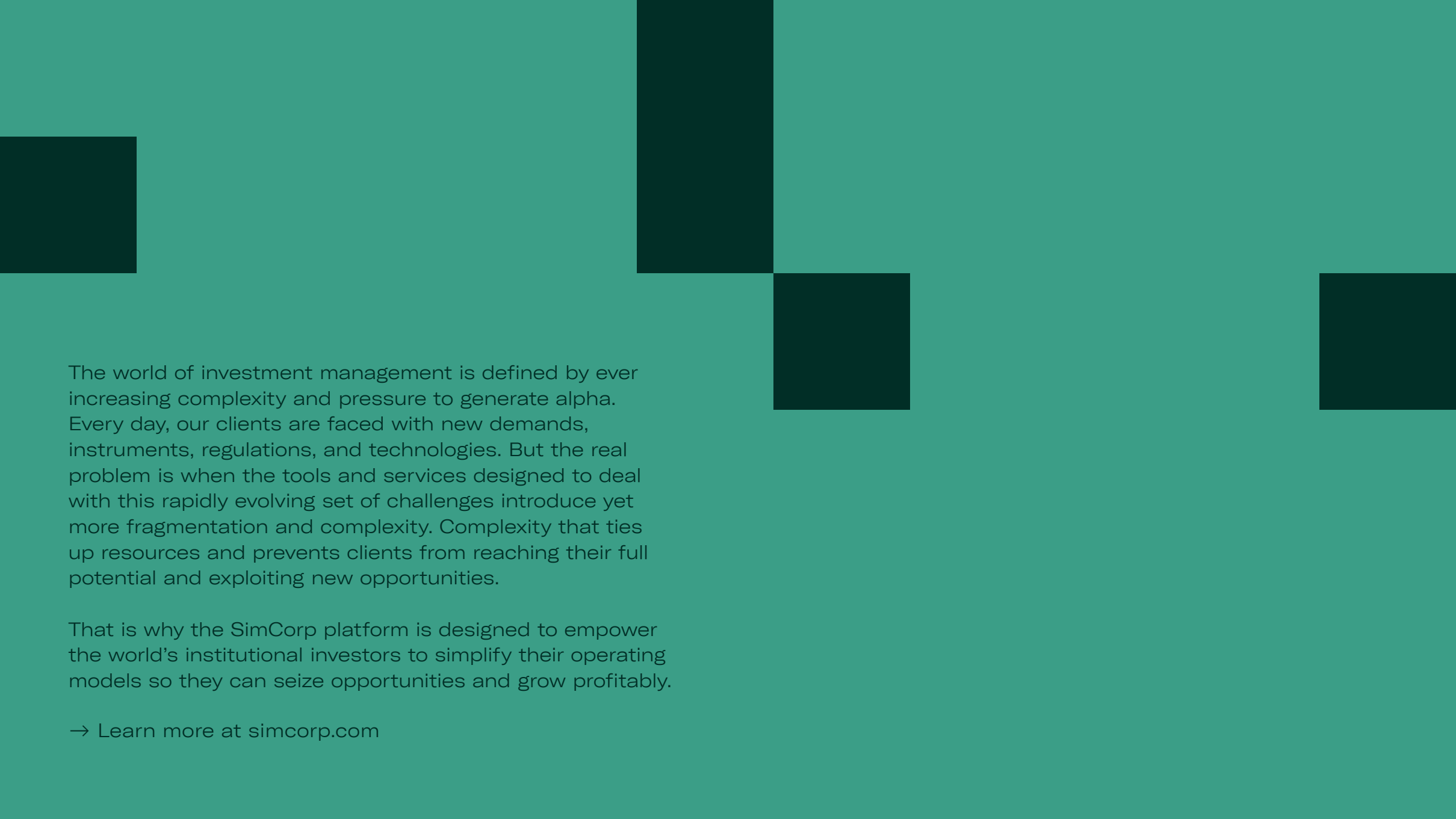




Annual Report 2021

SimCorp A/S
Weidekampsgade 16
2300 Copenhagen S
Denmark

Company reg. no: 15505281
simcorp.com



The world of investment management is defined by ever increasing complexity and pressure to generate alpha. Every day, our clients are faced with new demands, instruments, regulations, and technologies. But the real problem is when the tools and services designed to deal with this rapidly evolving set of challenges introduce yet more fragmentation and complexity. Complexity that ties up resources and prevents clients from reaching their full potential and exploiting new opportunities.

That is why the SimCorp platform is designed to empower the world's institutional investors to simplify their operating models so they can seize opportunities and grow profitably.

→ Learn more at simcorp.com

Contents

4 — 57

Management report

5	SimCorp at a glance
6	Performance and progress
7	CEO and Chairman letter
9	Financial highlights and key figures
12	Market and trends
14	Business model
15	Strategy update
18	Case: GAM Investments
20	2022 outlook
22	Business unit review
23	Financial review 2021
31	Risk management
37	Case: Danske Bank Asset Management
39	Corporate governance report
44	Shareholder information
48	Board of Directors
51	Executive Management Board
52	Group Management Committee
53	Statements and signatures
54	Independent Auditor's Reports

58 — 104

Consolidated financial statements

60	Statements
64	Section 1: Basis of preparation
68	Section 2: Revenue and clients
77	Section 3: Employees
84	Section 4: Tax
87	Section 5: Invested capital
93	Section 6: Financing items
101	Section 7: Other disclosures

105 — 127

Financial statements of SimCorp A/S

107	Statements
111	Section 1: Basis of preparation
112	Section 2: Revenue and clients
115	Section 3: Employees
117	Section 4: Tax
119	Section 5: Invested capital
123	Section 6: Financing items
125	Section 7: Other disclosures

→ Sustainability Report 2021

<https://www2.simcorp.com/SustainabilityReport2021>

→ Remuneration Report 2021

<https://www2.simcorp.com/Remunerationreport2021>

Management report

SimCorp at a glance

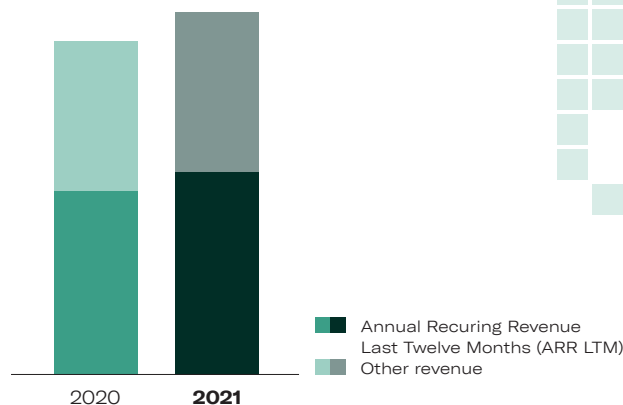
SimCorp offers an industry-leading front-to-back Software as a Service (SaaS) investment management platform and ecosystem, comprising partners, services, consultancy, and third-party connectivity. We offer clients the operating efficiency and flexibility they need to succeed in an increasingly complex world.

496.3 EURm

Revenue 2021
(2020: 456.0 EURm)

55.9%

ARR as % of revenue 2021
(2020: 55.0%)



1,998

employees

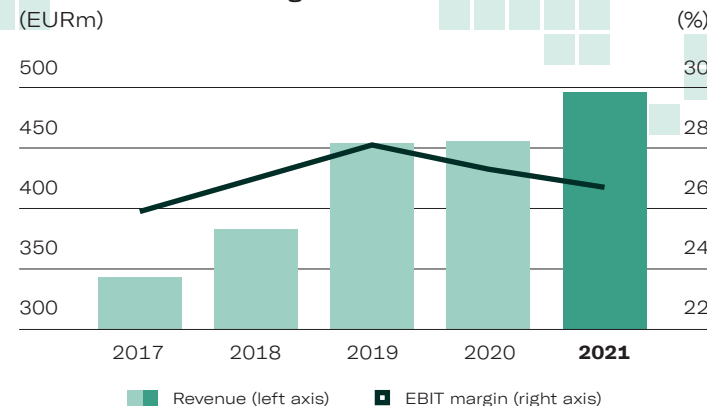
67

nationalities across
27 locations

+300

clients

Revenue and EBIT margin
(EURm)



Performance and progress

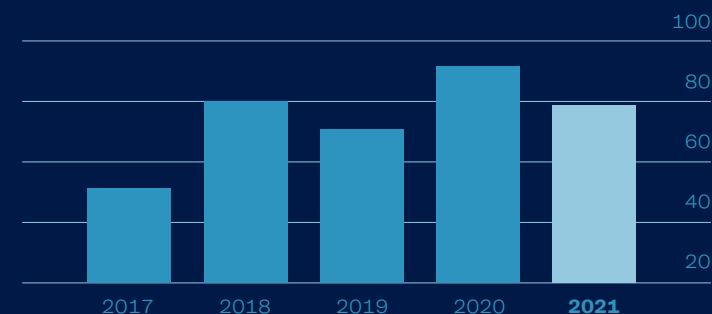
SimCorp delivered solid performance and progress on its strategic imperatives in 2021. We achieved our financial guidance for the year, added nine new clients, and strengthened existing client relations. We are well-positioned to continue our growth trajectory in the years ahead.

Free cash flow

Free cash flow¹ decreased by EUR 13.2m in 2021 from EUR 91.8m in 2020 to EUR 78.6m. Cash conversion² was 71% in 2021 compared with 104% in 2020.

- 1 Cash flow from operations reduced by CAPEX and lease payments.
- 2 Free cash flow divided by profit for the year.

Free cash flow five year development (EUR '000)



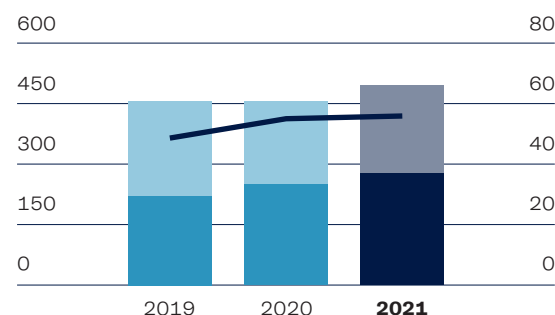
26.7%
EBIT margin

8.8%
Revenue growth

2021 outlook achieved

We delivered on the financial outlook for 2021 and generated revenue growth in local currencies of 8.7% (2020: 1.4%) and EBIT margin in local currencies of 26.9% (2020: 27.6%).

Recurring and non-recurring revenue (EURm)



Everything as a Service

With Annual Recurring Revenue (ARR)³ comprising more than half of total revenue, we are progressing well in our transformation of SimCorp into a technology-enabled service company. ARR constituted 55.9% of total revenue in 2021 compared with 55.0% in 2020 and 48.6% in 2019.

3 Annual Recurring Revenue Last Twelve Months.

■ Non-recurring revenue (left axis) ■ ARR (left axis) ■ ARR share of revenue (right axis)

Strong client traction on cloud and business services

SimCorp delivered ARR¹ growth of 10.5% in 2021. Despite the continued impact of COVID-19, we expanded our engagement with existing clients, added nine² new clients, and generated revenue of EUR 496.3m, EBIT of EUR 132.4m, and free cash flow of EUR 78.6m. A year in transition has positioned us for a prosperous future as a truly global technology-enabled service company with a highly relevant offering and strong client traction.

¹ ARR: Annual Recurring Revenue Last Twelve Months.

² Four new SimCorp Dimension, two new SimCorp Coric, and three new clients through our existing outsourcing partners.

During 2021, we experienced a rising demand for our Software as a Service (SaaS) offerings and our cloud-based business services. This represents a significant opportunity for us to expand our business as we are increasing the pace of our transformation to a SaaS company. Our services portfolio and its inherent optionality demonstrate a strong fit with the increased focus among institutional investors on their core business processes and their wish to outsource non-differentiating operations.

Looking to the future with a successful CEO transition

2021 has in many ways offered the opportunity to reflect on our journey as a company. On September 2, we celebrated our 50th anniversary. The journey from 1971 has taken us far, with many significant milestones to celebrate. But the strongest testament to our success remains our dedicated employees and loyal clients from around the world. The strong partnerships we build and nurture together remain fundamental to our development and growth.

Extending our thanks and sincere gratitude for the successful evolution and growth during Klaus Holse's nine-year leadership, we look ahead as our fourth CEO

Peter Schütze

Chair of the Board of Directors



Christian Kromann

Chief Executive Officer

takes the wheel, sharing the same fundamental vision and values as his three predecessors. Christian Kromann brings strong industry knowledge, client focus, and execution power, which are fundamental capabilities to be able to take SimCorp successfully through its current transformation process.

We also reflect upon 50 years of company history, where our core commitment to our clients remains the same and is captured in our corporate purpose of 'Enabling a prosperous life in a liveable world'. Our purpose, which continues to drive our business growth, is also what shapes our commitment to making a positive impact in a world faced with imminent challenges.

Our sustainability promise

We take on the responsibility to embed sustainability across all our business, as everything and everybody count. It is a journey, which starts with a commitment to go beyond what we are required to do. To succeed with this ambition, we have established a Sustainability Committee and a cross-organizational governance structure to ensure transparency and accountability for the targets we set.

Cloud and other innovative technologies are key enablers of sustainability, which we will leverage and explore to reduce the carbon footprint of our own and our clients' operations. To help drive positive change in the world, we will provide the quality ESG data and transparency to our clients, which is in higher and higher demand.

And equally important, as our people are the core of everything we do, we will continue to strive to ensure a truly diverse and inclusive workplace with equal opportunities, and where all find meaning in work.

Strategy update

During 2021, we made solid progress on our strategic priorities, which have proven to be in alignment with the market trend towards cloud and business service offerings.

With more than 30 of our clients already running SimCorp Dimension as a Service (SCDaaS), we are well underway on our journey to become a true SaaS company. Going forward, our commitment is to offer a superior SaaS portfolio with immediate access to our expansive ecosystem of innovative offerings and tools. This will give our clients the agility and scalability they need to unlock their growth potential and stay competitive.

New clients

Despite the headwinds of COVID-19, where we have seen sustained impact throughout the year, we are very happy to welcome six new clients to SimCorp; four SimCorp Dimension clients and two standalone Coric clients. In addition, we welcomed three new clients through our outsourcing partners.

Distribution of profit

In 2021, we paid a dividend of EUR 40.1m, equal to DKK 7.50 per share, and acquired treasury shares for EUR 40.1m.

Based on the financial performance in 2021, the Board of Directors intends to propose to shareholders at the AGM a dividend of EUR 39.9m, equal to DKK 7.50 per share, for the financial year 2021. Furthermore, we plan to initiate a new share buyback program, acquiring treasury shares for a forecast amount of EUR 40.0m in 2022, split into two programs of EUR 20m each.

Thank you

Our strongly committed and skilled staff remains the foundation that enables us to stay uniquely positioned to achieve sustained long-term growth, while maintaining resilience against the continued challenges caused by COVID-19. We thank everyone at SimCorp for your persistent commitment, true engagement, and relentless hard work. Sharing a genuine passion to never let a client down, every single employee demonstrates daily the culture of our company captured in "the 4Cs", by being capable, collaborative, and curious, while demonstrating courage.

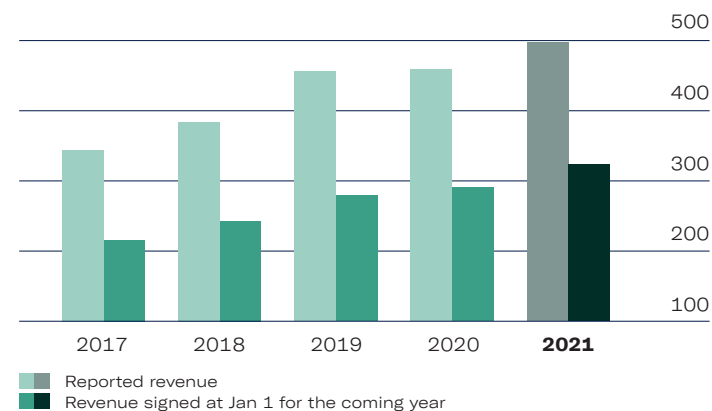
Our appreciation also goes to our shareholders for their support of our strategy and our business partners for their trust and co-operation, all helping us in our efforts to increase our value creation. Last but by no means least, we extend our gratitude to our clients, new as well as existing ones, who have shown their commitment to stay strongly connected despite still challenging times and continue to place their business with SimCorp.

Financial highlights and key figures

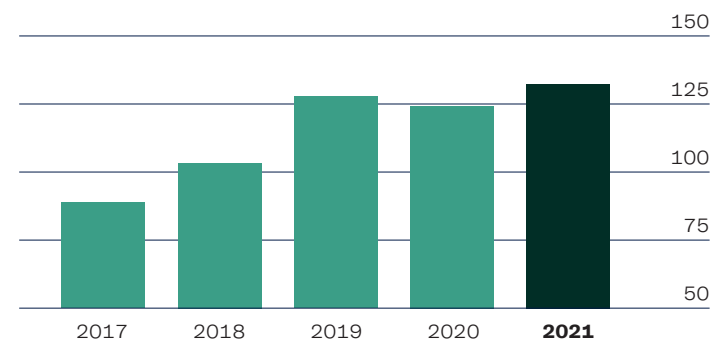
EUR '000	2021	2020	2019	2018	2017
Income statement					
Revenue	496,274	455,970	454,531	382,626	343,405
Earnings before interest, tax, depreciation, and amortization (EBITDA)	147,796	140,390	142,576	109,268	92,851
Operating profit (EBIT)	132,417	124,296	127,824	103,345	88,894
Financial items, net	5,001	-8,200	-23	-809	-1,204
Profit before tax	137,418	116,096	127,801	102,536	87,690
Profit for the year	109,992	88,258	96,901	76,971	66,497
Statement of financial position					
Share capital	5,441	5,441	5,441	5,441	5,467
Equity	323,107	278,250	230,020	169,059	116,581
Bank loan/revolving credit facility	-	-	20,000	-	30,000
Intangible assets	92,691	95,725	99,557	40,444	44,256
Property, plant, and equipment ¹	43,692	47,650	55,650	5,377	5,528
Receivables	96,543	82,513	81,804	79,165	86,080
Contract assets	221,000	175,928	151,774	85,684	49,946
Cash and cash equivalents	47,692	53,051	31,851	47,500	31,412
Total assets	526,312	470,842	437,912	270,267	230,616
Cash flow					
Cash flow from operating activities	90,696	104,565	82,505	82,215	55,532
Cash flow from investing activities	-5,675	-2,681	-60,214	-1,720	-26,930
Cash flow from financing activities	-90,996	-80,242	-38,249	-64,444	-28,294
Free cash flow	78,628	91,809	70,903	80,153	51,317
Investment in property, plant, and equipment	-1,259	2,399	1,722	1,950	3,333
Net change in cash and cash equivalents	-5,975	21,642	-15,958	16,051	308
EUR/DKK rate of exchange at December 31	7.4365	7.4393	7.4697	7.4673	7.4449

1 2021, 2020, and 2019 include right-of-use-assets.

Revenue (EURm)



EBIT (EURm)

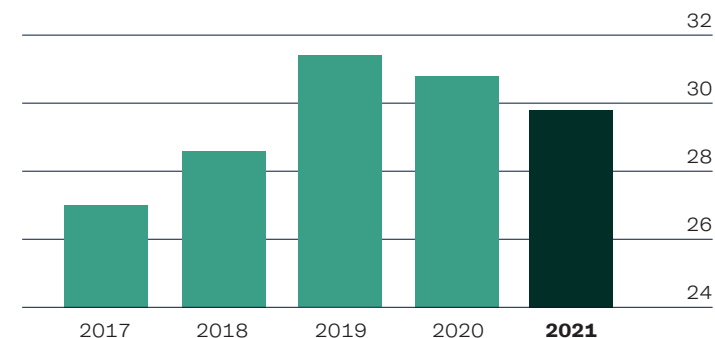


Financial highlights and key figures (continued)

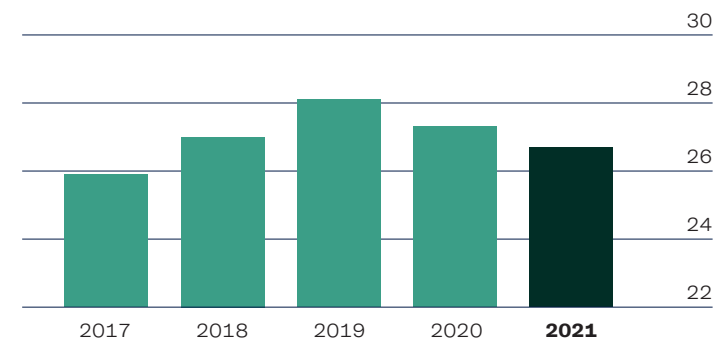
	2021	2020	2019	2018	2017
Orders and ARR					
Order book value ² (EUR '000)	72,953	56,069	38,182	45,508	24,790
Order intake ² (EUR '000)	137,604	115,102	99,679	105,877	81,821
Annual Recurring Revenue (ARR) Last Twelve Months (EUR '000)	277,352	250,902	220,943	-	-
Financial ratios					
Revenue growth (%)	8.8	0.3	18.8	11.4	16.0
Organic revenue growth (%)	8.7	-0.1	15.5	9.5	10.6
ARR growth (%)	10.5	13.6	-	-	-
ARR as share of total revenue (%)	55.9	55.0	48.6	-	-
EBITDA margin (%)	29.8	30.8	31.4	28.6	27.0
EBIT margin (%)	26.7	27.3	28.1	27.0	25.9
Cash conversion	71.5	104.0	73.3	104.1	77.2
ROIC (return on invested capital) (%)	44.7	46.6	65.3	82.4	107.4
Receivables turnover ratio	8.9	8.7	9.3	8.2	7.6
Equity ratio (%)	61.4	59.1	52.5	62.6	50.6
Return on equity (%)	35.4	33.4	46.5	59.7	64.5
Employees					
Number of employees at year-end	1,998	1,901	1,871	1,660	1,547
Average number of employees – FTE	1,871	1,840	1,703	1,554	1,421

² 2019 order book and order intake have been restated to include Subscription Services such as Datacare and Regulatory Reporting Platform (RRP), and 2018 order intake has been restated to include SimCorp Italiana (Sofia).

EBITDA margin (%)



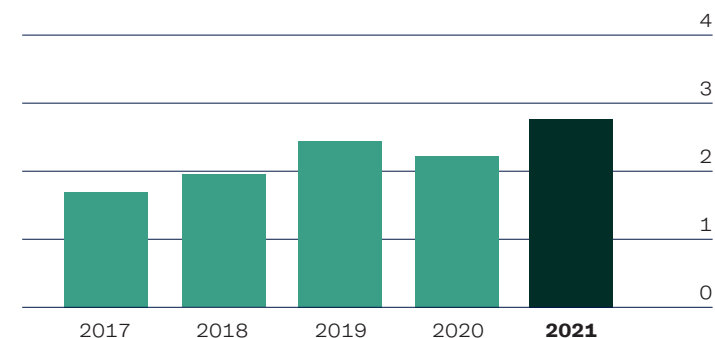
EBIT margin (%)



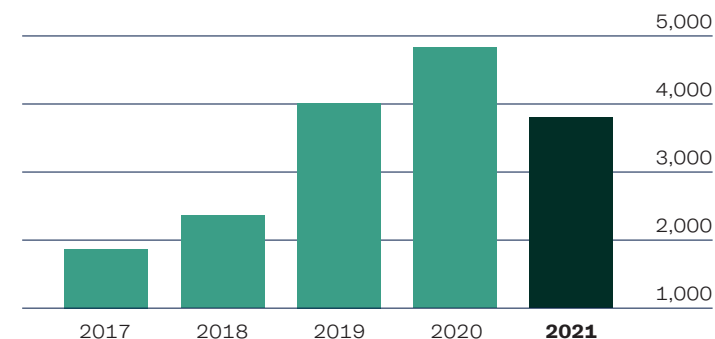
Financial highlights and key figures (continued)

	2021	2020	2019	2018	2017
Share performance					
Earnings per share – EPS (EUR)	2.76	2.22	2.44	1.95	1.69
Diluted earnings per share – EPS-D (EUR)	2.74	2.20	2.42	1.93	1.67
Cash flow per share – CFPS (EUR)	2.27	2.64	2.08	2.08	1.41
Book value per share at year end – BVPS (EUR)	8.11	7.02	5.81	4.27	2.96
Dividends per share – DPS (EUR)	1.01	1.01	0.90	0.87	0.84
Dividends per share – DPS (DKK)	7.50	7.50	6.75	6.50	6.25
Dividends payout ratio (%)	36.4	45.2	37.0	44.7	51.4
Total payout ratio (%)	72.9	56.5	49.9	44.7	87.7
Market value ratios					
Share price at year end – EUR	96.12	121.72	101.41	59.67	47.46
Share price at year end – DKK	714.8	909.5	757.5	445.6	353.30
Price/book value per share – P/BV (EUR)	11.9	17.3	17.5	14.0	16.0
Diluted price earnings (P/E diluted)	34.8	55.2	41.9	30.9	28.4
Price/cash flow (P/CF)	42.2	46.2	48.7	28.6	33.7
Share capital (m)	40.5	40.5	40.5	40.5	40.7
Average number of shares (m)	39.9	39.7	39.7	39.5	39.4
Average number of shares – diluted (m)	40.1	40.0	40.1	39.9	39.9
Market capitalization – EURm	3,831	4,826	4,016	2,362	1,870

Earnings per share (EUR)



Market capitalization (EURm)



Market and trends

Despite the challenges caused by COVID-19, asset managers and asset owners have shown resilience with positive asset growth, and in some segments double-digit growth.¹ We expect the industry to continue its growth trajectory in the coming years.

Attractive market drivers

In 2021, the EMEA business unit leveraged the good growth opportunities in the market, delivering a solid performance and a high deal closure rate despite COVID-19 and a relative high market penetration. The North American and APAC business units faced headwinds in 2021 from the impact of COVID-19, which caused postponed or longer sales processes. The long-term growth potential in all three regions remains however strong, with SimCorp well positioned to increase its market share.

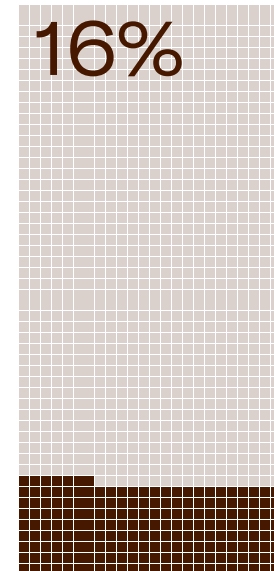
Industry consolidation continues as investment managers are pursuing scale benefits to counter increasing costs of technology, cyber security, and regulatory compliance, while simultaneously aiming to increase differentiation. Leading investment managers are sharpening their focus on directly alpha-generating activities through increasing digitalization and cloud-transformation as well as outsourcing of operational responsibility. This focus on simplicity is expected to lead the majority of buy-side companies to significantly increase spend on optimizing/improving their operating models.

¹ Latest growth figures available:

- Global Asset Management: 11% AUM growth to EUR 83.9tn in 2020. Source: BCG, Global Asset Management 2021.
- Global Institutional Pension Assets: 11% asset growth to EUR 42.7tn in 2020. Source: WTW/Thinking Ahead Institute's Global Pension Asset Study.
- Global SWF Assets: 6% asset growth to over EUR 9.3tn in 2021. Source: Global SWF.

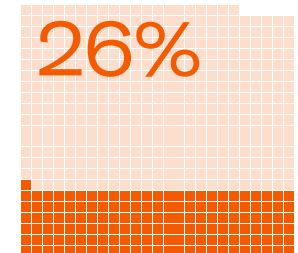
SimCorp market shares (SimCorp Dimension)

Total



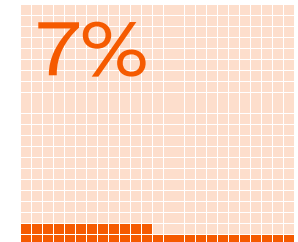
207 of 1,300 potential clients

EMEA



151 of 570 potential clients

North America



37 of 550 potential clients

APAC



19 of 180 potential clients

The mega trends in global investment management are driving the dynamics of the industry and impacting the market conditions for SimCorp as a vendor in the investment management solutions industry.

Investment management
Mega trends

- Low interest environment
- Growth in passives and alternative investments
- Digitalization
- Shifts in demographics and client expectations
- Increasing regulatory complexity

Investment management
Industry dynamics

- Fee and cost pressure
- Investment in multi-asset and ESG capabilities
- Industry consolidation and differentiation
- Increased focus on go-to-market and client experience excellence
- Drive for operating efficiency, data integrity, and transparency

SimCorp
Market conditions

- Increase in outsourcing of business operations
- Focus on outcome-based, complete, and flexible offers
- Demand for coverage of all assets classes
- Focus on operational efficiency, time, and cost to client value
- Cloud, big data, and automation necessary

Within this attractive market, SimCorp provides highly relevant services and solutions to:

- Clients looking to retain operational responsibility for most of their technology and business
- Firms aiming to externalize operational responsibility for large parts of their business
- Asset servicers seeking to leverage a world-class technology platform and selected business services as underlying infrastructure components in their offering.

Based on our technology stronghold and continued development of our cloud-based offerings and services, we are well-positioned to meet the accelerating need for technology-driven operating models with solutions that fully address the top priorities of the investment management industry, including:

- Cost savings and cost-efficient automated operations
- Cost-effective regulatory compliance
- Scalable operating platforms to support growth
- Improved, digitized client servicing
- Risk management
- Control of and easy access to data

Market segments

- | | |
|------------------|-------------------|
| Asset management | Treasury |
| Fund management | Central banks |
| Insurance | Sovereign wealth |
| Asset servicing | Wealth management |
| Life/pension | |

Business model

SimCorp's business model is designed to empower global institutional investors to tackle complexity and meet the pressure to generate alpha. Offering scale, efficiency, and choice, all based on a solid data foundation, our business model supports investment decisions via a natively integrated front-to-back platform across all asset classes.

Front-to-back coverage across all asset classes

SimCorp offers full end-to-end coverage across our clients' investment management value chain. We support all roles and functions throughout their daily operations from portfolio construction to accounting and reporting.

Integrated data and workflows

Based on a strong data core comprising our market-leading investment book of record (IBOR) and accounting book of record (ABOR), the SimCorp platform solves our clients' data and integration challenges. Data plays an increasingly important role to provide new insights for investment decisions and process efficiency. We constantly evolve our data management services to replace complexity with simplicity and efficiency for our clients.

SaaS platform

The move to cloud accelerates, and we see a high demand for cloud-based services – both from new and existing clients. Our cloud-based services are enhanced and expanded through our partner ecosystem, which offers an unparalleled choice of market-leading tools and third-party data and analytics, all seamlessly embedded and integrated into our Open Platform.

Business services

Our technology-enabled business services help our clients optimize their operations and allow them to focus on value-creation in their core business, while we take responsibility for their non-core business processes. In 2021, our Data Management Services (Datacare), gained momentum, and our portfolio was further strengthened with our Investment Accounting Services.



Strategy update

In 2019, we launched our current strategy. Based on our business model, our aim is to provide a more complete offering strongly focused on business outcome and to transform SimCorp into a technology-enabled service company that simplifies our clients' operations and enables their investments. In 2021, we reached key strategic milestones and accelerated our transformation to a SaaS company.

Our strategic achievements have been driven by our ongoing cloud technology transformation and guided by our three strategic imperatives.

Strategic imperatives



Customer experience leadership

We put our clients' needs and success at the core of our business to constantly deepen our relationship and mutual value creation over time.



Deliver Everything as a Service

We deliver software and select business processes to generate specific outcomes on behalf of our clients.



Offer ecosystem enabled innovation

We open our technology platform and business model to exploit third-party innovation, increase development velocity, and expand client access to value creating optionality.

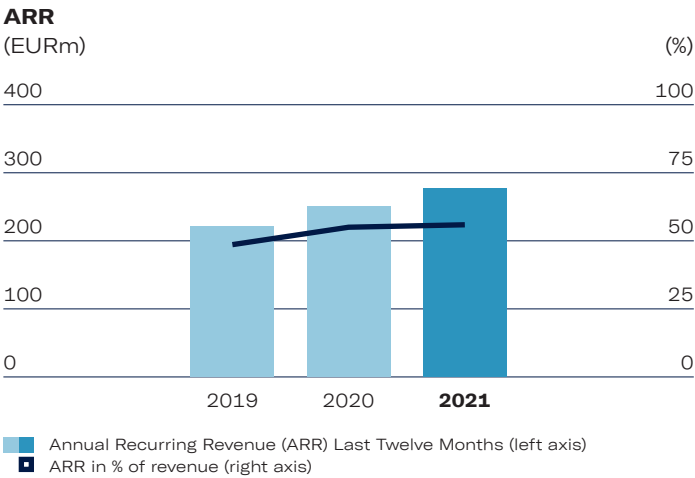
Based on these imperatives, we continue our efforts to better empower the world's largest institutional investors to seize opportunities across assets classes, simplify their operating models, and grow profitably.

Optionality and simplicity replaces complexity

As the market remains defined by ever-increasing complexity, our clients keep facing new opportunities, demands, regulations, and choices. We commit to help tackle the challenges caused by eliminating the obstacles that impede their agility and efficiency. Core to our offering is superior optionality, which in combination with our platform and services have simplicity at its centre. We extend this optionality and simplicity into our clients' strategy, organization, and operating model, and by taking over and managing their non-core activities, we help them focus on what sets them apart.

Our transition to a SaaS company has high traction

We are investing in accelerating our Software as a Service (SaaS) transition, which is progressing to plan as demonstrated by several key achievements in 2021. Our SaaS platform is now fully operational with more than 50 SaaS clients in total. Through our partnership with Microsoft, we can now leverage the Azure cloud platform to achieve new levels of scalability. Single-point access to our investment platform provides our clients with immediate access to an expansive ecosystem of innovative offerings and the tools they need to succeed.



Testament to the traction of our strategy, we added eight new Dimension-based SaaS clients (SCDaaS) in 2021, of which five out of the eight were existing clients moving from an on-premise to a hosted solution. In addition, we saw that our Annual Recurring Revenue (ARR) grew by 10.5% in 2021 and now accounts for 55.9% of total revenue (see bar chart above).

57%

of buy-side used managed services within investment operations and accounting

89%

of buy-side expect to increase their usage over the next three years¹

1 According to Managed Services study conducted by SimCorp in 2021.

Value creation for our clients and shareholders

The journey and our transformation will continue in the coming years, as we keep investing in upgrading and scaling our technology platform. We will also continue extending our front-to-back leadership through new cloud-based offerings, while still accommodating those of our clients who continue to operate our software on-premise.

Overall, the positive traction in our strategic transformation positions us well to leverage the strong drivers in our core market and deliver on our financial ambition to generate long-term, double-digit, annual revenue growth, and to gradually increase our profitability margin, recognizing inevitable fluctuations in both revenue growth and profitability margin from year to year due to timing of orders and investments. Ultimately, our strategic transformation and constant focus allows SimCorp to continue to provide persistent shareholder value.

Expanding our SaaS platform with business services

Demand for our technology-enabled services is on the rise as our clients focus on their core business and look to simplify and externalize operational responsibility for non-differentiating processes. 75% of SimCorp Dimension clients onboarded in 2021 chose as a Service agreements, and the share of SaaS revenue increased as five existing SimCorp Dimension clients migrated from on-premise installations.

As an integral part of our strategy, we are enhancing our SaaS offering by delivering business services, leveraging our natively integrated front-to-back technology foundation (See business model page 14). Our Data Management Services (Datacare) gained momentum in 2021 following the build-out and solidification completed in 2020. In 2021, we also launched our Investment Accounting Services, which enable outsourcing of back-office functions by delivering timely, accurate, multi-jurisdictional, and regulatory

compliant accounting; analytics and reporting; and advisory services. Business services broaden our total addressable market and will contribute to ARR growth.

Tailored organization and stronger ecosystem

During 2021, we established a dedicated unit with responsibility for the delivery of our cloud-based services to strengthen our SaaS operations and ensure a smooth and simple transition for our clients. The new unit combines capabilities and employees from existing organizational units and will be scaled significantly as the operational backbone of our business going forward.

Also, we accelerated the efforts to build a stronger ecosystem of partner offerings complementing and enhancing our front office suite with a choice of market-leading tools for alpha generation and decision making. Since Q4 2020, eight new partners joined SimCorp's Open Platform, designed to democratize access to industry innovation and simplify vendor management for clients. We will continue to develop commercial partnerships with third-party solution providers as a lever to innovate and scale our business, while enabling freedom of choice and offering more value-creating optionality to our clients.

→ Learn how Qontigo and SimCorp partnered to provide a fully managed portfolio optimization and risk management & modelling service within SimCorp Dimension

<https://www2.simcorp.com/simcorp-qontigo>



Accelerating our transformation

While we maintained the overall strategic course in 2021, we have accelerated our transformation into a technology-enabled service company.



Expanding and optimizing our SaaS platform

Our unique natively-integrated end-to-end technology foundation positions us extremely well to expand the breadth of our SaaS offering. Bringing new cloud offers to market, combined with our focus on automation and operational efficiency, enables us to create more value for clients and ultimately grow annual recurring revenue (ARR) and earnings.

For the majority of our clients, the key question is ‘time to cloud’. Our ability to not only support this migration, but equally accelerate the optimization of our SaaS platform will remain a constant focus for us.

As such, following the client traction we have achieved, we will continue to expand our portfolio of SaaS offers and take responsibility for delivering an increasing portion of clients’ business processes.

Broadening our front-to-back leadership

We are solidifying the leading position and competitiveness of our integrated front-to-back, multi-asset investment management platform through the ongoing expansion of our SaaS offering.

In addition, we will continue to build out our functional coverage of the investment value chain as well as the coverage of new instruments and asset classes, with a particular focus on front office, ESG, and cross-asset capabilities.

As a recent example, we strengthened our offering to clients operating in the growing private market investments space through a partnership with and investment in Domos, which enables us to significantly simplify the management of alternatives in cross-asset portfolios. Further, with our new ESG investing solutions, we are expanding our services to clients, allowing fast and easy access to sustainability performance by integrating sustainability data and KPIs into core investment processes.

Growing our ecosystem with more partners and tools

We continue building strong partnerships, expanding our ecosystem and offering an unparalleled choice of market-leading tools and third-party data and analytics, all seamlessly embedded and integrated in our Open Platform. Our clients get easy access to a relevant array of frontier innovation that reflects their operating models, offering the optionality they need to stay differentiated and ahead in the market.

Core to our success is the focused execution of a comprehensive API roadmap, enabling an ever-increasing range of access points for partner innovation.

As such, we will focus on leveraging the recently established partnerships with Colmore, SIX, Qontigo, Intellibonds, and FundApps – among others – and continue to enter new alliances and embed third-party tools and services to complement and enhance our offering.

Case: GAM Investments

Transparency, efficiency, and growth are key priorities for GAM Investments

Managing around CHF 100bn (EUR 96.5bn) of assets, Swiss-based GAM has worked with SimCorp since 2004, and a long-term license agreement with SimCorp allows them to service their clients with a highly streamlined approach. All GAM investment teams are planned to move onto the SimCorp Dimension platform by the end of 2022.

In addition to SimCorp Dimension, GAM will also use SimCorp Gain and SimCorp's Datacare Service for enterprise data management, as well as SimCorp Coric for a new reporting solution. "The complete solution is all about reducing complexity," says Peter Sanderson, Group CEO.

He elaborates: "Consolidating our front and middle office systems is an important step towards achieving this. SimCorp is an industry leader, and its single platform solution is uniquely suited to the future direction of GAM and moves GAM's technology platform to a best-in-class model. Moreover, a single platform ensures that the same datasets are used throughout the investment management value chain, improving data quality, enabling scalability, and reducing the time for onboarding new clients."

From a vendor perspective, SimCorp CEO, Christian Kromann emphasizes the significance

of the agreement, as it “highlights several of SimCorp’s strategic objectives: It is cloud-based, includes multiple services elements, and the client can demonstrate substantial benefits of utilizing our partner ecosystem.”

The agreement was entered into right at the start of the COVID-19 pandemic, adding an unforeseen challenge to implementation. A full switch to remote working meant that GAM had to decide as to whether to pause the project or push it forward. Opting for the latter, the project has been delivered in close collaboration between GAM and SimCorp despite the challenges of COVID-19.

Peter Sanderson adds that “Due to the strong trusted partnership between GAM and SimCorp,

we were able to overcome the challenges we faced, and we both share the same values in efficient delivery for clients. By maintaining strong project governance and continuous, transparent communications, GAM and SimCorp have problem-solved and successfully delivered together. As a team, we always feel aligned and able to navigate the inevitable migration challenges as they occur.”

Using SimCorp Dimension as the foundation across GAM’s entire business, enables the global investment manager to effectively streamline and standardize its operations, and hence focus more on delivering to its clients and growing the business. By reducing the number of systems GAM uses, a higher data quality is implied and therefore a better basis for investment decisions.

“SimCorp’s single platform solution is uniquely suited to the future direction of GAM and moves GAM’s technology platform to a best-in-class model.”

Peter Sanderson
Group CEO of GAM Investments



2022 outlook

In 2022, SimCorp expects revenue growth in local currencies of between 7% and 12%, with an EBIT margin measured in local currencies of between 23.0% and 26.0%. Included in the expected EBIT margin for 2022 is a negative short-term impact of around 2%-points from planned investments in the future, including investments in new SaaS operations and solutions, as well as a higher salary increase in 2022 compared with recent years. In 2022, SimCorp expects Annual Recurring Revenue (ARR) in local currency to grow between 10% and 15%.

Market developments for 2022

Although the volume of deals available in the coming year is always difficult to predict, SimCorp's market performance over recent years, and its highly competitive integrated front-to-back, multi-asset, investment management solutions make the company well-positioned for increasing its market share in 2022.

As mentioned on pages 12-13, SimCorp regards the underlying market drivers and trends as attractive. However, in the short-term, SimCorp regards the environment as slightly negative to its business, due to the continued challenges caused by the COVID-19 pandemic. We

experience the highest negative impact from COVID-19 restrictions in NA and APAC. SimCorp expects COVID-19 restrictions to be maintained until vaccine programs have been successfully implemented across its markets. In the short term, this leads to some hesitancy in clients' decision making, thereby causing longer sales processes. We expect the impact of COVID-19 restrictions to continue through Q1 2022, tapering off towards the end of H1 2022 with a normalization not expected before H2 2022.

On the other hand, gauging the input from our clients and global financial outlook reports, one key topic emerges: the need for investment management companies to replace



Financial targets 2022

In local currencies	2022 guidance	2021 achieved
Revenue growth	7%-12%	8.7%
ARR growth	10%-15%	10.4%
EBIT margin	23.0%-26.0%	26.9%

Disclaimer: SimCorp's annual report includes certain forward-looking statements regarding the Group's future financial situation. Such statements are based on SimCorp's current plans, estimates, and projections. By nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and are thus not a guarantee of future performance. Accordingly, the actual performance may deviate materially from that expressed in such forward-looking statements due to a variety of factors. The main (but not all) factors of risk and uncertainty are dealt with in further detail under the heading "Risk Management" on pages 31-36 and in note 6.2 "Risk" in this annual report. Factors that may impact the Group's revenue growth and profitability margin from year to year include, but are not limited to, the timing of large deals and investments. Unless required by law or corresponding obligations, SimCorp A/S is under no duty and undertakes no obligation to update or revise forward-looking statements after the distribution of this document, whether as a result of new information, future events, or otherwise.

legacy platforms with more efficient, tech-driven, automated solutions. COVID-19 has clearly augmented this need and the persisting demand for lower cost, better data, a more digitized customer experience, and regulatory and ESG compliance.

With its consistent high investments in cloud transformation and cloud-based offerings, and further development of its service offerings, SimCorp is strongly positioned to meet the accelerating need for tech-driven operating models, with solutions that fully address the top priorities of the investment management industry for 2022 as described above.

In addition, SimCorp expects to continue to benefit from new significant deals with existing clients and cross-selling between its core offering SimCorp Dimension and its other integrated solutions for client reporting, data management and investment accounting services.

Revenue and profit outlook for 2022

SimCorp's ambition is to generate long-term, double-digit, annual revenue growth, and to gradually increase our profitability margin, recognizing inevitable fluctuations in both revenue growth and profitability margin from year to year due to timing of orders and investments.

SimCorp entered 2022 with signed revenue for the full year of EUR 323.2m, an increase of EUR 34.0m or 11.8% compared with the beginning of 2021.

Based on the current business environment, the signed revenue and current pipeline, SimCorp's market position, and planned investments, the expectations for 2022 are to grow revenue in local currencies between 7% and 12%, and to generate an EBIT margin measured in local currencies of between 23.0% and 26.0%.

Included in the expected EBIT margin for 2022 is a negative short-term impact of around 2%-points from planned investments in the future, including investments in new SaaS operations and solutions, such as Investment Accounting Services (IAS). The extra demand driven investments in 2022 are expected to lead to additional revenue and higher EBIT margin in coming years. We also expect a higher salary increase in 2022 compared with recent years due to higher inflation and demand for skilled labor.

In 2022, SimCorp expects Annual Recurring Revenue (ARR) in local currency to grow between 10% and 15%.

Based on the exchange rates prevailing at the end of January 2022, SimCorp estimates reported revenue to be positively impacted from currency fluctuations by around 1.3% and reported EBIT margin to be positively impacted from currency fluctuations by around 0.2%-points.

Exchange rate

Main currencies EUR per 100	Exchange rate January 31, 2022	Average rates 2021	Average rates 2020
USD	89.64	84.65	87.32
CAD	70.26	67.52	65.03
AUD	63.21	63.39	60.37
SGD	66.18	63.02	63.37
GBP	120.26	116.52	112.47
CHF	96.12	92.60	93.35
NOK	9.99	9.85	9.28
SEK	9.53	9.85	9.54

For 2022, SimCorp expects a group effective tax rate of between 23% and 25% compared with a realized effective tax rate of 20.0% in 2021 and 24.0% in 2020. The effective tax rate of 20.0% in 2021 was impacted by refunds of withholding taxes related to prior years, and in 2022 we expect to return to a normal effective tax rate.

For 2022, SimCorp expects a cash conversion of between 70% and 80% compared with a realized cash conversion of 71% in 2021 and 104% in 2020. The lower expected free cash flow is due to the negative impact of increased contract assets following expected higher subscription-based license revenue. Cash conversion is defined as free cash flow divided by profit for the year.

Income will vary considerably from one reporting period to the next as the timing of license sales by nature varies.

Business unit review

EMEA

Despite the impact of COVID-19, the mature EMEA business unit performed satisfactorily with total revenue increasing by 10% compared with 2020. The growth was primarily driven by strong license sales (both new and additional licenses) and SaaS revenue. Three new SimCorp Dimension clients were signed, all including Coric or Gain solutions as well. Two of the three new SimCorp Dimension clients are running on SimCorp's SaaS platform. The strong performance demonstrates the EMEA business unit's ability to gain new clients as well as upsell to existing clients. Two SimCorp Dimension clients canceled their contracts, bringing the total number of clients up to 151. Three clients canceled their Gain contracts, while three new Gain clients were added. The new client wins and the order intake from additional licenses increased the value of the total installed SimCorp Dimension license base by EUR 42m, reaching EUR 716m.

EURm	2021	2020	Change
Revenue	357.6	323.8	10%
Dimension clients	151	150	
Coric clients	43	42	
Gain clients	41	41	

North America

The North American business unit experienced headwinds from the impact of COVID-19, with restrictions on the ability to meet in person leading to postponed or longer sales processes. The total revenue increased by 8% compared with 2020, which was below expectations, however, SimCorp continues to see the North American market as a strong long-term growth market. The growth was primarily driven by additional license sales and SaaS revenue. One new SimCorp Dimension client was signed, while one SimCorp Dimension client canceled its contract. Two new standalone SimCorp Coric clients were signed in 2021. One Gain contract was canceled and another one signed in 2021. Two out of the three new license deals (SimCorp Dimension and SimCorp Coric) signed will run on SimCorp's SaaS offering. Total installed SimCorp Dimension license base was EUR 147m at the end of 2021 compared with EUR 136m at the end of 2020.

EURm	2021	2020	Change
Revenue	114.9	106.5	8%
Dimension clients	37	37	
Coric clients	28	26	
Gain clients	6	6	

APAC

APAC also experienced headwinds in 2021 from postponed or longer sales processes due to the negative impact of COVID-19. Despite this, the APAC business unit's total revenue increased by 22% compared with 2020. The increase was mainly driven by SaaS revenue and professional services revenue. After several years with strong growth in new client wins, no new clients were signed in the APAC region in 2021. SimCorp continues to see the APAC region as a promising region with growth potential and the lack of new client wins as a temporary effect of COVID-19. No SimCorp Dimension clients canceled their contracts, resulting in SimCorp still servicing 19 SimCorp Dimension clients in the APAC region, corresponding to an estimated market share of 11%. The total value of the installed SimCorp Dimension license base was EUR 71m at the end of 2021 compared with EUR 66m at the end of 2020.

EURm	2021	2020	Change
Revenue	46.3	37.9	22%
Dimension clients	19	19	
Coric clients	2	2	
Gain clients	2	2	

SimCorp Sofia

SimCorp Sofia delivered a solid performance in 2021 with total revenue growth of 14%, driven by continued solid performance within professional services. No new clients were signed in 2021, while no clients canceled their contracts, keeping the total number of SimCorp Sofia clients at 47, of which five are also Dimension clients. SimCorp Sofia continues to operate well as a separate and independent business unit providing advanced investment management solutions for the Italian insurance market.

EURm	2021	2020	Change
Revenue	23.6	20.8	14%
Clients	47	47	

Financial review 2021

SimCorp generated revenue of EUR 496.3m in 2021, an increase of 8.8% compared with 2020. The order intake was EUR 137.6m, an increase of EUR 22.5m or 19.5% compared with 2020, and the order book increased in 2021 by EUR 16.9m to EUR 73.0m at the end of 2021, contributing to positive business growth. SimCorp generated EBIT of EUR 132.4m. The EBIT margin was 26.7%. The Annual Recurring Revenue (ARR) growth in 2021 was 10.5%. SimCorp views the performance in 2021 as satisfactory, taken the COVID-19 situation into account.

COVID-19

For the second consecutive year, SimCorp was in 2021 impacted by continued restrictions on the ability to meet in person caused by the COVID-19 pandemic, which has led to some hesitancy in clients' decision making, thereby causing longer sales processes, especially for new client engagements, and with the highest negative impact in North America and APAC.

Being a crisis-prepared organization, we believe SimCorp has been and still is well-positioned and prepared to adapt and innovate during the pandemic, while keeping all safe and building resilience for the challenges and opportunities during and beyond the pandemic.

During the COVID-19 pandemic, we have been cost-conscious, but also invested in our future. Looking ahead, we will continue to make large investments in technology, product development and our service offerings to continuously serve our clients better.

Financial expectations and results 2021

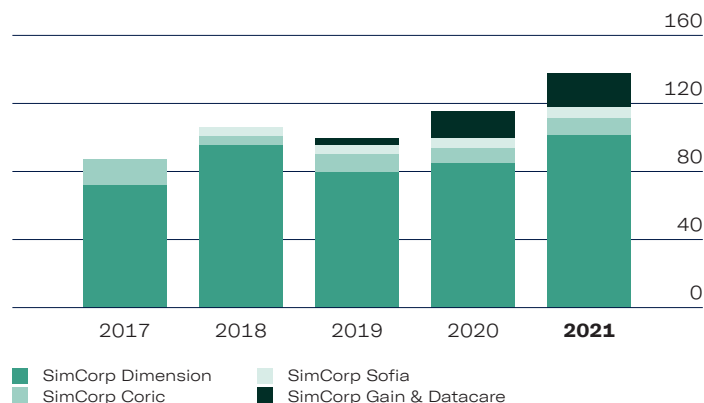
In the 2020 Annual Report, SimCorp announced 2021 expectations for revenue growth measured in local currencies of between 6% and 11% and an EBIT margin measured in local currencies of between 24.5% and 27.5%. No changes to the 2021 expectations were made



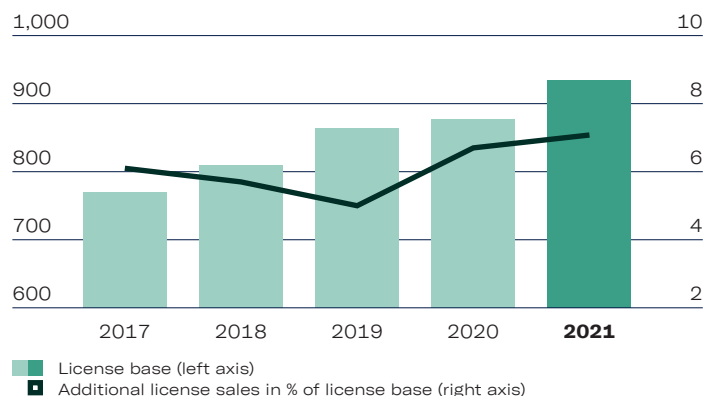
Financial expectations and results 2021

In local currencies	Achieved 2021	Annual Report 2020 Feb. 10, 2021
Revenue growth	8.7%	6% - 11%
EBIT margin	26.9%	24.5% - 27.5%

Order intake for software licenses (EURm)



SimCorp Dimension license base and additional license sales (EURm)



Conversion rate: Additional licenses as a percentage of the installed license base beginning of year. License base: Accumulated license order value.

throughout the year, and the revenue growth measured in local currencies of 8.7% and EBIT margin measured in local currencies of 26.9% achieved in 2021 were both in line with the financial guidance given.

The financial guidance and the realized financial results can be seen in the table on page 23.

Order intake and order book

In 2021, total order intake of EUR 137.6m was an increase of EUR 22.5m compared with 2020. The increase was primarily due to higher order intake for SimCorp Dimension, excluding CDD, which increased from EUR 79.2m in 2020 to EUR 91.3m in 2021, primarily driven by several significant deals signed with existing clients.

Datacare order intake of EUR 17.5m compared with an order intake of EUR 12.9m in 2020 also contributed to the total order intake growth. SimCorp Dimension orders related to SimCorp's Client-Driven Development (CDD) program was EUR 9.4m compared with an order intake of EUR 5.8m in 2020. The order intake for SimCorp Coric was EUR 10.1m compared with EUR 8.6m in 2020. For SimCorp Sofia, the order intake was EUR 6.3m compared with EUR 6.1m in 2020, and SimCorp Gain had an order intake of EUR 3.0m compared with EUR 2.5m in 2020.

SimCorp Dimension license solutions were sold to four new clients in 2021, all on subscription-based terms, with a total order inflow of EUR 16.4m, compared with sales to 12 new clients in 2020 with a total order inflow of EUR 20.5m. The average size of initial SimCorp Dimension license deals increased from EUR 1.7m in 2020 to EUR 4.1m in 2021.

Three out of the four SimCorp Dimension initial license orders in 2021 were signed in EMEA, while one was signed in North America. Three out of the four initial license orders were selected as a Service (hosted) solutions.

In 2021, we also welcomed three new clients through three of our existing outsourcing clients.

SimCorp Coric sold two new standalone solutions and one solution as part of a new SimCorp Dimension deal. The two new standalone SimCorp Coric solutions sold in 2021 were signed in North America.

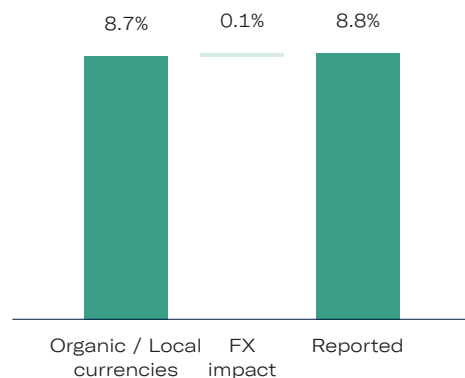
In 2021, four Gain license orders and four SimCorp Datacare solutions were sold to existing SimCorp Dimension clients or as part of a new SimCorp Dimension deal.

Additional license sales were higher than last year due to several significant deals signed with existing clients in H2 2021. Some of these deals included conversions from perpetual to subscription-based licenses, driven by increased engagement with our clients and extended functional scope, such as alternative investments, ESG and Datacare. Our newly launched ESG offering was successful as sold to 25 clients in 2021.

EUR 32.6m of the additional order intake was due to eight clients converting their perpetual contracts to subscription-based license contracts. For the eight clients converting in 2021, the annual subscription-based payments will be slightly higher than the software updates and support fees under the perpetual contracts due to the sale of additional functionality in connection with the conversions, but the annual software updates and support fees will be around EUR 6m lower, as the subscription license revenue under IFRS 15 is recognized on contract completion.

In comparison, additional order intake increased by EUR 18.1m due to five conversions in 2020, resulting in annual software updates and support fees being decreased by EUR 3.0m.

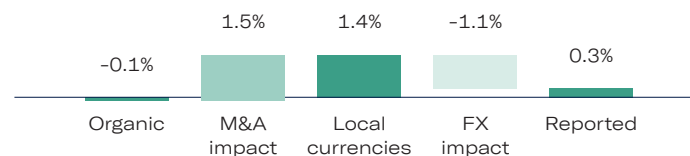
2021 Revenue growth



Total order book increased by EUR 16.9m from January 1, 2021 to EUR 73.0m at December 31, 2021, primarily due to Datacare, which accounted for EUR 16.1m of the increase from EUR 13.8m at December 31, 2020 to EUR 29.9m at December 31, 2021.

The order book includes order book for SimCorp Dimension Client-Driven Development (CDD) of EUR 12.8m (December 31, 2020: EUR 13.9m), SimCorp Dimension, excluding CDD of EUR 23.3m (December 31, 2020: EUR 22.3m), SimCorp Coric contracts of EUR 3.9m (December 31, 2020: EUR 3.0m), SimCorp Sofia contracts of EUR 1.2m (December 31, 2020: EUR 1.5m), SimCorp Gain contracts of EUR 0.4m (December 31, 2020: EUR 0.2m), and Regulators Reporting Platform (RRP) contracts of EUR 1.5m (December 31, 2020: EUR 1.4m). The order book is a consequence of income recognition being deferred until certain conditions are fulfilled or subscription services revenue recognized over the contract period.

2020 Revenue growth



The total value of the installed SimCorp Dimension license base increased by 6.5% to EUR 934m. Adjusted for currency effect the increase was 4.5%. Measured as a percentage of the total value of the installed SimCorp Dimension license base, the additional license sales were 7.1% in 2021 compared with 6.7% in 2020. The total value of the installed license base for SimCorp Dimension clients who have an installed license base above EUR 2m accounted for 92% of the value of the total installed license base compared with 91% in 2020.

The share of subscription-based license agreements in the installed SimCorp Dimension license base increased from 28% at the end of 2020 to 35% at the end of 2021. In total, 79 (equivalent to 38%) out of 207 SimCorp Dimension clients are on subscription-based license agreements, while the remaining 128 SimCorp Dimension clients are on a perpetual license agreement. In comparison, 70 (equivalent to 34%) out of 206 SimCorp Dimension clients were on subscription-based license agreements in 2021. Most standalone SimCorp Coric and SimCorp Sofia clients are on subscription-based license agreements.

At year-end 2021, the average length of subscription-based license agreements at signing was around six years for SimCorp Dimension, around five years for SimCorp Coric, around five years for SimCorp Gain, and approximately one year for SimCorp Sofia. The remaining average length before renewal was 4.1 years for SimCorp Dimension, 3.0 years for SimCorp Coric, 3.7 years for SimCorp Gain, and less than one year for SimCorp Sofia as most agreements are renewed annually at the beginning of the year.

Total contract value outstanding, excluding as a Service offerings, at December 31, 2021 was around EUR 423m (December 31, 2020: EUR 336m), of which around EUR 107m is payable in 2022 (EUR 69m payable in 2021).

In 2021, we added eight new SimCorp Dimension as a Service clients, bringing the total number of SimCorp Dimension clients on a hosted solution to 34. Five out of the eight new SimCorp Dimension as a Service clients were existing clients moving from an on-premise to a hosted solution. Seven of the 34 as a Service clients had signed up for our newly launched SimCorp Dimension solution hosted by Microsoft Azure, of which three are existing clients moving from an on-premise to a hosted solution.

At the end of 2021, we also have 18 SimCorp Coric as a Service clients and 12 SimCorp Gain as a Service clients on a hosted solution. Some clients have both Dimension, Coric, and Gain, and, in total, we have more than 50 as a Service clients on a hosted solution.

Three clients canceled SimCorp Dimension contracts in 2021. In addition, four SimCorp Gain licenses were canceled. The annual software updates and support fee for the canceled contracts amounted to EUR 1.8m, equivalent to 0.4%-points of 2021 revenue compared with EUR 3.0m in 2020, equivalent to 0.7% points of 2020 revenue.

Income statement 2021

Revenue

SimCorp derives revenue from four primary sources: license fees, software updates and support fees, fees from professional services, and hosting and other fees. License fees comprise initial sales to new clients and additional sales to existing clients.

SimCorp generated revenue of EUR 496.3m in 2021 compared with EUR 456.0m in 2020, equivalent to an increase of 8.8%. Exchange rate fluctuations for the period had a small positive impact on revenue of 0.1%. Measured in local currencies, revenue thus increased organically by 8.7%. The acquisition of AIM Software took place in 2019 and thus only impacted revenue growth in 2020. The impact of currency fluctuations and the acquisition of AIM Software on revenue growth is shown on page 25.

SimCorp business model is evolving more and more from a software solution model towards a Software as a Service (SaaS) delivery model. SimCorp therefore commenced reporting Annual Recurring Revenue (ARR) on a quarterly basis in 2020. In 2021, the ARR was EUR 277.4m, which was equivalent to 55.9% of total revenue. In 2020, the ARR was EUR 250.9m, which was equivalent to 55.0% of total revenue. The ARR growth in 2021 was 10.5% in EUR, and 10.4% in local currencies.

Total license fee recognized from initial licenses to new clients and additional licenses to existing clients was EUR 114.0m, an increase of EUR 22.5m, or 24.6%, compared with 2020. Currency fluctuations impacted total license fee positively by 0.2%. Measured in local currencies, the organic increase was 24.4%. License fee for 2021 included revenue interest of EUR 2.0m related to the financing element in contract assets (2020: EUR 2.3m). In total, the reported

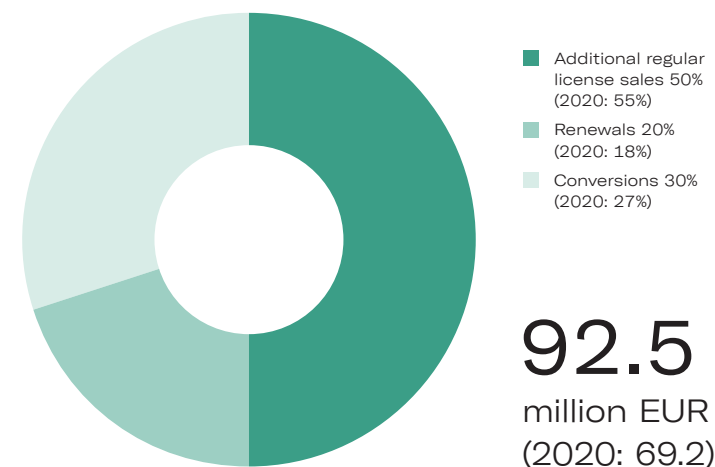
total license fee revenue accounted for 22.9% of the Group's total revenue compared with 20.1% in 2020.

License fee from initial sales decreased by 3.7% from EUR 22.4m in 2020 to EUR 21.5m in 2021. Currency fluctuations impacted license fee from initial sales negatively by 2.1%. The decrease in license fee from new sales resulted from fewer deals signed in North America and APAC than in 2020.

License fee from additional sales – consisting of additional regular license sales to existing clients, renewals of subscription-based licenses, and conversion of perpetual licenses to subscription-based licenses – increased by 33.7% from EUR 69.2m in 2020 to EUR 92.5m in 2021. Currency fluctuations impacted license fee from additional sales positively by 0.9%. The underlying organic growth was 32.8%.

In 2021, **additional regular license sales** accounted for 50% (2020: 55%) of the total additional license sales, conversions accounted for 30% (2020: 27%), while renewals accounted for the remaining 20% (2020: 18%), of which approximately 7%-points related to SimCorp Sofia renewals, 6%-points

Additional license sales split



Revenue

EUR '000	2021	Share of revenue 2021	2020	Share of revenue 2020	Revenue growth	Organic revenue growth local currencies
Licenses – initial sales	21,533	4.3%	22,364	4.9%	-3.7%	-1.6%
Licenses – additional sales	92,506	18.6%	69,188	15.2%	33.7%	32.8%
Software updates and support	179,361	36.1%	176,575	38.7%	1.6%	1.4%
Professional services	167,894	33.9%	154,730	33.9%	8.5%	8.7%
Hosting and other fees	34,980	7.1%	33,113	7.3%	5.6%	5.0%
Total revenue	496,274	100.0%	455,970	100.0%	8.8%	8.7%

related to SimCorp Coric renewals, 6%-points related to SimCorp Dimension renewals, and 1%-points related to SimCorp Gain renewals.

Software updates and support revenue increased by 1.6% from EUR 176.6m last year to EUR 179.4m with the completion and implementation of new client installations and new functionality to existing clients. Currency fluctuations increased the software updates and support revenue by 0.2%. Consequently, organic growth for 2021 in software updates and support revenue was 1.4%. Software updates and support revenue accounted for 36.1% of total revenue compared with 38.7% in 2020. License agreements signed in 2021 will increase annual software updates and support revenue by around EUR 8m once fully implemented (2020: EUR 8m), while canceled contracts in 2021 and conversions from perpetual to subscription-based licenses will decrease annual software updates and support revenue by around EUR 8m (2020: EUR 6m).

Fees from professional services increased by 8.5% from EUR 154.7m last year to EUR 167.9m. Currency fluctuations decreased the professional services revenue by 0.2%. Consequently, organic growth in professional services

revenue was 8.7%. Fees from professional services accounted for 33.8% of total revenue in 2021 compared with 33.9% in 2020.

Hosting and other fees increased from EUR 33.1m in 2020 to EUR 35.0m, due to adding more clients on a hosted as a Service solution.

Revenue distribution

The ten largest clients generated 23% (2020: 25%) of SimCorp's total revenue. In 2021, the largest client accounted for 4.0% (2020: 5.5%) of the revenue.

SimCorp entered 2022 with signed revenue for the full year of EUR 323.2m – an increase of EUR 34.0m or 11.8% compared with the beginning of 2021.

In 2021, SimCorp achieved a top-line growth in its business unit in APAC of 22%, in its EMEA business unit of 10%, while revenue in its North American business unit only increased by 8% due to fewer new clients signed in 2021 than in recent years. The SimCorp Sofia business unit generated growth of 14% in 2021 (for more details, see the Business Unit Review 2021, page 22).

Costs

Total operating costs (including depreciation and amortization) increased by 9.6% from EUR 332.5m in 2020 to EUR 364.6m. Currency fluctuations increased the total operating costs by 0.4%. Measured in local currencies, the operating costs increased by 9.2% compared with 2020. The increase in operating costs was primarily a result of increased hosting and salary costs.

The average number of full-time employees increased by 31 or 1.7% from 1,840 in 2020 to 1,871 in 2021. The number of employees (headcount) was 1,998 at the end of 2021 compared with 1,901 at the end of 2020, an increase of 97 employees.

70% of SimCorp's total operating costs were directly related to employees compared with 74% in 2020.

Cost of sales increased by 17.7% to EUR 197.0m. Measured in local currencies, the organic increase in cost of sales was 17.3%. The increase was partly related to an increase in the hosting and services activities, and partly due to an internal restructuring made in Q2 2021, moving staff from our product division to customer support, to strengthen the

Operating costs

EUR '000	Costs 2021	Share of costs 2021	Share of revenue 2021	Costs 2020	Share of costs 2020	Share of revenue 2020	Growth	Organic growth local currencies
Cost of sales	196,982	54.0%	39.7%	167,415	50.3%	36.7%	17.7%	17.3%
Research and development costs	91,771	25.2%	18.5%	91,830	27.6%	20.1%	-0.1%	-0.3%
Sales and marketing costs	50,230	13.8%	10.1%	50,198	15.1%	11.0%	0.1%	-0.9%
Administrative expenses	25,583	7.0%	5.2%	23,077	7.0%	5.1%	10.9%	9.8%
Total operating costs	364,566	100.0%	73.5%	332,520	100.0%	72.9%	9.6%	9.2%

customer experience. Cost of sales represented 39.7% of revenue compared with 36.7% in 2020.

Research and development costs decreased by 0.1% to EUR 91.8m. Measured in local currencies, research and development costs decreased by 0.3%. The decrease was due to the internal restructuring made in Q2 2021 moving staff from product division to customer support. Research and development costs were 18.5% of revenue in 2021, compared with 20.1% in 2020.

Sales and marketing costs increased by 0.1% to EUR 50.2m. Measured in local currencies, sales and marketing costs decreased by 0.9%. Sales and marketing costs represented 10.1% of revenue compared with 11.0% in 2020.

Administrative expenses increased by 10.9% to EUR 25.6m. Measured in local currencies, administrative expenses increased by 9.8%. Administrative expenses were 5.2% of revenue compared with 5.1% in 2020.

Group performance

SimCorp generated an EBIT of EUR 132.4m compared with EUR 124.3m in 2020, an increase of EUR 8.1m. The reported EBIT margin was 26.7% compared with the EBIT margin of 27.3% in 2020. When measured in local currencies, the EBIT margin was 26.9% in 2021. The currency and acquisition (2020) impact on EBIT margin is shown to the right on this page.

In 2021, EBITDA was EUR 147.8m compared with EUR 140.4m in 2020, an increase of EUR 7.4m. The EBITDA margin was 29.8% compared with the EBITDA margin of 30.8% in 2020.

Share of profit after tax in associates of EUR 0.2m, financial income of EUR 5.8m, and financial expenses of EUR 1.0m resulted in a net financial income of EUR 5.0m in 2021 compared with a net financial expense of EUR 8.2m in

2020. The net financial income in 2021 as well as the net financial expense in 2020 were primarily related to foreign exchange adjustments.

Profit before tax was EUR 137.4m against EUR 116.1m in 2020. The estimated tax charges for 2021 amounted to EUR 27.4m against EUR 27.8m in 2020. The effective tax rate was 20.0% compared with 24.0% in 2020, as in 2021, the effective tax rate was impacted by refunds of withholding taxes related to prior years. Consequently, the effective tax rate of 20.0% was lower than the expectation announced in the 2020 Annual Report of an expected effective tax rate for 2021 of between 23% and 25%.

The Group profit after tax was EUR 110.0m compared with EUR 88.3m in 2020. After the net effect of foreign currency translation differences and remeasurements of defined benefit plans of EUR 4.0m, the total comprehensive income amounted to EUR 114.0m against EUR 85.6m in 2020.

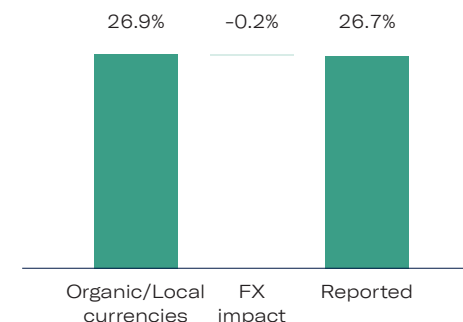
Statement of financial position

SimCorp had total assets of EUR 526.3m at December 31, 2021 compared with EUR 470.8m at December 31, 2020. The increase of EUR 55.5m was primarily related to changes in contract assets of EUR 45.1m.

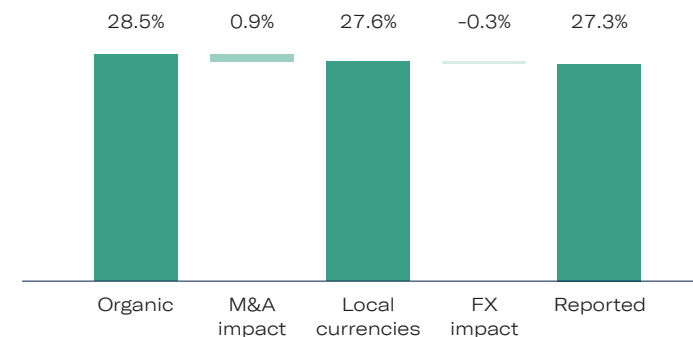
Cash holdings decreased by EUR 5.4m from EUR 53.1m at December 31, 2020 to EUR 47.7m.

Compared with December 31, 2020 contract assets increased by EUR 45.1m from EUR 175.9m to EUR 221.0m. New and additional subscription-based licenses added EUR 74.6m to contract assets, foreign exchange adjustments added EUR 8.6m, and net adjustment in financing element added EUR 1.4m. Reductions in 2021 stem from invoiced subscription-based license fees from opening balance of EUR 39.4m, and from adjustments to expected credit loss provision of EUR 0.1m.

2021 EBIT margin



2020 EBIT margin



Receivables increased by EUR 14.0m from EUR 82.5m at December 31, 2020 to EUR 96.5m.

In accordance with IFRS 9 'Financial Instruments', SimCorp has made an expected credit loss provision of EUR 1.4m related to contract assets and receivables at December 31, 2021 (December 31, 2020: EUR 1.4m).

The Group's total non-current assets were EUR 147.3m compared with EUR 150.9m on December 31, 2020.

Goodwill was EUR 61.6m at December 31, 2021 compared with EUR 61.4m at December 31, 2020. No impairment of goodwill was made in 2021.

The carrying amount of acquired software was EUR 9.8m compared with EUR 11.5m at the end of 2020 and the value of client relationships was EUR 21.2m compared with EUR 22.9m at the end of 2020. The decreases were due to amortization.

The carrying amount of leasehold assets was EUR 40.1m compared with EUR 43.7m at the end of 2020. The decreases were due to amortization.

Other property, plant, and equipment amounted to EUR 3.6m compared with EUR 4.0m at the end of 2020.

Other financial assets amounted to EUR 4.8m compared with EUR 0.4m at the end of 2020. The increase in 2021 was due to an investment in Domos.

Deferred tax assets were EUR 3.1m compared with EUR 4.2m at the end of 2020.

SimCorp's total liabilities were EUR 203.2m at December 31, 2021, compared with EUR 192.6m a year earlier. The increase relates mainly to higher trade payables.

Changes in equity

The Group's equity amounted to EUR 323.1m on December 31, 2021. This was an increase of EUR 44.9m compared with December 31, 2020. Equity was reduced by the purchase of treasury shares of EUR 40.1m and by dividends of EUR 40.1m. Equity was increased by comprehensive income in 2021 of EUR 114.0m as well as effects of share-based remuneration of EUR 11.0m, net of tax.

Cash flow statement

Operating activities generated a net cash inflow of EUR 90.7m against EUR 104.6m last year.

In 2021, changes in working capital were negative at EUR 11.2m in 2021, compared with three consecutive years with positive changes in working capital of EUR 9.3m in 2020, EUR 11.5m in 2019 and EUR 21.9m in 2018. Changes in working capital in 2021 were negatively impacted by a one-off payment of EUR 6.6m following a change in the Danish Holiday Act and postponed payments of income taxes and social charges offered under government COVID-19 related support schemes payments where payments without these support schemes would have been paid in 2020. This contributed to the decrease in Other payables of EUR 9.2m from the end of 2020 to the end to 2021. In addition, receivables increased by EUR 14.0m due to the increased revenue.

Changes in contract assets were EUR -44.9m compared with EUR -24.6m in 2020, due to higher subscription-based license revenue in 2021 than in 2020.

Payment of income taxes amounted to EUR 23.3m, against EUR 20.7m in 2020.

Other non-cash items of EUR 12.4m was primarily related to unrealized exchange gains and other adjustments.

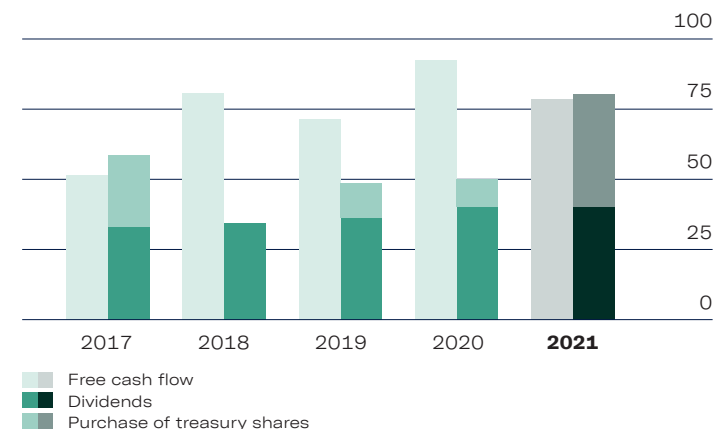
There was a net cash outflow of EUR 5.7m from investing activities compared with EUR 2.7m in 2020. The increase was due to the investment in Domos.

Free cash flow (cash flow from operations reduced by CAPEX and lease payments) was EUR 78.6m compared with EUR 91.8m in 2020, a decrease of EUR 13.2m.

Cash conversion, defined as free cash flow divided by profit for the year, was 71% compared with 104% in 2020. The lower cash conversion was primarily due to increased contract assets following higher subscription-based license revenue, and the development in changes in working capital explained above. The cash conversion of 71% was in line with the expectation announced in the 2020 Annual Report of an expected cash conversion for 2021 of between 70% and 80%.

Cash used in financing activities in 2021 of EUR 91.0m related to dividend payments of EUR 40.1m, purchase of

Free cash flow/ Cash flow to shareholders (EURm)



treasury shares of EUR 40.1m, and repayment of lease liabilities of EUR 10.8m, compared with payment of dividends of EUR 39.9m, purchase of treasury shares of EUR 10.0m, repayment of lease liabilities of EUR 10.3m, and net repayment of credit facilities of EUR 20.0m in 2020.

Treasury shares

In 2021, SimCorp purchased 575,475 treasury shares with a nominal value of DKK 1 at an average price of DKK 794.17 per share, totaling EUR 40.1m. SimCorp delivered 152,806 treasury shares with a nominal value of DKK 1 on the vesting of restricted stock units.

Furthermore, 1,697 treasury shares will be delivered after publication of this annual report as remuneration to the Board of Directors in accordance with a resolution adopted by shareholders at the Annual General Meeting 2021.

At December 31, 2021, SimCorp held 1,072,118 treasury shares with a nominal value of DKK 1 each (2.6% of the total share capital) at a cost of EUR 85.6m and a market value of EUR 103.1m. At December 31, 2020, SimCorp held 849,449 treasury shares with a nominal value of DKK 1 each (2.1% of the total share capital) at a cost of EUR 52.6m and a market value of EUR 103.0m.

The parent company SimCorp A/S

In 2021, the parent company generated revenue of EUR 250.2m, an increase of EUR 14.6m compared with 2020.

The parent company received dividends totalling EUR 20.3m from subsidiaries in 2021 compared with EUR 24.9m in 2020.

Profit before tax for the year was EUR 110.7m against EUR 108.1m in 2020. Income tax amounted to EUR 15.8m compared with EUR 19.4m in 2020. Net profit was EUR 94.9m compared with EUR 88.7m in 2020.

Equity increased from EUR 265.3m at December 31, 2020 to EUR 291.2m at December 31, 2021.

Profit allocation

The Board of Directors intends to recommend to shareholders at the Annual General Meeting 2022 that, of the total recognized comprehensive income of EUR 95.1m, dividends of EUR 39.9m be declared, representing DKK 7.50 per share of DKK 1, and that EUR 55.2m be transferred to retained earnings.



Risk management

As SimCorp operates in a continually changing and volatile business environment, its Board of Directors and management regard it as essential that its enterprise risk exposure is thoroughly assessed, monitored and controlled on an ongoing basis. This happens through a structured and constantly improved enterprise risk management process, which is closely linked to our strategy execution, applying a framework of risk policies and risk mitigating procedures.

The Board of Directors and management are deeply committed to prepare the company for different risks and uncertainties which could, in circumstances we may or may not be able to accurately predict, recognize, or control, have a material adverse effect on our business, reputation, future activities, results and liquidity.

01 Risk analysis

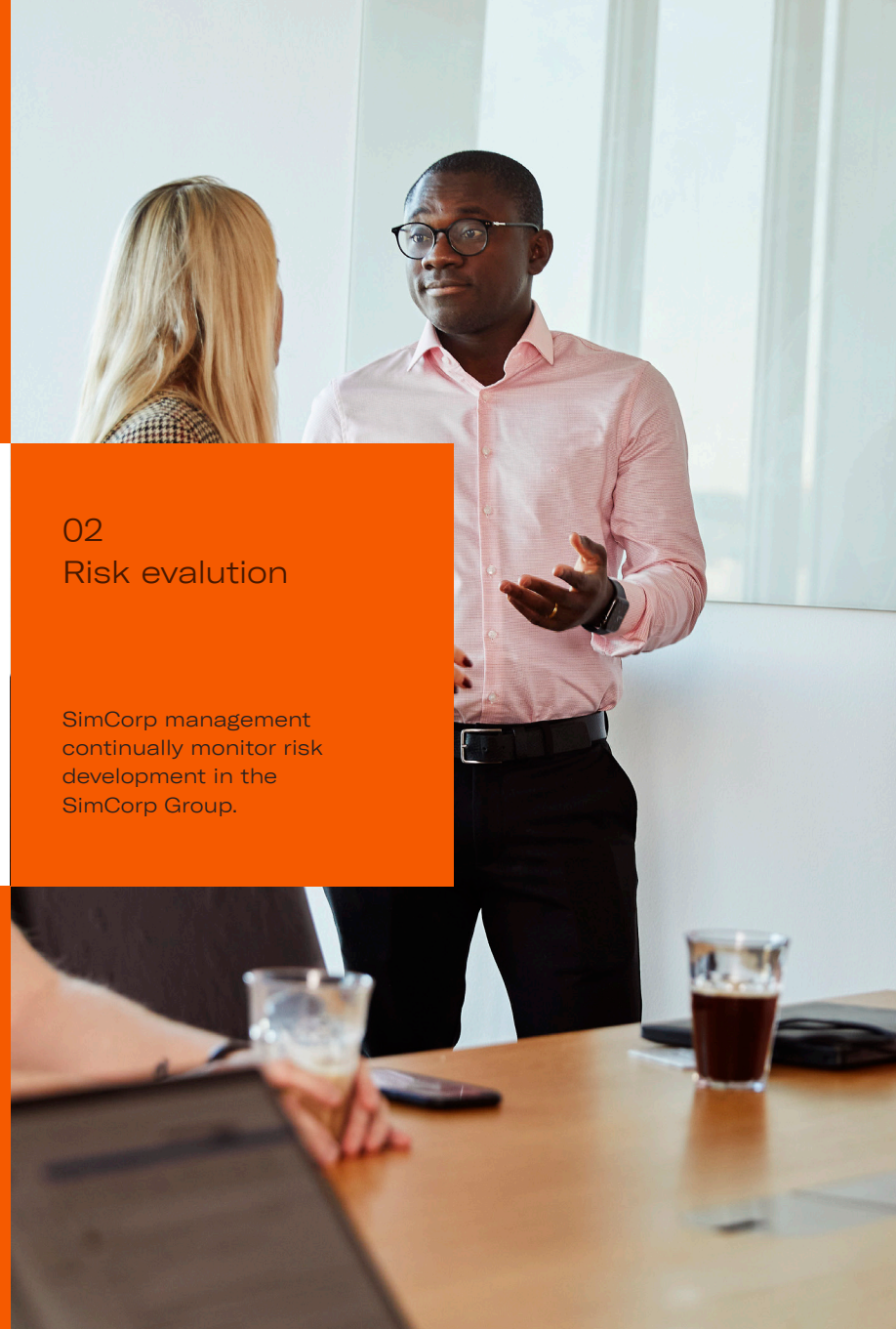
An Enterprise Risk Management process is applied to identify relevant risks in SimCorp's major units.

02 Risk evaluation

SimCorp management continually monitor risk development in the SimCorp Group.

03 Risk control

The Audit and Risk Committee carries out an analysis of the ongoing process for identifying and reporting risks.



Risk category		Risk mitigation
Cyber-attack	As a software company with a core business based on modern information technology, a failure to adequately protect itself against IT security risks, would represent a particular risk. Cybercrime, including unauthorized access to SimCorp's network and data, could endanger applications as well as the infrastructure and the technical environment stored on SimCorp's network. The same goes for virus attacks and theft of code and know-how which could also entail prolonged system breakdowns impairing productivity and potentially rendering SimCorp unable to service its clients. SimCorp currently delivers SimCorp Dimension as a Service (hosted) for 34 clients, operating the clients' systems in a third-party hosted environment. Any failure of the hosting provider could result in prolonged system breakdowns that would impair productivity and potentially render SimCorp unable to service clients.	SimCorp monitors its technical infrastructure to identify and minimize risk to the company's production and operation. Established procedures and solutions enable a quick restoration of critical business services. SimCorp upholds a high data security level and strict access control to the physical environment and data network. Controls are monitored and reviewed to optimize information security, and SimCorp regularly employs third-party testers to perform penetration testing, security reviews and auditing. SimCorp continually reviews third-party hosting providers' compliance with security commitments, and we receive and review third-party assurance and penetration testing reports. SimCorp management and employees are regularly updated on new potential cybercrime threats and how to minimize the risk of phishing and hacking. SimCorp has a disaster recovery plan for restoring all critical business services and makes use of state-of-the-art tracing software for detecting unintended access or attempts to SimCorp's network.
People and corporate culture	SimCorp's business is based on specialized expertise and innovation. It is imperative that SimCorp continues to attract, develop, and retain the most skilled employees and management talent. Failure to do so constitutes a risk to the Group. SimCorp's new strategy to become a technology-enabled service company requires new and different capabilities in terms of client insights and understanding, software engineering (cloud computing), sales and operational capabilities, and leadership. SimCorp is deeply dependent on having the right people across the value chain. The supply of talent is provided internally through development of talent and from the market. For some roles, there is fierce competition for talent. Hence, SimCorp's ability to successfully attract, hire, onboard and retain our talent – and do this in a scalable and efficient way – is critical for our long-term success. Not embracing a diverse and inclusive culture presents a risk of not attracting the best people. Moreover, it is considered a genuine risk to SimCorp's long-term position, if the company's corporate values do not continue to serve as a core basis for business execution and development.	To ensure SimCorp's ability to attract talented employees, an 'Employer Value Proposition' program is in place to strengthen the company's employer brand by increasing the awareness of what SimCorp has to offer new employees. To retain talent in SimCorp, mentoring and leadership training programs are in place. Substantial resources are allocated to training and development programs to ensure the strengthening of professional and personal skills across the organization. Diversity, equity, and inclusion initiatives ensure the widest talent pool possible, exemplified by the launch of a Women's Mentorship Program. In order to map where we may lack critical resources, a company-wide capability review has been completed and a gap analysis has been created. A new leadership model focusing on improving the entire leadership skillset, including talent enablement, has been developed and is ready for implementation. Planning on the forecasted needed resources is in place, allowing the preparation for recruiting of talent in the right locations as well as building the skills internally on the existing workforce. To ensure SimCorp's business is conducted in accordance with corporate values, a Guideline for Good Business Behavior for all employees and a Code of Conduct for Suppliers have been established, and annual online training is conducted. In addition, SimCorp maintains a whistleblower system as a means of increasing focus on transparency and enabling reporting and action on suspected irregularities in the business.

Risk category		Risk mitigation
Markets and clients	Responding timely to investment management market trends is critical to SimCorp's ability to stay competitive. Failing to spot these trends represents a risk. Competitors' expansion of service-offerings and distribution could also endanger SimCorp's market-leading position. New local requirements or legislation may also influence the demand for SimCorp's offerings.	Through extensive ongoing market research and industry analysis, SimCorp keeps abreast of trends and movements in the global financial markets. Its close and longstanding client relationships allow SimCorp to anticipate and respond to new preferences and requirements. In addition, SimCorp actively monitors contracts to manage risks. Although 40% of SimCorp's clients are among the top 100 global investment managers, the SimCorp Group has no client with revenue of more than 4.0% (2020: 5.5%) of total revenue.
Political and pandemic risks	With offices and sales across the world, SimCorp is from time to time affected by geopolitical uncertainties and unrest. Since 2007, SimCorp has had a development unit based in the Ukraine. The possible close down of countries due to pandemic, terror, war etc. could pose a threat to SimCorp's product offering, sales, and service efforts. The same goes for our employees' well-being.	Potential political and economic unrest in countries and regions where SimCorp operates or plans to operate is monitored and fully considered when making operational and strategic decisions. SimCorp continuously monitors the political situation in countries where we and our clients operate. The situation in Ukraine is being monitored closely, and we have contingency plans for the operating environment and our employees. Structured sales reviews, the ability to do remote demos and implementations, as well as our standard platform initiative are in place to mitigate the risk of discontinuity to the daily operation of the business in times of crisis.



Risk category		Risk mitigation
Regulatory issues and fiscal policies	Protecting SimCorp's long-term business interests is vital to its continued operations. This includes legal risk that may impact SimCorp's business. Failure to meet or implement regulatory requirements in a timely fashion with respect to, for instance, data protection, confidentiality agreements, IPR, corruption and fraud constitutes a risk. SimCorp is subject to tax and fiscal policies in the countries in which the Group operates. Changes to local policies may affect SimCorp's tax and fiscal position. Due to the nature of SimCorp's operations, the company is exposed to changes in currency exchange rates. Failure to comply with local data protection regulation also represents a risk.	SimCorp ensures that all contracts entered into are carefully worded. SimCorp's due diligence and procurement processes, as well as the 'Guideline for Good Business Behavior' established for all employees and suppliers, ensure that the company's value-based principles are adhered to, including safeguarding against corruption. SimCorp's Group Finance department manages the company's currency and financial exposures pursuant to the treasury policy approved by the Board of Directors, and it is required to keep the overall currency and financial exposure within defined limits. Furthermore, Group Finance ensures that – in line with the tax policy – SimCorp is at all times tax compliant in the countries in which SimCorp conducts business. SimCorp has implemented a number of business procedures and controls to maintain transparency of individual activities and an overview of financial exposure. SimCorp's Group Legal and Compliance department ensures and monitors data regulation compliance.

Financial reporting

Financial reporting involves the risk of non-compliance with applicable regulations.

There is also a risk that internal controls may not detect or prevent significant errors and omissions in financial reporting.

SimCorp's business procedures and controls ensure compliance with financial reporting requirements. The full wording of SimCorp management's statutory responsibilities under section 107 b of the Danish Financial Statements Act is available on SimCorp's website:

→ www.simcorp.com/corporate-governance

The Executive Management Board monitors compliance and provides the Board of Directors with relevant reports.



Risk category		Risk mitigation
Software implementation and services	Implementation projects not being priced correctly or clearly scoped poses a risk of cost overruns, as well as causing delivery risk to be transferred to SimCorp. After going live with the solution, the most apparent risk is possible breach of service level agreements, security requirements, or other committed standards. Offering SimCorp Dimension as a Service introduces operational risks from running clients' operational IT environments. This in turn exposes SimCorp to potential financial and reputational risks should operations be negatively impacted by errors or downtime. Related services are provided by SimCorp and subcontractors engaged by SimCorp. If SimCorp fails to balance the requirements of clients and agreements with these subcontractors, SimCorp risks impairing the clients' businesses as well as its own.	SimCorp professional services apply a global delivery model leveraging a standard methodology based on industry best practices and standard components. This approach includes comprehensive project plans and regular client meetings. It is key for SimCorp to provide standardized end-to-end serviced solutions, both during implementation and after clients have gone live. SimCorp has established various measures to control both external and internal risk to the provision of full-service packages. Externally, a due diligence process is conducted on each subcontractor to ensure it meets SimCorp's requirements; financially, organizationally, and product-wise. Internally, a clear description and overview of each delivery component allows for a clear segregation of duties. SimCorp's consultants undergo regular training, and have relevant industry standard and SimCorp specific certifications, to maintain and develop the required knowledge and experience in relation to the operational services. Larger complex implementation contracts are evaluated, approved, and monitored using a Group standard. SimCorp regularly receives independent assurance reports from our third-party service providers, and the hosting providers have undergone due diligence performed by SimCorp and its external partners. Furthermore, SimCorp has reciprocal agreements with its third-party service providers. SimCorp has a targeted security awareness program on secure development standards. Patch and upgrade servers are part of the product and are protected like other servers.
Product innovation and quality	Product innovation, improved technical infrastructure, and enhanced technical capabilities are fundamental to meeting new system requirements in the market and this continues to be a risk for SimCorp. Being unable to deliver those elements in a timely fashion could mean that SimCorp's product and services would end up as legacy offerings. SimCorp's ability to offer clients the best software with the highest possible configurability and flexibility is paramount. Inadequate quality control and testing prior to the release of new software versions could increase the risk of reduced client satisfaction and loyalty. To enable optimal use of resources, lower the total cost of operations (TCO), ease upgrade, and make cloud benefits available for our clients in an efficient manner, we need SimCorp Dimension to operate in a 3-tier deployment model, on premises, in private, and in the public cloud. The 3-tier deployment model is the first step in our cloud lift and is paramount for this transition. The main risk associated with the transition is the lack of necessary development capacity or capabilities.	Quarterly, SimCorp offers updated versions of SimCorp Dimension, including enhanced system functionality and technical infrastructure based on a systematic prioritization of client and market requirements. A best-practice agile development method enables quick adaptation to change in market and client demands. This also shortens the period of extensive control and testing prior to new version releases, securing an even better software quality. SimCorp continually raises and follows up on internal quality targets and has been able to reduce the number of errors in new software releases. As part of our transition to cloud, we have laid out the technical needs, ensured feasibility, done extensive estimation, and established burndown measurements. In addition, we have increased our efforts to meet staff needs in all our locations, and we are engaging with subcontractors to increase our capacity for this peak period. In 2021, we made good progress on the cloud lift to move SimCorp Dimension from a 2-tier to a 3-tier architecture, a journey that will continue.

	Risk category	Risk mitigation
Security breaches in products supported by SimCorp	SimCorp sells software products to on-premise and cloud-based clients. Clients being affected by security incidents directly from our product stack or supply chain poses a significant risk. Furthermore, data breaches, including personal information and market sensitive information, remain one of the top concerns for our clients.	SimCorp's products are subject to a range of security controls prior to release, including peer review and static code analysis by automated code review tools. We recommend clients use Citrix as an additional protection layer. Governance of third-party software components is performed, the suppliers of such software are diligently screened, using both expert assessments of the product as well as in-house proof of concept and on-going automated review.
Business Processes as a Service	As Business Processes as a Service is becoming increasingly sought after in the market, not being able to execute on our launch of these new service offerings poses a risk of sunk costs, but more significantly of not seizing a new market opportunity and staying competitive in our current market.	SimCorp has established tight project governance in collaboration with external consultants to ensure the monitoring process. In addition, we have established a new incubator business unit to ensure focus on the launch of the new service offers. In the new business unit, industry experts have been hired to lift our domain skillsets and elevate our service delivery capabilities.
Strategy execution	SimCorp is going through a transformational change. To succeed with our transformation, our organization at all levels needs to understand and embrace our corporate strategy. Failing to do this will put the overall transformation and hence medium-long term company performance at risk. The strategy execution can also be hindered by inefficient change management across the organization.	SimCorp is increasing strategy and transformation communication via a combination of more frequent, more targeted, and granular (personalized to specific audiences), and more leadership-driven communication. This entails providing more information on the strategic journey, how we progress, why we are winning. From the change support side, we are building a "change community" to support change efforts across the organization through sparring, facilitation, and guiding the business/project leaders owning the various activities.



Case: Danske Bank Asset Management

New ESG solutions from SimCorp help Danske Bank AM achieve sustainability ambitions

Enabling ESG investments for clients is a core aim of SimCorp's wider sustainability strategy. A concrete example is a development partnership with Danske Bank Asset Management (AM).

Danske Bank AM is one of the largest asset managers in the Nordics. They have a long track record of integrating sustainability considerations into their financing and investment activities. With a commitment to decarbonize their portfolios and investments into net-zero by 2050, Danske Bank AM found a need to continuously evolve their investment operations platform.

SimCorp's new ESG solution, co-created with Danske Bank AM, will enable them to bring in any type of sustainability data to their platform, create tailor-made sustainability Key Performance Indicators (KPIs) and integrate those into the entire investment management value-chain.

Christian Kromann, CEO of SimCorp, said: "Enabling ESG and sustainable investing for our clients is a core aim of our wider sustainability strategy, and close client partnerships remain a formidable way to support our clients' long-term strategic ambitions."

Having automated sustainability data at their fingertips, analysts and portfolio managers will always have an up-to-date view of how their portfolio, holdings and benchmarks are performing against relevant sustainability metrics.

95%

of all Danske Invest funds are ESG funds or funds with a sustainable investment objective¹

¹ About 95% of Danske Invest funds are classified as so-called article 8 or article 9 funds as defined in the EU's Sustainable Finance Disclosure Regulation, see <https://danskebank.com/news-and-insights/news-archive/news/2021/01122021>



Christian Heiberg, CEO of Danske Bank Asset Management, said: “The sustainable agenda is rapidly picking up speed and we are fully focused on constantly improving our sustainability efforts to stay ahead of the curve and be one of the best Nordics banks for responsible investments. This requires a strong infrastructure and that we continuously work to develop our investment operations platform. Our partnership and collaborative co-creation approach with SimCorp is an important part of ensuring that we have relevant tools and systems to consistently integrate sustainability-related perspectives in our investment management processes and products.”

Reporting obligations for financial firms

Danske Bank was the first client to go live with SimCorp’s ESG investing framework. Part of the outcome of the co-creation partnership between Danske Bank and SimCorp is also an SFDR solution that will cover the Sustainable Finance Disclosure Regulation and EU taxonomy regulation.

Set to be introduced in 2022, the second phase of EU’s SFDR will oblige financial firms to comply with various reporting requirements and SimCorp’s new SFDR solution will among other enable the periodic reporting as prescribed by SFDR, enabling a classification of ESG funds and funds with a sustainable investment objective.

→ Read the full case
<https://www2.simcorp.com/danske-bank>

“The sustainable agenda is rapidly picking up speed and we constantly improve our sustainability efforts to stay ahead of the curve. This requires a strong infrastructure.”

Christian Heiberg
CEO of Danske Bank Asset Management

Corporate governance report

SimCorp's Board of Directors has reviewed each of the recently revised recommendations on corporate governance issued by Nasdaq Copenhagen and has concluded that, with one exception (severance payments), SimCorp is in full compliance with the recommendations. The Board has decided on specific measures on the exception.

SimCorp's Corporate Governance Guidelines are intended to ensure an efficient and adequate management of SimCorp within the framework defined by applicable legislation, rules, and recommendations for listed companies in Denmark and by SimCorp's Articles of Association, vision, and values. The Statutory Report on the Recommendation on Corporate Governance 2021 demonstrates that, with one exception (severance payments), SimCorp is in full compliance with the recommendations.

→ Corporate Governance Guidelines 2021
<https://www2.simcorp.com/CorporateGovernanceGuidelines2021>

→ Statutory Report on the Recommendations on Corporate Governance 2021
<https://www2.simcorp.com/StatutoryReport2021>

SimCorp's stakeholder relationships

SimCorp's overall management objective is to promote the long-term interests of the company, and thus of all stakeholders. Achieving this objective assumes that SimCorp establishes lasting and constructive relationships with the Group's primary stakeholders: clients, employees, shareholders, and society. As part of its annual strategy objective setting, the Board of Directors (BoD) considered SimCorp's purpose of "enabling a prosperous life in a liveable world" and agreed it is in support of the long-term value creation of the company and should be pursued on a daily basis.

The work of the Board of Directors

The BoD is a collective body for promoting the long-term interests of the company. The BoD has as its main three responsibilities to ensure: (i) that the company at all times has the right Executive Management Board (EMB); (ii) that the strategic direction of the company is set; and (iii) that the financial and managerial control of the Group is conducted adequately.

Composition and qualifications of the Board of Directors, Executive Management Board, and committees

The BoD is constituted to ensure its independence, adequate collective competences, and experiences within executive management disciplines related to global corporations, information technology, and business-to-business sale and deployment of software and delivery of technology-enabled services, and to comprise a sufficient number of members to enable an appropriate distribution of tasks and an effective decision-making process. As provided in the company's articles of association, SimCorp's BoD consists of between four and eight members elected by the company's shareholders in addition to members elected by and among the company's employees. At the Annual General Meeting (AGM) 2022, Hervé Couturier will step down as member of the BoD and, accordingly, following the AGM 2022, the BoD will consist of six shareholder-elected members and three employee-elected members.

Self-assessment

As part of its annual cycle activities, the BoD carries out a self-assessment. In 2021, the Board decided to engage external assistance in the annual evaluation, which comprised an evaluation of the work and contribution of the EMB, the BoD, the Audit and Risk Committee, and the Nomination and Remuneration Committee within the areas of strategy, finance, risk management, sales, organization, management, operations and ESG.

Board of Directors and committees – meeting participation in 2021

	Board of Directors	Audit and Risk Committee	Nomination and Remuneration Committee
Peter Schütze	6/6		4/4
Morten Hübbe	6/6		4/4
Simon Jeffreys	6/6	5/5	
Hervé Couturier	6/6		4/4
Adam Warby	6/6	5/5	
Joan Binstock	6/6	5/5	
Susan Standiford	4/4		
Else Braathen	6/6	5/5	
Vera Bergforth	6/6		4/4
Hugues Chabanis	6/6		

Each member of the BoD and EMB member provided written comments and feedback on a comprehensive questionnaire which included questions on, inter alia, cooperation within the BoD, the committees and between the BoD and EMB, quality and relevance of the material provided to the BoD, the time spent on various matters and the role of the chairmanship. This was followed up by a personal interview between each member of the BoD and EMB and the external facilitator of the self-assessment and with a final report and discussion with the entire BoD and EMB.

The BoD also evaluated, whether the total number of management functions, including their level and complexity, taken on by each board member was appropriate.

It was concluded that the BoD's work is effective, that the members collectively contribute to the required areas of expertise, and that none of the directors is over-boarded.

The BoD concluded that amongst them, they possess the necessary competencies to and qualifications to perform their duties. The BoD also concluded that the diversity of the EMB and the BoD with regard to nationalities, educational backgrounds, gender, and age represented by its members is appropriate in light of the company's strategy and markets.

Finally, the BoD concluded that SimCorp complies with the Danish Corporate Governance Guidelines' recommendation that at least half of the members elected by the AGM are independent.

Risk management

The BoD has overall responsibility for ensuring that SimCorp maintains appropriate procedures to monitor, measure, and manage the company's risks and that such procedures are firmly embedded in the company's organization. As part of its risk management, the EMB and the BoD have defined and described the most critical risks to SimCorp and the related mitigating actions. For a more detailed description, see 'Risk Management', pages 31–36.

Further, the company maintains a whistleblower hotline, which is intended to enable reporting on suspected irregularities in the business. SimCorp has engaged a third party, Got Ethics, who provides an internet-based reporting tool. Reports sent through the whistleblower hotline are electronically submitted directly to the Chair of the Audit and Risk Committee and another member of SimCorp's BoD.

→ Whistleblower Policy
<https://www2.simcorp.com/whistleblower-policy>

Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the BoD with oversight of the competence profile and composition of the BoD, nomination of the BoD and committee members, succession plans for the EMB,

remuneration packages and policies for the BoD and EMB, and other tasks on an ad-hoc basis as decided by the BoD. The Nomination and Remuneration Committee consists of four members elected by the BoD on a one-year term by and among the BoD. Further, SimCorp's CEO is a regular attendee at meetings of the Nomination and Remuneration Committee. In 2021, the committee held four meetings.

Exception from the corporate governance recommendations:

Severance payments

For three of the four existing executive services agreements, the total severance pay during the notice period exceeds the recommended two years' remuneration in the event of change of ownership as the severance payment is up to nine months, and the notice period is extended to 24 months for two executives and 36 months for one executive. In future agreements, SimCorp will ensure the total remuneration does not exceed the recommended threshold. Refer to our Remuneration Report for more details on severance payments.

→ Remuneration Report 2021
<https://www2.simcorp.com/Remunerationreport2021>

Audit and Risk Committee

The Audit and Risk Committee is responsible for assisting the BoD by monitoring SimCorp's financial reporting, its internal financial control and enterprise risk management, as well as the quality, effectiveness, and independence of the external auditors for the SimCorp Group of companies. The Audit and Risk Committee consists of four members elected on a one-year term by and among the BoD. The Audit and Risk Committee meets as often as it and its Chair deem necessary, however, as a minimum, the Committee will meet four times a year at appropriate times in the reporting and audit cycle. In 2021, five meetings were held.

Auditor fee – SimCorp A/S

EUR '000	2021	2020
Audit fees	210	157
Other service fees	68	16
Total auditor fee	278	173
Non-Audit Services (NAS)/Audit fee ratio	32%	10%

Auditor fee – SimCorp Group

EUR '000	2021	2020
Audit fees	521	437
Tax and VAT advice fees	34	17
Other service fees	71	21
Total auditor fee	626	475
Non-Audit Services (NAS)/Audit fee ratio	20%	9%

The Danish corporate governance guidelines recommend that the majority of the members of the Committee qualify as independent, and that the committee should possess the necessary financial expertise. The members of the Audit and Risk Committee qualify, and are shown in the table on page 40. See SimCorp's Corporate Governance Guidelines for a full description of the Audit and Risk Committee's activities.

External auditor – tasks, objectivity, and independence

The Audit and Risk Committee reviews and monitors the company's ongoing relations with and the independence of the external auditors. Based on recommendations from the Audit and Risk Committee and the external auditors, the Board of Directors decides whether there are areas to which the external auditors should pay special attention.

During the year, the Audit and Risk Committee has been informed about the external auditor's policies and procedures for safeguarding its objectivity and independence, and the audit partners and firm rotation requirements have been routinely observed. During the year, the Committee has approved audit-related and non-audit related services fees according to the Audit and Risk Committee guidelines for approval of non-audit services. Audit fees are for the audit of the consolidated and local company financial statements.

Other ongoing activities

As part of its annual cycle activities, the Audit and Risk Committee reviews SimCorp's accounting policies, compliance with reporting requirements, risk policy and assessment, internal controls, whistleblower policy, insurance principles, and interim reports. It does deep-dives into specific topics, for example, risk associated with long-term contracts.

Assessment

During 2021, the SimCorp Audit and Risk Committee was satisfied with auditor independence, and with the management of risks within the areas it monitors for the BoD.

Data ethics

Statement on data ethics, cf. Section 99 d of the Danish Financial Statements Act

→ Data Ethics Policy
<https://www2.simcorp.com/DataEthicsPolicy2021>

In 2021, SimCorp adopted a Data Ethics Policy, the aim of which is to raise awareness of and enhance SimCorp's data ethical values and their anchoring in our organization. The policy is applicable to all types of data processing, regardless of whether it includes personal data. The policy is universal and aims to embrace all scenarios in which data ethics considerations are relevant.

SimCorp processes data on our employees, our clients' employees, our shareholders, and partners to administer our relationships and to support our decisions. The nature of the services which SimCorp provides requires that SimCorp processes transactional and portfolio data on behalf of our clients. SimCorp never engages in selling data which it has obtained through such processed data.

Furthermore, SimCorp has adopted significant safeguards in order to provide a high degree of security and integrity of such data. SimCorp – only to a limited extent – uses artificial intelligence and machine learning.

All new and existing employees will participate in training programs which include topics on data ethics.

Corporate social responsibility

Statement on corporate social responsibility, cf. Section 99 a of the Danish Financial Statements Act

→ Sustainability Report 2021

<https://www2.simcorp.com/SustainabilityReport2021>

Corporate social responsibility (CSR) in SimCorp is firmly based on the Group's Sustainability Policy. SimCorp's commitment to corporate sustainable development is based on combining financial performance with socially responsible behavior and environmental awareness.

→ Sustainability Policy

<https://www2.simcorp.com/SustainabilityPolicy2021>

SimCorp's commitment to CSR is described in its policies and codes of conduct, including the company's 'Sustainability Policy', 'Diversity, Equity and Inclusion Policy', 'Code of Conduct for Suppliers', 'Data Ethics Policy', 'Remuneration Guidelines', and 'Corporate Governance Guidelines'. These documents include guidelines on ethics, data privacy, human rights, the environment, stakeholder engagement, corporate governance, bribery, and anti-corruption that govern our professional and commercial relations with internal and external stakeholders.

SimCorp joined the UN Global Compact in 2019 and commits to submitting an annual Communication on Progress (CoP) concerning our implementation of its Ten Principles. SimCorp's contribution to specific targets related to the UN's Sustainable Development Goals and our achievements on a wide range of non-financial ESG targets and metrics are included in our Sustainability Report 2021.

Our cloud transformation, new technologies, and people initiatives are key enablers of realizing our ambitions on sustainability, which aim to reduce our own and our clients'



CO₂ emission, expand support for our clients' ESG investments, create a truly diverse, equitable, and inclusive workplace, and ensure meaning in work.

CO₂ emission is the key environmental impact affected by SimCorp's business model (see page 14). To reduce its own and its clients negative impact, SimCorp has a plan in place for moving its own operations from on-premise data centers to the cloud, offering its clients cloud hosting, and developing and offering energy-efficient services.

Due to the nature of its business model and its associated risks, SimCorp does not have a specific human rights policy.

Our approach to human rights is outlined in our Guideline for Good Business Behavior for employees and our Code of Conduct for Suppliers, which is also the foundation for our business relationships with suppliers. It is part of the procurement process that suppliers are requested to confirm compliance with the Universal Declaration of Human Rights and the core Conventions of the International Labour Organization (ILO), and to respect an equal status between the sexes and between persons of different races and religion. Further, SimCorp does not knowingly accept products and services which have directly or indirectly been designed, manufactured, produced, or procured in contravention of local environmental legislation or other

legislation, or by means of corruption, bribery, or other fraudulent behavior.

→ Code of Conduct for Suppliers
<https://www2.simcorp.com/CodeofConductforSuppliers2021>

SimCorp maintains high standards on confidentiality and protection of personal data, which is ensured through compliance with technical data security standards and processes, as well as ongoing employee training on how to handle data confidentially. A framework is in place to ensure that SimCorp complies with the General Data Protection Regulation (GDPR) and other similar national regulations.

Diversity

Report on the underrepresented gender and diversity, cf. Sections 99 b and 107 d of the Danish Financial Statements Act is included in our Sustainability Report 2021

→ Sustainability Report 2021
<https://www2.simcorp.com/SustainabilityReport2021>

SimCorp has a global, company-wide ambition to reach a gender representation of 40% of the underrepresented gender across all organizational levels by 2030 and has publicly committed to this target. As part of our greater Diversity, Equity, and Inclusion agenda, we recognize that diversity goes beyond gender. We track, report, and advocate for diversity of gender, age, and nationality on a global scale, while also encouraging additional local initiatives. However, our special focus on strengthening the gender balance in our organization is due to the impact gender has on both local and global sustainability agenda and targets. Our activities to help us reach our goals are described in the Sustainability Report 2021.

As we increase the balance of gender in SimCorp, we simultaneously increase other diversity dimensions, as

we expand our reach to a larger talent pool. We learn, share best practices, and aim for continual improvement to increase diversity, equity and inclusion across our organization.

We acknowledge both the societal and business benefits of creating an organization that increasingly reflects the realities of our clients and the locations we operate in around the globe. By expanding on diversity, we gain access to valuable perspectives and critical skillsets that allow us to be more innovative, competitive, and sustainable as an organization.

Regarding gender diversity of the BoD, it is SimCorp's target to have at least two shareholder-elected directors of the underrepresented gender. The goal was reached with the election of Susan Standiford to the BoD at the AGM in 2021.

Regarding gender diversity in the EMB, SimCorp has set a target of 25% women, which has not yet been met. When recruiting new EMB members, gender, age, nationality, and professional experience should be taken into account to ensure and increase diversity. The recruitment process for EMB members should also follow SimCorp's guidelines and best practices on securing a diverse candidate pool.

At the end of 2021, people managers in SimCorp comprised 67.5% men (2020: 72.9%) and 32.5% (2020: 27.1%) women. SimCorp's total employee population comprised 66.5% men (2020: 67.4%), 33.3% women (2020: 32.5%), and undeclared 0.2% (2020: 0.1%).

As described in the previous section on self-assessment of the BoD and EMB, the diversity of the members with regard to educational background and nationalities is regarded as satisfactory.

EU Taxonomy

Report on EU Taxonomy Eligibility 2021 is included in our Sustainability Report 2021

→ Sustainability Report 2021
<https://www2.simcorp.com/SustainabilityReport2021>

As part of the EU Sustainable Finance Action Plan, the EU Taxonomy was developed as a tool to help investors, companies, issuers, and project promoters navigate the transition to a low-carbon, resilient, and resource-efficient economy. As part of the first implementation phase entering into force by January 2022, technical screening criteria have been issued for economic activities which substantially contribute to climate change mitigation or adaptation.

For 2021, we have not found any material taxonomy-eligible activities.



Shareholder information

In 2021, SimCorp's share price declined by 21% after having increased by 164% in the period 2016 to 2020. Liquidity in the SimCorp share measured by average daily trading turnover was down by 26% to DKK 62.3m.

The SimCorp share

The share price at December 31, 2021 was DKK 714.80 per share, equal to a market capitalization of EUR 3.8bn (DKK 28.2bn). The share price declined by 21% in 2021. By comparison, the Nasdaq Copenhagen Large Cap index, which includes the SimCorp share, increased by 21%. In the period 2016 to 2020, the SimCorp share increased by 164%. Relative to 2020, the average daily turnover of SimCorp shares on Nasdaq Copenhagen declined by 26% to DKK

62.3m, while the average number of trades per day declined by 10% to 2,121.

Share capital

SimCorp's nominal share capital is DKK 40,500,000 divided into 40,500,000 shares of DKK 1. SimCorp holds 1,071,389 (2020: 849,449) treasury shares of DKK 1 equivalent to 2.6% (2020: 2.1%) of the share capital.

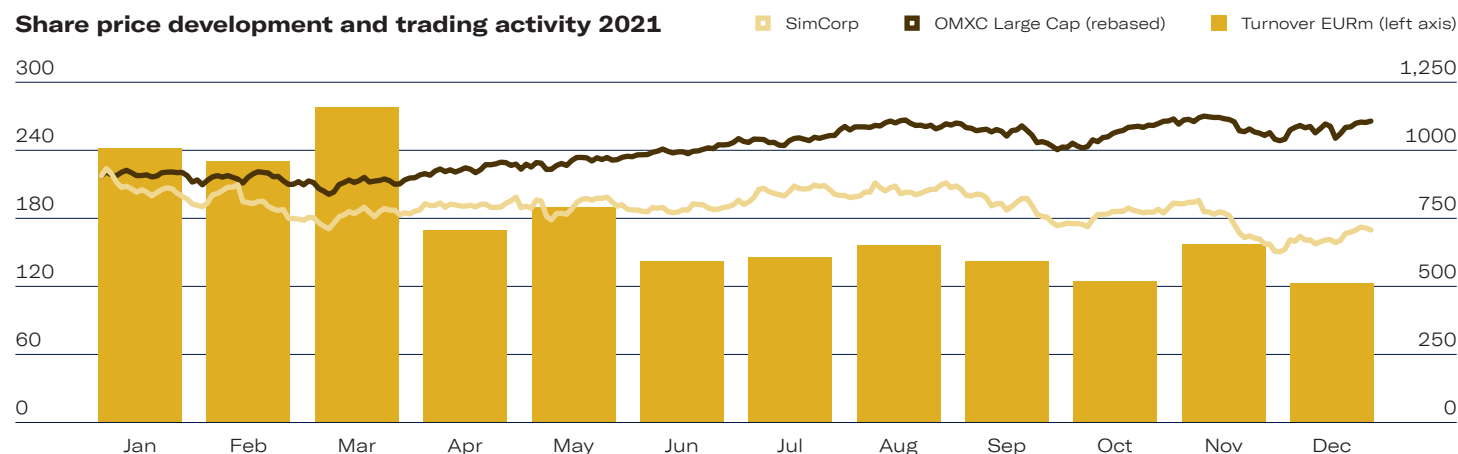
Shareholder structure

At December 31, 2021, SimCorp had more than 13,500 registered shareholders representing around 97% of the company's share capital, an increase of approximately 500 registered shareholders during the year.

Approximately 58% (2020: 56%) of the share capital was held or managed by the 25 largest shareholders, and around 83% (2020: 81%) of the registered share capital was held by shareholders based outside Denmark.

At December 31, 2021, around 5% (2020: 6%) of the company's share capital was held by the company's management and employees. Furthermore, SimCorp estimates that Danish and foreign institutional investors held some 82% of the company's shares, an increase compared with the 80% at year-end 2020. Around 41% (2020: 40%) of SimCorp shares were managed by investors who are also clients of SimCorp. In accordance with section

Share price development and trading activity 2021



55 of the Danish Companies Act, the following investors have reported holding more than 5% of SimCorp's share capital:

- Mawer Investment Management Ltd., 6.2%
- Ameriprise Financial Inc. group, USA, with a part held by the subsidiary Columbia Wanger Asset Management LLC, 5.1%

Share-based incentive schemes

In accordance with the remuneration policy, approved by the shareholders at the Annual General Meeting 2021, the Board of Directors approved the share-based LTIP for management and key employees based on restricted stock units. The fair value of the restricted stock units amounted to EUR 4.3m at the time of allotment, and a total of 41,678 restricted stock units of DKK 1 were granted, including 21,459 restricted stock units to the Executive Management Board and 228 restricted stock units to employee-elected members of the Board of Directors.

The above-mentioned LTIP restricted stock units will vest after three years, subject to continuing employment and subject to conditions with respect to average annual minimum business growth and annual average net operating profit after tax for the financial years 2021-2023. If the two latter conditions are only partially met, the number of shares transferred after three years will be reduced, potentially to zero.

In addition, 61,609 restricted stock units relating to the corporate bonus program for 2020 were granted in 2021 and distributed among employees in the Group, including 461 restricted stock units to employee-elected members of the Board of Directors. The 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 vesting conditions.

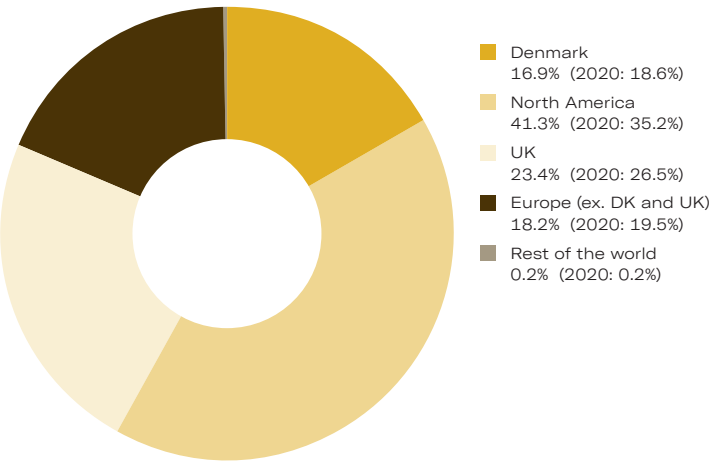
The share-based incentive program based on restricted stock units will continue in 2022 and comprises restricted stock units with a market value of approximately EUR 5.3m on the date of grant.

Furthermore, in September 2021, the following restricted stock units were granted to the CEO and CFO as retention programs, 11,562 restricted stock units to Christian Kromann in connection with his appointment as CEO and 5,781 restricted stock units to Michael Rosenvold, CFO as part of a retention incentive. The fair value of these restricted stock units amounted to EUR 2.0m at the time of allotment. The restricted stock units will vest 1/3 after three years, 1/3 after four years and 1/3 after five years conditional upon continued service and an increased investment in SimCorp shares by Christian Kromann of DKK 5m, and by Michael Rosenvold of DKK 2.5m, both to be completed by end of August 2023. In addition, 1,466 restricted stock units related to LTIP 2021 were granted to Christian Kromann in connection with his appointment as CEO.

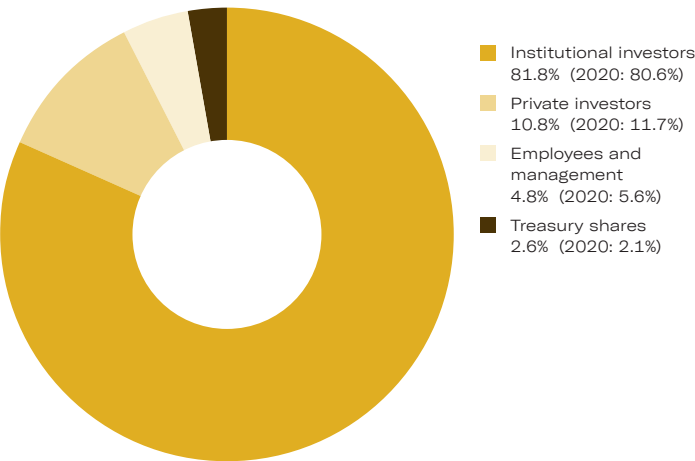
In addition, regional retention programs, totaling 17,038 restricted stock units were granted in 2021 as retention programs for senior employees in EMEA, North America, and APAC. The fair value of these restricted stock units amounted to EUR 1.9m at the time of allotment. The RSUs will vest after three years subject to continued employment and certain performance conditions for the financial years 2021 to 2023.

Furthermore during 2021, 3,502 RSUs were granted to senior employees in the Group as part of sign-on agreements and incentive programs. The fair value at grant date was EUR 0.4m. The RSUs will vest after three years subject to continued employment and certain performance conditions for the financial years 2021 to 2023.

Shareholder structure by geography 2021



Shareholder structure by category 2021



Financial calendar 2022

March 24, 2022

Annual General Meeting 2022

March 29, 2022

Expected date for pay-out of dividend

May 19, 2022

Publication of interim financial report Q1 2022 (early morning)

Aug 12, 2022

Publication of interim financial report H1 2022 (early morning)

Nov 15, 2022

Publication of interim financial report 9M 2022 (early morning)

Share data 2022

Stock exchange

Nasdaq
Copenhagen A/S

Index

OMXC25

Sector

Technology

ISIN code

DK0060495240

Short code

SIM

Share capital

DKK 40,500,000

Nominal size

DKK 1

Number of shares

40,500,000

Negotiable papers

Yes

Restriction in voting rights

No



SimCorp's share-based incentive schemes are further detailed in note 3.2 to the financial statements. In accordance with SimCorp's Remuneration Policy, members of the Board of Directors will in 2022 continue to receive SimCorp shares with a total value equal to one third of their total remuneration, or for members with residence outside of Denmark, they may choose to receive a cash payment instead, provided the cash payment is invested in SimCorp shares.

It is the assessment of the Board of Directors that these remuneration principles ensure an appropriate alignment of the interests of the Board of Directors with SimCorp's shareholders in general.

Management shares/restricted stock units

As at December 31, 2021, the members of the company's Board of Directors held a total of 59,167 SimCorp shares and 1,606 restricted stock units were held by employee-elected members of the Board. The members of the Group's Executive Management Board held a total of 225,107 SimCorp shares and 96,289 restricted stock units.

Additional information on the holdings of SimCorp shares and restricted stock units by members of the Board of

Total remuneration of Board of Directors and committees¹

Fee	Board		Audit and Risk Committee		Nomination and Remuneration Committee		Technology Committee	
	Multiplier	DKK	Multiplier	DKK	Multiplier	DKK	Multiplier	DKK
Chair	3	1,260,000	0.75	315,000	0.375	157,500	0.50	210,000
Vice-chair	2	840,000	N/A	N/A	N/A	N/A	N/A	N/A
Member	1	420,000	0.375	157,500	0.1875	78,750	0.25	105,000

¹ Total remuneration to be proposed at the Annual General Meeting in March 2022 (cash and share-based).

Directors, the Executive Management Board, and other related parties is disclosed in note 7.2 to the financial statements.

Annual general meeting

The Annual General Meeting of SimCorp A/S will be held on: Thursday, March 24, 2022 at 3pm at SimCorp's headquarters, Weidekampsgade 16, Copenhagen, Denmark. It will also be possible to participate in Annual General Meeting via webcast. Agenda and proposed resolutions will be published on Thursday, February 24, 2021, with notice sent by email to all shareholders.

Six of the seven members elected by the shareholders, who are currently serving on the Board of Directors, will stand for re-election at SimCorp's Annual General Meeting. Hervé Couturier has decided not to stand for re-election. Brief biographies of the current members of the Board of Directors are found on pages 49-50.

With the transformation of SimCorp to a technology-based services company, there comes a big need for a technology transformation. The successful technology transformation will be a key success factor for SimCorp and will require a continuous investment into transformation projects. In order to provide for Board oversight and sparring with management on the technology transformation, the Board of Directors will propose to establish a Technology Committee. Consequently, the Board of Directors will propose changes to its remuneration. The Board of Directors will not propose any changes to the existing base fee and multipliers, but propose remuneration for the Technology Committee of DKK 210,000 (multiplier 0.5) for the Chair of the Technology Committee and DKK 105,000 (multiplier 0.25) for the ordinary members of the Technology Committee (see table on page 46).

The adjusted Remuneration Policy take effect if and when approved by the shareholders at the Annual General Meeting in March 2022.

The current Policy for remuneration of the Board of Directors and Executive Management Board can be found on the company's website.

→ Remuneration Policy
<https://www2.simcorp.com/RemunerationPolicy2021>

The Board of Directors further intends to propose that the shareholders authorize the company to acquire treasury shares of up to 10% of the company's share capital. See section 198 of the Danish Companies Act.

Dividends and share buyback

Maintaining a sound liquidity buffer is vital to SimCorp's continued international expansion. Management considers this objective will be achieved when the cash holdings and credit lines exceed 10% of the projected costs for the coming year. On this basis, the company intends to pay dividends of at least 40% of the free cash flow. Additional cash will, unless other cash requirements are foreseen, be used to buy treasury shares. The purchase of treasury shares is expected to be carried out in compliance with the provisions of Regulation No. 596/2014 of the European Parliament and of the Council on market abuse, the Market Abuse Regulation (MAR), and delegated legislation under MAR.

The Board of Directors has considered SimCorp's cash position and liquidity forecast, and on the basis thereof, the Board of Directors intends to recommend to the shareholders at the Annual General Meeting that dividends of EUR 39.9m, equal to DKK 7.50 per share of DKK 1,

be distributed for the financial year 2021. The dividends of EUR 39.9m are equivalent to 36.3% of Group profit for the year and 50.7% of free cash flow in 2021.

In order to be eligible for dividends, shares must be registered before March 24, 2022. The ex-dividend date is March 25, 2022. Dividends for the financial year 2021 are expected to be paid on March 29, 2022.

Based on the current cash position and business outlook, SimCorp expects to initiate a share buyback program in 2022 for a forecasted amount of EUR 40.0m. The program will be carried out in two half yearly buyback programs of EUR 20.0m each during the period from the release of the Annual Report 2021 to the end of 2022. The program will be carried out in compliance with the provisions of Regulation No. 596/2014 of the European Parliament, the Council on market abuse, MAR, and delegated legislation under MAR.

Investor relations

SimCorp pursues an open dialogue with investors and analysts about the company's business and financial performance. In order to ensure that all SimCorp's stakeholders have equal access to corporate information, news is released to Nasdaq Copenhagen, the media, and on SimCorp's website, where users can also subscribe to SimCorp's news service. SimCorp's Investor Relations team handles all contact with investors and the press on issues relating to the company's shares.

Please contact: Anders Hjort, Head of Investor Relations, phone: +45 35 44 88 00, investor@simcorp.com, www.simcorp.com/en/investor/contact-investor-relations

Announcements to Nasdaq Copenhagen in 2021 can be found at www.simcorp.com/en/news-and-announcements

Board of Directors

1. Peter Schütze, Chair
2. Morten Hübbe, Vice-chair
3. Hervé Couturier
4. Simon Jeffreys
5. Adam Warby
6. Joan A. Binstock
7. Susan Standiford
8. Else Braathen
9. Vera Bergforth¹
10. Hugues Chabanis

¹ Not present at the photoshoot



Peter Schütze
Chair

Business address: SimCorp A/S,
Weidekampsgade 16, 2300
Copenhagen S, Denmark.

Personal and educational background
Born 1948, Danish citizen, MSc
(Econ.).

Career and directorships

Former CEO of Nordea Bank Danmark A/S. Chair of SimCorp A/S' Board of Directors since 2019 and Vice-chair 2012-2019. Member of SimCorp A/S' Nomination and Remuneration Committee since 2017. Chair of the Board of Directors of DSB SOV, Nordea-fonden and Tietgenfonden. Vice-chair of Lundbeckfonden and Lundbeckfond Invest A/S. Member of Falck A/S, Axelfuture, the Systemic Risk Council, and Gösta Enboms Fond. Chair of the investment committee of Danish SDG Investment Fund and Dronning Margrethe den II's Arkæologiske Fond.

Independence

Is regarded as independent.

Relevant competences and experiences

More than 30 years of management experience from an international financial company as well as several board positions both as chair and member. Involvement in IT development and trading operations in financial institutions.

Morten Hübbe
Vice-chair

Business address: Tryg,
Klausdalsbrovej 601, 2750 Ballerup,
Denmark.

Personal and educational background
Born 1972, Danish citizen, BSc (Int. BA & Modern Languages), MSc (Fin. & Acc.).

Career and directorships

Group CEO of Tryg since 2011. From 2002-2011 Group CFO of Tryg. Member of SimCorp A/S' Board of Directors since 2018 and Vice-chair since 2019. Chair of SimCorp A/S' Nomination and Remuneration Committee since 2019. Board member of TJM Forsikring. Chair of Conscia and Siteimprove.

Independence

Is regarded as independent.

Relevant competences and experiences

Chief executive management experience from a listed company and solid know-how of working with key market players like investors and regulators.

Hervé Couturier

Business address: Kerney Partners,
54, rue Franklin, 78100 Saint Germain
en Laye, France.

Personal and educational background
Born 1958, French citizen, MSc
(Industrial Engineering) from École
Centrale de Paris.

Career and directorships

Managing Partner in Kerney Partners. From 2012-2016 Executive Vice President and Chief Technology Officer in Amadeus S.A.S. Previously Executive Vice President in SAP, S1 Corporation and IBM. Member of SimCorp A/S' Board of Directors since 2008 and member of SimCorp A/S' Nomination and Remuneration Committee since 2017. Board member of Sabre, Infovista, Sportradar and Kyriba.

Independence

Is not regarded as independent.

Relevant competences and experiences

International experience in software development for the financial and B2B sectors, as well as general management skills.

Simon Jeffreys

Business address: Aon UK Ltd., The
Aon Centre, 122 Leadenhall Street,
London EC3V 4AN, UK.

Personal and educational background
Born 1952, British citizen, B.Com
(Hons) from University of Cape Town,
CA(SA), FCA, CPA.

Career and directorships

Former PwC Global Investment Management Leader and senior audit partner, and Chief Operating Officer of the Wellcome Trust. Member of SimCorp A/S' Board of Directors since 2011. Chair of SimCorp A/S' Audit and Risk Committee since 2013. Director and Chair of the Audit Committee of the Boards of Directors of St James's Place plc. Chair of the Audit and Risk Committees of Templeton Emerging Markets Investment Trust plc., and the Crown Prosecution Service. Chair of Aon UK Ltd. and Henderson International Income Trust plc.

Independence

Is regarded as independent.

Relevant competences and experiences

Group executive experience in a multinational corporation, including responsibility for strategy development and implementation, information technology and finance. Involved in the development and governance of companies with IT and consultancy activities.

Adam Warby

Business address: Avanade Inc., 30
Cannon Street, London, EC4M 6XH,
UK.

Personal and educational background
Born 1960, British citizen, B.Sc. in
Mechanical Engineering from Imperial
College, London.

Career and directorships

Former CEO of Avanade Inc. (Microsoft & Accenture joint venture) from 2008-2019. Member of SimCorp A/S' Board of Directors since 2017. Member of SimCorp A/S' Audit Committee since 2019. Chair of the Board of Heidrick & Struggles. Chair of Junior Achievement Europe. Board member of SoftwareONE Holding AG.

Independence

Is regarded as independent.

Relevant competences and experiences

More than 30 years of international experience in the software and technology services industries, including responsibility for strategy, M&A, enterprise sales, consulting, and managed service delivery from a career spanning IBM, Microsoft, and Avanade.

Joan A. Binstock

Business address: Lovell Minnick Partners, LLP, 1155 Avenue of the Americas, New York, NY 10036, USA.

Personal and educational background

Born 1954, US citizen, MBA from NYU Stern School of Business, B.A. from State University of New York at Binghamton. Certified Public Accountant.

Career and directorships

Former CFO and COO at Lord, Abbett & Co. LLC. (1999-2018). Prior to joining Lord Abbett, Joan worked inter alia for Goldman Sachs within the Capital Markets Group and for PricewaterhouseCoopers, LLC as a manager, Financial Services Audit Practice. Member of SimCorp A/S' Board of Directors and SimCorp A/S' Audit and Risk Committee since 2018. Member of the Board of Directors of Brown Brothers Harriman US Mutual Funds, KKR Real Estate Trust, and Morgan Stanley Direct Lending Funds.

Independence

Is regarded as independent.

Relevant competences and experiences

Experience from the financial services industry within finance, risk management and operations, including software selection and implementation.

Susan Standiford

Business address: Total Jobs Group, Blue Fin Building, 110 Southwark Street, London, SE1 0SU United Kingdom.

Personal and educational background

Born 1967, US citizen, BA, Anthropology & Mathematics, University of Illinois, IL, USA

Career and directorships

Chief Product and Technology Officer, StepStone. Previous positions include Chief Technology Officer of IKEA IT AB and CTO and COO within international technology companies.

Independence

Is regarded as independent.

Relevant competences and experiences

30 years of technical and managerial experience from various industries including software. Technology visionary leader with knowledge how to market and deliver innovative value-based solutions.

Else Braathen

Business address: SimCorp A/S, Weidekampsgade 16, 2300 Copenhagen S, Denmark.

Personal and educational background

Born 1967, Danish citizen, MSc. (Math and Economics) from Aarhus University.

Directorships

Employee-elected member of SimCorp A/S' Board of Directors since 2016. Member of SimCorp A/S' Audit and Risk Committee since 2016.

Relevant competences and experiences

More than 15 years in risk management in leading financial institutions, as well as in SimCorp's Product Management shaping the risk solutions of SimCorp Dimension.

Vera Bergforth

Business address: SimCorp GmbH, Justus-von-Liebig-Straße 1, 61352 Bad Homburg, Germany.

Personal and educational background

Born 1966, German citizen, Graduate Business Economist from Bankakademie Frankfurt.

Directorships

Employee-elected member of SimCorp A/S' Board of Directors since 2016. Member of SimCorp A/S' Nomination and Remuneration Committee since 2017.

Relevant competences and experiences

More than 30 years' experience from the financial industry within private asset management, custodian, insurances & pensions, and fund administration. Expertise within back office operations, fund administration, accounting, and business analysis. 15 years with SimCorp, taking on different roles in Global Presales, Consultancy, and Go-to-Market.

Hugues Chabanis

Business address: SimCorp France S.A.S., 23 rue de Vienne, 3rd floor, 75008 Paris, France.

Personal and educational background

Born 1981, French citizen, MSc. (Business Intelligence) from EISTI.

Directorships

Employee-elected member of SimCorp A/S' Board of Directors since 2019. Member of the Board of Directors of Domos FS.

Relevant competences and experiences

17 years in the Alternative Investments Software industry and different job positions including consulting, sales, presales, and product management across Europe, North America, and Africa.

Executive Management Board

1. Christian Kromann

Born 1972.
Chief Executive Officer.
Employed since 2019.
Present position held since 2021.
Member of SimCorp A/S' Executive Management Board.
Member of the Board of Directors of deriStrat AB.

2. Michael Rosenvold

Born 1967.
Chief Financial Officer.
Employed since 2017.
Present position held since 2017.
Member of SimCorp A/S' Executive Management Board.
Member of the Board of Directors of DHI A/S, NIRAS Gruppen A/S, and Tabellae A/S. Chair of the Audit Committee of DHI A/S.

3. Georg Hetrodt

Born 1966.
Chief Product Officer.
Employed since 1998.
Present position held since 2009.
Member of SimCorp A/S' Executive Management Board.
Chair of the Board of Directors of Dyalog Ltd.



SimCorp's Executive Management Board is a part of Group Management Committee presented on page 52.

Group Management Committee¹

Hans Otto Engkilde

Born 1969
SimCorp EMEA, Managing Director
Employed since 1999
Present position held since 2020.

James Corrigan

Born 1976
SimCorp North America,
Managing Director
Employed since 2014
Present position held since 2014.

Oliver Johnson

Born 1985
Chief Commercial Officer,
SimCorp APAC, Managing
Director
Employed since 2017
Present position held since 2017.

Jochen Müller

Born 1966
Investment Accounting Services,
Managing Director
Employed since 1996
Present position held since 2019.

Fred Bouteiller

Born 1971
Global Services,
Employed since 2020
Present position held since 2020.

Marc Hénoc

Born 1973
Global Managed Services
Employed since 2003
Present position held since 2020.

Marc Schröter

Born 1969
Global Product Management
Employed since 1995
Present position held since 2014.

Thomas Hejlsberg

Born 1963
Architecture and Technology,
Chief Technology Officer
Employed since 2018
Present position held since 2018.

Piet Syhler

Born 1964
Product Division
Employed since 2020
Present position held since 2020.

Malene Krohn

Born 1973
Product Division
Employed since 1998
Present position held since 2019.

Marlene Nyholm Voss

Born 1973
Chief Human Resources Officer
Employed since 2014
Present position held since 2019.

Johan Rosengreen Kringel

Born 1976
Chief of Staff
Employed since 2018
Present position held since 2018.

Martin Schak Møller

Born 1975
Group Legal and Compliance
Employed since 2008
Present position held since 2018.

Christoffer de Maré

Born 1970
Xaas Delivery
Employed since 2015
Present position held since 2021.

¹ The three Executive Management Board members (see page 51) are also members of Group Management Committee.

Statements and signatures

Statement by the Board of Directors and the Executive Management Board

The Board of Directors and Executive Management Board have today considered and adopted the Annual Report of SimCorp A/S for the financial year January 1 – December 31, 2021.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at December 31, 2021 of the Group and the Parent Company and of the results of the Group and Parent Company operations and cash flows for 2021.

In our opinion, the Management Report includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as

a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

In our opinion, the Annual Report of SimCorp A/S for the financial year January 1 – December 31, 2021 with the file name simcorp-2021-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, February 15, 2022.

Executive Management Board



Christian Kromann
Chief Executive Officer

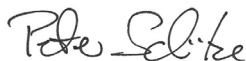


Michael Rosenvold
Chief Financial Officer



Georg Hetrodt
Chief Product Officer

Board of Directors



Peter Schütze
Chair



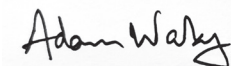
Morten Hübbe
Vice-chair



Hervé Couturier



Simon Jeffreys



Adam Warby



Joan Binstock



Susan Standiford



Else Braathen



Vera Bergforth



Hugues Chabanis

Independent Auditor's Reports

To the shareholders of SimCorp A/S

Report on the audit of the Financial Statements

Our opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2021 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements and Parent Company Financial Statements of SimCorp A/S for the financial year 1 January to 31 December 2021 comprise income statement and statement of comprehensive income, cash flow statement, statement of financial position, statement of changes in equity and notes, including summary of significant accounting policies for the Group as well as for the Parent Company. Collectively referred to as the "Financial Statements".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of SimCorp A/S on 31 March 2014 for the financial year 2014. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 8 years including the financial year 2021.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2021. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter
Accounting for taxation
The Group operates in a complex multinational tax environment and there are open tax and transfer pricing cases with domestic and foreign tax authorities. We focused on this area as the amounts involved are potentially material and the valuation of tax assets and liabilities are associated with estimation uncertainty and judgement. Refer to note 4.1 "Income tax" and 4.2 "Deferred tax" in the Consolidated Financial Statements as well as in the Parent Company Financial Statements.
How our audit addressed the key audit matter
In understanding and evaluating Management's judgement, we considered the status of recent and current tax authority audits and enquiries, the outcome of previous claims, judgmental positions taken in tax returns and current year estimates and developments in the tax environment. We used our own local and international tax specialists, evaluated the adequacy of Management's significant assumptions and read correspondence with tax authorities to assess the valuation of tax assets and liabilities.

Key audit matter
Revenue recognition
The Group and the Parent Company provide its products and services to customers in bundled packages as multi-element contracts, and recognition of revenue is subject to the inherent complexities in the software industry. Revenue is recognized when control is passed and if the revenue criteria for recognizing revenue over time or at a point of time have been met. We focused on this area due to the judgmental and complex nature of revenue recognition for multiple element arrangements that include identification of performance obligations in the contracts and allocation of the relative standalone selling prices to the identified performance obligations. Further, we focused on presentation in the statement of financial position of contracts assets and revenue recognition for fixed fee projects due to the inherent estimation uncertainty. Refer to note 2.1 "Revenue", 2.2 "Segment information", 2.3 "Future performance obligations" and note 2.4 "Contract balances" in the Consolidated Financial Statements and note 2.1 "Revenue", 2.2 "Future performance obligations" and note 2.3 "Contract balances" in the Parent Company Financial Statements.

How our audit addressed the key audit matter
We assessed the design and implementation of the controls over the Group's revenue cycle. We tested relevant controls including application controls and Management's review controls. For revenue recognized we challenged and evaluated Management's assessment that the customers have the ability to direct use and obtain substantially all benefits for the licenses transferred. For revenue recognized point in time we challenged and evaluated Management's documentation for right to payment and that the licenses have been transferred and made available to the customer. For revenue recognized over time we challenged and evaluated Management's assessment that customers over time consumes and benefit from the services delivered. For multi-element contracts, we challenged and evaluated Management's allocation of revenue to the identified performance obligations in the contracts and assessed the allocation of the standalone selling prices to the performance obligations including rebates, discounts, allowances and inherent interests. We assessed the percentage of completion on specific fixed fee projects based on Management reports, project estimates and interview of project managers. We also assessed the outcome of prior period estimates.

Statement on Management Report

Management is responsible for Management Report.

Our opinion on the Financial Statements does not cover Management Report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management Report and, in doing so, consider whether Management Report is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management Report includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management Report is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management Report.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of SimCorp A/S for the financial year 1 January to 31 December 2021 with the filename simcorp-2021-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material

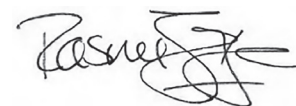
respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of SimCorp A/S for the financial year 1 January to 31 December 2021 with the file name simcorp-2021-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, February 15, 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 3377 1231



Rasmus Friis Jørgensen
State Authorised Public Accountant
mne28705



Thomas Baunkjær Andersen
State Authorised Public Accountant
mne35483

Consolidated financial statements

Consolidated financial statements

Statements

60	Income statement
60	Statement of comprehensive income
61	Cash flow statement
62	Statement of financial position
63	Statement of changes in equity
64	Notes
105	SimCorp A/S

Section 2

Revenue and clients

68	2.1	Revenue
71	2.2	Segment information
73	2.3	Future performance obligations
74	2.4	Contract balances
76	2.5	Receivables

Section 4

Tax

84	4.1	Income tax
85	4.2	Deferred tax

Section 6

Equity, capital structure and Financing items

93	6.1	Equity, treasury shares, and dividends
94	6.2	Risk
99	6.3	Financial assets and liabilities
100	6.4	Financial income and expenses

Section 1

Basis of preparation

64	1.1	Accounting policies, estimates, and judgments
----	-----	---

Section 3

Employees

77	3.1	Employee cost
78	3.2	Share based remuneration
81	3.3	Pension and similar liabilities
83	3.4	Provisions

Section 5

Invested capital

87	5.1	Acquisition of enterprises
88	5.2	Intangible assets
90	5.3	Property, plant, and equipment

Section 7

Other disclosures

101	7.1	Earnings per share
102	7.2	Related party transactions
103	7.3	Auditors' remuneration
103	7.4	Contingent liabilities
103	7.5	Events after statement of financial position date
103	7.6	Associates
103	7.7	Subsidiaries

Consolidated financial statements

Income statement

EUR '000	Note	2021	2020
Revenue	2.1, 2.2	496,274	455,970
Cost of sales	3.1, 3.2, 5.2, 5.3	196,982	167,415
Gross profit		299,292	288,555
Other operating income		709	846
Research and development costs	3.1, 3.2, 5.2, 5.3	91,771	91,830
Sales and marketing costs	3.1, 3.2, 5.2, 5.3	50,230	50,198
Administrative expenses	3.1, 3.2, 5.2, 5.3	25,583	23,077
Operating profit (EBIT)		132,417	124,296
Share of profit after tax in associates		174	104
Financial income	6.4	5,774	101
Financial expenses	6.4	947	8,405
Profit before tax		137,418	116,096
Tax on the profit for the year	4.1	27,426	27,838
Profit for the year		109,992	88,258

Earnings per share

EUR '000	Note	2021	2020
Earnings per share – EPS (EUR)	7.1	2.76	2.22
Diluted earnings per share – EPS-D (EUR)	7.1	2.74	2.20

Statement of comprehensive income

EUR '000	Note	2021	2020
Profit for the year		109,992	88,258
Other comprehensive income			
<i>Items that will not be reclassified subsequently to the income statement:</i>			
Remeasurements of defined benefit plans	3.3	1,934	47
Tax, remeasurement of defined benefit plans		-396	-1
<i>Items that may be reclassified subsequently to the income statement, when specific conditions are met:</i>			
Foreign currency translation differences for foreign operations		2,500	-2,742
Other comprehensive income after tax		4,038	-2,696
Total comprehensive income		114,030	85,562

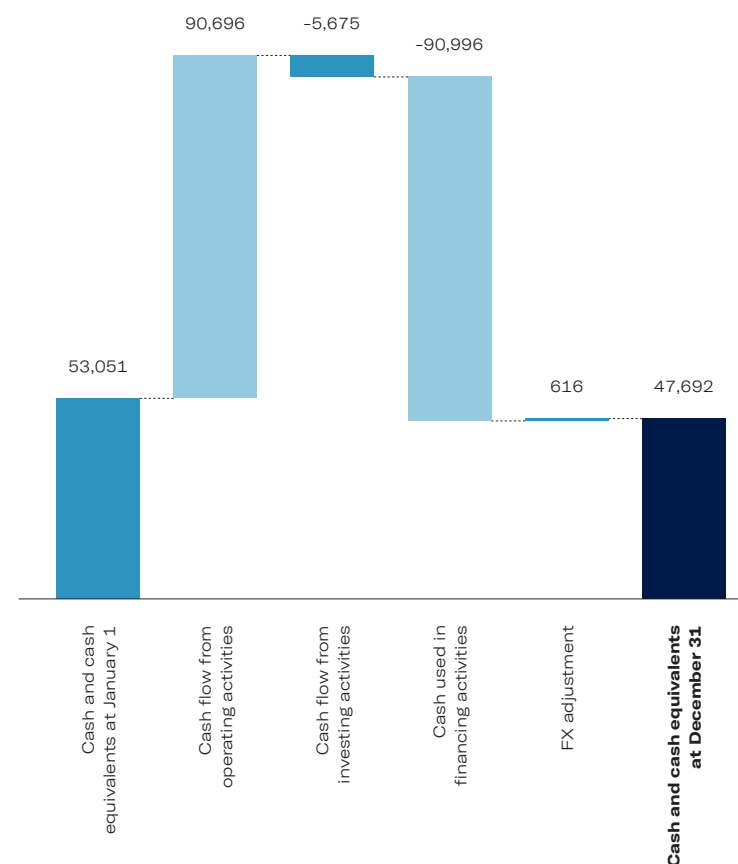
Consolidated financial statements

Cash flow statement

EUR '000	Note	2021	2020
Profit for the year		109,992	88,258
Amortization and depreciation	5.2, 5.3	15,379	16,094
Share of profit after tax in associates		-174	-104
Financial income	6.4	-5,774	-101
Financial expenses	6.4	947	8,405
Tax on profit for the year	4.1	27,426	27,838
Other non-cash items ¹		12,904	-7,037
Adjustment share based remuneration		11,332	10,997
Changes in provisions	3.4	-1,663	-2,055
Changes in contract assets	2.4	-44,861	-24,558
Changes in working capital		-11,169	9,302
Financial income received		5	101
Financial expenses paid		-319	-1,901
Income tax paid	4.1	-23,329	-20,674
Net cash from operating activities		90,696	104,565
Purchase of property, plant, and equipment	5.3	-1,259	-2,399
Sale and purchase of financial assets, net		-4,507	-361
Dividends from associates	6.4	91	79
Net cash used in investing activities		-5,675	-2,681
Dividends paid		-40,086	-39,879
Purchase of treasury shares	6.1	-40,102	-10,006
Repayment of lease liability	5.3	-10,808	-10,357
Repayment from credit facilities/loans		-	-20,000
Net cash used in financing activities		-90,996	-80,242
Change in cash and cash equivalents		-5,975	21,642
Cash and cash equivalents at January 1		53,051	31,851
Foreign exchange adjustment of cash and cash equivalents		616	-442
Cash and cash equivalents at December 31		47,692	53,051

¹ In 2021, other non-cash items of EUR 12.9m were primarily related to unrealized exchange gains and other adjustments.
(In 2020: EUR -7.0m primarily related to unrealized exchange losses).

Cash flow 2021 (EUR '000)



Consolidated financial statements

Statement of financial position December 31

EUR '000	Note	2021	2020
Assets			
Goodwill	5.2	61,645	61,367
Software	5.2	9,801	11,471
Client relationships	5.2	21,245	22,887
Total intangible assets		92,691	95,725
Leasehold	5.3	40,095	43,684
Technical equipment	5.3	860	1,063
Other equipment, fixtures, fittings and prepayments	5.3	2,737	2,903
Total property, plant and equipment		43,692	47,650
Investments in associates	7.6	909	881
Deposits	6.3	2,123	2,031
Deferred tax	4.2	3,091	4,173
Other financial assets		4,843	404
Total other non-current assets		10,966	7,489
Total non-current assets		147,349	150,864
Receivables	2.5	96,543	82,513
Contract assets	2.4	221,000	175,928
Income tax receivables	4.1	2,060	1,194
Prepayments		11,668	7,292
Cash and cash equivalents		47,692	53,051
Total current assets		378,963	319,978
Total assets		526,312	470,842

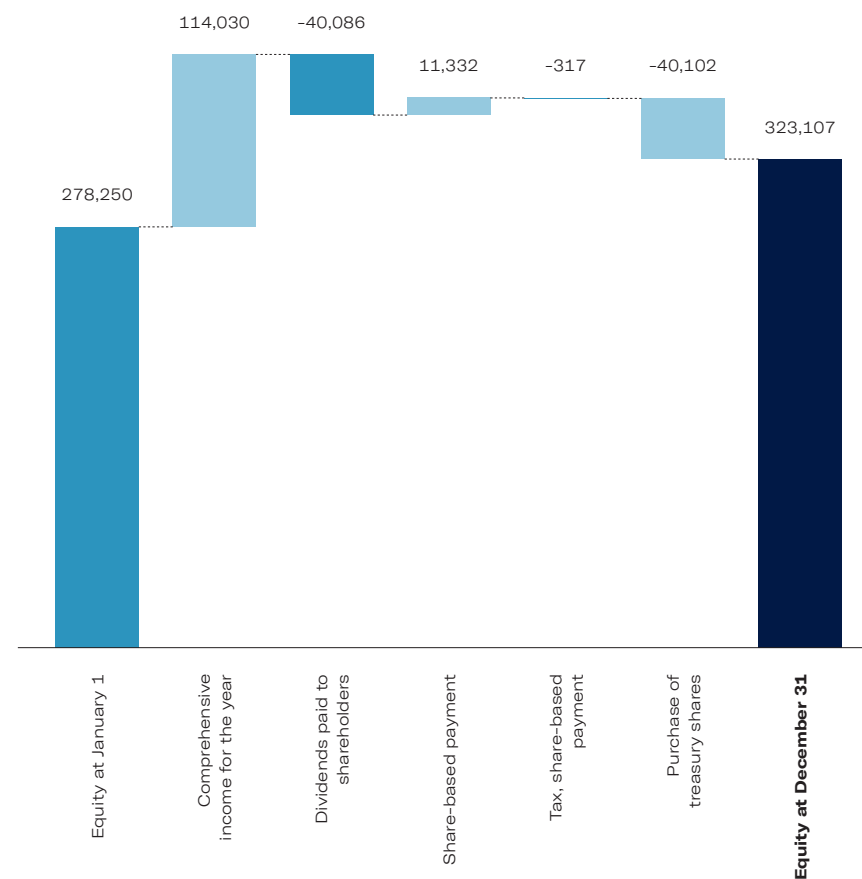
EUR '000	Note	2021	2020
Liabilities and equity			
Share capital		5,441	5,441
Exchange adjustment reserve		-2,225	-4,725
Retained earnings		280,003	237,409
Proposed dividend		39,888	40,125
Total equity		323,107	278,250
Lease liabilities	5.3	32,088	34,547
Deferred tax	4.2	33,121	28,323
Provisions	3.4, 4.2	9,743	11,119
Total non-current liabilities		74,952	73,989
Lease liabilities	5.3	8,577	9,630
Prepayments from clients	2.4	31,239	26,231
Trade payables		29,126	17,747
Other payables		49,993	59,158
Income tax payables	4.1	8,886	5,118
Provisions	3.4	432	719
Total current liabilities		128,253	118,603
Total liabilities		203,205	192,592
Total liabilities and equity		526,312	470,842

Consolidated financial statements

Statement of changes in equity

EUR '000	Share capital	Exchange adjustment reserve	Retained earnings	Dividends for the year	Total
2021					
Equity at January 1	5,441	-4,725	237,409	40,125	278,250
Net profit for the year	-	-	109,992	-	109,992
Total other comprehensive income	-	2,500	1,538	-	4,038
Total comprehensive income for the year	-	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
2020					
Equity at January 1	5,441	-1,983	186,643	39,919	230,020
Net profit for the year	-	-	88,258	-	88,258
Total other comprehensive income	-	-2,742	46	-	-2,696
Total comprehensive income for the year	-	-2,742	88,304	-	85,562
Transactions with owners					
Dividends paid to shareholders	-	-	40	-39,919	-39,879
Share-based payment	-	-	10,997	-	10,997
Tax, share-based payment	-	-	1,556	-	1,556
Purchase of treasury shares	-	-	-10,006	-	-10,006
Proposed dividends to shareholders	-	-	-40,125	40,125	-
Equity at December 31	5,441	-4,725	237,409	40,125	278,250

Movements in equity 2021 (EUR '000)



Section 1

Basis of preparation

This section provides an overview of the accounting policies and key accounting estimates. Accounting policies, management judgments and sources of estimation uncertainty are presented together with other related disclosures in the notes that deal with the relevant subject. Accounting policies, judgments and estimates that do not relate to a specific subject are presented in this section.

Accounting policies focus on the accounting choices within the framework of the prevailing IFRS and refrain from repeating the underlying promulgated IFRS guidance, unless considered particularly important to the understanding of a note's content.

Notes to the financial statements are grouped into seven sections with the aim of reducing complexity and improving the reader's experience. The notes are organized into the following sections:

- Section 1 Basis of preparation
- Section 2 Revenue and clients
- Section 3 Employees
- Section 4 Tax
- Section 5 Invested capital
- Section 6 Equity, capital structure and financing items
- Section 7 Other disclosures

1.1 Accounting policies, estimates, and judgments

General

The annual report for the period January 1 – December 31, 2021, includes the consolidated financial statements of SimCorp A/S (the Parent) and its subsidiary undertakings (the Group), as well as separate financial statements for SimCorp A/S. Reference is made to page 111 for the Parent's specific accounting policies. SimCorp A/S is incorporated and domiciled in Denmark.

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU and additional requirements in the Danish Financial Statements Act.

On February 15, 2022 the Board of Directors and the Executive Management Board considered and approved the annual report for 2021 of SimCorp A/S and the Group. The annual report will be presented to the shareholders for approval at the Annual General Meeting to be held on March 24, 2022. The directors have the power to amend and reissue the financial statements.

Presentation Currency

The financial statements are presented in EUR, rounded to the nearest EUR 1,000. The functional currency of the Parent is DKK.

Basis of measurement

The annual report has been prepared on a going concern basis and in accordance with the historical cost convention, except where IFRS explicitly requires use of other values.

Basis of consolidation

The consolidated financial statements have been prepared by including the financial statements of the Parent and the subsidiaries, which have all been prepared in accordance with the Group's accounting policies. Subsidiaries are entities controlled by the Parent. Control is established when SimCorp A/S is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

On consolidation, intra-group income and expenses, shareholdings, balances, dividends and realized and unrealized gains and losses on intra-group transactions are eliminated. Unrealized gains and losses on transactions with associates are eliminated in proportion to the Group's shares in the associates.

Foreign currency translation

Income and expenses and operating cash flows of foreign subsidiaries that use a functional currency other than the euro are translated at average rates of foreign exchange computed on a monthly basis. Exchange rate differences resulting from foreign currency transactions as well as from

1.1 Accounting policies, estimates, and judgments (continued)

the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currency, are recognized under financial income or financial expenses.

Other operating income

Other operating income consists of income of a secondary nature relative to the activities of the Group, including gains on sale of intangible assets and property, plant and equipment and government grants. Government grants relate to research and development funding in the United Kingdom.

As the grant is compensation for costs incurred it is recognized as other operating income in the period in which it is receivable.

In 2021, the subsidiaries received EUR 83 thousand in COVID-19 related government assistance as tax relief, job growth incentive and job indemnity. Around EUR 60 thousand was reported as other operating income, the remaining was offset against expenses.

Statement of comprehensive income

Other comprehensive income consists of income and costs not included in the income statement, including exchange rate adjustments arising from the translation of foreign subsidiaries' financial statements into presentation currency, and actuarial gains or losses on defined benefit pension plans.

Cash flow statement

The cash flow statement is presented according to the indirect method commencing with the profit for the year. The cash flow statement shows how changes in items in the statement of financial position and income affect cash and cash equivalents.

Cash and cash equivalents consist of cash at bank and in hand. Cash flows in other currencies are translated into EUR at the average exchange rate for the respective year.

Cash from operating activities is assessed by converting income statement items from accrual to cash basis accounting. Starting with net profit, non-cash items are reversed, and actual payments included. In addition, the change in working capital and contract assets is taken into consideration as it represents cash withheld in the statement of financial position.

Cash from investing activities are related to the sale and purchase of long-term investments, including subsidiaries, fixed, intangibles and financial assets.

Materiality

The financial statements separately present items considered individually material. Individually immaterial items are aggregated with other items of similar nature in the statements or in the notes.

Specific disclosures required by IFRS are presented, unless the information is considered immaterial to the economic decision making of the users.

Operating costs

Operating costs are allocated into cost of sales, research and development, sales and marketing costs, and administrative expenses.

Cost of sales cover costs incurred to achieve the year's revenue, including costs of delivering and implementing systems, hosting and infrastructure costs, third party costs, courses, and support. These primarily comprise salaries, share-based payments, other employee costs, external implementation consultants, hosting fees and other third-party costs, depreciation and amortization, and indirect costs, such as technological infrastructure.

Research and development costs comprise salaries, share-based payments, other employee related costs, depreciation and amortization, and other costs directly attributable to the Group's research and development activities. Research and development costs are expensed in the year in which they are incurred when they do not qualify for capitalization. For capitalization criteria see note 5.2.

Sales and marketing costs comprise salaries, commissions, bonuses,

share-based payments, and other sales employee related costs, travel and meeting expenses, marketing expenses, withholding taxes, depreciation and amortization, and indirect costs such as technological infrastructure directly or indirectly attributable to the Group's sales and marketing activities.

Administrative expenses comprise salaries, bonuses, share-based payments and other employee costs and expenses, office costs, depreciation and amortization, expected loss allowance, and indirect costs such as technological infrastructure directly or indirectly attributable to the Group's administrative activities.

Accounting estimates and judgments

While applying the Group's accounting policies, in addition to estimations, management makes other judgments that may impact the application of accounting policies and reported amounts of assets, liabilities, costs, cash flows, and related disclosures at the date of the financial statements.

The estimates and judgments applied are based on assumptions which management believes to be reasonable, but which are inherently uncertain and unpredictable. Such assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise.

1.1 Accounting policies, estimates, and judgments (continued)

In addition, the company is subject to risks and uncertainties encountered in the ordinary course of business that may cause actual results to deviate from the estimates. The notes to the financial statements contain information about the assumptions and the uncertainty of estimates at the statement of financial position date involving the risk of changes that could lead to adjustments to the carrying amounts of assets or liabilities within the upcoming financial year.

Management considers the following to be key accounting estimates and assumptions used in the preparation of the financial statements:

- Revenue (note 2.1)
- Tax and deferred tax (Section 4)

Risk factors specific to the Group are described in the management report on pages 31-36 and in note 6.2.

New financial reporting standards

The Group has applied the following standards and amendments for the first time in the reporting period starting January 1, 2021:

- Revised conceptual framework for financial reporting
- Amendment to IFRS 16, Leases COVID-19 Related Rent Concessions.

The amendment to IFRS 16 Leases has been assessed to have no impact on the consolidated financial statements. Therefore, the Group has chosen not to implement this amendment.

The implementation of these new or amended standards and interpretations has been assessed and had no material impact on the financial statements.

New financial reporting standards not yet adopted

Certain new accounting standards and interpretations have been published that are not yet in effect or endorsed by the EU and therefore not relevant for the preparation of 2021 consolidated financial statements. The Group expects to implement these standards as they take effect.

These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

iXBRL reporting

The 2021 Annual report is prepared in the XHTML format which can be displayed in a standard browser in line with the new European Single Electronic Format ('ESEF'). The primary statements are tagged using inline eXtensible Business Reporting Language (iXBRL) and comply with the ESEF taxonomy.

Where a line item is not defined in the ESEF taxonomy, an extension has been created and anchored to elements in the ESEF taxonomy, except for extensions which are subtotals. The annual report submitted to the Danish Financial Supervisory Authority consists of the XHTML document together with certain technical files.

Non-IFRS measures

Certain measures disclosed regarding the Group's financial performance, financial position and cash flows are not defined in IFRS.

These are defined under other non-IFRS measures and may not be defined and calculated by other companies in the same manner and may therefore not be comparable.

1.1 Accounting policies, estimates, and judgments (continued)

Financial ratio definitions

Revenue growth	Revenue current year x 100 / revenue last year
EBITDA	earnings before interest, tax, depreciation, and amortization
EBITDA margin (%)	EBITDA / revenue x 100
EBIT margin (%)	operating profit (EBIT) / revenue x 100
Invested capital	total assets – cash and cash equivalents – provisions – prepayments from clients – trade payables and other payables
ROIC (return on invested capital)	EBITDA / average invested capital x 100
Receivables turnover ratio	revenue / receivables at year-end
Equity ratio (%)	equity at year-end / total assets at year-end x 100
Return on equity (ROE) (%)	profit for the year / average equity x 100

Share performance definitions

Cash flow per share (CFPS)	cash flow from operating activities / average number of diluted shares
Book value per share (BVPS)	equity at year-end / average number of shares
Dividends per share (DPS)	dividends paid / number of shares at year-end
Dividends payout ratio (%)	dividends paid / profit for the year x 100
Total payout ratio (%)	dividends paid plus value of share buybacks / profit for the year x 100
Average number of shares	number of shares issued, excluding treasury shares, as an average for the year
Average number of diluted shares	number of shares issued, excluding treasury shares, as an average for the year plus the average dilutive impact of outstanding restricted stock units

Market value ratio definitions

Price / Book value per share (P/BV)	price / book value (BVPS)
Price / Diluted price earnings (P/E Diluted)	price / diluted earnings per share
Price / Cash flow (P/CF)	price / cash flow per share (CFPS)

Other non-IFRS measures definitions

License base	accumulated order value for SimCorp Dimension clients
Order intake	value of initial and additional licenses contracts, subscription services agreements and client driven development agreements entered into during the reporting period
Order book	accumulated order intake value, where revenue could not be recognized yet, but deferred to future periods because either the license has not been delivered, the software functionality has not been developed, released or accepted by client yet, or certain conditions must be met before delivery
Revenue signed	total revenue commitment for licenses, software updates and support fee, professional services, as a service offering, etc.
Revenue, operating cost, and EBIT growth and margin in local currency	effect of exchange rate movements is excluded by restating the measure for the current period at the previous year's average rates when calculating growth
Organic revenue, operating cost, and EBIT growth and margin in local currency	effect of acquisitions, and exchange rate movements are excluded when calculating growth and EBIT margin by restating the measure for the current period at the previous year's average rates and by excluding the effect of acquisitions in the first year the acquired company is included in the reported numbers
CAPEX	purchase of intangible fixed assets + purchase of property, plant, and equipment – proceeds from sale of property, plant, and equipment
Net cash position	cash and cash equivalents less bank loan/revolving credit facility
Free cash flow	net cash from operating activities less CAPEX less principal payment on lease liabilities
Cash conversion (%)	free cash flow / profit for the year x 100
Total contract value (TCV)	total contract value of subscription-based licenses, excluding as a service offering
Annualized contract value (ACV)	initial and additional order intake divided by contract term (years)
Annual recurring revenue (ARR)	total revenue – total license fee + subscription based license fee – implementation services – other non-recurring fees. ARR is measured for last twelve months
ARR as share of total revenue (%)	ARR / total revenue x 100

Section 2

Revenue and clients

This section provides information related to contracts with clients. This includes information on how revenue is classified and recognized, segments and information about client related balances in the statement of financial position.

Accounting policies which relate to a particular note to the income statement have been included within each individual note.

In this section, the following notes are presented:

- 2.1 Revenue
- 2.2 Segment information
- 2.3 Future performance obligations
- 2.4 Contract balances
- 2.5 Receivables

2.1 Revenue

Revenue types

Revenue is mainly derived from license fees from new clients, license fees from additional sales to existing clients, software updates and support fees, professional services, and hosting and other fees.

License fees can be derived from subscription or from perpetual license agreements. Subscription agreements give the right to use the software for a determined period of time, which can be extended at the end of the initial term. Standard perpetual software licenses provide clients with the right to use the software whilst the software updates and support contract remains in force. License fees also include revenue from Client Driven Development agreements and standard platform offerings.

Software updates and support fees relate to contracts made on perpetual and subscription-based license terms. Software

updates and support fees include both initial license and additional license-based software updates and support fees. Performance obligations include: unspecified future upgrades, maintenance and helpline support.

Professional services agreements can include multiple performance obligations. The performance obligations are: implementation services, validation and testing services, SimCorp Dimension on-boarding and operating services. SCDaaS operating services occur when, in addition to hosting, SimCorp undertakes the operation of the client's system in a cloud-based environment.

The *hosting* offering provides the client with the infrastructure required to operate SimCorp Dimension. *Other fees* include, for instance, training and education as well as third party products and software as service fees.

Revenue per type 2021

Type	2021	2020
Licenses – initial sales	4%	5%
Licenses – additional sales	19%	15%
Software updates and support	36%	39%
Professional services	34%	34%
Hosting and other fees	7%	7%



2.1 Revenue (continued)

Accounting policies, judgments and estimates

Contract Identification

Contracts can include several components, in this situation, the total contract sum is allocated to the separate performance obligations for the purpose of revenue recognition.

Separate contracts with the same client are treated as one contract if entered into at or near the same time and economically interrelated. Contracts closed more than 6 months apart are not considered to be entered at the same time.

In determining whether the various contracts are interrelated judgment is required. Considerations include: whether the contracts were negotiated as a package with a single commercial objective, whether the amount of consideration on one contract is dependent on the performance of another contract, or if some or all offerings in the contract are a single performance obligation.

Additional agreements with existing clients can be a new contract or a modification to existing contracts. Judgments making this determination consider: the presence of a connection between the new agreement and pre-existing contracts, whether subscription fees, license fees, software updates and support fees or services under the new agreement are highly

interrelated with the subscription fees, license fees and software updates and support fees or services sold under prior agreements, and how the subscription fees, license fees and software updates and support fees or services under the new agreement are priced. Conversion of perpetual license agreement to a subscription based license agreement is accounted for as a termination of the perpetual license agreement and a new subscription license agreement

Performance obligation identification

Contracts often include several components. License fees from new clients, license fees from additional sales to existing clients, software updates and support fees, professional services, hosting, training, Datacare, Coric, Digital Portal, IAaaS, other services, and third-party products constitute the main performance obligations. The fees allocated to the different performance obligations are recognized separately.

The only performance obligation related to license agreements has been identified as the right to use the software. The right to use software license is considered a separate performance obligation when it satisfies the following conditions: can be delivered separately from other services, can be installed by a third party, can be used without upgrades, and is functional without upgrades or technical support.

Judgment is required in determining whether a component is considered a separate performance obligation, in particular, professional services and implementation activities. Consideration is given as to whether the services significantly integrate, customize or modify the software or hosting offering. In general, implementation services and activities go beyond setup and qualify as a separate performance obligation.

Options to acquire additional components such as renewals or additional volumes require judgment in determining whether such options provide a material right to the client which the client would not receive without entering into that contract. In this judgment it is considered whether the options entitle the customer to a discount that exceeds the discount granted for the respective subscriptions fees, license fees, software updates and support fees sold with the option.

Transaction price

Estimate is applied in determining the amount to which SimCorp expects to be entitled in exchange for transferring licenses, and software updates and support to a customer.

The consideration attributable to license fees in subscription-based agreements are discounted to net present value when the value of the financing element

is deemed significant. If the period between licenses transfer, software updates and support and payment from the clients is a year or less no financing component is recognized.

A hierarchy has been established to identify the standalone selling prices used to allocate the transaction price of a customer contract to the performance obligations in the contract.

Where standalone selling prices for a performance obligation are observable and reasonably consistent across customers, estimates are derived from SimCorp's pricing history. Using this approach, professional services stand-alone value is determined based on the hourly billing rate for the relevant market unit. Hosting services are assumed to be quoted to the client at their stand-alone value if it is equal to or above hosting costs.

Where sales prices are not directly observable or are highly variable across customers, estimation techniques are applied, such as a cost-plus-margin approach. This approach is often applied to third party products.

If not renewable, with highly variable pricing, and no substantial direct costs to estimate based on a cost-plus margin approach, allocation is achieved by applying a residual approach. We use this

2.1 Revenue (continued)

technique in particular for license and software updates and support.

Once the standalone price for other components is estimated, an apportionment is applied to allocate the price between license and software updates and support after deducting other performance obligations from the total consideration as follows:

Apportionment applied

	Dimension	Coric	Gain	Sofia
Licenses	50%	75%	50%	50%
Software updates and support	50%	25%	50%	50%
Total apportionment	100%	100%	100%	100%

Revenue recognition

Revenue recognition requires an agreement with the client which creates enforceable rights and obligations between the parties, has commercial substance, and identifies payment terms. In addition, it must be probable that the consideration determined in the contract will be collected.

Revenue is recognized when the client has obtained control of the license or service and has the ability to use and obtain substantially all the benefits from the license or service.

SimCorp has therefore assessed that the client obtains control of the license when all the following criteria are met: a binding contract is entered into; the license is delivered; and the client has the right to use it. License revenue is therefore generally recognized at that point-in-time.

When the contract contains functionality gaps or requires client acceptance of

functionality, the revenue recognition will be deferred until the time of delivery or acceptance. The consideration attributable to license fee in subscription-based agreements is discounted to net present value when the value of the financing element is deemed significant.

Revenue from software updates and support agreements is recognized on a straight-line basis over the contract period.

Client-driven development entails direct cooperation between SimCorp's development team and the client for a client-defined software. Such agreements are individually evaluated to determine if revenue is recognized at a point in time or over time.

Professional services fees are recognized based on work performed for time and material contracts. Fixed fee agreements are recognized based on percentage of

completion unless client acceptance is required.

The percentage-of-completion method requires estimation of total revenue and the stage of completion. The assumptions, estimates, and uncertainties inherent in determining the stage of completion affect the timing and amounts of revenue recognized.

Changes in estimates of progress towards completion and of contract revenue and costs are accounted for as cumulative catch-up adjustments to the reported revenue for the applicable contract.

Software as a Service (SaaS), such as on-boarding and operating services, hosting fees, Datacare, Coric Digital Portal, Regulatory Reporting Platform (RRP), and Investment Accounting Services (IAS), are revenue recognized over the term of the service.

Revenue	2021	Share of revenue 2021	2020	Share of revenue 2020	Revenue growth	Revenue growth local currencies
EUR '000						
Licenses – initial sales	21,533	4.3%	22,364	4.9%	-3.7%	-1.6%
Licenses – additional sales	92,506	18.6%	69,188	15.2%	33.7%	32.8%
Software updates and support	179,361	36.1%	176,575	38.7%	1.6%	1.4%
Professional services	167,894	33.9%	154,730	33.9%	8.5%	8.7%
Hosting and other fees	34,980	7.1%	33,113	7.3%	5.6%	5.0%
Total revenue	496,274	100.0%	455,970	100.0%	8.8%	8.7%

2.1 Revenue (continued)

Where SimCorp stands ready to provide the service (such as access to e-learning and hosting operating services) revenue is recognized based on time elapsed – ratably over the period applicable. Judgment is applied in determining which method to use.

All the judgments and estimates mentioned above can significantly impact the timing and amount of revenue to be recognized.

The geographical distribution of revenue is based on the country in which the client is

invoiced. Significant countries are defined as countries representing 5.0% or more of the Group's revenue. None of the reported licenses – initial sales is derived from perpetual sales (2020: EUR 0.0).

From the reported licenses – additional sales EUR 23.9m is derived from perpetual sales (2020: EUR 18.8m).

The Group has no client contributing revenue of more than 4.0% (2020: 5.5%) of total revenue.

Revenue allocation by country (significant)	2021		2020	
	EUR '000	%	EUR '000	%
USA	81,695	16.5%	81,459	17.9%
Germany	68,049	13.7%	73,912	16.2%
Switzerland	40,429	8.1%	31,286	6.9%
France	31,665	6.4%	20,945	4.6%
Canada	31,184	6.3%	30,673	6.7%
Italy	30,566	6.2%	28,104	6.2%
Netherlands	30,103	6.1%	26,718	5.9%
Denmark	25,885	5.2%	29,660	6.5%
Other	156,698	31.5%	133,213	29.1%
Total	496,274	100.0%	455,970	100.0%

2.2 Segment information

The Group's revenue arises primarily from the sale of software licenses and related services, and updates and support to clients. The Group's operations are managed and organized into business units regularly reviewed by the Executive Management Board, who is responsible for assessing the Group's performance and making resource allocation decisions.

The sales organization comprises four business units. Three business units have been identified based on countries that share the same market conditions and one is dedicated to Sofia software.

In addition, the research and development business unit is responsible for all software development, except for Sofia. This segment derives revenue mainly from fees charged to other business units for the right to distribute SimCorp Dimension software, and broker fees.

Finally, the Group reports on corporate functions, which include shared services comprising administration, marketing, internal systems, global support and services division. These are managed on corporate level and costs are principally allocated and charged based on an allocation key for the segments. Consulting and support are charged on an hourly basis. External revenue originates from courses to clients.

Accounting policies

The accounting policies of the reported segments are the same as the Group's described throughout the notes. Segment reporting shows revenue and operating profit together with total assets that can be directly related to the individual segments. Unallocated assets are headquarters' assets, cash, and investments in associates. Segment reporting is prepared in accordance with the Group's internal management reporting structure for performance management and resource allocation.

Segment income and costs consist of transactions between the segments. Such transactions are made on market terms.

Research and development and Corporate functions are not operating segments, and the disclosure forms part of the reconciliation to Group totals rather than being information about operating segments.

Information about liabilities and additions to assets by segment are not regularly provided to the Executive Management Board.

2.2 Segment information (continued)

Segment information								
EUR '000	EMEA	Asia and Australia	North America	SimCorp Sofia	Research and development	Corporate functions	Elimination/ Not allocated	Group
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 period before tax								137,418
Total assets	254,817	46,265	103,216	50,962	60,605	3,100	7,347	526,312
2020								
Licenses – initial sales	2,346	5,954	14,064	-	-	-	-	22,364
Licenses – additional sales	54,406	603	8,704	5,475	-	-	-	69,188
Software updates and support	132,990	13,305	24,973	4,753	554	-	-	176,575
Professional services	88,256	13,487	43,494	9,493	-	-	-	154,730
Hosting and other fees	18,449	2,550	10,672	3	1,257	182	-	33,113
External revenue	296,447	35,899	101,907	19,724	1,811	182	-	455,970
Revenue between segments	27,332	2,022	4,617	1,122	183,855	55,927	-274,875	-
Total segment revenue	323,779	37,921	106,524	20,846	185,666	56,109	-274,875	455,970
EBITDA	28,508	3,070	7,713	8,569	97,746	-5,216	-	140,390
Depreciation and amortization	3,006	680	1,382	1,639	3,110	6,277	-	16,094
Segment operating profit (EBIT)	25,502	2,390	6,331	6,930	94,636	-11,493	-	124,296
Financial items, net							-8,200	-8,200
Profit for the period before tax								116,096
Total assets	153,678	40,358	81,887	44,053	99,059	17,933	33,874	470,842

Research and Development, corporate functions and elimination / not allocated are not operating segments but part of reconciliation of the segment data to the group income statement.

2.2 Segment information (continued)

Non-current asset allocation by country (significant)	2021		2020	
	EUR '000	%	EUR '000	%
Austria	58,929	40.8%	59,704	40.7%
Italy	29,633	20.5%	30,972	21.1%
Denmark	23,707	16.4%	27,283	18.6%
United Kingdom	7,257	5.0%	9,015	6.1%

Geographical allocation of fixed assets is based on the country in which economic benefits are derived from the asset.

Significant countries are defined as countries representing 5.0% or more of the Group's non-current assets.

Non-current assets comprise intangible assets and property, plant and equipment owned by the segment/country, even if the income is earned outside the segment/country that owns the asset. Furthermore, they include non-current financial assets other than deferred tax assets.

2.3 Future performance obligations

The amount of a customer contract's transaction price that is allocated to the remaining performance obligations represents contracted revenue that has not yet been recognized. Including amounts recognized as contract liabilities and amounts that are contracted but not yet delivered.

The transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied as of December 31, 2021 is EUR 554.8m (2020: EUR 405.6m). This amount mostly comprises obligations to provide software updates, agreements which require client acceptance of functionality, and support or hosting subscriptions and support, as the respective contracts typically have durations of multiple years.

Management expects that EUR 141.3m in 2021 (2020: EUR 113.3m) of the amount allocated to the future performance obligations as of December 31, 2021 will be recognized during 2022. EUR 342.3m (2020: EUR 228.6m) is expected to be recognized as revenue within 2 to 5 years. The remaining part is expected to be recognized as revenue after 5 years. The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Accounting estimates and judgments

This estimation is judgmental, as it needs to consider estimates of possible future contract modifications and the timing of satisfaction of performance obligations. The amount of transaction price allocated to the remaining performance obligations, and changes in this amount over time, are impacted by, among others, currency fluctuations and possible contract modifications.

Under the percentage-of-completion method used for fixed fee services agreements, recognition of profit is dependent upon the accuracy of a variety of estimates. Such estimates are based on various judgments with respect to multiple factors and are difficult to accurately determine until the project is significantly underway. Due to uncertainties inherent in the estimation process, it is possible that the actual timing of completion may vary from estimates.

2.4 Contract balances

Contract balances consist of client-related assets and liabilities.

Contract assets

Contract assets relate to the Group's rights to consideration for software licensed to clients under subscription agreements with future payments, when that right is conditional on SimCorp's future performance.

If the timing of payments specified in the contract provides the client with a significant financing benefit, the transaction price is adjusted to reflect this financing component.

Contract assets increased by EUR 45.1m with subscription-based licenses adding

EUR 84.8m (2020: EUR 67.3m) and finance income recognized EUR 2.0m (2020: EUR 2.3m). Foreign exchange as well as adjustments also had a positive impact partly off-set by deduction of expected credit loss provision with overall positive impact of EUR 8.6m (2020: EUR -7.3m). The overall balance was reduced by invoiced subscription-based license fees of EUR 50.3m (2020: EUR 37.9m).

Contract liabilities

When a client pays consideration in advance, or an amount of consideration is due contractually before transferring of the license or service, then the amount received in advance is presented as a liability. Contract liabilities represent mainly

prepayments from clients for unsatisfied or partially satisfied performance obligations in relation to licenses, software updates and support, and services. Software updates and support and hosting billing generally occurs at periodic intervals (e.g. quarterly or yearly) prior to revenue recognition, resulting in liabilities.

The majority of license agreements are recognized as revenue in the year of sale. However, contracts with functionality gaps or acceptance criteria may have revenue recognition deferred, resulting in a contract liability when payment has occurred.

Contracts in progress relating to fixed fee professional services are measured at the

estimated sales value of the proportion of the contract completed at the statement of financial position date.

Periodic fixed fees for subscription services, software updates and support services, and other multiperiod agreements are typically invoiced yearly or quarterly in advance. Such fee prepayments account for the majority of our contract liability balance.

Fees based on actual transaction volumes for SCDaaS subscriptions and fees charged for non-periodical services are invoiced as the services are delivered. While payment terms and conditions vary by contract type and region, our terms typically require payment within 30 to 60 days.

Changes in contract assets

EUR '000	Opening balance	Invoiced from opening balance	Net additions	Adjustments ¹	Financing income recognized	Closing balance
2021						
Contract assets (gross)	182,537	-39,434	74,610	9,264	-	226,977
Contract interest element	-5,435	-	-624	-700	2,042	-4,717
Loss allowance	-1,174	-	-86	-	-	-1,260
Contract assets (NPV)	175,928	-39,434	73,900	8,564	2,042	221,000
2020						
Contract assets (gross)	160,551	-34,032	64,224	-8,206	-	182,537
Contract interest element	-7,872	-	-816	904	2,349	-5,435
Loss allowance	-905	-	-269	-	-	-1,174
Contract assets (NPV)	151,774	-34,032	63,139	-7,302	2,349	175,928

¹ Adjustments include: reclassifications, cancellations and foreign exchange adjustments and cumulative catch-up adjustments (including those arising from change in estimate of transaction price and contract modifications), change in time frame for a right to consideration to become unconditional or for a performance obligation to be satisfied.

Invoicing of contract assets

EUR '000	2021	2020
1 to 6 months	31,893	21,476
7 to 12 months	24,057	17,264
13 to 24 months	50,456	38,801
25 to 36 months	44,944	33,754
37 to 48 months	32,656	27,941
49 to 60 months	20,603	19,411
After 60 months	22,368	23,890
Total contract assets (gross)	226,977	182,537

2.4 Contract balances (continued)

Changes in contract liabilities

EUR '000	Opening balance	Net additions	Revenue recognized from liability opening balance	Adjustments ¹	Closing balance
2021					
Contract liabilities – licenses	3,573	1,965	-2,474	59	3,123
Contract liabilities – software updates and support	7,429	6,513	-7,376	31	6,597
Contract liabilities – services	5,338	7,282	-4,902	142	7,860
Contract liabilities – other	9,891	13,616	-9,883	35	13,659
Contract liabilities (prepayments from clients)	26,231	29,376	-24,635	267	31,239
2020					
Contract liabilities – licenses	4,463	3,225	-3,696	-419	3,573
Contract liabilities – software updates and support	6,707	7,656	-6,541	-393	7,429
Contract liabilities – services	3,994	3,948	-2,517	-87	5,338
Contract liabilities – other	9,514	7,831	-6,928	-526	9,891
Contract liabilities (prepayments from clients)	24,678	22,660	-19,682	-1,425	26,231

1 Adjustments include: reclassifications, cancellations, foreign exchange adjustments and cumulative catch-up adjustments (including those arising from change in measurement of progress).

Accounting policies, judgments and estimates

Amounts invoiced on account in excess of work completed are included in prepayments under current liabilities.

Contract assets from contracts with customers are measured at amortized cost less expected credit losses. Contract assets are within the scope of impairment requirements in IFRS 9.

For contract assets the simplified approach is used, and the expected loss

provision is measured at the estimate of the lifetime expected credit losses.

Expected loss rates between 0.03% - 14.13% are applied (2020: 0.04% - 13.36%), based on average default rates by region as published by Standard & Poor. For additional information refer to note 6.2 Risk.

Judgment is required in determining whether a right to consideration is conditional and thus qualifies as contract assets. Estimates are made as to whether and to what extent subsequent concessions or payments may be granted

to customers and whether the customer is expected to pay the contractual fees. In this judgment, trading history is considered both with the respective customer and more broadly.

Incremental Costs of Obtaining Customer Contracts

The Group expenses the incremental costs of obtaining a customer contract as incurred. The incremental costs of obtaining a customer contract primarily consist of sales commissions earned by the sales force. Commissions are typically related to the license fee which is recognized upfront

upon delivery, consequently, we expense sales commissions concurrently with revenue recognition.

Costs to Fulfill Customer Contracts

The Group does not capitalize costs incurred to fulfil customer contracts. Direct costs for custom development and standard platform are expensed as incurred.

2.5 Receivables

Receivables

EUR '000	2021	2020
Trade receivables from clients	56,060	52,575
Accrued revenue	38,018	27,356
Loss allowance	-116	-251
Other receivables	2,581	2,833
Total receivables at December 31	96,543	82,513
Aging of trade receivables from clients at December 31		
Not due	42,248	37,232
Overdue between 1 and 30 days	9,184	10,446
Overdue between 31 and 90 days	3,760	4,297
Overdue over 90 days	868	600
Total trade receivables from clients	56,060	52,575

Accounting policies

Receivables are recognized when control over licenses or services, etc. is transferred to a client before the client pays consideration and the right to consideration is not conditional on SimCorp's future performance.

Trade receivables represent receivables which have been invoiced to clients and remain outstanding. Accrued revenue consists mainly of revenue from the sale of perpetual software licenses and receivables from professional services contracts in progress which are yet to be invoiced. Other receivables are mainly sales and payroll taxes.

Trade receivables for performance obligations satisfied over time are recognized gradually, as the performance obligation is satisfied and in full once the invoice is due.

Receivables are initially recognized at fair value, and subsequently carried at amortized cost less expected loss allowance. Expected loss allowance is recorded on a portfolio basis. The simplified approach is applied and on initial measurement of receivables, all credit losses expected during the lifetime of the receivables are considered.

Additionally, allowances for individual receivables are recognized if there is objective evidence of credit impairment. Account balances are written off either partially or in full if judged that the likelihood of recovery is remote.

Expected loss allowance and impairments are recognized in the income statement under operating expenses. No security has been received with respect to trade receivables.

For information about how the default risk for trade receivables is analysed and managed, how the loss rates for the provision matrix are determined, how credit impairment is determined and what the criteria for write offs are, see the section on credit risk in note 6.2.

No impairment was recognized for trade receivables in 2021 (2020: 0.0m).

The Group's exposure to currency and credit risk for trade receivables is disclosed in note 6.2 Risk.

Section 3

Employees

This section provides information related to employee compensation arrangements and it should be read in conjunction with the remuneration report and note 7.2 on related party transactions.

Accounting policies which relate to a particular note to the income statement have been included within each individual note.

In this section, the following notes are presented:

- 3.1 Employee cost
- 3.2 Share based remuneration
- 3.3 Pension and similar liabilities
- 3.4 Provisions

3.1 Employee cost

Employee costs consist of salaries, sales commissions, bonuses, pensions and social costs, share-based payments, vacation pay, and other benefits.

Accounting policies

Salaries, bonuses, pensions and social costs, share-based payments, vacation pay, and other benefits are recognized in the year in which the associated services are rendered by the employees.

Management expects commissions paid to employees as a result of signing new client contracts to be recoverable. Such commissions are deferred and expensed when the related revenues are recognized. Deferred commissions are presented under prepayments in the statement of financial position.

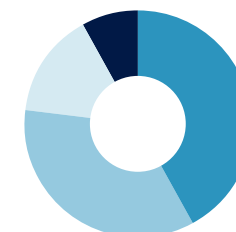
Where SimCorp provides long-term incentives and benefits, costs are accrued to match the rendering of services by the employees. The accounting policy for share-based remuneration is described in note 3.2.

Employee cost

EUR '000	2021	2020
Salaries	197,601	190,429
Defined contribution pension plans	4,299	4,005
Defined benefit pension plans	801	830
Share-based payments	10,035	8,739
Social security and other costs	19,291	18,665
Total employee cost	232,027	222,668
Number of employees at the end of the period	1,998	1,901
Average number of employees – FTE	1,871	1,840

Average number of employees by function

Function	2021	2020
Professional services	42%	42%
Research and development	35%	35%
Internal support and service	15%	14%
Sales and sales support	8%	9%



3.1 Employee cost (continued)

Obligations related to contribution-based pension schemes are recognized in the income statement under employee costs in the period for which the related service is provided.

Remuneration to the Executive Management Board, the Group Management Committee and Board of Directors is given below:

The Group Management Committee expanded from six members in 2020 to 13 members in 2021.

The accounting treatment for defined benefit plans is described in note 3.3.

Remuneration to Executive Management Board, Group Management Committee and Board of Directors

EUR '000	2021	2020
Salaries	2,494	2,177
Other benefits (short-term benefits)	171	166
Share-based payment	3,260	2,027
Performance-related bonus (short-term benefits)	1,513	1,118
Executive Management Board total	7,438	5,488
Salaries	3,341	1,571
Other benefits (short-term benefits)	167	298
Share-based payment	1,080	744
Performance-related bonus (short-term benefits)	1,122	583
Group Management Committee total	5,710	3,196
Board fees	568	406
Fees for committee work (short-term benefits)	123	95
Travel allowance (short-term benefits)	18	3
Share-based payment	175	248
Board of Directors total	884	752
Total	14,032	9,436

3.2 Share based remuneration

SimCorp's Board of Directors has adopted an overall policy for remuneration and incentive programs. The policy has been approved by shareholders at the Annual General Meeting with the overall objective being to promote awareness of profitable growth and the Group's long-term goals.

Accounting policies

Share-based payments comprise equity-settled restricted stock units (RSUs) issued to employees. The fair value of RSUs is measured at the grant date, adjusted for estimated dividends and recognized in the income statement as employee cost over the vesting period. Expenses are recognized as employee share-based payments and classified in the consolidated income statements according to the activities that the employees perform. The counter entry is recognized directly in equity.

Most of these awards are described in detail below. Other share-based payment plans not described below, are, individually and in aggregate, immaterial to our consolidated financial statements.

Assumptions are made in estimating the fair values for share-based payments, including number of RSUs expected to vest and number of employees estimated to become entitled to RSUs.

Upon resignation employees forgo all unvested RSUs, these are reported as canceled. The number of the RSUs is adjusted when performance conditions are only partly met, such adjustments are reported under performance adjustments. All adjustments are recognized in the income statement as employee cost.

In the 2021 financial year, EUR 10.0m was charged to the income statement in respect of share-based remuneration: EUR 5.3m related to issued RSUs, EUR 4.5m related to corporate bonus 2021 provision, and EUR 0.2m related to shares to the Board of Directors (2020: EUR 8.7m charged to the income statement, of which EUR 7.7m from RSUs, EUR 0.7m from corporate bonus 2020 provision and EUR 0.2m from shares to the Board of Directors).

As a result of the equity-settled share-based payments transactions, a commitment exists to grant SimCorp shares to employees. SimCorp meets these commitments using treasury shares to fulfil these obligations.

Shares to the Board of Directors

Members of the Board of Directors receive shares as a minor part of their overall remuneration. Shares are granted subject to approval at the Annual General Meeting. In the financial year January 1 to December 31, 2021, a cost of EUR 175 thousand (2020: EUR 248 thousand) was charged to the income statement in respect of this

3.2 Share based remuneration (continued)

program. The company will allot 1,697 treasury shares after publication of the Annual Report to members of the Board of Directors (2020: 2,587 treasury shares).

Restricted stock units (RSUs)

The Group grants RSUs to its employees and Executive Management Board (EMB) as part of its three incentive programs: long-term incentive program, corporate bonus, and special retention programs. The table which follows on the next page shows a summary of changes in the balance of outstanding RSUs from January 1, 2020 to December 31, 2021.

Long-term incentive program

RSUs are granted annually to members of the EMB and key employees as part of the long-term incentive program. These vest three years after being granted subject to continuing employment and conditions with respect to average annual minimum business growth and net operating profit after tax for the three consecutive financial years, including the year of grant. If the two last conditions are only partially satisfied, the undertaking with respect to the number of shares transferred after three years is reduced (performance adjustment) and may possibly lapse completely.

Upon resignation employees forgo all unvested RSUs. These are reported as canceled. In 2021, 21,459 RSUs were granted to Executive Management Board

(2020: 22,687), 228 RSUs were granted to employee elected members of the Board of Directors (2020: 156) and 19,991 RSUs were granted to other employees (2020: 25,374). Fair value at grant date was EUR 4.3m (2020: EUR 4.7m), and EUR 1.1m was charged to the income statement for 2021 (2020: EUR 0.8m).

Corporate bonus program

The annual corporate bonus program is linked to two key financial metrics: business growth and Group EBIT. Employees have the following options: receive the year's corporate bonus in cash; or waive their corporate cash bonus and elect to receive RSUs at a discount of 67%. Based on the waived bonus amount, the company grants RSUs to employees of the Parent company and its foreign subsidiaries. One third of these RSUs vest after one year, a further one third after two years, and the remaining third after three years, subject to continuing employment.

In 2021, 61,609 RSUs were granted including 461 RSUs to employee elected members of the Board of Directors. Fair value at grant date was EUR 6.7m (2020: EUR 7.1m). EUR 1.6m was charged to the income statement for 2021 (2020: EUR 1.7m).

In March 2022, the company will grant RSUs as part of its corporate bonus for 2021. EUR 1.7m was charged to the income statement in 2021 (2020: EUR 1.4m). These

are not included in the specification on the next page.

Other incentive programs

RSUs with particular vesting conditions are occasionally granted to key personnel upon hiring as a part of a sign-on agreement, special performance incentives, or similar incentives. A short description of particular vesting conditions is provided below. Other share-based payment plans not described below, are, individually and in aggregate, immaterial to our consolidated financial statements.

Granted 2021

CEO and CFO retention programs

11,562 RSUs were granted to Christian Kromann in connection with his appointment as CEO and 5,781 RSUs to Michael Rosenvold, CFO as part of a retention incentive. The fair value of these RSUs amounted to EUR 2.0m. The RSUs will vest 1/3 after three years, 1/3 after four years and 1/3 after five years conditional upon continued service and an increased investment in SimCorp shares by Christian Kromann of DKK 5m, and by Michael Rosenvold of DKK 2.5m, both to be completed by end of August 2023.

In addition, 1,466 RSUs related to LTIP 2021 were granted to Christian Kromann in connection with his appointment as CEO.

Regional retention programs

17,038 RSUs were granted for regional

retention programs for senior employees in EMEA, North America, and APAC. The fair value of these RSUs amounted to EUR 1.9m. The RSUs will vest after three years, subject to continued employment. Furthermore, the RSUs are subject to conditions with respect to average annual minimum business growth for the respective business units and to annual average net operating profit after tax for the Group for the financial years 2021 to 2023. If the two conditions are only partially satisfied, the number of shares transferred after three years will be reduced, and may possibly lapse completely.

Furthermore during 2021, 3,502 RSUs were granted to senior employees in the Group as part of sign-on agreements and incentive programs. Fair value at grant date was EUR 0.4m. The RSUs will vest after three years subject to continued employment and certain performance conditions for the financial years 2021 to 2023.

Vested 2021

In 2021, 4,052 RSUs related to other incentive programs vested. 2,390 RSUs granted to Michael Rosenvold in connection with his appointment as CFO in 2017, and 1,662 to other senior employees.

Canceled 2021

13,569 RSUs were canceled due to employees discontinuing their employment with SimCorp in 2021.

3.2 Share based remuneration (continued)

RSUs	Long term incentive	Corporate bonus	Other	Total	Board of Directors ¹	Executive Management Board	Other employees
Number of RSUs							
2021							
Outstanding January 1, 2021	166,532	154,232	26,712	347,476	1,853	93,961	251,662
Granted	41,678	61,609	39,349	142,636	689	40,268	101,679
Vested	-64,651	-81,516	-4,052	-150,219	-936	-37,940	-111,343
Canceled/transferred	-4,888	-6,251	-3,144	-14,283	-	-	-14,283
Outstanding December 31, 2021	138,671	128,074	58,865	325,610	1,606	96,289	227,715
<i>of which vesting:</i>							
2022	51,032	65,263	18,044	134,339	735	30,847	102,757
2023	46,576	42,737	3,197	92,510	488	23,930	68,092
2024	41,063	20,074	26,062	87,199	383	29,950	56,866
2025	-	-	5,781	5,781	-	5,781	-
2026	-	-	5,781	5,781	-	5,781	-
2020							
Outstanding January 1, 2020	175,640	168,793	57,646	402,079	2,269	101,192	298,618
Granted	48,217	72,808	1,954	122,979	687	22,687	99,605
Vested	-52,144	-84,963	-26,532	-163,639	-1,092	-28,790	-133,757
Performance adjustment	-2,497	-	-3,716	-6,213	-11	-1,128	-5,074
Canceled/transferred	-2,684	-2,406	-2,640	-7,730	-	-	-7,730
Outstanding December 31, 2020	166,532	154,232	26,712	347,476	1,853	93,961	251,662
<i>of which vesting:</i>							
2021	65,365	81,729	4,052	151,146	936	37,940	112,270
2022	52,950	48,121	20,173	121,244	582	30,847	89,815
2023	48,217	24,382	1,243	73,842	335	23,930	49,577
2024	-	-	1,244	1,244	-	1,244	-
<i>Charge to the income statement EURm</i>							
2021	4.44	2.77	0.91	8.12			
2020	2.85	4.14	0.66	7.65			

1 Board of Director's restricted stock units are acquired in the capacity of employees of SimCorp.

3.3 Pension and similar liabilities

The Group has entered into pension and similar agreements with most employees. Obligations relating to defined-contribution plans are recognized in the income statement in the period in which they are earned, and payments due are recognized in the statement of financial position under other payables.

The settlement amount of EUR 2,367 thousand, relates to two retirees covered by the Swiss pension that have left, and in regards to this the employer has no further obligation.

For defined-benefit plans, the net present value is only calculated for those benefits earned to date by employees. The present value of future pension payments is estimated actuarially and shown net of the fair value of any plan assets in the statement of financial position as pension obligations.

Differences between estimated pension assets and liabilities and their realized values are termed actuarial gains and losses. Actuarial gains and losses are recognized in the statement of other comprehensive income.

Changes in benefits earned to date are actuarially calculated and expensed immediately when the employees have already earned the right to the changed benefits. Otherwise, they are recognized in the income statement over the period

during which the employees earn the right to the benefits.

■ Accounting policies, judgments and estimates

For defined-benefit plans, annual actuarial calculations are made of the net present value of future benefits to be paid under the plan. The net present value is calculated based on assumptions of the future developments of salary, interest, inflation, and mortality rates.

Assumptions are assessed at reporting date and changes in these assumptions may significantly affect the liabilities and pension cost under defined benefit plans.

The pension obligations of the Parent company and most foreign subsidiaries (all those with defined-contribution plans) are covered by insurance. For a few foreign subsidiaries (those with defined benefit plans), the pension obligations are not covered or only partly covered by insurance.

Under defined-benefit plans, the employer is obliged to pay a defined benefit (for example a fixed percentage of an employee's final salary) to the employee after retirement. Under a defined-benefit plan, the Group carries the risk in respect of future developments in interest rates, inflation, mortality, or disability.

Pensions and similar liabilities

EUR '000	2021	2020
Pension liabilities		
At January 1	15,593	14,505
Foreign exchange adjustment and other adjustments	508	-125
Employee contributions	304	252
Expensed in the income statement	801	831
Calculated interest	74	87
Actuarial loss/(gain) change in demographic assumptions	-782	72
Actuarial loss/(gain) change in financial assumptions	-762	106
Actuarial loss/(gain) change in experience	-258	102
Payroll taxes	-67	-55
Settlements	-2,367	-
Benefits paid through pension assets	351	-182
Present value of pension liabilities at December 31	13,395	15,593
Fair value of plan assets		
At January 1	11,299	10,232
Foreign exchange adjustment	340	-83
Calculated interest	55	62
Return on plan assets in addition to calculated interest	138	326
Employee contributions	368	314
Employer contributions	811	655
Settlements	-2,367	-
Benefits paid through pension assets	351	-182
Other	-26	-25
Fair value of plan assets at December 31	10,969	11,299
Net liability included in the statement of financial position	2,426	4,294

3.3 Pension and similar liabilities (continued)

The plan entitles employees to defined future benefits. These primarily depend on number of years of service, salary level at retirement age, and the size of the national pension.

The actuarial assessments of assets and liabilities in the Norwegian defined-benefit plan have been prepared by Storebrand Pensjonstjenester AS (Norway).

For the Swiss defined-benefit plan, the actuarial assessments of assets and liabilities have been prepared by Allea Ltd (Switzerland).

For the Belgian defined-benefit plan, the actuarial assessments of assets and liabilities have been prepared by Willis Towers Watson (Belgium).

Sensitivity analysis

Significant actuarial assumptions for the determination of the pension benefit liability are discount rate and expected future remuneration increases. The sensitivity analysis below has been determined based on reasonable likely changes in assumptions occurring at the end of the period.

The analysis considers the single change shown in the table with all other assumptions assumed to remain unchanged. In practice, changes in one assumption may be accompanied by

Asset allocation (latest available)

	Switzerland		Norway		Belgium	
	2021	2020	2021	2020	2021	2020
Shares	-	-	6.8%	6.8%	3.5%	4.1%
Bonds	-	-	63.7%	63.7%	85.1%	86.3%
Property	-	-	16.1%	16.0%	-	-
Other financial assets	-	-	13.4%	13.5%	11.4%	9.6%
Assets held at Allianz Suisse collective foundation	100.0%	100.0%	-	-	-	-
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Most important assumptions for actuarial calculations

	Switzerland		Norway		Belgium	
	2021	2020	2021	2020	2021	2020
Discount rate	0.4%	0.3%	1.5%	1.7%	0.9%	0.3%
Future salary increases	1.3%	1.0%	2.5%	2.3%	-	-

Sensitivity analysis on reported pension liabilities

	Switzerland		Norway		Belgium	
EUR '000	2021	2020	2021	2020	2021	2020
Discount rate +1%	-941	-1,302	-371	-371	-948	-1,076
Discount rate -1%	1,336	1,828	500	494	1,202	1,384
Future remuneration +1%	230	206	225	217	-	-
Future remuneration -1%	-207	-185	-195	-189	-	-

offsetting changes in another assumption (although this is not always the case).

The Group expects to pay EUR 739 thousand to the defined-benefit pension plans in 2022 (2020: EUR 694 thousand for the year 2021).

For defined-contribution plans, the employer is obliged to pay a defined contribution (for example a fixed percentage of an employee's salary) to independent insurance companies.

For a defined-contribution plan, the Group runs no risk in respect of future developments in interest rates, inflation, mortality, or disability.

3.4 Provisions

Accounting policies, judgments and estimates

A provision is recognized when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of the Group's resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

In valuing provisions, the costs estimated to settle the liability are discounted if such discounting would have a material effect on the measurement of the liability. A pre-tax discount rate is used that reflects the level of interest rates with the liability. Changes in the discount element during the year are recognized as financial expenses. The present value of defined-benefit obligations and the related current service cost and past service cost were measured using the projected unit credit method.

Anniversary bonuses

This provision results from the Group's commitment of one month's pay in connection with employees' 25th and 40th anniversary.

Termination indemnity

In Italy, upon termination of employment for any reason, employers must pay a leaving indemnity ('Trattamento di fine Rapporto' or TFR). Termination pay is calculated as 6.9%

of each year's annual salary, revalued on the basis of 75% of the inflation rate plus a fixed rate of 1.5% during the period of accrual, and is paid as a lump sum when the employees leaves or transferred to private pension fund. The cost is accrued on a monthly basis representing 1/13 of the annual cost per month.

Pension

Refer to note 3.3 Pension and similar liabilities.

Other

Other provisions contain, among others, the obligation to re-establish leased offices when the premises are vacated as well as holiday allowances (2020) required by the Danish Holiday Act.

The present value of the re-establishment obligation is included in the cost of the property plant and equipment and depreciated accordingly.

Uncertainties exist with respect to pension obligation's timing as well as timing and amount of re-establishment costs and termination indemnity. Judgment is used to determine when and whether such obligations will crystallize.

Provisions

EUR '000	Anniversary bonuses	Pension	Termination indemnity	Other ¹	Total
2021					
Liability at January 1	2,293	4,294	3,142	2,109	11,838
Foreign exchange adjustment	11	169	-	37	217
Used during the year	-46	-	-361	-340	-747
Reversal of unused liabilities	-521	-1,894	-	-20	-2,435
Provisions for the year	792	-143	504	149	1,302
Total provisions	2,529	2,426	3,285	1,935	10,175

Expected due dates for provisions:

Falling due within 1 year	181	-	76	175	432
Falling due within 2 to 5 years	964	-	304	759	2,027
Falling due after 5 years	1,384	2,426	2,905	1,001	7,716
Total provisions	2,529	2,426	3,285	1,935	10,175

2020

Liability at January 1	2,046	4,273	2,854	4,648	13,821
Foreign exchange adjustment	6	-41	-	-31	-66
Used during the year	-81	-	-311	-6,764	-7,156
Reversal of unused liabilities	-48	-63	-	-106	-217
Provisions for the year	370	125	599	4,362	5,456
Total provisions	2,293	4,294	3,142	2,109	11,838

Expected due dates for provisions:

Falling due within 1 year	219	-	141	359	719
Falling due within 2 to 5 years	923	-	141	843	1,907
Falling due after 5 years	1,151	4,294	2,860	907	9,212
Total provisions	2,293	4,294	3,142	2,109	11,838

1 Includes re-establishment of rented premises and holiday allowances (2020) required by the Danish Holiday Act. Provisions used in 2020 relate mainly to the balance moved to current liabilities as amount paid in 2021 in connection with the Danish Holiday Act.

Section 4

Tax

This section contains all relevant disclosures and details regarding corporate income tax recognized within the financial statements. The total tax on Group profit for the year was EUR 27.4m compared with EUR 27.8m in 2020. Income tax has decreased, primarily due to prior year refunds of withholding taxes.

The Group's effective tax rate has decreased from 24.0% in 2020 to 20.0% in 2021, primarily due to prior year adjustments related to refunds of withholding taxes.

4.1 Income tax

4.2 Deferred tax

4.1 Income tax

Accounting policies

The income tax for the year comprises current and deferred tax, including adjustments to prior years. Tax is recognized in the income statement, except to the extent it relates to items recognized in other comprehensive income or directly in equity.

The tax deduction on share-based remuneration for the year is recognized as taxable income in the income statement to the extent that the tax deduction is attributable to the share-based payment expenses recognized in the income statement. The value of the excess tax reduction, if any, is recognized directly in equity.

Income tax

EUR '000	2021	2020
<i>Tax for the year:</i>		
Tax on profit	27,426	27,838
Tax on other comprehensive income	397	1
Total tax	27,823	27,839
<i>Tax on profit for the year breaks down as follows:</i>		
Current tax	22,809	23,811
Deferred tax	4,200	3,915
Prior-year adjustments	372	80
Changes in tax rates	45	32
Total tax on profit for the year	27,426	27,838
Tax paid during the year	23,329	20,674
<i>Tax on profit for the year breaks down as follows:</i>		
Tax calculated on the year's pre-tax profit, 22% (2020: 22%)	30,144	25,501
Difference in tax in subsidiaries relative to 22% (2020: 22%)	1,703	1,051
Changes in tax rates	45	32
<i>Tax effect:</i>		
Non-taxable income	-2,141	-2,672
Non-deductible expenses	1,282	1,221
Other, including prior-year adjustments	-3,607	2,705
Total tax on profit for the year	27,426	27,838
Effective tax excl. Other, incl. prior-year adjustments, rate	22.6%	21.7%
Effective tax rate	20.0%	24.0%

4.2 Deferred tax

Accounting policies, judgments and estimates

Deferred tax is calculated using the liability method on all temporary differences between the accounting and taxable values of assets and liabilities. Deferred tax assets are assessed yearly and recognized only to the extent that it is more likely than not that they can be utilized.

Deferred tax assets, including the tax value of tax losses carried forward, are recognized as other non-current assets and measured at the amount at which they are expected to be realized. These are either offset against deferred tax liability or against tax on future earnings within the same legal entity or a jointly taxed entity.

Deferred tax is measured based on the tax legislation and statutory tax rates in the respective countries that will apply under the legislation in force on the statement of financial position date when the deferred tax asset is expected to crystallize as current tax. Changes in deferred tax resulting from changes in tax rates are recognized in the income statement.

For jurisdictions where IFRS 15 is not applicable for tax purposes, the revenue is deferred, and the related income tax is recognized as deferred tax.

Deferred tax reflects assessment of future taxable income across all legal entities. Actual future taxes may deviate from these estimates.

In some jurisdictions the tax treatment related to the adoption of IFRS 15 is yet to be determined, management assesses the tax treatment for those legal entities yearly. Management assessed that, for those jurisdictions, the most likely outcome is a deferred income of subscription-based license fees for tax purposes, related income tax is thus recognized as deferred tax.

The uncertainty of the tax treatment of IFRS 15, to be classified as deferred tax, amounts to approximately EUR 28m (2020: EUR 25m), related to Parent company.

The Group recognizes deferred tax assets relating to losses carried forward, if management assesses that these can be offset against taxable income in the foreseeable future.

Tax value of the capitalized tax losses are expected to be realized within the foreseeable future, as the affected subsidiaries expect a sufficient future taxable income. In 2022, EUR 0.7m (2020: EUR 0.3m in 2021) of the deferred tax assets are expected to be utilized. The tax value of tax losses not capitalized is EUR 0.8m (2020: EUR 0.8m).

Deferred tax

EUR '000	2021	2020
Deferred tax at January 1	-24,150	-20,574
Foreign exchange adjustment	139	-148
Deferred tax, profit and loss	-4,200	-3,915
Prior-year adjustment, profit and loss	173	104
Change in tax rates	-45	-32
Adjustment of deferred tax, other comprehensive income	-397	-1
Adjustment of deferred tax, equity	-1,550	416
Net deferred tax (liability)/asset at December 31	-30,030	-24,150
<i>Recognized in the statement of financial position as follows:</i>		
Deferred tax assets	3,091	4,173
Deferred tax liabilities	-33,121	-28,323
Net deferred tax (liability)/asset at December 31	-30,030	-24,150

Tax risks

SimCorp operates in more than 20 countries through sales companies, while development is carried out in a few countries, mainly Denmark and Ukraine, and support and services are delivered locally as well as from shared centers in primarily Poland and India. This leads to transactions between Group Companies. SimCorp follows the OECD principles in setting internal transfer prices for these transactions. This implies a tax risk, as the transactions are subject to judgment in each country. SimCorp has reduced its risk using bilateral advanced pricing agreements (APAs).

Bilateral APAs

An APA is an agreement between a taxpayer and a tax authority determining the transfer pricing method for a taxpayer's international transactions for future years. The APA is for a certain period and based on certain terms and conditions. SimCorp has entered into bilateral APAs, which means agreements that are negotiated between tax authorities of the two countries that the transactions cover. An APA provides assurance with respect to the tax outcome for the international transactions, by determining in advance arm's length pricing.

SimCorp has entered into bilateral APAs with the tax authorities in the countries

4.2 Deferred tax (continued)

Deferred tax

EUR '000	Balance January 1	Foreign exchange adjustment	Recognized in:		Equity	Balance December 31
			Profit and loss	Other comprehensive income		
2021						
Intangible assets	-7,024	-42	6,532	-	-	-534
Property, plant, and equipment, owned	-1,030	11	-5,641	-	-	-6,660
Property, plant, and equipment, right-of-use	-9,417	-211	740	-	-	-8,888
Contract assets	-27,029	-19	-4,119	-	-	-31,167
Lease liabilities, current	2,536	56	-443	-	-	2,149
Current liabilities	2,561	88	609	-	-	3,258
Lease liabilities, non-current	7,698	176	-60	-	-	7,814
Provisions, non-current	1,076	30	-660	-397	-	49
Share-based payment	3,964	1	225	-	-1,550	2,640
Tax losses carry-forward	2,515	49	-1,255	-	-	1,309
Total	-24,150	139	-4,072	-397	-1,550	-30,030
2020						
Intangible assets	-9,485	36	2,425	-	-	-7,024
Property, plant, and equipment, owned	547	-19	-1,558	-	-	-1,030
Property, plant, and equipment, right-of-use	-10,974	308	1,249	-	-	-9,417
Contract assets	-22,186	-56	-4,787	-	-	-27,029
Lease liabilities, current	2,221	-65	380	-	-	2,536
Current liabilities	2,181	-79	459	-	-	2,561
Lease liabilities, non-current	9,529	-258	-1,573	-	-	7,698
Provisions, non-current	682	32	363	-1	-	1,076
Share-based payment	3,378	15	155	-	416	3,964
Tax losses carry-forward	3,533	-62	-956	-	-	2,515
Total	-20,574	-148	-3,843	-1	416	-24,150

where internal transactions are most significant. Transactions covered by APAs are internal transactions between Denmark and the US and Germany, respectively.

Withholding tax

SimCorp is subject to withholding taxes from various countries. The most significant withholding tax impact relates to France.

R&D tax credit

R&D Tax credit is based on tax incentive from the Danish Government. In 2020 and 2021, the qualifying R&D expenses can be deducted with 130%. The qualifying development must meet criteria's such as being new technological developments for the company, innovative and entail uncertainty.

SimCorp has applied the R&D tax credit of 130% for certain R&D expenses.

Section 5

Invested capital

This section comprises notes which offer a thorough understanding of the Group's non-current assets. Additions in invested capital include separate asset acquisitions or business combinations. Furthermore, in this section are disclosed all lease related disclosures, including liabilities.

Additions to property, plant, and equipment amounted to EUR 7.0m in 2021 (2020: EUR 5.9m). Additions in 2021 comprise mainly lease extensions and purchase of equipment.

In this section, the following notes are presented:

- 5.1 Acquisition of enterprises
- 5.2 Intangible assets
- 5.3 Property, plant, and equipment

5.1 Acquisition of enterprises

■ Accounting policies, judgments and estimates

Business combinations

Newly acquired or newly established enterprises are recognized in the consolidated financial statements from the effective dates of acquisition.

The takeover method is applied for acquisitions if the Parent company gains control of the entity.

The net aggregate value of identifiable assets and liabilities is measured in accordance with IFRS 3 Business Combinations.

Transaction costs related to acquisitions are charged to the income statement as administration expenses at the time of acquisition.

Provisional values are used for initial recognition where there is uncertainty regarding the identification and measurement of acquired assets, liabilities, and contingent liabilities at the date of acquisition. Such provisional values can be adjusted or additional assets or liabilities included until 12 months after the acquisition date if new information is available regarding circumstances that existed at the time of acquisition and which would have affected the fair value at the time of acquisition, had the information been known. Thereafter, no adjustments are made to goodwill, and changes in estimates of contingent consideration relating to business combinations are recognized in the income statement.

SimCorp did not enter into acquisitions in 2020 or 2021.

5.2 Intangible assets

■ Accounting policies, judgments and estimates

Goodwill

Initially, goodwill is recognized at cost. Subsequently, goodwill is measured at cost less accumulated impairment. Goodwill is not amortized.

The carrying amount of goodwill is tested for impairment at least annually. Impairment losses are recognized directly in profit for the year and are not subsequently reversed.

Other intangible assets

Intangible assets with limited economic lives are measured at cost less accumulated amortization and impairment losses. Intangible assets include proprietary and acquired software as well as client relationships. Amortization is provided on a straight-line basis over the estimated useful lives of the assets, which are as follows:

- Software up to 10 years
- Client relationships up to 20 years

Proprietary software for resale

Costs of development projects for software for resale are recognized as intangible assets where they are clearly defined and identifiable, where there are sufficient resources to implement the projects, and where it is probable that identifiable future income or cost reductions will cover the development and future operating costs.

Capitalized development costs comprise salaries plus overheads. Overheads comprise staff costs, IT, and communications and amortization. Development costs comprise costs attributable to the Group's development functions, including salaries, and other employee costs and amortization. To the extent that the development costs are not capitalized, they are recognized as research and development costs in the income statement.

Acquired software

Software acquired is measured at cost less accumulated amortization and accumulated impairment losses.

Client relationships

Acquisition related client relationships are initially recognized at fair value at the acquisition date and subsequently carried at cost less accumulated amortization and any accumulated impairment losses. The value of client relationships is amortized on a straight-line basis, based on the estimated duration of the acquired relationship or other relevant period if deemed appropriate.

The carrying values of other intangible assets are reviewed annually for impairment to assess if there is an indication of impairment beyond what is expressed through normal amortization. If the carrying amount exceeds its recoverable amount, the carrying amount of the asset is written down to the recoverable amount.



5.2 Intangible assets (continued)

Intangible assets				
EUR '000	Goodwill	Software	Client relationships	Intangible assets total
2021				
Cost at January 1	61,367	23,899	28,393	113,659
Foreign exchange adjustment	278	261	235	774
Disposals	-	-2	-	-2
Cost at December 31	61,645	24,158	28,628	114,431
Amortization at January 1	-	12,428	5,506	17,934
Foreign exchange adjustment	-	189	85	274
Amortization	-	1,742	1,792	3,534
Disposals	-	-2	-	-2
Amortization at December 31	-	14,357	7,383	21,740
Carrying amount at December 31	61,645	9,801	21,245	92,691
2020				
Cost at January 1	61,178	23,882	28,578	113,638
Foreign exchange adjustment	-216	-171	-185	-572
Additions on acquisition of subsidiaries	405	183	-	588
Disposals	-	5	-	5
Cost at December 31	61,367	23,899	28,393	113,659
Amortization at January 1	-	10,534	3,547	14,081
Foreign exchange adjustment	-	104	-62	42
Amortization	-	1,795	2,021	3,816
Disposals	-	-5	-	-5
Amortization at December 31	-	12,428	5,506	17,934
Carrying amount at December 31	61,367	11,471	22,887	95,725
Amortization period		Up to 10 years	Up to 20 years	

Amortization

EUR '000	2021	2020
Cost of sales	1,135	1,175
Research and development costs	1,031	1,141
Sales and marketing costs	827	874
Administrative expenses	541	626
Total amortization	3,534	3,816

All intangible assets apart from goodwill are considered to have limited useful economic lives.

For the SimCorp Group, the measurement of intangible assets, including goodwill, could be affected by significant changes in judgment and assumptions underlying their calculation.

The estimated useful life reflects the period over which the Group expects to derive economic benefit from intangible assets.

Determination of the useful life of client relationships at up to 20 years and software at up to 10 years is based on estimates regarding the period over which such assets are expected to produce economic benefits to the Group.

Impairment test

Goodwill is tested for impairment once a year, other intangible assets are tested when there is indication of impairment. No indication of impairment beyond what is expressed through normal amortization has been perceived in relation to software and client relationships.

Carrying amounts and assumptions

	Goodwill		Discount rate after tax		Annual average growth	
EUR '000	2021	2020	2021	2020	2021	2020
SimCorp Dimension	37,470	37,192	7%	7%	10%	10%
SimCorp Sofia	24,175	24,175	7%	7%	0%	0%
Total carrying amount	61,645	61,367				

Discount rate before tax: SimCorp Dimension 9% (2020: 9%), SimCorp Sofia 10% (2020:10%).

5.2 Intangible assets (continued)

When performing the impairment test, an assessment is made as to the ability of individual cash generating units (CGUs) to generate sufficient positive net cash flow in the future to support the value of the unit-value in use. The discount rate used in determining the value in use is based on the weighted average cost of capital (WACC).

Cash generating units are defined as the smallest group of identifiable assets which together generate incoming cash flow from continued operations. For SimCorp Sofia this has been defined as the business unit.

SimCorp Gain and Simcorp Coric have been integrated within the regional sales and marketing structure and into the research and development segment, previously covering exclusively SimCorp Dimension, but now also the product lines SimCorp Coric and SimCorp Gain. The impairment testing for the intangible assets is based on testing for the profit center Research and Development.

The future cash flows are based on budgets and management's estimates of expected developments over the next five years. Revenue growth assumptions, EBIT, and discount rate constitute the most material parameters in the calculations.

At December 31, 2021, the carrying amount of goodwill was tested for impairment. The expected performance of SimCorp Sofia was assessed for SimCorp Italiana S.r.l. in order to verify if sufficient to offset the carrying amount of the cash generating unit. The expected performance of SimCorp Dimension was assessed for SimCorp Coric and SimCorp Gain.

The impairment test at December 31, 2021 showed no indication of impairment for 2021 (2020: nil). Management's assessment is that currently no changes in key assumptions are reasonably likely to reduce the value in use below the carry value for any of the cash generating units.

For SimCorp Sofia, the estimated growth rate is based on management's expectations. For SimCorp Dimension, the expected growth rate is based on SimCorp's own market intelligence process, through which information is collected from all key markets to form the basis for future market growth expectations. The internal expectations are then verified against available market data from external resources, including global market intelligence and research companies.

5.3 Property, plant, and equipment

The Group chose to present right-of-use assets together with the underlying assets of the same nature which it owns.

Accounting policies

Property, plant, and equipment are measured at cost less accumulated depreciation and accumulated impairment. Right-of-use assets are initially measured at cost consisting of the amount of the initial measurement of the leases liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received and the initial estimate of refurbishment costs and any initial direct costs incurred by SimCorp as the lessee.

Leasehold includes right of use assets related to the rental of premises as well as improvements. The Group leases land and buildings for its office space for three to ten years.

Technical equipment includes IT and other equipment owned and leased.

Other equipment includes leased cars and owned fixtures and fittings.

Leases

The Group leases vehicles and equipment with lease terms of three to five years. Agreements might include options to purchase assets at the end of the contract term or guarantees in relation to the residual value of the leased asset at the end of the contract term. The use of vehicles and equipment is monitored and the estimated amount payable reassessed at the reporting date to remeasure lease liabilities and right-of-use assets.

None of the Groups' right-of-use assets meet the definition of investment property.

Extension and termination options are included in a number of property and equipment leases across the group. These are used to maximize operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor. The Group assesses at the lease commencement date whether it is reasonably certain to exercise such options and reassesses if there is a significant event.

Additionally, some leases provide for additional payments based on changes to local price indices, these amounts are generally determined annually.

5.3 Property, plant, and equipment (continued)

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the income statement. Short-term leases are leases with a term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

Lease liabilities arise from the adoption of IFRS 16. Details on lease liabilities, amounts recognized in the income statement and statement of cash flow in relation to leases follow.

Lease liabilities

EUR '000	2021	2020
Payable within 1 year	8,577	10,039
Payable within 2 to 5 years	24,194	23,919
Payable after 5 years	8,191	12,110
Total undiscounted lease liabilities	40,962	46,068
Total lease liabilities included in the statement of financial position	40,665	44,177
Current	8,577	9,630
Non-current	32,088	34,547

Amounts recognized in the income statement

EUR '000	2021	2020
Interest on lease liabilities	530	617
Variable lease payments not included in the measurement of lease liabilities	1,043	797
Expenses related to short-term lease	72	256
Expenses related to low-value assets	4	15
Total recognized in profit and loss	1,649	1,685

Amounts recognized in the statement of cash flow

EUR '000	2021	2020
Repayment of lease liability	10,808	10,042
Total recognized in statement of cash flow	10,808	10,042

Depreciation

The basis of depreciation is calculated with due consideration to scrap value and any prior impairment write down. The estimated useful life and scrap value of each asset is determined at the date of acquisition and reassessed annually. When the scrap value equals the carrying amount of the asset, the asset ceases to be depreciated. Any change in depreciation period or scrap value is recognized as a change in accounting estimate.

Impairment, depreciation, and amortization are recognized in cost of sales, research

and development costs, sales and marketing costs, or administrative expenses.

Property, plant, and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, which are as follows:

- Leasehold over the lease term up to 10 years
- Technical equipment up to 3 years
- Other equipment, fixtures, and fittings up to 5 years

Depreciation

EUR '000	2021	2020
Cost of sales	3,758	3,781
Research and development costs	3,476	3,673
Sales and marketing costs	2,787	2,811
Administrative expenses	1,824	2,013
Total depreciation	11,845	12,278

5.3 Property, plant, and equipment (continued)

Property, plant, and equipment

EUR '000	Leasehold		Technical equipment		Other equipment, fixtures, fittings and prepayments		Property, plant, and equipment total
	Right-of-use	Improvements	Right-of-use	Owned	Right-of-use	Owned	
2021							
Cost at January 1	59,363	7,270	401	8,452	2,232	4,899	82,617
Foreign exchange adjustment	1,474	269	14	139	4	110	2,010
Additions	4,850	421	54	436	795	403	6,959
Disposals	-1,328	-253	-10	-235	-208	-312	-2,346
Cost at December 31	64,359	7,707	459	8,792	2,823	5,100	89,240
Depreciation at January 1	17,663	5,286	64	7,726	919	3,309	34,967
Foreign exchange adjustment	492	294	2	109	1	83	981
Depreciation	9,343	474	133	588	712	595	11,845
Disposals	-1,328	-253	-10	-221	-149	-284	-2,245
Depreciation at December 31	26,170	5,801	189	8,202	1,483	3,703	45,548
Carrying amount at December 31	38,189	1,906	270	590	1,340	1,397	43,692
2020							
Cost at January 1	58,788	7,054	781	8,771	1,773	5,113	82,280
Foreign exchange adjustment	-1,819	-277	3	-194	-3	-104	-2,394
Additions	2,403	618	490	431	757	1,167	5,866
Disposals	-9	-125	-873	-556	-295	-1,277	-3,135
Cost at December 31	59,363	7,270	401	8,452	2,232	4,899	82,617
Depreciation at January 1	9,308	4,945	518	7,528	494	3,837	26,630
Foreign exchange adjustment	-766	-150	2	-46	29	-61	-992
Depreciation	9,121	616	417	787	638	699	12,278
Disposals	-	-125	-873	-543	-242	-1,166	-2,949
Depreciation at December 31	17,663	5,286	64	7,726	919	3,309	34,967
Carrying amount at December 31	41,700	1,984	337	726	1,313	1,590	47,650
Depreciation period	Up to 10 years		Up to 3 years		Up to 5 years		

Section 6

Equity, capital structure, and financing items

This section presents how SimCorp manages its capital structure. SimCorp's capital structure management aims primarily to support business growth. It is the Group's policy that any excess capital present after 1) funding growth opportunities and 2) leaving remaining cash reserves that cover at least 10% of the following year's cost, be returned to investors.

In this section, the following notes are presented:

- 6.1 Equity, treasury shares, and dividends
- 6.2 Risk
- 6.3 Financial assets and liabilities
- 6.4 Financial income and expenses

6.1 Equity, treasury shares, and dividends

Accounting policies

Treasury shares acquired by the Parent company are recognized in the statement of financial position at zero value. Dividends from such shares are recognized in equity.

On December 31, 2021, the share capital amounted to DKK 40,500,000 divided into 40,500,000 shares (unchanged from 2020). The company's shares are traded on Nasdaq Copenhagen in denominations of DKK 1. No shares confer any special rights upon any shareholder. No shares are subject to restrictions on transferability or voting rights.

The share capital may be increased in one or more issues by a total nominal amount of up to DKK 4,000,000 (4,000,000 shares of DKK 1 nominal value) as directed by the Board of Directors with respect to time and terms.

This authority is valid for a period of five years, expiring on March 1, 2025, and may be extended by the shareholders for one or more periods of up to five years at a time.

The capital increase may be affected by cash payment or otherwise. The capital increase may be affected without pre-emption rights to the company's existing shareholders, if the shares are issued at market price or as consideration for the company's acquisition of an existing operation or specific assets of a value that equals the value of the shares issued.

Except for the cases specified in the preceding period, the company's existing shareholders shall have a right to subscribe new shares proportionately to their existing holdings. The new shares shall be negotiable instruments, and no restrictions shall apply to the transferability of the shares. No shareholders shall be under an obligation to have their shares redeemed in full or in part by the company or any other party.

Unless Danish legislation provides for a greater majority or unanimity, the adoption of resolutions regarding amendments to the company's articles of association and the company's dissolution or merger with another company requires a majority of not less than two thirds of all the votes cast as well as of the voting share capital represented at the relevant general meeting, and that not less than 50% of the share capital is represented at the general meeting. Should less than 50% of the share capital be represented at the general meeting, and the resolution is adopted by not less than two thirds of the votes cast as well as of the voting share capital represented at the general meeting, another general meeting may be called within 14 days after the preceding general meeting. At the new general meeting, the resolution can be adopted by not less than two thirds of the votes cast as well as of the voting share capital represented at the general meeting. Refer to pages 44 to 47 for additional information.

6.1 Equity, treasury shares, and dividends (continued)

Treasury shares

The market value of treasury shares at December 31, 2021 was EUR 103.1m (2020: EUR 103.0m). The treasury shares are carried at EUR 0.0m (2020: EUR 0.0m) in the financial statements.

The Board of Directors has been authorized to let the company acquire treasury shares of up to a total nominal value of 10% of the company's share capital, including the company's current holding of treasury shares.

In 2021, SimCorp A/S acquired 375,475 treasury shares for EUR 40.1m, at an average price of DKK 794.17 per share (2020: EUR 10.0m at an average price of DKK

660.78 per share). In 2021, SimCorp A/S delivered 152,806 treasury shares as part of the share-based remuneration program for a nominal value of DKK 152,806 (2020: DKK 163,686) calculated at an average market price of DKK 813.55 per share (2020: DKK 731.05 per share), equal to a calculated price of EUR 16.7m (2020: EUR 16.4m).

The company acquires treasury shares to reduce share capital and to cover obligations arising from restricted stock unit programs.

Capital structure and management and dividends policy

The Board of Directors regularly assesses the need to adjust the capital structure,

including the requirement for cash, credit facilities, and equity.

SimCorp intends to pay dividends of at least 40% of the Group free cash flow. In addition, the company buys treasury shares provided that it does not anticipate specific cash requirements.

SimCorp is predominantly equity financed and its guiding principle is that excess capital after funding of organic and acquisitive growth opportunities should be returned to investors.

In 2021, SimCorp acquired EUR 40.1m in SimCorp shares as part of a share buyback program (2020: EUR 10.0m). In 2022, given there are no specific requirements for liquidity, SimCorp expects to buy back shares with the intention to purchase shares for EUR 40.0m in two half yearly buyback programs of EUR 20.0m each.

Distribution of dividends to shareholders has no tax consequences for the company.

The Board of Directors intends to recommend to the shareholders at the Annual General Meeting that dividends of approximately EUR 39.9m (2020: EUR 40.1m), equal to DKK 7.50 (2020: DKK 7.50) per 1 share, be distributed and that the company be authorized to acquire treasury shares for up to 10% of the company's share capital.

6.2 Risk

Due to the nature of its operations, investments, and financing, the Group is exposed to changes in exchange rates and interest rates.

The Group's policy is to direct financial management towards the management of financial risks related to operations and finance. The Group's financial risks are managed centrally by the group finance according to policies committed in writing and approved by the Board of Directors. The purpose is to ensure efficient liquidity management. Excess liquidity is transferred to SimCorp A/S which operates as the internal bank for the Group.

The scope and nature of the Group's financial instruments appear from the income statement and the statement of financial position in accordance with the accounting policies applied.

This note provides information about factors that may influence amounts, time of payment, or reliability of future payments, where such information is not provided directly in the financial statements.

This note addresses only financial risks directly related to the Group's financial instruments as detailed in note 6.3 Financial assets and liabilities.

Treasury shares	Number of shares	Acquisition value EUR '000	Percentage of share capital
2021			
At January 1	849,449	52,627	2.1
Foreign exchange adjustment	-	209	-
Purchases	375,475	40,102	0.9
Used RSU program	-152,806	-7,329	-0.4
At December 31	1,072,118	85,609	2.6
2020			
At January 1	900,481	50,900	2.2
Foreign exchange adjustment	-	219	-
Purchases	112,654	9,996	0.3
Used RSU program	-163,686	-8,488	-0.4
At December 31	849,449	52,627	2.1

6.2 Risk (continued)

Currency exposure

EUR '000	Receivables	Contract assets	Cash/ equivalents	Debt	2021	Receivables	Contract assets	Cash/ equivalents	Debt	2020
					Net position					Net position
EUR/GBP	486	569	155	434	776	434	1,175	235	436	1,408
SEK/DKK	227	660	10	-	897	385	1,269	116	259	1,511
CAD/USD	524	669	56	189	1,060	270	128	128	198	328
USD/EUR	-	492	802	-	1,294	-	593	593	-	1,186
EUR/SEK	408	2,310	91	126	2,683	4,501	3,290	119	19	7,891
EUR/CHF	848	-	2,769	-	3,617	1,438	-	81	-	1,519
EUR/DKK	6,869	1,393	2,516	1,433	9,345	-	1,897	7,719	4,426	5,190
USD/SGD	-	12,931	61	-	12,992	1,204	14,261	124	-	15,589
USD/GBP	3,629	13,915	1,483	1,888	17,139	3,988	4,916	1,036	1,732	8,208

The Group's most important operational and commercial risk factors are described in more detail on pages 31-36 of the annual report.

Currency risk

Currency risk is the risk that arises from changes in exchange rates and affects the Group's result.

The Group's foreign subsidiaries are not severely impacted by foreign exchange fluctuations, as both income and costs are generally settled in the functional (local) currency of the individual entity and material cash balances are transferred to SimCorp A/S.

The consolidated income statement is impacted by changes in exchange rates. The results of foreign subsidiaries are

translated from their functional currency to EUR at the exchange rates ruling on the dates of underlying transactions. The average exchange rate for the month is used to reflect the transaction dates' exchange rates.

SimCorp A/S, the parent company, trades with its subsidiaries in their functional currencies, and is therefore also exposed to and impacted by currency fluctuations.

SimCorp A/S has entered into distribution agreements with its subsidiaries for SimCorp Dimension and received a product fee related to their distribution activities. SimCorp's subscription based agreements with clients have a duration of 5 to 10 years, SimCorp A/S' trade receivables with the subsidiaries have matching terms.

The currency exposure for the Group is shown in the table above and the currency exposure for the Subsidiaries is shown in the table to the right.

The exposure for the Group relates predominantly to USD/GBP and USD/SGD, as the subsidiaries in the UK and Singapore have entered into several contracts in USD.

The Group's currency exposure (excluding translation exposure) based on the functional currencies of the individual Group companies shows that the majority of the cross-currency exposure comes from the USD/GBP exchange rate: EUR 17.1m (2020: EUR 8.2m) and the USD/SGD exchange rate: EUR 13.0m (2020: EUR 15.6m).

In addition, the Group has currency exposure on the Parent company trade

Currency exposure, subsidiaries

EUR '000	2021	2020
SEK/DKK	9,676	7,201
CAD/DKK	13,715	13,538
GBP/DKK	15,821	10,034
CHF/DKK	17,639	8,869
SGD/DKK	21,323	25,283
USD/DKK	41,720	36,023
EUR/DKK	44,854	33,156

receivables with its subsidiaries, in which much of the cross-currency exposure stems from USD/DKK: EUR 41.7m (2020: EUR 36.0m) and SGD/DKK: EUR 21.3m (2020: EUR 25.3m).

Based on the net exposure of the Group, the hypothetical impact of exchange rate fluctuations on the profit before tax for the year and equity would be EUR 1.7m (2020: EUR 0.8m) for a 10% change in the USD/GBP exchange rate and EUR 1.3m (2020: EUR 1.6m) for a 10% change in the USD/SGD exchange rate (an appreciation of the USD in relation to the GBP and the SGD would have positive impact, a depreciation would have a negative impact).

Based on the net exposure of the Group on the Parent company trade receivables with its subsidiaries the hypothetical impact of

6.2 Risk (continued)

exchange rate fluctuations on the profit before tax for the year and equity would be EUR 4.2m (2020: EUR 3.6m) for a 10% change in the USD/DKK exchange rate and EUR 2.1m (2020: EUR 2.5m) for a 10% change in the SGD/DKK (an appreciation of the DKK in relation to the USD and the SGD would have negative impact, a depreciation would have a positive impact).

The Group's foreign exchange management policy is to balance incoming and outgoing payments in local currency as much as possible and generally seek to ensure that an increasing number of contracts entered into are EUR-denominated.

When placing surplus funds, the Group generally seeks to minimize its net exposure in individual currencies. To match part of the USD surplus, we use USD in Ukraine for salaries.

Currency exposures from investments in subsidiaries have not been hedged. The related exchange rate adjustments are recognized in other comprehensive income.

The table at the top shows the change in average exchange rate for the main currencies impacting the Group's operating profit. The table to the left shows the Group Revenue split by currency.

Change in average exchange rate in relation to EUR

Functional currency	2020 to 2021	2019 to 2020
AUD	5.01%	-2.96%
CAD	3.82%	-3.64%
CHF	-0.80%	3.70%
DKK	0.22%	0.17%
GBP	3.60%	-1.58%
HKD	-3.28%	-1.33%
NOK	6.12%	-8.71%
SEK	3.22%	1.03%
SGD	-0.54%	-3.35%
USD	3.06%	-2.30%

Revenue by currency

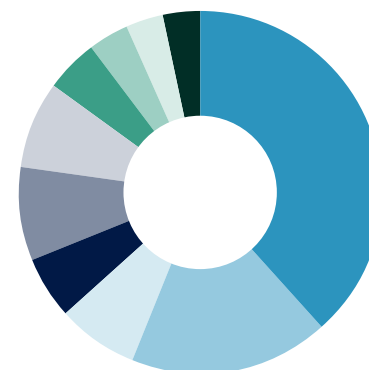
Currency	2021	2020
EUR	38%	40%
USD	18%	19%
DKK	7%	10%
SGD	5%	3%
GBP	8%	7%
CHF	8%	7%
CAD	5%	3%
SEK	4%	5%
NOK	3%	6%
AUD	3%	2%

Interest risk

The Group's interest rate risks are generally related to its bank deposits and revolving credit facilities.

Deposits

The Group had cash deposits of EUR 47.7m on December 31, 2021 (2020: EUR 53.1m) carrying a variable rate of interest based on the money market rate. The effective rate of interest varies with the currency and, made up at the statement of financial position date, fluctuated between -0.5% and 0.0% in 2021 (2020: -0.5% and 0.0%) for significant cash deposits.



Debt

SimCorp has a revolving committed credit facility of EUR 40.0m expiring July 31, 2022 and a seasonal credit facility of EUR 30.0m covering the period from March 15 to September 15, also expiring July 31, 2022.

On December 31, 2021, there was no drawn on the credit facilities, however EUR 3.4m was utilized for various guarantees. The Group had unused credit facilities in banks of EUR 36.6m.

SimCorp's cash flow is by nature impacted by the annual dividend, the seasonal credit facility is used to optimize the debt structure. See note 6.3 Financial assets and liabilities for additional information.

Sensitivity

Exposure to interest risk arises from cash deposits, the revolving credit facility and seasonal facility. If interest rates increased by one percentage point, it would have a positive impact of EUR 0.5m (2020: positive impact of EUR 0.5m).

A corresponding decrease in interest rates would have the opposite impact. The impact of change in interest levels on the equity of the Group does not deviate significantly from the impact on the profit and loss for the year.

6.2 Risk (continued)

Liquidity risk

Group liquidity is managed by Group Treasury, with the objective of ensuring effective liquidity management by obtaining sufficient committed credit facilities to provide adequate financial resources. It is the Group's policy that cash reserves must exceed 10% of the coming year's expected costs. Cash reserve and expected cash flow for 2022 are considered to be adequate to meet the obligations of the Group as they fall due.

Cash reserve comprises cash and cash equivalent and unutilized credit facilities. The Group aims to have sufficient cash reserves to allow it to continue to operate adequately in case of unforeseen fluctuations in cash.

Current and non-current financial liabilities are depicted below:

Financial liabilities – December 31

EUR '000	Current				Non-current			
	1 to 6 months	7 to 12 months	2 to 5 years	Later than 5 years	2021	2020	2021	2020
Lease liabilities	4,491	4,902	4,086	4,728	23,997	22,703	8,091	11,844
Trade payables	24,785	15,950	959	1,299	3,382	495	-	3
Other payables	49,993	49,472	-	9,686	-	-	-	-
Total financial liabilities	79,269	70,324	5,045	15,713	27,379	23,198	8,091	11,847

Credit risk

The maximum exposure to credit risk equals the following carrying amounts:

Credit risk exposure

EUR '000	2021	2020
Cash and cash equivalents	47,692	53,051
Trade receivables from clients	56,060	52,575
Accrued revenue	38,018	27,356
Contract assets (gross)	226,977	182,537
Other receivables	2,581	2,833
Maximum credit exposure	371,328	318,352

The Group is not exposed to significant risks concerning individual clients or business partners as clients are generally major investment managers in the financial sector. Under the Group's policy for assuming credit risk, all major clients and other business partners are assessed prior to any contract being signed.

The Group primarily enters financial instruments and transactions with the Group's relationship banks. Group treasury monitors the Group's gross credit exposure to banks and operates with individual limits on banks based on rating and access to netting of assets and liabilities.

The main banking relationship is with Nordea Bank and their S&P rating is AA-.

Receivables and contract assets

In assessing expected credit loss of trade receivables and contract assets which comprises many small balances, the Group uses an allowance matrix. Expected loss rates are calculated separately for exposures in different segments based on common credit risk characteristics in relation to geographical region. Two factors are therefore considered when estimating expected loss rates: the actual credit loss experienced over the past seven years and a factor which reflects differences between economic conditions during the period over which the rates were collected, current conditions, and the Group's view of economic conditions over the expected life of the receivables.

Accumulated average corporate default rates by region as published by Standard & Poor are used as proxy for probability of loss as these provide an indication on counterpart default risk by region of origin. Higher expected loss rates are used for certain balances if individual assessment indicates a higher probability of default. Initially, an expected loss rate from 0.03% up to 2.50% (2020: 0.04% up to 2.89%) is applied for clients with investment grade rating depending on the length of the asset's lifetime and location.

6.2 Risk (continued)

For unrated clients and clients that do not have investment grade rating, an expected loss rate from 0.36% up to 14.13% (2020: 0.35% up to 13.36%) is applied depending on the length of the asset's lifetime and the client's geographical location. A higher rate might be applied to certain clients after individual assessment resulting in the weighted average expected loss rates depicted on the credit risk exposure on receivables and contract assets table.

If there is no reasonable expectation of recovery, the gross carrying amount is written-off. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in repayment plan with the Group, and a failure to make contractual payments for a period greater than three hundred and sixty days past due.

No client represents more than 4.4% (2020: 5.6%) of total receivables from clients.

Expected timing of invoicing for the contract assets balance can be found in note 2.4.

The table below depicts information about exposure to credit risk and expected credit loss for trade receivables, accrued revenue and contract assets (gross) on December 31:

Credit risk exposure on receivables and contract assets

	2021			2020		
	Weighted average expected loss rate	Loss allowance EUR '000	Carrying amount EUR '000	Weighted average expected loss rate	Loss allowance EUR '000	Carrying amount EUR '000
Not due	0.44%	1,316	301,170	0.52%	1,241	240,449
Not more than 30 days	0.58%	53	9,131	0.37%	39	10,406
More than 30 days but not more than 90 days	0.11%	4	3,757	0.26%	11	4,286
More than 90 days ¹	0.33%	3	903	26.30%	134	467
Total	0.44%	1,376	314,961	0.56%	1,425	255,608

¹ Includes allowance resulting from individual assessment of outstanding balances.

The expected loss allowance has developed as follows:

Expected loss allowance

EUR '000	2021	2020
Balance at January 1	1,425	1,193
Foreign exchange adjustment	-18	-118
Net loss allowance recognized	-31	350
Amounts written off	-	-
Balance at December 31	1,376	1,425

6.3 Financial assets and liabilities

Accounting policies, judgments and estimates

All financial assets and liabilities are measured at amortized cost. The carrying amount of these approximate fair value. Financial assets which have been modified or renegotiated during the period are assessed individually for impairment.

Financial liabilities

Financial liabilities comprise lease liabilities, borrowings, trade payables and other payables.

Lease liabilities

Lease liabilities arise from the adoption of IFRS 16. For additional information on lease liabilities refer to notes 5.3.

Borrowings

Debt is initially recognized at fair value less transaction cost. Fair value does not materially differ from carrying amount since interest payable is close to current market rates.

A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially

modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognized in the income statement. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method.

SimCorp has access to: 1) a multi-currency committed revolving credit facility of EUR 40.0m expiring July 31, 2022, 2) a seasonal facility of EUR 30.0m covering the period from March 15 to September 15 expiring July 31, 2022. Together, they are available for general corporate purposes of the Group.

On December 31, 2021, the Group had a committed revolving credit facility of EUR 40.0m, of which EUR 0.0m had been drawn and EUR 3.4m used for guarantees.

Trade payables and other payables

Other payables include bonus and commission accruals, vacation pay obligations, payroll taxes and VAT. Payables are measured at cost.

Exposure to currency and liquidity risk for trade and other payables as well as borrowings is disclosed in note 6.2.

Financial assets

Financial assets comprise other financial assets, deposits, receivables and cash and cash equivalent. For additional information on receivables refer to note 2.5.

Deposits are primarily related to the leasing of offices. Security deposits which will not be returned within one year of the statement of financial position date are recognized as non-current assets. Commitments which require a deposit will initially be recorded to the deposit asset account. If the deposit is not recovered, it is charged to the income statement.

Other financial assets comprise investments in shares of unlisted entities.

Deposits

EUR '000	2021	2020
Cost at January 1	2,031	2,095
Foreign exchange adjustment	24	-21
Additions	82	17
Disposals	-14	-60
Carrying amount at December 31	2,123	2,031

6.3 Financial assets and liabilities (continued)

Financial assets and liabilities by measurement category

EUR '000	Measured at amortized cost	Carrying amount
2021		
Deposits	2,123	2,123
Other financial assets	4,843	4,843
Non-current financial assets	6,966	6,966
Receivables	96,543	96,543
Cash and cash equivalent	47,692	47,692
Current financial assets	144,235	144,235
Lease liabilities	32,088	32,088
Non-current financial liabilities	32,088	32,088
Lease liabilities	8,577	8,577
Trade payables	29,126	29,126
Other payables	49,993	49,993
Current financial liabilities	87,696	87,696
2020		
Deposits	2,031	2,031
Other financial assets	404	404
Non-current financial assets	2,435	2,435
Receivables	82,513	82,513
Cash and cash equivalent	53,051	53,051
Current financial assets	135,564	135,564
Lease liabilities	34,547	34,547
Non-current financial liabilities	34,547	34,547
Lease liabilities	9,630	9,630
Trade payables	17,747	17,747
Other payables	59,158	59,158
Current financial liabilities	86,535	86,535

6.4 Financial income and expenses

Accounting policies

Financial income and expenses include: interest income, interest expense, amortization of borrowing issue costs, realized and unrealized exchange gains and losses, refunds under the Danish tax prepayment scheme, changes to the fair value of derivative financial instruments, withholding tax, amortization of financial assets and liabilities, as well as surcharges under the Danish tax prepayment scheme.

Borrowing cost, except for commitment fees on credit facilities, are recognized in profit or loss using the effective interest method. Commitment fees on credit facilities are recognized on a straight-line basis over the term of the agreement.

Dividends on investments in associates are recognized in the Group's income statement in the financial year in which the dividends are declared.

Financial income

EUR '000	2021	2020
Interest income, financial assets carried at amortized cost	5	22
Dividends from associates	91	79
Foreign exchange gains, net	5,678	-
Total financial income	5,774	101

Financial expenses

EUR '000	2021	2020
Interest expenses, financial assets carried at amortized cost	32	54
Interest expenses, financial liabilities carried at amortized cost	303	279
Interest expenses, pension	16	23
Interest expenses, lease	570	617
Interest expenses, reestablishment	11	18
Other financial expenses	15	9
Foreign exchange losses, net	-	7,405
Total financial expenses	947	8,405

Section 7

Other disclosures

This section contains other required disclosures relevant for the understanding of the Groups' financial statements, but which are not essential for the understanding of the individual themes in the previous sections. It includes information pertaining to the Executive Management Board, Board of Directors and other corporate governance related topics.

In this section, the following notes are presented:

- 7.1 Earnings per share
- 7.2 Related party transactions
- 7.3 Auditors' remuneration
- 7.4 Contingent liabilities
- 7.5 Events after statement of financial position date
- 7.6 Associates
- 7.7 Subsidiaries

7.1 Earnings per share

Earnings per share (EPS) and diluted earnings per share (EPS-D) are measured according to IAS 33.

Earnings per share

	2021	2020
Profit for the year (EUR'000)	109,992	88,258
Average number of shares	40,500,000	40,500,000
Average number of treasury shares	-646,387	-820,562
Average number of shares in circulation	39,853,613	39,679,438
Average dilutive impact of outstanding restricted stock units	291,766	355,737
Average number of diluted shares in circulation	40,145,379	40,035,175
Earnings per share – EPS (EUR)	2.76	2.22
Diluted earnings per share – EPS-D (EUR)	2.74	2.20

In 2021, the performance conditions for the 2019 LTIP was met, i.e. no adjustment made in 2021 (2020: a performance adjustment reducing number of restricted stock units by 2.497 for 2018 program was made as the performance was 96.4%). No adjustments to allotted restricted stock units in 2020 and 2021 programs as the conditions stipulated in note 7.1 are expected to be met.

7.2 Related party transactions

SimCorp's related parties exercising a significant influence comprise the company's Board of Directors and Executive Management Board as well as relatives of these persons. Related parties also comprise companies in which the individuals mentioned above have material interests.

Other related parties are considered to be Group's associates. All agreements relating to these transactions are based on market price (arm's length).

Trade from associates amounted in 2021 to EUR 833 thousand compared with EUR 1.0m in 2020.

The Group did not enter into any agreements, deals, or other transactions in 2021 in which the Parent company's Board of Directors or Executive Management Board had a financial interest, except for transactions following from the employment relationship. See note 3.2 and the remuneration report.

Key Management Personnel (cf. IAS 24) consists of the Board of Directors and the Executive Management Board. Remuneration to members of the Board of Directors and the Executive Management Board is disclosed in note 3.1 and the remuneration report.

Members of the Board of Directors are elected by the shareholders at the Annual

General Meeting for terms of one year. Members of the Board of Directors elected by the employees are elected among all SimCorp Group employees every third year. Election was held in March 2019, the next election will be held in March 2022. Refer

to pages 48-50 for additional information on Board of Directors members.

Interest in the company of members of the Board of Directors and the Executive Management Board:

Shareholdings, Board of Directors and Executive Management Board

Number of shares	2021	2020
Board of Directors		
Peter Schütze	12,819	12,229
Morten Hübbe	7,470	7,088
Herve Couturier	9,456	9,249
Simon Jeffreys	12,241	11,935
Adam Warby	1,845	855
Joan A. Binstock	1,179	689
Susan Standiford ¹	169	-
Else Braathen	8,642	8,102
Vera Bergforth	2,606	2,179
Hugues Chabanis	2,740	1,329
Board of Directors, total	59,167	53,655
Executive Management Board		
Christian Kromann	7,472	4,178
Georg Hetrodt	110,000	115,782
Michael Rosenvold	17,524	13,150
Klaus Holse ²	90,111	86,581
Executive Management Board, total	225,107	219,691
Total shareholdings by members of the Board of Directors and the Executive Management Board	284,274	273,346

¹ Elected March, 2021

² Resigned December, 2021

7.2 Related party transactions (continued)

Restricted stock units, Board of Directors and Executive Management Board

Number of restricted stock units	2021	2020
Board of Directors		
Else Braathen	448	546
Hugues Chabanis	1,158	1,307
Board of Directors, total	1,606	1,853
Executive Management Board		
Christian Kromann	29,680	12,466
Georg Hetrodt	13,394	18,197
Michael Rosenvold	21,443	20,120
Klaus Holse	31,772	43,178
Executive Management Board, total	96,289	93,961
Total restricted stock units granted to members of the Board of Directors and the Executive Management Board	97,895	95,814

7.3 Auditors' remuneration

In 2021, audit fees included the audit of the consolidated and local financial statements, including additional audit procedures due to implementation of a new ERP system. Tax fees related primarily to tax compliance service. Other service fee primarily related to advice on sustainability reporting.

In 2020, the audit fees included implementation of audit standard ISA540 and audit of remuneration reporting.

Fees to independent auditors

EUR '000	2021	2020
Audit fees	521	437
Tax and VAT advice fees	34	17
Other service fees	71	21
Total auditors' remuneration	626	475
Non-Audit Services (NAS)/ Audit fee ratio	20%	9%

7.4 Contingent liabilities

The Group is party to legal proceedings and inquiries from authorities when investigating various issues. The outcome of such is not expected to have a significant effect on profit for the year and the assessment of the Group's financial position.

7.5 Events after statement of financial position date

No material events have occurred after December 31, 2021, that have consequences for the annual report 2021.

7.6 Associates

Associates

The Group holds an ownership interest of 24.8% in Dyalog Ltd and 24.99% (2020: 30.0%) in Opus Nebula Ltd. SimCorp's investment in Dyalog Ltd, United Kingdom is a strategic investment as the company is an important supplier. The Group purchases APL licenses from Dyalog Ltd. both for SimCorp Dimension and SimCorp Sofia.

7.7 Subsidiaries

In 2021, the Group has simplified its legal structure and made the below changes, which have no impact for the Group's financial position.

SimCorp Gain Inc, USA was liquidated and SimCorp Gain LTD, UK is undergoing liquidation.

SimCorp France acquired APL Ville S.r.l. from SimCorp Italiana S.r.l. and following that APL Ville S.r.l. merged into SimCorp France S.A.S.

SimCorp Gain S.C.A. merged with SimCorp Luxembourg S.A, and following the merger changed to SimCorp Luxembourg S.a.r.l.

SimCorp Italiana S.r.l. and Sofia Online S.r.l. merged into SimCorp Italiana S.r.l on December 31, 2021.

7.7 Subsidiaries (continued)

Group's subsidiaries are at December 31, 2021 and December 31, 2020

Subsidiaries		Ownership interest		Share capital	Notes
		2021	2020		
Name	Registered office				
SimCorp Ltd.	London, United Kingdom	100%	100%	100,000	GBP
SimCorp GmbH	Bad Homburg, Germany	100%	100%	102,258	EUR
SimCorp Österreich GmbH	Vienna, Austria	100%	100%	17,500	EUR
SimCorp Norge AS	Oslo, Norway	100%	100%	1,000,000	NOK
SimCorp Sverige AB	Stockholm, Sweden	100%	100%	100,000	SEK
SimCorp Benelux SA/NV	Brussels, Belgium	100%	100%	62,000	EUR
SimCorp USA Inc.	New York, USA	100%	100%	7,010,000	USD
SimCorp Schweiz AG	Zurich, Switzerland	100%	100%	100,000	CHF
SimCorp Asia Pty. Ltd.	Sydney, Australia	100%	100%	999,992	AUD
SimCorp Singapore Pte. Ltd.	Singapore, Singapore	100%	100%	1	SGD
SimCorp Ukraine LLC	Kiev, Ukraine	100%	100%	2,968,254	UAH
SimCorp Canada Inc.	Vancouver, Canada	100%	100%	8,500,001	CAD
SimCorp France S.A.S	Paris, France	100%	100%	500,000	EUR
SimCorp Hong Kong Ltd.	Hong Kong, China	100%	100%	14,000,002	HKD
SimCorp Luxembourg S.A.	Luxembourg, Luxembourg	-	100%	31,000	EUR
SimCorp Coric Ltd.	Wolverhampton, United Kingdom	100%	100%	120	GBP
SimCorp Iberia S.L.	Barcelona, Spain	100%	100%	3,000	EUR
SimCorp Italiana S.r.l.	Milan, Italy	100%	100%	2,100,000	EUR
SimCorp Sp z.o.o.	Warsaw, Poland	100%	100%	5,000	PLN
SimCorp Luxembourg S.a.r.l.	Luxemburg, Luxembourg	100%	100%	44,636	EUR
SimCorp Japan KK	Tokyo, Japan	100%	100%	1	JPY
SimCorp India LLP	Noida, India	100%	100%	100,000	INR

SimCorp Ltd. has a branch in the United Arab Emirates and in Azerbaijan.

SimCorp Sverige AB has a branch in Finland.

SimCorp Sverige AB owns 1% of SimCorp Benelux SA/NV and 1% of SimCorp India LLP.

SimCorp Benelux SA/NV has branches in the Netherlands, Luxembourg and France.

SimCorp USA Inc. has a branch in Canada.

SimCorp Coric Ltd. has a 100% owned subsidiary in the USA, SimCorp Coric Inc.

SimCorp Italiana S.r.l. had a 100% owned subsidiary in Italy; Sofia Online S.r.l. (merged at 31.12.2021)

SimCorp Luxembourg S.a.r.l has 100% owned subsidiaries in Luxemburg, Switzerland and Austria, and UK (under liquidation).

Financial statements of SimCorp A/S

Financial statements of SimCorp A/S

Statements

107	Income statement
107	Statement of comprehensive income
108	Cash flow statement
109	Statement of financial position
110	Statement of changes in equity
111	Notes

Section 2 Revenue and clients

112	2.1	Revenue
112	2.2	Future performance obligations
113	2.3	Contract balances
114	2.4	Receivables

Section 4 Tax

117	4.1	Income tax
118	4.2	Deferred tax

Section 6 Financing items

123	6.1	Financial assets and liabilities
124	6.2	Financial income and expenses

Section 1 Basis of preparation

111	1.1	Accounting policies, estimates, and judgments
-----	-----	---

Section 3 Employees

115	3.1	Employee cost
116	3.2	Provisions

Section 5 Invested capital

119	5.1	Investments in associates and subsidiaries
120	5.2	Intangible assets
121	5.3	Property, plant, and equipment

Section 7 Other disclosures

125	7.1	Related party transactions
126	7.2	Auditors' remuneration
126	7.3	Contingent liabilities
126	7.4	Events after statement of financial position dates

Financial statements of SimCorp A/S

Income statement

EUR '000	Note	2021	2020
Revenue	2.1	250,191	235,572
Cost of sales	3.1,3.2,5.2,5.3	81,660	69,902
Gross profit		168,531	165,670
Other operating income		29,945	30,650
Research and development costs	3.1,3.2,5.2,5.3	58,491	58,210
Sales and marketing costs	3.1,3.2,5.2,5.3	19,066	12,795
Administrative expenses	3.1,3.2,5.2,5.3	35,458	35,449
Operating profit (EBIT)		85,461	89,866
Financial income	6.2	25,842	25,228
Financial expenses	6.2	588	6,991
Profit before tax		110,715	108,103
Tax on the profit for the year	4.1	15,767	19,439
Profit for the year		94,948	88,664

Statement of comprehensive income

EUR '000	Note	2021	2020
Profit for the year		94,948	88,664
Other comprehensive income			
Items that will not be reclassified subsequently to the income statement:			
Foreign currency translation differences for foreign operations		128	813
Other comprehensive income after tax		128	813
Total comprehensive income		95,076	89,477
Proposed distribution			
Dividends		39,888	40,125
Transferred to retained earnings		55,188	49,352
		95,076	89,477

Financial statements of SimCorp A/S

Cash flow statement

EUR '000	Note	2021	2020
Profit for the year		94,948	88,664
Amortization and depreciation	5.2, 5.3	3,982	4,456
Financial income	6.2	-25,842	-25,228
Financial expenses	6.2	588	6,991
Tax on profit for the year	4.1	15,767	19,439
Other included in operating income		3,810	162
Adjustment share-based remuneration		11,332	10,997
Changes in provisions		-268	-2,099
Changes in contract assets		2,388	-2,817
Changes in working capital		-36,784	-19,396
Financial income received		130	309
Financial expenses paid		-358	-400
Income tax paid	4.1	-12,377	-11,233
Net cash from operating activities		57,316	69,845
Investment in subsidiaries, net	5.1	1	-1,100
Purchase of property, plant, and equipment	5.3	-149	-1,637
Sale and purchase of financial assets, net		-4,420	-404
Dividends from associates	6.2	50	41
Dividends from subsidiaries	6.2	20,275	24,878
Net cash used in investing activities		15,757	21,778
Dividends paid		-40,086	-39,879
Purchase of treasury shares		-40,102	-10,006
Repayment of lease liability	5.3	-3,433	-3,672
Loan repayment		-	-20,000
Net cash used in financing activities		-83,621	-73,557
Change in cash and cash equivalents		-10,548	18,066
Cash and cash equivalents at January 1		26,583	8,552
Foreign exchange adjustment of cash and cash equivalents		-108	-35
Cash and cash equivalents at December 31		15,927	26,583

Financial statements of SimCorp A/S

Statement of financial position December 31

EUR '000	Note	2021	2020
Assets			
Software		11	121
Total intangible assets	5.2	11	121
Leasehold		20,881	24,026
Technical equipment		174	323
Other equipment, fixtures, fittings and prepayments		1,199	1,372
Total property, plant, and equipment	5.3	22,254	25,721
Investments in subsidiaries	5.1	137,874	137,825
Investments in associates	5.1	138	157
Other financial assets	6.1	4,843	404
Deposits	6.1	1,442	1,441
Total other non-current assets		144,297	139,827
Total non-current assets		166,562	165,669
Receivables	2.4	192,274	150,973
Contract assets	2.3	8,107	10,566
Prepayments		7,092	4,190
Cash and cash equivalents		15,927	26,583
Total current assets		223,400	192,312
Total assets		389,962	357,981

EUR '000	Note	2021	2020
Liabilities and equity			
Share capital		5,441	5,441
Retained earnings		245,878	219,738
Proposed dividends		39,888	40,125
Total equity		291,207	265,304
Lease liabilities	5.3	18,023	20,749
Deferred tax	4.2	23,274	19,121
Provisions	3.2	1,991	2,232
Total non-current liabilities		43,288	42,102
Lease liabilities	5.3	2,899	3,135
Prepayments from clients	2.3	2,626	2,180
Debt to subsidiaries		16,148	11,330
Trade payables		15,014	7,184
Other payables		14,205	25,464
Income tax payables		4,489	1,169
Provisions	3.2	86	113
Total current liabilities		55,467	50,575
Total liabilities		98,755	92,677
Total liabilities and equity		389,962	357,981

Financial statements of SimCorp A/S

Statement of changes in equity

EUR '000	Share capital	Retained earnings	Proposed dividends for the year	Total
2021				
Equity at January 1	5,441	219,738	40,125	265,304
Net profit for the year	-	94,948	-	94,948
Total other comprehensive income	-	128	-	128
Total comprehensive income for the year	-	95,076	-	95,076
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	245,878	39,888	291,207
2020				
Equity at January 1	5,441	167,800	39,919	213,160
Net profit for the year	-	88,664	-	88,664
Total other comprehensive income	-	812	-	812
Total comprehensive income for the year	-	89,476	-	89,476
Transactions with owners				
Dividends paid to shareholders	-	40	-39,919	-39,879
Share-based payment	-	10,997	-	10,997
Tax, share-based payment	-	1,556	-	1,556
Purchase of treasury shares	-	-10,006	-	-10,006
Proposed dividends to shareholders	-	-40,125	40,125	-
Equity at December 31	5,441	219,738	40,125	265,304

Section 1

Basis of preparation

1.1 Accounting policies, estimates, and judgments

General

SimCorp A/S is a public limited company based in Denmark. The Annual Report for the period January 1 – December 31, 2021 includes the financial statements of SimCorp A/S, the Parent company.

Statement of compliance

SimCorp A/S financial statements are presented in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU and additional requirements in the Danish Financial Statements Act.

The financial statements are presented in EUR, which is the presentation currency of the activities of the Parent, rounded to the nearest EUR 1,000. The functional currency of the Parent company SimCorp A/S is DKK.

Accounting policies are unchanged from last year.

The accounting policies are the same as for the consolidated financial statements, with exceptions described below. For a description of the accounting policies of the Group, please refer to the consolidated financial statements.

Foreign currency translation

Foreign exchange adjustments of intra-group accounts are recognized in the income statement in SimCorp A/S' financial statements. Foreign exchange adjustments of intra-group accounts between SimCorp A/S and subsidiaries are considered part of the net investment in the subsidiaries concerned. Settlement of intra-group balances considered part of the net investment are not, per se, considered a partial divestment of a subsidiary.

Financial assets

Investments in subsidiaries and associates are measured at cost in the Parent company's financial statements.

Other operating income

Other operating income comprises income of a secondary nature relative to the activities of the Parent, including gains on the sale of intangible assets and property, plant, and equipment and income from subsidiaries for delivered services.

Risk

For information on risk refer to note 6.2 of the consolidated financial statements and overview of risk factors in "Risk management", pages 31-36.

New financial reporting standards not yet adopted

A number of new standards and interpretations not applicable/mandatory for the preparation of the 2021 annual report have been published. The Parent expects to implement the new applicable and approved, not yet effective accounting standards and interpretations, as they take effect.

None of the other changed standards or interpretations are expected to have significant monetary effect on the statements of the Parent's results, assets and liabilities or the equity.

Section 2

Revenue and clients

2.1 Revenue

Revenue

EUR '000	2021	2020
Licenses – initial sales	10,777	17,377
Licenses – additional sales	56,264	43,913
Software updates and support	120,563	122,141
Professional services	45,549	29,291
Hosting and other fees	17,038	22,850
Total revenue	250,191	235,572

2.2 Future performance obligations

The transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied as at December 31, 2021, is EUR 19.7m (2020: EUR 28.8m). This amount mostly comprises obligations to provide software updates and support, agreements which require client acceptance of functionality, and support or hosting subscriptions and support, as the respective contracts typically have durations of multiple years.

Management expects that EUR 7.3m (2020: EUR 10.4m in 2021) of the amount allocated to the future contract obligations as of December 31, 2021 will be recognized during 2022. EUR 12.5m (2020: EUR 18.4m) is expected to be recognized as revenue within 2 to 5 years.

For accounting policies, estimates and judgments, please refer to the consolidated financial statements note 2.3.

2.3 Contract balances

Contract balances consist of client-related assets and liabilities.

Contract assets relate to the Parent rights to consideration for software licensed to clients under subscription agreements with future payments, when that right is conditional on SimCorp's future performance.

Contract liabilities represent mainly pre-payments from clients for unsatisfied or partially satisfied performance obligations in relation to licenses, software updates and support, and services. Software updates and support and hosting billing generally occur at periodic intervals (e.g. quarterly or yearly) prior to revenue recognition, resulting in contract liabilities.

The majority of licenses agreements is revenue recognized in the year of sale. However, contracts with functionality gaps or acceptance criteria may have revenue recognition deferred, resulting in a contract liability when billing has occurred.

Contracts in progress relating to fixed fee professional services are measured at the estimated sales value of the proportion of the contract completed at the statement of financial position date. Amounts invoiced on account in excess of work completed are included in prepayments under current liabilities.

For accounting policies, estimates and judgments please refer to the consolidated financial statements note 2.4.

Significant changes in contract assets and liabilities during the period are presented below.

Contract assets are expected to be realized within the Parent's normal operating cycle, 49.1% (2020: 33.3%) of it is expected to be realized within the next twelve months, 50.9% (2020: 66.7%) within the next 2 to 5 years.

Changes in contract assets

EUR '000	Opening balance	Net additions	Invoiced from opening balance	Adjustments ¹	Closing balance
2021					
Contract asset (gross)	10,582	1,075	-3,511	-30	8,116
Loss allowance	-16	7	-	-	-9
Contract asset (NPV)	10,566	1,082	-3,511	-30	8,107
2020					
Contract asset (gross)	7,788	4,847	-2,140	87	10,582
Loss allowance	-14	-2	-	-	-16
Contract asset (NPV)	7,774	4,845	-2,140	87	10,566

1 Adjustments include: reclassifications, foreign exchange adjustments, cumulative catch-up adjustments (including those arising from change in measurement of progress, change in estimate of transaction price and contract modifications), change in time frame for a right to consideration to become unconditional or for a performance obligation to be satisfied.

Changes in contract liabilities

EUR '000	Opening balance	Net additions	Revenue recognized from opening balance	Adjustments	Closing balance
2021					
Contract liabilities – licenses	321	908	-321	-	908
Contract liabilities – software updates and support	524	712	-524	-	712
Contract liabilities – services	1,237	379	-950	-	666
Contract liabilities – other	98	339	-97	-	340
Contract liabilities (prepayments from clients)	2,180	2,338	-1,892	-	2,626
2020					
Contract liabilities – licenses	-	321	-	-	321
Contract liabilities – software updates and support	36	524	-36	-	524
Contract liabilities – services	938	552	-257	4	1,237
Contract liabilities – other	40	96	-38	-	98
Contract liabilities (prepayments from clients)	1,014	1,493	-331	4	2,180

2.4 Receivables

Accounting policy

When estimating expected credit loss on receivables from subsidiaries, the three-stage approach is applied while making use of the exception for low credit risk financial assets.

An expected loss rate of 0.03% - 0.91% (2020: 0.04% - 1.04%) is applied, based on corporate investment grade 1-year average default rates by region as published by Standard & Poor.

Receivables

EUR '000	2021	2020
Trade receivables from clients	3,950	4,360
Accrued revenue	4,532	4,419
Loss allowance	-3	-6
Receivables from subsidiaries	183,795	141,416
Other receivables	-	784
Total receivables at December 31	192,274	150,973
<i>The aging of trade receivables from clients was at December 31:</i>		
Not due	3,226	2,903
Not more than 30 days	168	1,132
More than 30 days but not more than 90 days	21	216
More than 90 days	535	109
Total trade receivables from clients	3,950	4,360

Section 3

Employees

3.1 Employee costs

Employee costs consist of salaries, sales commissions, bonuses, pensions and social costs, share-based payments, vacation pay, and other benefits.

For additional disclosures on share-based remuneration refer to note 3.2 of the consolidated financial statements.

Employee costs

EUR '000	2021	2020
Salaries	69,274	66,062
Defined contribution pension plans	1,729	1,696
Share-based payments	10,035	8,739
Social security costs	169	169
Total employee costs	81,207	76,666
Number of employees at the end of the period	587	574
Average number of employees	553	550

Remuneration to the Executive Management Board and Board of Directors is given below:

Remuneration to Executive Management Board and Board of Directors

EUR '000	2021	2020
Salaries	2,494	2,177
Other benefits	171	166
Share-based payment	3,260	2,027
Performance-related bonus	1,513	1,118
Executive Management Board total	7,438	5,488
Board fees	568	406
Fees for committee work	123	95
Travel allowance	18	3
Share-based payment	175	248
Board of Directors total	884	752
Total	8,322	6,240

3.2 Provisions

Provisions				
EUR '000	Holiday allowance	Re-establishment costs for rented premises	Anniversary bonuses	Total
2021				
Liability at January 1	-	656	1,689	2,345
Foreign exchange adjustment	-	-	1	1
Used during the year	-	-	-3	-3
Reversal of unused liabilities	-	-	-521	-521
Provisions for the year	-	7	248	255
Total provisions	-	663	1,414	2,077
<i>Expected due dates for provisions:</i>				
Falling due within 1 year	-	-	86	86
Falling due within 2 to 5 years	-	-	514	514
Falling due after 5 years	-	663	814	1,477
Total provisions	-	663	1,414	2,077
2020				
Liability at January 1	2,291	618	1,528	4,437
Foreign exchange adjustment	10	2	6	18
Used during the year	-6,526	-	-49	-6,575
Reversal of unused liabilities	-	-	-48	-48
Provisions for the year	4,225	36	252	4,513
Total provisions	-	656	1,689	2,345
<i>Expected due dates for provisions:</i>				
Falling due within 1 year	-	-	113	113
Falling due within 2 to 5 years	-	-	611	611
Falling due after 5 years	-	656	965	1,621
Total provisions	-	656	1,689	2,345

Holiday allowances in 2020 contained the provision for holiday allowance required by the Danish Holiday Act. Provisions used during 2021 relate to the balance moved to current liabilities as amount was settled 2021.

Re-establishment provisions cover the costs of restoring leasehold premises.

Provisions for anniversary bonuses result from the Company's commitment of one month's pay in connection with employees' 25th and 40th anniversaries.

Section 4

Tax

SimCorp A/S' income taxes amount to EUR 15.8m relative to EUR 19.4m in 2020. Income tax decreased due to prior year refunds of withholding taxes.

SimCorp A/S' effective tax rate decreased from 18.0% to 14.2% due to prior year refunds of withholding tax.

The Danish corporate tax rate was 22% in 2021, which was unchanged from 2020.

Deferred tax has changed from EUR 19.1m in 2020 to EUR 23.3m in 2021, which mainly relates to increases in deferred tax on contract assets.

For accounting policies, estimates, and judgments, please refer to Section 4 of the consolidated financial statements.

4.1 Income tax

Income tax

EUR '000	2021	2020
<i>Tax for the year:</i>		
Tax on profit	15,767	19,439
Total tax	15,767	19,439
<i>Tax on profit for the year breaks down as follows:</i>		
Current tax	13,206	14,767
Deferred tax	2,565	4,816
Prior-year adjustments	-4	-144
Total tax on profit for the year	15,767	19,439
Tax paid during the year	12,377	11,233
<i>Tax on profit for the year breaks down as follows:</i>		
Tax calculated on the year's pre-tax profit, 22% (2020: 22%)	24,295	23,779
Dividends from subsidiaries and associates	-4,472	-5,483
<i>Tax effect:</i>		
Non-taxable income	-2,749	-2,537
Non-deductible expenses	1,417	1,240
Other, including prior-year adjustments	-2,724	2,440
Total tax on profit for the year	15,767	19,439
Effective tax rate	14.2%	18.0%

4.2 Deferred tax

Deferred tax

EUR '000	2021	2020
Net deferred tax (liability)/asset at January 1	-19,121	-14,550
Foreign exchange adjustment	-9	-67
Adjustment of deferred tax, profit and loss	-2,565	-4,816
Prior-year adjustment, profit and loss	-29	-104
Adjustment of deferred tax, equity	-1,550	416
Net deferred tax (liability)/asset at December 31	-23,274	-19,121
<i>Recognized in the statement of financial position as follows:</i>		
Deferred tax liabilities	-23,274	-19,121
Net deferred tax (liability)/asset at December 31	-23,274	-19,121

Deferred tax

EUR'000	Balance January 1	Foreign exchange adjustment	Recognition in profit and loss	Recognition in equity	Balance December 31
2021					
Intangible assets	-27	-	25	-	-2
Property, plant and equipment, owned	277	-	83	-	360
Property, plant and equipment, right-of-use	-5,095	-2	534	-	-4,563
Contract assets	-24,961	-9	-2,713	-	-27,683
Lease liabilities, current	689	-1	-51	-	637
Current liabilities	976	-	6	-	982
Lease liabilities, non-current	4,565	2	-602	-	3,965
Provisions, non-current	491	-	-101	-	390
Share-based payment	3,964	1	225	-1,550	2,640
Total	-19,121	-9	-2,594	-1,550	-23,274
2020					
Intangible assets	-58	-	31	-	-27
Property, plant and equipment, owned	360	1	-84	-	277
Property, plant and equipment, right-of-use	-5,726	-23	654	-	-5,095
Contract assets	-19,859	-88	-5,014	-	-24,961
Lease liabilities, current	731	2	-44	-	689
Current liabilities	1,043	4	-71	-	976
Lease liabilities, non-current	5,121	20	-576	-	4,565
Provisions, non-current	460	2	29	-	491
Share-based payment	3,378	15	155	416	3,964
Total	-14,550	-67	-4,920	416	-19,121

Section 5

Invested capital

5.1 Investments in associates and subsidiaries

The Parent accounts for its investments in subsidiaries and associates at cost.

Additions to investments in subsidiaries in 2020 related to capital injection to SimCorp Iberia.

Please refer to note 7.6 in the consolidated financial statements for a list of subsidiaries.

Investment in associates

EUR '000	2021	2020
Cost at January 1	157	157
Foreign exchange adjustment	1	-
Disposals	-20	-
Cost at December 31	138	157
Carrying amount at December 31	138	157

Investments in subsidiaries

EUR '000	2021	2020
Cost at January 1	137,825	136,167
Foreign exchange adjustment	50	558
Additions	-	1,100
Transfers	-1	-
Cost at December 31	137,874	137,825
Carrying amount at December 31	137,874	137,825
Dividends received	20,275	24,878

5.2 Intangible assets

For a description of the accounting policies, please refer to the consolidated financial statements note 5.2.

Intangible assets – software

EUR '000	2021	2020
Cost at January 1	8,050	8,017
Foreign exchange adjustment	3	33
Cost at December 31	8,053	8,050
Depreciation at January 1	7,929	7,753
Foreign exchange adjustment	3	32
Depreciation	110	144
Depreciation at December 31	8,042	7,929
Carrying amount at December 31	11	121

Amortization

EUR '000	2021	2020
Cost of sales	28	27
Research and development costs	51	73
Sales and marketing costs	7	9
Administrative expenses	24	35
Total amortization	110	144

5.3 Property, plant, and equipment

For a description of the accounting policies, please refer to the consolidated financial statements note 5.3. Lease liabilities, amounts recognized to the income statement and amounts recognized in the statement of cash flow are presented below.

Property, plant, and equipment

Property, plant, and equipment	Leasehold		Technical equipment		Other equipment, fixtures, fittings and prepayments		Property, plant, and equipment total
	Right -of-use	Improvement	Right-of-use	Owned	Right-of-use	Owned	
EUR '000							
2021							
Cost at January 1	29,697	2,569	74	6,212	415	2,605	41,572
Foreign exchange adjustment	11	1	-	2	-	1	15
Additions	-	-	-	92	268	57	417
Disposals	-	-	-	-	-138	-	-138
Cost at December 31	29,708	2,570	74	6,306	545	2,663	41,866
Depreciation at January 1	6,157	2,083	12	5,951	244	1,404	15,851
Foreign exchange adjustment	2	1	-3	2	-6	1	-3
Depreciation	3,096	58	25	219	166	308	3,872
Disposals	-	-	-	-	-108	-	-108
Depreciation at December 31	9,255	2,142	34	6,172	296	1,713	19,612
Carrying amount at December 31	20,453	428	40	134	249	950	22,254
2020							
Cost at January 1	29,218	2,137	772	6,565	325	2,824	41,841
Foreign exchange adjustment	119	9	3	27	1	11	170
Additions	360	536	172	72	143	1,029	2,312
Disposals	-	-113	-873	-452	-54	-1,259	-2,751
Cost at December 31	29,697	2,569	74	6,212	415	2,605	41,572
Depreciation at January 1	3,053	2,137	515	6,003	107	2,279	14,094
Foreign exchange adjustment	13	9	2	25	-	9	58
Depreciation	3,091	50	368	375	149	279	4,312
Disposals	-	-113	-873	-452	-12	-1,163	-2,613
Depreciation at December 31	6,157	2,083	12	5,951	244	1,404	15,851
Carrying amount at December 31	23,540	486	62	261	171	1,201	25,721
Depreciation period	Up to 10 years		Up to 3 years		Up to 5 years		

5.3 Property, plant, and equipment (continued)

Depreciation

EUR '000	2021	2020
Cost of sales	989	823
Research and development costs	1,808	2,186
Sales and marketing costs	246	267
Administrative expenses	829	1,036
Total depreciation	3,872	4,312

Lease liabilities

EUR '000	2021	2020
Payable within 1 year	3,069	3,352
Payable within 2 to 5 years	11,805	11,789
Payable after 5 years	6,806	9,719
Total undiscounted lease liabilities	21,680	24,860
Total lease liabilities included in the statement of financial position	20,922	23,884
Current	2,899	3,135
Non-current	18,023	20,749

Amounts recognized in income statement

EUR '000	2021	2020
Interest on lease liabilities	223	254
Variable lease payments not included in the measurement of lease liabilities	27	44
Expenses related to short-term lease	-	9
Total recognized in profit and loss	250	307

Amounts recognized in the statement of cash flow

EUR '000	2021	2020
Repayment of lease liability	3,433	3,672
Total recognized in statement of cash flow	3,433	3,672

Section 6

Financing items

6.1 Financial assets and liabilities

All financial assets and liabilities are measured at amortized cost. The carrying amount of these approximate fair value. Financial assets which have been modified or renegotiated during the period are assessed individually for impairment.

Financial assets

Financial assets comprise deposits of EUR 1.4m (2020: EUR 1.4m), receivables of EUR 192.3m (2020: EUR 151.0m), and cash and cash equivalents of EUR 15.9m (2020: EUR 26.6m). For addition information on receivables refer to note 2.4.

Deposits are primarily related to leasing of offices. Security deposits which will not be returned within one year of the statement of financial position date are recognized as non-current assets.

Commitments which require a deposit will initially be recorded to the deposit asset account, if the deposit is not recovered it is charged to the income statement.

Other financial assets comprise investments in shares of unlisted entities.

Financial liabilities

Financial liabilities comprise lease liabilities of EUR 20.9m (2020: EUR 23.9m), and trade payables and other payables of EUR 29.2m (2020: EUR 32.6m).

Trade payables and other payables

Other payables include bonus and commission accruals, vacation pay obligations, payroll taxes and VAT. Payables are measured at cost.

Deposits

EUR '000	2021	2020
Cost at January 1	1,441	1,436
Foreign exchange adjustment	1	5
Additions	-	6
Disposals	-	-6
Carrying amount at December 31	1,442	1,441

6.2 Financial income and expenses

Financial income

EUR '000	2021	2020
Interest income, subsidiaries	130	306
Interest income, financial assets carried at amortized cost	-	3
Dividends from subsidiaries	20,275	24,878
Dividends from associates	50	41
Foreign exchange gains, net	5,387	-
Total financial income	25,842	25,228

Financial expenses

EUR '000	2021	2020
Interest expenses, subsidiaries	46	80
Interest expenses, financial liabilities carried at amortized cost	245	258
Interest expenses, financial assets carried at amortized cost	32	54
Interest expenses, lease	223	254
Interest expenses, reestablishment	7	7
Other financial expenses	35	8
Foreign exchange losses, net	-	6,330
Total financial expenses	588	6,991

Section 7

Other disclosures

7.1 Related party transactions

For the Parent company, in addition to transactions with other related parties depicted in note 7.2 of the consolidated financial statements, related parties also comprise subsidiaries and associates in which SimCorp A/S has a controlling or significant influence.

The Parent company's outstanding balance with subsidiaries comprises receivables of EUR 183.8m, current account EUR 44.4m and non-current group contract asset EUR 139.4m (2020: EUR 141.4m, current account 37.5m and non-current group contract asset EUR 103.9m) and payables of EUR 16.1m (2020: EUR 11.3m).

Balances with subsidiaries and associates comprise ordinary trade balances relating to the purchase and sale of services.

The current account balance carry interest and are subject to terms and conditions identical to those made with the Parent company's and the Group's clients and suppliers.

Trading with subsidiaries and associates is conducted on arm's length terms. Ownership interests are shown in note 7.7 of the consolidated financial statements.

Interest on outstanding balances with subsidiaries and associates is specified in note 6.2 in the financial statements of the Parent company. In 2021, the Parent company has received dividends of EUR 20.3m (2020: EUR 24.9m) from subsidiaries and dividends of EUR 0.05m from associates (2020: EUR 0.04m).

The Parent company has provided delivery bonds to certain clients of its subsidiaries, and the Parent company has issued letters of support to certain subsidiaries, see note 7.4.

Trading with subsidiaries and associates

EUR '000	2021	2020
Purchases of services from subsidiaries	62,110	58,514
Purchases of services from associates	533	719
Sale of services to subsidiaries	224,064	220,152

7.2 Auditors' remuneration

In 2021, audit fees included the audit of the Parent company's financial statements, including additional audit procedures due to implementation of a new ERP system.

In 2020, audit fees included implementation of audit standard ISA540.

Auditors' remuneration

EUR '000	2021	2020
Audit fees	210	157
Other service fees	68	16
Total	278	173
Non-Audit Services (NAS)/Audit fee ratio	32%	10%

7.3 Contingent liabilities and other financial liabilities

As part of building long-term client relationships, the company has made a commitment to, in some contracts, provide SimCorp Dimension product supports for up to ten years from the date of the contract.

SimCorp A/S has issued guarantees for its subsidiaries' delivery commitments to clients for a total of EUR 49.2m (2020: EUR 46.5m).

The Parent company expects to issue letters of support to certain subsidiaries.

The Parent company has provided guarantee for credit facilities totalling EUR 4.4m (2020: EUR 4.4m) to certain subsidiaries.

Bank guarantees have been provided for rent commitments in Australia, Belgium, France, Germany, Luxembourg, and USA.

The Parent company is party to legal proceedings and inquiries from authorities when investigating various issues. The outcome of such is not expected to have a significant effect on profit for the year and the assessment of the company's financial position.

SimCorp A/S has financial commitments with suppliers for EUR 65m (2020: EUR 6m) mainly related to infrastructure services for the cloud solutions.

7.4 Events after statement of financial position date

No material events have occurred after December 31, 2021 that have consequences for the Annual Report 2021.

Addresses

SimCorp Corporate Headquarters

SimCorp A/S
Weidekampsgade 16
2300 Copenhagen S
Denmark
Phone +45 35 44 88 00

SimCorp Ukraine LLC
V. Stusa 35-37, 2nd floor
03142 Kiev
Ukraine
Phone +380 44 594 95 60

SimCorp Sp. Z.O.O
Ul. Puławska 182, 4th floor
02-670 Warsaw
Poland
Phone: +48 22 104 81 100

SimCorp Europe

SimCorp Sverige AB
Torsgatan 13
111 23 Stockholm
Sweden
Phone +46 8 528 015 00

SimCorp Norge AS
Biskop Gunnerusgate 14A
0051 Oslo
Norway
Phone +47 23 10 41 00

SimCorp Finland
(Finnish branch of SimCorp Sverige AB)
C/O Spaces Tripla, Workery West
6th floor, Firdonkatu 2 T 63
00520 Helsinki
Finland
Phone +358 9685 2010

SimCorp GMBH
Justus-von-Liebig-Straße 1
61352 Bad Homburg
Germany
Phone +49 6172 9240-0

SimCorp Österreich GMBH
Invalidenstrasse 2, 6th floor,
1030 Vienna
Austria
Phone +43 1 5120099

SimCorp Schweiz AG
Sihlquai 253
8005 Zurich
Switzerland
Phone +41 44 360 59 00

SimCorp Benelux SA/NV
Avenue Louise 143
1050 Brussels
Belgium
Phone +32 2 213 30 00

SimCorp Netherlands
(Dutch branch of SimCorp Benelux SA/NV)
Gustav Mahlerplein 109-111
1082 MS Amsterdam
The Netherlands
Phone: +31 (0)20 708 57 64

SimCorp Italiana S.R.L.
Via Monferrato, 1
20144 Milano
Italy
Phone: +39 02 4855871

SimCorp Iberia S.L.
Travessera de Gracia no. 11
Barcelona 08021
Spain
Phone: +33 1 5535 5454

SimCorp France S.A.S.
19-23 Bis rue de Vienne
75008 Paris
France
Phone +33 1 5535 5454

SimCorp Luxembourg S.a.r.l.
rue Eugène Ruppert 20
2453 Luxembourg
Luxembourg
Phone +352 26 49 35 65

SimCorp Ltd.
2nd floor
100 Wood Street
London EC2V 7AN
United Kingdom
Phone +44 20 7260 1900

SimCorp Ltd. Abu Dhabi
World Trade Center, Level 17
The Office World Trade Center Tower
(Arabtec Building), Central Market Al
Markaziya, PO Box: 3876
Abu Dhabi
Phone: +971 2 654 4004

SimCorp Coric Ltd.
2nd floor
100 Wood Street London EC2V 7AN
United Kingdom
Phone +44 20 7260 1900

SimCorp Gain (Austria) GMBH
Invalidenstrasse 2, 6th floor
1030 Vienna
Austria
Phone: +43 1 5120099

SimCorp North America

SimCorp USA Inc.
One State Street Plaza
1 State Street, 29th Floor
New York, NY 10004
USA
Phone: +1 212 994 9400

SimCorp Canada Inc.
100 Wellington Street West
TD West Tower, Suite 2204
(PO Box 123)
Toronto, Ontario M5K 1H1
Canada
Phone +1 647 591 9200

SimCorp Coric Inc.
100 Summer Street
Suite 1950, 19th Floor
Boston, MA 02110
USA
Phone: +1 617 588 5141

SimCorp APAC

SimCorp Singapore PTE. Ltd.
18 Robinson Road #21-02
Singapore 048547
Singapore
Phone +65 6916 0483

SimCorp Asia PTY. Ltd.
Level 17, 68 Pitt Street
2000 Sydney NSW
Australia
Phone +61 2 9240 3500

SimCorp Hong Kong Ltd.
Level 19, Two International Finance
Centre, 8 Finance Street, Central,
Hong Kong
Phone: +852 3101 7954

SimCorp Japan
Level 27 Tokyo Sankei Building
1-7-2 Otemachi, Chiyoda-ku
100-0004 Tokyo
Japan
Phone: +81 3 3242 3263

SimCorp India LLP
Unit No. 402 A 13/2/3, Highway Tower
II Sector 62 Noida Gautam Buddha
Nagar UP 201309 IN
India
Phone: +91-120-2401088

www.simcorp.com
info@simcorp.com



About SimCorp

SimCorp provides integrated, best-in-class, multi-asset investment management solutions to the world's leading asset managers, fund managers, asset servicers, pension and insurance funds, wealth managers, central banks, sovereign wealth funds, and treasury. Deployed on premise or in the cloud, SimCorp's core solution, SimCorp Dimension®, alongside SimCorp Coric®, SimCorp Gain™, and SimCorp Sofia™ form a powerful and complete solution. Together with a range of managed services, they support the entire investment life cycle, based on a market-leading IBOR. SimCorp invests around 20% of its annual revenue in R&D, helping clients develop their business and stay ahead of ever-changing industry demands. Listed on Nasdaq Copenhagen, SimCorp is a global company, with regional offices across EMEA, North America, and Asia Pacific.

For more information, please visit simcorp.com

Legal notice

The contents of this publication are for general information and illustrative purposes only and are used at the reader's own risk. SimCorp uses all reasonable endeavors to ensure the accuracy of the information. However, SimCorp does not guarantee or warrant the accuracy, completeness, factual correctness, or reliability of any information in this publication and does not accept liability for errors, omissions, inaccuracies, or typographical errors. The views and opinions expressed in this publication are not necessarily those of SimCorp. © 2022 SimCorp A/S. All rights reserved.

Without limiting rights under copyright, no part of this document may be reproduced, stored in, or introduced into a retrieval system, or transmitted in any form, by any means (electronic, mechanical, photocopying, recording, or otherwise), or for any purpose without the express written permission of SimCorp A/S. SimCorp, the SimCorp logo, SimCorp Dimension, and SimCorp Services are either registered trademarks or trademarks of SimCorp A/S in Denmark and/or other countries. Refer to www.simcorp.com/trademarks for a full list of SimCorp A/S trademarks. Other trademarks referred to in this document are the property of their respective owners.