Annual Results 2021/22

CREALOGIX Group

13 September 2022

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Agenda

Oliver Weber
Chief Executive Officer

Summary FY 2021/22

Outlook

Daniel Bader
Chief Financial Officer

Financial results

FY 2021/22

Richard Dratva
Chief Strategy Officer

Strategy update
with Thomas Roth, CTO &
Yannick Decaumont, VP
Group Product Management

Summary FY 2021/22

Oliver Weber, Chief Executive Officer

Key Messages

- → Investment peaked while market demand slowed down
- → High investment in Funding Portal completed for pole position
- → Cost structure trimmed to revenue baseline
- → Product portfolio consolidated and innovation delivered
- → Customer successes as foundation for growth

→ **Back to profitability and positive Cash Flow in FY2022/23**

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Key Figures FY 2021/22

Revenue
-14%
(LC –12.5%)

Profitability (EBITDA) at
CHF -9.3
million

R&D invest at
31%
of revenue

Personnel
-17%

Recurring revenue contributed with
51%
to total revenue

Market Leadership in Germany, ready for expansion

Customer success

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Awards and recognition in FY 2021/22

CREALOGIX is
«strong performer» at

FORRESTER RESEARCH
THE FORRESTER WAVE™
Digital Banking Engagement Platforms

Goodacre UK Systems in the City **award for the Best Strategic Partnership for a Client Portal** with our client JM Finn

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Key facts for EBITDA improvements

Funding Portal

~CHF 20 million invest

FY 2022/23

10% (included in R&D budget)

Billable capacity

FY 2021/22

- approx. 50 FTE for Funding Portal

FY 2022/23

+ approx. 50 FTE billable

Measures

FY 2021/22

- ↗ Price increases
- ↘ Staff reduction
- ↘ Cost reductions
- ↗ Nearshoring
- ↗ Shared services
- ↗ Sale of non-strategic business

FY 2022/23

Full impact

Financial results FY 2021/22

Daniel Bader, Chief Financial Officer

Profit & Loss Statement

CHFm	FY 20/21	FY 21/22	▲
Recurring revenue *in % of revenue*	*54.9* *50.3%*	*48.2* *51.3%*	*-6.7* *-12.2%*
Non-recurring revenue *in % of revenue*	*54.3* *49.7%*	*45.8* *41.7%*	*-8.5* *-15.7%*
Total Revenue	**109.3**	**94.0**	**-15.3** *-14.0%*
EBITDA *EBITDA margin*	**3.3** *3.0%*	**-9.3** *-9.8%*	**-12.6**
Adj. Net profit [1]	**0.8**	**-12.2**	**-13.0**

[1] Adjusted net profit: net profit before goodwill amortisation

- Reduction of revenues by 14.0%
- Negative impact from strong CHF (revenue reduction in local currency -12.5%)
- Stronger reduction of revenue in non-recurring revenue (service, goods, licenses)
- Significant increase in R&D costs combined with lower revenue could not be compensated by efficiency gains

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Sales development

Sales categories

(CHF million)

	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
Saas/Hosting	5.9	14.7	17.0	29.9	26.1
in % of total	*7%*	*14%*	*16%*	*27%*	*28%*
Maintenance	26.7	28.1	28.2	25.1	22.1
Recurring Revenue	**32.6**	**42.8**	**45.2**	**55.0**	**48.2**
in % of total	*37%*	*42%*	*44%*	*50%*	*51%*
Services	32.5	41.5	41.0	36.3	32.3
License	18.8	12.5	9.6	10.8	9.3
Other	3.2	5.1	7.9	7.2	4.1
Non-recurring Rev.	**54.5**	**59.1**	**58.5**	**54.3**	**45.8**
Total Revenue	**87.1**	**101.9**	**103.7**	**109.3**	**94.0**

- SaaS/Hosting decreased due to lower demand for Service Subscription packages
- Lower maintenance due to transformation to SaaS resp. consolidation of product portfolio
- Service reduction as a consequence of planned transfer to partner companies

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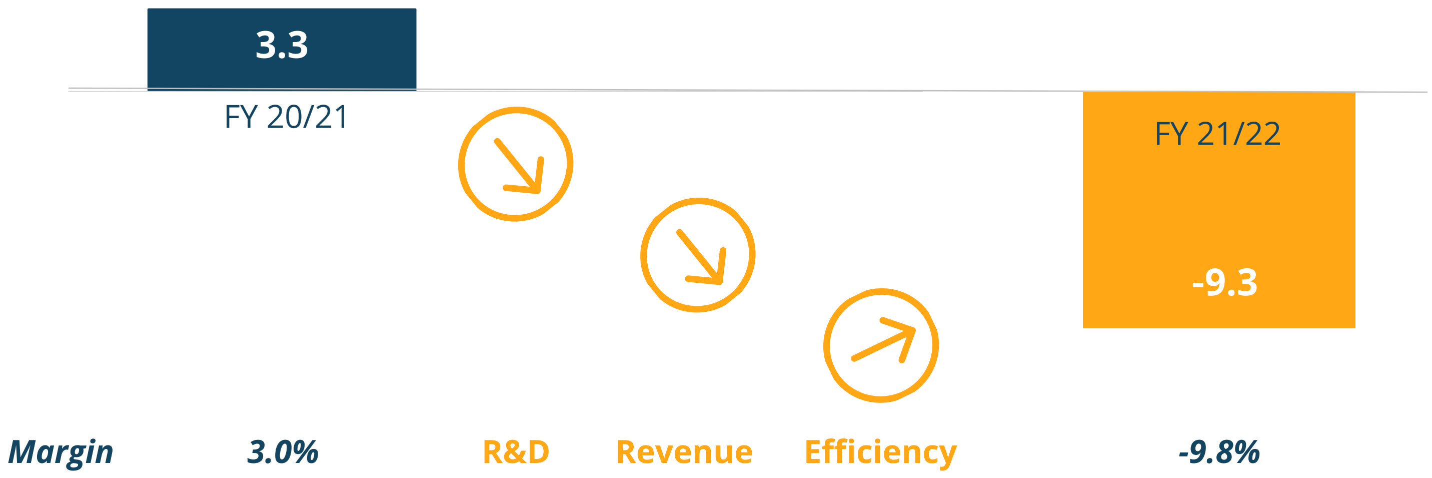
EBITDA impacted by extraordinary R&D invest

EBITDA
(CHF million)

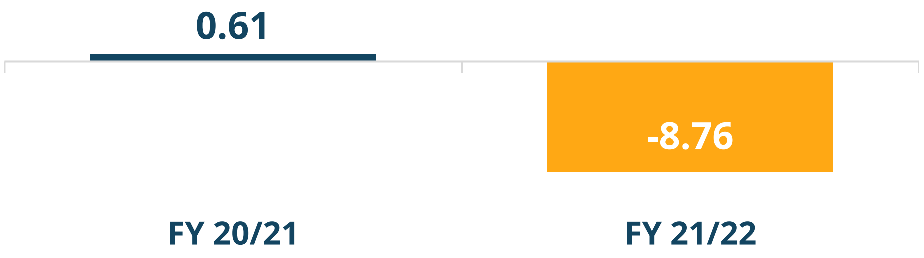


- Significant R&D invest with 31% of revenue (FY 20/21: 22% of revenue)
- Efficiency gains from organizational measures and streamlining of products not offsetting higher invest and revenue reduction

Share update

Adjusted EPS [1]

(CHF per share)



[1] Consolidated net profit before goodwill amortisation

- Performance dip leading to negative adjusted EPS[1]
- Free Float 40% (30.6.2021: 42%)
- No dividend proposed for FY 21/22

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Balance Sheet

CHFm	30 Jun 21	30 Jun 22	▲
Cash	27.7	14.1	-13.6
Other current assets	30.1	27.9	-2.2
Goodwill and other non-current assets [1]	58.1	56.5	-1.6
Total assets	**115.9**	**98.5**	**17.4**
Current liabilities	44.6	50.1	5.5
Non-current liabilities	27.2	26.2	-1.0
Total liabilities	**71.8**	**76.2**	**4.4**
Equity	**44.1**	**22.3**	**-21.8**

[1] Following Swiss GAAP FER, CREALOGIX amortizes goodwill within 5 - 15 years

- Reduction of cash due to R&D peak
- Reduced equity due to FX translation (CHF -5m), constant goodwill amortisation and performance dip leading to temporary equity ratio below 25%

Cash Flow Statement

CHFm	1HY 21/22	2HY 21/22	FY 21/22
Operating cash flow	-9.0	-4.0	-13.0
Investing cash flow	-6.4	-3.0	-9.4
Free cash flow	**-15.4**	**-7.0**	**-22.4**
Financing cash flow	+10.9	-1.4	+9.5
FX	-0.5	-0.3	-0.8
Net change in cash	**-5.0**	**-8.7**	**-13.7**

- Cost cutting measures and reduced capex improved free cash flow significantly in 2HY vs 1HY
  - Decreased staff base (internal and freelancer)
  - Reduced G&A (rent, IT)
- Repayment of loans in 2HY

Event after Balance Sheet date (16 Aug 2022)

Spin-off of Digital Learning business to Swiss investor group

Pursuing its strategy to focus on Digital Banking, CREALOGIX sold 66.7% of its subsidiary Swiss Learning Hub AG to a Swiss group of investors centred on blue8. Purchase price not to be disclosed

SWISS LEARNiNG HUB offers digital learning products in the Swiss market. It is a separate entity with about 10% revenue share of CREALOGIX and approximately 50 employees

Strategy update

Richard Dratva, Chief Strategy Officer

Thomas Roth, CTO

Yannick Decaumont, VP Products

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We transform banking
to make it yours

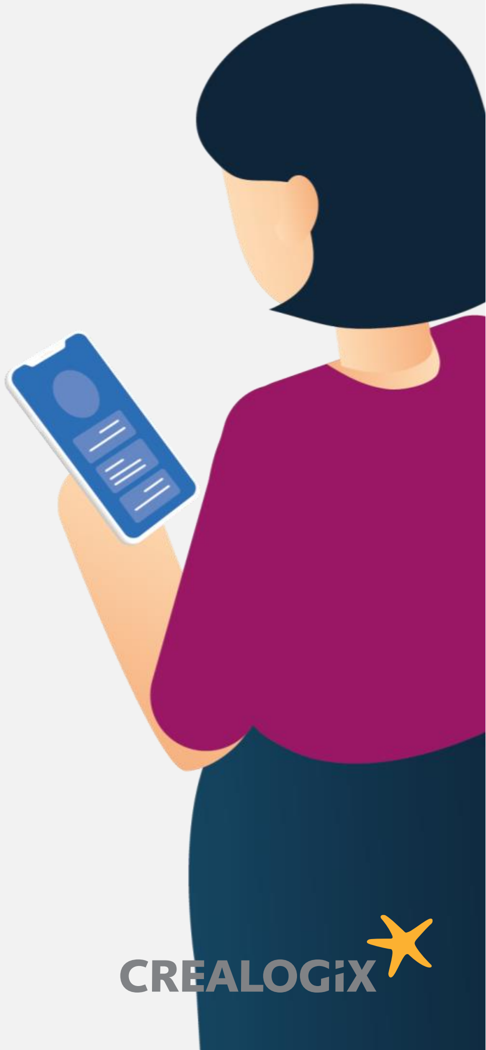
The Future of Banking is in the Front

Increase focus on front-end to stay competitive

> …inject greater excitement and joy into screen experiences.
>
> **Accenture, 2022**

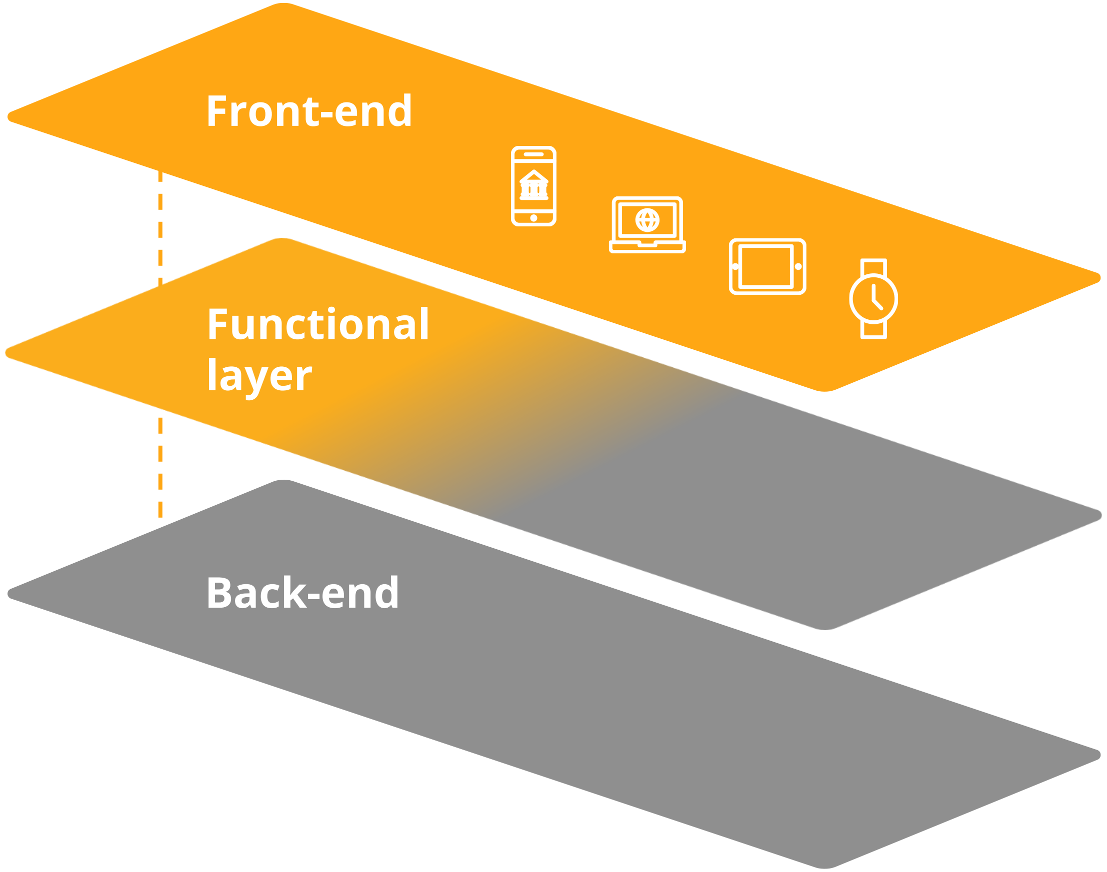
> …boosting consumer satisfaction, improving user interfaces is most important.
>
> **McKinsey, 2021**

> …creating an improved user experience to control the customer relationship.
>
> **PwC, 2022**



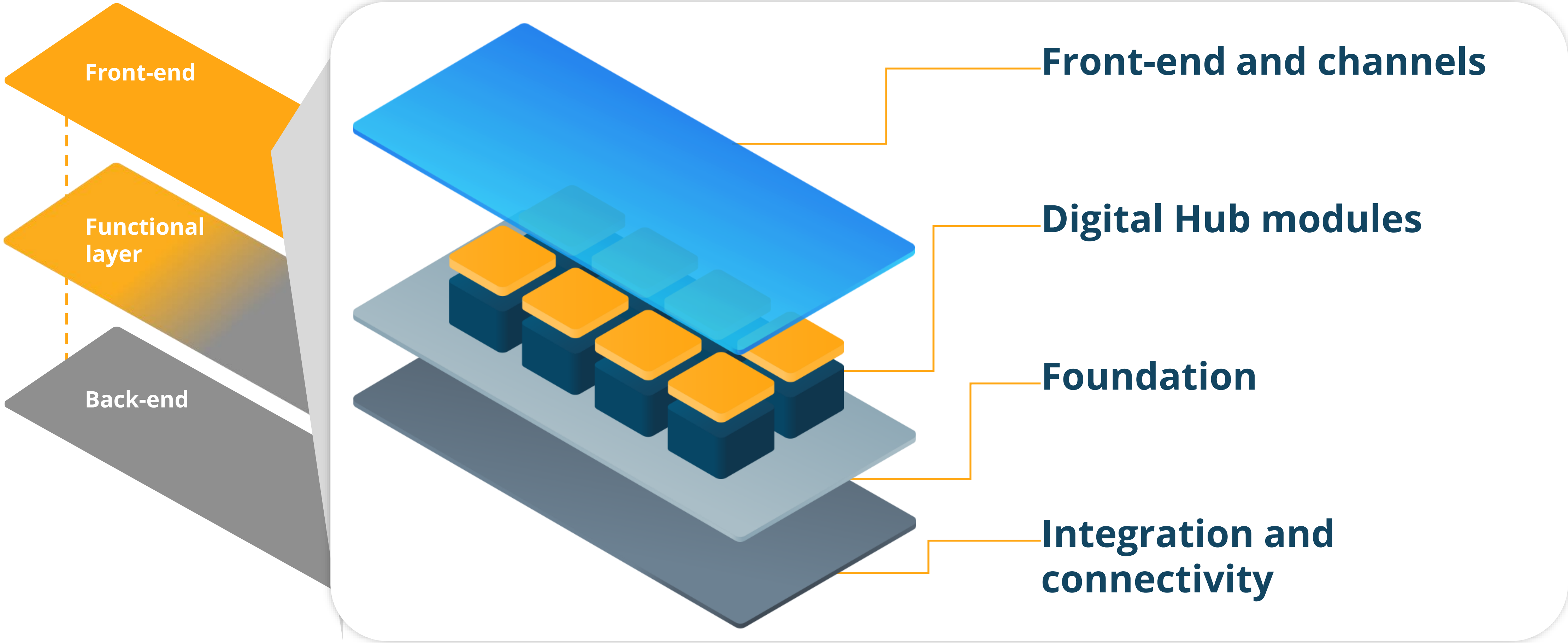
CREALOGIX' focus is on front-end – functional and integrational layers are provided to support banking

Banking technology stack



Provider		Primary use
CREALOGIX	>	Engage and interact
CREALOGIX + Partners + Open banking ecosystem	>	Calculate
Core banking providers	>	Store and retrieve

The Digital Hub technology is constantly improved based on customer feedback and tech innovations



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Achievement and outlook on CREALOGIX technologies

What we have achieved...

- Scalability, reliability, security
- Extensions to industry standard technologies
- Private cloud deployment
- Ease of integration
- Transform data

Today

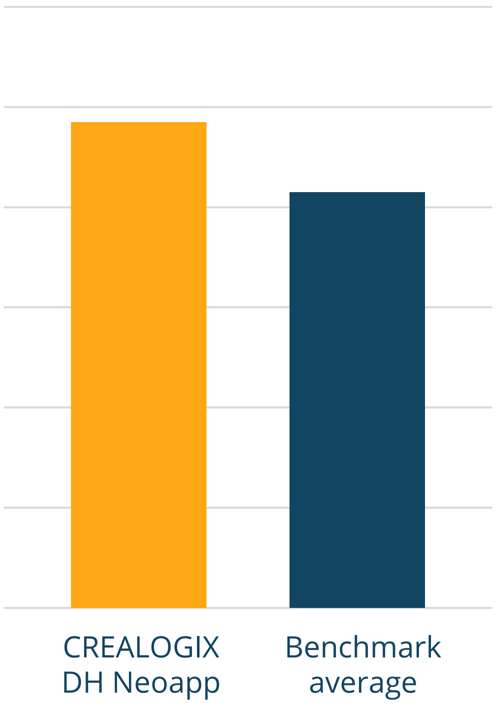
... and what we are planning to achieve

- Improved configurability and extendibility
- More accelerators for clients
- Public cloud deployment
- Ready-to-use integration endpoints
- Analytics information

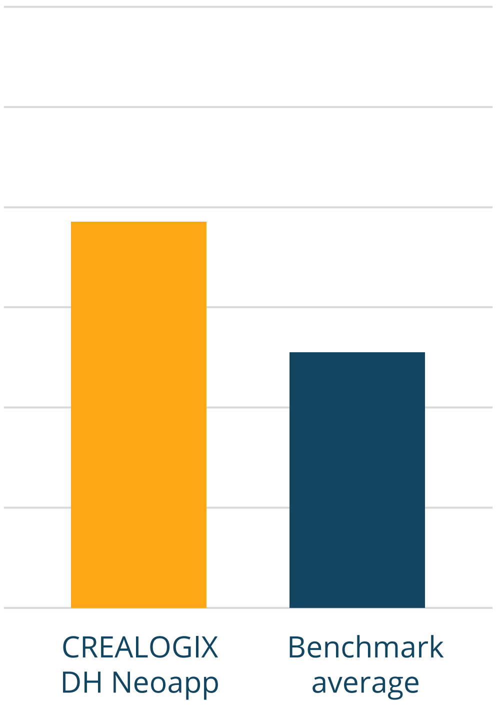
CREALOGIX DH Neoapp exceeds the market average neobank feature scope

We benchmarked Neoapp against key challenger / neobank players

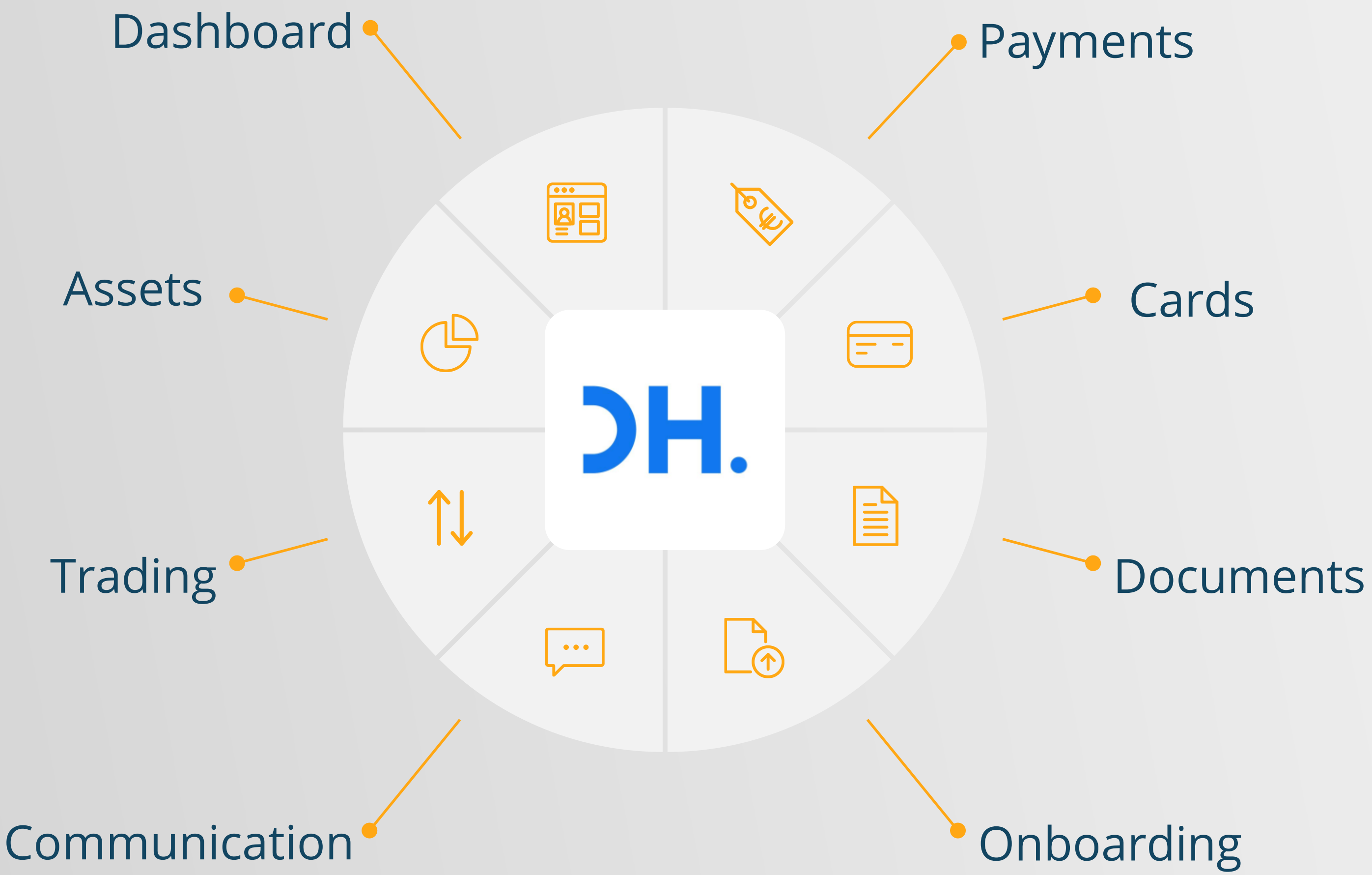
Coverage of must-have neobank features

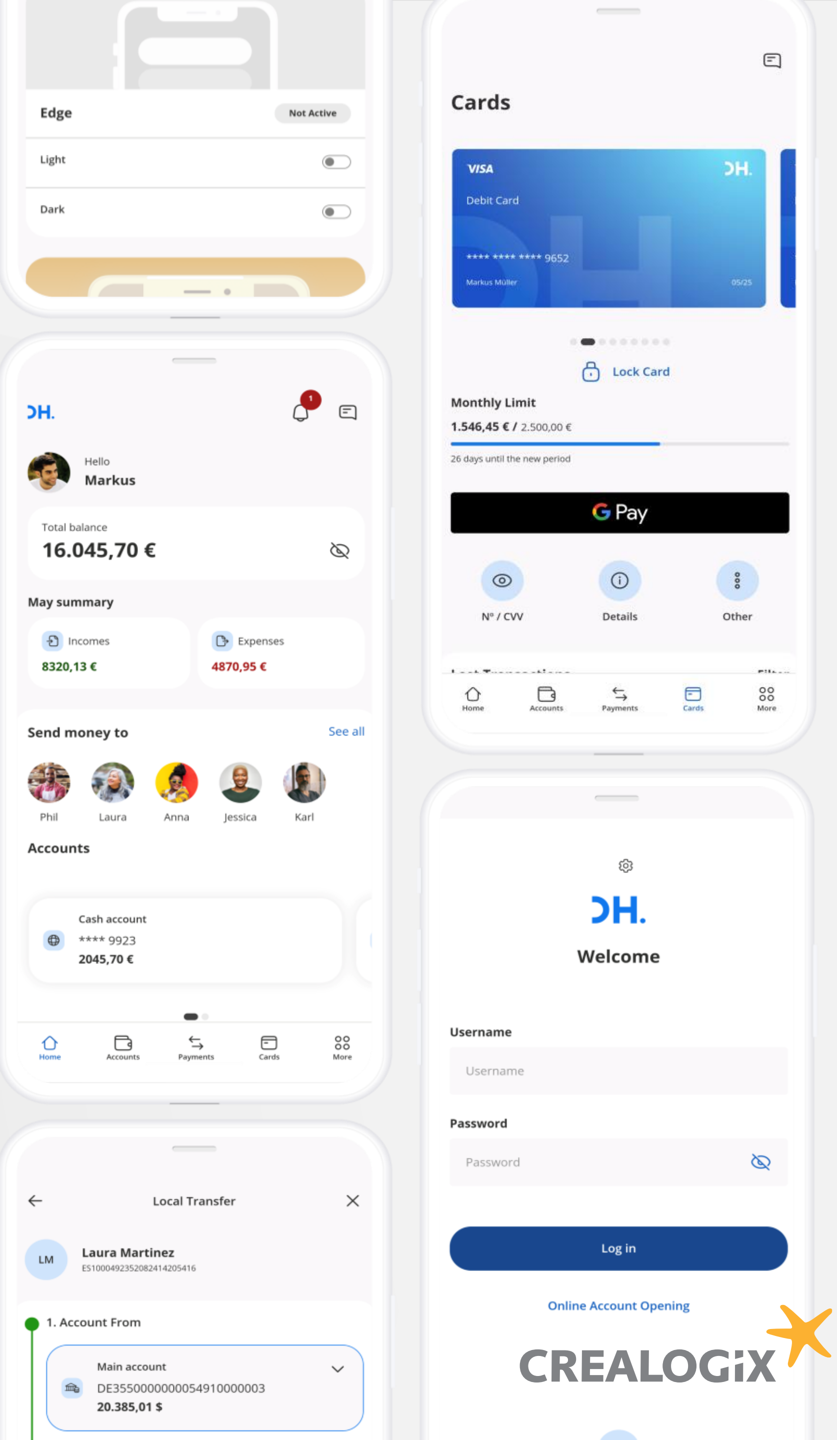


Coverage of nice to have neobank features

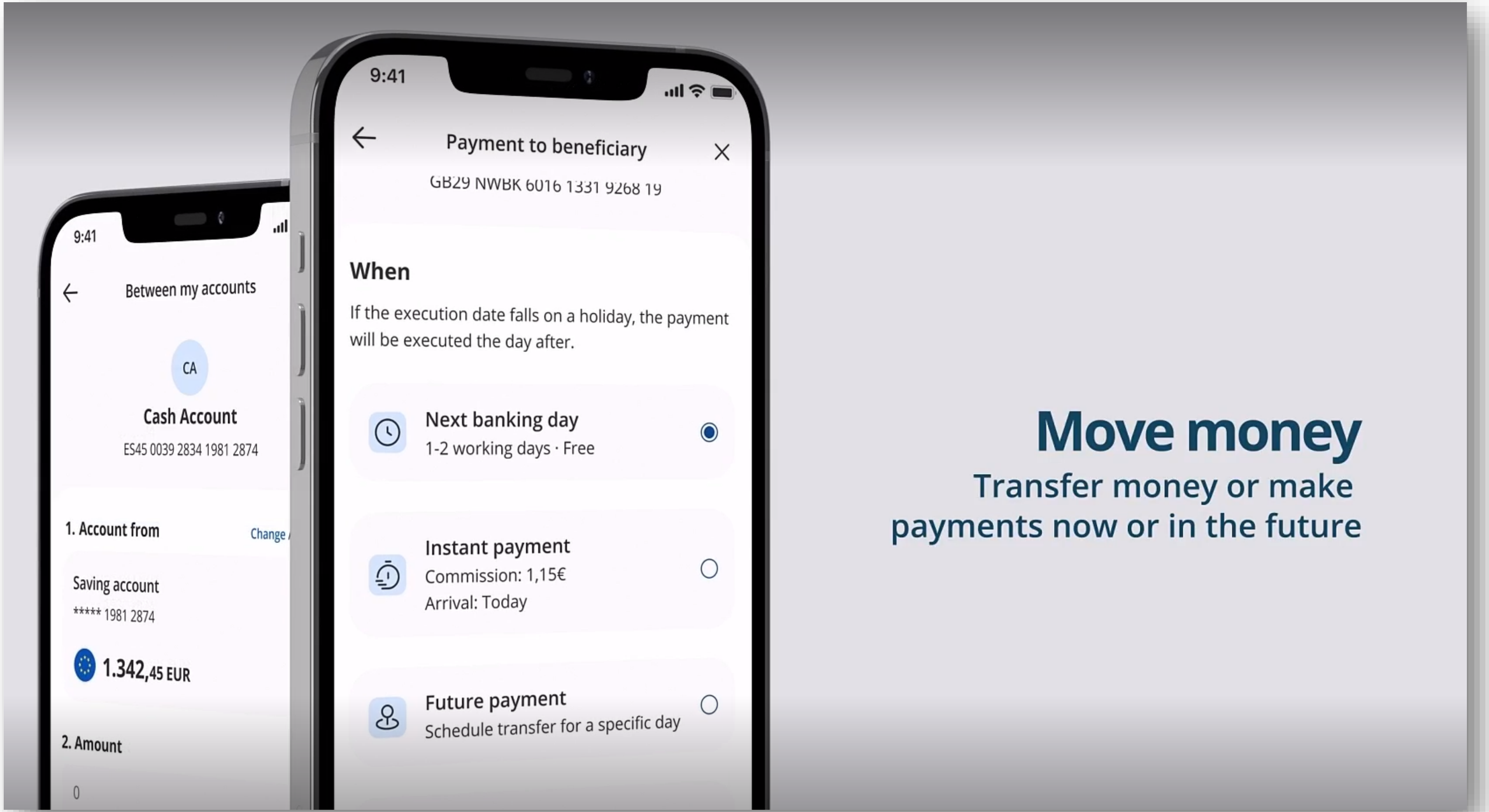


Our scope exceeds the market standard for neobanks





Demo



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Strong in attack, robust in defence

Accelerate digital strategy while keeping exposure low

Mix & Match transition to digital leadership

The benefits of a greenfield approach without taking the risk

Accelerate change

- Innovation acceleration
- Fast time-to-market

Reduce complexity

- Low risk transition
- Low cost transition

Ensure continuity

- No innovation interruption
- No core banking changes needed

Cherish the new… …leverage the existing

Outlook

Oliver Weber, Chief Executive Officer

CREALOGIX's 2022/23 half-year target

EBITDA positive

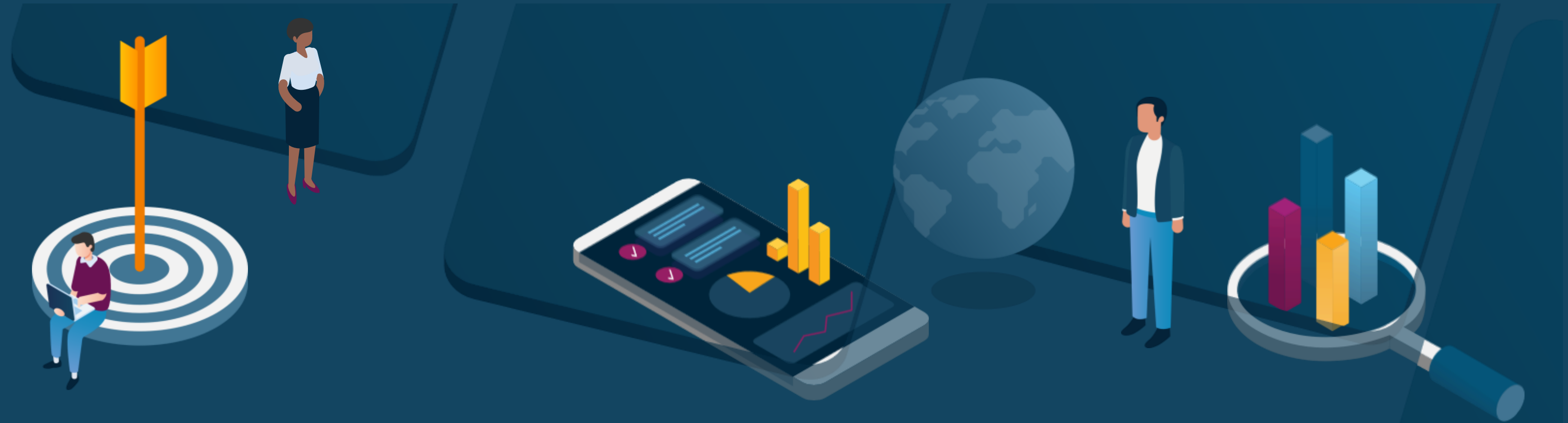
CREALOGIX's 2022/23 full-year target

At an adjusted comparison level, not yet higher revenue than previous year

EBITDA positive

CREALOGIX pursues its transformation to become the leading **global SaaS digital banking software provider.**

Thank you.



Our Vision

We create digital leaders

Our Mission

We empower financial brands to build valuable relationships with their clients

Our Purpose

Transform banking to make it yours

We transform banking and wealth management by enabling financial brands to deploy modern digital experiences & applications and automate processes for their customers quickly, cost effectively and at scale

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