

# Company Announcement

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## **SimCorp grows revenue 19.3% in Q1 2017 and wins a new client in North America**

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### **Summary**

*Q1 reported revenue was in accordance with early adoption of IFRS15 EUR 73.1m, an increase of 19.3% when compared with restated Q1 2016\*, and an increase of 18.5% when measured in local currencies.*

*EBIT for the three-month period was EUR 10.2m, compared with EUR 7.5m in restated Q1 2016. Currency fluctuations impacted EBIT positively by EUR 0.8m during the quarter.*

*Net profit for Q1 2017 was EUR 7.5m compared with EUR 5.8m in restated Q1 2016.*

*At 31 March 2017, contracts equaling EUR 237m of the projected 2017 revenue had been secured compared with EUR 202m at the same time in 2016. The Group's pipeline of potential license contracts supports the expected growth in revenue.*

*SimCorp maintains its expectations for revenue growth and EBIT margin measured in local currencies for 2017. Revenue growth measured in local currencies is still expected to be between 7% and 12%, and the expectation for EBIT margin measured in local currencies remains between 25% and 28%.*

*Klaus Hulse, SimCorp CEO, comments: "The first quarter was a solid quarter for SimCorp. We are pleased to welcome a new client in the important North American market, and we are satisfied with our growing business with existing clients. Professional services are seeing substantial increases as the number of new implementations grows, and we continue to see clients successfully going live, which drives the significant growth in maintenance."*

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*SimCorp's Board of Directors today reviewed and approved the Group's interim report for the three months ended 31 March 2017. Highlights of the report are:*

*Total order intake from new SimCorp Dimension licenses and add-on licenses for the first three months of the year was EUR 5.6m. This is EUR 5.3m lower than in the same period last year, which had an unusually strong order intake as a number of contracts were delayed from Q4 2015. At 31 March 2017, the order book amounted to EUR 12.8m, a decrease of EUR 3.2m when comparing with restated order book at 31 December 2016.*

*Income recognized from new licenses and add-on licenses was EUR 9.3m for the first three months, an increase of 27.9% compared with restated Q1 2016.*

*Sales of professional services continue to develop positively and grew 30.9% to EUR 27.9m when compared with the same period last year.*

*Maintenance income was EUR 34.4m, an increase of 9.7% from Q1 2016.*

\* Restated Q1 2016 in accordance with IFRS15 for illustrative purposes only

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## Company Announcement

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*Total cost for the three months ending 31 March 2017, was EUR 63.0m, an increase of 17.0% compared with Q1 2016. The cost increase related primarily to building capacity for meeting the growth in business activities.*

*Cash flow from operating activities was EUR 25.6m compared with EUR 21.5m in Q1 2016.*

*SimCorp has chosen to make an early adoption of IFRS15 'Revenue from Contracts with Customers' by recognizing the cumulative effect of EUR 20.9m as an opening balance increase to equity at 1 January 2017. Q1 and full year 2016 results have been restated to IFRS15 for illustrative purposes and to improve transparency. The early adoption of IFRS15 will reduce the financial impact of whether customers choose to acquire SimCorp's Dimension on a perpetual license basis or on a subscription basis. In the eyes of the board of directors this reporting approach will provide an improved basis for assessing the ongoing performance of the company.*

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### Investor presentation

SimCorp's Executive Management Board will present the report at a conference call today at 2.00 pm (CEST). Please use any of the following phone numbers to dial in to the conference call:

From Denmark:	+45 3848 7513
From USA:	+1646 254 3364
From other countries:	+44(0)20 3427 1906

The pin code to access the call is **3587669**.

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:

<http://edge.media-server.com/m/p/6ex69vk8>.

The presentation will be available prior to the conference call via SimCorp's website [www.simcorp.com](http://www.simcorp.com).

### Enquiries regarding this announcement should be addressed to:

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Company Announcement no. 19/2017

## Company Announcement

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## Financial highlights and key ratios for the SimCorp Group

	2017 Q1	As reported Q1 2016	As reported 2016 FY
EUR/DKK rate of exchange end of period	7.4379	7.4512	7.4344
<b>Income statement, EUR'000</b>			
Revenue	73,123	59,608	295,930
Earnings bef. interest, tax, depreciation & amortization (EBITDA)	11,068	6,679	71,583
Operating profit (EBIT)	10,205	5,866	68,223
Financial items, net	-202	51	-630
Profit before tax	10,003	5,917	67,593
Profit for the period	7,544	4,513	50,992
<b>Balance sheet, EUR'000</b>			
Share capital	5,575	5,575	5,575
Equity	66,857	91,098	72,571
Property, plant and equipment	6,095	4,597	4,779
Cash and cash equivalents	53,828	60,125	31,590
Total assets	189,472	160,409	146,928
<b>Cash flows, EUR'000</b>			
Cash flow from operating activities	25,552	21,542	65,418
Cash flow from investing activities	-5,977	-265	-4,309
Cash flow from financing activities	-4,082	-4,347	-72,856
Net change in cash and cash equivalents	15,493	16,930	11,747
Average number of employees	1,343	1,242	1,275
<b>Key ratios</b>			
EBIT margin (%)	14.0	9.8	23.1
ROIC (return on invested capital) (%)	58.4	37.3	121.3
Debtor turnover rate	7.2	7.2	7.8
Equity ratio (%)	35.3	56.8	49.4
Return on equity (%)	46.8	20.0	57.5
<b>Per share data</b>			
Basic earnings per share - EPS (EUR)	0.19	0.11	1.28
Diluted earnings per share - EPS-D (EUR)	0.19	0.11	1.26
Operating cash flow per share - CFPS (EUR)	0.65	0.54	1.64
Average number of shares (m)	39.6	40.2	40.0
Average number of diluted shares (m)	40.1	40.7	40.5

The key ratios have been calculated in accordance with IAS 33 and "Recommendations and Ratios 2016" issued by the Danish Finance Society. Please refer to the definition of ratios on page 60 of the Annual Report 2016. The interim report is unaudited and has not been reviewed by external auditors.

	2017 Q1	Restated*) Q1 2016	Restated*) 2016
EUR/DKK rate of exchange end of period	7.4379	7.4512	7.4344
<b>Income statement, EUR'000</b>			
Revenue	73,123	61,287	309,248
Earnings bef. interest, tax, depreciation & amortization (EBITDA)	11,068	8,358	84,901
Operating profit (EBIT)	10,205	7,545	81,541
Financial items, net	-202	51	-630
Profit before tax	10,003	7,596	80,911
Profit for the period	7,544	5,794	61,007
EBIT margin (%)	14.0	12.3	26.4

\*) Restated information is for illustrative purposes only. IFRS15 is implemented applying the modified retrospective application method by recognizing the cumulative effect of the change as an opening balance adjustment to equity at 1 January 2017. This means that prior periods are not adjusted in the reporting. Refer page 20 and Annual Report 2016 pages 39-40 for further details on impact of adoption of IFRS15.

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## Company Announcement

SimCorp grows revenue 19.3% in Q1 2017 and wins a new client in North America

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## Management's report – the three months ended 31 March 2017

### Development in sales and orders

One new SimCorp Dimension contract was signed in North America in Q1 – on subscription-based terms. A number of add-on license contracts were signed in Q1.

Q1 total order intake was EUR 5.6m compared with EUR 10.9m in the same period last year. In Q1 2016 three contracts were signed in North America. The reason for the unusual high order intake in Q1 2016 was a delay in signing a number of contracts from Q4 2015.

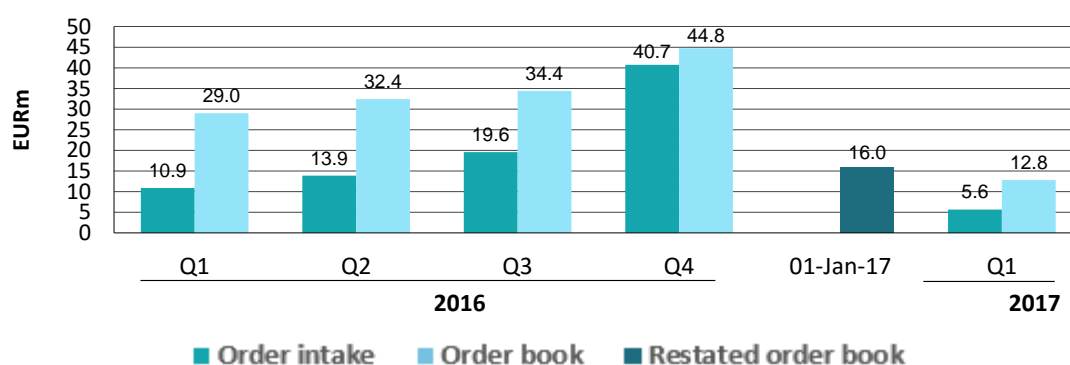
Q1 income recognized from subscription based licenses and from perpetual add-on licenses totalled EUR 9.3m, EUR 2.1 more than in restated Q1 2016. The income from new license sales relates to the contract signed in Q1 2017 and to income from other contracts that were signed in Q4 2016, and which included conditions which has deferred income recognition to Q1 2017. Additionally, functionality sold in 2016, but delivered during Q1 2017 was recognized as revenue this quarter.

The order book at 31 December 2016 has been restated from EUR 44.8m to EUR 16.0m as a consequence of the transition to IFRS15, which meant that EUR 28.8m of the order book was recognized as additional earned revenue by way a cumulative increase, net of tax, to equity as at 1 January 2017, and with a recognition of the net present value of the subscription orders as Contract Assets in current assets. The order book decreased by EUR 3.2m in Q1 to EUR 12.8m.

The order book represents the difference between actual order intake and income recognized from software licenses adjusted for the effect of exchange rate changes.

*SimCorp Dimension and SimCorp Coric, quarterly order intake and order book*

*(aggregate new subscription licenses, perpetual new licenses and add-on licenses)\*, 2016-2017*



\* Order intake and order book include licenses to new clients as well as add-on licenses to existing clients. The order book is the total license value of signed license agreements that has not yet been recognized in income. The order book for 2016 is not restated except for the opening balance at 1 January 2017. The reduction in order book 1 January 2017 of EUR 28.8m is reflecting the early adoption of IFRS15.

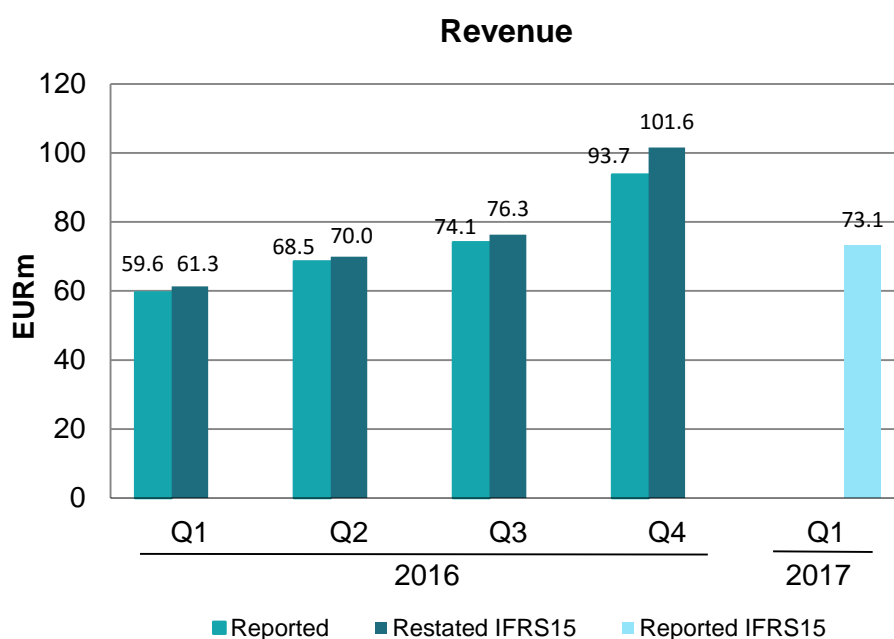
## Company Announcement

SimCorp grows revenue 19.3% in Q1 2017 and wins a new client in North America

### Revenue

Q1 revenue was up 19.3% relative to restated Q1 2016 and increased to EUR 73.1m. Measured in local currencies the increase was 18.5%.

The distribution of Q1 revenue is shown in the table below, for 2016 the information is shown both as reported and as restated for illustrative purposes only:



EURm	Revenue Q1 2017	Share of revenue Q1 2017	Restated Revenue Q1 2016	Share of revenue restated Q1 2016	Growth relative to restated Q1 2016	Growth local currency relative to restated Q1 2016
Licenses - new sales	5,780	7.9 %	4,172	6.8%	38.5%	36.1%
Licenses - additional sales	3,506	4.8 %	3,089	5.0%	13.5%	15.1%
Professional services	27,860	38.1 %	21,288	34.7%	30.9%	29.4%
Maintenance	34,371	47.0 %	31,344	51.1%	9.7%	9.2%
ASP hosting and training activities	1,606	2.2 %	1,394	2.3%	15.2%	14.4%
<b>Total</b>	<b>73,123</b>	<b>100.0 %</b>	<b>61,287</b>	<b>100.0%</b>	<b>19.3%</b>	<b>18.5%</b>

Revenue recognized from new licenses was EUR 5.8m and from add-on licenses was EUR 3.5m for the first three months, a combined increase of 27.9% compared with restated Q1 2016

Fees from professional services amounted to EUR 27.9m in Q1, against EUR 21.3m in Q1 last year. The activity in professional services is robust and at a high level. Currency fluctuations impacted the revenue positively by EUR 0.3m (1.5%-points).

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## Company Announcement

SimCorp grows revenue 19.3% in Q1 2017 and wins a new client in North America

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Maintenance revenue continues to increase with the completion and implementation of new client installations and new functionality to existing clients. This revenue was EUR 34.4m in Q1, up 9.7% on the same period last year. Currency fluctuations impacted the maintenance income positively by EUR 0.1m (0.5%-points).

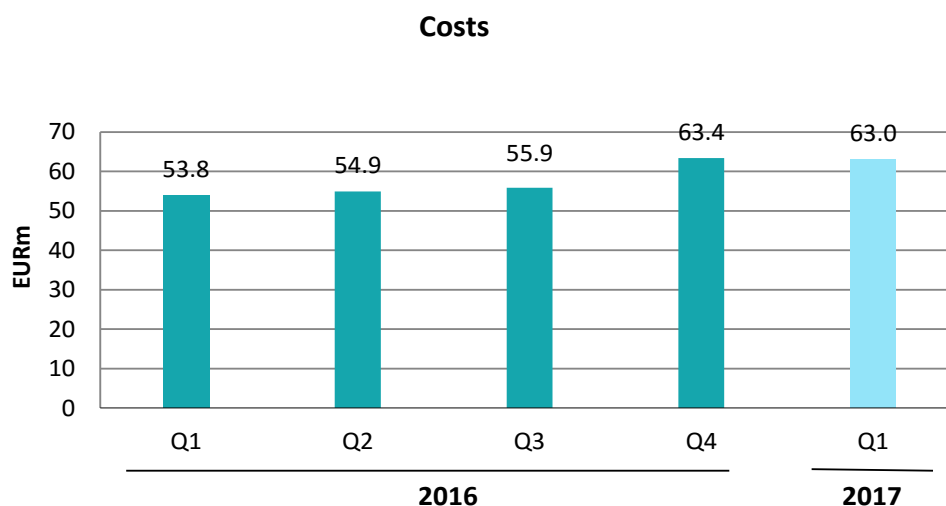
ASP hosting fees and training fees amounted to EUR 1.6m compared with EUR 1.4m in Q1 2016.

### Costs

SimCorp's total operating expenses (including depreciation and amortization) was EUR 63.0m in Q1 compared with EUR 53.8m in Q1 2016, an increase of 17.0%. Currency fluctuations reduced the total expenses by EUR 0.3m. The increase in costs is mainly related to increased business activity leading to an increase in the number of full time employees from 1,242 in Q1 2016 to 1,343 in Q1 2017.

Fees to client related external professional service consultants increased by EUR 2.9m due to the high activity level in implementation services and accounted for around 5%-points of the increase in costs.

Salaries increased in general by 2%. Salaries and staff related costs accounted for 71% of total costs compared with 75% in Q1 2016



The distribution of Q1 costs is shown in the table below:

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EURm	Costs Q1 2017	Share of costs Q1 2017	Costs Q1 2016	Share of costs Q1 2016	Growth relative to Q1 2016	Growth local currency relative to Q1 2016
Cost of sales	31.7	50.4 %	26.7	49.7%	18.9%	19.3%
Research and development costs	16.2	25.8 %	14.3	26.6%	13.6%	15.1%
Sales and marketing costs	9.3	14.8 %	8.3	15.4%	12.6%	13.0%
Administrative expenses	5.7	9.0 %	4.6	8.5%	24.3%	23.8%
Total	63.0	100.0 %	53.8	100.0%	17.0%	17.6%

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## Company Announcement

SimCorp grows revenue 19.3% in Q1 2017 and wins a new client in North America

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Cost of sales, including costs for implementation consultants, increased by 18.9% in Q1. The increase was related to the addition of 27 FTEs compared with Q1 2016, the general salary increase, and costs to client related external consultants. The increase in professional service implementation consultants was primary in France and North America.

Compared with Q1 last year, research and development costs increased by 13.6%, the increase related to the addition of 40 FTEs and the general salary increase.

Sales and distribution costs increased by 12.6%. The increase was due to an increase of 13 FTEs compared with Q1 2016 and the general salary increase. The increase in FTEs in sales and distribution was mainly in North America, France and the UK.

Administrative expenses increased by EUR 1.1m. FTEs increased by 21 compared with Q1 2016. 14 were added in the Global IT, HR and Finance functions, 5 were added in UK, and 2 were added in North America.

### Employees

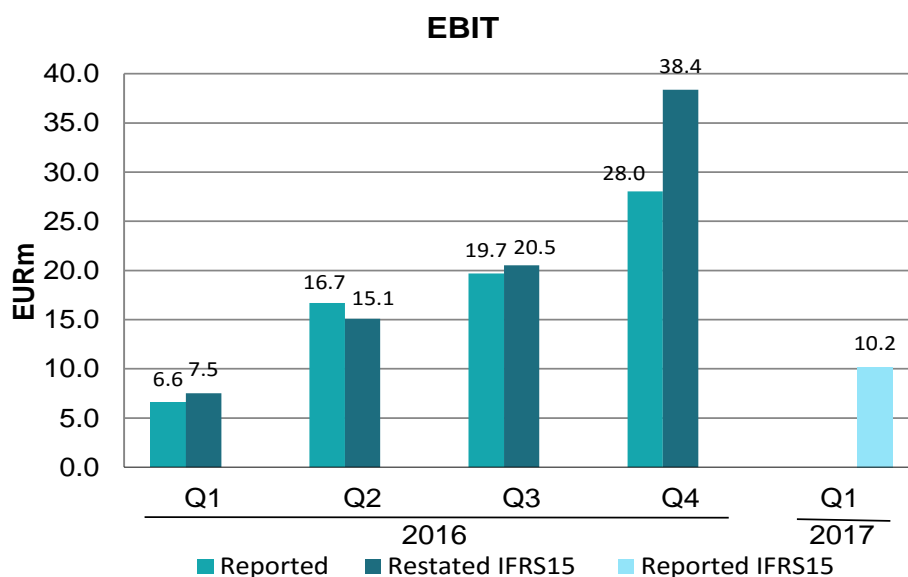
At 31 March 2017, the Group had 1,401 employees, 109 employees more than at 31 March 2016.

The Group had on average 1,343 FTEs in the first three months of 2017 compared with 1,242 in the same period last year.

### Group performance

For the first three months of 2017, the Group posted EBIT of EUR 10.2m compared with EUR 7.5m in restated Q1 2016.

The distribution of Q1 EBIT is shown in the table below, for 2016 the information is shown as reported and additionally as restated for illustrative purposes only.



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## **Company Announcement**

SimCorp grows revenue 19.3% in Q1 2017 and wins a new client in North America

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### **Profit before tax**

Foreign exchange adjustments generated financial income of EUR 0.5m, and financial expenses related to foreign exchange adjustments totalled EUR 0.7m. Financial items for Q1 thus netted to a net expense of EUR 0.2m compared with a net income of EUR 0.05m in same period last year.

The Group posted a pre-tax profit of EUR 10.0m against profit of EUR 7.6m in restated Q1 2016. The estimated tax charge of EUR 2.5m is equivalent to a tax rate of 24.6% compared with estimated restated taxes of EUR 1.8m or 23.7% in Q1 2016. Thus, the Group's net profit for Q1 2017 amounted to EUR 7.5m against a restated profit of EUR 5.8m for the same period last year.

### **Comprehensive income**

Exchange rate adjustments on translation of foreign assets and liabilities amounted to a net expense of EUR 0.1m in Q1, which is included in other comprehensive income compared with a net expense of EUR 1.1m in the year-earlier period.

Total comprehensive income for Q1 was thus EUR 7.5m against EUR 4.7m in restated Q1 of last year.

### **Balance sheet items and cash flow**

SimCorp's total assets were EUR 189.5m at 31 March 2017 compared with EUR 160.4m a year earlier, the increase is primarily related to the new category Contract Assets of EUR 26.0m that is a result of adopting IFRS15. Cash holdings amounted to EUR 53.8m, EUR 22.2m more than a year earlier. Total receivables amounted to EUR 72.7m at 31 March 2017, representing an increase of EUR 10.3m compared with 31 March 2016, however, EUR 7.3m lower than at 31 December 2016.

Operating activities in Q1 generated a cash inflow of EUR 25.6m compared with EUR 21.5m in Q1 last year. Payment of income taxes amounted to EUR 3.6m, against EUR 2.5m in Q1 2016.

EUR 6.0m was spent on investing activities including payment of the deferred consideration of EUR 2.9m in Q1 related to the acquisition of SimCorp Coric in 2016, compared with EUR 0.3m in Q1 2016.

Financial activities, purchase of treasury shares reduced liquidity by EUR 4.1m compared with EUR 4.3m in Q1 2016.

### **Changes in equity**

The company's equity amounted to EUR 66.9m at 31 March 2017. This was a decrease of EUR 5.7m from 31 December 2016. Equity was reduced with the declared dividend of EUR 33.3m. The payment of dividend was approved by the shareholders at the AGM on 29 March 2017, and has been paid at the beginning of Q2 2017. Purchases of treasury shares amounted to EUR 4.1m against EUR 4.3m in Q1 2016.

Comprehensive income for Q1 EUR 7.5m compared with EUR 3.4m in Q1 2016 as well as adjustments to share based remuneration of EUR 3.3m increased equity.

The implementation of IFRS15 increased equity by EUR 20.9m, which comprised income of EUR 27.9m and tax of EUR 7.0m.



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## Company Announcement

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## Outlook for the financial year 2017<sup>\*)</sup>

SimCorp generated a satisfactory financial result in the first three months of 2017 in line with SimCorp's expectations. SimCorp's intake of license contract orders varies considerably from one period to the next. The Q1 2017 intake of orders was EUR 5.6m compared with EUR 10.9m for the same period last year.

During Q1, revenue of EUR 25m was secured, against EUR 22m in the same period last year, and SimCorp enters Q2 with secured revenue of EUR 237m of the projected reported revenue for 2017, compared with EUR 202m at the same time in 2016.

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

SimCorp maintains its expectations for the full year of between 7% and 12% revenue growth measured in local currencies and an EBIT margin of between 25% to 28% measured in local currencies.

Based on exchange rates prevailing at 30 April 2017, SimCorp expects a negative impact from currency fluctuations on revenue growth of around 0.1% (previously positive 0.4%) and no impact on EBIT margin (previously positive 0.3%).

<sup>\*)</sup> This announcement contains certain forward-looking statements and expectations in respect of the 2017 financial year. Such forward-looking statements are not guarantees of future performance, and involve risk and uncertainty, and actual performance may deviate materially from that expressed in such forward-looking statements due to a variety of factors. Readers are warned not to rely unduly on such forward-looking statements which apply only as at the date of this announcement. The Group's revenue will continue to be impacted by relatively few but large system orders, and such orders are expected to be won at relatively irregular intervals. The terms agreed in the individual license agreements will determine the impact on the order book and on license income for any specific financial reporting period. Accordingly, license revenue is likely to vary considerably from one quarter to the next. Unless required by law or corresponding obligations SimCorp A/S is under no duty and undertakes no obligation to update or revise any forward-looking statement after the distribution of this document, whether as a result of new information, future events or otherwise.

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**Company Announcement**

SimCorp grows revenue 19.3% in Q1 2017 and wins a new client in North America

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**Other information****Significant risk and uncertainty factors**

SimCorp operates in a dynamic and complex business environment, where performance relies heavily on the ongoing achievement of a number of success criteria. Page 19-22 of SimCorp's Annual Report 2016 describes the most important general risk factors and the risk management measures utilized in everyday operations. Management believes that the description of these potential risks still applies.

**Shareholder information****Capital**

The company's extraordinary general meeting held on 26 April 2017 approved an amendment to the Articles of Association which allows the company to reduce its nominal share capital by DKK 1,000,000 by cancellation of treasury shares.

The reduction in share capital from 41.5m to 40.5m shares of DKK 1 is expected to be effective from 29 May 2017.

Further, at the company's extraordinary general meeting held on 26 April 2017 it was approved that the share capital may be increased in one or more issues of new shares by a total nominal amount of up to DKK 4,000,000 (4,000,000 shares of DKK 1) without pre-emption rights for the Company's existing shareholders and as directed by the Board of Directors with respect to time and terms. The capital increase may be effected in cash or by contribution of an existing business or specific assets, in all cases at market price. This authority shall be valid for a period of five years, expiring on 1 March 2022, and may be extended by the general meeting for one or more periods of up to five years at a time.

The new shares shall be registered in the name of the holder in the Company's register of shareholders. The new shares shall be negotiable instruments, and no restrictions shall apply to the transferability of the shares. No shares confer any special rights upon their holder and no shareholders shall be under an obligation to have his shares redeemed in full or in part by the Company or any other party.

**Transferred shares in relation to restricted stock units programs****Long-term restricted stock units incentive plan allotted in 2014**

72,246 shares were in Q1 2017 transferred to the Executive Management Board and key employees, who participated in the long-term incentive program in 2014 and who have fulfilled the program's criteria, including 18,230 shares to the Executive Management Board and 313 shares to employee elected members of the Board of Directors. The actual number of shares transferred was determined based on the achieved average annual revenue growth and annual average net operating profit after tax for the financial years 2014 to 2016. The maximum number of shares under the program was allotted.

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## **Company Announcement**

SimCorp grows revenue 19.3% in Q1 2017 and wins a new client in North America

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### **Corporate bonus restricted stock units programs 2013, 2014 and 2015**

108,009 shares were transferred in Q1 to the Group's employees related to the corporate bonus restricted stock units programs for 2013, 2014 and 2015 including 4,445 shares to the Executive Management Board and 508 shares to employee elected members of the Board of Directors.

### **Issue of restricted stock units**

In accordance with the remuneration policy approved by the shareholders at the AGM, the Board of Directors have granted restricted stock units for the year 2017. A total of 54,866 restricted stock units have been granted, including 14,301 restricted stock units to the Executive Management Board. The fair value of these restricted stock units amounted to EUR 3.1m 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 revenue growth and annual average net operating profit after tax for the financial years 2017 to 2019. 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 87,068 restricted stock units relating to the corporate bonus program for 2016 have been granted to Group employees, including 3,068 restricted stock units to the Executive Management Board and 621 restricted stock units to employee elected members of the Board of Directors. 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.

Further, 23,830 restricted stock units have been granted to the North American management team, to strengthen the retention of the managers. The fair value of these restricted stock units amounted to EUR 1.2m 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 certain performance conditions for revenue and EBIT growth in North America for the financial years 2017 to 2019. If the conditions are only partially satisfied, the number of shares transferred after three years will be reduced.

Additionally, in Q1 a total of 1,303 restricted stock units have been granted to employees as part of sign-on agreements or incentive programs. The restricted stock units will vest after three years, subject to continuing employment.

In addition, in connection with Michael Rosenvold's appointment as CFO with expected effect from 1 October 2017, 11,844 restricted stock units will be granted to him on the commencement date of his employment provided Michael Rosenvold has completed his personal investment commitment of DKK 2.5m in SimCorp shares. These restricted stock units will vest 60% after three years, 20% after four years, and 20% after five years subject to continued employment.

## Company Announcement

SimCorp grows revenue 19.3% in Q1 2017 and wins a new client in North America

466,971 restricted stock units are outstanding at the time of reporting, including 54,866 restricted stock units that have been granted after the AGM. The restricted stock units will be transferred in whole or in part between 2017 and 2023 to program participants still employed when the stock units vest subject to performance conditions. Details per table below:

Type	Grant Year	Vesting period	Outstanding 1 January 2017	Granted 2017	Vested and transferred	Cancelled	Performance Adjustment 2017	Outstanding 31 March 2017
<b>Total</b>								
Long-term incentive program	2014	Feb-17	72,871		-72,246	-625		0
Long-term incentive program	2015	Feb-18	76,361			-522		75,839
Long-term incentive program	2016	Feb-19	66,756			-396		66,360
Long-term incentive program	2017	Feb-20	0	54,866				54,866
Corporate bonus 2013	2014	Mar-15/16/17	42,560		-42,560		-	0
Corporate bonus 2014	2015	Mar-16/17/18	72,210		-35,818	-350	-	36,042
Corporate bonus 2015	2016	Mar-17/18/19	89,161		-29,631	-616	-	58,914
Corporate bonus 2016	2017	Mar-18/19/20	0	87,068			-	87,068
CEO - Klaus Holse	2012	Sep-15/16/17	21,444				-	21,444
Senior Empl. United Kingdom	2014	Mar-17	7,175		-7,175		-	0
Key Employees SimCorp Coric	2014	Mar-17	4,869		-4,869		-	0
Senior Empl. North America, sign on	2014	Sep-17	3,165				-	3,165
Senior Empl. North America	2014	Feb-18	15,000				-	15,000
Senior Empl. North America	2015	Feb-16/17/18	5,476		-2,495		-	2,981
Senior Empl. France	2015	Feb-18	7,834				-	7,834
Senior Empl. United Kingdom	2016	Feb-19	481				-	481
Senior Empl. Denmark	2017	Feb-20	0	1,303			-	1,303
Long-term incentive program NA	2017	Feb-20	0	23,830			-	23,830
CFO - Michael Rosenvold	2017	Oct-20/21/22	0	11,844			-	11,844
<b>Total Restricted Stock Units</b>			<b>485,363</b>	<b>178,911</b>	<b>-194,794</b>	<b>-2,509</b>	<b>0</b>	<b>466,971</b>

### Vesting of restricted stock units granted to the CEO, Klaus Holse

As part of the executive service agreement entered into with Klaus Holse, CEO, restricted stock units with a total market value of DKK 10m were granted the CEO on condition that the CEO made an investment in SimCorp shares to a total market value of DKK 5m and that the restricted stock units would vest 60% after 3 years' service and 20% after 4 years' service and the remaining 20% after 5 years' service. The allotment was made with an original vesting date of 1 September 2017 for 20% of the restricted stock units. In order to allow for Klaus Holse to cover his personal tax liability arising when the 20% restricted stock units vest, the Board of Directors has decided to bring forward the relevant vesting date to 24 August 2017 for the 20% thereby enabling Klaus Holse to sell shares after the release of the Q2 2017 financial results.

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**Company Announcement**

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**Holding of treasury shares**

In Q1 the Company transferred a total of 194,794 treasury shares in relation to the restricted stock unit programs as mentioned on page 10, and in accordance with the approved remuneration policy for the Board of Directors, Executive Management and employees transferred 4,873 treasury shares to the Board of Directors equivalent to one third of their total remuneration for 2016.

The Company has purchased 76,000 treasury shares in Q1 at an average price of DKK 399.36 per share, totalling EUR 4.1m. At 31 March 2017, the Company's holding of treasury shares amounted to 1,911,484 treasury shares, equal to 4.6% of the Company's issued share capital.

In addition to the purchases in Q1 the Company has so far in Q2 acquired 41,489 treasury shares at a total price of EUR 2.4m. Under the EUR 17.5m "Safe Harbour" program that runs to 23 August 2017 the Company has so far acquired shares amounting to EUR 6.5m. 15 May 2017, the Company's holding of treasury shares amounted to 1,956,813 treasury shares, equal to 4.7% of the Company's issued share capital.

On 29 May 2017 the Company will complete the nominal share capital reduction of DKK 1,000,000 as mentioned in the Shareholder information on page 10, by cancellation of 1,000,000 treasury shares. After cancellation the nominal share capital will be DKK 40,500,000 comprising 40,500,000 shares of DKK 1.

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## Company Announcement

SimCorp grows revenue 19.3% in Q1 2017 and wins a new client in North America

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## Signatures

The Board of Directors and the Executive Management Board have today considered and adopted the interim report for the period 1 January - 31 March 2017.

The interim report which is unaudited and has not been reviewed by the Company's auditors is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and Danish disclosure requirements for interim reports for listed companies.

In our opinion, the interim financial statements give a true and fair view of the Group's assets, liabilities and financial position as of 31 March 2017 and of the profit of the Group's operations and cash flow for the period 1 January - 31 March 2017.

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, 17 May 2017

Executive Management Board:

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Klaus Holse  
Chief Executive Officer

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Georg Hetrodt  
Chief Technology Officer

Board of Directors:

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Jesper Brandgaard  
Chairman

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Peter Schütze  
Vice Chairman

---

Hervé Couturier

---

Simon Jeffreys

---

Patrice McDonald

---

Adam Warby

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Else Braathen

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Vera Bergforth

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Ulrik Elstrup Hansen

## Company Announcement

SimCorp grows revenue 19.3% in Q1 2017 and wins a new client in North America

## Consolidated income statement

EUR'000	2017 Q1	Restated Q1 2016	As reported Q1 2016	Restated 2016	As reported 2016 FY
Revenue	73,123	61,287	59,608	309,248	295,930
Cost of sales	31,709	26,676	26,676	111,773	111,773
<b>Gross profit</b>	<b>41,414</b>	<b>34,611</b>	<b>32,932</b>	<b>197,475</b>	<b>184,157</b>
Other operating income	41	84	84	324	324
Research and development costs	16,242	14,296	14,296	59,270	59,270
Sales and marketing costs	9,315	8,274	8,274	37,546	37,546
Administrative expenses	5,693	4,580	4,580	19,442	19,442
<b>Operating profit (EBIT)</b>	<b>10,205</b>	<b>7,545</b>	<b>5,866</b>	<b>81,541</b>	<b>68,223</b>
Share of profit after tax in associates	-6	-11	-11	94	94
Financial income	499	837	837	2,694	2,694
Financial expenses	695	775	775	3,418	3,418
<b>Profit before tax</b>	<b>10,003</b>	<b>7,596</b>	<b>5,917</b>	<b>80,911</b>	<b>67,593</b>
Tax on profit	2,459	1,802	1,404	19,904	16,601
<b>Net profit for the period</b>	<b>7,544</b>	<b>5,794</b>	<b>4,513</b>	<b>61,007</b>	<b>50,992</b>
<b>Earnings per share</b>					
Basic earnings per share - EPS (EUR)	0.19	0.14	0.11	1.53	1.28
Diluted earnings per share - EPS-D (EUR)	0.19	0.14	0.11	1.51	1.26

## Statement of comprehensive income

EUR'000	2017 Q1	Restated Q1 2016	As reported Q1 2016	Restated 2016	As reported 2016 FY
Net profit for the period	7,544	5,794	4,513	61,007	50,992
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified subsequently to the income statement:</b>					
Remeasurements of defined benefit pension plans	0	0	0	-259	-259
Tax	0	0	0	57	57
<b>Items that will be reclassified subsequently to the income statement, when specific conditions are met:</b>					
Foreign currency translation differences for foreign operations	-34	-1,103	-1,103	-1,529	-1,529
Other comprehensive income after tax for the period	-34	-1,103	-1,103	-1,731	-1,731
<b>Total comprehensive income for the period</b>	<b>7,510</b>	<b>4,691</b>	<b>3,410</b>	<b>59,276</b>	<b>49,261</b>

## Company Announcement

SimCorp grows revenue 19.3% in Q1 2017 and wins a new client in North America

## Consolidated balance sheet

EUR'000	31 March 2017	Cumulative effect of IFRS15 1 January 2017	As reported 31 December 2016	As reported 31 March 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Goodwill	3,987		3,976	4,283
Software	5,107		4,215	3,378
Client contracts	2,765		2,804	3,165
<b>Total intangible assets</b>	11,859	0	10,995	10,826
<b>Property, plant and equipment</b>				
Leasehold improvements	3,649		2,446	1,756
Technical equipment	1,275		1,179	1,963
Other equipment, fixtures, fittings and prepayments	1,171		1,154	878
<b>Total property, plant and equipment</b>	6,095	0	4,779	4,597
<b>Other non-current assets</b>				
Investments in associates	579		551	629
Deposits	1,908		1,890	1,876
Deferred tax	7,101		8,534	8,403
<b>Total other non-current assets</b>	9,588	0	10,975	10,908
<b>Total non-current assets</b>	27,542	0	26,749	26,331
<b>Current assets</b>				
Receivables	72,748		80,041	62,422
Contract Assets	25,987	27,836		
Income tax receivable	1,322		1,966	4,088
Prepayments	8,045		6,582	7,443
Cash and cash equivalents	53,828		31,590	60,125
<b>Total current assets</b>	161,930	27,836	120,179	134,078
<b>Total assets</b>	189,472	27,836	146,928	160,409
<b>LIABILITIES AND EQUITY</b>				
<b>Equity</b>				
Share capital	5,575		5,575	5,575
Exchange adjustment reserve	-552		-518	-92
Retained earnings	61,834	20,869	34,173	57,206
Proposed dividend	0		33,341	28,409
<b>Total equity</b>	66,857	20,869	72,571	91,098
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Deferred tax	1,025		1,149	874
Provisions	5,747		5,573	4,724
Other debt	0		0	2,453
<b>Total non-current liabilities</b>	6,772	0	6,722	8,051
<b>Current liabilities</b>				
Bank overdrafts	6,741		0	0
Prepayments from clients	24,948		14,647	22,571
Trade payables and other payables	45,409		50,922	38,361
Income tax	5,471	6,967	1,946	325
Provisions	8		120	3
Dividend payable/dividend tax	33,266		0	0
<b>Total current liabilities</b>	115,843	6,967	67,635	61,260
<b>Total liabilities</b>	122,615	6,967	74,357	69,311
<b>Total liabilities and equity</b>	189,472	27,836	146,928	160,409



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**Company Announcement**SimCorp grows revenue 19.3% in Q1 2017 and wins a new client in North America

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**Consolidated cash flow statement**

EUR'.000	2017 Q1	As reported Q1 2016	As reported 2016 FY
Profit for the period	7,544	4,513	50,992
Adjustments for non cash operating items	6,875	1,956	25,672
Changes in working capital	14,694	17,709	1,997
<b>Cash from operating activities before financial items</b>	<b>29,113</b>	<b>24,178</b>	<b>78,661</b>
Financial income received	82	10	218
Financial expenses paid	-86	-105	-368
Income taxes paid	-3,557	-2,541	-13,093
<b>Net cash from operating activities</b>	<b>25,552</b>	<b>21,542</b>	<b>65,418</b>
Deferred payment, purchase of subsidiaries	-2,931	0	0
Purchase of intangible fixed assets	-1,134	-14	-1,644
Purchase of property, plant and equipment	-1,892	-363	-2,973
Proceeds from sale of property, plant and equipment	0	3	0
Purchase of financial assets	-29	-5	-132
Proceeds from sale of financial assets	9	23	349
Dividends from associates	0	91	91
<b>Net cash from/(used) in investing activities</b>	<b>-5,977</b>	<b>-265</b>	<b>-4,309</b>
<b>Net cash from operating and investing activities</b>	<b>19,575</b>	<b>21,277</b>	<b>61,109</b>
Dividends paid	0	0	-28,450
Acquisition of treasury shares	-4,082	-4,347	-44,406
<b>Net cash from/(used) in financing activities</b>	<b>-4,082</b>	<b>-4,347</b>	<b>-72,856</b>
<b>Change in cash and cash equivalents</b>	<b>15,493</b>	<b>16,930</b>	<b>11,747</b>
<b>Total cash for the period</b>			
Cash and cash equivalents at beginning of period	31,590	43,344	43,344
Foreign exchange adjustment of cash and cash equivalents	4	-149	-7
<b>Cash and cash equivalents at 31 March</b>	<b>47,087</b>	<b>60,125</b>	<b>31,590</b>
Cash and cash equivalent	53,828	60,125	31,590
Current debt (bank overdrafts)	-6,741	0	0
Cash and cash equivalents at 31 March	47,087	60,125	31,590

## Company Announcement

SimCorp grows revenue 19.3% in Q1 2017 and wins a new client in North America

## Statement of changes in equity

EUR'000	Share capital	Exchange adjustment reserve	Retained earnings	Proposed dividend	Total
<b>Group</b>					
Equity at 1 January 2016	5,575	1,011	54,825	28,409	89,820
<b>Comprehensive income for the period *</b>					
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>-1,103</b>	<b>4,513</b>	<b>0</b>	<b>3,410</b>
<b>Transactions with owners</b>					
Share-based payment	0	0	2,644	0	2,644
Tax, share-based payment	0	0	-429	0	-429
Purchase of treasury shares	0	0	-4,347	0	-4,347
<b>Equity at 31 March 2016</b>	<b>5,575</b>	<b>-92</b>	<b>57,206</b>	<b>28,409</b>	<b>91,098</b>
Equity at 1 April 2016	5,575	-92	57,206	28,409	91,098
<b>Comprehensive income for the period *</b>					
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>-426</b>	<b>46,277</b>	<b>0</b>	<b>45,851</b>
<b>Transactions with owners</b>					
Dividends paid to shareholders	0	0	-41	-28,409	-28,450
Share-based payment	0	0	3,649	0	3,649
Tax, share-based payment	0	0	482	0	482
Purchase of treasury shares	0	0	-40,059	0	-40,059
Proposed dividend to shareholders	0	0	-33,341	33,341	0
<b>Equity at 31 December 2016</b>	<b>5,575</b>	<b>-518</b>	<b>34,173</b>	<b>33,341</b>	<b>72,571</b>
Equity at 1 January 2017	5,575	-518	34,173	33,341	72,571
Adjustment related to IFRS15	0	0	27,836	0	27,836
Tax, adjustment related to IFRS15	0	0	-6,967	0	-6,967
<b>Comprehensive income for the period *</b>					
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>-34</b>	<b>7,544</b>	<b>0</b>	<b>7,510</b>
<b>Transactions with owners</b>					
Dividends declared to shareholders	0	0	75	-33,341	-33,266
Share-based payment	0	0	3,102	0	3,102
Tax, share-based payment	0	0	153	0	153
Purchase of treasury shares	0	0	-4,082	0	-4,082
<b>Equity at 31 March 2017</b>	<b>5,575</b>	<b>-552</b>	<b>61,834</b>	<b>0</b>	<b>66,857</b>

\* Please refer to Statement of comprehensive income page 15

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## **Company Announcement**

SimCorp grows revenue 19.3% in Q1 2017 and wins a new client in North America

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## **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 2016 except for the changes described below. See the Annual Report 2016 for a comprehensive description of the accounting policies applied.

### **Change in accounting policies**

IASB has issued accounting standard IFRS15 “Revenue from contracts with customers” to take effect as of 1 January 2018. The standard establishes a single comprehensive framework for revenue recognition. The standard permits early adoption.

Effective 1 January 2017, SimCorp has adopted IFRS15 applying the modified retrospective application method. SimCorp has selected to transition into the new revenue recognition standard by recognizing the cumulative effect of initially applying the standard as an opening balance sheet adjustment to equity at January 1 2017.

The impact is that the order book value has been depleted by EUR 28.8m at 1 January 2017. A new balance sheet asset, Contract Assets with a value of EUR 27.8m being the net present value of future license instalments from subscription based agreements is included under current assets. Further, a tax liability of EUR 7.0m is recognized. The cumulative effect booked to equity is a net income of EUR 20.8m, comprising income before tax of EUR 27.8m and tax of EUR 7.0m.

Please refer page 16 and page 18 for the effect on balance sheet and equity. The cumulative effect at 1 January 2017 is shown in a separate column in balance sheet and in a separate income and tax adjustment item in the equity statement.

Additionally, a number of other new accounting standards and interpretations have been implemented which do not have a 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 2016.

## Company Announcement

SimCorp grows revenue 19.3% in Q1 2017 and wins a new client in North America

### Segment information

The segment information has been updated to reflect the forming a new 'Southern Europe' market unit encompassing operations in France, Italy and Spain and a merger of the Nordic and Benelux operation to form a new 'Northern Europe' market unit.

<i>EUR '000</i>	UK and											
<i>1 January - 31 March 2017</i>	Northern Europe	Central Europe	Middle East	Southern Europe	Asia and Australia	North America	Dimension	Coric	Corporate functions	Total	Elimination/ not allocated	Group
Revenue external clients	19,430	16,649	7,533	7,867	4,412	14,945	365	1,804	118	73,123	0	73,123
Revenue between segments	3,405	1,384	2,453	122	467	1,477	25,957	404	568	36,237	-36,237	0
<b>Total segment revenue</b>	<b>22,835</b>	<b>18,033</b>	<b>9,986</b>	<b>7,989</b>	<b>4,879</b>	<b>16,422</b>	<b>26,322</b>	<b>2,208</b>	<b>686</b>	<b>109,360</b>	<b>-36,237</b>	<b>73,123</b>
<b>Segment operating profit (EBIT)</b>	<b>2,634</b>	<b>589</b>	<b>1,059</b>	<b>1,169</b>	<b>265</b>	<b>1,960</b>	<b>7,581</b>	<b>-872</b>	<b>-4,180</b>	<b>10,205</b>	<b>0</b>	<b>10,205</b>
<b>Total assets</b>	<b>32,176</b>	<b>19,401</b>	<b>10,313</b>	<b>21,698</b>	<b>6,608</b>	<b>36,733</b>	<b>1,581</b>	<b>22,463</b>	<b>6,401</b>	<b>157,374</b>	<b>32,098</b>	<b>189,472</b>
<b>As reported 1 January - 31 March 2016</b>												
Revenue external clients	17,765	16,341	5,609	4,844	3,755	8,677	357	2,188	72	59,608	0	59,608
Revenue between segments	3,424	823	105	154	432	1,192	23,646	459	269	30,504	-30,504	0
<b>Total segment revenue</b>	<b>21,189</b>	<b>17,164</b>	<b>5,714</b>	<b>4,998</b>	<b>4,187</b>	<b>9,869</b>	<b>24,003</b>	<b>2,647</b>	<b>341</b>	<b>90,112</b>	<b>-30,504</b>	<b>59,608</b>
<b>Segment operating profit (EBIT)</b>	<b>2,408</b>	<b>404</b>	<b>-379</b>	<b>28</b>	<b>121</b>	<b>-1,930</b>	<b>7,310</b>	<b>36</b>	<b>-2,132</b>	<b>5,866</b>	<b>0</b>	<b>5,866</b>
<b>Total assets</b>	<b>31,089</b>	<b>18,327</b>	<b>8,501</b>	<b>18,810</b>	<b>5,291</b>	<b>21,551</b>	<b>1,211</b>	<b>12,416</b>	<b>4,577</b>	<b>121,773</b>	<b>38,636</b>	<b>160,409</b>

Q1 2016 are as reported and not restated to IFRS15 and therefore not comparable with Q1 2017. 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, tax and investments in associates.

<b>Reconciliation of the profit</b>	<b>2017</b>	<b>As reported</b>
<b>EUR'000</b>	<b>Q1</b>	<b>Q1 2016</b>
Total segment operating profit reported (EBIT)	10,205	5,866
Share of profit after tax on associates	-6	-11
Financial income	499	837
Financial expenses	695	775
<b>Profit for the period before tax, see income statement</b>	<b>10,003</b>	<b>5,917</b>

### Property, plant and equipment and investment obligations

The SimCorp Group does not hold assets under finance leases and has not provided assets as security.

### Board of Directors and Executive Management Board

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

The shareholders approved the total remuneration to the Board of Directors for 2017 of DKK 4.125m, comprising DKK 2.750m in cash and SimCorp shares with a market value of DKK 1.375m. In addition, the audit committee receives separate remuneration for 2017 for a total of DKK 0.375m comprising DKK 0.250m in cash and SimCorp shares with a market value of DKK 0.125m and the nomination committee receives separate remuneration for 2017 for a total of DKK 0.234m comprising DKK 0.156m in cash and SimCorp shares with a market value of DKK 0.78m.

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**Company Announcement**

SimCorp grows revenue 19.3% in Q1 2017 and wins a new client in North America

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**Contingent liabilities**

No material changes have occurred to the contingent liabilities referred to in the Annual Report 2016.

**Events after 31 March 2017**

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