the increase came from low-cost locations, predominantly Poland, India and most recently, Philippines. Furthermore, overall salaries and staff related costs accounted for 67% of total costs, compared with 71% in Q4 2021.

In Q4 2022, cost of sales, including costs for implementation consultants and hosting activities, increased by 11.3% in local currencies to EUR 63.4 million as a consequence of planned investments in new SaaS operations and solutions, and a higher level of SaaS and professional services business activity.

Compared with Q4 last year, research and development costs increased by 16.9% in reported currency and 17.2% in local currencies. The work of the research and development organisation is focused on improving the offerings with additional applications such as Alternatives and ESG investments, enhancing the SaaS platform, including development of cloud-native applications and improving the interaction between the standard platform and the tech-enabled service offerings (BPaaS).

In Q4 2022, sales and marketing costs were EUR 17.7 million, almost flat compared to last year. Administrative expenses increased from EUR 8.6 million in Q4 2021 to EUR 12.0 million in Q4 2022.

Operating costs Q4 2022

Operating costs, Q4 2022 EUR million	Reported costs Q4 2022	Special items Q4 2022	Costs excl. special items Q4 2022	Costs Q4 2021	Growth excl. special items Q4 2022	Growth local currency excl. special items Q4 2022
Cost of sales	63.4	-	63.4	55.7	13.8%	11.3%
Research and development costs	29.0	-	29.0	24.8	16.9%	17.2%
Sales and marketing costs	17.7	0.7	17.0	17.1	-0.6%	-3.3%
Administrative expenses	12.0	0.6	11.4	8.6	32.6%	32.1%
Other operating costs	-	-	-	-	-	-
Total operating costs	122.1	1.3	120.8	106.2	13.7%	12.0%

Operating costs FY 2022

Operating costs, FY 2022 EUR million	Reported costs FY 2022	Special items FY 2022	Costs excl. special items FY 2022	Costs FY 2021	Growth excl. special items FY 2022	Growth local currency excl. special items FY 2022
Cost of sales	228.6	-	228.6	197.0	16.0%	12.7%
Research and development costs	107.0	0.7	106.3	91.8	15.8%	15.7%
Sales and marketing costs	61.5	0.9	60.6	50.2	20.7%	15.9%
Administrative expenses	35.9	5.4	30.5	25.6	19.2%	18.8%
Other operating costs	2.9	2.9	-	-	-	-
Total operating costs	435.9	9.9	426.0	364.6	16.8%	14.3%

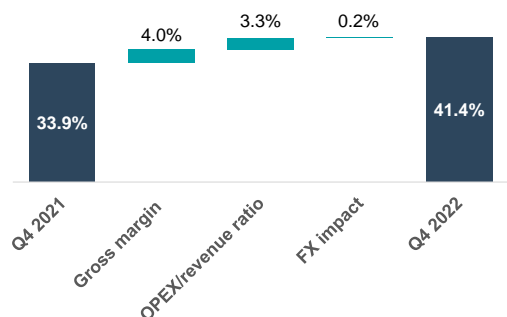
Profitability

In Q4 2022, the Group posted an EBIT of EUR 85.2 million excluding special items, compared to EUR 54.3 million in Q4 2021. The EBIT margin was 41.4% compared with 33.9% in Q4 2021. The increase in margin was driven by significant revenue growth of 28.6% leading to an improvement of both gross margin and OPEX/revenue ratio compared to last year.

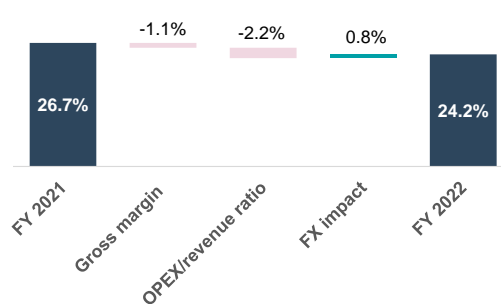
Currency rate fluctuations had a positive net impact on EBIT of 0.2%-points. Restructuring costs related to the change of operating model amounted to DKK 1.3 million in Q4 leading to reported EBIT of 83.9 million, equivalent to an EBIT margin of 40.7%.

FY 2022 EBIT margin excluding special items (operating model restructuring and Ukraine support) was 24.2% compared to 26.7% in FY 2021. The development is a reflection of the ongoing transformation as a higher revenue share is derived from SaaS and BPaaS, thereby negatively impacting the gross margin. Continued investments in particularly research and development and Sales and marketing are driving OPEX above revenue growth leading to a higher OPEX/revenue ratio in 2022 compared to 2021.

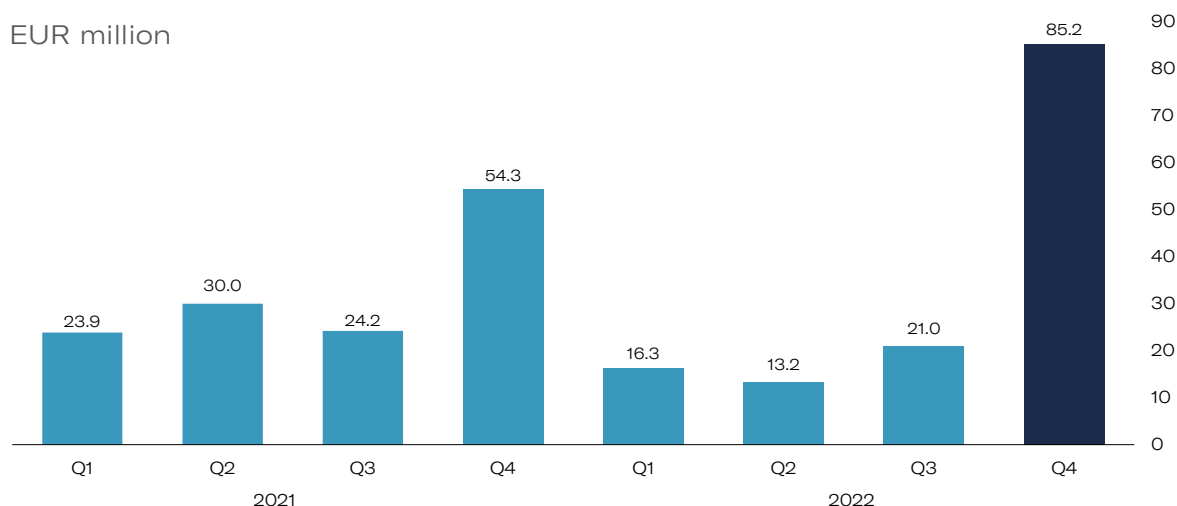
Q4 2022 EBIT margin development (excluding special items)



FY 2022 EBIT margin development (excluding special items)



Quarterly EBIT development excl. special items (operating model restructuring and Ukraine support)



Financial items for Q4 2022 comprised net expenses of EUR 9.3 million compared with a net income of EUR 2.2 million in same period last year. Financial income and expenses are primarily related to non-cash foreign exchange adjustments. The Group posted pre-tax profit of EUR 74.7 million in Q4 2022 against pre-tax profit of EUR 56.5 million in Q4 2021.

Cash flow

Operating activities generated a cash inflow of EUR 7.3 million in Q4 2022 compared with EUR 1.8 million in Q4 2021, with net cash used in investing activities amounting to EUR 0.4 million in Q4 2022 compared to EUR 4.6 million last year. Payment of income taxes amounted to EUR 7.3 million, against EUR 9.4 million in Q4 2021. The Q4 2022 free cash flow (cash flow from operations reduced by CAPEX and by the principal element of lease payments) amounted to EUR 2.4 million compared to negative free cash flow in Q4 2021, reflecting the normal relatively low cash generation in the last quarter of the year.

In 2022, the free cash flow amounted to EUR 47.2 million compared to EUR 78.6 million in 2021. The reduced free cash flow is driven by special items incurred in 2022 (EUR 9.9 million) and larger cash impact from changes in contract assets (higher effect of IFRS-15 upfront revenue recognition in 2022 compared to 2021).

Balance sheet

SimCorp's total assets were EUR 604.3 million at December 31, 2022 compared with EUR 526.3 million a year earlier, an increase of EUR 78.0 million, due to higher contract assets and receivables.

Cash holdings amounted to EUR 40.5 million. Draw on credit facilities was EUR 6.7 million. Consequently, net cash holdings was EUR 33.8 million compared with EUR 47.7 million a year earlier, which was primarily due to lower free cash flow.

Receivables amounted to EUR 112.4 million at December 31, 2022, representing an increase of EUR 15.8 million compared with December 31, 2021, due to timing of payments.

Contract assets was EUR 292.9 million, an increase of EUR 71.9 million compared with December 31, 2021. New and additional subscription-based licenses added EUR 133.9 million to contract assets, foreign exchange adjustments added EUR 6.6 million, and finance income recognized added EUR 2.2 million. Reductions in 2022 stem from invoiced subscription-based license fees from opening balance of EUR 70.8 million. There was no change to expected credit loss provision in 2022.

Changes in equity

The company's equity amounted to EUR 375.6 million at December 31, 2022. This was an increase of EUR 52.5 million from December 31, 2021. Equity was reduced by the purchase of treasury shares of EUR 20.0 million and by the dividend of EUR 39.9 million paid in 2021. Equity was increased by comprehensive income in 2022 of EUR 99.4 million as well as effects of share-based remuneration of EUR 12.9 million, net of tax.

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 31-35 of SimCorp's Annual Report 2022 (published on 9 February 2023) 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

Restricted stock units

Allotment of restricted stock units

To compensate for loss of incentives from a previous employer and to strengthen retention incentives, Michael Bjergby was on 1 December 2022 granted 9,515 Restricted Stock Units (RSUs) of DKK 5 million vesting 1/3 after three years, 1/3 after four years and 1/3 after five years conditional upon Michael Bjergby's continued service and an investment in SimCorp shares of DKK 2.5 million. The number of RSUs was determined by the average market price of the SimCorp share in the three trading days following SimCorp's announcement of the appointment of Michael Bjergby as the new CFO in SimCorp. The investment has been completed. In addition, in December 2022, 446 restricted stock units were granted to Michael Bjergby for the 2022 LTIP program. Furthermore, in Q4 2022 1,481 restricted stock units were granted to employees.

364,690 restricted stock units are outstanding at December 31, 2022. The restricted stock units will be transferred in whole or in part between 2023 and 2027 to program participants still employed when the stock units vest, some are subject to performance conditions.

Holding of treasury shares

In total, the Company purchased 289,795 treasury shares in 2022 at an average price of DKK 514.47 per share, totaling EUR 20.0 million. In comparison, the Company purchased 575,475 treasury shares at an average price of DKK 794.17 per share, totaling EUR 40.1 million in 2021.

At December 31, 2022, the Company's holding of treasury shares amounted to 1,228,084 treasury shares, equal to 3.0% of the Company's issued share capital.

SimCorp will not initiate share buy back program in 2023 in view of planned investments.

Investor presentation

SimCorp's Executive Management Board will present the report on a conference call on Thursday, February 9, 2023 at 11:00 am (CET).

At the end of the presentation there will be a Q&A session.

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

Webcast details

It will be possible to follow the presentation via this link:

<https://edge.media-server.com/mmc/p/zgltz2w8>

Telephone conference registration

Participants are required to register in advance of the conference using the link provided below. Upon registering, each participant will be provided with Participant Dial In Numbers, and a unique Personal PIN.

Online registration: <https://register.vevent.com/register/Bld94f39e20a8140799b380e36a7244b7e>

Enquiries regarding this announcement should be addressed to

Investor contacts

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Michael Bjergby, Chief Financial Officer, SimCorp A/S (+45 3544 8800, +45 3137 4171)

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

Media contacts

Tobias Brun-Falkenchrone, Group Communications Director, SimCorp A/S (+45 2938 1284)

Rune Jonassen, Internal Communication Manager, SimCorp A/S (+45 2320 1175)

Signatures

The Board of Directors and the Executive Management Board have today considered and adopted the interim report for the period January 1 – December 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 December 31, 2022 and of the profit of the Group's operations and cash flow for the period January 1 – December 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 2022 (published on 9 February 2023).

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, 8 February 2023

Executive Management Board

Christian Kromann
Chief Executive Officer

Michael Bjergby
Chief Financial Officer

Georg Hetrodt
Chief Operating 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 Q4	2021 Q4	2022 FY	2021 FY
Revenue	206,071	160,240	560,968	496,274
Cost of sales	63,383	55,710	228,588	196,982
Gross profit	142,688	104,530	332,380	299,292
Other operating income	72	253	830	709
Research and development costs	29,038	24,806	107,039	91,771
Sales and marketing costs	17,769	17,079	61,534	50,230
Administrative expenses	12,005	8,576	35,867	25,583
Other operating costs	-	-	2,914	-
Operating profit (EBIT)	83,948	54,322	125,856	132,417
Share of profit after tax in associates	68	116	122	174
Financial income/expenses, net	-9,346	2,049	2,170	4,827
Profit before tax	74,670	56,487	128,148	137,418
Tax on the profit for the period	16,293	8,005	28,894	27,426
Profit for the period	58,377	48,482	99,254	109,992
Earnings per Share				
Earnings per share - EPS (EUR)	1.49	1.23	2.52	2.76
Diluted earnings per share - EPS-D (EUR)	1.47	1.22	2.50	2.74

Statement of comprehensive income

EUR '000	2022 Q4	2021 Q4	2022 FY	2021 FY
Profit for the period	58,377	48,482	99,254	109,992
Other comprehensive income				
Items that will not be reclassified subsequently to the income statement:				
Remeasurements of defined benefit plans	1,268	1,934	1,268	1,934
Tax, remeasurement of defined benefit plans	-275	-396	-275	-396
Items that may be reclassified subsequently to the income statement, when specific conditions are met:				
Foreign currency translation differences for foreign operations	-3,949	752	-850	2,500
Other comprehensive income after tax	-2,956	2,290	143	4,038
Total comprehensive income	55,421	50,772	99,397	114,030

Consolidated balance sheet

EUR '000	Dec. 31 2022	Dec. 31 2021
Assets		
Goodwill	61,266	61,645
Software	8,132	9,801
Client relationships	19,586	21,245
Total intangible assets	88,984	92,691
Leasehold	38,259	40,095
Technical equipment	851	860
Other equipment, fixtures, fittings and prepayments	2,349	2,737
Total property, plant, and equipment	41,459	43,692
Investments in associates	827	909
Deposits	3,517	2,123
Deferred tax	2,755	3,091
Other financial assets	4,843	4,843
Total other non-current assets	11,942	10,966
Total non-current assets	142,385	147,349
Receivables	112,378	96,543
Contract assets	292,903	221,000
Income tax receivables	5,480	2,060
Prepayments	10,636	11,668
Cash and cash equivalents	40,546	47,692
Total current assets	461,943	378,963
Total assets	604,328	526,312
Liabilities and Equity		
Share capital	5,441	5,441
Exchange adjustment reserve	-3,075	-2,225
Retained earnings	333,459	280,003
Proposed dividend	39,732	39,888
Total equity	375,557	323,107
Lease liabilities	29,437	32,088
Deferred tax	46,596	33,121
Provisions	9,132	9,743
Total non-current liabilities	85,165	74,952
Bank loan / credit facility	6,724	-
Lease liabilities	9,401	8,577
Prepayments from clients	35,975	31,239
Trade payables	33,351	29,126
Other payables	51,079	49,993
Income tax payables	6,065	8,886
Provisions	1,011	432
Total current liabilities	143,606	128,253
Total liabilities	228,771	203,205
Total liabilities and equity	604,328	526,312

Consolidated cash flow statement

EUR '000	2022 Q4	2021 Q4	2022 FY	2021 FY
Profit for the period	58,377	48,482	99,254	109,992
Depreciation/amortization	3,694	3,786	14,883	15,379
Share of profit after tax in associates	-68	-116	-122	-174
Financial income	9,069	-2,240	-3,191	-5,774
Financial expenses	277	191	1,021	947
Tax on the profit for the period	16,293	8,005	28,894	27,426
Other non-cash	-9,013	8,404	3,954	12,904
Adjustment share based remuneration	2,158	4,783	13,527	11,332
Change in provisions	-948	-1,704	-32	-1,663
Changes in contract assets	-66,007	-26,946	-70,576	-44,861
Changes in working capital	595	-31,320	-4,756	-11,169
Financial income received	52	-4	80	5
Financial expenses paid	-76	-108	-345	-319
Income tax paid	-7,331	-9,377	-22,251	-23,329
Net cash from operating activities	7,072	1,836	60,340	90,696
Purchase of property, plant, and equipment, net	-472	-282	-1,524	-1,259
Sale and purchase of financial assets, net	44	-4,327	-1,377	-4,507
Dividends from associates	-	9	134	91
Net cash used in investing activities	-428	-4,600	-2,767	-5,675
Dividends paid	-	39	-39,836	-40,086
Purchase of treasury shares	-	-8,036	-20,049	-40,102
Repayment of lease liability	-4,412	-2,757	-11,661	-10,808
Proceeds, credit facilities / loans	-	-	26,891	-
Repayments, credit facilities / loans	-	-	-20,167	-
Net cash used in financing activities	-4,412	-10,754	-64,822	-90,996
Change in cash and cash equivalents	2,232	-13,518	-7,249	-5,975
Cash and cash equivalents at beginning of period	38,686	60,890	47,692	53,051
Foreign exchange adjustment of cash and cash equivalents	-372	320	103	616
Cash and cash equivalents end of period	40,546	47,692	40,546	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 year	-	-	99,254	-	99,254
Total other comprehensive income	-	-850	993	-	143
Total comprehensive income for the year	-	-850	100,247	-	99,397
Transactions with owners					
Dividends paid to shareholders	-	-	52	-39,888	-39,836
Share-based payment	-	-	13,527	-	13,527
Tax, share-based payment	-	-	-589	-	-589
Purchase of treasury shares	-	-	-20,049	-	-20,049
Proposed dividends to shareholders	-	-	-39,732	39,732	-
Equity at December 31	5,441	-3,075	333,459	39,732	375,557
2021					
Equity at January 1	5,441	-4,725	237,409	40,125	278,250
Net profit for the period	-	-	109,992	-	109,992
Total other comprehensive income	-	2,500	1,538	-	4,038
Total comprehensive income for the period	-	2,500	111,530	-	114,030
Transactions with owners					
Dividends paid to shareholders	-	-	39	-40,125	-40,086
Share-based payment	-	-	11,332	-	11,332
Tax, share-based payment	-	-	-317	-	-317
Purchase of treasury shares	-	-	-40,102	-	-40,102
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 2022. See the annual report 2022 for a comprehensive description of the accounting policies applied.

SimCorp has adopted relevant new or amended standards (IFRS) and interpretation (IFRIC) as adopted by the EU and which are effective for the financial year 1 January – 31 December 2022. SimCorp has assessed that the new or amended standards and interpretations have not had any material impact on SimCorp’s annual report in 2022.

The IASB has issued a number of new standards and amendments not yet in effect or adopted by the EU and therefore not relevant for the preparation of the 2022 consolidated financial statements. SimCorp expects to implement the standards and amendments when they take effect.

None of the new standards issued are currently expected to have significant impact on the Group’s financial statements when implemented amendments.

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 2022.

Contingent liabilities

Please refer to the annual report 2022.

Events after December 31, 2022

In January 2023 SimCorp A/S has invested in Artega Investment Administration. SimCorp A/S share is 20%.

No other material events have occurred after December, 31 2022, that has consequences for the annual report 2022.

Segment information

The segment reporting has been updated to reflect new management reporting structure where revenue is categorized into three main segments: revenue from clients operating and maintaining their SimCorp solution. On-premise, revenue from clients that are on a SaaS solution, and non-recurring professional services revenue. Below please find segment report in both new and old segmentation.

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 develop- ment	Corporate functions	Elimina- tion/Not allocated	Group
October 1 - December 31, 2022								
On-premise initial licenses	7,002	1,106	556	-	-	-	-	8,664
On-premise additional licenses	66,323	873	7,086	49	-	-	-	74,331
On-premise other licenses	3,598	203	780	-	-	-	-	4,581
On-premise software updates and support	32,238	2,801	5,283	1,347	291	53	-	42,013
Total on-premise revenue	109,161	4,983	13,705	1,396	291	53	-	129,589
SaaS initial licenses	43	106	3,760	-	-	-	-	3,909
SaaS additional licenses	1,131	234	1,430	-	-	-	-	2,795
SaaS other licenses	358	58	2,053	-	-	-	-	2,469
SaaS services incl. software updates and support	11,855	2,348	6,799	159	-	-	-	21,161
Total SaaS Revenue	13,387	2,746	14,042	159	-	-	-	30,334
Professional services	26,051	5,114	11,058	3,925	-	-	-	46,148
External revenue	148,599	12,843	38,805	5,480	291	53	-	206,071
Revenue between segments	13,281	1,826	3,162	9	88,724	18,117	-125,119	-
Total segment revenue	161,880	14,669	41,967	5,489	89,015	18,170	-125,119	206,071
EBITDA	36,798	758	3,945	1,383	65,992	-21,234	-	87,642
Depreciation and amortization	933	166	407	310	790	1,088	-	3,694
Segment operating profit (EBIT)	35,865	592	3,538	1,073	65,202	-22,322	-	83,948
Financial items, net								-9,278
Profit for the period before tax								74,670
January 1 - December 31, 2022								
On-premise initial licenses	10,304	2,341	1,285	115	-	-	-	14,045
On-premise additional licenses	92,241	9,805	11,648	3,918	-	-	-	117,612
On-premise other licenses	6,276	654	1,481	-	-	-	-	8,411
On-premise software updates and support	128,173	11,471	21,827	5,242	1,364	290	-	168,367
Total on-premise revenue	236,994	24,271	36,241	9,275	1,364	290	-	308,435
SaaS initial licenses	509	388	2,934	-	-	-	-	3,831
SaaS additional licenses	2,289	724	4,771	-	-	-	-	7,784
SaaS other licenses	2,172	261	2,938	-	-	-	-	5,371
SaaS services incl. software updates and support	37,929	8,507	24,718	550	-	-	-	71,704
Total SaaS Revenue	42,899	9,880	35,361	550	-	-	-	88,690
Professional services	93,540	18,400	38,172	13,731	-	-	-	163,843
External revenue	373,433	52,551	109,774	23,556	1,364	290	-	560,968
Revenue between segments	45,056	5,410	10,328	34	194,591	49,097	-304,516	-
Total segment revenue	418,489	57,961	120,102	23,590	195,955	49,387	-304,516	560,968
EBITDA	75,864	4,967	15,369	10,599	104,860	-70,920	-	140,739
Depreciation and amortization	3,985	699	1,591	1,199	3,241	4,168	-	14,883
Segment operating profit (EBIT)	71,879	4,268	13,778	9,400	101,619	-75,088	-	125,856
Financial items, net	-	-	-	-	-	-	2,292	2,292
Profit for the year before tax	-	-	-	-	-	-	-	128,148
Total assets	316,081	58,706	112,150	50,217	60,418	3,554	3,202	604,328

EUR '000	EMEA	Asia and Australia	North America	SimCorp Sofia	Research and develop- ment	Corporate functions	Elimina- tion/Not allocated	Group
October 1 - December 31, 2021								
On-premise initial licenses	864	426	1,263	-	-	-	-	2,553
On-premise additional licenses	36,914	4,122	3,004	2,647	-	-	-	46,687
On-premise other licenses	4,098	1,323	1,639	-	-	-	-	7,060
On-premise software updates and support	31,816	3,275	4,927	1,249	396	1	-	41,664
Total on-premise revenue	73,692	9,146	10,833	3,896	396	1	-	97,964
SaaS initial licenses	-156	388	131	-	-	-	-	363
SaaS additional licenses	548	-	1,191	-	-	-	-	1,739
SaaS other licenses	165	-2	767	-	-	-	-	930
SaaS services incl. software updates and support	6,725	1,499	5,188	46	-	24	-	13,482
Total SaaS revenue	7,282	1,885	7,277	46	-	24	-	16,514
Professional services	25,841	4,982	11,229	3,710	-	-	-	45,762
External revenue	106,815	16,013	29,339	7,652	396	25	-	160,240
Revenue between segments	9,918	564	1,663	105	71,307	17,813	-101,370	-
Total segment revenue	116,733	16,577	31,002	7,757	71,703	17,838	-101,370	160,240
EBITDA	15,324	734	3,007	4,780	46,735	-12,472	-	58,108
Depreciation and amortization	1,077	188	369	296	471	1,385	-	3,786
Segment operating profit (EBIT)	14,247	546	2,638	4,484	46,264	-13,857	-	54,322
Financial items, net	-	-	-	-	-	-	-	2,165
Profit for the period before tax	-	-	-	-	-	-	-	56,487
January 1 - December 31, 2021								
On-premise initial licenses	11,687	1,473	2,519	-	-	-	-	15,679
On-premise additional licenses	64,961	4,914	7,692	6,540	-	-	-	84,107
On-premise other licenses	7,537	1,474	3,392	-	-	-	-	12,403
On-premise software updates and support	126,100	12,891	19,365	4,840	1,224	225	-	164,645
Total on-premise revenue	210,285	20,752	32,968	11,380	1,224	225	-	276,834
SaaS initial licenses	711	607	4,536	-	-	-	-	5,854
SaaS additional licenses	1,779	107	6,513	-	-	-	-	8,399
SaaS other licenses	599	115	2,752	-	-	-	-	3,466
SaaS services incl. software updates and support	24,347	5,323	19,904	198	116	56	-	49,944
Total SaaS revenue	27,436	6,152	33,705	198	116	56	-	67,663
Professional services	84,616	16,901	39,115	11,145	-	-	-	151,777
External revenue	322,337	43,805	105,788	22,723	1,340	281	-	496,274
Revenue between segments	35,238	2,480	9,113	887	204,079	52,816	-304,613	-
Total segment revenue	357,575	46,285	114,901	23,610	205,419	53,097	-304,613	496,274
EBITDA	46,301	2,319	10,969	11,890	118,879	-42,562	-	147,796
Depreciation and amortization	4,414	694	1,321	1,413	1,812	5,725	-	15,379
Segment operating profit (EBIT)	41,887	1,625	9,648	10,477	117,067	-48,287	-	132,417
Financial items, net	-	-	-	-	-	-	5,001	5,001
Profit for the year before tax	-	-	-	-	-	-	-	137,418
Total assets	254,817	46,265	103,216	50,962	60,605	3,100	7,347	526,312

EUR '000	EMEA	Asia and Australia	North America	SimCorp Sofia	Research and develop- ment	Corporate functions	Elimina- tion/Not allocated	Group
October 1 - December 31, 2022								
Licenses - initial sales	7,046	1,212	4,316	-	-	-	-	12,574
Licenses - additional sales	67,453	1,107	8,516	48	-	-	-	77,124
Software updates and support	35,414	3,555	7,444	1,347	-42	-	-	47,718
Professional services	28,038	5,583	12,704	4,083	-	-	-	50,408
Hosting and other fees	10,648	1,386	5,825	2	333	53	-	18,247
External revenue	148,599	12,843	38,805	5,480	291	53	-	206,071
Revenue between segments	13,281	1,826	3,162	9	88,724	18,117	-125,119	-
Total segment revenue	161,880	14,669	41,967	5,489	89,015	18,170	-125,119	206,071
EBITDA	36,798	758	3,945	1,383	65,992	-21,234	-	87,642
Depreciation and amortization	933	166	407	310	790	1,088	-	3,694
Segment operating profit (EBIT)	35,865	592	3,538	1,073	65,202	-22,322	-	83,948
Financial items, net	-	-	-	-	-	-	-9,278	-9,278
Profit for the period before tax	-	-	-	-	-	-	-	74,670
January 1 - December 31, 2022								
Licenses - initial sales	10,814	2,729	4,220	115	-	-	-	17,878
Licenses - additional sales	94,531	10,529	16,419	3,917	-	-	-	125,396
Software updates and support	139,641	14,485	29,694	5,242	275	-	-	189,337
Professional services	100,623	19,983	45,400	14,279	-	-	-	180,285
Hosting and other fees	27,824	4,825	14,041	3	1,089	290	-	48,072
External revenue	373,433	52,551	109,774	23,556	1,364	290	-	560,968
Revenue between segments	45,056	5,410	10,328	34	194,591	49,097	-304,516	-
Total segment revenue	418,489	57,961	120,102	23,590	195,955	49,387	-304,516	560,968
EBITDA	75,864	4,967	15,369	10,599	104,860	-70,920	-	140,739
Depreciation and amortization	3,985	699	1,591	1,199	3,241	4,168	-	14,883
Segment operating profit (EBIT)	71,879	4,268	13,778	9,400	101,619	-75,088	-	125,856
Financial items, net	-	-	-	-	-	-	2,292	2,292
Profit for the year before tax	-	-	-	-	-	-	-	128,148
Total assets	316,081	58,706	112,150	50,217	60,418	3,554	3,202	604,328

EUR '000	EMEA	Asia and Australia	North America	SimCorp Sofia	Research and develop- ment	Corporate functions	Elimina- tion/Not allocated	Group
October 1 – December 31, 2021								
Licenses – initial sales	708	814	1,394	-	-	-	-	2,916
Licenses – additional sales	37,461	4,122	4,196	2,647	-	-	-	48,426
Software updates and support	33,650	3,944	6,615	1,248	102	-	-	45,559
Professional services	27,580	5,283	14,133	3,757	-	-	-	50,753
Hosting and other fees	7,416	1,850	3,001	-	294	25	-	12,586
External revenue	106,815	16,013	29,339	7,652	396	25	-	160,240
Revenue between segments	9,918	564	1,663	105	71,307	17,813	-101,370	-
Total segment revenue	116,733	16,577	31,002	7,757	71,703	17,838	-101,370	160,240
EBITDA	15,324	734	3,007	4,780	46,735	-12,472	-	58,108
Depreciation and amortization	1,077	188	369	296	471	1,385	-	3,786
Segment operating profit (EBIT)	14,247	546	2,638	4,484	46,264	-13,857	-	54,322
Financial items, net							2,165	2,165
Profit for the period before tax								56,487
January 1 – December 31, 2021								
Licenses – initial sales	12,398	2,080	7,055	-	-	-	-	21,533
Licenses – additional sales	66,844	5,021	14,101	6,540	-	-	-	92,506
Software updates and support	132,886	15,178	26,060	4,840	397	-	-	179,361
Professional services	90,334	17,830	48,420	11,310	-	-	-	167,894
Hosting and other fees	19,875	3,696	10,152	33	943	281	-	34,980
External revenue	322,337	43,805	105,788	22,723	1,340	281	-	496,274
Revenue between segments	35,238	2,480	9,113	887	204,079	52,816	-304,613	-
Total segment revenue	357,575	46,285	114,901	23,610	205,419	53,097	-304,613	496,274
EBITDA	46,301	2,319	10,969	11,890	118,879	-42,562	-	147,796
Depreciation and amortization	4,414	694	1,321	1,413	1,812	5,725	-	15,379
Segment operating profit (EBIT)	41,887	1,625	9,648	10,477	117,067	-48,287	-	132,417
Financial items, net							5,001	5,001
Profit for the year before tax								137,418
Total assets	254,817	46,265	103,216	50,962	60,605	3,100	7,347	526,312

Non-IFRS measures definitions

Annual recurring revenue (ARR) (forward-looking)	Annual recurring revenue is the total of the average monthly recurring revenue of all contracts in force at a point in time multiplied by 12
Ratable revenue	Reported revenue adjusted for the change in Contract Assets (Contract Assets Closing Balance – Contract Assets Opening Balance)