SIMCORP

ANNUAL REPORT 2016

Approved at the annual general meeting 29 March 2017

Marianne Philip
Chairman of general meeting

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SimCorp

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CEO LETTER

WE ARE **ON TRACK** REALIZING OUR **VISION**

Looking back on 2016, I am pleased to say that our results are satisfactory. We have delivered above our initial growth and earnings targets for the year and in line with our revised non-GAAP[1] and GAAP guidance. We are performing in line with our Vision 2020 to grow SimCorp by more than 10% annually over the long term and to continually improve our profit margin.

KLAUS HOLSE
CEO, SimCorp

2016 has been a year of strong growth for SimCorp, achieving non-GAAP revenue of EUR 307.7m – an improvement of 12.4% measured in local currencies – and a non-GAAP operating profit (EBIT) of EUR 80.0m – an improvement of the non-GAAP EBIT margin by 1.4%. We have achieved top-line growth rates above the overall projected market growth[2] as a result of securing a number of new, large clients. Particularly in North America, we are building momentum and proudly welcoming world-leading asset manager Franklin Templeton, among others, to the extended SimCorp family.

We have yet again improved our profitability while investing around 20% of our annual revenue back into our platform development to ensure we can continue to deliver on our value proposition of 'One System for a Complex World'. Our continued investment into one fully integrated platform is high compared to that of our competitors' and our results prove the sustainability of this strategy.

GROWTH IN OLD AND NEW MARKETS

As another testimony to our one-system strategy, we have delivered strong results despite

[1] SimCorp Dimension® order intake made on subscription-based terms to be income recognized in the year the order is signed, as if the orders had been signed on perpetual license terms. Refer to note 2.1.
[2] The growth of industry assets under management (AUM) toward 2020 is projected at 5%, according to Boston Consulting Group (BCG): 'Global Asset Management 2016: Doubling Down on Data', July 2016.

a market that is characterized by long and complex decision processes. We also continue to see consolidation among the leading players in the industry, which is leaving many asset managers struggling with outdated solutions and legacy systems that are not able to meet the changing demands of a complex world.

Our growth has not only been generated in North America, we have also won new large clients in a mature market like Sweden and in new markets like Italy and Spain. Hence, we continue to see growth potential across all our markets, but with the single biggest growth potential in North America, where, so far, we only have a 5% market share.

In 2017, we will continue to pursue the market opportunities we see in Italy and Spain, establishing new operations in the two countries and forming a new 'Southern Europe' regional entity also encompassing operations in France. To ensure a consolidated, more efficient operational setup, we will also form a new 'Northern Europe' entity by merging the current Nordic and Benelux operations.

We are confident that our value proposition will allow us to further expand our position and win additional market share across all markets in the near term.

MEETING CLIENT DEMANDS BY BUILDING SOLUTIONS AND RELATIONSHIPS

The core of our business model is to offer solutions that meet our current and future clients' changing demands. We continue to future-proof the SimCorp Dimension platform by investing in the technology behind the platform and the functionality of the platform itself.

Keeping a close relationship and an open dialogue with our clients about their challenges and ambitions is essential for us to be able to offer the best possible support. Maintaining a high client satisfaction (Net Promotor Score) is part of our company culture and our efforts over the past years have moved us up above the industry benchmark, achieving a position as best-in-class in 2016.

EMPLOYEES – THE FUNDAMENT OF OUR SUCCESS

Our results and the ability to realize future potential strongly depend on our talented employees. I'm proud to say that we have seen a dedicated effort from everyone in the organization to achieve our goals in 2016. In the past year, we have grown our organization by more than 100 employees to support our growth ambitions, keeping a strong focus on maintaining operational momentum.

SimCorp has a strong ambition to be an attractive employer and be able to attract and retain the best people in the industry. To achieve this, we offer personal and professional development opportunities, international career challenges, management excellence programs, and competitive benefits; constantly developing our offering within all these areas. Attracting and retaining talent will always be a high priority for SimCorp.

STRATEGY STATUS, 2017 AGENDA AND OUTLOOK

In 2015, we launched our Vision 2020 and, as already mentioned, our growth and profitability in 2016 have met targets. However, the demand for solutions is changing fast

> *We are building momentum in North America, and we are in line with our Vision 2020 to grow SimCorp by double digits annually over the long term and improve our profitability margin year on year.*

295.9m
Revenue

22.8%
EBIT margin measured in local currencies

307.7m
Non-GAAP revenue

25.8%
Non-GAAP EBIT margin measured in local currencies

and the vendors that can keep up with the pace of change will be the winners. To stay competitive, we continue to evaluate our results and fine-tune our strategic targets.

In 2017, we will keep North America at the center of our growth strategy and we expect solid results. In addition, we will maintain our uniquely integrated front office solution, our ASP delivery offering, and our alternative investments solution as strategic priorities.

In 2017, we will start offering standard platforms. We believe that standard platforms will not only shorten the implementation time and minimize project risk, but also provide an increased confidence in the selection process and shorten the time to value for our clients.

We believe this new strategic initiative will be a competitive differentiator, as it will enable us to increase solution quality and attract clients who prefer to embark on an implementation project with a fixed scope, deadline, and price. New and existing clients who choose a standard platform will always be able to request a reconfiguration of this platform at a later stage.

While adding new initiatives like standard platforms, looking back, our strategy and business model have been validated by satisfactory 2016 results. In 2017, we are determined to stay the course and, given unchanged macroeconomic conditions, we expect to meet our Vision 2020 of long-term double-digit annual growth and improved profitability.

Klaus Holse
Chief Executive Officer

CHAIRMAN´S LETTER

OUR STRATEGIC **DIRECTION** IS **CLEAR**

2016 was an exciting and satisfactory year for SimCorp and as Chairman of the Board, I am pleased with the company's development. The results proved that despite challenging market trends, SimCorp has been able to increase its order intake and revenue growth.

I believe that SimCorp's value proposition 'One System for a Complex World' guides the company in its pursuit of the ambition of becoming the number one provider of investment management solutions globally.

JESPER BRANDGAARD
Chairman of the Board of Directors

When we look at the investment management industry, we see an industry that is increasingly challenged by globalization, increasing data volumes, regulation, multi-asset class strategies, and new and more advanced investment instrument types.

The 1,200 largest global asset managers, who are at the forefront of this complex world, are to an increasing degree recognizing that SimCorp's integrated one-system offering is designed to help meet exactly these challenges. In 2016, we extended the SimCorp family by welcoming new members from the world's top global asset managers and we expanded our cooperation with many of our existing clients.

I am very pleased to see that this increased activity is happening both in North America, which is a key growth market, and in our more mature markets. Our key strategic priorities for front office, alternative investments, and ASP delivery will ensure that we future-proof our offering and remain a preferred business partner for the world's top asset managers.

In our annual review of SimCorp's financial targets and strategic priorities, we continue to see a strong match between the industry outlook and SimCorp's offering. This means that, with some minor adjustments of the key strategic priorities, we remain confident in our Vision 2020. In 2017, we will build on our success by constantly focusing on executing the strategy behind this vision. We are confident that the organization has the capabilities required to do so.

SIMCORP INTENDS TO DELIVER **CASH RETURNS** TO ITS SHAREHOLDERS THROUGH DIVIDEND PAYOUTS AND SHARE BUY-BACK PROGRAMS. THE GUIDING PRINCIPLE IS THAT **EXCESS CAPITAL** AFTER FUNDING THE COMPANY'S STRATEGIC GROWTH INITIATIVES INCLUDING INVESTMENTS SHOULD BE **RETURNED TO THE SHAREHOLDERS.**

INCREASED DIVIDENDS AND A NEW SHARE BUYBACK PROGRAM

According to our dividend policy, we intend to pay dividends of at least 50% of the annual net result. Based on the financial performance in 2016, the Board of Directors intends to propose to the shareholders at the annual general meeting a dividend of EUR 33.3m, equal to DKK 6.25 per share of DKK 1, for the financial year 2016.

Furthermore, based on the current business outlook and the cash position, we expect to initiate a share buyback program again in 2017. We will introduce a new "Safe Harbour" program, acquiring treasury shares for a forecasted amount of EUR 35m during the period from the release of the Annual Report 2016 to the release of the Annual Report 2017 in February 2018.

ATTRACTING AND RETAINING THE RIGHT COMPETENCIES

The Board of Directors is responsible for ensuring that the Board and the Executive Management Board possess the right competencies to further develop SimCorp and promote the long-term interest of the company and its shareholders. To ensure the completeness of the competences of the Board of Directors, the Board will at the coming annual general meeting propose the election of Adam Warby, currently CEO at Avanade, and the re-election of the other existing Board members. If elected, the Board of Directors will then consist of nine members, which we believe will enable an appropriate distribution of tasks and ensure an effective and swift decision-making process.

To facilitate long-term succession planning for the Board of Directors and to focus on capacity building for the future, it is proposed to establish a Nomination Committee following the annual general meeting, comprising the Chairman, Vice-chairman, one shareholder-elected member, and one employee-elected member.

At the last general assembly in March 2016, our proposal for ensuring a higher degree of retention on the Executive Management Board was withdrawn. Based on the feedback from a number of shareholders and to align with international corporate governance guidelines, we have revised the proposal, so it allows the Executive Management Board to convert their cash bonus to restricted stock units at a 50% discount compared to the original proposal of a 67% discount.

THANK YOU

I would like to thank everyone at SimCorp for contributing to our 2016 performance. I would also like to express my appreciation to our shareholders and business partners for their trust and co-operation. In particular, I extend my gratitude to our loyal SimCorp Dimension and SimCorp Coric clients, new as well as existing ones, who continue to place their trust and business with SimCorp, operating on our SimCorp Dimension and SimCorp Coric platforms.

Jesper Brandgaard
Chairman of the Board of Directors

EUR 44.4m
Share buyback program

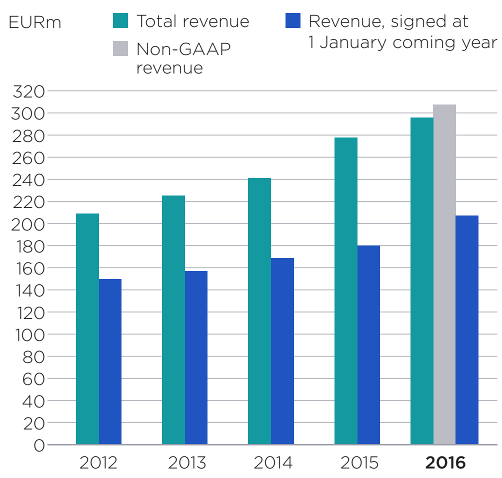
EUR 28.5m
Paid dividends

142.9%
Total payout ratio

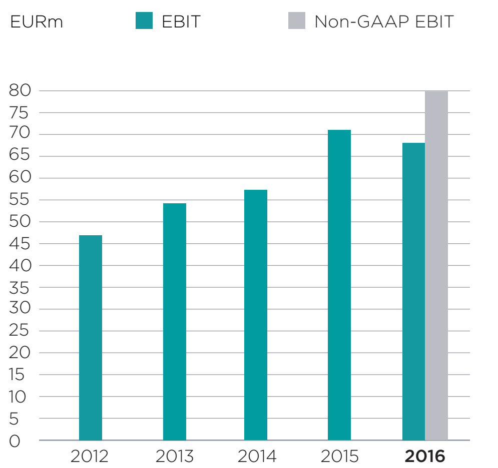
1 / 2 PERFORMANCE HIGHLIGHTS 2012-2016

	2012	2013	2014	2015	2016
EUR/DKK rate of exchange at 31 December	7,4604	7,4603	7,4436	7,4625	7,4344
ORDERS, EUR'000					
Order book value	14,400	13,829	16,676	24,117	44,764
Order intake	49,116	42,825	43,865	70,697	85,056
INCOME STATEMENT, EUR'000					
Revenue	209,190	225,129	241,069	277,927	295,930
Earnings before interest, tax, depreciation and amortization (EBITDA)	50,650	57,085	61,044	74,227	71,583
Operating profit (EBIT)	46,915	54,236	57,263	71,038	68,223
Financial items, net	81	-230	253	-1,938	-630
Profit before tax	46,996	54,006	57,516	69,100	67,593
Profit for the year	34,474	39,336	41,583	52,584	50,992
ADJUSTED NON-GAAP STATEMENT, EUR'000					
Adjusted non-GAAP revenue	209,190	225,129	241,069	277,927	307,691
Adjusted non-GAAP profit from operations (EBIT)	46.915	54,236	57,263	71,038	79,983
BALANCE SHEET, EUR'000					
Share capital	6,045	5,844	5,575	5,575	5,575
Equity	85,864	71,566	73,380	89,820	72,571
Property, plant and equipment	5,213	4,839	4,635	4,333	4,779
Cash and cash equivalents	58,897	47,106	37,995	43,344	31,590
Total assets	125,791	117,469	127,807	149,529	146,928
CASH FLOW, EUR'000					
Cash flow from operating activities	46,665	47,447	44,390	54,206	65,418
Cash flow from investing activities, net	-766	-2,843	-8,908	-2,625	-4,309
- investing in intangible assets	-242	-76	-377	-277	-1,644
- investing in property, plant and equipment	-558	-2,331	-2,054	-2,029	-2,973
Cash flow from financing activities	-35,362	-55,850	-46,524	-46,422	-72,856
Net change in cash and cash equivalents	10,537	-11,246	-11,042	5,159	-11,747
EMPLOYEES					
Average number of employees	1,075	1,093	1,187	1,205	1,275

REVENUE



EARNINGS AND PROFITABILITY

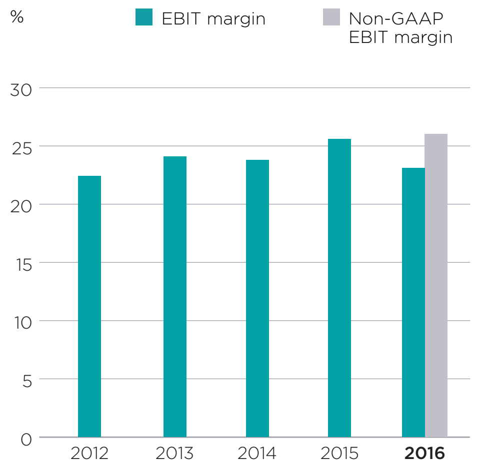


2/2 PERFORMANCE HIGHLIGHTS 2012-2016

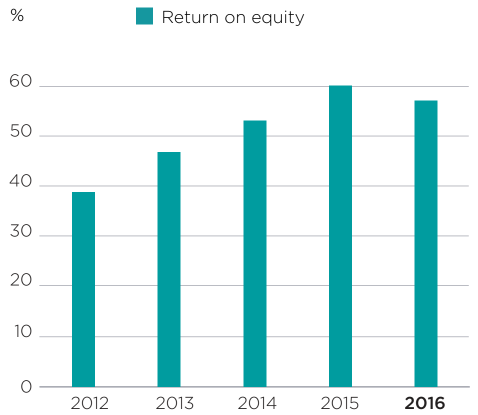
	2012	2013	2014	2015	2016
FINANCIAL RATIOS					
EBIT margin (%)	22.4	24.1	23.8	25.6	23.1
ROIC (return on invested capital) (%)	124.0	158.8	146.3	136.0	121.3
Debtor turnover rate	7.8	8.6	7.5	8.1	7.8
Equity ratio (%)	68.3	60.9	57.4	60.1	49.4
Return on equity (%)	38.7	46.8	53.1	60.2	57.5
Adjusted non-GAAP EBIT margin (%)	22.4	24.1	23.8	25.6	26.0
SHARE PERFORMANCE					
Basic earnings per share - EPS (EUR)	0.80	0.93	1.02	1.31	1.28
Diluted earnings per share - EPS-D (EUR)	0.79	0.92	1.00	1.29	1.26
Cash flow per share - CFPS (EUR)	1.08	1.13	1.08	1.35	1.64
Book value per share at year end - BVPS (EUR)	2.02	1.73	1.81	2.24	1.84
Dividend per share - DPS (EUR)	0.40	0.47	0.54	0.60	0.71
Dividend per share - DPS (DKK)	3.00	3.50	4.00	4.50	5.25
Dividend payout (%)	52.5	51.9	53.6	47.6	57.5
Total payout (%)	123.9	160.0	112.0	86.9	142.9
MARKET VALUE RATIOS					
Share price at year end - EUR	16.94	28.62	21.83	51.99	46.3
Share price at year end - DKK	126.40	213.50	162.50	388.00	344.20
Price/book value per share - P/BV (EUR)	8.4	16.5	12.0	23.2	25.2
Diluted price earnings (P/E Diluted)	20.9	30.3	21.2	39.2	36.8
Price cash flow - share price/CFPS - P/CF	15.6	25.4	20.1	38.6	28.3
Share capital (m)	45.0	43.5	41.5	41.5	41.5
Avarage number of shares (m)	43.1	42.1	40.9	40.2	40.0
Avarage number of shares - diluted (m)	43.6	42.7	41.5	40.9	40.5
Market capitalization - EURm	721	1,183	884	2,087	1,827

Financial highlights and key ratios are defined and calculated in accordance with the Danish Finance Society's 'Recommendations and Financial ratios 2015'. Earnings per share (EPS) and Diluted earnings per share (EPS-D) are measured according to IAS 33. Refer to page 69 for further details.

EARNINGS AND PROFITABILITY



RETURN ON EQUITY



MAIN CONCLUSIONS 2016

FINANCIAL HIGHLIGHTS

25.8%	**Non-GAAP EBIT margin measured in local currencies** SimCorp reported non-GAAP EBIT of EUR 80.0m, an increase of EUR 9.0m relative to 2015. The non-GAAP EBIT margin measured in local currencies was 25.8%. The profit for the year was EUR 51.0m.
EUR 68.2m	**EBIT** SimCorp generated EBIT of EUR 68.2m compared with EUR 71.0m in 2015, a decrease of EUR 2.8m. This decrease is mainly caused by the change to subscription-based license sales for new orders.
12.4%	**Non-GAAP revenue growth measured in local currencies** SimCorp generated non-GAAP revenue of EUR 307.7m in 2016, an increase of EUR 30m compared with last year, or revenue growth of 12.4% measured in local currencies. The currency impact on revenue was a negative EUR 4.7m.
EUR 295.9m	**Revenue** SimCorp generated total revenue of EUR 295.9m in 2016 compared with EUR 277.9m in 2015, equal to an increase of 6.5%. Exchange rate fluctuations for the year had a negative impact of EUR 4.6m on revenue, equal to 1.6%. In local currencies, revenue thus increased by 8.1% compared with 10.1% in 2015.
20.3%	**Order intake growth** The total license order intake increased by 20.3% to EUR 85.1m in 2016, including SimCorp Coric orders. The total order book increased by EUR 20.7m from 1 January 2016 to EUR 44.8m at 31 December 2016.
EUR 65.4m	**Cash inflow** The operating activities generated a cash inflow of EUR 65.4m, compared with EUR 54.2m in 2015 and cash holdings amounted to EUR 31.6m at 31 December 2016, which is EUR 11.7m less than in 2015. Cash and cash equivalents equal 21.5% of total assets.

OPERATIONAL HIGHLIGHTS

182	**SimCorp Dimension clients** Twelve new SimCorp Dimension solutions were signed in 2016 bringing the total number of SimCorp Dimension clients up to 182 corresponding to a global market share of 15%.
EUR 749.0m	**License base** The license base (accumulated license order value) increased EUR 74.4m to EUR 749m at 31 December 2016.
1,376	**Number of employees** Headcount increased by 108 during 2016 bringing the total number of employees to 1,376 at 31 December 2016.
EUR 207.3m	**Revenue secured on contract** SimCorp enters 2017 with EUR 207.3m of the full year's revenue secured on contract – an improvement of EUR 27.4m compared with last year.
EUR 72.9m	**Payout to shareholders** SimCorp purchased treasury shares for EUR 44.4m in 2016 compared to EUR 21.2m in 2015. Combined with the dividend paid in 2016 of EUR 28.5m, SimCorp returned EUR 72.9m to its shareholders in 2016 compared with EUR 45.7m in 2015.
DKK 6.25	**Dividend per share** The Board of Directors intends to recommend to the shareholders at the annual general meeting that dividends be declared at the rate of DKK 6.25 per share of DKK 1 – an increase of 19.0% from 2015.

> ***Asset managers must align themselves with vendors that are willing to invest back into their products. Investment in R&D is a critical measure in assessing the health and vitality of any future-state operating model.***

TOM SECAUR
Global COO, Citisoft, Investment Management Consulting

STRATEGY AND **VISION**

Global asset managers' software solution requirements still show a strong fit with SimCorp's core value proposition of 'One System for a Complex World'. We met our strategic targets in 2016, and in 2017 we will keep our focus on increasing market share in North America and investing in our solutions for front office, alternative investments, and ASP delivery. Furthermore, we will simplify the selection process for our clients by offering standard platforms.

SimCorp's Vision 2020, launched in 2015, states the financial goals of double-digit annual long-term growth and continuously increasing profit margins. In 2016, the update of Vision 2020 reconfirmed SimCorp's five key strategic priorities to meet the demands of increasing globalization, regulation, and alternative investments:

1. A market-leading IBOR-based front office solution
2. A competitive ASP offering
3. A fully integrated alternative investments solution
4. Key growth markets: North America, France, and the UK
5. Attracting and retaining talent in SimCorp

In light of the market fundamentals, the competitive situation, and our progress on the five 2016 priorities, we have re-assessed and updated our strategic priorities for 2017.

MARKET FUNDAMENTALS AND SIMCORP'S POSITION IN THE MARKET

The market fundamentals and our 2020 competitive position both remain robust. The institutional buy-side investment management industry is still regarded as an attractive niche where SimCorp is one of only a handful of global players with the expertise and capabilities to serve global top-tier asset management firms. SimCorp is leading the front-to-back category of investment management systems and we are confident that our operational efficiency initiatives will enable us to continue to pursue our financial targets.

Industry assets under management are projected to grow at an average 5% per year,[1] and asset management industry revenue and profits are back at pre-crisis levels, although margins are under pressure. In addition, 84% of SimCorp's client universe of large asset managers have a positive outlook, expecting annual revenue growth of 6% or more in the next three years.[2]

Consolidation and the emergence of mega managers constitute an ongoing trend in the market, and we also see another of SimCorp's key target segments, Sovereign Wealth Funds (SWFs), growing in number and size. At the same time, globalization, regulation, and the move towards alternative investments are key mega trends that are all set to continue. This plays well into SimCorp's value proposition of 'one system for a complex world', as the same large asset managers are looking to scale operations by standardizing and automating processes.[3] Reports show that these asset managers are allocating a growing share of investment management system (IMS) spend to a modernization of their operating model.[4] A priority which is identified by over half of these institutions as a top-three issue for 2016, compared to just a third in 2015.[5]

STATUS AND UPDATE OF STRATEGIC PRIORITIES

The next three pages hold an assesment of our achievements for the 2016 strategic priorities and the resulting fine-tuning of these priorities is presented as our strategic priorities for 2017, including goals and focus.

[1] Boston Consulting Group (BCG): 'Global Asset Management 2016: Doubling Down on Data', July 2016.
[2] Lindberg International and Citisoft: 'Unlocking Growth through Innovation', 2016. The survey includes representatives from 83 investment management firms from Europe, North America, and Asia Pacific.
[3] PwC: 'The asset management operating model: Keeping pace with industry and technology evolution', in Journal of Applied IT in Investment Management, August 2016.
[4] CEB: 'Top Technology Initiatives for Capital Markets Firms in 2016', 2015.
[5] ICT: 'Enterprise Insights in the Financial Markets Industry', 2016.

2016

STRATEGIC PRIORITIES	STATUS ON ACHIEVEMENTS
IBOR-BASED FRONT OFFICE SOLUTION **CONTINUED FROM 2015** FRONT OFFICE AND IBOR	As we have clearly established SimCorp as the market leader for IBOR, winning the Waters Technology[5] Best Buy-side IBOR award for the third time in 2016, we have achieved a status where delivering an IBOR with multi-asset coverage is part of our normal on-going efforts. Our continued R&D investment in a fully integrated front office solution has resulted in nine new front office clients in 2016. 133 of our existing clients have licensed parts of or our entire front office solution.
ASP OFFERING **CONTINUED FROM 2015** ASP OFFERING	A competitive ASP offering has proved the right strategic priority as it is a requirement of some asset managers, especially in North America. Projections say that ASP hosted solutions and software-on-premise (SOP) deployment will continue to co-exist in the market, with ASP becoming the preferred delivery option.[7] In 2016, we have signed contracts with four ASP clients in North America, with one live and two more going live during 2017.

2017

STRATEGIC PRIORITIES	GOALS AND FOCUS
FRONT OFFICE SOLUTION **UPDATED FROM 2016** FRONT OFFICE	This priority has been adjusted to focusing on our front office solution as IBOR has become part of our daily operations. SimCorp's front office solution has a competitive advantage as opposed to a stand-alone best-of-breed solution as it gives portfolio managers real-time access to relevant data, including risk and performance analytics, before making decisions. Our front office solution continues to be a strategic priority as there is still a substantial sales potential in our target market and among our existing clients. Front office IT spend in our target market is projected to grow 4.2% annually (CAGR) from 2015-2020 with a USD 2.2b annual spend in 2017.[6] Among the 1,200 asset managers in our target market, we have approximately 1,100 potential new front office clients, and among our existing clients, we still have a sales potential among the clients who have not yet acquired our full Front Office Suite.
ASP OFFERING **CONTINUED FROM 2016** ASP OFFERING	We will continue our ASP offering as a strategic priority. We will improve, standardize, and make our ASP offering even more cost-efficient, allowing clients to save time, control costs, and reduce operational risk. We continue to gain valuable knowledge by operating SimCorp Dimension on behalf of our clients and this will strengthen the product offering for all clients. SimCorp Dimension will predominantly be delivered as an ASP solution over the long term and we expect the majority of all new North American deals in 2017 to be delivered as ASP solutions.

[5] Buy-Side Technology, part of Waters Technology, is one of the key industry media covering the buy-side investment management industry. For the past 10 years it has been hosting the Buy-Side Technology Awards, which recognize leading technologies and vendors in their area of expertise.
[6] Ovum: 'Financial Markets Technology Spending Through 2020 – Front Office IT spend and growth rate projection', June 2016.
[7] CEB: 'Top Technology Initiatives for Capital Markets Firms in 2016', 2015.

2016

STRATEGIC PRIORITIES	STATUS ON ACHIEVEMENTS
ALTERNATIVE INVESTMENTS SOLUTION **CONTINUED FROM 2015** ALTERNATIVE INVESTMENTS	In 2016, we finalized the development of our private debt offering within our alternative investments solution in close collaboration with one of our clients. The first existing client has signed a contract to replace a competitive product as the rest of our alternative investments suite completes.
ATTRACTING AND RETAINING TALENT **CONTINUED FROM 2015** TALENT	We completed the implementation of an employer branding strategy, an employee value proposition program, and a focused talent pipeline-building framework in 2016. We have developed a framework for ensuring retention of talent, which includes efforts to strengthen performance management, leadership excellence programs, development opportunities, and a diverse working environment. Investing in attracting and retaining talent has become an integral part of how we operate in SimCorp, which means we will not continue to have talent as a separate strategic priority. People will continue to be fundamental to everything we deliver.

2017

STRATEGIC PRIORITIES	GOALS AND FOCUS
ALTERNATIVE INVESTMENTS SOLUTION **CONTINUED FROM 2016** ALTERNATIVE INVESTMENTS	In 2017, we will launch our private debt offering, and to meet the increasing trend towards this type of investment, we will keep developing our alternative investments solution as a strategic priority and continue investing in the competitiveness of our offering. Supporting alternative investments remains key to our proposition of covering all asset classes in one integrated system and will bring us into a unique position of being the only established player who offers this. Our solution will include private debt, private equity, real estate, infrastructure, and other investment strategies.
STANDARD PLATFORMS **NEW** STANDARD PLATFORMS	To make it easier for new and existing clients to select the solution that best meets their needs, a new strategic priority will be to offer standard platforms. This will mean a fixed scope, delivery time, and price. The benefits for clients include increased quality, faster delivery, and reduced risk and cost for small and large projects alike. Standard platforms can subsequently be configured to meet special client needs.

2016

STRATEGIC PRIORITIES	STATUS ON ACHIEVEMENTS

KEY GROWTH MARKETS: NORTH AMERICA, FRANCE, AND THE UK

CONTINUED FROM 2015

KEY GROWTH MARKETS: NORTH AMERICA, FRANCE AND UK

We are pleased that we in 2016 won five SimCorp Dimension and two SimCorp Coric clients in North America, one SimCorp Dimension client in France, and two SimCorp Coric clients in the UK.

We believe that the strong results in North America show that we now have not only the right offering in place, but also the right organization in terms of a complete management team with the right competences.

With major SimCorp client wins over the past years in France and the UK, these markets still represent significant growth opportunities, but more in line with our other markets. Therefore, we will not retain France and the UK as strategic growth market priorities.

2017

STRATEGIC PRIORITIES	GOALS AND FOCUS

GROW NORTH AMERICA

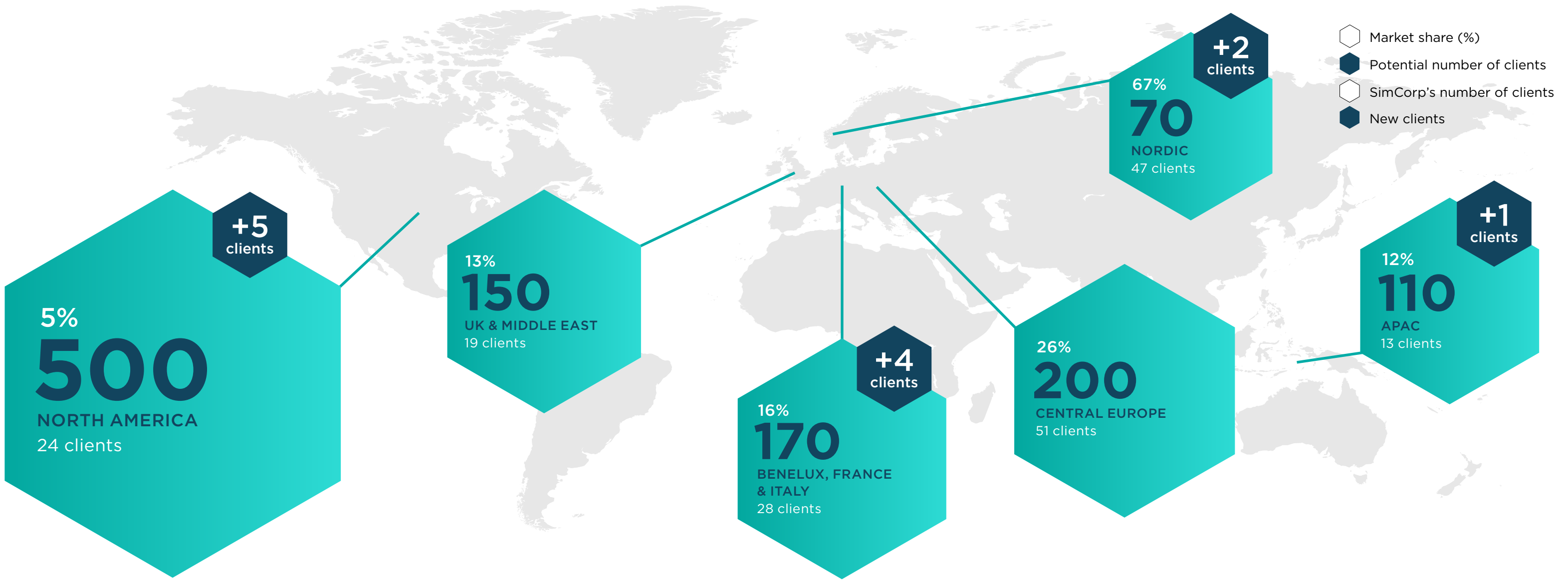
UPDATED FROM 2016

GROW NORTH AMERICA

As we enter 2017, North America still holds the single biggest growth potential to SimCorp, with currently a 5% market share.

We will continue our focus on winning market share in this market by ensuring our product meets the special local requirements and by increasing the awareness of SimCorp and our offering.

With more than 50% of our North American client base belonging to the top 50 global asset managers, we have proved that with our local organization in place and our SimCorp Dimension and SimCorp Coric platforms, we can continue to attract new clients.



SIMCORP DIMENSION CLIENTS AND MARKET SHARES 2016*

Business units	Number of clients	Total market	Market share
North America	24	500	5%
Central Europe	51	200	26%
Benelux, France & Italy	28	170	16%
UK & Middle East	19	150	13%
APAC	13	110	12%
Nordic	47	70	67%
Total	**182**	**1,200**	**15%**

* Figures are based on SimCorp estimates

STRATEGIC PRIORITIES FOR 2017
Looking at the key trends and projections impacting how SimCorp should prioritize to win a growing market share in 2017, our current approach still applies with some minor adjustments of our strategic priorities.

IT is taking center stage in asset management operations as an enabler of better integrated, automated, agile, and cost-effective processes. These requirements will favor large global IMS providers like SimCorp offering broad and integrated capabilities, products, and delivery models.

We are confident in our Vision 2020 and see a growth potential in all our target markets, with the highest potential being in North America and France, and expect to continue to increase our business in all our markets in 2017. We will continue our investment in our front office, alternative investments, and ASP offerings and firmly believe this will future-proof our value proposition of delivering 'one system for a complex world'. An additional increased focus on delivering standard platforms will help ensure that we stay competitive and a continued focus on attracting and retaining the right people will ensure that we have the fundamentals in place to realize our ambitions.

THE FIVE STRATEGIC PRIORITIES FOR 2016

- FRONT OFFICE AND IBOR
- ASP OFFERING
- ALTERNATIVE INVESTMENTS
- KEY GROWTH MARKETS: NORTH AMERICA, FRANCE AND UK
- TALENT

THE FIVE STRATEGIC PRIORITIES FOR 2017

- FRONT OFFICE
- ASP OFFERING
- ALTERNATIVE INVESTMENTS
- GROW NORTH AMERICA
- STANDARD PLATFORMS

PEOPLE

Investment managers continue to struggle with legacy point-to-point platforms that are manually intensive and difficult to govern. An integrated, data-centric platform fills the need for improved data quality and operational efficiencies.

JEREMY HURWITZ
CEO and Founder, InvestTech Systems Consulting

BRINGING **INNOVATIVE SOLUTIONS** TO THE INVESTMENT MANAGEMENT INDUSTRY

Change is the only constant in today's financial industry. To keep pace, SimCorp allocates a high share of its revenue to R&D compared to other vendors. To become even more innovative and adaptive, we have adopted an industry best-practice model for agile development, which will help our clients stay ahead of the changing demands.

WHAT WE DO:
SIMCORP DIMENSION, A UNIQUELY INTEGRATED OFFERING

SimCorp's sustained investment into a single platform, SimCorp Dimension, has made it the most comprehensive integrated system on the market. It supports the complete buy-side investment management value chain with best-in-class solutions covering front, middle, and back office operations. SimCorp Dimension enables investment managers to quickly adapt to market changes by making their business and IT architecture simpler and more agile. The integrated system allows investment managers to automate their processes and grow their business into new markets and asset classes. At its core, SimCorp's award-winning IBOR enables better and faster investment decisions, giving full transparency about risk exposures and ensuring regulatory compliance. SimCorp Dimension is the optimal solution for top investment managers, as it empowers them to meet the challenges of complexity while, at the same time, solving the bottlenecks caused by inflexible and fragmented systems.

SimCorp Dimension creates value for both investment managers and their customers. The customers will benefit from increased transparency, better and faster service, and a clear overview of their investments.

> *Product innovation and superior customer service are key growth drivers for investment managers. SimCorp's best-in-class solutions provide the support and agility required to realize these growth initiatives.*
>
> **MARC SCHRÖTER**
> Senior Vice President,
> Product Management, SimCorp

SIMCORP DIMENSION® IS A FRONT-TO-BACK SYSTEM

Our integrated system is made up of 19 different components covering all functions in the front, middle, and back offices. We call these components "Managers" because they refer to the relevant role they support within the company.

HOW WE DO IT:
SIMCORP APPLIES AN AGILE DEVELOPMENT APPROACH

To keep our platform constantly updated, we invest a significant share of our annual revenue - currently around 20% - back into R&D, to ensure that we always can offer an up-to-date system. To become even better at responding to our clients' changing requirements and the ever-changing challenges of the market, we have implemented an agile development approach.

An agile development approach is about responding to change as it appears. This does not only mean monitoring changing market trends closely, it also means closer collaboration and faster feedback from our development-partner clients in the process. This approach ensures a strong fit with both the actual demands of our clients and the challenges in the market. The result is greater value for our clients and a more efficient use of our development resources.

As we scale our agile approach to a full enterprise level with the help of an industry best-practice model, we expect this efficiency to increase significantly over the coming years. The agile development approach has been implemented in SimCorp throughout 2016 and will be how we do development in SimCorp going forward. The approach has been embraced by both our developers and our clients, who all see the immediate benefit of a closer collaboration and a more responsive process.

AGILE DEVELOPMENT

ADAPTING TO NEW MARKET CHALLENGES AND CLIENT DEMANDS AS THEY APPEAR

Benefits of an agile development approach: SimCorp continually improves its offering in terms of new features for existing and new geographies and segments, product quality, total cost of operations, scalability, new technology, product coverage and quality, and time-to-market.

> *Agile development enables you to respond to changes as they appear.*
>
> **GEORG HETRODT**
> CTO, SimCorp

RISK MANAGEMENT

As SimCorp operates in a continually changing and highly volatile business environment, its Board of Directors and management regard it essential that risk exposure is thoroughly monitored and controlled. To ensure this, a framework of risk policies and risk mitigating procedures is in place and continuously reviewed and updated.

SimCorp's business entails a number of commercial and financial risks, which could potentially have a negative effect on the company's future activities and results. To manage risk to the extent possible, principal factors, which are subject to uncertainty, and hence categorized as potential risks, are systematically monitored, analyzed, and managed. Overall, SimCorp's management believes the company is well prepared to manage its potential risk challenges.

> *SimCorp seeks to identify and understand risks and mitigate them accordingly.*
>
> **SIMON JEFFREYS**
> Chairman of the Audit Committee

RISK MANAGEMENT AT SIMCORP

RISK ANALYSIS
Through an Enterprise Risk Management process, a number of gross risks are identified in SimCorp's central and decentralized units. Each risk is described, including current risk mitigation in place or planned mitigating actions. The subsequent analysis of the identified risks includes an inherent risk evaluation based on two main parameters: probability of occurrence and impact on EBIT. The net risk after application of mitigating factors is also reported, and movements from one quarter to another are monitored.

RISK EVALUATION
SimCorp management continuously monitors risk development in the SimCorp Group. Each quarter, the main risks and accompanying mitigating actions are presented to the Board of Directors, which discusses whether the risk situation is acceptable and, if not, decides what further mitigating actions are required. During the year, the different risks will vary in importance. For instance, the execution risk associated with the closing of add-on licenses is typically high in Q4 and low in Q1. The Board evaluates risk dynamically to cater for this variation in risk impact.

RISK CONTROL
The Audit Committee carries out an in-depth analysis of the ongoing process of identifying and reporting risks to the Board of Directors in order to ensure that the underlying risk identification method is appropriate and reflects the true risk picture. The policies and guidelines in place stipulate how SimCorp management must work with risk management. SimCorp's compliance with these policies and guidelines is also monitored by the management on an ongoing basis.

RISK CATEGORY

MARKETS AND CLIENTS

Anticipating and responding to important trends in the market for global investment managers are critical to SimCorp's ability to retain clients and win market share. Failing to spot these trends represents a risk.

Also, competitors' expansion of international service-offerings and distribution could endanger SimCorp's leading market position. In addition, new local requirements or legislation may influence the current demand for SimCorp's offerings.

Furthermore, as around 25% of SimCorp's client base are within the top 100 global asset managers, losing one of these clients or their default on payment could potentially have a substantial impact on SimCorp's revenue.

RISK MITIGATION

MARKETS AND CLIENTS

Through extensive market research and industry analysis, SimCorp keeps abreast of trends in the global financial markets.

Also, the company's close and longstanding relationships with clients allow SimCorp to anticipate and respond to market movements and new requirements.

Although around 25% of SimCorp's clients are among the top 100 asset managers, the SimCorp Group has no client with revenue of more than 3.5% (2015: 4.5%) of total revenue.

RISK CATEGORY

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.

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.

RISK MITIGATION

CORPORATE CULTURE

To ensure SimCorp's ability to attract new, talented employees, a comprehensive 'Employer Value Proposition program' has been implemented to strengthen the company's employer brand. Also, a framework has been set in place to retain talent in SimCorp, including a mentoring program and leadership academy training.

SimCorp allocates substantial resources to internal and external training and development to ensure that professional and personal skills are constantly being maintained and enhanced throughout the organization.

To ensure that SimCorp employees possess the relevant competences, training activities to a large extent draw on the experiences of more senior employees, which optimizes the benefits of the employee development initiatives.

SimCorp senior management regularly travels to the various market units to ensure that the SimCorp corporate culture is maintained.

RISK CATEGORY

PRODUCT INNOVATION AND QUALITY

Product innovation, improved technical infra-structure, and enhanced technical capabilities are fundamental elements in meeting new system requirements in the market. Being unable to deliver those elements in a timely fashion could potentially mean that SimCorp Dimension would end up as a legacy offering.

SimCorp's ability to offer clients the best software products with the highest possible configurability and flexibility is paramount. Inadequate quality control and testing prior to the release of new software versions increase the risk of reduced client satisfaction and loyalty.

RISK MITIGATION

PRODUCT INNOVATION AND QUALITY

SimCorp offers updated product versions of SimCorp Dimension every six months. Updates include enhanced system functionality and improved technical infrastructure based on a systematic prioritization of client and market requirements. The move to a best-practice agile development method, which has been completed in 2016, ensures that SimCorp is able to respond and adapt quickly to changes in market and client demands.

A key element of the product development strategy is extensive quality control and testing prior to the release of new software versions. SimCorp continually raises and follows up on internal quality targets, ensuring alignment with expected market developments. In addition, SimCorp is engaging with relevant external partners to further improve and document the security and quality of our product.

RISK CATEGORY

SOLUTIONS AND SERVICES

It is key for SimCorp to provide standardized end-to-end serviced solutions, both during implementation and after clients have gone live.

Running on SimCorp Dimension entails having to deal with a variety of technical aspects such as technical infrastructure, WAN lines, third-party integration, databases, data interfaces, and software applications.

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.

During solution delivery, the largest risk is an inadequate implementation of SimCorp Dimension, leading to lower operational efficiency and increased operational risk and costs for SimCorp's clients, who will not realize the full value of the installation.

CONTINUES >

RISK MITIGATION

SOLUTIONS AND SERVICES

SimCorp Professional Services is gradually moving to a global delivery model leveraging a standard delivery methodology based on industry best practices and standard components. This approach will give existing and new clients a lean and efficient solution-delivery service, driving increased quality and value, while reducing risk and cost for small and large projects alike.

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 has sufficient strength – financially, organizationally, and product-wise – to meet SimCorp's requirements. Internally, a clear description and overview of each delivery component allows for a clear segregation of duties.

CONTINUES >

RISK CATEGORY	RISK MITIGATION
...SOLUTIONS AND SERVICES 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 an ASP service introduces operational risks of 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.	**...SOLUTIONS AND SERVICES** Moreover, SimCorp's consultants undergo continual training to maintain and develop the required knowledge and experience in relation to the operational services. Larger complex multi-year implementation contracts are evaluated, approved, and monitored using a Group standard. SimCorp has in 2016 obtained an ISAE 3402 audit report for our ASP services, which documents that processes and workflows are detailed and structured, provide for appropriate segregation of duties, a sufficient control environment, and environments allowing for test and validation prior to lifting clients' solutions into production. All hosting tasks are carried out by world-leading globally certified providers.
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. SimCorp believes contractual risk as well as legal risk related to regulatory requirements are critical. Failure to meet or implement regulatory requirements in a timely fashion with respect to, for instance data protection, confidentiality agreements, IPR, and fraud constitutes a risk. SimCorp is subject to tax and fiscal policies in the countries where the company operates. Changes to such 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. A detailed analysis and description of financial risk exposure is provided in note 6.2 to the financial statements.	**REGULATORY ISSUES AND FISCAL POLICIES** SimCorp ensures that all contracts entered into are carefully worded. SimCorp monitors and assesses the scope of any new legislation potentially affecting business procedures. SimCorp's Group Finance department manages the company's currency and financial exposure pursuant to the treasury policy approved by the Board of Directors, and are required to keep the overall currency exposure within defined limits. Furthermore, Group Finance is diligent in securing that, in line with the tax policy, SimCorp is at all times tax compliant in the countries where SimCorp conducts business. SimCorp has implemented a number of business procedures and controls to enhance transparency of individual activities and provide an improved overview of financial exposure.

RISK CATEGORY	RISK MITIGATION
FINANCIAL REPORTING Generally, financial reporting involves the risk of non-compliance with applicable legislation and potential business risk. There is also a risk of inadequate internal controls designed to avoid significant errors and omissions in financial reporting.	**FINANCIAL REPORTING** SimCorp has implemented various business procedures and controls to ensure compliance in relation to financial reporting. These are based on a range of general principles, policies, and procedures, which are reviewed by SimCorp's Board of Directors and Executive Management Board on a regular basis. The Danish Financial Statements Act requires that an overall description of the Group's internal controls and management of risk with regard to financial reporting is included in the financial statements. 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/corpgov2017 The Executive Management Board monitors compliance and provides the Board of Directors with relevant legislation and reports, including updates to the market, deemed to be of significant importance.
POLITICAL RISKS With offices and sales in the majority part of the world, SimCorp is from time to time affected by geopolitical uncertainties and unrest. Further, since 2007, SimCorp has had an additional development unit outside Denmark, based in Ukraine, with a staff of around 200 test analysts, developers, and service delivery consultants, which is part of SimCorp's Product Division and Delivery Services units.	**POLITICAL RISKS** Political and economic unrest in countries and regions where SimCorp operates or plans to operate is monitored continuously and taken into account when making strategic decisions. Due to the political situation in Ukraine, SimCorp continuously monitors the situation in the country. The Ukrainian office is based outside of Kiev and, so far, SimCorp has not seen any substantial risk associated with operating in the country. In case of critical political destabilization, all employees are able to work from home and will not be requested to go to the office until safety levels have been normalized.

RISK CATEGORY

IT RISK

As a software company with a core business based on modern information technology, SimCorp's failure to adequately protect itself against IT risk, represents 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.

RISK MITIGATION

IT RISK

SimCorp continuously monitors its global technical infrastructure, aiming to identify and minimize risk to the company's production and operation. Through well-established procedures and solutions, SimCorp is able to quickly restore critical business services.

SimCorp also operates with a high data security level and maintains strict access control to the physical environment as well as to its data network. The controls are monitored and reviewed on a regular basis in order to optimize information security.

SimCorp management and employees are regularly updated and educated on new potential cybercrime threats and how to act to minimize the risk of exposing SimCorp's network to various phishing and hacking attempts.

Further, SimCorp has developed and implemented 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. The suppliers of this software are diligently screened and assessed prior to purchase and implementation, using both expert assessments of the product as well as in-house proof of concept.

For further details on procedures of SimCorp's risk management, see page 19 in its Corporate Governance Guidelines, www.simcorp.com/corpgov2017

“*We continuously aim to add value to the way we service our clients’ investment needs. SimCorp Dimension has provided important efficiency gains in the processing of our investment decisions as well as supporting the launch of new investment products and addressing market challenges.*

LUC LECLERCQ
Chief Operating Officer / Chief Risk Officer
BlueBay Asset Management, London, UK

CORPORATE **GOVERNANCE**

SIMCORP'S CORPORATE **GOVERNANCE GUIDELINES** PROVIDE THE OVERALL DIRECTION FOR SIMCORP'S BOARD OF DIRECTORS AND **EXECUTIVE MANAGEMENT** TEAM IN THEIR DEFINITION OF WORKING PROCEDURES AND PRINCIPLES.

SimCorp's Board of Directors has reviewed and discussed each of the recommendations for corporate governance issued by Nasdaq Copenhagen and has concluded that, with a few exceptions, SimCorp is in full compliance with the recommendations regarding the way the company is governed as well as the interaction between the company's managerial bodies, its shareholders, and other stakeholders.

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, mission, corporate vision, and values.

SIMCORP'S STAKEHOLDER RELATIONSHIPS

SimCorp's overall management objective is to promote the long-term interests of the company, and thus of all stakeholders. This objective assumes that SimCorp establishes lasting and constructive relationships with the Group's primary stakeholders: shareholders, clients, business partners, employees, and suppliers.

THE WORK OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT BOARD

The Board of Directors is a collective body for promoting the long-term interests of the company. The Board of Directors is responsible for ensuring that the overall strategic management and the financial and managerial control of the Group are conducted adequately. Thus, the Board of Directors acts as a sparring partner to the Executive Management Board in relation to strategic initiatives and monitors the Group's financial condition, risk management, and business activities on an ongoing basis.

Composition and qualifications of the Board of Directors

The Board of Directors 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 sales of software, and to hold sufficient 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 Board of Directors consists of between three and six members elected by the company's shareholders in addition to members elected by and among the company's employees. To further strengthen the collective competences of the Board, SimCorp will at the Annual General Meeting 2017 nominate

SimCorp complies with the Corporate Governance Recommendations issued by Nasdaq Copenhagen with the following exception:
In the specific matter of remuneration committees, SimCorp has decided not to comply with the Corporate Governance Recommendations issued by Nasdaq Copenhagen due to the limited complexity of its business.

SimCorp's remuneration guidelines clearly states SimCorp's remuneration principles and procedures. Remuneration matters are considered by the full Board of Directors and a remuneration committee is considered as adding unnecessary cost and complexity.

Targets and performance against these are disclosed in detail as part of the annual report on a retrospective basis. The mix between fixed salary and short-term incentive and long-term incentive programs for executive directors is in line with levels generally suggested and accepted within both Danish and international corporate governance guidelines.

SimCorp complies with international corporate governance guidelines with the following exception:
Under international corporate governance guidelines, any board member serving more than nine years is not regarded as independent. SimCorp's Chairman of the Board of Directors, Mr. Jesper Brandgaard, has served nine years. Being a Danish company following Danish corporate governance guidelines, Mr. Brandgaard is regarded as independent until he has served 12 years.

Adam Warby, currently CEO at Avanade, to replace Franck Cohen, who left the Board in May 2016. At the beginning of 2016, SimCorp's employees elected three employee Board members. Accordingly, following the Annual General Meeting 2017, the Board will consist of six members elected by the shareholders and three members elected by employees.

Independent members of SimCorp's Board of Directors are elected for one year at a time and employee-elected members for three-year terms.

Self-assessment

The Board of Directors carries out an annual self-assessment. In 2016, the process was facilitated by a third party, Odgers Berndtson, and comprised an evaluation of the work and contribution of the Executive Management Board, the Board of Directors, and the Audit Committee within the areas of strategy, finance, risk management, sales, organization, management, and operations.

Based on the self-assessment, it was concluded that the Board's collective work is effective. The Board also concluded that in order to ensure its competences within business-to-business sales of software, it would be looking for a candidate who possesses skills and experiences within this area. With the addition of Adam Warby, as a Board member, the Board of Directors believes it has the appropriate competencies.

Risk management

The Board of Directors has the 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 Executive Management Board and the Board have defined and described the most critical risks to SimCorp and the related mitigating actions. A more detailed description of risks and mitigating actions is provided in the section 'Risk Management', pp 19-22.

Further, the company has established a whistleblower body, authorized by the Danish Data Protection Agency, which, in addition to usual control functions, is intended to provide access to reporting on suspected irregularities in the business. An independent member of SimCorp's Board of Directors, Simon Jeffreys, has been appointed as administrator of the whistleblower policy and to act as gatekeeper in respect of the whistleblower account. Contact information: simon.jeffreys@aon.co.uk or phone: +44 7831 690 999.

NOMINATION COMMITTEEE

In 2017, SimCorp intends to form a Nomination Committee. This committee will assist the Board with oversight of the competence profile and composition of the Board, nomination of members and committees, and other tasks on ad hoc basis as decided by the Board.

AUDIT COMMITTEE

The Audit Committee is responsible for assisting the Board of Directors by monitoring SimCorp's financial reporting, its financial internal control and financial risks, as well as the effectiveness and independence of the external audit for the SimCorp Group of companies. The Audit Committee consists of three members elected by the Board on a one-year term by and among the Board of Directors. The Audit Committee meets as often as it and its Chairman deem necessary, however, at a minimum, the Committee will meet four times a year at appropriate times in the reporting and audit cycle. In 2016, four meetings were held.

Pursuant to the Danish Law and Corporate Governance guidelines, the majority of the members of the Committee should qualify as independent and the committee should possess the necessary financial expertise. The members of the Audit Committee are: Simon Jeffreys (Chairman – independent), Patricia McDonald (Member – independent), and Else Braathen (Member – employee-elected).

For further information, see www.simcorp.com/corpgov2017 for a full description of the Audit Committee's activities.

External auditor – tasks, objectivity, and independence

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

During the year, the Audit 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 service fees.

Other ongoing activities

As part of its annual wheel activities, the Audit Committee reviews SimCorp's accounting policies, compliance with reporting requirements, risk policy and assessment, internal controls, whistleblower policy, insurance principles, and interim reports. It has been agreed to do deep-dives into specific topics as appropriate.

Assessment

During 2016, the SimCorp Audit Committee has not observed any issues of audit independence, or material risk in any of the areas it monitors for the Board of Directors.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility in SimCorp is firmly based on the Group's core values and 'Corporate Governance Guidelines' as adopted by the Board of Directors. SimCorp's commitment to sustainable development of the company is based on combining financial performance with socially responsible behavior and environmental awareness.

SimCorp does not have an explicit, separate CSR policy, but its 'Guidelines for Good Business Behavior' and 'CSR statement' combined include policies for employees, ethics, suppliers, the environment, stakeholder engagement, governance, anti-bribery and corruption that aim to maintain and enhance its professional and commercial relations with internal and external stakeholders based on mutual respect.

SimCorp works to inform and educate its employees to enable them to carry out their tasks with integrity and in accordance with the guidelines and core values of SimCorp.

SimCorp maintains high standards when it comes to confidentiality and protection of personal data. This is ensured through compliance with technical data security standards and education of the employees in how to handle data in accordance with legislative requirements and confidentiality.

With regard to the environment, SimCorp undertakes initiatives to promote greater responsibility and to increase the use of environmental friendly technologies, when it comes to especially electricity, heat-related energy, and CO_2. As examples, the travel activity of SimCorp employees has to some extent been replaced by video conferences.

SimCorp promotes human rights in terms of health and safety in the workplace and the well-being of its employees. Fitness activities, a wide range of social activities, and improved work procedures and practices are promoted and supported by SimCorp.

The company's approach to CSR is described in more detail on the company's website www.simcorp.com/csr2016

DIVERSITY

SimCorp aims to promote diversity, which includes achieving a reasonable representation of both genders at Board and management level. This goal is based on a wish to strengthen the versatility and total competences of the business and to improve decision-making processes.

SimCorp's approach to diversity is described in SimCorp's Diversity Policy, which is included in SimCorp's Corporate Governance Guidelines and its Diversity Activity Plan, www.simcorp.com/corpgov2017 and www.simcorp.com/diversity2016

Regarding gender diversity on the Board of Directors, the company has set as a target to have at least two directors (corresponding to one third) of the underrepresented gender elected by the general meeting. This target will be realized through the recruitment of new Board members. In the most recent recruitment process, candidates of both genders were represented, and Mr. Adam Warby was assessed to be the strongest candidate in terms of matching the business challenges SimCorp is currently facing. Consequently, as of the Annual General Meeting 2017, it is still the case that one of the six directors elected by the general meeting is of the underrepresented gender, which means that SimCorp has not yet reached the target figure.

It is SimCorp's objective to increase the proportion of women in SimCorp's total management team, so that it reflects the total proportion of female employees in the SimCorp Group.

Activities conducted in 2016 to increase the proportion of women in managerial positions have focused on maturing a female mentoring program initiated in 2015. The program is targeted at female employees with manager potential. Nine female employees were selected for participation in the program and they were all assigned a mentor from SimCorp's Group Management Committee. One of the participants in the program already stepped into a managerial position in 2015, and two more participants have become managers in 2016.

The aim of the program is to support the building of a pipeline of potential female leaders, which over time will help increase the number of women at total management team level in SimCorp. The program has received positive feedback, and we will further develop the program in 2017.

At the end of 2016, the total management team comprises 72.1% (2015: 74.2%) men and 27.9% (2015: 25.8%) women.

REMUNERATION REPORT

The overall objective of SimCorp's remuneration policy and incentive programs is to promote Board member, executive management and employee awareness of profitable growth and SimCorp's long-term goals.

At SimCorp, remuneration and incentive levels are set to be competitive and aligned with the interests of both the program participants and the shareholders. The remuneration packages for SimCorp's Board of Directors (BoD) and Executive Management Board (EMB) are composed of a number of components as illustrated in the table below.

BOARD OF DIRECTORS (BoD)

Overall remuneration model

The overall remuneration level proposed to the Annual General Meeting is assessed to be in line with conventional compensation levels for Boards of Directors at comparable, Danish companies and Danish and international corporate governance guidelines. SimCorp's remuneration policy lays out a clear description of SimCorp's remuneration principles and procedures, and the company aims for simplicity and transparency in the creation of all compensation packages.

After the decision of the annual general meeting in April 2016, the remuneration of the individual members of the Board of Directors, including the fee for Audit Committee work, remained unchanged. In 2017, SimCorp intends to form a Nomination Committee.

Fixed fees and fees for committee work

The remuneration of the Board of Directors is composed of a cash element and a share element per board member. The Board and Audit Committee fees and the proposed Nomination Committee fee for 2017 are outlined in the tables below.

REMUNERATION PACKAGE COMPONENTS

SimCorp Board of Directors (BoD) and Executive Management Board (EMB)

Remuneration	BoD	EMB	Comments
Fixed fee/base salary	√	√	
Fee for committee work	√		Members of Audit Committee and proposed Nomination Committee
Short-term cash-based incentive		√	Up to 45% of base salary
Conversion of cash bonus for shares (RSUs)		√	10% of cash bonus at 67% discount. Proposed 100% of cash bonus at 50% discount
Long-term share-based incentive		√	55% of base salary
Travel allowance and other expenses	√		
Benefits		√	Company cars, phones, etc., comprising up to 10% of base salary
Severance payments		√	Up to 24 months' base salary

BOARD OF DIRECTORS – REMUNERATION

Board fee	Total remuneration (cash and share-based) in DKK
Chairman	937,500 (EUR 125,000)
Vice-chairman	562,500 (EUR 75,000)
Member	375,000 (EUR 50,000)
Audit Committee fee	
Chairman	187,500 (EUR 25,000)
Member	93,750 (EUR 12,500)
Nomination Committee fee (proposed for 2017)	
Chairman	93,750 (EUR 12,500)
Member	46,875 (EUR 6,250)

Travel allowance and other expenses

SimCorp pays a travel allowance of EUR 1,500 (increased to EUR 2,500 for 2017) for meetings for Board members conducted outside their home country and reimburses Board members for relevant expenses such as travel and accommodation in relation to Board meetings.

Share-based payment

The value of the shares allotted to the members of the Board of Directors is determined immediately prior to the Annual General Meeting where the shareholders approve the remuneration. The shares are transferred on an annual basis in arreas.

BOARD OF DIRECTORS – RESTRICTED STOCKS UNITS AND SHARES AWARDED

	2016	2015
Total number of restricted stock units (STIP)[1]	842	947
Total number of shares allotted[2]	4,873	5,858

[1] Restricted stocks units in capacity as employees of SimCorp A/S. Further details refer note 7.1.
[2] Allotted as part of the remuneration of the Board of Directors. 2016: The allotment will take place after publication of this Annual Report 2016 in February 2017.

BOARD OF DIRECTORS – REMUNERATION

EUR'000	Board fees		Fees for committee work		Travel allowance		Share-based payment		Total	
Remuneration	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Jesper Brandgaard (Chairman)	84	84	-	-	-	3	42	42	126	129
Peter Schütze (Vice-chairman)	50	50	-	-	-	3	25	25	75	78
Hervé Couturier	34	34	-	-	6	12	17	17	57	63
Simon Jeffreys (Chairman Audit Committee)	34	34	16	16	13	14	25	25	88	89
Patrice McDonald (Audit Committee)	34	34	8	8	9	14	21	21	72	77
Franck Cohen[2]	8	-	-	-	3	-	-	-	11	-
Else Braathen (Audit Committee)[1]	34	-	8	-	2	-	21	-	65	-
Vera Bergforth[1]	34	-	-	-	6	-	17	-	57	-
Ulrik Elstrup Hansen[1]	34	-	-	-	-	-	17	-	51	-
Jacob Goltermann (Audit Committe)[3]	-	34	-	8	-	3	-	21	-	66
Raymond John[3]	-	34	-	-	-	3	-	17	-	54
Total	**346**	**304**	**32**	**32**	**39**	**52**	**185**	**168**	**602**	**556**

[1] Employee elected effective April 1 2016.
[2] Appointed April 1 2016 and resigned May 18 2016.
[3] Employee elected retired April 1 2016.

EXECUTIVE MANAGEMENT BOARD (EMB)

Overall remuneration model

In line with the Remuneration Guidelines approved by the Annual General Meeting, the Chairmanship proposes the remuneration of the Executive Management Board (EMB) for the coming financial year to the Board of Directors, who collectively approves the remuneration. The total remuneration of the Executive Management Board consists of a fixed base salary, benefits, participation in the short-term cash incentive program (STIP), participation in the long-term incentive program (LTIP), and an option to convert up to 10% of STIP to Restricted Stock Units (RSU).

Option to convert STIP to RSUs

EMB members can convert part of their 2016 STIP participation into the RSU program with a 67% discount. For 2016, the discount could not exceed 10% of the individual's base salary, and any excess bonus will be paid in cash. These RSUs will vest over a three-year period, with 1/3 of the shares being release after each year, subject to the EMB member's continued service with SimCorp.

Observing international corporate governance guidelines, the discount on RSUs is proposed to be reduced from 67% to 50% for the EMB program from 2017 onwards in the updated Renumeration Guidelines for approval at the Annual General Meeting. To ensure a higher degree of retention of the Executive Management Board, the Board of Directors intends to propose to the Annual General Meeting the members of the Executive Management Board can convert 100% of their STIP participation into the RSU program.

It is a requirement that a member of the EMB has to hold shares with a market value equivalent to the member's fixed annual base salary, before RSUs, to which the individual has acquired full ownership rights on the vesting date, can be sold. The Board may approve deviations from this principle should individual income tax implications necessitates this.

Total remuneration level

The total remuneration is benchmarked against total remuneration levels for Danish and international companies similar in size and with comparable business activities. The target salary constitutes the total remuneration if all the predefined short-term and long-term incentive targets are fully met.

Fixed base salary and benefits
The base salary includes all pension contributions. Other benefits such as company car, phone, etc. comprise in terms of annual cost for the company maximum 10% of the base salary.

Short-term cash-based Incentive program (STIP)
The Executive Management Board participates in the STIP program with an annual cash bonus scheme of which the target value is up to 45% of the base salary. Typically, the 45% cash bonus will be split as follows:

1. 30% is allocated to the fulfilment of the company´s Balanced Scorecard (Corporate bonus).
2. 6% is allocated to other specific targets subject to change on a yearly basis.
3. 9% is allocated to over-performance against two key financial metrics; business growth and EBIT. The over-performance is only applicable, if the target values for the measures are exceeded, i.e. performance is above 100% achievement of targets.

STIP: 2016 ACHIEVEMENTS

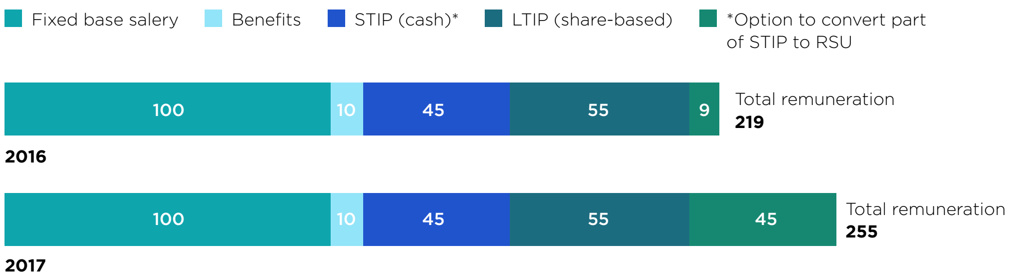
1. Balanced Scorecard
The Balanced Scorecard consists of 23 KPIs. Point multipliers are used to signify the weight of the individual KPIs. The financial KPIs are assigned a point multiplier of three and one the client-specific KPIs is assigned a point multiplier of two. When a given KPI is fully met, the KPI yields three points. When a KPI is 90% met, the KPI yields one point. A total of 108 points are available in the Scorecard. The threshold for a full 30% cash bonus payout is 86 points.

With not all targets fully met in 2016, the scorecard will yield a total of 24% of the cash bonus against a maximum of 30%.

2. Specific targets
For 2016, three specific targets related to the following strategic priority areas were defined:

- Progress related to Alternative Investments solution
- Certification of SimCorp's ASP offering
- Pipeline development in North America

TARGET PERFORMANCE TOTAL REMUNERATION FOR THE EXECUTIVE MANAGEMENT BOARD



EXECUTIVE MANAGEMENT BOARD – STIP 2016 ACHIEVEMENTS – BALANCED SCORECARD

Target area	Summary of measures by type	Target achievement	Weight in scorcard	Points achieved
Financial	- Revenue - Order inflow - EBIT	On balance, targets have been 56% met	50%	30
Product	- Product quality - New releases	All targets have been met		
Employee	- Employee satisfaction - Attrition	On balance, targets have been 72% met	50%	39
Client	- Pipeline development - Blockbuster sales penetration - Net promoter score (NPS)	One of the targets was fully achieved		
Total			**100%**	**69**

All three targets were fully met and, hence, the specific targets will yield a total of the maximum 6%.

3. Over-performance
Based on the achievements, over-performance will yield a total of 0.1% against a maximum of 9%.

In total, the short-term incentive programs for 2016, have yielded 30.1% against a maximum of 45%.

Long-term incentive program (LTIP)
The incentive to focus on long-term value creation is based on participation in the long-term incentive program (LTIP), where members of the EMB will be granted RSUs with an aggregate value at the time of grant of 55% of the base salary. The RSUs vest after three years pending achievement of two metrics: The EMB member must be employed with SimCorp at the vesting date and the SimCorp Group must at the vesting date have met certain defined performance targets. If such targets are only met partially, the number of shares acquired will be reduced or may lapse completely.

EXECUTIVE MANAGEMENT BOARD – LTIP 2016 ACHIEVEMENTS FOR RESTRICTED STOCK UNITS (RSUs)[1]

	NOPAT[2]	CAGR[3]
Target	≥17%	≥10%
Achievement	18%	11%
RSU reduction	No reduction in RSU allocated	No reduction in RSUs allocated
Total payout:	Transfer of 100% of RSUs granted in April 2014 to the Executive Management Board members (2015: 90%).	

[1] Vesting in February 2017
[2] The NOPAT (net operating profit after tax) margin for the financial period January 1, 2014 - December 31, 2016.
[3] CAGR (based on business growth) for the financial period January 1, 2014 - December 31, 2016.

EXECUTIVE MANAGEMENT BOARD (EMB) AND GROUP MANAGEMENT COMMITTEE (GMC) – TOTAL REMUNERATION

EUR'000	Salary		Other benefits		Share-based payments[2]		Performance-related bonus		Total	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Klaus Holse	681	616	62	56	463	650	205	265	1,411	1,587
Georg Hetrodt	378	355	34	32	213	205	114	153	739	745
Thomas Johansen[1]	335	333	31	30	-149	195	101	143	318	701
Total EMB	**1,394**	**1,304**	**127**	**118**	**527**	**1,050**	**420**	**561**	**2,468**	**3,033**
Other members of GMC	1,731	1,492	158	136	660	572	296	380	2,845	2,580
Total GMC	**3,125**	**2,796**	**285**	**254**	**1,187**	**1,622**	**716**	**941**	**5,313**	**5,613**

[1] 1/1-13/12-2016
[2] The accounting policy for share-based payment is described in note 7.1, accounting policy for other remuneration can be found in note 2.5.

EXECUTIVE MANAGEMENT BOARD – RESTRICTED STOCKS UNITS

Awarded	**2016**	**2015**
Number of restricted stock units (LTIP)	19,726	25,085
Number of restricted stock units (STIP)	5,151	6,659
Cancelled		
Number of restricted stock units	20,566	-

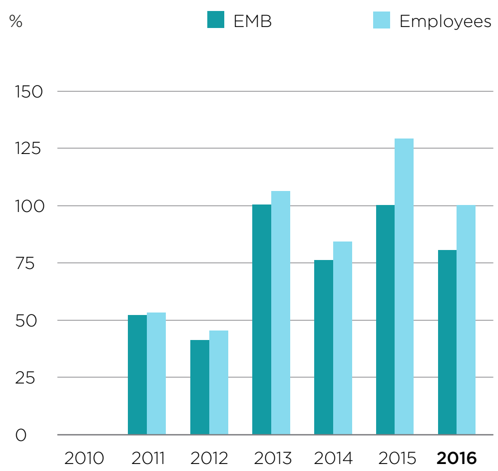
HISTORIC PAYOUT RATIOS IN THE SHORT- AND LONG-TERM INCENTIVE PROGRAMS

All employees participate in the annual Corporate bonus program with the maximum Corporate bonus set as a percentage of the fixed base salary (STIP):

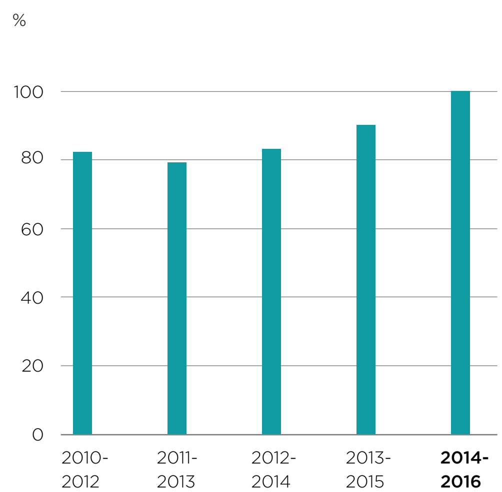
Executive Management Board (EMB) members: 30%
Managers, who are not part of EMB: 5% - 25%
Other employees: 3% - 5%

The historic LTIP performance achievements since the initiation in 2010 are shown in the table for the Executive Management Board, along with other senior management members and key employees.

ACTUAL BONUS PAYOUT



ACTUAL RSU PAYOUT



SHAREHOLDER INFORMATION

SIMCORP AIMS TO COMMUNICATE OPENLY WITH INVESTORS AND **ANALYSTS** ABOUT THE GROUP'S FINANCIAL AND BUSINESS DEVELOPMENT. GET AN UPDATE ON THE SIMCORP SHARE, **SIMCORP'S SHARE CAPITAL**, SHARE-BASED INCENTIVE SCHEMES, DIVIDEND, SHARE BUYBACK AND MORE.

In 2016, liquidity in the SimCorp share measured by average daily trading turnover was up by 41% to EUR 3.1m, and the average daily number of trades increased by 89% to 1,004. SimCorp's share price declined by 12%.

THE SIMCORP SHARE

The share price at 31 December 2016 was DKK 344.20 per share, equal to a market capitalization of EUR 1.8bn (DKK 13.6bn). The share price declined by 12% in 2016. By comparison, the Nasdaq Copenhagen blue chip index (OMXC20 CAP) declined by 2%, while the index for large-sized companies (OMXC Large Cap), which includes the SimCorp share, declined by 8%.

Relative to 2015, the average daily turnover of SimCorp shares on Nasdaq Copenhagen rose by 41% to EUR 3.1m, and the average number of trades per day increased by 89% to 1,004, reflecting a lower average volume size per trade.

SHARE CAPITAL

SimCorp's nominal share capital is DKK 41,500,000 divided into 41,500,000 shares of DKK 1. SimCorp holds 2,037,369 treasury shares of DKK 1 equivalent to 4.9% of the share capital.

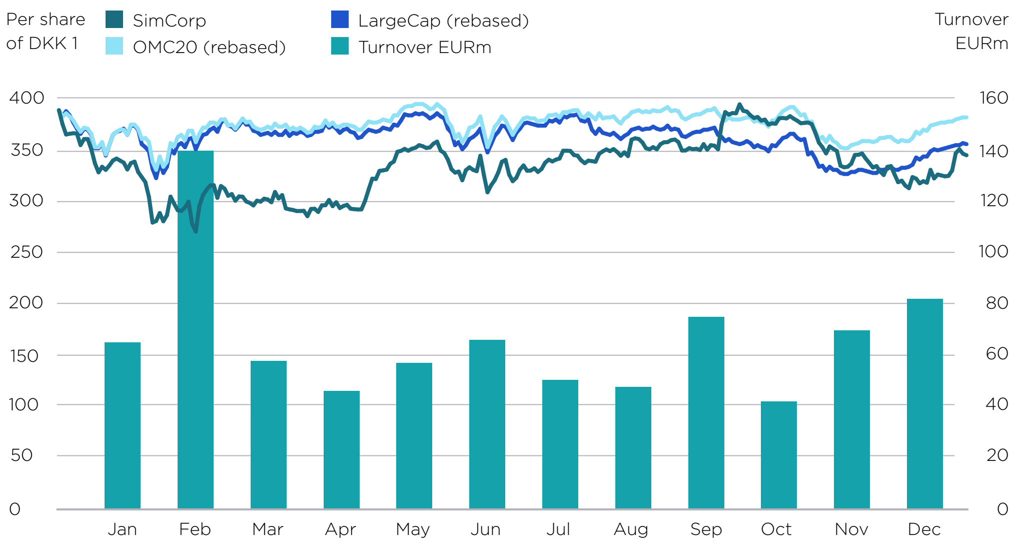
SHAREHOLDER STRUCTURE

At 31 December 2016, SimCorp had approximately 8,000 registered shareholders representing more than 95% of the company's share capital, an increase of approximately 312 registered shareholders during the year. Approximately 44% of the share capital was held or managed by the 25 largest shareholders, and more than 62% of the registered share capital was held by shareholders based outside Denmark. On 31 December 2016, around 6% of the company's share capital was held by the company's management and by approximately 600 employees. Furthermore, SimCorp estimates that Danish and foreign institutional investors held some 70% of the company's shares, in line with the level at year-end 2015.

Around 25% of SimCorp shares were managed by investors who are also clients of SimCorp. The company held 4.9% of the shares as treasury shares at year-end 2016. In accordance with section 55 of the Danish Companies Act, the following investors have reported holding more than 5% of SimCorp's share capital:

- Allianz Global Investors GmbH, Luxembourg, 6.77%
- Ameriprise Financial Inc. group, USA, with a part held by the subsidiary Columbia Wanger Asset Management LLC, 6.62%
- The Danish Labor Market Supplementary Pension Fund (ATP), Denmark, 5.06%

SHARE PRICE DEVELOPMENT AND TRADING ACTIVITY, 2016



SHARE-BASED INCENTIVE SCHEMES

In accordance with the remuneration policy, approved by the shareholders at the annual general meeting on 1 April 2016, the Board of Directors in 2016 approved a share-based incentive program for management and key employees based on restricted stock units. The fair value of the restricted stock units amounted to EUR 2.8m at the time of allotment, and a total of 69.773 restricted stock units of DKK 1 have been granted, including 19,726 restricted stock units to the Executive Management Board. The restricted stock units will vest after three years, subject to continuing employment and are subject to conditions with respect to average annual minimum revenue growth and annual average net operating profit after tax for the financial years 2016-2018. If the two latter conditions are only partially met, the number of shares transferred after three years will be reduced, potentially to zero.

Furthermore, in connection with the appointment of a new Managing Director for SimCorp Coric Ltd., a total of 481 restricted stock units have been granted as a sign-on bonus. The restricted stock units vest after three years, subject to continuing employment. Additionally, in connection with incentive programs for senior employees, 1,927 restricted stock units were granted. The fair value of the restricted stock units amounted to EUR 0.1m. These will vest after three years subject to continuing employment and subject to performance conditions for the financial years 2016 to 2018. If the conditions are only partially satisfied, the number of shares transferred will be reduced, potentially to zero.

SHARE DATA

Stock exchange	Nasdaq Copenhagen A/S
Index	OMX LargeCap
Sector	Technology
ISIN code	DK0060495240
Short code	SIM
Share capital	DKK 41,500,000
Nominal size	DKK 1
Number of shares	41,500,000
Negotiable papers	Yes
Restriction in voting rights	No

FINANCIAL CALENDER 2017

29 March 2017	Annual General Meeting
3 Apr 2017	Expected date for pay-out of dividend
17 May 2017	Publication of interim financial report 3M 2017
24 Aug 2017	Publication of interim financial report H1 2017
14 Nov 2017	Publication of interim financial report 9M 2017

In addition, 93,396 restricted stock units relating to the corporate bonus program for 2015 were granted in 2016 and distributed among employees in the Group, including 5,151 restricted stock units to the Executive Management Board and 842 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 2017 and comprises restricted stock units with a market value of approximately EUR 3.2m on the date of grant. Further, to strengthen the retention of the North American management team, a separate incentive program with a value of EUR 1.2m will be granted. The program will vest after three years, subject to continuing employment and to certain conditions of revenue and EBIT growth. If the conditions are only partly met, the number of shares transferred after three years will be reduced. Treasury shares will be acquired to cover the program obligations. SimCorp's share-based incentive schemes are further detailed in note 7.1 to the financial statements. In accordance with SimCorp's remuneration policy, members of the Board of Directors will in 2017 continue to receive SimCorp shares with a total value equal to one third of their total remuneration.

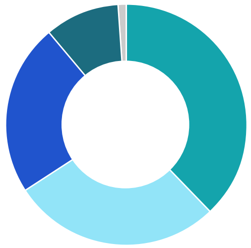
It is the assessment of the Board of Directors that these remuneration principles ensure an appropriate alignment of the interests of the Board of Directors with SimCorp's shareholders in general.

MANAGEMENT SHARES/RESTRICTED STOCK UNITS

As at 31 December 2016, the eight members of the company's Board of Directors held a total of 122,159 SimCorp shares and 1,377 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 248,471 SimCorp shares and 81,797 restricted stock units.

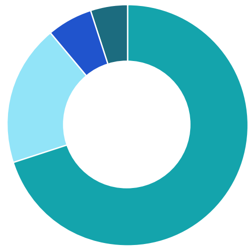
Additional information on the holdings of SimCorp shares and restricted stock units by members of the Board of Directors, the Executive Management Board, and other related parties is disclosed in note 7.4 to the financial statements.

SHAREHOLDER STRUCTURE BY GEOGRAPHY



	2016	2015
Denmark	38%	37%
North America	28%	29%
UK	23%	23%
Europe	10%	10%
Rest of the world	1%	1%

SHAREHOLDER STRUCTURE BY CATEGORY



	2016	2015
Institutional investors	70%	70%
Private investors	19%	21%
Employees and management	6%	6%
Treasury Shares	5%	3%

ANNUAL GENERAL MEETING

The annual general meeting of SimCorp A/S will be held on:
Wednesday, **29 March 2017 at 2 pm** at SimCorp's headquarters, Weidekampsgade 16, Copenhagen, Denmark.

To ensure continuity in the composition of the Board of Directors, the five 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. Brief biographies of the current members of the Board of Directors are found on pages 35-36. Based on the Board of Directors' annual self-assessment and Mr. Franck Cohen having left the Board in May 2016, the Board intends to propose that Mr. Adam Warby be elected as new member of the Board of Directors to meet the ideal competence profile for the Board.

Adam Warby brings 30+ years of international experience in Enterprise Sales, Consulting and Global Services from a career spanning IBM, Microsoft and Avanade. Created as a joint venture by Accenture and Microsoft in 2000, Avanade is the leading provider of innovative cloud and digital services with 29,000 professionals in 22 countries and annual sales of $2.4bn. As CEO since 2008, Adam has been instrumental in building Avanade's Digital and Cloud Managed Services solutions and offerings portfolio, including closing a number of critical tuck-in acquisitions. His strong operational and financial skills have been the foundation for consistent double-digit growth for the company over a number of years. Adam lived and worked in the US for seven years and has wide-ranging global experience having managed Avanade's European operations and opened new subsidiaries in the developing markets of China, Brazil and South Africa. Adam earned a B.S. in Mechanical Engineering from Imperial College, London.

The Board of Directors intends to propose an unchanged Board remuneration level in 2017, except for fees for the Nomination Committee. This will entail the following total remuneration to the Board of Directors for the financial year 2017: The remuneration comprises cash of EUR 0.4m (DKK 3.3m), representing two thirds of the total remuneration, and SimCorp shares with a market value of around EUR 0.2m (DKK 1.6m), representing one third of the remuneration, totaling EUR 0.65m (DKK 4.9m). See 'Guidelines for the Remuneration of Board of Directors, Executive Management, and Employees' on the company's website.

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.

The Board of Directors intends to recommend to the shareholders at the annual general meeting that the share capital be reduced by 1,000,000 shares of DKK 1 by cancellation of treasury shares. Following this cancellation, the nominal share capital would be DKK 40,500,000 comprising 40,500,000 shares of DKK 1. The change requires an amendment to the articles of association.

The agenda for the annual general meeting including proposed resolutions will be published on Friday, 3 March 2017, on which date the notice convening the meeting will be sent by email to all registered shareholders.

DIVIDENDS AND SHARE BUYBACK

Maintaining a composition of assets that does not raise questions about the company's financial stability is vital to SimCorp's continued international expansion. Management believes this objective will be achieved when the cash holdings and committed credit lines exceed 10% of the projected costs for the coming year. On this basis, the company intends to pay dividends of at least 50% of the profit on ordinary activities after tax. Additionally, cash will be used to buy treasury shares provided the company does not anticipate specific cash requirements. The purchase of treasury shares is expected to be executed in terms of safe harbor programs.

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 33.3m, equal to DKK 6.25 per share of DKK 1, be distributed for the financial year 2016, corresponding to a payout ratio of 67.7%. In order to be eligible for dividends, shares must be registered before 29 March 2017. The ex-dividend date is 30 March 2017.

Dividends for the financial year 2016 are expected to be paid on 3 April 2017. Based on the current business outlook and the cash position, SimCorp expects to continue having a share buyback program, in 2017 for a forecasted EUR 35m. The program will carried out in two half yearly buy-back programs of EUR 17.5m each during the period from the release of the Annual Report 2016 to the release of the Annual Report 2017 in February 2018. The program will 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.

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, Telephone: +45 35 44 88 00, investor@simcorp.com, www.simcorp.com

Announcements to Nasdaq Copenhagen in 2016 can be found at www.simcorp.com/en/news-and-announcements

BOARD OF **DIRECTORS**

JESPER BRANDGAARD

Business address: Novo Nordisk A/S, Novo Allé, 2880 Bagsværd, Denmark

PERSONAL AND EDUCATIONAL BACKGROUND
Born 1963, Danish citizen, MSc (Econ. and Audit.) and MBA from Copenhagen Business School.

DIRECTORSHIPS
Chairman of SimCorp A/S' Board of Directors since 2008 and Vice-chairman from 2007 to 2008. Also Chairman of the Board of Directors of NNIT A/S.

INDEPENDENCE
Executive Vice President and CFO of Novo Nordisk A/S. 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. Furthermore, involved in the development and governance of companies with IT and consultancy activities.

PATRICIA MCDONALD

Business address: Stork's Nest, Kinsale, Ireland

PERSONAL AND EDUCATIONAL BACKGROUND
Born 1969, Irish citizen, B. Comm. (Hons) from University College, Cork, MBA from Harvard Business School.

DIRECTORSHIPS
Member of SimCorp A/S' Board of Directors and SimCorp A/S' Audit Committee since 2014. Non-Executive. Chair of TD Bank (Europe) and TD Securities Ltd and Chair Audit Committee. Board Director and Chair of the Risk Committee of The Davy Group. Director of Board Agenda.

INDEPENDENCE
Is regarded as independent.

RELEVANT COMPETENCES AND EXPERIENCE
Significant board level experience within the financial services industry covering risk, strategy, corporate governance, major program management and consulting services.

HERVÉ COUTURIER

Business address: AMADEUS S.A.S, 485 Route du Pin Montard, 06902 Sophia Antipolis Cedex, France

PERSONAL AND EDUCATIONAL BACKGROUND
Born 1958, French citizen, MSc (Industrial Engineering) from École Centrale de Paris.

DIRECTORSHIPS
Member of SimCorp A/S' Board of Directors since 2008.

INDEPENDENCE
Executive Vice President in Amadeus S.A.S.
Is regarded as independent

RELEVANT COMPETENCES AND EXPERIENCES
International experience in software development for the financial sector as well as general management skills.

ULRIK ELSTRUP HANSEN

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

PERSONAL AND EDUCATIONAL BACKGROUND
Born 1974, Danish citizen, MSc. (Economics) from University of Copenhagen.

DIRECTORSHIPS
Employee-elected member of SimCorp A/S' Board of Directors since 2016.

RELEVANT COMPETENCES AND EXPERIENCES
16 years of experience from the financial industry. Expertise within fixed income, data management, and proactive management of SimCorp Dimension on behalf of the clients.

BOARD OF **DIRECTORS**

SIMON JEFFREYS

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

PERSONAL AND EDUCATIONAL BACKGROUND
Born 1952, British citizen, B.Com (Hons) from University of Cape Town, CA(SA), FCA, CPA.

DIRECTORSHIPS
Member of SimCorp A/S' Board of Directors since 2011. Chairman of the Audit Committee of SimCorp A/S since 2013. Chairman of Aon UK Ltd, director and Chairman of the Audit Committee of the Board of Directors of St James's Place plc and Henderson International Income Trust. Member of the Board of Directors of Templeton Emerging Markets Investment 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. Furthermore, involved in the development and governance of companies with IT and consultancy activities.

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.

RELEVANT COMPETENCES AND EXPERIENCES
28 years' experience from the financial industry within private asset management, custodian, investment management, and fund administration. Expertise within settlement, back office operations, fund administration, and business analysis.

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.

RELEVANT COMPETENCES AND EXPERIENCES
13 years in risk management in leading financial institutions. 9 years in SimCorp's Product Management shap-ing the risk solutions of SimCorp Dimension.

PETER SCHÜTZE

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

PERSONAL AND EDUCATIONAL BACKGROUND
Born 1948, Danish citizen, MSc (Econ.).

DIRECTORSHIPS
Vice-chairman of SimCorp A/S' Board of Directors since 2012. Chairman of the Board of Directors of DSB SOV and Falck A/S. Vice-chairman of the Board of Directors of Nordea-fonden and Nordea Bank-fonden. Member of the Board of Directors of Lundbeckfonden, Lundbeckfond Invest A/S, Bestyrelsesforeningen, Gösta Enboms Fond and Dronning Margrethe den II's Arkæologiske Fond. Member of the Industrial Board of Axcel and Axcel Future, and member of The Systemic Risk Council. Chairman of the investment committee of the Danish Climate Investment Fund and the Danish Agribusiness Fund.

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 chairman and member. Involvement in IT development and trading operations in financial institutions.

GROUP MANAGEMENT **COMMITTEE**

JAMES CORRIGAN

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

SØREN STRØM

Born 1963
Chief Financial Officer (Interim)
Present position held since 2016

JOCHEN MÜLLER

Born 1966
Executive Vice President, SimCorp EMEA
Present position held since 2012

KLAUS HOLSE

Born 1961
Chief Executive Officer
Present position held since 2012
Member of SimCorp A/S' Executive Management Board
Chairman of the Board of Directors of EG A/S
Member of the supervisory Board of Industriens Arbejdsgivere i København and The Scandinavian Golf Club
Chairman of the Board of Directors of Delegate A/S and Lessor Group

GROUP MANAGEMENT **COMMITTEE**

ELISE HAUGE

Born 1967
Chief Human Resources Officer, Group Human Resources
Present position held since 2014

GEORG HETRODT

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

HENRIK SCHLÆGEL

Born 1958
Executive Vice President, SimCorp Global Services
Present position held since 2013

JENS OLIVARIUS

Born 1969
Chief Marketing Officer, Group Marketing & Communications
Present position held since 2014

NEW **REVENUE RECOGNITION** STANDARD AND THE IMPACT ON SIMCORP'S REPORTING

In the Annual Report 2015, SimCorp announced that, to support growth, all future new sales of SimCorp Dimension licenses would be on subscription-based licensing terms. From 2017, the revenue-recognition method for subscription-based licensing agreements will change. Revenue from subscription-based licenses and perpetual licenses will have the same recognition.

IASB has issued accounting standard IFRS 15 "Revenue from Contracts with Customers" to take effect from 1 January 2018. The standard will establish a single, comprehensive frame-work for revenue recognition.

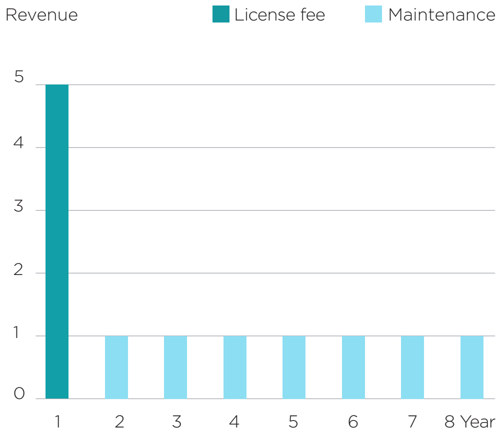
During 2016, SimCorp assessed and evaluated the new standard and concluded that with the new revenue recognition standard, there should not be distinguished between the revenue recognition for a subscription-based license and the revenue recognition for a perpetual license, since the nature of the license is independent of the delivery model.

Revenue is recognized when the client obtains control over the software license and SimCorp has an enforceable right to receive payment for the performance completed, or when the client has obtained control over the service and has the ability to the use and get the benefits from the service.

SimCorp has assessed that the client obtains control of the SimCorp Dimension license or SimCorp Coric license, when a contract is agreed and the license is delivered. The license revenue will therefore be recognized in the year of sale, provided that the contract does not have functionality gaps or acceptance criteria. The IFRS 15 recognition is similar to the current revenue recognition for perpetual licenses, except that the subscription-based license fees will be discounted to net present value.

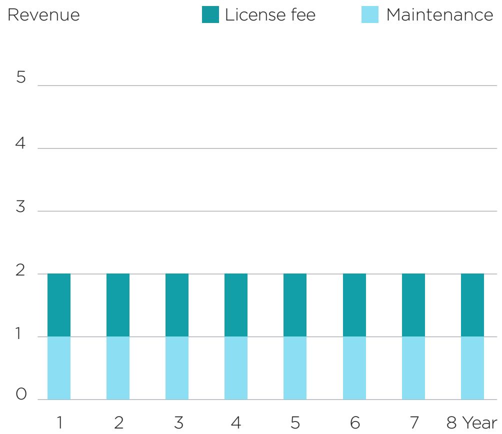
SimCorp must adopt the new revenue standard IFRS 15 no later than 1 January 2018, but has decided to early adopt IFRS 15 from 1 January 2017 to avoid confusion with the non-GAAP measures, which were introduced in the 2016 reporting. The purpose at that time was to provide comparison between the perpetual license model and the new subscription-based license model during the transition period.

PERPETUAL BUSINESS MODEL AND REVENUE RECOGNITION



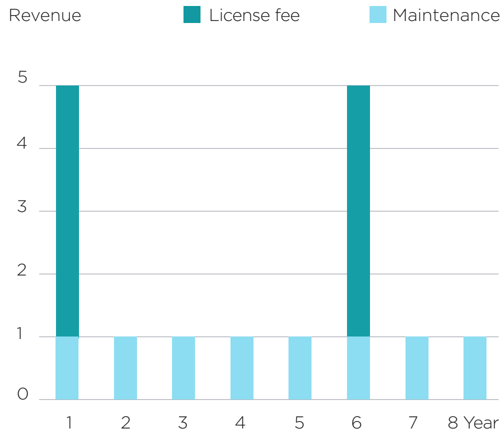
One-time payment for license and maintenance paid yearly or quarterly in advance.

SUBSCRIPTION BUSINESS MODEL



Subscription paid yearly or quarterly in advance.

SUBSCRIPTION REVENUE RECOGNITION



License fee recognized at agreement and when renewed. The bar chart illustrates a five-year agreement.

The use of non-GAAP measures is discontinued in 2017.

The subscription fee includes both license fee and maintenance fee. The revenue recognition for the maintenance part of the fee will continue to be over the term of the contract when the service is delivered.

The ASP offering, the hosted solution, consists of two parts; firstly, the subscription for SimCorp Dimension and, secondly, the provisions for the hardware and infrastructure required to operate the system. The revenue recognition for the ASP services will continue to be over the term of the contract when the service is delivered.

The non-GAAP measures, adjusted non-GAAP revenue and adjusted non-GAAP EBIT, applied in 2016 to new SimCorp Dimensions orders on subscription-based license terms as if they were on perpetual terms. With the adoption of the IFRS 15 revenue recognition standard, the recognition for the subscription-based licenses will be identical to the recognition for perpetual licenses. The only difference from the SimCorp non-GAAP measures is that this will also apply to the recognition of SimCorp Coric licenses and to add-on sales of SimCorp Dimension licenses.

TRANSITION

To transition into the new revenue recognition standard, SimCorp will recognize the cumulative effect of initially applying the guidance as an opening balance sheet adjustment to equity in the period of the initial application, i.e. January 2017.

At 31 December 2016, SimCorp's order book totaled EUR 44.8m, of which SimCorp Dimension accounted for EUR 32.4m and SimCorp Coric for EUR 12.4m. Approximately 50% of the SimCorp Dimension order book relates to subscription-based license agreements, and 100% of the SimCorp Coric order book are subscription-based license agreements, i.e. the cumulative effect will reduce the order book by around EUR 28.5m. The remaining approximately EUR 16.3m of the order book relates to functionality yet to be developed or to contracts subject to acceptance criteria, or similar conditions where the recognition of revenue is deferred until delivery of the functionality or until the performance obligation has been satisfied.

January 2017, approximately EUR 22m after provisions for taxes will be booked as retained earnings in the Group consolidated equity.

SimCorp will in 2017, the first year of adoption, report both in accordance with the current and the new reporting standard, as required in the standard. By adopting IFRS 15, the negative impact on revenue and EBIT of introducing subscription-based licensing will be eliminated.

As a consequence of adopting IFRS 15, SimCorp will change its revenue reporting to be divided into the following items:

NEW LICENSE FEES
License income made on new perpetual license terms or subscription-based license terms.

ADDITIONAL LICENSE FEES
Additional license income from existing clients made on perpetual license terms or subscription-based license terms.

PROFESSIONAL SERVICES FEES
Implementation fees related to the implementation of new and existing contracts irrespective of the terms of the contract. Furthermore, professional services fees include revenue from professional services based on multi-year recurring contracts as well as professional services fees related to operating ASP services for clients.

MAINTENANCE FEES
Maintenance fees related to contracts made on perpetual and subscription-based license terms. Maintenance fees include both initial license- and additional license-based maintenance fees.

ASP HOSTING FEES
Fees related to the pass-through invoicing of infrastructure costs associated with ASP-based contracts.

OTHER REVENUE
Other types of revenue, for instance training.

IFRS 15 - 2016 REVENUE AND EBIT (PRELIMINARY RESTATEMENT)

	2016					2015
	Q1	Q2	Q3	Q4	**Total**	**Total**
Profit, EURm						
Licenses - new sales	4.2	1.4	14.6	19.4	39.6	32.4
Licenses - additional sales	3.1	10.5	5.6	20.2	39.4	38.3
Professional services	21.3	24.7	20.8	27.5	94.3	85.0
Maintenance	31.3	32.0	33.5	32.5	129.3	122.3
ASP hosting	0.1	0.3	0.3	0.3	1.0	0.1
Other	1.3	1.1	1.5	1.7	5.6	5.6
Revenue	**61.3**	**70.0**	**76.3**	**101.6**	**309.2**	**283.7**
Profit from operations (EBIT)	**7.4**	**15.1**	**20.5**	**38.2**	**81.2**	**76.4**
EBIT margin	**12.1%**	**21.6%**	**26.9%**	**37.6%**	**26.3%**	**26.9%**

Preliminary restatement of financial statement 2016 according to IFRS 15.

FINANCIAL TARGETS 2017

SimCorp expects revenue growth in local currencies, and in accordance with IFRS 15, between 7% and 12% in 2017, with an EBIT margin measured in local currencies between 25% and 28%. SimCorp's long-term target is to generate double-digit annual revenue growth, and to expand margins year on year.

MARKET DEVELOPMENTS

Despite the current turmoil on the global equity markets, oil price uncertainty, and political uncertainty, SimCorp regards the underlying macroeconomic trends for 2017 as positive.

It is difficult to predict the total number of deals available in 2017. However, based on the company's strong market performance over the last three years, and considering the momentum gained with the front office offering, SimCorp expects to continue to gain market share in 2017.

Reports show that a growing share of investment managers' IT budgets in 2017, compared to 2016, will be allocated to modernization of the operating model and legacy system replacement[1]. Further, SimCorp expects to be able to gain an even stronger position with current as well as new clients in the front office area as a result of its continued investment into its Front Office Suite. This assumption is backed by reports predicting that projected front office IT spend in our target market is to grow 4.2% CAGR from 2015-2020 with a USD 2.2b annual spend in 2017[2]. SimCorp also expects to benefit further from the full ownership of SimCorp Coric by cross-selling between SimCorp Dimension and SimCorp Coric.

[1] CEB: 'Top Technology Initiatives for Capital Markets Firms in 2016', 2015.
[2] Ovum: 'Financial Markets Technology Spending Through 2020 – Front Office IT spend and growth rate projection', June 2016.

FINANCIAL TARGETS 2017

Guidance given in local currencies and in accordance with IFRS 15	Guidance 2017	Restated 2016
Revenue	7%-12%	10.7%
EBIT margin	25%-28%	26.1%

The expected most important focus areas in the investment management industry are met by SimCorp's offering, including:

- Risk management, monitoring, and control, as well as additional reporting requirements from regulators
- Cost savings and efficiency enhancement of in-house processes
- Compliance with new legislation and regulation in a cost-effective manner
- Establishing scalable platforms allowing for substantial increases in assets under management
- The ability to offer improved service to clients.

REVENUE AND PROFIT OUTLOOK FOR 2017

Based on the current business environment and SimCorp's current position, the expectations for 2017 in accordance with IFRS 15 are to grow revenue in local currencies by between 7% and 12% and to generate an EBIT margin measured in local currencies between 25% and 28%.

Based on the exchange rates prevailing per end of January 2017, SimCorp estimates reported revenue to be positively impacted from currency fluctuations by around 0.4%. The impact from currency fluctuations on reported EBIT margin is expected to be positive by around 0.3%-points.

For 2017, SimCorp expects a group effective tax rate between 23% and 25%.

In 2016, SimCorp changed its licensing model from a perpetual license model to a subscription-based model to support further growth, particularly in North America. This change applied to new SimCorp Dimension licenses only, as existing clients already have acquired

EXCHANGE RATE

Main currencies EUR per 100	Exchange rate 31 January 2017	Average rates 2016	Average rates 2015
USD	92.98	90.51	90.07
CAD	71.14	68.70	71.14
AUD	70.43	67.51	67.80
SGD	65.78	65.48	65.65
GBP	116.14	123.18	138.24
CHF	93.74	91.77	93.63
NOK	11.25	10.79	11.22
SEK	10.58	10.56	10.71

the right to use SimCorp Dimension under the perpetual license model. Some existing clients, however, might choose to move from a perpetual model to a subscription-based model, just as some new clients may want to enter a perpetual license model agreement.

We expect to sign both perpetual license agreement and subscription-based license agreements in 2017.

The ability to offer clients to operate SimCorp Dimension is increasingly becoming a prerequisite for signing new deals, particularly in North America. Consequently, SimCorp has since 2016 made it a strategic priority to offer to operate SimCorp Dimension on clients' behalf. The ASP offering entails costs to third-party global IT-infrastructure providers, which SimCorp will be passing through to clients at very marginal profits.

The ASP offering will have a dilutive impact on EBIT margins as a result of the pass through of ASP hosting costs and revenues. The ASP offering is expected to impact revenue growth positively by around 0.5%-point in 2017 and have minor negative impact on the EBIT margin in 2017 included in the guidance.

Accordingly, income will vary considerably from one reporting period to the next. Clients who already had business relations with SimCorp on 1 January 2017 are expected to account for around 90% of total revenue in 2017 – unchanged from 2016.

LONG-TERM EXPECTATIONS

SimCorp's long-term target is to generate double-digit annual revenue growth and to expand margins year on year. SimCorp's long-term expectations are based on the assumption that the level of new deals in the market will be between 40 and 50 per year.

SimCorp's integrated solution has provided multi-asset support, decreased the number of applications, and dramatically reduced manual processes, reports, and interfaces.

CHRYSSA HALLEY
SVP, Deputy Controller, Fannie Mae

FINANCIAL **REVIEW** 2016

SimCorp achieved a non-GAAP[1] EBIT margin of 25.8% measured in local currencies in 2016 and reported a non-GAAP EBIT of EUR 80.0m, or an increase of 12.6% compared with 2015. SimCorp achieved a revenue growth for 2016 of 8.1% measured in local currencies and an EBIT margin of 22.8% measured in local currencies. Strong performance in new sales in North America contributed to the positive non-GAAP revenue growth of 12.4% measured in local currencies. Total order intake increased by 20.3% and, on balance, SimCorp views the performance in 2016 as satisfactory.

FINANCIAL EXPECTATIONS AND RESULTS 2016 - LOCAL CURRENCIES

	Realized 2016	24 Sep 2016	Q1 2016 10 May 2016	Annual report 2015 22 Feb 2016
Revenue	8.1%	5%-10%	3%-8%	3%-8%
Adjusted non-GAAP revenue[1]	12.4%	10%-15%	8%-15%	8%-13%
EBIT margin	22.8%	22%-24%	21%-24%	21%-24%
Adjusted non-GAAP EBIT margin	25.8%	24%-28%	24%-28%	24%-27%

[1] SimCorp Dimension order intake made on subscription-based terms to be income recognized in the year the order is signed, as if the orders had been signed on perpetual license terms. Refer to note 2.1.

FINANCIAL EXPECTATIONS AND RESULTS 2016

In 2016, the subscription-based licensing model was introduced to support further growth, particularly in North America. In order to still enable comparison with past performance, an additional guidance on adjusted non-GAAP revenue and non-GAAP EBIT margin measures was introduced.

The 2015 Annual Report announced 2016 revenue growth expectations measured in local currencies between 3% and 8%, based on an expected split between new SimCorp Dimension license deals of 75/25 in the favor of subscription-based licenses and a non-GAAP revenue growth measured in local currencies between 8% and 13%. The EBIT margin in local currencies was expected to be between 21% and 24% and the non-GAAP EBIT margin between 24% and 27%.

In the interim report for Q1 2016 published 10 May 2016, the expectations for the 2016 non-GAAP revenue margin were revised to a revenue growth in local currencies between 8% and 15%, and the expectations for the non-GAAP EBIT margin in local currencies were increased to between 24% and 28%.

On 24 September 2016, SimCorp announced that a perpetual order had been signed with Franklin Templeton Companies and that the expected split between subscription-based deals and perpetual deals was now 50/50. Consequently, the revenue growth measured in local currencies was updated to be between 5% and 10% and the non-GAAP revenue growth in local currencies to be between 10% and 15%. Expectations for the reported EBIT margin were raised to between 22% and 24%, while expectations for the non-GAAP EBIT margin in local currencies were maintained at between 24% and 28%.

SimCorp achieved a revenue growth for 2016 of 8.1% measured in local currencies and an EBIT margin of 22.8% measured in local currencies. The currency rate fluctuations impacted revenue growth negatively by 1.6% and the EBIT margin positively by 0.3%, leading to a reported revenue growth of 6.5% and a reported EBIT margin of 23.1%. The non-GAAP revenue growth for 2016 was 12.4% measured in local currencies and the non-GAAP EBIT margin was 25.8% measured in local currencies. The currency rate fluctuations impacted non-GAAP revenue growth negatively by 1.7% and the non-GAAP EBIT margin positively by 0.2%, leading to a reported non-GAAP revenue growth of 10.7% and a reported non-GAAP EBIT margin of 26.0%.

ORDER BOOK AND ORDER INTAKE

The total license order intake increased by 20.3% to EUR 85.1m in 2016, including SimCorp Coric orders. The order intake for SimCorp Dimension increased by 27.1% to EUR 77.7m. Twelve new SimCorp Dimension solutions were sold, totaling EUR 39.1m. The order intake for SimCorp Coric was EUR 7.4m. SimCorp Coric sold four new standalone solutions and two solutions were sold with SimCorp Dimension. The total order book increased by EUR 20.7m from 1 January 2016 to EUR 44.8m at 31 December 2016, including the order book value of SimCorp Coric contracts of EUR 12.4m. The order book value of SimCorp Dimension orders increased from EUR 13.6m to EUR 32.4m as a result of a number of the new license orders being on subscription-based terms rather than perpetual license-based terms. The split between subscription-based and perpetual SimCorp Dimension license orders were 60/40 in favor of perpetual orders.

Compared with 2015, the average size of new SimCorp Dimension licenses decreased from EUR 4.7m to EUR 3.3m per deal in 2016. The main reason for this decrease is that while two very large new license deals were signed in 2015, both large and smaller license deals were signed in 2016.

In 2016, SimCorp signed five new SimCorp Dimension license orders in the designated growth market North America. Three of the new contracts were signed on subscription-based terms and two on perpetual terms. Four of the contracts are to be delivered as ASP contracts.

In France, another of SimCorp's designated growth markets, one new perpetual deal was signed with EXANE SA. Additionally, a joint effort between the sales team in France and Central Europe enabled SimCorp to sign a significant perpetual SimCorp Dimension license order with Generali Investments in Italy. Finally, France signed a subscription-based SimCorp Dimension license order with an undisclosed client in Spain.

In addition, two new subscription-based SimCorp Dimension orders were signed in the Nordic business unit. The remaining two new license deals on the SimCorp Dimension platform were perpetual license orders signed with Belfius Bank & Insurance in Belgium and an undisclosed asset manager in Australia.

SimCorp Coric sold six new solutions in 2016; two in the UK, two in Europe, and two in the US.

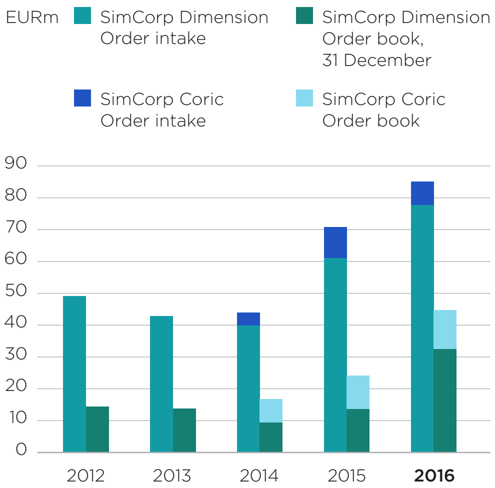
Order intake of additional licenses for SimCorp Dimension increased by 19.1% in 2016. A number of large add-on sales deals were signed with clients in the Middle East. In Benelux, a large add-on license deal was signed with Nomura, Luxemburg, and another large add-on license deal was signed with a client in France. Further, the Nordic business unit achieved strong add-on sales in 2016.

Measured as a percentage of the total value of the installed SimCorp Dimension license base, the conversion rate for additional licenses was 5.7% in 2016 compared with 5.3% in 2015. In 2016, SimCorp again saw an increase in existing clients adopting its Front Office Suite. This was both the case for clients previously using the former SimCorp Dimension front office solution, and clients who had before used a non-SimCorp solution for front office operations.

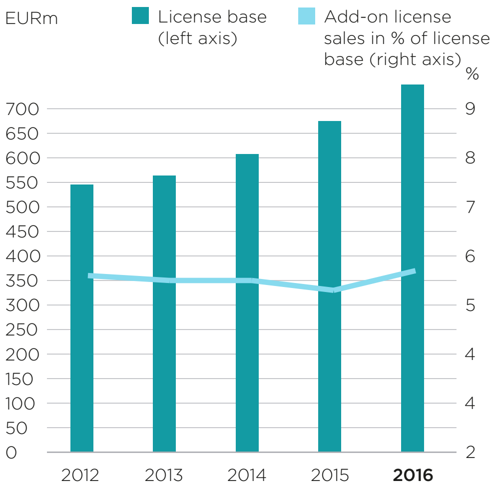
SimCorp also saw existing clients expanding their use of the SimCorp Coric platform, both in terms of functionality and in number of users. In 2016, a number of clients renewed their subscription licenses with SimCorp Coric subsequent to the initial subscription period. The renewal rate was 100%.

Three clients cancelled SimCorp Dimension contracts in 2016 with an immaterial impact of 0.3%-points of total revenue.

ORDER INTAKE AND ORDER BOOK FOR SOFTWARE LICENSES



SIMCORP DIMENSION LICENSE BASE AND ADD-ON LICENSE SALES



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

DISTRIBUTION OF REVENUE AND REALIZED 2016

EURm	Revenue 12M 2016	Share of revenue 12M 2016	Revenue 12M 2015	Share of revenue 12M 2015	Growth relative to 12M 2015	Growth local currency relative to 12M 2015
- Subscription fees	11.9	4.0%	7.9	2.9%	49.3%	55.7%
- Professional services	23.1	7.8%	24.3	8.7%	-4.6%	-2.5%
- Maintenance	125.6	42.4%	120.1	43.2%	4.6%	6.3%
- ASP hosting	0.9	0.3%	0.1	0.0%	n.m	n.m
- Other	0.7	0.3%	0.4	0.1%	111.7%	114.2%
Recurring revenue	**162.2**	**54.8%**	**152.8**	**54.9%**	**6.2%**	**8.3%**
- License fees	58.2	19.7%	59.7	21.5%	-2.4%	-1.9%
- Professional services	70.2	23.7%	60.2	21.7%	16.5%	18.2%
- Other	5.3	1.8%	5.2	1.9%	0.6%	2.4%
Non-recurring revenue	**133.7**	**45.2%**	**125.1**	**45.1%**	**6.8%**	**7.9%**
Total revenue	**295.9**	**100.0%**	**277.9**	**100.0%**	**6.5%**	**8.1%**

INCOME STATEMENT

REVENUE

SimCorp derives revenue from three primary sources: license fees, fees from professional services, and maintenance income. SimCorp generated total revenue of EUR 295.9m in 2016 compared with EUR 277.9m in 2015, equal to an increase of 6.5%. Exchange rate fluctuations for the year had a negative impact of EUR 4.6m on revenue, equal to 1.6%. In local currencies, revenue thus increased by 8.1% compared with 10.1% in 2015.

The total non-GAAP revenue, which includes the value of the subscription-based licenses as if they had been perpetual licenses, was EUR 307.7m in 2016 compared with EUR 277.9m in 2015, equal to an increase of 10.7%. Exchange rate fluctuations for the year had a negative impact of 1.7%. This gives an increase in non-GAAP revenue measured in local currencies of 12.4% compared with 10.1% in 2015.

As a consequence of moving to the subscription-based licensing model, SimCorp also changed its revenue reporting to be divided into recurring revenue and non-recurring revenue.

Recurring revenue was EUR 162.2m compared with EUR 152.8m in 2015. Currency fluctuations impacted recurring revenue negatively by EUR 3.2m. The increase in recurring revenue is related to revenue from new subscription-based licenses, add-on subscription-based licenses, and a higher maintenance revenue, which continues to increase with the completion of client installations.

Non-recurring revenue was EUR 133.7m compared with EUR 125.1m in 2015. Currency fluctuations impacted non-recurring revenue negatively by EUR 1.4m. The increase in non-recurring revenue relates to both an increase in add-on perpetual license revenue and a higher professional services revenue from the implementation of new client installations and new functionality to existing clients.

SimCorp's total license fee recognized from subscription-based licenses, new perpetual licenses, and add-on licenses totaled EUR 65.7m, an increase of EUR 0.8m, or 1.2%

compared to 2015. Currency fluctuations impacted total license fee negatively by EUR 0.6m. The non-GAAP license income totaled EUR 77.5m, after an adjustment of EUR 11.8m for the impact of selling SimCorp Dimension licenses as subscription-based contracts instead of as perpetual licenses, an increase of 19.4% relative to reported revenue in 2015. Currency fluctuations impacted this negatively by EUR 0.8m. In total, the reported license fee revenue accounted for 22.2% of the Group's total revenue compared with 23.3% last year, while the non-GAAP license fee revenue accounted for 25.2%.

Existing clients made additional investments in SimCorp Dimension and SimCorp Coric in 2016, and the number of SimCorp Dimension clients with a license base of more than EUR 2m has increased by 4%-points to 72% of all clients at 31 December 2016. Around 100 clients have expanded their use of SimCorp Dimension during 2016, which is similar to the number in 2015.

The accumulated 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. The license base is the contract value of all software licenses sold.

The ten largest clients generated around 25% of SimCorp's total revenue, which is an increase of 1% from last year's level. No single client accounted for more than 3.3% of the revenue in 2016.

Maintenance income increased by 4.6% from EUR 120.1m last year to EUR 125.6m with the completion and implementation of new client installations and new functionality to existing clients. The increase in local currency was 6.3%. Maintenance income accounted for 42.4% of total revenue compared with 43.2% in 2015. License agreements won in 2016 will increase annual maintenance income by around EUR 11m once implemented.

Fees from professional services were EUR 93.3m compared with EUR 84.5m in 2015, equal to a 10.4% increase. Currency rate fluctuations impacted revenue growth from professional services negatively by EUR 1.5m. Fees from professional services accounted for 31.5% of total revenue in 2016 compared with 30.4% in 2015.

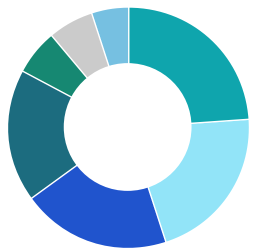
SimCorp entered 2017 with signed revenue for the full year of EUR 207.3m – an increase of EUR 27.4m compared with the beginning of 2016, and higher than ever before.

In 2016, SimCorp achieved a strong top-line growth of 40% in the designated growth market North America, SimCorp Coric reported a 34% growth, and Western Europe recognized 25% growth, all measured in local currencies. Some of the more mature markets also delivered a relatively high growth, taking SimCorp's already strong position in these markets into consideration, while only Central Europe's top-line declined (for more details, see the Business Unit Review 2016, pp 55-56).

TOTAL REVENUE (BUSINESS UNIT)

EURm	2016	2015	Change
Central Europe	68.8	74.2	-7.2%
Benelux, France & Italy	65.0	52.0	24.9%
Nordic	54.6	54.7	-0.2%
North America	47.5	37.6	26.4%
UK & Middle East	31.9	34.4	-7.4%
APAC	18.6	16.9	10.2%
SimCorp Coric	9.5	8.1	17.3%
Total	**295.9**	**277.9**	**6.5%**

2016 REVENUE PER REGION



	2016	2015
Germany, Austria, Switzerland	24%	27%
Belgium, Netherlands, France, Luxemburg, Italy	21%	18%
USA, Canada	20%	18%
Denmark, Sweden, Norway, Finland	18%	19%
UK, Ireland	6%	8%
Australia, Singapore, Hong Kong	6%	6%
Other	5%	4%

COSTS

SimCorp's total operating expenses (including amortization and depreciation) increased by 10.0% to EUR 228.0m compared with EUR 207.4m in 2015. The total costs were positively impacted by currency rate fluctuations, which reduced costs by EUR 4.2m. 72% of SimCorp's total costs were directly related to employees compared with 75% in 2015.

The cost increase was partly related to building capacity for the future business growth, which has led to an increase of 5.8% in the average number of full-time employees from 1,205 to 1,275. The number of employees were 1,376 at the end of 2016, representing an increase of 108 compared with 2015. Additionally, the cost increase can be attributed to a general annual salary increase of around 2%. The ratio of operating expenses to revenue was 77.1% and measured on non-GAAP revenue 74.1% compared with 74.6% in 2015.

Cost of sales increased by 11.7% to EUR 111.8m. Salary costs for implementation consultants are included in this category and account for a significant part of the cost of sales. The increase was mainly related to a higher number of professional service implementation consultants in France and the UK, and increased costs to external implementation consultants due to a significantly higher business activity level in 2016. Cost of sales represents 37.8% of revenue compared with 36.0% in 2015.

Research and development costs increased by 9.9% from EUR 53.9m to EUR 59.3m. The increase was driven by a 7% increase in the average number of employees and by a general salary increase of around 2%. Research and development costs represent 20.0% of revenue compared with 19.4% in 2015. Management maintains focus on the ongoing improvement of efficiency and effectiveness within the Product division.

Sales and marketing costs increased by 6.3% to EUR 37.5m in 2016, the increase mainly being related to a 5.2% increase in the average number of employees. Furthermore, sales commission has increased as a result of the strong order intake. The increase also relates to higher sales commission reflecting a different geographical distribution of the order intake in 2016. Sales and marketing costs represent 12.7% of revenue, which is the same level as in 2015.

Administrative expenses increased by 7.8% to EUR 19.4m. Administrative expenses represent 6.6% of revenue.

GROUP PERFORMANCE

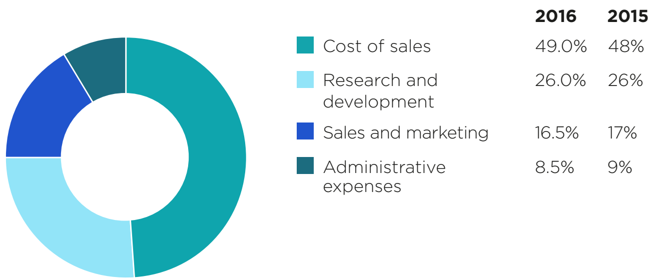
SimCorp generated an EBIT of EUR 68.2m compared with EUR 71.0m in 2015, a decrease of EUR 2.8m. This decrease is mainly caused by the change to subscription-based license sales for new orders. Exchange rate fluctuations for the year had a positive net impact of 0.3%-points on the EBIT margin. The adjusted non-GAAP EBIT totaled EUR 80.0m compared with EUR 71.0m in 2015, an increase of EUR 9.0m. The currency rate fluctuations for the year had a positive net impact of 0.2%-points on the non-GAAP EBIT margin.

Foreign exchange adjustments generated financial income of EUR 2.7m. Financial expenses, primarily relating to cash holdings and foreign exchange adjustments, amounted to EUR 3.4m.

Operations generated a profit before tax of EUR 67.6m against EUR 69.1m in 2015. The tax charges for 2016 amounted to EUR 16.6m against EUR 16.5m in 2015. The effective tax rate was 24.6% compared with 23.9% in 2015. Income tax rate has increased due to higher earnings in jurisdictions with higher tax rates.

The Group profit after tax was EUR 51.0m against EUR 52.6m in 2015. After foreign currency translation differences and other items of EUR 1.7m, the total comprehensive income amounted to EUR 49.3m against EUR 54.4m in 2015.

COST STRUCTURE 2016



COST STRUCTURE 2016

EURm	Costs 2016	Share of consolidated costs 2016	Share of revenue 2016	Change relative to 2015
Cost of sales	111.8	49.0%	37.8%	11.7%
Research and development	59.3	26.0%	20.0%	9.9%
Sales and marketing	37.5	16.5%	12.7%	6.3%
Administration	19.4	8.5%	6.6%	7.8%
Total	**228.0**	**100.0%**	**77.1%**	**10.0%**

BALANCE SHEET

SimCorp had total assets of EUR 146.9m at 31 December 2015 compared with EUR 149.5m at 31 December 2015. Cash holdings amounted to EUR 31.6m, or EUR 11.7m less than 31 December last year. Total receivables amounted to EUR 80.0m at 31 December 2016 against EUR 68.1m at 31 December 2015. The increase is related to strong sales at the end of 2016. SimCorp has not made any provisions for bad debts since 2008.

The Group's total non-current assets were EUR 1.2m lower compared with 2015 and amounted to EUR 26.7m at 31 December 2016. Goodwill was EUR 4.0m at 31 December 2016, which was a decrease of EUR 0.6m from last year due to exchange differences. The carrying amount of acquired software increased by EUR 0.5m to EUR 4.2m, and the value of client contracts was EUR 2.8m at the end of 2016, which was a decrease of EUR 0.6m from last year due to exchange differences. Deferred tax assets decreased by EUR 0.5m to EUR 8.5m. Property, plant, and equipment amounted to EUR 4.8m against EUR 4.3m in 2015.

CHANGES IN EQUITY

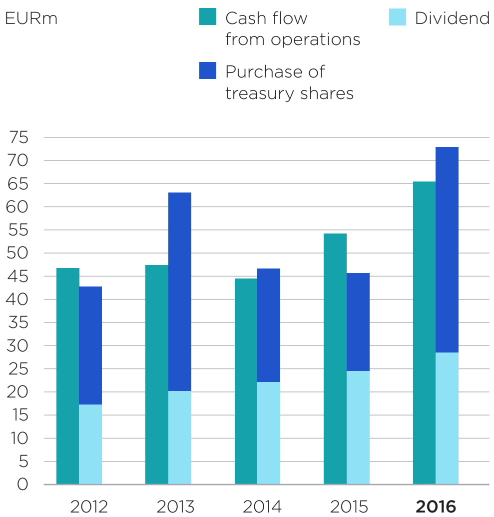
The Group's equity decreased during the year from EUR 89.8m to EUR 72.6m. Comprehensive income amounted to EUR 49.3m against EUR 54.4m last year. The net effect from share-based payments related to restricted stock units was EUR 6.3m, compared with EUR 7.7m in 2015. Dividend payments of EUR 28.5m against EUR 24.5m last year and purchases of treasury shares of EUR 44.4m against EUR 21.2m in 2015 reduced equity by EUR 72.9m in 2016 compared with EUR 45.7m in 2015.

CASH FLOW STATEMENT

Operating activities generated a net cash inflow of EUR 65.4m against EUR 54.2m last year and there was a net cash outflow of EUR 4.3m from investing activities compared with EUR 2.6m in 2015.

SimCorp purchased 948,047 treasury shares with a nominal value of DKK 1 in 2016 at an average price of DKK 348.23 per share. SimCorp delivered 228,017 treasury shares with a nominal value of DKK 1 on the vesting of restricted stock units. Furthermore, 4,873 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 2016.

CASH FLOW FROM OPERATIONS/ CASH FLOW TO SHAREHOLDERS



At 31 December 2016, SimCorp held 2,037,369 treasury shares with a nominal value of DKK 1 each (4.9% of the total share capital) at a cost of EUR 77.7m and a market value of EUR 94.3m. At 31 December 2015, SimCorp held 1,317,339 treasury shares with a nominal value of DKK 1 each (3.2% of the total share capital) at a cost of EUR 39.5m and a market value of EUR 68.5m.

THE PARENT COMPANY SIMCORP A/S

In 2016, the parent company generated revenue of EUR 151.1m, an increase of EUR 8.5m compared with 2015.

The parent company received dividends totaling EUR 8.3m from subsidiaries in 2015 compared with EUR 23.0m in 2015.

Profit before tax for the year was EUR 61.5m against EUR 81.5m in 2015. Income tax amounted to EUR 12.3m compared with EUR 13.2m in 2015.

Profit after tax for the year was EUR 49.2m against EUR 68.3m in 2015. Equity decreased by EUR 16.9m to EUR 76.0, including share capital of EUR 5.6m, retained earnings of EUR 37.1m, after a proposed dividend of EUR 33.3m.

PROFIT ALLOCATION

The Board of Directors intends to recommend to the shareholders at the annual general meeting that, of the total recognized comprehensive income of EUR 49.6m, dividends of EUR 33.3m be declared, representing DKK 6.25 per share of DKK 1, and that EUR 16.3m be transferred to retained earnings.

FINANCIAL HIGHLIGHTS Q4

Q4 of 2016 was a strong quarter with five new SimCorp Dimension orders signed. One perpetual license order with Generali Investments in Italy and four subscription-based orders; two in the Nordic market unit, one in North America, and one in Spain. Finally, one new SimCorp Coric order was signed in Europe.

ORDER BOOK

In Q4 2016, the total order intake was EUR 40.7m, an increase of EUR 18.8m compared with Q4 2015. This gives a total order book of EUR 44.8m at 31 December 2016. The order book increased as a result of four new license orders signed on subscription-based terms rather than perpetual license terms.

REVENUE

Q4 2016 revenue was EUR 93.7m, a quarterly increase of 11.7% measured in EUR and 12.7% measured in local currencies. Non-GAAP revenue, after adjustment of EUR 7.3m for the impact of selling SimCorp Dimension licenses as subscription-based contracts rather than perpetual licenses, totaled EUR 101.0m compared with a reported revenue of EUR 83.8m in Q4 2015, an increase of 20.4% relative to Q4 2015.

Recurring revenue was EUR 42.0m compared with EUR 38.7m in the same period last year. Currency fluctuations have impacted this negatively by EUR 0.7m. The increase in recurring revenue is related to both new subscription-based licenses and to higher maintenance revenue.

Non-recurring revenue increased by 14.5% to EUR 51.7m. The increase is related to an increase in add-on perpetual license revenue and higher professional services revenue from implementation of new client installations and new functionality to existing clients.

COSTS
Total costs (including depreciation and amortization) were EUR 63.4m, an increase of EUR 7.3m or 13.1% compared with the same period last year. Total costs were reduced by approximately EUR 1.5m from the effect of currency fluctuations. The average number of full-time employees increased by 98 compared with same period last year and accounted for around 8%-points of the increase in costs.

Cost of sales increased EUR 3.1m or 11.4%. The increase was driven by the recruitment of a higher number of professional service implementation consultants in North America, France, and the UK. Finally, the increase in costs was also related to the hiring of external implementation consultants due to a significantly higher business activity than in Q4 2015.

Research and development costs increased 14.1% compared with Q4 2015 driven by a higher number of employees.

Sales and marketing costs increased by 12.8%. Higher sales commissions and more people employed in the sales organization were the main drivers for this.

EBIT and EBIT MARGIN
SimCorp made EBIT of EUR 30.3m compared with EUR 28.0m in Q4 2015, an increase of EUR 2.3m. The EBIT margin decreased to 32.4% compared with 33.4% in the same period last year.

Adjusted non-GAAP EBIT measured in local currencies was EUR 37.7m, which is an increase of EUR 9.6m compared with Q4 2015. The adjusted non-GAAP EBIT margin increased to 37.3% from 33.4% in 2015.

RESULT FOR THE PERIOD BEFORE TAX
The result before tax was EUR 29.8m against EUR 27.5m in Q4 2015.

PROFIT FOR THE PERIOD
The Group profit after tax for Q4 2016 was EUR 22.4m against EUR 21.0m in same period last year.

INCOME STATEMENT

EURm	2016 Q4	2015 Q4
Revenue	93,659	83,826
Cost of sales	30,448	27,338
Gross profit	63,211	56,488
Other operating income	51	237
Research and development costs	16,113	14,122
Sales and marketing costs	10,917	9,678
Administrative expenses	5,885	4,883
Operating profit (EBIT)	30,347	28,042
Adjusted non-GAAP statement		
Subscription - new sales - adj. of order	7,303	0
Adjusted non-GAAP revenue	100,962	83,826
Adjusted non-GAAP profit from operations (EBIT)	37,657	28,042

DISTRIBUTION OF REVENUE Q4 2016

EURm	Revenue Q4 2016	Share of revenue Q4 2016	Revenue Q4 2015	Share of revenue Q4 2015	Growth relative to Q4 2015	Growth local currency relative to Q4 2015
- Subscription fees	3.6	3.8%	2.1	2.5%	68.9%	77.2%
- Professional services	6.8	7.3%	6.0	7.2%	13.4%	16.3%
- Maintenance	31.2	33.3%	30.5	36.4%	2.3%	3.5%
- ASP hosting	0.2	0.2%	0.0	0.0%	n.m	n.m
- Other	0.2	0.2%	0.1	0.1%	100.0%	104.0%
Recurring revenue	**42.0**	**44.8%**	**38.7**	**46.2%**	**8.5%**	**10.4%**
- License fees	29.6	31.6%	26.1	31.1%	13.4%	13.1%
- Professional services	20.4	21.8%	17.3	20.6%	17.6%	18.1%
- Other	1.7	1.8%	1.7	2.0%	0.0%	2.6%
Non-recurring revenue	**51.7**	**55.2%**	**45.1**	**53.8%**	**14.5%**	**14.6%**
Total revenue	**93.7**	**100.0%**	**83.8**	**100.0%**	**11.7%**	**12.7%**

1 / 3 GROUP QUARTERLY DATA 2015 AND 2016*

	2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
EUR/DKK rate of exchange at end of quarter	7,4697	7,4604	7,4598	7,4625	7,4512	7,4393	7,4513	7,4344
PROFIT, EUR'000								
Subscription - new sales	1,397	1,581	1,484	1,431	1,677	1,753	1,926	2,358
Subscription - additional sales	340	452	584	681	972	1,033	1,037	1,114
Professional services	5,295	7,396	5,622	5,972	4,187	6,538	5,662	6,773
Maintenance	29,400	30,074	30,087	30,544	30,574	31,101	32,572	31,323
Hosting and other	122	79	108	138	241	496	449	467
Total recurring revenue	**36,554**	**39,582**	**37,885**	**38,766**	**37,651**	**40,921**	**41,646**	**42,035**
Perpetual licenses - new sales	2,345	4,166	12,644	10,324	901	646	12,743	9,807
Perpetual licenses - additional sales	1,808	9,153	3,424	15,821	2,948	7,958	3,400	19,838
Professional services	14,644	14,029	14,291	17,243	16,955	18,053	14,870	20,280
Other	1,137	1,091	1,348	1,672	1,153	960	1,466	1,699
Total non-recurring revenue	**19,934**	**28,439**	**31,707**	**45,060**	**21,957**	**27,617**	**32,479**	**51,624**
Total revenue	**56,488**	**68,021**	**69,592**	**83,826**	**59,608**	**68,538**	**74,125**	**93,659**
Adjusted non-GAAP revenue	**56,488**	**68,021**	**69,592**	**83,826**	**64,366**	**68,390**	**73,973**	**100,962**
Cost of sales	24,429	24,291	24,028	27,338	26,676	27,084	27,565	30,448
Gross profit	32,059	43,730	45,564	56,488	32,932	41,454	46,560	63,211
Other operating income	9	6	240	237	84	52	137	51
Research and development costs	13,427	13,793	12,575	14,122	14,296	14,771	14,090	16,113
Sales and marketing costs	7,573	8,933	9,153	9,678	8,274	8,654	9,701	10,917
Administrative expenses	4,471	4,305	4,382	4,883	4,580	4,429	4,548	5,885
Operating profit (EBIT)	**6,597**	**16,705**	**19,694**	**28,042**	**5,866**	**13,652**	**18,358**	**30,347**
Adjusted non-GAAP operating profit (EBIT)	**6,597**	**16,705**	**19,694**	**28,042**	**10,624**	**13,496**	**18,206**	**37,657**
Financial items, net	-717	-397	-260	-564	51	-4	-157	-520
Profit before tax	5,880	16,308	19,434	27,478	5,917	13,648	18,201	29,827
Tax	1,581	3,758	4,670	6,507	1,404	3,560	4,205	7,432
Profit for the period	4,299	12,550	14,764	20,971	4,513	10,088	13,996	22,395
Earnings before interest, tax, depreciation and amortization (EBITDA)	7,347	17,437	20,518	28,925	6,679	14,481	19,261	31,162

2/3 GROUP QUARTERLY DATA 2015 AND 2016*

	2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
BALANCE SHEET, EUR'000								
Share capital	5,575	5,575	5,575	5,575	5,575	5,575	5,575	5,575
Equity	54,223	64,689	73,969	89,820	91,098	62,185	62,174	72,571
Property, plant and equipment	4,316	4,757	4,520	4,333	4,597	4,486	4,558	4,779
Cash and cash equivalents	26,923	24,672	37,270	43,344	60,125	29,912	35,779	31,590
Total assets	122,577	122,333	126,991	149,529	160,409	126,085	135,585	146,928
CASH FLOWS, EUR'000								
Cash flow from operating activities	14,003	7,480	19,374	13,349	21,542	10,765	23,141	9,970
Cash flow from investing activities, net	-183	-1,156	-535	-751	-265	-864	-2,199	-981
Cash flow from financing activities	-25,323	-8,542	-5,946	-6,611	-4,347	-40,140	-15,079	-13,290
Net change in cash and cash equivalents	-11,503	-2,218	12,893	5,987	16,930	-30,239	5,863	-4,301
EMPLOYEES								
Average number of employees	1,182	1,208	1,209	1,221	1,242	1,260	1,283	1,318
FINANCIAL RATIOS								
EBIT margin (%)	11.7	24.6	28.3	33.5	9.8	19.9	24.8	32.4
Adjusted non-GAAP EBIT margin (%)					16.5	19.7	24.6	37.3
ROIC (return on invested capital) (%)	65.5	155.2	173.2	228.1	37.3	97.2	139.0	224.4
Debtor turnover rate	7.0	7.6	11.4	9.8	7.2	8.0	10.3	9.9
Equity ratio (%)	44.2	52.9	58.2	60.1	56.8	49.3	45.9	49.4
Return on equity (%)	22.8	84.4	85.2	102.4	20.0	52.7	90.0	133.0
SHARE PERFORMANCE								
Basic earnings per share - EPS (EUR)	0.11	0.31	0,37	0.52	0.11	0.25	0.35	0.57
Diluted earnings per share - EPS-D (EUR)	0.10	0.31	0,36	0.52	0.11	0.25	0.35	0.56
Operating cash flow per share - CFPS (EUR)	0.35	0.19	0,48	0.33	0.54	0.27	0.58	0.25
Average number of shares (m)	40.5	40.3	40,2	40.1	40.2	40.2	39.9	39.5
Average number of shares - diluted (m)	41.0	40.9	40,8	40.6	40.7	40.8	40.4	40.1

3/3 GROUP QUARTERLY DATA 2015 AND 2016*

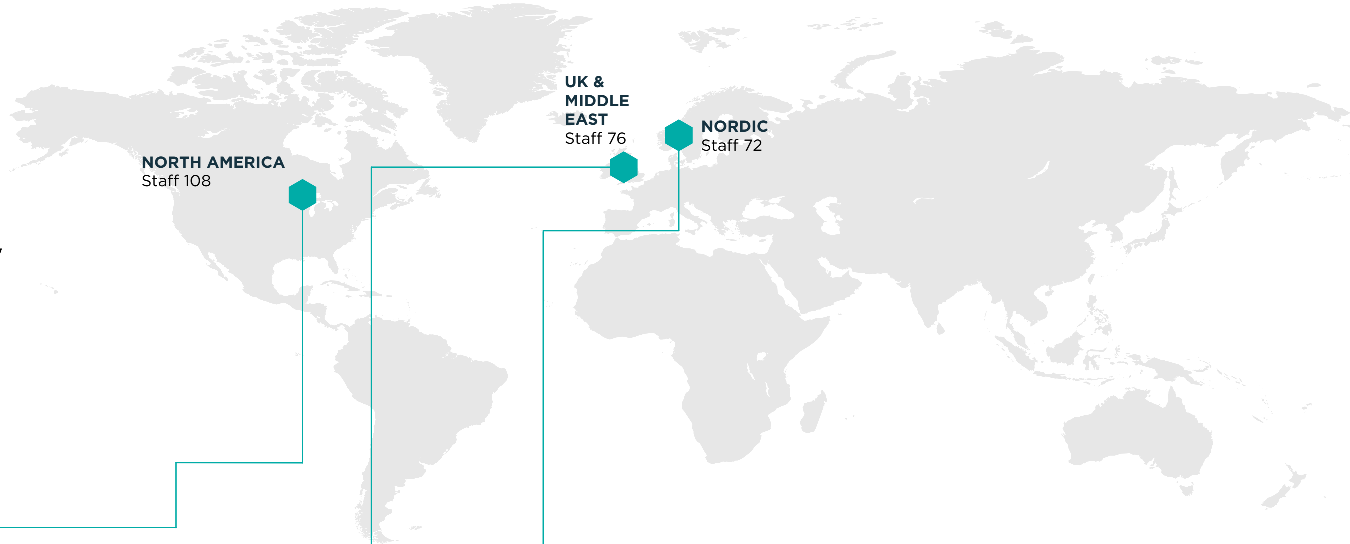
SEGMENT DATA	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4
SEGMENT REVENUE								
Nordic	14,080	19,235	13,240	18,124	14,502	15,771	12,624	20,382
Central Europe	16,364	18,446	18,848	25,643	17,164	17,719	16,780	22,868
UK & Middle East	4,915	8,775	12,788	6,991	5,714	9,533	9,528	10,574
Benelux, France & Italy	10,351	11,046	12,278	22,270	11,685	13,864	14,337	28,222
APAC	4,292	4,948	4,536	4,857	4,187	4,347	6,735	5,147
North America	9,299	9,923	10,236	11,777	9,869	10,880	18,130	13,658
Dimension	23,873	30,530	30,701	43,535	24,003	25,105	35,676	48,000
Coric	1,803	2,175	2,114	3,166	2,647	2,701	2,908	2,720
Corporate functions	158	342	167	686	341	444	580	689
Total	85,135	105,420	104,908	137,049	90,112	100,364	117,298	152,260
Elimination/not allocated	-28,647	-37,399	-35,316	-53,223	-30,504	-31,826	-43,173	-58,601
Group total revenue	**56,488**	**68,021**	**69,592**	**83,826**	**59,608**	**68,538**	**74,125**	**93,659**
SEGMENT OPERATING PROFIT (EBIT)								
Nordic	581	2,912	82	691	1,705	1,929	1,052	668
Central Europe	1,314	1,687	646	1,626	404	1,572	1,407	1,506
UK & Middle East	-247	563	2,455	-591	-379	2,434	39	-803
Benelux, France & Italy	247	1,095	2,076	-1,073	731	1,369	231	2,009
APAC	-383	849	228	557	121	666	401	119
North America	-505	-3,458	214	97	-1,930	873	-667	342
Dimension	8,197	15,060	16,241	27,367	7,310	8,022	20,566	29,886
Coric	-455	5	156	625	36	42	91	460
Corporate functions	-2,152	-2,008	-2,404	-1,257	-2,132	-3,255	-4,762	-3,840
Total segment operating profit (EBIT)	**6,597**	**16,705**	**19,694**	**28,042**	**5,866**	**13,652**	**18,358**	**30,347**

* Group quarterly data is unaudited.

After an extensive review of the leading products in the market, we chose SimCorp Dimension as the platform best suited to meet our needs. By teaming up with SimCorp, which focuses its resources on one platform that keeps pace with global industry and market changes, we can concentrate on servicing our clients' current and emerging needs.

ALOK SETHI
Chairman of Franklin Templeton Services

1/2 BUSINESS UNIT REVIEW



NORTH AMERICA

North America delivered a strong performance in 2016 with total revenue growing 40%. Five new deals were signed - three on subscription-based license terms and two on perpetual license terms. Further, four of the new license deals signed in North America are based on SimCorp's ASP delivery offering. The strong performance brings the total number of clients up to 24, corresponding to an estimated market share of 5% in North America. The strong order intake increased the value of the total installed license base by USD 23m, reaching USD 103m at the end of 2016.

USDm	2016	2015	Change
Total revenue	58.2	41.6	40%
- Recurring revenue	21.5	17.6	22%
- Non-recurring revenue	31.0	24.0	29%
- Non-GAAP net income adj.	5.7	-	-
New wins	5	0	
Market share	5%	4%	1%
SimCorp clients	24	19	26%
Number of employees	108	99	9%

UK & MIDDLE EAST

UK performed below expectations with total revenue growing 4% in 2016. Against expectations, no new clients were signed in the UK in 2016, however, add-on sales showed a positive development due to large deals signed with Middle East clients. Currently, SimCorp has 19 SimCorp Dimension clients in the UK and Middle East, equaling an estimated market share of 13%. The total installed license base grew by GBP 6m to GBP 62m at the end of 2016.

GBPm	2016	2015	Change
Total revenue	25.1	24.1	4%
- Recurring revenue	11.5	9.1	26%
- Non-recurring revenue	13.6	15.0	-9%
- Non-GAAP net income adj.	-	-	-
New wins	0	2	
Market share	13%	14%	-1%
SimCorp clients	19	21	-10%
Number of employees	76	69	10%

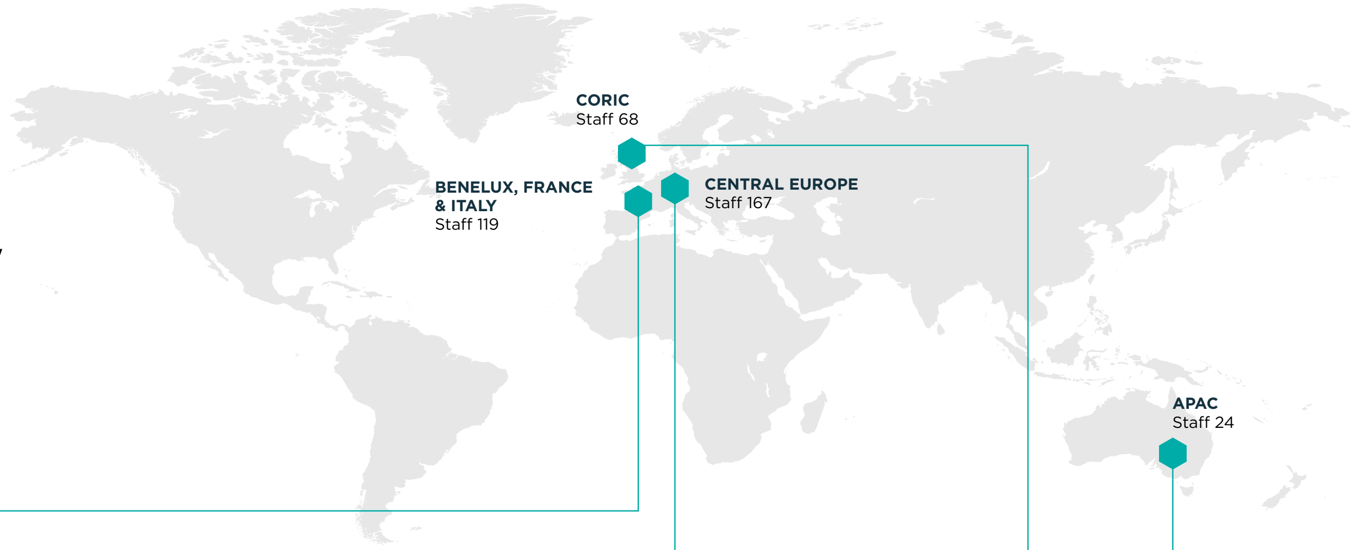
NORDIC

Nordic – SimCorp's most mature market – delivered a strong performance with total revenue growing 12% in 2016. Two new clients were signed – both on subscription-based license terms – bringing the total number of Nordic clients up to 47. The installed license base grew by DKK 106m to DKK 1.214m at the end of 2016.

DKKm	2016	2015	Change
Total revenue	448.2	401.8	12%
- Recurring revenue	253.7	257.1	-1%
- Non-recurring revenue	146.7	144.7	1%
- Non-GAAP net income adj.	47.8	-	-
New wins	2	0	
Market share	67%	66%	1%
SimCorp clients	47	46	2%
Number of employees	72	80	-10%

Most business units experienced high activity levels, which resulted in twelve new SimCorp Dimension clients and four new SimCorp Coric clients in 2016, and a satisfactory pipeline for 2017.

2/2
BUSINESS UNIT REVIEW



BENELUX, FRANCE & ITALY

The strong performance in the business unit in 2015 continued in 2016 with total revenue growing 25%. Four new SimCorp Dimension clients were signed – one in each of the markets France, Belgium, Italy and Spain. Three of the new deals were based on perpetual license terms. The total installed license base grew by EUR 25m to EUR 134m at the end of 2016.

EURm	2016	2015	Change
Total revenue	65.0	52.0	25%
- Recurring revenue	21.6	18.2	19%
- Non-recurring revenue	43.4	33.8	28%
- Non-GAAP net income adj.	-	-	-
New wins	4	3	
Market share	16%	14%	2%
SimCorp clients	28	24	17%
Number of employees	119	102	17%

CENTRAL EUROPE

Central Europe performed below expectations and below 2015 results. Total revenue declined by 7% in 2016 as a result of not signing any new clients. Central Europe currently holds 51 clients, equaling an estimated market share of 26%. The total value of the installed license base increased by EUR 3m to EUR 236m.

EURm	2016	2015	Change
Total revenue	68.9	74.2	-7%
- Recurring revenue	49.0	48.9	0%
- Non-recurring revenue	19.9	25.3	-21%
- Non-GAAP net income adj.	-	-	-
New wins	0	1	
Market share	26%	26%	0%
SimCorp clients	51	51	0%
Number of employees	167	161	4%

APAC

In APAC, total revenue increased by 11% in 2016 compared to 2015, with one new client signed in Australia. Currently, SimCorp holds 13 clients in the APAC region, corresponding to an estimated market share of 12%. The total value of the installed license base increased by AUD 2m to AUD 81m at the end of 2016.

AUDm	2016	2015	Change
Total revenue	27.6	24.9	11%
- Recurring revenue	21.8	22.7	-4%
- Non-recurring revenue	5.8	2.2	164%
- Non-GAAP net income adj.	-	-	-
New wins	1	0	
Market share	12%	11%	1%
SimCorp clients	13	12	8%
Number of employees	24	25	-4%

SIMCORP CORIC

Performance in SimCorp Coric was again strong in 2016 with total revenue growing 34%, driven by a strong order intake in 2016 and 2015. Four new SimCorp Coric clients were signed in 2016 bringing the total number of SimCorp Coric clients up to 57. The 57 clients are comprised by 26 SimCorp clients who are also SimCorp Dimension clients and 31 SimCorp clients who are only SimCorp Coric clients.

GBPm	2016	2015	Change
Total revenue	7.8	5.8	34%
- Recurring revenue	6.5	4.3	51%
- Non-recurring revenue	1.3	1.5	-13%
- Non-GAAP net income adj.	-	-	-
New wins	4	2	
Coric clients who are also SimCorp Dimension clients	26	26	0%
Coric clients who are only SimCorp Coric clients	31	27	15%
Number of employees	68	47	45%

STATEMENTS AND **SIGNATURES**

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT BOARD

The Board of Directors and the Executive Management Board have today considered and approved the annual report for 2016 of SimCorp A/S.

The annual report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and further requirements according to the Danish Financial Statements Acts. 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 assets, liabilities and financial position as of 31 December 2016 and of the results of the parent company's and the Group's operations and cash flows for the financial year 1 January to 31 December 2016.

In our opinion the Management report gives a true and fair view of developments in the activities and financial position of the Group and the parent company, the results for the year and the financial position of the Group and the parent company, as well as a description of the significant risk and uncertainty factors that may affect the Group and the parent company.

We recommend that the annual report be adopted by the shareholders at the annual general meeting.

Copenhagen, 24 February 2017

EXECUTIVE MANAGEMENT BOARD

Klaus Holse
Chief Executive Officer

Georg Hetrodt
Chief Technology Officer

BOARD OF DIRECTORS

Jesper Brandgaard
Chairman

Peter Schütze
Vice-chairman

Hervé Couturier

Simon Jeffreys

Patricia McDonald

Vera Bergforth

Else Braathen

Ulrik Elstrup Hansen

To the shareholders of SimCorp A/S

INDEPENDENT AUDITOR'S REPORT

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 2016 and of the results of the Group's and parent company's operations and cash flows for the financial year 1 January to 31 December 2016 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

What we have audited
SimCorp's consolidated financial statements and the parent company financial statements for the financial year 1 January to 31 December 2016, comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cashflow statement and notes to the financial statements, 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in Denmark. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2016. 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.

Reporting on management's review
Management is responsible for the Management Review.

Our opinion on the financial statements does not cover the Management Review, 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 the Management Review and, in doing so, consider whether the Management Review 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 the Management Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, the Management Review 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 the Management Review.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Revenue recognition of license and maintenance revenue The Group and the parent company provide its products and services to clients in bundled packages as multi-element contracts, and recognition of revenue is subject to the inherent complexities in the software industry. We focused on this area due to the judgmental and complex nature of revenue recognition for multiple element arrangements that include allocation of consideration with rebates, discounts and allowances to separate components of the contract. Further, we focused on inappropriate cut-off, deferral of revenue and revenue recognition for fixed fee projects due to the inherent estimation uncertainty of the percentage of completion. Refer to note. 2.1 "Revenue", 2.2 "Segment and other revenue information" and 2.3 "Future Revenue".	We assessed the design and implementation of the controls over the Group's revenue cycle. We tested relevant controls including applicable information systems and Management's review controls. For multi-element contracts, we obtained Management's allocation of revenue to the specific contract elements and assessed the fair value attributed to each element of the contracts including rebates, discounts and allowances. 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. For the new contract type where SimCorp acts as Application Service Provider (ASP), we discussed the revenue recognition of the contract elements with Management. We also evaluated whether SimCorp acts as principal or agent towards end-clients in the ASP contract set-up and recognizes revenue accordingly.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE 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 uncertainty and judgement. Refer to note 3.1 "Income tax", 3.2 "Deferred tax" and 3.3 "Income tax payable".	In understanding and evaluating Management's judgements, we considered the status of recent and current tax authority audits and enquiries, the outcome of previous claims, judgemental positions taken in tax returns and current year estimates and developments in the tax environment. In addition, we used our own local and international tax specialists, evaluated the adequacy of Management's key assumptions and read correspondence with tax authorities to assess the valuation of tax assets and liabilities.

Management's responsibility 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 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 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 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 based on these financial statements.

As part of an audit in accordance with ISAs and additional applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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 achieves fair presentation.

- 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, related safeguards.

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.

Copenhagen, 24 February 2017
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 3377 1231

Mikkel Sthyr
State Authorised Public Accountant

Leif Ulbæk Jensen
State Authorised Public Accountant

A number of asset managers are looking for innovative technology solutions to help transform their investment processes 'front-to-back'. Integrated solutions that can do this have the potential to enhance business capabilities, increase flexibility and simplify complex processes.

DEAN BROWN
Partner, EY Wealth & Asset Management Technology Advisory

CONSOLIDATED **FINANCIAL STATEMENTS**

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CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

	Note	2016 EUR '000	2015 EUR '000
Revenue	2.1, 2.2, 2.3	295,930	277,927
Cost of sales	2.4, 2.5, 5.1, 7.1	111,773	100,086
Gross profit		184,157	177,841
Other operating income		324	492
Research and development costs	2.4, 2.5, 5.1, 7.1	59,270	53,917
Sales and marketing costs	2.4, 2.5, 5.1, 7.1	37,546	35,337
Administrative expenses	2.4, 2.5, 5.1, 7.1, 7.5	19,442	18,041
Operating profit (EBIT)		68,223	71,038
Share of profit after tax in associates	5.2	94	126
Financial income	6.3	2,694	1,796
Financial expenses	6.3	3,418	3,860
Profit before tax		67,593	69,100
Tax on the profit for the year	3.1	16,601	16,516
Profit for the year		50,992	52,584
Earnings per share			
Basic earnings per share - EPS (EUR)	2.6	1.28	1.31
Diluted earnings per share - EPS-D (EUR)	2.6	1.26	1.29

STATEMENT OF COMPREHENSIVE INCOME

	Note	2016 EUR '000	2015 EUR '000
Profit for the year		50,992	52,584
Other comprehensive income			
Items that will not be reclassified subsequently to the income statement:			
Actuarial loss on defined benefit pension plans		-259	-279
Tax		57	49
Items that will be reclassified subsequently to the income statement, when specific conditions are met:			
Foreign currency translation differences for foreign operations		-1,529	2,066
Other comprehensive income after tax		-1,731	1,836
Total comprehensive income		49,261	54,420

ADJUSTED NON-GAAP STATEMENT

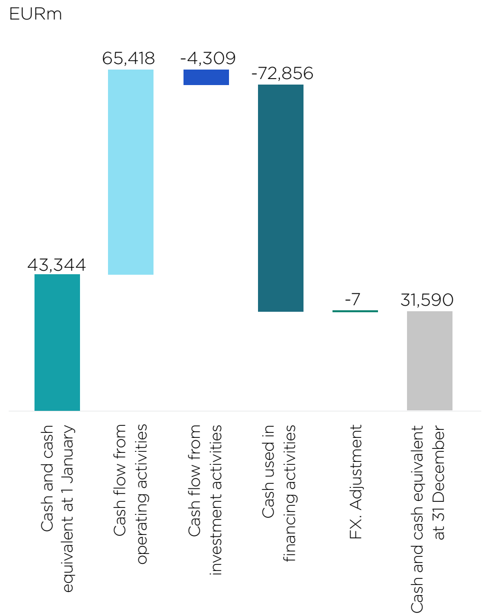
	2016	2015
Subscription - new sales - adjustment of order intake	11,761	0
Adjusted non-GAAP revenue	307,691	277,927
Adjusted non-GAAP operating profit (EBIT)	79,983	71,038

CONSOLIDATED FINANCIAL STATEMENTS

CASH FLOW STATEMENT

	Note	2016 EUR '000	2015 EUR '000
Profit for the year		50,992	52,584
Adjustments	7.7	25,672	26,990
Changes in working capital		1,997	-3,870
Cash from operating activities before financial items		78,661	75,704
Financial income received		218	63
Financial expenses paid		-368	-387
Income tax paid	3.1	-13,093	-21,174
Net cash from operating activities		65,418	54,206
Purchase of associates	5.2	0	-138
Purchase of intangible fixed assets	5.1	-1,644	-277
Purchase of property, plant and equipment	5.1	-2,973	-2,029
Proceeds from sale of property, plant and equipment	5.1	0	32
Purchase of financial assets	5.3	-132	-311
Proceeds from sale of financial assets	5.3	349	88
Dividends from associates	6.3	91	10
Net cash used in investment activities		-4,309	-2,625
Net cash from operating and investment activities		61,109	51,581
Employee bonds		0	-744
Dividends paid		-28,450	-24,457
Purchase of treasury shares	6.1	-44,406	-21,221
Net cash used in financing activities		-72,856	-46,422
Change in cash and cash equivalents		-11,747	5,159
Cash and cash equivalents at 1 January		43,344	37,995
Foreign exchange adjustment of cash and cash equivalents		-7	190
Cash and cash equivalents at 31 December		31,590	43,344

CASH FLOW YEAR 2016



CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET 31 DECEMBER

	Note	2016 EUR '000	2015 EUR '000
ASSETS			
Non-current assets			
Intangible assets	5.1		
Goodwill		3,976	4,579
Software		4,215	3,749
Client contracts		2,804	3,442
Total intangible assets		10,995	11,770
Property, plant and equipment	5.1		
Leasehold improvements		2,446	1,700
Technical equipment		1,179	2,383
Other equipment, fixtures, fittings and prepayments		1,154	250
Total property, plant and equipment		4,779	4,333
Other non-current assets			
Investments in associates	5.2	551	628
Deposits	5.3	1,890	2,102
Deferred tax	3.2	8,534	9,078
Total other non-current assets		10,975	11,808
Total non-current assets		26,749	27,911
Current assets			
Receivables	4.1	80,041	68,144
Income tax receivable	3.3	1,966	4,276
Prepayments		6,582	5,854
Cash and cash equivalents		31,590	43,344
Total current assets		120,179	121,618
Total assets		146,928	149,529

	Note	2016 EUR '000	2015 EUR '000
LIABILITIES AND EQUITY			
Equity			
Share capital		5,575	5,575
Exchange adjustment reserve		-518	1,011
Retained earnings		34,173	54,825
Proposed dividend		33,341	28,409
Total equity		72,571	89,820
Non-current liabilities			
Deferred tax	3.2	1,149	973
Provisions	5.4, 7.2	5,573	4,687
Other debt		0	2,343
Total non-current liabilities		6,722	8,003
Current liabilities			
Prepayments from clients		14,647	7,678
Trade payables and other payables	4.3	50,922	42,215
Income tax	3.3	1,946	1,810
Provisions	5.4	120	3
Total current liabilities		67,635	51,706
Total liabilities		74,357	59,709
Total liabilities and equity		146,928	149,529

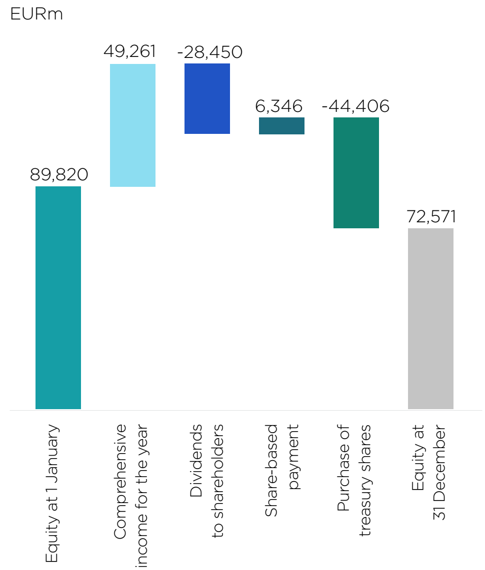
CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

EUR '000 **2016**	**Note**	**Share capital**	**Exchange adjustment reserve**	**Retained earnings**	**Proposed dividends for the year**	**Total**
Equity at 1 January	6.1	5,575	1,011	54,825	28,409	89,820
Comprehensive income for the year*						
Total comprehensive income for the year		0	-1,529	50,790	0	49,261
Transactions with owners						
Dividends paid to shareholders		0	0	-41	-28,409	-28,450
Share-based payment		0	0	6,293	0	6,293
Tax, share-based payment		0	0	53	0	53
Purchase of treasury shares		0	0	-44,406	0	-44,406
Proposed dividends to shareholders		0	0	-33,341	33,341	0
Equity at 31 December		5,575	-518	34,173	33,341	72,571
2015						
Equity at 1 January		5,575	-1,055	44,208	24,652	73,380
Comprehensive income for the year*						
Total comprehensive income for the year		0	2,066	52,354	0	54,420
Transactions with owners						
Dividends paid to shareholders		0	0	195	-24,652	-24,457
Share-based payment		0	0	6,483	0	6,483
Tax, share-based payment		0	0	1,215	0	1,215
Purchase of treasury shares		0	0	-21,221	0	-21,221
Proposed dividends to shareholders		0	0	-28,409	28,409	0
Equity at 31 December		5,575	1,011	54,825	28,409	89,820

* Refer to Statement of comprehensive income on page 62.

MOVEMENTS IN EQUITY 2016



NOTES

SECTION 1
BASIS OF PREPARATION

This section provides an overview of the financial accounting policies and key accounting estimates. The Group's accounting policies that relate to the financial statements as a whole are set out in Note 1. Accounting policies which relate to a specific note or section have been included at the beginning of each section or note following definitions and policies relevant to each note.

Consolidated financial statements are presented on the basis of the latest developments in international financial reporting. All entities in the Group apply the same accounting policies.

The notes to the financial statements have been grouped into seven sections with the aim of reducing complexity and improving the readers' experience. The notes have been organized into the following seven sections:

Section 1	Basis of preparation
Section 2	Revenue and earnings
Section 3	Tax
Section 4	Working capital
Section 5	Invested capital
Section 6	Capital structure and financing items
Section 7	Other disclosures

1.0 ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

Accounting Policies

General

The annual report for the period 1 January - 31 December 2016 includes the consolidated financial statements of SimCorp A/S and its subsidiary undertakings (the Group) as well as separate financial statements for the parent company SimCorp A/S. Reference is made to page 115 for parent company specific accounting policies.

Statement of compliance

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

On 24 February 2017 the Board of Directors and the Executive Management Board considered and approved the annual report for 2016 of SimCorp A/S and Group. The annual report will be presented to the shareholders for approval at the Annual General Meeting to be held on 29 March 2017.

Reporting currency

The financial statements are presented in EUR which is the reporting currency of the activities of the Group rounded to the nearest EUR 1,000. The EUR is the reporting currency as most of the Group's transactions are in this currency.

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.

The accounting policies, except as described below, have been applied consistently during the financial year and for the comparative figures. For standards implemented prospectively, the comparative figures are not restated. The accounting policies are unchanged from last year.

New financial reporting standards

The Annual Report for 2016 is presented in conformity with the new and revised IFRS/IAS standards and new IFRIC interpretations approved by the EU, which apply to financial years beginning on 1 January 2016.

IASB has issued accounting standard IFRS 15 "Revenue from contracts with customers" to take effect as of 1 January 2018. The standard will establish a single comprehensive frame work for revenue recognition. Based on an assessment, the new standard will affect the revenue recognition. SimCorp will adopt IFRS 15 from 1 January 2017. Refer pages 39-40 for further details for SimCorp.

In January 2016, the IASB issued IFRS 16 "Leasing". It currently awaits EU endorsement. The standard becomes effective from 1 January 2019 with earlier application permitted. All leases must be recognized in the balance sheet with a corresponding lease liability, except for short-term assets and minor assets. Leased assets are amortized over the lease term, and payments are allocated between installments on the lease obligation and interest expense, classified as financial items. SimCorp has assessed that the impact of the balance sheet recognition of leases will affect a number of financial ratios such as EBITDA margin and return on equity. Refer to note 7,3 for details about operating lease commitments.

NOTES

1.0 ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS (CONTINUED)

IASB has issued IFRS 9 “Financial Insruments” to take effect from 1 January 2018.

IFRS 9 - Financial Instruments: Classification and Measurement of Financial Assets and Financial Liabilities. The standard contains requirements for the classification and measurement of financial assets and financial liabilities, impairment methodology and general hedge accounting. However, the implementation of IFRS 9 is not expected to have a significant effect on the consolidated financial statements.

In addition, a number of other new standards and interpretations not applicable/mandatory for the preparation of the 2016 Annual Report have been published. SimCorp Group 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 any significant monetary effect on the statements of SimCorp Group’s results, assets and liabilities or the equity.

Basis of consolidation

The consolidated financial statements comprise the parent company SimCorp A/S and subsidiaries. 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.

Companies in which the Group holds between 20% and 50% of the voting rights and/or otherwise exercises a significant, but not a controlling influence are considered associates.

The consolidated financial statements have been prepared by including the financial statements of the parent company and the subsidiaries, which have all been prepared in accordance with the Group’s accounting policies.

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

For each of the reporting entities in the Group, a functional currency is determined. The functional currency is the currency in the primary economic environment in which the individual reporting entity operates. Transactions in currencies other than the functional currency are denominated in foreign currencies.

Foreign currency transactions are translated into the functional currency at the exchange rates effective at the transaction dates.

The average rate of exchange for the month is used to approximate the transaction dates’ exchange rates. Exchange differences arising from the settlement of such transactions, as well as from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currency, are recognized in the income statement under financial income or financial expenses.

Foreign exchange adjustments of intra-group accounts are recognized in other comprehensive income in the consolidated financial statements.

On consolidation, the income statements of foreign subsidiaries and associates are translated at the exchange rates effective at the transaction dates. Effects of exchange rate adjustments arising from the translation of the income statements to the exchange rates effective at the balance sheet date are taken directly to other comprehensive income.

Foreign subsidiaries’ and associates’ balance sheets are translated at the exchange rates effective at the balance sheet date.

Effects of exchange rate adjustments arising from the translation of foreign subsidiaries’ opening equity from the exchange rates effective at the prior balance sheet date are taken directly to other comprehensive income.

Exchange adjustment reserve

The exchange adjustment reserve in the consolidated financial statements comprises foreign exchange differences arising on the translation of the financial statements of enterprises from their functional currencies to the SimCorp Group’s presentation currency (EUR).

On full or partial realization of a net investment, foreign exchange adjustments are recognized in the income statement.

NOTES

1.0 ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS (CONTINUED)

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 reporting 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 result for the year.

The cash flow statement shows the Group's cash flows divided into operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flow from operating activities is calculated using the indirect method as the profit for the year adjusted for non-cash items, changes in working capital, financial income received, financial expenses paid and income tax paid.

Cash flows from investing activities comprise receipts and payments in connection with acquisitions and disposals of companies and operations, intangible assets and property, plant and equipment as well as other non-current assets and liabilities.

Cash flows from financing activities comprise changes in share capital and related costs, purchase of treasury shares and distributions of dividends to shareholders.

Cash and cash equivalents comprise cash and bank deposits.

Materiality
The financial statements separately present items which are 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 of these financial statements.

Accounting estimates and judgments
In 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.

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 balance sheet 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)
Deferred tax (note 3.2)

Risk factors specific to the SimCorp Group are described in the management report on page 19 and in the financial instruments and risks (note 6.2).

Adjusted non-GAAP measures
Certain financial measures, such as adjusted non-GAAP revenue, adjusted non-GAAP-operating profit (EBIT) and adjusted non-GAAP EBIT margin are not prepared in accordance with IFRS and are therefore considered non-IFRS financial measures. Our non-GAAP financial measures might not correspond to non-GAAP measures that other companies report. The non-IFRS measures should only be considered in addition to, and not as substitutes for or superior to, IFRS measures.

It is our belief that the disclosed supplemental non-IFRS financial information provide useful information to investors as management uses this information, in addition to financial data prepared in accordance with IFRS, to obtain a more transparent understanding of past performance and anticipated future results.

Reported revenue and EBIT are adjusted to reflect new subscription based SimCorp Dimension contracts as if the orders had been signed on perpetual license terms. This is achieved by deducting from revenue income recognized under subscription agreements and adding the value of the order inflow for new SimCorp Dimension contracts in the year when they are signed.

Group financial highlights
Financial highlights and key ratios are defined and calculated in accordance with The Danish Finance Society's "Recommendations and Financial Ratios 2015". Earnings per share (EPS) and diluted earnings per share (EPS-D) are measured according to IAS 33.

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

NOTES

1.0 ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS (CONTINUED)

Financial Ratio definitions

EBIT margin (%)	Operating profit (EBIT) / Revenue x 100
Non-GAAP EBIT margin (%)	Non-GAAP (EBIT) / Non-GAAP Revenue x 100
ROIC (return on invested capital) (%)	Operating profit EBIT / Average operating assets x 100
Debtor 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

Basic earnings per share (EPS)	Profit for the year / Average number of shares
Diluted earnings per share (EPS-D)	Profit for the year / Average number of diluted shares
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
Dividend per share (DPS)	Dividends paid / Number of shares at year-end
Dividend 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

Market value ratio definitions

Price / Book value per share (P/BV)	Price / Book Value (BVPS)
Price / Diluted price earnings (P/E Diluted)	Price / EPS Diluted shares
Price / Cash flow (P/CF)	Price / Cash flow (CFPS)

Other definitions

Order intake	Representing the license value of new licenses and of add-on licenses.
Order book	Accumulated value of software licenses which are yet to be income recognized.
Secured revenue	Representing the total revenue committed for license, maintenance and professional services etc.

NOTES

SECTION 2
REVENUE AND EARNINGS

This section provides information related to the composition of revenue, operating costs and earnings per share. The notes present details of the Group's profit and earnings per share for the year. Details include disclosures on revenue, segment information, operating costs and employee costs and other operating profit (EBIT) items.

Group operating profit (EBIT) was EUR 68.2m compared with EUR 71.0m in 2015.

In 2016 operating costs increased to EUR 228.0m compared with EUR 207.3m. The main contributor to the increased operating costs was an increase in the business activity level.

Accounting policies that do not relate exclusively to a specific income statement note are set out below. Accounting policies which relate to a particular note to the income statement have been included with each individual note.

In this section, the following notes are presented:

2.1 Revenue
2.2 Segment and other revenue information
2.3 Future revenue
2.4 Operating costs
2.5 Employee costs
2.6 Earnings per share

2.1 REVENUE

Accounting policy
Revenue is derived from fees charged to clients for software licenses for SimCorp Dimension and SimCorp Coric, maintenance fees, professional services and application service provider (ASP) on-boarding fees, hosting fees and operational services. The total contract sum is allocated to the separate components of those standard software contracts which comprise several components for the purpose of revenue recognition.

Revenue is subsequently reported into recurring revenue and non-recurring revenue. Recurring revenue consists of subscription based license fees, professional services from multi-year recurring contracts, maintenance fees, ASP hosting fees and operational services. Non-recurring revenue consists of perpetual-based licenses fees, professional services fees and ASP on-boarding revenue.

Recurring revenue
License revenue for on premise fixed term license agreements and subscription agreements are recognized on a straight-line basis over the terms of the agreements. If there is a requirement for client acceptance of functionality, the revenue recognition for the period before acceptance is obtained will be deferred until the time of acceptance.

Maintenance fees relate to perpetual license contracts. Revenue from maintenance agreements is recognized on a straight-line basis over the contract period.

Professional service fees from multi-year contracts are recognised as and when the work has been performed.

ASP revenue is derived from fees charged to the clients for ASP hosting fees and ASP operational services providing the client with the infrastructure solution required to use SimCorp Dimension in a cloud-based environment. Revenue from ASP hosting fees and ASP operational service is recognized on a straight-line basis over the contract period. The ASP agreement give the clients the right to use SimCorp Dimension in a cloud-based infrastructure but not the right to terminate the ASP contract and take possession of the software to run it on its own infrastructure or using another hosting provider.

Non-recurring revenue
Standard perpetual software licenses provide clients a right to use SimCorp Dimension and SimCorp Coric software allowing the client to take possession of the software for installation on its premises. Revenue from sales of standard perpetual software licenses is recognized at the time of delivery provided the delivery of standard software does not depend on client acceptance of its functionality. If there is a

NOTES

2.1 REVENUE (CONTINUED)

requirement for client acceptance of functionality, the revenue recognition for the period before the acceptance will be deferred until the time of acceptance.

Professional service fees related to implementation services and ASP on-boarding services is reported as non-recurring revenue irrespective of the term of the contract as implementations, by nature, only occur once. Professional service fees sold on a Time and Materials basis are recognized as and when the work is performed. Revenue from fixed fee professional services projects and revenue from ASP on-boarding services projects is determined by applying the percentage-of-completion method.

Other non-recurring revenue consists of, for instance, training and education and is recognized when the services have been delivered.

Accounting estimates and judgments

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. If there is no sufficient basis to measure the progress of completion, or to estimate the total contract revenue, revenue recognition is limited to the amount of contract costs incurred provided the contract is expected to be profitable. The determination of whether a sufficient basis to measure the progress of completion exists is judgmental. 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.

Adjusted non-GAAP revenue

The adjusted non-GAAP revenue is measured as the Total Revenue plus an adjustment for net new order inflow on subscription-based license terms as if they were on perpetual terms.

NOTES

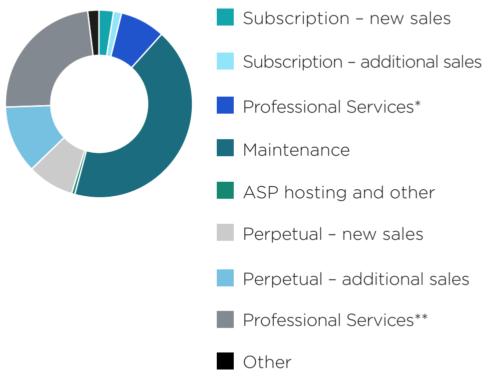
2.1 REVENUE (CONTINUED)

REVENUE RECURRING/NON-RECURRING

	Note	2016	2015
	Note	EUR '000	EUR '000
REVENUE			
Recurring Revenue			
Subscription-new sales		7,714	5,893
Subscription-additional sales		4,156	2,056
Professional services *		23,160	24,286
Maintenance		125,570	120,105
ASP hosting and other		1,653	447
Total non-recurring revenue		162,253	152,787
Non-Recurring Revenue			
Perpetual licenses-new sales		24,097	29,478
Perpetual licenses-additional sales		34,144	30,206
Professional services **		70,158	60,208
Other		5,278	5,248
Total non-recurring revenue		133,677	125,140
Total revenue		295,930	277,927
Adjusted non-GAAP Revenue ***			
Subscription - new sales - adjustment of order		11,761	-
Adjusted non-GAAP Revenue		307,691	277,927

* Ongoing support and services
** Implementation services related to initial and add-on license sales
*** SimCorp Dimension order intake made on subscription-based terms to be income recognized in the year the order is signed, as if the orders had been signed on perpetual license terms

REVENUE RECURRING/NON-RECURRING



NOTES

2.2 SEGMENT AND OTHER REVENUE INFORMATION

The Group develops and sells standard software and related services. The operation is managed and organized respectively into product division, responsible for the development of the software, and a sales organization. The sales organization is based on a geographical structure, in which the countries are grouped into six business units. The business units have been identified based on countries that share the same market conditions and cultures. A number of clients has a global setup and the related revenue is therefore included in multiple business units.

Accounting Policy
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 headquarter 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.

The segments reflect the geographical business unit structure for the sale of the SimCorp Dimension software and related services as well as the product division being responsible for the development and technical support of the SimCorp Dimension software. The SimCorp Coric segment relates to the development and sale of the SimCorp Coric software.

Additionally the Group reports on corporate functions which include shared services regarding administration, marketing and internal systems, which are allocated based on an allocation key for the segments.

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

Refer note 7.8 for a reconciliation to income statement.

EUR '000	Nordic	Central Europe	UK and Middle East	Benelux, France, and Italy	APAC	North America	Dimension*	Coric	Corporate Functions	Total	Elimination/Unallocated	Group
2016												
Revenue	53,786	68,839	30,733	65,011	18,577	47,476	1,579	9,521	408	295,930	0	295,930
Revenue between segments	9,493	5,692	4,616	3,097	1,839	5,061	131,205	1,455	1,646	164,104	-164,104	0
Total segment revenue	63,279	74,531	35,349	68,108	20,416	52,537	132,784	10,976	2,054	460,034	-164,104	295,930
Segment operating profit (EBIT)	5,354	4,889	1,291	4,340	1,307	-1,382	65,784	629	-13,989	68,223	0	68,223
Total assets	15,058	14,768	9,031	36,238	5,595	28,168	1,551	12,656	5,222	128,287	18,641	146,928
2015												
Revenue	53,866	74,175	33,214	52,036	16,859	37,561	1,499	8,117	600	277,927	0	277,927
Revenue between segments	10,813	5,126	255	3,909	1,774	3,674	127,140	1,141	753	154,585	-154,585	0
Total segment revenue	64,679	79,301	33,469	55,945	18,633	41,235	128,639	9,258	1,353	432,512	-154,585	277,927
Segment operating profit (EBIT)	4,266	5,273	2,180	2,345	1,251	-3,652	66,865	331	-7,821	71,038	0	71,038
Total assets	15,061	16,569	7,656	30,802	5,714	19,780	1,347	12,463	4,961	114,353	35,176	149,529

* Dimension includes all development costs for SimCorp Dimension.

NOTES

2.2 SEGMENT AND OTHER REVENUE INFORMATION (CONTINUED)

Geographical segmentation is presented for revenue and non-current assets for the most significant countries for the Group.

GEOGRAPHICAL INFORMATION

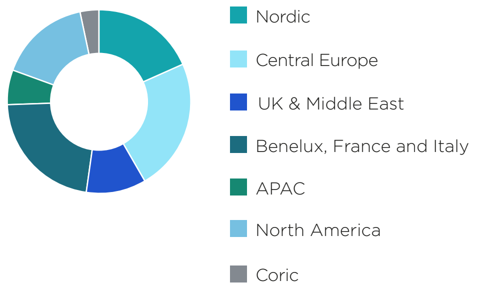
	2016		2015	
	EUR '000	%	EUR '000	%
Revenue allocation by country (significant)				
USA	46,448	16%	37,747	14%
Germany	39,838	13%	41,475	15%
France	23,039	8%	22,107	8%
Switzerland	22,447	8%	23,625	9%
Netherlands	20,247	7%	21,399	8%
Denmark	17,355	6%	17,219	6%
England	16,889	6%	20,746	7%
Sweden	15,155	5%	11,482	4%
Norway	14,485	5%	20,386	7%
Non-current assets allocation by country (significant)				
England	7,223	44%	7,585	45%
Denmark	3,200	20%	3,245	19%

Significant countries are defined as countries representing 5% or more of the Group's revenue.

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

The SimCorp Group has no clients contributing revenue of more than 3.5% (2015: 4.5%) of total revenue.

REVENUE PER BUSINESS UNIT



2.3 FUTURE REVENUE

Rental of software, subscription and ASP agreements are agreements that give clients the right to use the SimCorp Dimension standard software and/or the SimCorp Coric standard software over a defined period of time. The term of these agreements is typically between three and eight years. Clients subsequently have an option to extend the rental or subscription period.

FUTURE REVENUE, RENTAL OF SOFTWARE AND SUBSCRIPTIONS

	2016	2015
	EUR '000	EUR '000
Future revenue within 1 year	9,064	5,798
Future revenue within 2-5 years	21,979	10,368
Future revenue after 5 years	1,814	760
Total	32,857	16,926

Figures presented above are undiscounted and translated at average exchange rates for December 2016.

The increase in future revenue from 2015 to 2016 is due to the new business model of selling SimCorp Dimension on subscription-based terms.

NOTES

2.4 OPERATING COSTS

Operating costs are allocated into Cost of sales, Research and development, Sales and marketing costs and Administrative expenses.

Accounting Policy

Cost of sales comprises costs incurred to achieve the year's revenue, including costs of delivering and implementing systems, ASP hosting and infrastructure cost, training courses and support. Cost of sales primarily comprises salaries, share-based payments, other employee related costs, hosting fees, depreciation and amortization, and indirect costs, such as rent and technological infrastructure.

Research and development costs comprise salaries, share-based payments, other employee related costs, depreciation and amortization, and other costs directly or indirectly attributable to the Group's research and development activities.

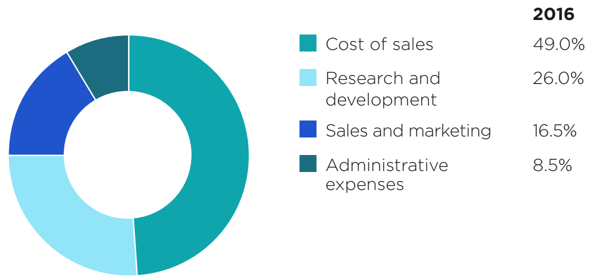
Research and development costs are expensed in the year in which they are incurred when they do not qualify for capitalization, for capitalization criteria see note 5.1.

Sales and marketing costs primarily comprise salaries, commissions, bonuses, share-based payments and other sales employee related costs, travel and meeting expenses, marketing expenses, depreciation and amortization, and indirect costs such as rent and technological infrastructure.

Administrative expenses comprise salaries, bonuses, share-based payments and other employee costs and expenses related to management, administrative staff, office costs, depreciation, amortization and indirect costs such as rent and technological infrastructure.

EURm	Costs 2016	Share of costs 2016	Costs 2015	Share of costs 2015	Growth relative to 2015	Growth local currency relative to 2015
Cost of sales	111.8	49.0 %	100.1	48.3 %	11.7%	14.1%
Research and development costs	59.3	26.0 %	53.9	26.0 %	9.9%	11.6%
Sales and marketing costs	37.5	16.5 %	35.3	17.0 %	6.3%	8.9%
Administrative expenses	19.4	8.5 %	18.0	8.7 %	7.8%	7.5%
Total	228.0	100.0 %	207.3	100.0 %	10.0%	12.0%

COST STRUCTURE 2016



NOTES

2.5 EMPLOYEE COSTS

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

Accounting policy
Salaries, sales commission, 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.

Remuneration to executive management and board of directors is given below:

EMPLOYEE COST

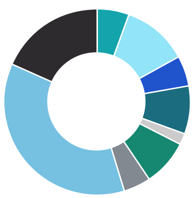
	2016	2015
	EUR '000	EUR '000
Salaries	132,386	125,973
Defined contribution pension plans	3,006	3,069
Defined benefit pension plans	552	158
Share-based payments	5,073	5,485
Social security and other costs	11,426	10,479
Total employee cost	152,443	145,164
Average number of employees	1,275	1,205

REMUNERATION TO EXECUTIVE MANAGEMENT AND BOARD OF DIRECTORS

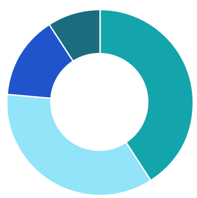
	2016	2015
	EUR '000	EUR '000
Salaries	1,394	1,304
Other benefits	127	118
Share-based payment	527	1,050
Performance-related bonus	420	561
Executive management total	2,468	3,033
Board fees	346	304
Fees for committee work	32	32
Travel allowance	39	52
Share-based payment	185	168
Board of directors total	602	556
Total	3,070	3,589

For additional disclosures on executive management and board remuneration please refer to Remuneration, pages 27-30.

EMPLOYEES BY BUSINESS UNIT



EMPLOYEES BY FUNCTION



NOTES

2.5 EMPLOYEE COSTS (CONTINUED)

Where SimCorp provides long-term incentives and benefits, the costs are accrued to match the rendering of services by the employees. The accounting policy for share-based remuneration is described in note 7.1.

Obligations related to contributions-based pension schemes are recognized in the income statement under employee costs in the period for which the related service is provided. The accounting treatment for defined benefit plans is described in note 7.2.

2.6 EARNINGS PER SHARE

Earnings per share (EPS) and diluted earnings per share (EPS-D) are measured according to IAS 33.

	2016	**2015**
Profit for the year (EUR´000)	50,992	52,584
Average number of shares	41,500,000	41,500,000
Average number of treasury shares	-1,530,961	-1,261,324
Average number of shares in circulation	39,969,039	40,238,676
Average dilutive impact of outstanding restricted stock units	527,186	637,602
Average number of diluted shares in circulation	40,496,225	40,876,278
Basic earnings per share - EPS (EUR)	1.28	1.31
Diluted earnings per share - EPS-D (EUR)	1.26	1.29

All allotted restricted stock units were included in 2015 and 2016 as the conditions stipulated in note 7.1 are expected to be met. See also the Management report concerning share-based remuneration on pages 31-32.

NOTES

SECTION 3
TAX

This section contains all relevant disclosures and details regarding tax recognized in the financial statements.

The total tax on Group profit for the year has slightly increased by EUR 0.1m to EUR 16.6m compared with EUR 16.5m in 2015. Income tax has increased due to lower prior years adjustments compared with 2015, partly offset by lower tax rates in several jurisdictions and lower profit before tax. The Group's effective tax rate has increased from 23.9% to 24.6%.

In this section, the following notes are presented:

3.1 Income tax
3.2 Deferred tax
3.3 Income tax payable

3.1 INCOME TAX

Accounting Policy
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 on other comprehensive income or directly on equity.

The tax deduction on share-based remuneration for the year is recognized in taxable income in the income statement. If the total tax deduction exceeds the total expenses then tax for the excess is deducted directly in equity.

INCOME TAX

	2016	2015
	EUR '000	EUR '000
Tax for the year:		
Tax on profit	16,601	16,516
Tax on other comprehensive income	-57	-49
Total tax	16,544	16,467
Tax on profit for the year breaks down as follows:		
Current tax	16,170	17,827
Deferred tax	100	-607
Prior-year adjustments	77	-637
Change in tax rates	254	-67
Total tax on profit for the year	16,601	16,516
Tax paid during the year	13,093	21,174
Tax on profit for the year breaks down as follows:		
Tax calculated on the year's pre-tax profit, 22% (2015:23.5%)	14,870	16,204
Difference in tax in subsidiaries relative to 22% (2015:23.5%)	523	50
Change in tax rates	254	-67
Tax effect:		
Non-taxable income	-1,366	-1,538
Non-deductible expenses	1,432	1,513
Other, including prior-year adjustments	888	354
Total tax on profit for the year	16,601	16,516
Effective tax rate	24.6%	23.9%

NOTES

3.2 DEFERRED TAX

Accounting Policy
Deferred tax is calculated using the liability method on all temporary differences between the accounting and taxable values of assets and liabilities, excluding temporary differences relating to goodwill which is not amortizable for tax purposes.

Deferred tax assets are assessed yearly and only recognized 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, either by setting off deferred tax liabilities or by setting off 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 balance sheet 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.

Accounting estimates and judgments
The Group recognizes deferred tax assets relating to losses carried forward when management finds that these can be offset against taxable income in the foreseeable future. An assessment is made taking into consideration the effect of restrictions in utilization in local tax legislation. Future taxable income is assessed based on budgets as well as management's expectations regarding growth and operating margin in the coming 5 years.

DEFERRED TAX

	2016	2015
	EUR '000	EUR '000
Deferred tax at 1 January	8,105	6,471
Foreign exchange adjustment	326	-106
Adjustment of deferred tax, profit and loss	-100	607
Prior-year adjustment, profit and loss	-32	-302
Change in tax rates	-254	67
Adjustment of deferred tax, other comprehensive income	57	49
Adjustment of deferred tax, equity	-717	1,319
Net deferred tax at 31 December	7,385	8,105
Recognized in the balance sheet as follows:		
Deferred tax assets	8,534	9,078
Deferred tax liabilities	-1,149	-973
Net deferred tax at 31 December	7,385	8,105

DEFERRED TAX

		Recognized in:				
EUR '000	**Balance 1 January**	**FX. adj.**	**Profit and loss**	**OCI**	**Equity**	**Balance 31 December**
2016						
Intangible assets	-1,439	181	-110	0	0	-1,368
Property, plant and equipment	802	-7	-4	0	0	791
Current assets	-178	0	133	0	0	-45
Provisions	894	23	351	57	0	1,325
Current liabilities	284	0	-24	0	0	260
Share-based payment	2,723	10	-138	0	-717	1,878
Tax losses carry-forward	5,019	119	-594	0	0	4,544
Total	8,105	326	-386	57	-717	7,385
2015						
Intangible assets	-1,468	-85	114	0	0	-1,439
Property, plant and equipment	738	-7	71	0	0	802
Current assets	-270	0	92	0	0	-178
Provisions	707	5	133	49	0	894
Current liabilities	380	-9	-87	0	0	284
Share-based payment	1,269	-3	138	0	1,319	2,723
Tax losses carry-forward	5,115	-7	-89	0	0	5,019
Total	6,471	-106	372	49	1,319	8,105

Tax value of the capitalized tax losses are expected to be realized within 5 years, as the affected subsidiaries expect a sufficient future taxable income. In 2017 EUR 3.5m (2015: 2016 EUR 1.5m) of the deferred tax assets are expected to be utilized.

NOTES

3.3 INCOME TAX PAYABLE

Tax payable or receivable on taxable income for the year is recognized in the balance sheet as current tax liabilities and receivables adjusted for tax on prior years taxable income and payments in the year.

INCOME TAX PAYABLE

	2016	**2015**
	EUR '000	EUR '000
Payable at 1 January	-2,466	1,757
Foreign exchange adjustment	94	-41
Prior-year adjustments	45	49
Current tax on profit for the year	16,170	17,827
Current tax on equity	-770	-884
Income tax paid	-13,093	-21,174
Net receivable income tax at 31 December	-20	-2,466
Recognized in the balance sheet as follows:		
Income tax receivable	-1,966	-4,276
Income tax payable	1,946	1,810
Net receivable income tax at 31 December	-20	-2,466

NOTES

SECTION 4
WORKING CAPITAL

Net working capital consists of current assets less current liabilities used in, or necessary for, the company's operations. The main components are work in progress related to professional services, accounts receivable and accounts payable. Working capital management prioritizes ensuring a strong cash flow performance.

Net working capital improved by EUR 5.6m in 2016 to EUR 20.9m. This can be explained mainly by an increase in payables and prepayments from clients. Net working capital represents 7.1% of revenue compared with 9.6% in 2015. It is expected that receivables will grow at a slower pace in the future with the adoption of the subscription based license terms.

In this section, the following notes are presented:

4.1 Receivables
4.2 Contracts in progress relating to professional services
4.3 Trade payables and other payables
4.4 Contingent liabilities and other financial liabilities

4.1 RECEIVABLES

Accounting Policy
Receivables are measured at amortized cost. If there is objective evidence of impairment of a receivable, it is written down. Write-downs are made individually. The write-down is recognized in the income statement under administrative expenses.

RECEIVABLES

	2016	2015
	EUR '000	EUR '000
Receivables from clients	37,837	34,218
Accrued revenue	40,564	31,881
Other receivables	1,640	2,045
Total receivables at 31 December	80,041	68,144
Aging of trade receivables from clients at 31 December:		
Not due	32,063	23,373
Not more than 30 days	3,456	7,597
More than 30 days but not more than 90 days	1,772	2,006
More than 90 days	546	1,242
Total	37,837	34,218

Accrued revenue consists mainly of revenue from the sale of software licenses and receivables from professional services contracts in progress, see note 4.2.

No security has been received with respect to trade receivables.

No write-down has been made in 2016 and 2015 for trade receivables.

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

NOTES

4.2 CONTRACTS IN PROGRESS RELATING TO PROFESSIONAL SERVICES

Accounting Policy
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 balance sheet date.

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

CONTRACTS IN PROGRESS RELATING TO PROFESSIONAL SERVICES

	2016	2015
	EUR '000	EUR '000
Income recognized sales value	11,482	21,733
Payments received on account	-13,490	-18,907
Contracts in progress	-2,008	2,826
Which are recognized as follows:		
Contracts in progress (assets)	804	4,385
Contracts in progress (liabilities)	-2,812	-1,559
Contracts in progress	-2,008	2,826

4.3 TRADE PAYABLES AND OTHER PAYABLES

Accounting Policy
Other payables include bonus and commission accruals, vacation pay obligations, derivative financial instruments, payroll taxes and VAT. Payables are measured at cost.

Derivative financial instruments are initially recognized at their fair values on their trade dates.

TRADE PAYABLES AND OTHER PAYABLES

	2016	2015
	EUR '000	EUR '000
Trade payables	12,690	8,737
Accrued vacation payable	10,926	10,127
Bonus and commissions payable	15,316	15,692
Payroll taxes, VAT etc., payable	8,942	7,563
Derivative financial instruments	59	96
Other debt	2,989	0
Total trade payables and other payables	50,922	42,215

Exposure to currency and liquidity risk for trade and other payables is disclosed in note 6.2.

NOTES

4.4 CONTINGENT LIABILIATIES AND OTHER FINANCIAL LIABILITIES

The Group is a party to 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.

The most significant contingent liability relates to SimCorp A/S and is the so called "ATP-ruling" related to possible VAT exemption for certain pension services.

On 13 March 2014, the Court of Justice of the European Union ("ECJ") published its judgment in the case C-464/12 ATP PensionService A/S determining that services provided to certain pension funds may be covered by the VAT exemption in section 13, subsection 1, no. 11, litra c and f of the Danish VAT Act.

As a consequence of the ECJ ruling, a number of SimCorp's Danish clients have filed a claim against SimCorp for recovery of the VAT levied on SimCorp's products and services. Pursuant to the Danish Tax Administration Act, SimCorp has claimed a refund from the Danish Tax Authorities ("SKAT") of the VAT collected on services provided to its Danish clients. SKAT has not yet replied to this claim for a refund. However, in August 2016 SimCorp received a so-called "binding ruling" from the Danish Tax Council and in this binding the Danish Tax Council concluded that SimCorp's products and services going forward are subject to VAT.

SimCorp does not expect the above ruling from the ECJ to significantly have an effect on profit for the year and the assessment of the Group's financial position and accordingly, SimCorp has not made a provision for this in its annual accounts 2016.

NOTES

SECTION 5 INVESTED CAPITAL

Return on invested capital is a key measure to assist decision making as the Group places focus on maximizing return on investment to shareholders. This sections comprises notes which offer a through understanding of invested capital.

In this section, the following notes are presented:

5.1 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

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. 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 contracts 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 certain that identifiable future income or cost reductions will cover the development and future operating costs.

Capitalized development costs comprise salaries.

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 Contracts

Acquisition related client contracts are initially recognized at fair value at the acquisition date and subsequently carried at cost less accumulated amortization and any accumulated impairment losses. The churn rate is calculated on a contract by contract basis and has averaged around 5% on renewal. The value of client contracts is amortized on a straight line basis, based on the estimated duration of the acquired contract 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.

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

NOTES

5.1 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment. Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, which are as follows:

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

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

Accounting estimates and judgments

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.

As active markets for the majority of acquired assets and liabilities do not exist, management has made estimates of their fair values. Fair values were estimated as the present value of future cash flows calculated based on churn rates or other expected cash flows related to each asset. Estimates of fair value are associated with uncertainty and may be subsequently adjusted.

Determination of the useful life of client contracts 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.

AMORTIZATION AND DEPRECIATION

	2016			2015		
EUR '000	Intangible	Property, plant and equipment	Total	Intangible	Property, plant and equipment	Total
Cost of sales	253	701	954	81	612	693
Research and development costs	418	1,013	1,431	506	1,033	1,539
Sales and marketing costs	184	272	456	210	247	457
Administrative expenses	53	466	519	69	431	500
Total amortization and depreciation	908	2,452	3,360	866	2,323	3,189

Estimates for intangible assets and for property, plant and equipment are unchanged from previous reports.

NOTES

5.1 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

EUR '000	Goodwill	Software	Client Contracts	Intangible total	Leasehold improvement	Technical equipment	Other equipment, fixtures, fittings and prepayments	Property, plant and equipment total
2016								
Cost at 1 January	4,579	10,976	3,790	19,345	6,410	8,468	4,396	19,274
Foreign exchange adjustment	-603	-543	-523	-1,669	-37	-49	-10	-96
Additions	0	1,644	0	1,644	1,479	424	1,070	2,973
Disposals	0	0	0	0	-253	-925	-85	-1,263
Cost at 31 December 2016	3,976	12,077	3,267	19,320	7,599	7,918	5,371	20,888
Amortization/depreciation at 1 January	0	7,227	348	7,575	4,710	6,085	4,146	14,941
Foreign exchange adjustment	0	-110	-48	-158	-35	-11	-6	-52
Amortization/depreciation	0	745	163	908	700	1,590	162	2,452
Disposals	0	0	0	0	-222	-925	-85	-1,232
Amortization and depreciation at 31 December	0	7,862	463	8,325	5,153	6,739	4,217	16,109
Carrying amount at 31 December 2016	3,976	4,215	2,804	10,995	2,446	1,179	1,154	4,779
2015								
Cost at 1 January	4,993	10,483	3,575	19,051	6,628	7,534	4,451	18,613
Foreign exchange adjustment	248	216	215	679	77	-17	-3	57
Additions	0	277	0	277	614	1,291	124	2,029
Disposals	-662	0	0	-662	-909	-340	-176	-1,425
Cost at 31 December 2015	4,579	10,976	3,790	19,345	6,410	8,468	4,396	19,274
Amortization/depreciation at 1 January	662	6,563	149	7,374	4,907	4,812	4,259	13,978
Foreign exchange adjustment	0	-7	4	-3	65	-9	-6	50
Amortization/depreciation	0	671	195	866	644	1,615	64	2,323
Disposals	-662	0	0	-662	-906	-333	-171	-1,410
Amortization and depreciation at 31 December	0	7,227	348	7,575	4,710	6,085	4,146	14,941
Carrying amount at 31 December 2015	4,579	3,749	3,442	11,770	1,700	2,383	250	4,333
Amortization/depreciation period (years)		Up to 10	Up to 20		Up to 10	3	5	

NOTES

5.1 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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 Contracts.

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 in question.

Cash generating units are defined as the smallest group of identifiable assets which together generate incoming cash flow from continued operations.

An estimate was made of the future free net cash flow based on budgets and strategy for 2017 and projections for the next 4 years. Significant parameters in this estimate are discount rate, revenue growth rate and profit margin. The recoverable amount is based on the value in use calculated by discounting expected future cash flows.

At 31 December 2016, the carrying amount of goodwill was tested for impairment.

The expected performance of SimCorp Dimension for SimCorp Asia Pty. Ltd. and SimCorp Coric for SimCorp Coric Ltd. were assessed in order to verify if sufficient to offset the carrying amount of the cash generating units as at 31 December 2016.

The impairment test as of December 31 2016 showed no indication of impairment for 2016 (2015: 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 Coric, the estimated growth rate in revenue during the forecast period is based on historical performance and the expectation that many more SimCorp Dimension clients as well as new clients will adopt the Coric reporting functionality under SimCorp's full ownership. The operating margin in the forecast period and the terminal period are estimated based on expectations that the entity will be able to increase it's client base without significant increase in costs. No growth has been assumed in the terminal value.

The discount rate used in determining the value in use is based on the weighted average cost of capital (WACC). For SimCorp Coric Ltd., the WACC is determined based on a risk free rate of 0.4% (2015: 0.9%) and a risk premium of 6.3% (2015: 5.8%) assuming a Beta of 1.1 (2015: 1.1). The risk free rate is based on 10 years British government bonds. Estimated leveraged European industry Beta was used for SimCorp Coric Ltd.

The carrying value of assets allocated to SimCorp Asia Pty. Ltd. is significantly lower than cash generated during one year of operations.

Accounting estimates and judgments
In performing the impairment test management made an assessment of whether the CGU to which the intangibles relate will be able to generate positive net cash flows sufficient to support the value of intangibles and other net assets of the entity. The assessment is based on estimates of expected future cash flows based on budgets, estimated discount rates, growth and profit margin development.

CARRYING AMOUNTS AND ASSUMPTIONS

				Total Intangibles		Discount rate before tax		Annual average growth	
EUR '000	Goodwill	Software	Client Contracts	2016	2015	2016	2015	2016	2015
SimCorp Coric Ltd	3,797	2,491	2,804	9,092	11,141	7%	7%	14%	9%
SimCorp Asia Pty Ltd	179	0	0	179	174	8%	8%	2%	2%
Total carrying amount	**3,976**	**2,491**	**2,804**	**9,271**	**11,315**				

NOTES

5.2 INVESTMENTS IN ASSOCIATES

Accounting Policy
Associates are entities over which SimCorp has significant influence, but which it does not control. It is generally presumed that SimCorp has significant influence when it has between 20% and 50% of voting rights or representation on the board of directors.

Investments in associates are recognized according to the equity method and measured in the balance sheet at the proportionate share of the associates' net asset values calculated in accordance with the Group's accounting policies less or plus the proportionate share of any unrealized intra-group gains and losses and plus the carrying amount of goodwill.

Associates with a negative equity value are measured at nil. A provision is made if SimCorp A/S has a legal or constructive obligation to cover the negative balance of any associate.

The Group's proportionate shares of the profit or loss of associates after tax and elimination of the proportionate shares of intra-group gains or losses are recognized in the consolidated income statement.

The Group's share of any impairment losses related to the net assets of the investee are also recognized. The Group considers whether objective evidence of impairment exists through the application of IAS 39 Financial instruments: Recognition and Measurement. Where evidence of impairment exists the investee is tested for impairment in accordance with IAS 36. Any impairment charge is capable of being reversed in full.

INVESTMENT IN ASSOCIATES

	2016	2015
	EUR '000	EUR '000
Cost at 1 January	173	24
Foreign exchange adjustment	0	0
Additions	0	149
Cost at 31 December	173	173
Adjustments at 1 January	455	314
Foreign exchange adjustment	-112	19
Share of profit for the year	94	126
Disposals and other adjustments	-59	-4
Adjustments at 31 December	378	455
Carrying amount at 31 December	551	628

ASSOCIATES

							Share attributable to the SimCorp Group	
EUR '000	Country of incorporation	Ownership interest	Revenue	Profit for the year	Assets	Liabilities	Equity	Profit for the year
2016								
Dyalog Ltd.	England	19.9%	2,891	412	3,583	901	402	82
Opus Nebula Ltd.	England	30.0%	394	42	118	28	149	12
2015								
Dyalog Ltd.	England	19.9%	3,037	746	3,863	602	461	149
Opus Nebula Ltd.	England	30.0%	21	-77	73	15	167	-23

SimCorp's investment in Dyalog Ltd. is a strategic investment as the company is an important supplier. SimCorp purchases APL licenses from Dyalog Ltd. Please refer note 7.4.

In 2015 SimCorp has acquired 30% of Opus Nebula Ltd. This partnership enables a cloud-based Software as a Service (SaaS) Client and Fund Reporting offering. It will give SimCorp the opportunity to gain valuable experience in developing SaaS offerings while Opus Nebula Ltd. services smaller clients.

NOTES

5.3 DEPOSITS

Deposits are primarily related to leasing of offices.

Accounting Policy

Security deposits which will not be returned within one year of the balance sheet 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.

DEPOSITS

	2016	2015
	EUR '000	EUR '000
Cost at 1 January	2,102	1,873
Foreign exchange adjustment	5	6
Additions	132	311
Disposals*	-349	-88
Carrying amount at 31 December	1,890	2,102

* Disposals include reclassifications to current receivables.

NOTES

5.4 PROVISIONS

EUR '000	Re-establishment costs for rented premises	Anni-versary bonuses	Pension	Other	Total
2016					
Liability at 1 January	1,068	1,297	2,325	0	4,690
Foreign exchange adjustment	-32	10	42	0	20
Used during the year	4	-101	0	0	-97
Reversal of unused liabilities	-38	-34	0	0	-72
Provisions for the year	502	259	357	34	1,152
Total provisions	1,504	1,431	2,724	34	5,693
Expected due dates for provisions:					
Falling due within 1 year	0	120	0	0	120
Falling due within 2 to 5 years	1,403	527	0	0	1,930
Falling due after 5 years	101	784	2,724	34	3,643
Total provisions	1,504	1,431	2,724	34	5,693
2015					
Liability at 1 January	1,176	1,190	1,952	69	4,387
Foreign exchange adjustment	15	1	74	8	98
Used during the year	-186	-92	0	-33	-311
Reversal of unused liabilities	-74	-31	-266	-44	-415
Provisions for the year	137	229	565	0	931
Total provisions	1,068	1,297	2,325	0	4,690
Expected due dates for pro-visions:					
Falling due within 1 year	0	3	0	0	3
Falling due within 2 to 5 years	972	557	0	0	1,529
Falling due after 5 years	96	737	2,325	0	3,158
Total provisions	1,068	1,297	2,325	0	4,690

Provisions cover the costs of restoring leasehold premises and provisions for anniversary bonuses, the latter resulting from the Group's commitment of one month's pay in connection with employees' 25th and 40th anniversary.

Accounting Policy

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.

The Group has an obligation to re-establish and refurbish leased offices when the premises are vacated, a provision is recognized corresponding to the present value of expected future costs. The present value of the obligation is included in the cost of the tangible asset and depreciated accordingly.

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.

NOTES

SECTION 6 CAPITAL STRUCTURE AND FINANCING ITEMS

It is SimCorp's policy to pay dividends of at least 50% of group profit on ordinary activities after tax. Additionally, cash is used to buy treasury shares provided the company does not anticipate specific cash requirements.

In this section, the following notes are presented:

6.1 EQUITY, TREASURY SHARES AND DIVIDEND

Accounting Policy

Dividend

Dividends are recognized as a liability when declared by the shareholders in general meeting. Dividends recommended to be paid for the year are stated as a separate line item under equity until approved at the General Meeting.

Treasury shares

Treasury shares acquired by the parent company are recognized in the balance sheet at zero value. Proceeds on the purchase of treasury shares and dividends from such shares are recognized in equity.

At 31 December 2016, the share capital amounted to DKK 41,500,000 divided into 41,500,000 shares unchanged from 2015. 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 5,000,000 (5,000,000 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 1 March 2018, and may be extended by the shareholders for one or more periods of up to five years at a time.

	Number of shares	Nominal value EUR '000
SHARE CAPITAL	41,500,000	5,575

The capital increase may be effected by cash payment or otherwise. The capital increase may be effected 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 31 to 34 for additional information.

NOTES

6.1 EQUITY, TREASURY SHARES AND DIVIDEND (CONTINUED)

TREASURY SHARES

	Number of shares		Acquisition value EUR'000		Percent of share capital	
	2016	2015	2016	2015	2016	2015
At 1 January	1,317,339	1,002,252	39,470	25,335	3.2	2.4
Foreign exchange adjustment			149	-64	-	-
Purchases	948,047	565,847	44,406	21,221	2.3	1.4
Used RSU program	-228,017	-250,760	-6,370	-7,022	-0.6	-0.6
At 31 December	2,037,369	1,317,339	77,655	39,470	4.9	3.2

The market value of treasury shares at 31 December 2016 was EUR 94,3m (2015: EUR 68.5m). The shares are carried at 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 2016, SimCorp A/S acquired 948,047 treasury shares at an average price of DKK 348.23 per share equal to a purchase price of EUR 44.4m (2015: 565,847 treasury shares at an average price of DKK 279.87 per share equal to a purchase price of EUR 21.2m).

In 2016, SimCorp A/S delivered 228,017 treasury shares as part of the share based remuneration program for a nominal value of DKK 228,017 (2015: DKK 250,760) calculated at an average market price of DKK 288.69 per share (2015: DKK 237.20 per share), equal to a calculated price of EUR 8.9m (2015: EUR 8.0m).

The company acquires treasury shares for the purpose of reducing the share capital and for covering the Group's obligations arising from the restricted stock unit incentive programs.

Capital management and dividend policy
The Board of Directors regularly assesses the need for adjusting the capital structure, including the requirement for cash, credit facilities and equity.

SimCorp pursues a dividend policy to the effect that, when cash resources exceed 10% of an upcoming year's projected costs, the company will pay minimum 50% of the Group profit for the year by way of dividend. In addition, the company will buy treasury shares provided that it does not anticipate specific cash requirements.

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 33.3m (2015: EUR 28.5m), equal to DKK 6.25 (2015: DKK 5.25) 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.

Further, the Board of Directors proposes to reduce the share capital of the Company by nominally DKK 1,000,000 from nominally DKK 41,500,000 to nominally DKK 40,500,000, equivalent to a reduction of the share capital by 1,000,000 shares of DKK 1 by cancellation of treasury shares.

6.2 FINANCIAL INSTRUMENTS AND RISK

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 department 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 balance sheet in accordance with the accounting policies applied. Provided below is 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. The Group's most important operational and commercial risk factors are described in more detail on pages 19-22 of the report.

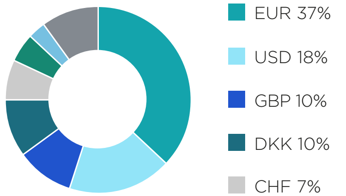
NOTES

6.2 FINANCIAL INSTRUMENTS AND RISK (CONTINUED)

CURRENCY EXPOSURE

				2016				2015
EUR '000	Cash/ equivalents	Receivables	Debt	Net position	Cash/ equivalents	Receivables	Debt	Net position
EUR/DKK	1,125	9,628	645	10,108	1,336	1,044	294	2,086
EUR/CHF	185	74	0	259	761	0	0	761
EUR/GBP	19	1	173	-153	6	395	152	249
GBP/DKK	663	8	1,507	-836	24	0	215	-191
USD/DKK	1,039	9	17	1,031	472	66	112	426
USD/SGD	0	296	0	296	0	1,078	0	1,078
USD/GBP	30	1,346	730	646	14	1,273	517	770
CAD/USD	247	560	143	664	208	1,914	204	1,918
CHF/DKK	3	0	21,138	-21,135	0	0	22,378	-22,378
CHF/USD	0	2,704	0	2,704	0	3,058	0	3,058
CHF/GBP	0	0	195	-195	0	0	0	0
DKK/SEK	0	0	681	-681	0	0	0	0

REVENUE BY CURRENCY



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.

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.

At the balance sheet date, SimCorp A/S had financially hedged CHF 22,7m (2015: CHF 24.2m) relating to future cash flows from a subsidiary for 2017 and 2018 at CHF rates against DKK of between 6.90 and 6.96.

In order to mitigate currency risk in relation to the Ukraine, SimCorp is using USD for salaries in that country.

Currency exposures from investments in subsidiaries have not been hedged. The related exchange rate adjustments are recognized in other comprehensive income.

The table shows currency exposure to each currency as at the balance sheet date based on the functional currencies of the individual Group companies. Additionally, the revenue allocation by currency is illustrated above.

NOTES

6.2 FINANCIAL INSTRUMENTS AND RISK (CONTINUED)

SENSITIVITY ANALYSIS	2016		2015	
	Change in cross rate	EUR '000	Change in cross rate	EUR '000
EUR/CHF	5%	13	5%	38
EUR/GBP	10%	-15	10%	25
GBP/DKK	10%	-84	10%	-19
USD/DKK	10%	103	10%	43
USD/SGD	10%	30	10%	108
USD/GBP	10%	65	10%	77
CAD/USD	10%	66	5%	96
CHF/DKK	10%	-2,114	5%	-1,119
CHF/USD	10%	270	10%	306
CHF/GBP	10%	-20	-	-
DKK/SEK	10%	-68	-	-

Sensitivity analysis of the Group's currency exposure
Based on the net exposure of the Group, the hypothetical impact on the profit before tax for the year and equity, of exchange rate fluctuations.

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.

A corresponding fall in the cross rate would have an equivalent opposite effect on profit before tax and equity.

The sensitivity analysis has been prepared at the balance sheet date based on the exposure to the listed currencies at the balance sheet date, without taking into account potential effects on interest rate levels, effect on other currencies etc.

Interest risk
The Group's interest rate risks are generally related to its bank deposits.

The Group had cash deposits of EUR 31.6m at 31 December 2016 (2015: EUR 43.3m) 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 balance sheet date, fluctuated between -1.01%-0,0% in 2016 (2015: -0.75-0.0%) for significant cash deposits.

The Group had no long-term loans.

If interest rates increased by one percentage point, the interest rate sensitivity as calculated based on quarterly cash deposits at the end of the quarters in 2016 and 2015, respectively, would have a positive impact of EUR 0.32m (2015: EUR 0.43m) in the Group. A corresponding fall in interest rates would have the opposite impact.

Liquidity risk
It is SimCorp's policy that cash reserves must exceed 10% of the coming year's expected costs.

The Group's cash reserve comprises cash and cash equivalents and unutilized credit facilities. The Group aims to have sufficient cash resources to allow it to continue to operate adequately in case of unforeseen fluctuations in cash. The Group has unused credit facilities in banks of EUR 4.2m (2015: EUR 5.0m).
The current cash position and expected cash flow for 2017 are considered to be adequate to meet the obligations of the Group as they fall due.

Financial liabilities are classified as 'Financial liabilities measured at amortized cost' in the balance sheet.

NOTES

6.2 FINANCIAL INSTRUMENTS AND RISK (CONTINUED)

LIABILITIES AT 31 DECEMBER

	Current				Non-current			
	1 to 6 months	1 to 6 months	7 to 12 months	7 to 12 months	1 to 5 years	1 to 5 years	later than 5 years	later than 5 years
EUR '000	2016	2015	2016	2015	2016	2015	2016	2015
Prepayments from clients	10,295	4,605	2,815	2,216	1,537	857	0	0
Trade payables	12,104	8,055	185	446	460	236	0	0
Provisions	67	3	53	0	1,931	1,529	3,642	3,158
Other payables	29,783	28,693	3,548	3,038	1,853	1,747	0	0
Income tax and deferred tax	636	1,836	1,425	9	552	938	482	0
Other debts	2,989	0	0	0	0	2,347	0	0
Total	55,874	43,192	8,026	5,709	6,333	7,654	4,124	3,158

The table indicates when the current and non-current liabilities including interest per 31.12.2016 and 31.12.2015, respectively, are expected to fall due. Interest payments are estimated based on current market conditions. The maturity profile of the Group's operational leasing obligations appears in note 7.3.

Credit risk

The Group is not exposed to significant risks concerning individual clients or business partners. 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 maximum exposure to credit risk equals the carrying amounts:

Financial assets are classified as 'Receivables'.

Credit risk relating to cash funds comprising current account deposits is deemed to be immaterial as the accounts are held with selected recognized international banks with high credit ratings. No security has been received.

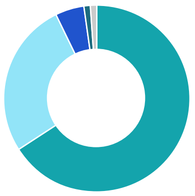
CREDIT RISK

	2016	2015
	EUR '000	EUR '000
Cash and cash equivalents	31,590	43,344
Receivables	80,041	68,144
Maximum credit exposure	111,631	111,488

NOTES

6.2 FINANCIAL INSTRUMENTS AND RISK (CONTINUED)

TRADE RECEIVABLES, BREAK DOWN BY REGION



TRADE RECEIVABLES QUALITY BY GEOGRAPHICAL REGION

	2016	2015
	EUR '000	EUR '000
Europe	23,090	19,559
North America	7,155	3,366
Asia	248	178
Australia	690	233
Other	880	37
Total	32,063	23,373

The Group's trade receivables at 31 December 2016 include no impairments (2015: no impairments), see note 4.1. Impairments are based on individual assessments and result from objective indication of impairment. The impairments will be charged to administrative expenses. Maturity dates for receivables are specified in note 4.1. No single client represents more than 7.5% (2015: 10.1%) of total trade receivables.

Categories of financial instruments

The Group have the following financial instruments:

FINANCIAL INSTRUMENTS

	2016	2015
	EUR '000	EUR '000
Receivables	71,067	79,607
Derivate financial instruments	59	96
Financial obligations measured at amortized cost	-15,679	-11,080

Fair values

SimCorp measures derivative financial instruments comprising, in 2016, of forward exchange transactions for the sale of CHF 22.7m (2015:CHF24.2m) against DKK in the period from February 2017 to November 2018 at fair value. The fair value is determined using generally accepted valuation techniques based on observable exchange rates and yield curves. The forward exchange contracts are included in level 2 (observable input), negative EUR 0,1m (2015: EUR 0.1m).

NOTES

6.3 FINANCIAL INCOME AND EXPENSES

Accounting Policy
Financial income and expenses include interest income and interest expense, realized and unrealized exchange gains and losses, refunds under the Danish tax prepayment scheme, changes related 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.

Dividends on investments in associates are recognized in the Goup's income statement in the financial year in which the dividend is declared.

Differences arising when derivatives are re-measured at fair value are taken through profit or loss in financial income or financial expenses. Attributable transaction costs are recognized in the income statement.

FINANCIAL INCOME AND EXPENSES

	2016	2015
	EUR '000	EUR '000
Financial income		
Dividend from associates	91	10
Interest income, cash etc.	94	63
Fair value adjustments, derivatives	37	0
Foreign exchange gains	140	0
Foreign exchange adjustments	2,332	1,723
Total financial income	2,694	1,796
Financial expenses		
Interest expenses, financial assets carried at amortized cost	52	43
Interest expenses, deferred payment acquisition	31	2
Interest expenses, pension	28	43
Other financial expenses	1,471	1,272
Fair value adjustments, derivatives	0	96
Foreign exchange adjustments	1,836	2,404
Total financial expenses	3,418	3,860

NOTES

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.

In this section, the following notes are presented:

7.1 SHARE-BASED REMUNERATION

SimCorp's Board of Directors has adopted an overall policy for remuneration and incentive programs and the policy has been approved by shareholders at the Annual General Meeting. The overall objective being to promote awareness of profitable growth and the Group's long-term goals. The Board of Directors wishes the company to offer share-based remuneration. The Board of Directors also believes that it is a natural decision for a company like SimCorp to offer shares to its Board members as a minor part of their overall remuneration. Shares are granted to members of the Board of Directors subject to approval at the Annual General Meeting.

In the 2016 financial year EUR 5.1m (2015: EUR 5.5m) was charged to the income statement in respect of share-based remuneration.

Accounting Policy
For restricted stock units, the fair value is measured at the grant date, adjusted for dividends and recognized in the income statement as employee cost over the vesting period. The counter entry is recognized directly in equity.

On initial recognition of restricted stock units, the number of restricted stock units expected to vest is estimated. Subsequently, adjustment is made for changes in the number of employees estimated to become entitled to restricted stock units and the numbers of the restricted units are adjusted when performance conditions are only partly met and the adjustment is recognized in the income statement as employee cost.

SHARES

Shares to the Board of Directors in 2016 and 2015
In the financial year 1 January to 31 December 2016 a provision of EUR 168 thousand (2015: EUR 168 thousand) was charged to the income statement in respect of this program. The company will allot 4.873 treasury shares after publication of the annual report 2016 to members of SimCorp's Board of Directors (2015: 5.858 treasury shares).

RESTRICTED STOCK UNITS

Long-term incentive program
Restricted stock units are granted annually in April to members of the Executive Management Board and key employees as part of the long-term incentive program. These restricted stock units vest three years after being granted subject to continuing employment. Furthermore, the restricted stock units are subject to conditions with respect to average annual minimum revenue growth and annual average net operating profit after tax for the 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, and may possibly lapse completely.

In addition, restricted stock units 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. When such particular vesting conditions apply they are specifically described below.

In April 2012 a total of 154,710 restricted stock units were granted to members of the Executive Management Board and key employees. In September 2012 an additional 1,250 restricted stock units were granted in connection with the appointment of an Executive Vice President and a further 5,000 restricted stock units were granted to the CEO in January 2013. In 2015: 105,045 shares were transferred to the Executive Management Board and key employees, who participated in the long-term incentive program in 2012 and have fulfilled the program's criteria. The number of shares was reduced by 17.4% compared to the maximum under the program. This program was fully completed in 2015.

NOTES

7.1 SHARE-BASED REMUNERATION (CONTINUED)

In connection with Klaus Holse's appointment as CEO 107,220 restricted stock units were granted to him on 1 September 2012, as Klaus Holse has completed his personal investment of DKK 5m in SimCorp shares. Sixty percent of these restricted stock units vested in 2015, further twenty percent vested in 2016, and the remaining twenty percent after five years subject to continuing employment. EUR 96 thousand (2015: EUR 297 thousand) was charged to the income statement in respect of this program in the 2016 financial year. Shares transferred during the 2016 financial year in connection with this program totaled 21,444 (2015: 64,332).

In April 2013 a total of 117,950 restricted stock units were granted to members of the Executive Management Board and key employees, and an additional 1,230 restricted stock units were granted in connection with the appointment of a Senior Vice President in July 2013. Furthermore 610 restricted stock units were granted to a Senior Vice President appointed in October 2013. EUR 142 thousand (2015: EUR 863 thousand) was charged to the income statement in respect of this program in the 2016 financial year. In 2016: 100,188 shares were transferred to Executive Management Board and employees, who participated in the long-term incentive program in 2013 and have fulfilled the program's criteria. The number of shares was reduced by 9.9% compared with maximum under the program (2015: 0%).

In April 2014 a total of 83,325 restricted stock units were granted to members of the Executive Management Board and key employees. EUR 569 thousand (2015: EUR 839 thousand) was charged to the income statement in respect of this program in the 2016 financial year. The number of shares has not been reduced compared to the maximum under the program (2015: 0%).

In April 2015 a total of 84,641 restricted stock units were granted to members of the Executive Management Board and key employees, additional 2,475 restricted stock units were granted to senior management employees during the remainder of the year. EUR 734 thousand was charged to the income statement in respect of this program in the 2016 financial year (2015: EUR 636 thousand). The number of shares has not been reduced compared to the maximum under the program.

In April 2016 a total of 69,773 restricted stock units were granted to members of the Executive Management Board and key employees, additional 1,927 restricted stock units were granted to senior management employees during the remainder of the year. EUR 677 thousand was charged to the income statement in respect of this program in the 2016 financial year. The number of shares has not been reduced compared with the maximum under the program.

In 2014 9,170 restricted stock units were granted in connection with the appointment of a senior management employee in the UK. These vest after three years, subject to continuing employment and are subject to conditions with respect to average annual revenue growth for the financial years 2014 to 2016. If the conditions are only partially satisfied, the number of shares transferred after three years will be reduced, and may possibly lapse completely. EUR 53 thousand was charged to the income statement in respect of this program in the 2016 financial year (2015: EUR 81 thousand). The program has been completed and 7,175 shares will be transferred in February 2017.

In connection with the acquisition of Equipos Ltd. (SimCorp Coric Ltd.) 8,431 restricted stock units were granted to management and key employees of SimCorp Coric Ltd. in 2014. These restricted stock units will vest after three years subject to continuing employment. EUR 25 thousand was charged to the income statement in respect of this program in the 2016 financial year (2015: EUR 45 thousand).

In 2014, in connection with the appointment of a new head of North America the Company has granted 9,493 restricted stock units equivalent to EUR 200 thousand. One third of these restricted stock units vest after one year, a further one third after two years, and the remaining third after three years, subject to continuing employment as part of the sign-on agreement. Shares transferred during the 2016 financial year in connection with this program totaled 3,164 (2015: 3,164). Additionally the Company has granted 15,000 restricted stock units, which will vest at the end of February 2018, subject to continuing employment. Furthermore, these restricted stock units are subject to conditions with respect to annual revenue growth in North America for the financial years 2015 to 2017. If the conditions are only partially satisfied, the number of shares transferred after three years will be reduced, and may possibly lapse completely. EUR 125 thousand was charged to the income statement in respect of these programs in the 2016 financial year (2015: EUR 198 thousand).

In 2015, in connection with the appointment of senior management employees in North America, a total of 7,971 restricted stock units have been granted as sign on bonuses. One third of these restricted stock units vest after one year, a further one third after two years, and the remaining third after three years, subject to continuing employment as part of the sign-on agreement. EUR 41 thousand was charged to the income statement in respect of this program in the 2016 financial year (2015: EUR 100 thousand).

In addition, in connection with an incentive program for a senior management employee in France 7,834 restricted stock units have been granted. These will vest after three years subject to continuing employment and performance conditions with respect to order intake for the financial years 2015 to 2017. If the conditions are partially satisfied the

NOTES

7.1 SHARE-BASED REMUNERATION (CONTINUED)

number of shares transferred will be reduced and may possibly lapse completely. EUR 63 thousand was charged to the income statement in respect of this program in the 2016 financial year (2015: EUR 63 thousand).

In January 2016 in connection with the appointment of senior management employees in SimCorp Coric Ltd. 481 restricted stock units have been granted as sign on bonuses. The restricted stock units vest after three years, subject to continuing employment. EUR 8 thousand was charged to the income statement in respect of this program in the 2016 financial year.

Corporate bonus program

As part of the annual corporate bonus program the employees have had the option to receive or instead waive their corporate bonus and elect to receive restricted stock units at a discount of 67%. Based on the waived bonus amount the company grants restricted stock units to employees of the parent company and its foreign subsidiaries. One third of these restricted stock units vest after one year, a further one third after two years, and the remaining third after three years, subject to continuing employment.

Restricted stock units granted related to corporate bonus programs 2011 to 2015.

On 20 March 2012 the company granted 35,700 restricted stock units in connection with the 2011 corporate bonus program. In 2015 EUR 15 thousand was charged to the income statement in respect of this program. The program was completed in 2015

On 6 March 2013 the company granted 14,350 restricted stock units as part of its 2012 corporate bonus program. EUR 10 thousand (2015: EUR 36 thousand) was charged to the income statement in respect of this program in the 2016 financial year.

In March 2014 the company granted 144,718 restricted stock units in connection with the 2013 corporate bonus program. EUR 316 thousand (2015: EUR 416 thousand) was charged to the income statement in respect of this program in the 2016 financial year.

In March 2015 the company granted 120,031 restricted stock units in connection with the 2014 corporate bonus program. EUR 438 thousand (2015: EUR 758 thousand) was charged to the income statement in respect of this program in the 2016 financial year.

In March 2016 the company granted 87,412 restricted stock units in connection with the 2015 corporate bonus program. EUR 694 thousand (2015: EUR 866 thousand) was charged to the income statement in respect of this program in the 2016 financial year.

In March 2017 the company will grant restricted stock units as part of its corporate bonus program for 2016. EUR 914 thousand was charged to the income statement in respect of this program in the 2016 financial year.

NOTES

7.1 SHARE-BASED REMUNERATION (CONTINUED)

RESTRICTED STOCK UNITS

2016 Type	Grant Year	Vesting period	Fair Value EUR million	**Outstanding 1 January**	Granted	Vested	Cancelled or transferred to other	Performance Adjustment	**Outstanding 31 December**	Avg. remaining term
Board of Directors										
Long-term incentive program	2014	Feb-17		**0**	0	0	313	0	**313**	0,17
Corporate bonus 2013	2014	Mar-15/16/17		**724**	0	-360	-133	-	**231**	0.25
Corporate bonus 2014	2015	Mar-16/17/18		**947**	0	-315	-632	-	**0**	-
Corporate bonus 2015	2016	Mar-17/18/19		**0**	842	0	-9	-	**833**	1.25
Executive Management Board										
Long-term incentive program	2013	Feb-16		**30,003**	0	-30,003	0	0	**0**	-
Long-term incentive program	2014	Feb-17		**24,456**	0	0	-6,226	0	**18,230**	0.17
Long-term incentive program	2015	Feb-18		**25,085**	0	0	-6,403	0	**18,682**	1.17
Long-term incentive program	2016	Feb-19		**0**	19,726	0	-4,944	0	**14,782**	2.17
Corporate bonus 2013	2014	Mar-15/16/17		**4,120**	0	-2,059	-548	-	**1,513**	0.25
Corporate bonus 2014	2015	Mar-16/17/18		**6,659**	0	-2,219	-1,130	-	**3,310**	0.75
Corporate bonus 2015	2016	Mar-17/18/19		**0**	5,151	0	-1,315	-	**3,836**	1.25
CEO - Klaus Holse	2012	Sep-15/16/17		**42,888**	0	-21,444	0	-	**21,444**	0.75
Other employees										
Long-term incentive program	2013	Feb-16		**72,296**	0	-70,185	-2,111	0	**0**	-
Long-term incentive program	2014	Feb-17		**55,580**	0	0	-1,252	0	**54,328**	0.17
Long-term incentive program	2015	Feb-18		**59,767**	0	0	-2,088	0	**57,679**	1.17
Long-term incentive program	2016	Feb-19		**0**	51,974	0	0	0	**51,974**	2.17
Corporate bonus 2012	2013	Mar-16		**13,830**	0	-13,830	0	-	**0**	-
Corporate bonus 2013	2014	Mar-15/16/17		**84,263**	0	-42,106	-1,341	-	**40,816**	0.25
Corporate bonus 2014	2015	Mar-16/17/18		**107,250**	0	-35,045	-3,305	-	**68,900**	0.75
Corporate bonus 2015	2016	Mar-17/18/19		**0**	87,403	0	-2,911	-	**84,492**	1.25
Senior Employee United Kingdom	2014	Mar-17		**9,170**	0	0	0	-1,995	**7,175**	0.25
Key Employees SimCorp Coric	2014	Mar-17		**6,028**	0	0	-1.159	-	**4,869**	0.25
Senior Empl. North America, sign on	2014	Sep-17		**6,329**	0	-3,164	0	-	**3,165**	0.75
Senior Empl. North America	2014	Feb-18		**15,000**	0	0	0	0	**15,000**	1.17
Senior Empl. North America	2015	Feb-16/17/18		**7,971**	0	-2,495	0	-	**5,476**	0.67
Senior Empl. France	2015	Feb-18		**7,834**	0	0	0	0	**7,834**	1.17
Senior Empl. United Kingdom	2016	Feb-19		**0**	481	0	0	-	**481**	2.17

NOTES

7.1 SHARE-BASED REMUNERATION (CONTINUED)

RESTRICTED STOCK UNITS (CONTINUED)

2016 Type	Grant Year	Vesting period	Fair Value EUR million	**Outstanding 1 January**	Granted	Vested	Cancelled or transferred to other	Performance Adjustment	**Outstanding 31 December**	Avg. remaining term
Total										
Long-term incentive program	2013	Feb-16	2.5	**102,300**	0	-100,188	-2,111	0	**0**	-
Long-term incentive program	2014	Feb-17	2.4	**80,036**	0	0	-7,165	0	**72,871**	0.17
Long-term incentive program	2015	Feb-18	2.7	**84,852**	0	0	-8,491	0	**76,361**	1.17
Long-term incentive program	2016	Feb-19	2.9	**0**	71,700	0	-4,944	0	**66,756**	2.17
Corporate bonus 2012	2013	Mar-16	0.3	**13,830**	0	-13,830	0	-	**0**	-
Corporate bonus 2013	2014	Mar-15/16/17	4.2	**89,107**	0	-44,525	-2,022	-	**42,560**	0.25
Corporate bonus 2014	2015	Mar-16/17/18	3.4	**114,856**	0	-37,579	-5,067	-	**72,210**	0.75
Corporate bonus 2015	2016	Mar-17/18/19	3,5	**0**	93,396	0	-4,235	-	**89,161**	1.25
CEO - Klaus Holse	2012	Sep-15/16/17	1.4	**42,888**	0	-21,444	0	-	**21,444**	0.75
Senior Employee United Kingdom	2014	Mar-17	0.3	**9,170**	0	0	0	-1,995	**7,175**	0.25
Key Employees SimCorp Coric	2014	Mar-17	0.2	**6,028**	0	0	-1,159	-	**4,869**	0.25
Senior Empl. North America, sign on	2014	Sep-17	0.2	**6,329**	0	-3,164	0	-	**3,165**	0.75
Senior Empl. North America	2014	Feb-18	0.3	**15,000**	0	0	0	0	**15,000**	1.17
Senior Empl. North America	2015	Feb-16/17/18	0.2	**7,971**	0	-2,495	0	-	**5,476**	0.67
Senior Empl. France	2015	Feb-18	0.2	**7,834**	0	0	0	0	**7,834**	1.17
Senior Empl. United Kingdom	2016	Feb-19	0.0	**0**	481	0	0	-	**481**	2.17
Total Restricted Stock Units				**580,201**	165,577	-223,225	-35,194	-1,995	**485,363**	0.98

2015 Type	Grant Year	Vesting period	Fair Value EUR million	**Outstanding 1 January**	Granted	Vested	Cancelled or transferred to other	Performance Adjustment	**Outstanding 31 December**	Avg. remaining term
Board of Directors										
Corporate bonus 2013	2014	Mar-15/16/17		**1,084**	0	-360	0	-	**724**	0.75
Corporate bonus 2014	2015	Mar-16/17/18		**0**	947	0	0	-	**947**	1.25
Executive Management Board										
Long-term incentive program	2012	Apr-15		**28,580**	0	-28,578	0	-2	**0**	-
Long-term incentive program	2013	Feb-16		**24,109**	0	0	0	5,894	**30,003**	0.17
Long-term incentive program	2014	Feb-17		**20,225**	0	0	0	4,231	**24,456**	1.17
Long-term incentive program	2015	Feb-18		**0**	25,085	0	0	0	**25,085**	2.17
Corporate bonus 2011	2012	Mar-15		**2,810**	0	-2,810	0	-	**0**	-
Corporate bonus 2013	2014	Mar-15/16/17		**6,179**	0	-2,059	0	-	**4,120**	0.75
Corporate bonus 2014	2015	Mar-16/17/18		**0**	6,659	0	0	-	**6,659**	1.25
CEO - Klaus Holse	2012	Sep-15/16/17		**107,220**	0	-64,332	0	0	**42,888**	1.25

NOTES

7.1 SHARE-BASED REMUNERATION (CONTINUED)

RESTRICTED STOCK UNITS (CONTINUED)

2015 Type	Grant Year	Vesting period	Fair Value EUR million	**Outstanding 1 January**	Granted	Vested	Cancelled or transferred to other	Performance Adjustment	**Outstanding 31 December**	Avg. remaining term
Other employees										
Long-term incentive program	2012	Apr-15		**77,784**	0	-76,467	-1,279	-38	**0**	-
Long-term incentive program	2013	Feb-16		**60,193**	0	0	-2,900	15,003	**72,296**	0.17
Long-term incentive program	2014	Feb-17		**47,390**	0	0	-1,724	9,913	**55,580**	1.17
Long-term incentive program	2015	Feb-18		**0**	62,031	0	-2,264	0	**59,767**	2.17
Corporate bonus 2011	2012	Mar-15		**28,010**	0	-27,690	-320	-	**0**	-
Corporate bonus 2012	2013	Mar-16		**14,350**	0	0	-520	-	**13,830**	0.25
Corporate bonus 2013	2014	Mar-15/16/17		**132,295**	0	-43,991	-4,041	-	**84,263**	0.75
Corporate bonus 2014	2015	Mar-16/17/18		**0**	112,425	0	-5,175	0	**107,250**	1.25
Senior Employee United Kingdom	2014	Mar-17		**9,170**	0	0	0	-	**9,170**	1.25
Key Employees SimCorp Coric	2014	Mar-17		**7,166**	0	0	-1,138	-	**6,028**	1.25
Senior Empl. North America, sign on	2014	Sep-17		**9,493**	0	-3,164	0	-	**6,329**	1.75
Senior Empl. North America	2014	Feb-18		**15,000**	0	0	0	0	**15,000**	2.17
Senior Empl. North America	2015	Feb-16/17/18		**0**	7,971	0	0	-	**7,971**	1.17
Senior Empl. France	2015	Feb-18		**0**	7,834	0	0	0	**7,834**	2.17
Total										
Long-term incentive program	2012	Apr-15	2.1	**106,364**	0	-105,045	-1,279	-40	**0**	-
Long-term incentive program	2013	Feb-16	2.5	**84,303**	0	0	-2,900	20,897	**102,300**	0.17
Long-term incentive program	2014	Feb-17	2.4	**67,616**	0	0	-1,724	14,144	**80,036**	1.17
Long-term incentive program	2015	Feb-18	2.7	**0**	87,116	0	-2,264	0	**84,852**	2.17
Corporate bonus 2011	2012	Mar-15	0.3	**30,820**	0	-30,500	-320	-	**0**	-
Corporate bonus 2012	2013	Mar-16	0.3	**14,350**	0	0	-520	-	**13,830**	0.25
Corporate bonus 2013	2014	Mar-15/16/17	4.2	**139,558**	0	-46,410	-4,041	-	**89,107**	0.75
Corporate bonus 2014	2015	Mar-16/17/18	3.4	**0**	120,031	0	-5,175	-	**114,856**	1.25
CEO - Klaus Holse	2012	Sep-15/16/17	1.4	**107,220**	0	-64,332	0	-	**42,888**	1.25
Senior Employee United Kingdom	2014	Mar-17	0.3	**9,170**	0	0	0	0	**9,170**	1.25
Key Employees SimCorp Coric	2014	Mar-17	0.2	**7,166**	0	0	-1,138	-	**6,028**	1.25
Senior Empl. North America, sign on	2014	Sep-17	0.2	**9,493**	0	-3,164	0	-	**6,329**	1.75
Senior Empl. North America	2014	Feb-18	0.3	**15,000**	0	0	0	0	**15,000**	2.17
Senior Empl. North America	2015	Feb-16/17/18	0.2	**0**	7,971	0	0	-	**7,971**	1.17
Senior Empl. France	2015	Feb-18	0.2	**0**	7,834	0	0	0	**7,834**	2.17
Total Restricted Stock Units				**591,059**	**222,952**	**-249,451**	**-19,361**	**35,001**	**580,201**	1.12

Board of director's restricted units are acquired in a capacity as employees of SimCorp A/S.
Fair value is shown at time of grant.

NOTES

7.2 PENSIONS AND SIMILAR LIABILITIES

Accounting Policy

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 balance sheet under other payables.

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 balance sheet as pension obligations.

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

Any 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 estimates and judgments

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 the majority of foreign subsidiaries are covered by insurance (defined contribution plans). For a few foreign subsidiaries the pension obligations are not covered or only partly covered by insurance (defined benefit plans).

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.

The Group's Norwegian and Swiss subsidiaries have defined benefits pension plans comprising a total of 33 employees (2015: 34). The plans entitle the 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 done by Storebrand Pensjonstjenester AS (Norway) on basis of standardized assumptions, prepared by Forsikringsnæringens Hovedorganisasjon (Norway), regarding life expectancy and other demographic factors. Specifically the tariff K2013BE has been applied.

For the Swiss defined benefit plan the actuarial assessments of assets and liabilities have been done by Allea Ltd (Switzerland) on basis of standardized assumptions, prepared by Swiss Association of Actuaries, regarding life expectancy and other demographic factors.

PENSIONS AND SIMILAR LIABILITIES

	2016	2015
	EUR '000	EUR '000
Pension liabilities		
At 1 January	7,991	6,824
Foreign exchange adjustment and other adjustments	163	332
Employee contributions	197	194
Expensed in the income statement	505	367
Calculated interest	111	148
Actuarial loss/(gain) change in demographic assumptions	-248	0
Actuarial loss/(gain) change in financial assumptions	217	357
Actuarial loss/(gain) change in experience	-476	-190
Payroll taxes	-35	-31
Settlements	-151	0
Benefits paid through pension assets	258	-10
Present value of pension liabilities at 31 December	8,532	7,991
Fair value of plan assets		
At 1 January	5,671	4,872
Foreign exchange adjustment	126	259
Calculated interest	82	97
Return on plan assets in addition to calculated interest	-800	-139
Employee contributions	197	194
Employer contributions	444	411
Settlements	-151	0
Benefits paid through pension assets	258	-10
Other	-19	-13
Fair value of plan assets at 31 December	5,808	5,671
Net liability included in the balance sheet	2,724	2,320

NOTES

7.2 PENSIONS AND SIMILAR LIABILITIES (CONTINUED)

ASSET ALLOCATION AT 31 DECEMBER

	Switzerland		Norway	
(Latest information as of September 30)	**2016**	**2015**	**2016**	**2015**
Shares			9%	5%
Bonds/mortgage bonds			72%	76%
Property			14%	12%
Other financial assets			5%	7%
Assets held at Allianz Suisse collective foundation	100%	100%		
Total	100%	100%	100%	100%

MOST IMPORTANT ASSUMPTIONS FOR ACTUARIAL CALCULATIONS

	Switzerland		Norway	
	2016	**2015**	**2016**	**2015**
Discount rate	0.5%	0.8%	2.1%	2.7%
Future salary increases	1.5%	1.5%	2.3%	2.5%

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 have been determined based on reasonable likely changes in assumptions occurring at the end of the period.

SENSITIVITY ANALYSIS ON REPORTED PENSION LIABILITES

	Switzerland		Norway	
	2016	**2015**	**2016**	**2015**
Discount rate +1%	-957	-788	-28	-34
Discount rate -1%	1,362	1,106	38	45
Future remuneration +1%	299	165	20	23
Future remuneration -1%	-263	-145	-17	-19

The sensitivities consider the single change shown with the other assumptions assumed to be unchanged. In practice, changes in one assumption may be accompanied by offsetting changes in another assumption (although this is not always the case).

The Group expects to pay EUR 453 thousand to the defined benefit pension plans in 2017 (2015: EUR 431 thousand for the year 2016). 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.

NOTES

7.3 OPERATING LEASES

Accounting Policy
For operating leases, the lease payments are recognized in the income statement on a straight line basis over the lease periods.

All the Group's leases are with an option to extend and are made on market terms with normal rent adjustment clauses and no right of first refusal.

OPERATING LEASES COMMITMENTS

	2016	2015
	EUR '000	EUR '000
Rent commitments		
Payable within 1 year	9,889	9,553
Payable within 2 to 5 years	19,387	21,604
Payable after 5 years	5,993	1,536
Rent commitments until expiry of minimum term of tenancy	35,269	32,693
Other commitments		
Payable within 1 year	711	682
Payable within 2 to 5 years	1,055	808
Total other commitments	1,766	1,490
Total commitments		
Payable within 1 year	10,600	10,235
Payable within 2 to 5 years	20,442	22,412
Payable after 5 years	5,993	1,536
Total commitments	37,035	34,183

Amounts of EUR 10.3m (2015: EUR 11.5m) relating to operating leases have been recognized in the income statement for 2016 in the Group. The Group's other liabilities comprise operating leases for operating equipment, generally with a lease period of between two and five years.

In November 2008 SimCorp moved into the headquarters at Weidekampsgade 16, Copenhagen. The lease has been entered into on market terms and with normal rent adjustment clauses. SimCorp served notice on around 2000 m2 which were vacated mid October 2015. The initial lease is for a period of ten years, with an option to extend for up to 20 years from the commencement of the lease.

7.4 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.

The Group did not enter into any agreements, deals or other transactions in 2016 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 notes 7.1 and Remuneration in pages 27-30.

Purchases of services from associates amounted in 2016 to EUR 1.2m compared with EUR 1.2m in 2015.

Transactions with subsidiaries have been eliminated in the consolidated financial statement in accordance with the accounting policies applied.

Trading with subsidiaries and associates of the SimCorp Group is conducted on arm's length terms. Ownership interests are shown in note 7.9.

In 2016 the Group has received dividends of EUR 0.09m from associates (2015: 0.01m).

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 page 28 and in page 30.

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 2016, the next election will be held in March 2019. Refer to pages 35-36 for additional information on Board of Directors members.

Candidates for Board membership may not have turned 70 years of age on the date of the general meeting at which the election takes place.

NOTES

7.4 RELATED PARTY TRANSACTIONS (CONTINUED)

INTERESTS IN THE COMPANY OF MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT BOARD

NUMBER OF SHARES	2016	2015
Shareholdings:		
Shareholdings, Board of Directors:		
Jesper Brandgaard	86,743	85,279
Peter Schütze	9,793	8,915
Herve Couturier	7,830	7,244
Simon Jeffreys	9,933	9,055
Patricia McDonald	1,461	729
Else Braathen [2)]	4,611	-
Vera Bergforth [2)]	560	-
Ulrik Elstrup Hansen [2)]	1,228	-
Jacob Goltermann [3)]	-	10,844
Raymond John [3)]	-	3,044
Board of Directors, total	122,159	125,110
Shareholdings, Executive Management Board:		
Klaus Holse	91,392	79,414
Georg Hetrodt	147,472	138,153
Thomas Johansen [1)]	9,607	10,512
Executive Management Board, total	248,471	228,079
Total shareholdings by members of the Board of Directors and the Executive Management Board	**370,630**	**353,189**

NUMBER OF RESTRICTED STOCK UNITS (CONTINUED)

	2016	2015
Restricted stock units, Board of Directors:		
Else Braathen [2)]	1,081	-
Ulrik Elstrup Hansen [2)]	296	-
Raymond John [3)]	-	656
Jacob Goltermann [3)]	-	1,015
Board of Directors, total	1,377	1,671
Restricted stock units, Executive Management Board:		
Klaus Holse	59,846	85,212
Georg Hetrodt	21,951	24,596
Thomas Johansen [1)]	0	23,403
Executive Management Board, total	81,797	133,211
Total restricted stock units granted to members of the Board of Directors and the Executive Management Board	**83,174**	**134,882**

1) Resigned 13.12.2016
2) Employee elected effective April 1 2016
3) Retired April 1 2016

NOTES

7.5 AUDITORS' REMUNERATION

FEES TO INDEPENDENT AUDITORS

	2016	2015
	EUR '000	EUR '000
Audit Fees	258	222
Other service with assurance fees	7	8
Tax and VAT advice fees	120	193
Other service fees	48	62
Total	433	485

Audit fees include the audit of the consolidated and local financial statements.

Tax fees primarily relate to assistance with transfer pricing audits in Canada and fees related to preparation of Advanced Pricing Agreements with USA and Germany.

7.6 EVENTS AFTER THE BALANCE SHEET DATE

No material events have occurred after 31 December 2016, that have consequences for annual report 2016.

7.7 ADJUSTMENTS, CASH FLOW

This note provides details to cash flow statement reported on page 63.

ADJUSTMENTS, CASH FLOW

	2016	2015
	EUR '000	EUR '000
Depreciation	3,360	3,189
Share of profit after tax in associates	-94	-126
Financial income	-2,694	-1,796
Financial expenses	3,418	3,860
Tax on profit for the year	16,601	16,516
Adjustment share-based remuneration	5,081	5,347
Total adjustments	25,672	26,990

7.8 SEGMENT INFORMATION RECONCILIATION OF THE PROFIT BEFORE TAX

This note provides a reconciliation to reported segment profit from operations in note 2.2 Segment and other revenue information.

RECONCILIATION OF THE PROFIT BEFORE TAX

	2016	2015
	EUR '000	EUR '000
Total segment profit reported (EBIT)	68,223	71,038
Share of profit after tax in associates	94	126
Financial income	2,694	1,796
Financial expenses	-3,418	-3,860
Profit before tax	67,593	69,100

NOTES

7.9 SUBSIDIARIES

There are no ownership changes during 2016 in the Group's subsidiaries. The Group's subsidiaries are at 31 December 2016:

NAME	Registered office	Ownership interest in 2016	Share capital	
SimCorp Ltd.	London, United Kingdom	100%	100,000	GBP
SimCorp GmbH	Bad Homburg, Germany	100%	102,000	EUR
SimCorp Österreich GmbH	Vienna, Austria	100%	17,500	EUR
SimCorp Norge AS	Oslo, Norway	100%	1,000,000	NOK
SimCorp Sverige AB	Stockholm, Sweden	100%	100,000	SEK
SimCorp Benelux SA/NV	Brussels, Belgium	100%	62,000	EUR
SimCorp USA Inc.	New York, USA	100%	7,010,000	USD
SimCorp Schweiz AG	Zurich, Switzerland	100%	100,000	CHF
SimCorp Asia Pty. Ltd.	Sydney, Australia	100%	1,000,000	AUD
SimCorp Singapore Pte. Ltd.	Singapore, Singapore	100%	1	SGD
SimCorp Ukraine LLC	Kiev, Ukraine	100%	2,968,000	UAH
SimCorp Canada Inc.	Vancouver, Canada	100%	9,000,000	CAD
SimCorp France S.A.S	Paris, France	100%	500,000	EUR
SimCorp Hong Kong Ltd.	Hong Kong, China	100%	14,000,000	HKD
SimCorp Luxembourg S.A.	Luxembourg, Luxembourg	100%	31,000	EUR
SimCorp Coric Ltd.*	Wolverhampton, United Kingdom	100%	722,342	GBP

SimCorp Benelux SA/NV has branches in the Netherlands, Luxembourg and France.
SimCorp Ltd. has a branch in the United Arab Emirates and in Azerbaijan.
SimCorp Sverige AB has a branch in Finland.
SimCorp USA Inc. has a branch in Canada.
*SimCorp Coric Ltd. has a 100% owned subsidiary in the USA, SimCorp Coric Inc.

FINANCIAL STATEMENTS OF SIMCORP A/S

CONTENTS

FINANCIAL STATEMENTS OF SIMCORP A/S

INCOME STATEMENT

	Note	2016 EUR '000	2015 EUR '000
Revenue	2.1	151,087	142,519
Cost of sales	2.2	43,261	34,277
Gross profit		107,826	108,242
Other operating income		22,550	22,309
Research and development costs	2.2	41,835	43,837
Sales and marketing costs	2.2	12,532	8,756
Administrative expenses	2.2, 7.3	22,181	18,058
Operating profit (EBIT)		53,828	59,900
Financial income	6.1	10,305	24,620
Financial expenses	6.1	2,635	3,022
Profit before tax		61,498	81,498
Tax on the profit for the year	3.1	12,282	13,153
Profit for the year		49,216	68,345

STATEMENT OF COMPREHENSIVE INCOME

	Note	2016 EUR '000	2015 EUR '000
Profit for the year		49,216	68,345
Items that will be reclassified subsequently to the income statement, when specific conditions are met:			
Foreign currency translation differences for foreign operations		400	-168
Other comprehensive income after tax		400	-168
Total comprehensive income		49,616	68,177
Proposed distribution			
Dividend		33,341	28,409
Transferred to retained earnings		16,275	39,768
		49,616	68,177

FINANCIAL STATEMENTS OF SIMCORP A/S

CASH FLOW STATEMENT

	Note	2016 EUR '000	2015 EUR '000
Profit for the year		49,216	68,345
Adjustments	7.4	11,736	-1,087
Changes in working capital		8,049	-27,545
Cash from operating activities before financial items		69,001	39,713
Financial income received		395	146
Financial expenses paid		-291	-293
Income tax paid	3.1	-11,141	-13,316
Net cash from operating activities		57,964	26,250
Purchase of associates	5.2	0	-138
Purchase of intangible fixed assets	5.1	-1,644	-277
Purchase of property, plant and equipment	5.1	-346	-958
Proceeds, sale of property, plant and equipment	5.1	0	24
Purchase of financial assets	5.3	-27	-24
Proceeds, sale of financial assets	5.3	20	38
Dividends from associates	6.1	91	10
Dividends from subsidiaries	6.1	8,309	23,040
Net cash from/used in investment activities		6,403	21,715
Net cash from operating and investment activities		64,367	47,965
Employee bonds		0	-744
Dividends paid		-28,450	-24,457
Purchase of treasury shares		-44,406	-21,221
Net cash used in financing activities		-72,856	-46,422
Change in cash and cash equivalents		-8,489	1,543
Cash and cash equivalents at 1 January		28,299	26,748
Foreign exchange adjustment of cash and cash equivalents		-107	8
Cash and cash equivalents at 31 December		19,703	28,299

FINANCIAL STATEMENTS OF SIMCORP A/S

BALANCE SHEET 31 DECEMBER

	Note	2016 EUR '000	2015 EUR '000
ASSETS			
Non-current assets			
Intangible assets	5.1		
Software		1,708	415
Total intangible assets		1,708	415
Property, plant and equipment	5.1		
Leasehold improvements		563	879
Technical equipment		914	1,950
Other equipment, fixtures, fittings and prepayments		15	1
Total property, plant and equipment		1,492	2,830
Other non-current assets			
Investments in subsidiaries	5.2	36,996	36,857
Investments in associates	5.2	162	161
Deposits	5.3	1,555	1,542
Deferred tax	3.2	2,455	3,475
Total other non-current assets		41,168	42,035
Total non-current assets		44,368	45,280
Current assets			
Receivables	4.1	42,587	42,528
Prepayments		2,812	2,607
Cash and cash equivalents		19,703	28,299
Total current assets		65,102	73,434
Total assets		109,470	118,714

	Note	2016 EUR '000	2015 EUR '000
LIABILITIES AND EQUITY			
Equity			
Share capital		5,575	5,575
Retained earnings		37,070	58,896
Proposed dividend		33,341	28,409
Total equity		75,986	92,880
Non-current liabilities			
Provisions	5.4	1,523	1,384
Other debt		0	832
Total non-current liabilities		1,523	2,216
Current liabilities			
Prepayments from clients		85	212
Trade payables and other payables	4.2	30,686	22,292
Income tax		1,182	1,111
Provisions	5.4	8	3
Total current liabilities		31,961	23,618
Total liabilities		33,484	25,834
Total liabilities and equity		109,470	118,714

FINANCIAL STATEMENTS OF SIMCORP A/S

STATEMENT OF CHANGES IN EQUITY

2016	Note	Share capital	Retained earnings	Proposed dividends for the year	Total
Equity at 1 January	6.1	5,575	58,896	28,409	92,880
Comprehensive income for the year*					
Total comprehensive income for the year		0	49,616	0	49,616
Transactions with owners					
Dividends paid to shareholders		0	-41	-28,409	-28,450
Share-based payment		0	6,293	0	6,293
Tax, share-based payment		0	53	0	53
Purchase of treasury shares		0	-44,406	0	-44,406
Proposed dividends to shareholders		0	-33,341	33,341	0
Equity at 31 December		5,575	37,070	33,341	75.986
2015					
Equity at 1 January	6.1	5,575	32,456	24,652	62,683
Comprehensive income for the year*					
Total comprehensive income for the year		0	68,177	0	68,177
Transactions with owners					
Dividends paid to shareholders		0	195	-24,652	-24,457
Share-based payment		0	6,483	0	6,483
Tax, share-based payment		0	1,215	0	1,215
Purchase of treasury shares		0	-21,221	0	-21,221
Proposed dividends to shareholders		0	-28,409	28,409	0
Equity at 31 December		5,575	58,896	28,409	92,880

* Refer to Statement of comprehensive income on page 111.

NOTES

SECTION 1
BASIS OF PREPARATION

1.0 ACCOUNTING POLICIES

General
SimCorp A/S is a public limited company based in Denmark. The annual report for the period 1 January – 31 December 2016 includes the financial statements of SimCorp A/S the parent company.

Statement of compliance
The annual report of the parent company SimCorp A/S is presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for the annual reports of listed companies.

The financial statements are presented in EUR which is the reporting 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.

The accounting policies for the financial statements of the parent company 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
For each of the reporting entities in the Group, a functional currency is determined. The functional currency is the currency in the primary economic environment in which the individual reporting entity operates. Transactions in currencies other than the functional currency are denominated in foreign currencies.

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. Where the recoverable amount is lower than cost, the investment is written down to the lower value.

Associates with a negative equity value are measured at nil. A provision is made if SimCorp A/S has a legal or constructive obligation to cover the negative balance of any associate.

Dividends
Dividends on investments in subsidiaries and associates are recognized in the parent company's income statement in the financial year in which the dividend is declared.

Other operating income comprises income of a secondary nature relative to the activities of the Group, including gains on the sale of intangible assets and property, plant and equipment, government grants and invoicing to subsidiaries of delivered services.

NOTES

SECTION 2
REVENUE AND EARNINGS

2.1 REVENUE

	Note	2016	2015
	Note	EUR '000	EUR '000
REVENUE			
Recurring Revenue			
Subscription - additional sales		10	247
Professional services		1,049	1,516
Maintenance		92,710	90,807
Hosting and other		595	251
Total recurring revenue		94,364	92,821
Non-Recurring Revenue			
Perpetual licenses - new sales		17,744	16,666
Perpetual licenses - additional sales		24,917	19,861
Professional services		13,651	12,573
Other		411	598
Total non-recurring revenue		56,723	49,698
Total revenue		151,087	142,519

NOTES

2.2 EMPLOYEE COSTS

EMPLOYEE COST

	2016	2015
	EUR '000	EUR '000
Salaries	52,478	50,917
Defined contribution pension plans	1,283	1,199
Share-based payments	5,073	5,485
Social security costs	144	131
Total employee cost	58,978	57,732
Average number of employees	462	449

Additional information on share-based payments can be found in Note 7.1 of the consolidated financial statements. Additional information on remuneration to executive management and board of directors can be found in pages 27-30.

NOTES

SECTION 3
TAX

3.1 INCOME TAX

SimCorp A/S' Income taxes amounts to EUR 12.3m relative to EUR 13.2m in 2015. The Income tax has decreased due to a lower profit before tax and is further impacted by a lower tax rate compared with 2015.

The Danish corporate tax rate was 22% in 2016 compared with 23.5% in 2015.

SimCorp A/S's effective tax rate has increased from 16.1% to 20.0% primarily due to lower dividends received.

Income tax paid in SimCorp A/S amounts to EUR 11.1m in 2016 compared with EUR 13.3m in 2015.

3.2 DEFERRED TAX

DEFERRED TAX

	2016	2015
	EUR '000	EUR '000
Intangible assets	-376	-91
Property, plant and equipment	565	500
Provisions	335	304
Current liabilities	53	39
Share-based payment	1,878	2,723
Net Deferred tax at 31 December	2,455	3,475

Deferred tax assets has decreased EUR 1.0m to EUR 2.5m in 2016 (EUR 3.5m in 2015), which mainly relates to changes in share prices on Sharebased payments and additions to intangible assets.

NOTES

SECTION 4 WORKING CAPITAL

4.1 RECEIVABLES

RECEIVABLES

	2016	2015
	EUR '000	EUR '000
Receivables from clients	2,888	2,031
Receivables from subsidiaries	29,451	37,745
Accrued revenue	9,539	1,687
Other receivables	709	1,065
Total receivables at 31 December	42,587	42,528
Aging of trade receivables from clients at 31 December:		
Not due	2,761	1,387
Not more than 30 days	28	247
More than 30 days but not more than 90 days	48	352
More than 90 days	51	45
Total	2,888	2,031

Accrued revenue consists mainly of revenue from the sale of software licenses and receivables from professional services contracts in progress, see note 4.2.

No security has been received with respect to trade receivables.

No write-down has been made in 2016 and 2015 for trade receivables.

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

4.2 TRADE PAYABLES AND OTHER PAYABLES

TRADE PAYABLES AND OTHER PAYABLES

	2016	2015
	EUR '000	EUR '000
Trade payables	6,249	4,182
Debt to subsidiaries	10,708	4,890
Accrued vacation payable	8,030	7,459
Bonus and commissions payable	4,651	5,598
Payroll taxes, VAT etc., payable	123	67
Derivative financial instruments	59	96
Other debt	866	0
Total trade payables and other payables	30,686	22,292

NOTES

4.3 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 support for up to eight 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 36.2m (2015: EUR 27.4m).

The parent company expects to issue letters of support to certain subsidiaries.

Bank guarantees have been provided for rent commitments in Austria, Australia, Belgium, France, Germany, Luxembourg, Sweden and USA.

The parent company is a party to 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.

The most significant contingent liability relates to SimCorp A/S and is the so called "ATP-ruling" related to possible VAT exemption for certain pension services.

On 13 March 2014, the Court of Justice of the European Union ("ECJ") published its judgment in the case C-464/12 ATP PensionService A/S determining that services provided to certain pension funds may be covered by the VAT exemption in section 13, subsection 1, no. 11, litra c and f of the Danish VAT Act.

As a consequence of the ECJ ruling, a number of SimCorp's Danish clients have filed a claim against SimCorp for recovery of the VAT levied on SimCorp's products and services. Pursuant to the Danish Tax Administration Act, SimCorp has claimed a refund from the Danish Tax Authorities ("SKAT") of the VAT collected on services provided to its Danish clients. SKAT has not yet replied to this claim for a refund. However, in August 2016 SimCorp received a so-called "binding ruling" from the Danish Tax Council and in this binding the Danish Tax Council concluded that SimCorp's products and services are subject to VAT.

On this basis, SimCorp does not expect the above ruling from the ECJ to significantly have an effect on profit for the year and the assessment of the Group's financial position and accordingly, SimCorp has not made a provision for this in its annual accounts 2016.

5.1 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

AMORTIZATION AND DEPRECIATION

	2016			2015		
EUR '000	Intangible	Property, plant and equipment	Total	Intangible	Property, plant and equipment	Total
Cost of sales	206	337	543	81	325	406
Research and development costs	92	856	948	98	917	1,015
Sales and marketing costs	11	107	118	13	117	130
Administrative expenses	42	392	434	44	416	460
Total amortization and depreciation	351	1,692	2,043	236	1,775	2,011

NOTES

5.1 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

EUR '000	Software	Intangible total	Leasehold improve-ment	Technical equipment	Other equipment, fixtures, fittings and prepay-ments	Property, plant and equipment total
2016						
Cost at 1 January	7,448	7,448	3,604	7,080	3,272	13,956
Foreign exchange adjustment	29	29	13	26	12	51
Additions	1,644	1,644	0	329	17	346
Disposals	0	0	0	-799	0	-799
Cost at 31 December	9,121	9,121	3,617	6,636	3,301	13,554
Depreciation at 1 January	7,033	7,033	2,725	5,130	3,271	11,126
Foreign exchange adjustment	29	29	10	21	12	43
Depreciation	351	351	319	1,370	3	1,692
Disposals	0	0	0	-799	0	-799
Depreciation at 31 December	7,413	7,413	3,054	5,722	3,286	12,062
Carrying amount at 31 December	1,708	1,708	563	914	15	1,492
2015						
Cost at 1 January	7,189	7,189	3,699	6,470	3,319	13,488
Foreign exchange adjustment	-18	-18	-9	-16	-8	-33
Additions	277	277	0	958	0	958
Disposals	0	0	-86	-332	-39	-457
Cost at 31 December	7,448	7,448	3,604	7,080	3,272	13,956
Depreciation at 1 January	6,815	6,815	2,486	4,026	3,313	9,825
Foreign exchange adjustment	-18	-18	-6	-10	-8	-24
Depreciation	236	236	331	1,439	5	1,775
Disposals	0	0	-86	-325	-39	-450
Depreciation at 31 December	7,033	7,033	2,725	5,130	3,271	11,126
Carrying amount at 31 December	415	415	879	1,950	1	2,830
Depreciation period	Up to 10 years		Up to 10 years	3 years	5 years	

Estimates for intangible assets and for property, plant and equipment are unchanged from previous reports.

NOTES

5.2 INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES

INVESTMENT IN ASSOCIATES

	2016	2015
	EUR '000	EUR '000
Cost at 1 January	161	24
Foreign exchange adjustment	1	0
Additions	0	137
Cost at 31 December	162	161
Carrying amount at 31 December	162	161

Additions to investments, associates in 2015 relate to Opus Nebula Ltd.

INVESTMENTS IN SUBSIDIARIES

	2016	2015
	EUR '000	EUR '000
Cost at 1 January	36,857	36,950
Foreign exchange adjustment	139	-93
Cost at 31 December	36,996	36,857
Carrying amount at 31 December	36,996	36,857
Dividends received	8,309	23,040

Please refer note 7.9 in the consolidated financial statements for a list of subsidiaries and Note 5.2 in the consolidated financial statements for a list of associates.

5.3 DEPOSITS

Deposits are primarily related to leasing of offices.

Accounting Policy
Security deposits which will not be returned within one year of the balance sheet 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.

DEPOSITS

	2016	2015
	EUR '000	EUR '000
Cost at 1 January	1,542	1,560
Foreign exchange adjustment	6	-4
Additions	27	24
Disposals*	-20	-38
Carrying amount at 31 December	1,555	1,542

* Disposals include reclassifications to current receivables.

NOTES

5.4 PROVISIONS

PROVISIONS

EUR '000	Re-establish-ment costs for rented premises	Anniversary bonuses	Total
2016			
Liability at 1 January	621	766	1,387
Foreign exchange adjustment	2	2	4
Reversal of unused liabilities	0	-34	-34
Provisions for the year	25	149	174
Total provisions	648	883	1,531
Expected due dates for provisions:			
Falling due within 1 year	0	8	8
Falling due within 2 to 5 years	648	174	822
Falling due after 5 years	0	701	701
Total provisions	648	883	1,531

Provisions cover the costs of restoring leasehold premises and provisions for anniversary bonuses. The latter resulting from the Company's commitment of one month's pay in connection with employees' 25th and 40th anniversaries.

Used re-establishment costs during the year 2015 refer to the discontinuation of approximately 15% of SimCorp Headquarters' lease.

PROVISIONS

EUR '000	Re-establish-ment costs for rented premises	Anniversary bonuses	Total
2015			
Liability at 1 January	708	644	1,352
Foreign exchange adjustment	-1	-1	-2
Used during the year	-111	-24	-135
Reversal of unused liabilities	0	-30	-30
Provisions for the year	25	177	202
Total provisions	621	766	1,387
Expected due dates for provisions:			
Falling due within 1 year	0	3	3
Falling due within 2 to 5 years	621	98	719
Falling due after 5 years	0	665	665
Total provisions	621	766	1,387

NOTES

SECTION 6 CAPITAL STRUCTURE AND FINANCING ITEMS

6.1 FINANCIAL INCOME AND EXPENSES

FINANCIAL INCOME AND EXPENSES

	2016	2015
	EUR '000	EUR '000
Financial income		
Dividend from subsidiaries	8,309	23,040
Dividend from associates	91	10
Interest income, subsidiaries	195	116
Interest income, cash etc.	60	30
Fair value adjustments, derivatives	37	0
Foreign exchange gains	140	0
Foreign exchange adjustments	1,473	1,424
Total financial income	10,305	24,620
Financial expenses		
Interest expenses, subsidiaries	88	74
Interest expenses, financial assets carried at amortized cost	25	25
Interest expenses, deferred payment acquisition	31	2
Other financial expenses	1,248	1,104
Fair value adjustments, derivatives	7	96
Foreign exchange adjustments	1,236	1,721
Total financial expenses	2,635	3,022

NOTES

SECTION 7
OTHER DISCLOSURES

7.1 OPERATING LEASES

Amounts of EUR 4.8m (2015: EUR 5.7m) relating to operating leases have been recognized in the income statement for 2016 in the company.

In November 2008 SimCorp moved into the headquarters at Weidekampsgade 16, Copenhagen.

The lease has been entered into on market terms and with normal rent adjustment clauses. SimCorp served notice on around 2000 m2 which were vacated mid October 2015. The initial lease is for a period of ten years, with an option to extend for up to 20 years from the commencement of the lease.

OPERATING LEASES

	2016	2015
	EUR '000	EUR '000
Rent commitments		
Payable within 1 year	5,331	4,967
Payable within 2 to 5 years	5,088	8,372
Rent commitments until expiry of minimum term of tenancy	10,419	13,339
Other commitments		
Payable within 1 year	172	196
Payable within 2 to 5 years	140	182
Total other commitments	312	378
Total commitments		
Payable within 1 year	5,503	5,163
Payable within 2 to 5 years	5,228	8,554
Total commitments	10,731	13,717

NOTES

7.2 RELATED PARTY TRANSACTIONS

For the parent company, in addition to transactions with other related parties depicted in note 7.4 of the consolidated financial statements, related parties also comprise subsidiaries and associates in which SimCorp A/S has a controlling or significant influence.

TRADING WITH SUBSIDIARIES AND ASSOCIATES

	2016	2015
	EUR '000	EUR '000
Purchases of services from subsidiaries	28,523	20,770
Purchases of services from associates	1,033	1,195
Sale of services to subsidiaries	142,664	142,946

The parent company's outstanding balance with subsidiaries is specified in note 4.1 and 4.2

Balances with subsidiaries and associates comprise ordinary trade balances relating to the purchase and sale of services. Outstanding balances 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 7.9 of the consolidated financial statements.

Interest on outstanding balances with subsidiaries and associates is specified in note 6.1 in the Financial statements of the parent company.

In 2016 the parent company has received dividends of EUR 8.3m (2015: EUR 23.0m) from subsidiaries and EUR 0.09m dividends were received from associates (2015: 0.01m).

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 4.3.

7.3 AUDITORS' REMUNERATION

AUDITORS' REMUNERATION

	2016	2015
	EUR '000	EUR '000
Audit Fees	100	78
Tax and VAT advice fees	24	47
Other service fees	27	25
Total	151	150

Audit fees include the audit of the consolidated and parent company financial statements.

Tax fees primarily relate to assistance with transfer pricing audits in Canada and fees related to preparation of Advanced Pricing Agreements with USA and Germany.

NOTES

7.4 ADJUSTMENTS, CASH FLOW

This note provides details to cash flow statement reported on page 112.

ADJUSTMENTS, CASH FLOW

	2016	2015
	EUR '000	EUR '000
Depreciation	2,043	2,011
Financial income	-10,305	-24,620
Financial expenses	2,635	3,022
Tax on profit for the year	12,282	13,153
Adjustment share based remuneration	5,081	5,347
Total adjustments	11,736	-1,087

7.5 EVENTS AFTER THE BALANCE SHEET DATE

No material events have occurred after 31 December 2016, that have consequences for annual report 2016.

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