

We Create  
Digital Leaders

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# Annual Report

2019/2020

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# 2019/2020 Annual Report



## 2019/2020 Annual Report

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### CREALOGIX Holding AG Financial Report

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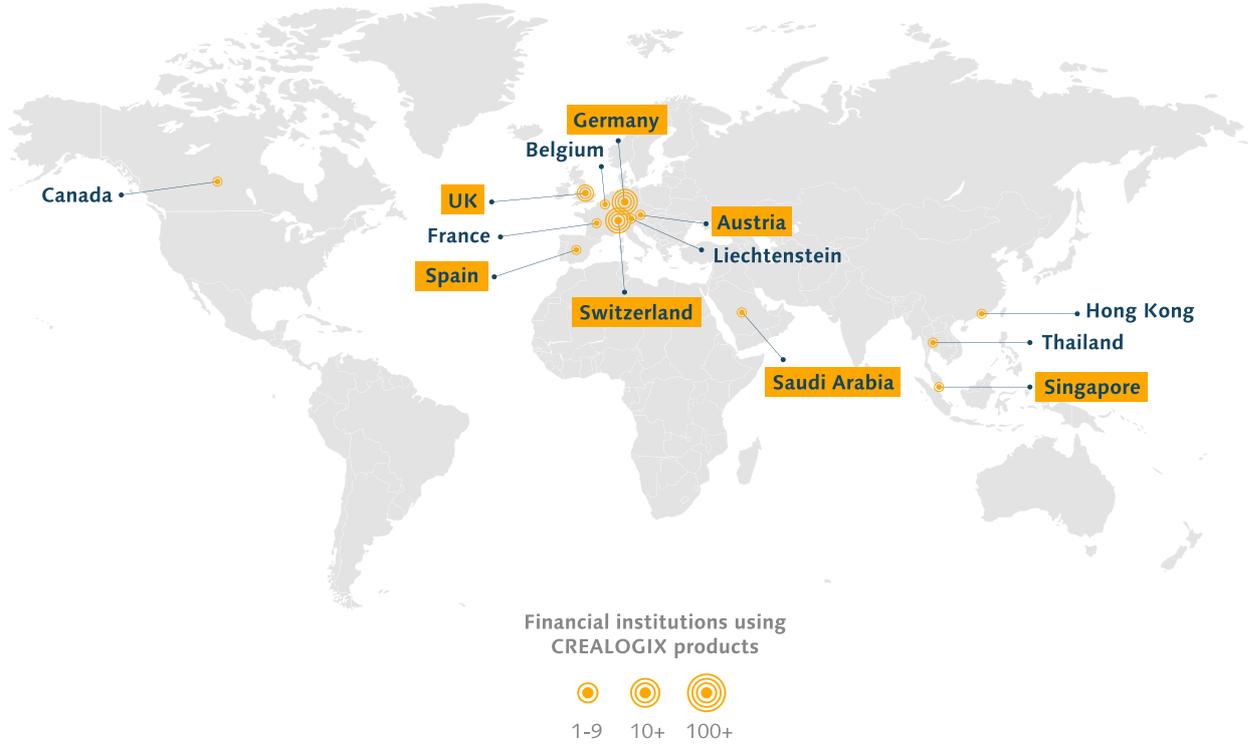
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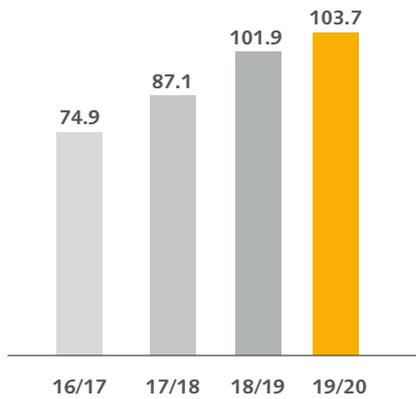
# Group Key Figures

## International presence



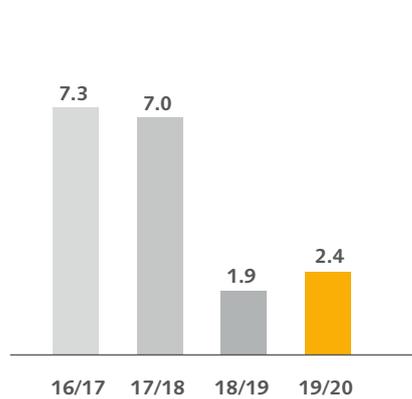
### Sales

(CHF millions)



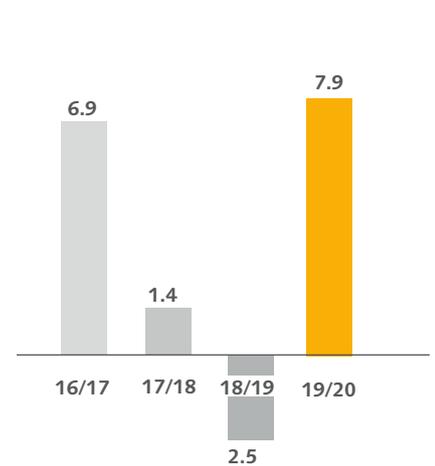
### Adjusted EBITDA\*

(CHF millions)



### Adjusted Free Cash Flow\*

(CHF millions)



### International sales



**62.1%**

### Adj. loss per share\*



**-0.15**

### Headcount



**682**

\* Non-GAAP measure. More information with respect to the use of and differences between the non-GAAP financial measures and the most directly comparable SWISS GAAP FER measures is provided on page 42 of the financial report.

# Shareholders' Letter



Oliver Weber, Chief Executive Officer, Bruno Richle, Chairman

## Dear shareholders

Fintech companies are a source of innovation, and the core of their efforts involves supporting the financial industry's efforts to build future networks, improve technical processes and deliver attractive products to their customers.

To stay ahead of the game and become a leading global fintech partner, CREALOGIX strives to:

- Increase our client orientation through early identification of market needs and determination of how we can best provide support with innovative technical offerings.
- Focus on strategic key products that meet our clients' requirements.
- Generate and increase the recurring revenue to offer increased value to our shareholders, clients, employees and future innovation.

For CREALOGIX, 2019/2020 has been an eventful year. We not only overcame a cyber-crime attack but also successfully navigated through the COVID-19 pandemic. Both events had only a slight impact on our financial performance. Moreover, we have successfully concluded important contracts in all markets. In our home market of Switzerland, we have had great success in accelerating the implementation of our product platform and new delivery model.

Oliver Weber assumed responsibility as Group CEO in January 2020. Over the past several months, we have focussed on accelerating our transformation and consistently implementing our strategy of profitable growth by introducing the "Fitness Camp for the Pioneer".

## Three strategic priorities

CREALOGIX is pursuing its vision to become the leading Software as a Service (SaaS) provider for digital banking platforms in our chosen markets and to achieve recognition

as a top-tier fintech partner. The following key elements are driving our transformation as we seek to accomplish these ambitious and sustainable goals:

- **Improving client access to leading digital banking software by accelerating our go-to-market approach**

In June, we established a simplified organisational structure with a segment-oriented market approach. This means that we are today serving our targeted markets with a specialised sales force that is locally affiliated and therefore more client-oriented. We are extending our geographical sales reach by leveraging international partnerships such as with IBM and are in the process of significantly growing our own in-house sales and marketing team.

- **Focussing our offering by streamlining the product platform**

To simplify our product line, we have given it a strong focus to enable all our global clients to take advantage of our features and upgrades, resulting in gains in production and delivery efficiency for all parties involved. Non-strategic products will be sun-set over time, and further consolidation will follow as contract life-cycles are renewed and brought into the new digital banking hub architecture. We are also integrating our technology under a single global platform that permits us to act as a fintech partner of choice for banks on their digital journey. The recently awarded contract to develop and maintain an innovative portal solution for a group of seven state development banks (Förderbanken) in Germany demonstrates the strength of our focussed product platform.

- **Changing the revenue model towards subscription/SaaS**

The transition towards the SaaS model is more of a journey than a sprint. Contracts need to be renewed and adjusted. To date, 44% of our earnings model is based on recurring revenues. We are confident that we can succeed in increasing this model to 60% in the medium term.

Our "Fitness Camp for Pioneers" is showing solid progress, and we are confident that we can strengthen our position as a leading SaaS provider for digital banking platforms.

## Full-year results

Net sales overall increased by 1.7% to CHF 103.7 million, culminating in another record high for CREALOGIX. Despite COVID-19, net sales were 13.2% higher in the second half of the fiscal year compared to the first six months. The share of net sales generated in Switzerland increased to 38% (2018/2019: 36%) of the overall sales of the Group, underlining the strength of our chosen strategic direction with a clear focus on fewer products.

Recurring revenues increased from 42% to 44%. Target SaaS model revenue increased by 15%, highlighting the importance of the strategic decision to change the licensing model. The transformation of the revenue model to SaaS, which has temporarily reduced net sales and EBITDA by CHF 6.9 million in the 2019/2020 financial year, will lay the basis for sustainable success in the future.

In 2019/2020, CREALOGIX generated a solid operational result (adjusted EBITDA) of CHF 2.4 million, excluding costs for reorganisation measures. This represents an increase of CHF 0.5 million compared to 2018/2019. The one-off costs as part of the re-

organisation of CHF 7.0 million reduced the EBITDA to CHF –4.6 million. This action, in particular streamlining the product portfolio and organisation, will strongly accelerate our transition in the medium term and place us back on the path of revenue and growth. The Group posted an adjusted bottom-line net loss amounting to CHF –5.4 million, which includes a goodwill amortisation of CHF 4.9 million. The adjusted earnings per share increased to CHF –0.15 (2018/2019: CHF –0.94).

Due to successful refinancing through a convertible bond in November 2019, CREALOGIX maintains a healthy cash position of CHF 36.0 million. Associated with those increased financial liabilities and the consolidated net loss, the equity ratio declined from 57% to 40%. The strong 2019/2020 adjusted free cash flow of CHF 7.9 million increased by CHF 10.4 million compared to the previous period and led to a net cash position of CHF 5.1 million (30 June 2019: CHF –2.1 million).

## Outlook

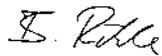
The investments made to accelerate the CREALOGIX “Fitness Camp for the Pioneer” are allowing us to build on recent success, expand our market reach and strengthen our sales force. Our passion lies in developing innovative product solutions for our clients. A strong sales force across our chosen markets paired with an aligned and strategic product platform enables us to serve our clients more closely and understand their needs and expectations with respect to pioneering software. In addition, a boots-on-the-ground approach opens new market possibilities and partnerships, especially in Asia and the Middle East.

The full effects of the COVID-19 pandemic on our economy as whole and our partners' investment appetite remain difficult to predict. We see positive outcomes in a willingness and need for speed in further digitising processes and offerings, and we expect a heightened demand for digital banking in the near term. Especially across Asia, mobile first is a leading topic. The growing middle class and younger generations expect powerful banking solutions at the tip of their fingers. Here we expect a growing interest in wealth management solutions. Projecting to next year's annual results, we expect positive results with our EBITDA margin that go beyond the adjusted EBITDA of 2019/2020. In addition, through further transformation in the direction of the SaaS model, we can anticipate increased recurring revenue growth with double-digit profitability on the EBITDA level in the medium term.



## A word of thanks

At CREALOGIX, we enable our partners to enter and own space within fintech. To succeed in an industry dominated by speed, we must embody change to be constantly able to offer products that improve financial activities and experiences. Our transformation is bolstering our focus on industry-leading technology that can be offered across multiple regions. On behalf of the Board of Directors and Executive Management, we would like to thank you for your valued support and continued trust in CREALOGIX. We are focussed on swiftly finalising the transformation and securing our position as a global leader in the provision of SaaS within digital banking. Thank you for being part of this journey.



Bruno Richle  
Chairman of the Board of Directors



Oliver Weber  
Chief Executive Officer



# Corporate Governance



## Corporate Governance

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*Management and controlling at the highest corporate levels at CREALOGIX are conducted in accordance with the principles and rules of the Swiss Code of Best Practice of economie-suisse and the SIX Swiss Exchange.*

*The information required to be published in accordance with the Swiss Exchange Corporate Governance Directive is presented below in the prescribed sequence and numbering.*

## 1 Group structure and Shareholders of the CREALOGIX Group

CREALOGIX Holding AG is a corporation with headquarters in Zurich (Switzerland). The registered shares of the corporation are traded on the SIX Swiss Exchange under the identification number 1 111 570 and ISIN CH0011115703. On 30 June 2020, market capitalisation was CHF 132.5 million.

### 1.1 Group structure

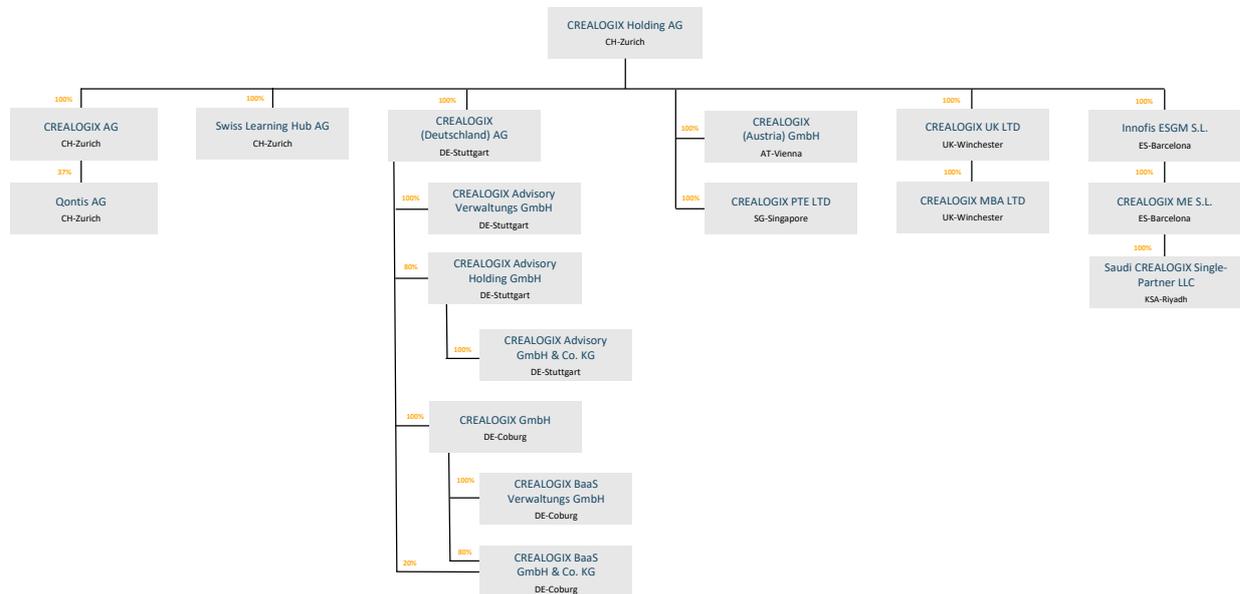
The participations held by the CREALOGIX Holding AG in the different subsidiary companies are listed in detail on page 49 (scope of consolidation on 30 June 2020) of the Annual Report.

In the year under review, following changes in the group structure have been made:

As per October 2019, Saudi CREALOGIX Single-Partner LLC has been established. The Riyadh based company is considered to strengthen the Group's position in the Middle East and African market.

As per December 2019, Swiss Learning Hub AG had been established through a contribution in kind by CREALOGIX AG and is 100% owned by the CREALOGIX Group. The core business of the newly founded company lies in the area of education.

As per January 2020 CREALOGIX Corp., Toronto, Canada had been liquidated.



## 1.2 Significant shareholders

Current disclosures made in accordance with Article 20 of the Federal Act on Stock Exchanges and Securities Trading are published on the disclosures platform of the Disclosure Office of SIX Swiss Exchange (<https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html>).

On 30 June 2020, the following shareholders each had a proportion of votes of more than three per cent at their disposal:

Shareholders	Proportion of votes	Number of shares
Dr. Richard Dratva	17.71%	247 610
Bruno Richle	16.39%	229 121
Daniel Hildebrand	9.76%	136 419
Mayfin Management Services S.l.	11.74%	164 050
Noser Management AG	3.06%	42 816

The first three shareholders together with Peter Süsstrunk (with related family members) named "founder shareholders" are part of a shareholder pooling agreement and own in total 651 102 shares (46.6 %). Under the terms of this agreement, they undertake to exercise their voting rights jointly in all substantive items of business transacted at the Shareholders' Meeting of CREALOGIX Holding AG (voting trust). Upon the sale of shares in the company to a third party by a founding shareholder, the other founding shareholders have the right of first refusal on the conditions offered by the third party (right of first refusal). In the event of the sale of at least 30 per cent of the share capital of the company to a third party by two or three founding shareholders, the remaining founding shareholders are entitled to request that their shares be simultaneously tendered for sale at the same conditions (take-along).

Since January 2018, David Moreno owns 11.7% of the issued shares via Mayfin Management Services S.I. The two major shareholders (Dr. Richard Dratva and Bruno Richle) entered into an agreement with David Moreno setting forth tag-along rights of David Moreno and drag-along rights of Dr. Richard Dratva and Bruno Richle, which entered into force with the issuance and allocation of the new shares in January 2018.

For further information related to changes of significant shareholders, see [www.six-exchange-regulation.com](http://www.six-exchange-regulation.com).

### 1.3 Cross-shareholdings

There are no cross-shareholdings with other enterprises.

## 2 Capital structure

### 2.1 Capital

As of 30 June 2020, CREALOGIX Holding AG had the following share capital at its disposal:

Ordinary capital	CHF 11 183 216 Divided into 1 397 902 registered shares with a par value of CHF 8 per share.
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### 2.2 Authorised and conditional capital in particular

Authorised capital	CHF 2 400 000 Divided into 300 000 registered shares with a par value of CHF 8 per share. Issue possible until 28 October 2021.
Conditional capital	CHF 2 400 000 Divided into 300 000 registered shares with a par value of CHF 8 per share.

#### Authorised capital

The Board of Directors is authorised to exclude the subscription right of shareholders in respect of the authorised capital either in whole or in part and to grant that right to third parties if the new shares concerned are (1) to be used to acquire companies by an exchange of shares or (2) to finance the acquisition of enterprises, parts of enterprises or participations or new investment projects of the company, or (3) for a share placement on the capital market. Shares for which subscription rights are granted, but not taken up, are to be used by the Board of Directors in the interest of the company or allowed to lapse. The share capital may be increased by the conversion of freely disposable shareholders' equity pursuant to Art. 652d OR.

The timing of the particular issue and the issued amount, together with the timing of the entitlement to a dividend and the nature of the contributions, will be determined by the Board of Directors (Art. 3a of the Articles of Association).

#### Conditional capital

The Conditional capital can be used to raise share capital by exercising warrants and/or conversion rights related to the issuance of convertible bonds, warrant bonds or other financial market instruments. Shareholders do not have subscription rights (Art. 3b of the Articles of Association).

### 2.3 Changes in capital

In the period under review, fractions of the former (CLX15) convertible bond were converted into 94 shares (previous year: 10038 shares) out of the conditional capital. The capital increased by CHF 1 thousand (previous year: CHF 80 thousand) to CHF 11 183 216.

## 2.4 Shares and participation certificates

On 30 June 2020, CREALOGIX Holding AG had issued 1 397 902 fully paid registered shares with a nominal value of CHF 8 per share. CREALOGIX Holding AG owned 10 023 shares of treasury stock on 30 June 2020, equivalent to 0.7% of outstanding share capital. A registered share entitles the holder to one vote at the Shareholders' Meeting (one share, one vote). All shares are entitled to dividends. Dividend policy is explained on page 28 of the Annual Report.

CREALOGIX Holding AG has not issued any participation certificates.

## 2.5 Dividend-right certificates

CREALOGIX Holding AG has not issued any dividend-right certificates.

## 2.6 Limitations on transferability of shares and nominee registration

Registered shares of CREALOGIX Holding AG can be transferred without restrictions. The registration of purchasers who hold shares for their own account in the CREALOGIX Holding AG Register of Shareholders is not bound by any conditions.

Nominee registrations are governed by the Regulation Regarding Registration of Nominees in the Register of Shareholders. This regulation was adopted by the Board of Directors on 18 September 2006.

Under particular conditions, the Board of Directors registers individuals, who in their registration application do not expressly declare that shares are held for their own account ('nominees'), up to a maximum of three per cent of the entire share capital, with voting rights in the Register of Shareholders. The Board of Directors can enter nominees in the Register of Shareholders as shareholders with more than three per cent of voting rights, provided the nominee discloses the name, address and stock of shares of the person in whose account shares are held. The Board of Directors establishes an agreement regarding the obligation to inform with such nominees.

## 2.7 Convertible bonds and options

On 6 November 2019, the convertible bond (CLX15) expired and CREALOGIX Holding AG replaced it with a new convertible bond (CLX19) for CHF 25 million at an issue and placement price of 100 per cent with a term of five years.

The coupon was fixed at 1.5 per cent (payable annually on 6 November) and the conversion price amounts to CHF 125. As per 30 June 2020, a total liability of CHF 25 million is outstanding.

There are no options in existence.

### 3 Board of Directors

The Board of Directors is currently composed of one executive member (in dual office as Vice Chairman and Chief Strategy Officer) and four non-executive members.

#### Executive members

The dual office of the Chief Strategy Officer function as Board of Directors Vice President has proved advantageous as the Board of Directors can thus make use of the profound expertise and market knowledge of the Vice President/Chief Strategy Officer for its decisions without restriction.

#### Non-executive members

Since 1 January 2016, Bruno Richle (Chairman) has been acting as non-executive member of the Board of Directors. Before this, he was operating as Chairman and Chief Executive Officer in a dual office. None of the other three non-executive Board members have previously exercised an executive function within the CREALOGIX Group or have a critical business relationship with it.

### 3.1 Members of the Board of Directors



#### Bruno Richle

**Chairman of the Board of Directors at CREALOGIX Group since 2016**  
Swiss citizen, 1957

##### Professional history

1996 to 2015	Founding Member and CEO of the CREALOGIX in Zurich, Switzerland
1990 to 1996	Executive Management and Technical Director with Teleinform AG in Bubikon, Switzerland
1986 to 1989	Head of the Department of Electronic Engineering with Oerlikon Aerospace in Montreal, Canada

##### Education

1985	Electrical Engineer Major in Computer Science and Communications Engineering, Hochschule Rapperswil, Switzerland
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##### Other activities and functions

- Board Member of Yachtwerft Portier AG in Meilen, Switzerland
- Board Member of Elektrizitätswerk Jona-Rapperswil AG, Switzerland
- Board Member of Trustees of the foundation FUTUR in Jona, Switzerland
- Board Member of Trustees of the Hochschulrat for Technology in Rapperswil (HSR), Switzerland



#### Richard Dratva

**Vice President of the Board of Directors, Chief Strategy Officer and Member of the Executive Board at CREALOGIX Group since 1996**  
Swiss citizen, 1964

##### Professional history

1996 to present	Founding Member, Vice Chairman of the Board of Directors, Chief Strategy Officer and Member of the Executive Board at CREALOGIX in Zurich, Switzerland
1995 to 1996	Consultant at Teleinform AG in Bubikon, Switzerland
1992 to 1994	Research Associate at the Institute of Information Management at the University of St. Gallen, Switzerland
1987 to 1991	Internal Consultant with the Swiss Bank Corporation (today UBS AG) in Zurich, Switzerland

##### Education

1995	Ph.D. in Economics and Finance from the University of St Gallen, St Gallen, Switzerland
1987	Lic. en sc. écon. HEC at the University of Lausanne, Switzerland

##### Other activities and functions

No further activities or functions



## Rudolf "Ruedi" Noser

Member of the Board of Directors  
at CREALOGIX Group since 2018  
Swiss citizen, 1961

### Professional history

2015 to present	Liberal Member of the Council of State, representing the Canton of Zurich, Switzerland
2003 to 2015	Elected Member of the Swiss Parliament
1996 to present	Owner and Member of the Board of Directors of Noser Group Management AG, Switzerland

### Education

1995	Business Administration at the University of St. Gallen, Switzerland
1992	Business Administration at the University of Zurich, Switzerland
1985	Electrical Engineer Major in Computer Science at the University of Applied Sciences Rapperswil

### Other activities and functions

2017 to present	Board Member of Credit Suisse Asset Management (Schweiz) AG in Zurich, Switzerland
2017 to present	Board Member of myStromer AG in Köniz, Switzerland
2015 to present	Member Steering Committee of the "digitalswitzerland" Association
2013 to present	Board Member of Bucher + Suter Inc. (Noser Gruppe) in Boston, USA
2012 to present	Board Member of AMC International Alfa Metalcraft Corporation AG in Risch, Switzerland



## Ralph Morigato

Member of the Board of Directors  
at CREALOGIX Group since 2016  
Swiss/Italian citizen, 1963

### Professional history

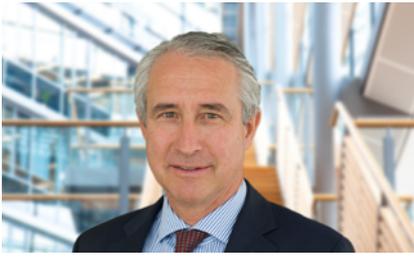
2012 to present	Independent Senior Advisor, Professional Board Member and Angel Investor in ICT and fintech start-ups
2012 to present	Owner of Hixon AG, Zurich, Switzerland
2011 to present	Lecturer at the University of Zurich and Kalaidos University of Applied Sciences in Zurich, Switzerland
1996 to 2012	Founding Member and CEO at Synpulse (formerly Solution Providers) in Zurich, Switzerland

### Education

1999	Swiss Finance Institute Executive Program
1989	Master of Arts, Economics and Computer Science at the University of Zurich, Switzerland

### Other activities and functions

2019	Member of the Advisory Board of LEND in Zurich, Switzerland
2019	Board Member of Inacta, Zug, Switzerland
2018	Board Member of Enterprise Bot in Zug, Switzerland
2018	Board Member of Imburse in Zurich, Switzerland
2017	Board Member of Apiax in Zurich, Switzerland
2016	Board Member of ASSEPRO in Pfäffikon/SZ, Switzerland
2014	Member of the Advisory Board of unblu. in Basel, Switzerland
2014	Vice President Swiss ICT Investor Club in Zurich, Switzerland
2012	Chairman of the Board of Quartal Financial Solutions AG in Zurich, Switzerland
2012	Guest lecturer at IFZ, University of St. Gallen and Swiss Finance Institute, Switzerland
2011	Board Member of its business AG in Bern, Switzerland



## Christoph Schmid

Member of the Board of Directors  
at CREALOGIX Group since 2000  
Swiss citizen, 1954

### Professional history

1989 to present	Partner at Wenger & Vieli AG in Zurich, Switzerland
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### Education

1985	Attorney at law
1982	Dr. iur at the University of Zurich, Switzerland
1978	Master of laws degree from the University of Zurich, Switzerland

### Other activities and functions

#### Main Board Memberships

2013	Vice Chairman of the Board of Directors Neue Zürcher Zeitung Mediengruppe in Zurich, Switzerland
1998	Board Member of Robert Bosch Internationale Beteiligungen AG in Zuchwil, Switzerland
1996	Board Member of Kessler & Co AG in Zurich, Switzerland
1993	Chairman of the Board of Directors EBS Services Company Limited in Zurich, Switzerland

Member of the Board of charitable Swiss Foundations

### 3.2 Other activities and vested interests

Information on other activities and vested interests is disclosed together with the curricula vitae on pages 15 to 17.

The law firm of Wenger&Vieli AG provides consulting services for the CREALOGIX Group. In addition, the consulting company Hixon AG provides consulting services in relation with business development.

The compensation is listed in the remuneration report starting on page 32.

### 3.3 Allowed number of mandates

According to article 31 of the Articles of Association, a member of the Board of Directors may simultaneously take on a maximum of 13 mandates outside the CREALOGIX Group, no more than three of which may be in listed companies and no more than 10 in non-listed companies. If the mandates assumed relate to legal entities that belong to the same group or are similarly related in terms of management, these mandates are considered a single mandate. There are no restrictions on the number of mandates assumed in legal entities that are directly or indirectly controlled by the CREALOGIX Group or where, in the exercise of the function for the CREALOGIX Group, a mandate in another, related legal entity is exercised.

Mandates exercised in associations, non-profit organisations, foundations, trusts or pension funds are not part of the above mentioned limitation; a maximum of eight such mandates are allowed.

### 3.4 Election and terms of office

The members of the Board of Directors and the Nomination and Compensation Committee were elected by the Shareholders' Meeting held on 28 October 2019 for a new term of office of one financial year following the entry into force of the new Ordinance against Excessive Compensation with respect to Listed Stock Corporations (VegüV). Re-election is allowed.

Information concerning the term of office of the current members of the Board of Directors is listed in the following table:

	Function	Elected since SM
Bruno Richle	Chairman	1996
Dr. Richard Dratva	Vice Chairman	1996
Dr. Christoph Schmid	Member	2000
Ralph Mogenicato	Member	2016
Rudolf Noser	Member	2018

### 3.5 Internal organisation

#### Responsibilities and competencies

The Board of Directors convenes as often as required by business, at a minimum four times per year. In the financial year 2019/2020 the Board met five times for meetings of four to five hours each. Three additional meetings were conducted as conference calls. The CEO, CFO and other members of the Executive Board took part as required in the meetings.

The Board of Directors has a quorum if the majority of its members are present. The Board makes its decisions with the majority of votes cast. In case of a tie, the Chairman's vote is decisive. The Board of Directors is responsible for defining corporate strategy, supervision of the corporation and the establishment of its organisation, the appointment and recall of members of the Executive Board as well as the definition of accounting, financial planning and financial controlling. The Board decides upon acquisitions and sets annual targets as well as the annual and investment budget for the Group.

The Annual Report 2019/2020 was passed at the meeting of the Board of Directors on 11 September 2020.

#### Committees

The Board of Directors has formed an Audit Committee and a Nomination and Compensation Committee.

The Audit Committee supports and advises the Board of Directors in questions of financial reporting, internal controlling, composition of half-yearly and annual reports as well as collaboration with and evaluation of the services of the Group auditor. The Audit Committee is composed of non-executive members of the Board of Directors. Ralph Mogenicato (Chairman) and Ruedi Noser currently form the Audit Committee. The Audit Committee convenes three times yearly as a rule. The CFO, Daniel Bader, takes part in the meetings. In financial year 2019/2020, the Audit Committee met three times for meetings of four to five hours each. Representatives of the auditor were present at all of the meetings.

The Nomination and Compensation Committee is responsible for the formulation of recommendations to the Board of Directors regarding the compensation of the members of the Board of Directors and the Executive Board as well as the allotment of share-based payments. The Committee holds responsibility for human resource planning on the level of the Board of Directors and the Executive Board. This includes the definition of criteria for the selection of candidates and the preparation of the selection process as well as succession planning and promotion of young employees. The committee is composed of the following non-executive members: Bruno Richle (Chairman) and Dr. Christoph Schmid. The Nomination and Compensation Committee convenes twice yearly as a rule. In the 2019/2020 financial year, the committee met four times for meetings of two to three hours each.

In all cases, resolutions remain reserved to the Board of Directors.

### 3.6 Definition of areas of responsibility

To the extent allowed by law and the Articles of Association, the Board of Directors delegates the entire business execution and responsibility to the Executive Board.

In particular, the following responsibilities inhere to the Executive Board regarding the operative organisation and leadership of the CREALOGIX Group:

- Monitoring of on-going business
- Keeping of the accounts and establishment of the budget
- Implementation and maintenance of the internal control system (ICS)
- Arrangement of the organisation of leadership between the Executive Board and the management bodies of business units
- Engagement and dismissal of personnel, in as much as this is not reserved for the Board of Directors
- Preparation and execution of the resolutions and directives of the Board of Directors
- Development of the basis for decisions for the attention of the Board of Directors concerning acquisitions, significant investments, cooperation, etc.
- Reporting on the course of business for the attention of the Board of Directors
- Observance and fulfillment of legal publication obligations pertinent to the stock exchange following the orientation of the Board of Directors in advance.

### 3.7 Information and controlling tools vis-à-vis the Executive Board

The Board of Directors ensures that the Executive Board establishes and maintains an internal control system (ICS), tailored to the dimensions of the CREALOGIX Group and the risks involved in its business activities. The external auditors review the existence of the ICS as part of its annual audit and submit an annual report to the Board of Directors.

The Executive Board reports to the Board of Directors on a monthly basis regarding the current business situation. The information is based on the internal management reports and includes the current and budget data as well as regular projections based on current trends and expectations. This written report is supplemented at each Board meeting by oral reports from the Executive Board.

In special cases the Chief Executive Officer promptly informs the Board of Directors regarding the specific issue in writing and/or orally. The Chairman of the Board of Directors also maintains regular contact with the Chief Executive Officer and the Chief Financial Officer and is informed by them concerning all business transactions and matters of fundamental importance. Outside the meetings of the Board of Directors, each member can request information from persons responsible for the Executive Board concerning the course of business and, with authorisation from the Chairman, individual transactions.

Furthermore the Board of Directors is assured of receiving information immediately since one member of the Executive Board also sits on the Board of Directors.

## 4 Executive Board

### 4.1 Members of the Executive Board

The Executive Board assumes the operational functions and represents the CREALOGIX Group externally. As of 30 June 2020, the Executive Board consists of five members, one of whom serves as executive member of the Board of Directors.

As per December 2019, Thomas Avedik (Chief Executive Officer) left the company and was replaced by Oliver Weber (formerly: VP Digital Banking Switzerland).

As per September 2019, Philippe Wirth (Chief Financial Officer) left the company and was replaced by Daniel Bader.

As of 30 June 2020, beside Richard Dratva (Chief Strategy Officer, see page 16) the members of the Executive Board are:



### Oliver Weber

**President of the Executive Board and Chief Executive Officer at CREALOGIX Group since 2020**  
German citizen, 1966

#### Professional history

2020 to present	Chief Executive Officer and President of the Executive Board at CREALOGIX in Zurich, Switzerland
2018 to 2020	Executive Vice President Digital Banking Switzerland at CREALOGIX in Zurich, Switzerland
2016 to 2018	COO Arcplace AG in Zurich, Switzerland
2014 to 2016	Vice President Global Professional Services at Wincor Nixdorf in Utrecht Area, Netherlands
2011 to 2013	President and CEO USA at Wincor Nixdorf in Austin, Texas USA
2007 to 2011	CFO/COO USA at Wincor Nixdorf in Austin, Texas USA
2003 to 2007	Director Corporate Controlling and Audit at Wincor Nixdorf in Paderborn, Germany
1999 to 2003	Manager at Accenture in Zurich, Switzerland
1995 to 1999	Financial Controller at ABB in Baden, Switzerland and London, U.K.

#### Education

1997	Master's degree in Finance from INSEEC in Paris, France
1996	Economics at the University Kassel, Germany
1994	Diploma in Marketing from the Claude Bernard University in Lyon, France

#### Other activities and functions

No further activities or functions



### Daniel Bader

**Chief Financial Officer and Member of the Executive Board at CREALOGIX Group since 2019**  
Swiss citizen, 1972

#### Professional history

2019 to present	Chief Financial Officer and Member of the Executive Board at CREALOGIX in Zurich, Switzerland
2015 to 2019	Group CFO at Swisslog Holding AG in Buchs, Switzerland
2007 to 2015	Head of Group Controlling/Accounting at Swisslog Holding AG in Buchs, Switzerland
2002 to 2007	Audit Manager at PwC in Zurich, Switzerland
1999 to 2002	Senior Auditor at Arthur Andersen in Zurich, Switzerland

#### Education

2008	CFA Level 1 at the CFA Institute
2003	Swiss Graduate Auditor of the Swiss Chamber of Commerce
2001	Certified Information System Auditor CISA at ISACA
1999	Business Administration at the University of Applied Science in Zurich, Switzerland

#### Other activities and functions

No further activities or functions



## David Moreno

Executive Vice President Spain and Member of the Executive Board at CREALOGIX Group since 2018  
Spanish citizen, 1974

### Professional history

2018 to present	Executive Vice President Spain and Member of the Executive Board at CREALOGIX in Zurich, Switzerland
2012 to present	Partner at Mayfin MS in Barcelona, Spain
2012 to 2018	CEO Innofis in Barcelona, Spain (integration of the company into CREALOGIX Group in 2018)
2004 to 2012	Banking and Insurance Director at Thales, Spain
1993 to 2004	Several positions in Risk, Sales and Marketing within Retail and Corporate Banking at Caixa Sabadell, Spain

### Education

2002	MBA at the ESADE Business School in Spain
1996	Management and Business Administration at Universidad of Autónoma de Barcelona, Spain

### Other activities and functions

No further activities or functions



## Volker Weimer

Executive Vice President Germany and Member of the Executive Board at CREALOGIX Group from 2016 until June 2020  
German citizen, 1964

### Professional history

2016 to 2020	Executive Vice President Germany and Member of the Executive Board at CREALOGIX in Zurich, Switzerland
2015 to 2016	Executive President Germany at CREALOGIX in Zurich, Switzerland
2014 to 2014	Executive Board Member of Sopra Banking Software in Leinfelden, Germany
2006 to 2014	Executive Board Member and Member of the Board at COR&FJA (today msg-Life)
1996 to 2006	Senior Vice President Services and Solutions at debis Systemhaus/T-Systems

### Education

1989	Business Administration at the Fachhochschule Böblingen, Germany
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### Other activities and functions

No further activities or functions

## 4.2 Other activities and vested interests

Additional activities and commitments of interest of Dr. Richard Dratva, Chief Strategy Officer, are disclosed on page 16. No other members of the Executive Board had reportable activities or commitments of interest.

## 4.3 Allowed number of mandates

According to article 31 of the Articles of Association, a member of the Executive Board may simultaneously take on a maximum of four mandates outside the CREALOGIX Group, no more than two of which may be in listed companies and a no more than two in non-listed companies. If the mandates assumed relate to legal entities that belong to the same group or are similarly related in terms of management, these mandates are considered a single mandate. There are no restrictions on the number of mandates assumed in legal entities that are directly or indirectly controlled by the CREALOGIX Group or where, in the exercise of the function for the CREALOGIX Group, a mandate in another, related legal entity is exercised.

Mandates exercised in associations, non-profit organisations, foundations, trusts or pension funds are not part of the above mentioned limitation; a maximum of six such mandates are allowed.

## 4.4 Management contracts

No management contracts have been established; all members of the management team are directly employed by a CREALOGIX Group company.

## 5 Compensation and share-based payments

Compensation to related persons or parties is disclosed in the remuneration report on page 32ff.

## 6 Shareholder participation rights

Participation and custody rights of shareholders comply with the stipulations of Swiss stock corporation law.

### 6.1 Voting rights restrictions and representation

See Articles of Association, Art. 14.

There are no restrictions on voting rights. Every shareholder is entitled to have shares represented by proxy at the Shareholders' Meeting by another person (not necessarily a shareholder) with written power of attorney or by the independent proxy designated by the Board of Directors. Corporate bodies and depositaries may no longer serve as proxies pursuant to Art. 8 and 30 of the Ordinance against Excessive Compensation with respect to Listed Stock Corporations (VegüV).

### 6.2 Statutory quorum

See Articles of Association, Art. 15.

The Shareholders' Meeting votes and passes its resolutions with the absolute majority of the attendant and proxy share votes to the extent that legal regulations or the Articles of Association do not mandate a qualified majority for passage of a resolution as mandatory.

The Articles of Association of CREALOGIX Holding AG require no special quorum above and beyond the stipulations of stock corporation law.

### 6.3 Convening the Shareholders' Meeting

See Articles of Association, Art. 9 and Art. 29.

The Shareholders' Meeting is convened by the Board of Directors. The calling of the meeting must occur at the latest 20 days before the date of the Shareholders' Meeting. The invitation to shareholders occurs through publication in the Swiss Official Gazette of Commerce. The Board of Directors can designate other avenues of publication. Provided that the names and addresses of all shareholders are known to the company and legal regulations or Articles of Association do not stipulate other procedures as mandatory, the invitation to shareholders can also be conducted as legally valid in letter form to all the addresses listed in the Register of Shareholders. In this instance, a publication in the Swiss Official Gazette of Commerce can be omitted.

### 6.4 Inclusion of items on the agenda

See Articles of Association, Art. 9, 10.

In convening the Shareholders' Meeting, the items of discussion as well as the proposals of the Board of Directors and of the shareholders that require a Shareholders' Meeting to be held must be made known. Furthermore, items of discussion and proposals must be placed on the agenda if, pursuant to CO Art. 699 (3), they were submitted in writing to the Board of Directors before the meeting was called by shareholders who jointly represent at least ten per cent of the share capital or a value of at least one million Swiss francs.

## 6.5 Registration of shares

See Articles of Association, Art. 5.

The Board of Directors administers a Register of Shareholders for registered shares in which the owners and benefactors are listed with name and address or with company name and headquarters location. Only those persons registered as shareholders in the Register of Shareholders are recognised as shareholders or beneficiaries in relation to the corporation.

The Register of Shareholders will be closed ten days before the Shareholders' Meeting. Shareholders not listed in the register by this date have no voting rights at the Shareholders' Meeting.

## 7 Change in control and defensive measures

### 7.1 Obligation to announce a public takeover offer

The CREALOGIX Holding AG Articles of Association contain neither an opting-out nor an opting-up clause. Whoever acquires more than one-third (33 ⅓ per cent) of the share capital of the corporation is required in accordance with Art. 135 of the Financial Market Infrastructure Act (FinfraG) to submit a public takeover offer for the remaining shares.

### 7.2 Change-in-control clauses

No change-in-control clauses have been incorporated into agreements with members of the Board of Directors, members of Executive Board or other members of management (no 'golden parachutes').

## 8 Auditor

### 8.1 Duration of mandate and term of office of lead auditor

PricewaterhouseCoopers AG in Zurich has served as the auditor of CREALOGIX Holding AG since 2 November 2009. The lead auditor since 31 October 2016 is Oliver Kuntze. The lead auditor rotation plan complies with the law and therefore requires rotation after seven years. Each auditor is elected by the Shareholders' Meeting on an annual basis for one year. The work of the auditor conducts within the scope of pertinent legal regulations as well as in compliance with the principles of the profession.

### 8.2 Auditing fees

In the 2019/2020 financial year, the agreed audit fees for PricewaterhouseCoopers AG in Zurich amounted to CHF 259 thousand (previous year: CHF 254 thousand).

### 8.3 Additional fees

In the 2019/2020 financial year, PricewaterhouseCoopers AG provided further services valued at CHF 62 thousand (previous year: CHF 10 thousand), related to tax and legal advice outside of the regular audit.

## 8.4 Information tools of external auditors

The auditors inform the Executive Board and Board of Directors on a regular basis concerning determinations and suggestions for improvement, especially in respect of the annual financial statements and the internal control system.

At least once per year, a meeting of the Audit Committee takes place in which representatives of the auditing company take part to provide information on its determinations, particularly those regarding the annual financial statements. The Audit Committee itself informs the Board of Directors of these findings.

The Audit Committee assesses the performance of the auditor based, among other parameters, on criteria such as punctuality, efficiency in collaboration and clarity of statements, and it reports these matters to the Board of Directors as appropriate.

## 9 Information policy

CREALOGIX Holding AG informs its shareholders and the capital markets openly, promptly and with the greatest possible transparency. The most important vehicles of information are the Annual and Half-Year Report, the website ([crealogix.com](http://crealogix.com)), information provided to the media, the presentation of the balance sheet for journalists and analysts as well as the Shareholders' Meeting. As an exchange-listed company, CREALOGIX Holding AG is obligated to publish information relevant to its stock price (Ad hoc publicity, Art. 73, Listing Rules). The Listing Rules of the SIX Swiss Exchange can be found under [https://www.six-exchange-regulation.com/dam/downloads/regulation/admission-manual/listing-rules/03\\_01-LR\\_en.pdf](https://www.six-exchange-regulation.com/dam/downloads/regulation/admission-manual/listing-rules/03_01-LR_en.pdf)

Inquiries about CREALOGIX can be addressed to the following persons responsible for Investor Relations:

**Daniel Bader**

Chief Financial Officer

T +41 58 404 80 00

[daniel.bader@crealogix.com](mailto:daniel.bader@crealogix.com)

**Dr Richard Dratva**

Board of Directors Vice President and Chief Strategy Officer

T +41 58 404 80 00

[richard.dratva@crealogix.com](mailto:richard.dratva@crealogix.com)

# Share

## Key figures – shares

Share capital in CHF	11 183 216
Total number of outstanding shares	1 397 902
of which publicly traded	1 397 902
in %	100.00%
Equity (carrying amount) per share in CHF	32.7
Earnings per share in CHF, undiluted	-8.75
<b>Share prices in CHF</b>	
30 June 2020	94.80
High (23 January 2020)	120.00
Low (23 March 2020)	82.00
on issue day (7 September 2000)	200.00
<b>Market capitalisation in CHF million<sup>*)</sup></b>	
30 June 2020	132.5
High (23 January 2020)	167.7
Low (23 March 2020)	114.6
on issue day (7 September 2000)	279.6
<b>Market capitalisation (30 June 2020)</b>	
in % of operating revenue	127.8
in % of equity	290.0
<b>Trading volume in CHF million</b>	
1 July 2019 to 30 June 2020	9.5

<sup>\*)</sup> Market capitalisation disclosed is calculated with the total number of outstanding shares as per 30 June 2020 and the share price on the respective day.

## Trading platform and ticker symbols

Registered shares (at nominal value CHF 8) of CREALOGIX Holding AG have been listed on the SIX Swiss Exchange since 7 September 2000 under the identification number 1 111 570.

<b>Ticker symbols</b>	
Telekurs	CLXN
Reuters	CLXZn. S
Bloomberg	CLXN SW

## Dividend

The Board of Directors will propose to the Shareholders' Meeting of 28 October 2020 that no dividend or share premium be distributed for the 2019/2020 financial year.

## Articles of Association

The Articles of Association can be accessed under: <https://files.crealogix.com/group/corporate-governance/CREALOGIX-Articles-of-Association.pdf>

### Share price from 1 July 2019 to 30 June 2020

All amounts in CHF



Symbols	High	Low	Year-on-year % change
CLXN	120.00	82.00	-5.70 (-5.67%)
SPI (SXGE)	13 570.28	9 340.77	378.41 (3.14%)

### Distribution to Shareholders

	2017/2018	2018/2019	2019/2020
Distribution of share premium per share in CHF	0.25	0.00	0.00
Total distribution to shareholders in CHF thousand	342	0	0



# Remuneration Report



## Remuneration Report

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# Remuneration Report

## 1 Introduction

The remuneration report states the remuneration principles for the Board of Directors and Executive Board of the Group, describes the remuneration policy and remuneration system and discloses information on the remuneration paid in the 2019/2020 financial year.

The report complies with the Ordinance against Excessive Compensation with respect to Listed Stock Corporations (VegüV) and the requirements of the Directive Corporate Governance of SIX Swiss Exchange and contains the disclosures required by Art. 663b and 663c of the Swiss Code of Obligations.

## 2 Remuneration principles

Our employees are key drivers of CREALOGIX's value and success. That fact makes it particularly important for us to attract, motivate and retain the best talent over the long term in a highly competitive labour market. Our remuneration system should support these fundamental goals.

It is based on the following principles:

- Our remuneration is competitive since it is comparable to the remuneration paid by other (competitor) companies.
- Our remuneration is affected by individual performance and the company's performance.
- Our share ownership programmes reflect our company's performance, strengthen our managers' long-term loyalty and align their interests with those of our shareholders.
- Our managers are protected from risk by pension and insurance plans.

The remuneration of the non-executive members of the Board of Directors consisted of a fixed fee and fixed compensation per meeting in the Board of Directors committees, reported both as annual fixed compensation.

The remuneration of the Executive Board is based partially on sales and earnings before interest and taxes (EBIT).

### 3 Remuneration policy

The Nomination and Compensation Committee (NCC) assists the Board of Directors (BoD) with all tasks and responsibilities relating to human resources policies, among others:

- Regular review of the remuneration system and fringe benefits
- Annual review of the remuneration of the individual members of the Executive Board
- Annual assessment of the individual members of the Executive Board
- Succession planning and nomination of the members of the Executive Board

#### Approval system

Decision on	CEO	NCC	BoD
Remuneration of BoD Chairman, BoD members, CEO		Suggests	Decides
Remuneration of members of the Executive Board (except CEO)	Suggests	Suggests	Decides
Share-based payments for BoD Chairman, BoD members, CEO		Suggests	Decides
Share-based payments for members of the Executive Board (except CEO) and other eligible recipients	Suggests	Suggests	Decides

The NCC consists of non-executive members of the Board of Directors who are proposed to the Shareholders' Meeting as candidates for election in accordance with VegüV.

During the period under review, the NCC consisted of Bruno Richle (Chairman), and Dr. Christoph Schmid.

The NCC Chairman can invite the CEO, CFO and Human Resources specialists to the meetings.

After every meeting, the NCC Chairman provides a report that summarises the issues discussed, decisions taken and recommendations made by the NCC.

The entire BoD may review the minutes of the NCC meeting.

The NCC meets at least twice per financial year. Four meetings were held during the period under review.

## 4 Remuneration system

### 4.1 Board of Directors

The remuneration of the non-executive members of the Board of Directors consisted of a fixed fee, a fixed amount in shares and a fixed compensation per meeting in the Board of Directors committees. The fixed compensation per meeting is reported within the annual fixed compensation (the previous year amounts were reclassified from annual variable compensation to annual fixed compensation).

In lieu of receiving their fee in cash, they have the right to receive up to 90 per cent of their fee, but no more than the equivalent of CHF 50 thousand, in CREALOGIX Holding AG shares at a sales price of 70 per cent of the average closing price from the last five trading days preceding the definitive share allocation with a vesting period of three years.

The remuneration of the executive member of the Board of Directors (Vice President) is covered by the remuneration paid to him as the CSO.

### 4.2 Executive Board

The remuneration of the Executive Board is laid out in a policy approved by the Board of Directors. It includes the following components:

- Base salary
- Variable cash remuneration
- Share ownership plans
- Pension and additional benefits

#### **Base salary**

Base salary depends on the responsibilities, market value, qualifications and experience of the position-holder. It is paid monthly in cash.

#### **Variable cash remuneration**

The variable cash remuneration of the Executive Board, depending on the function, is linked to the achievement of annual financial targets (Sales, EBIT) for the respective division and/or Group. It ranges from 30 to 69 per cent of the base salary when the targets are achieved. The effective variable cash remuneration can vary between 0 and 150 per cent based on the target achievement.

Division targets can account for up to 60 per cent and Group targets for up to 100 per cent of the variable cash remuneration.

The performance targets are jointly defined and agreed at the start of the financial year.

The variable cash remuneration is paid after the consolidated financial statements have been audited by the auditor.

### Share ownership plans

Members of the Board of Directors and Executive Board as well as other employees can purchase shares valued at up to CHF 50 thousand per year through a 3 years employee share ownership plan ("3 years plan"). The sales price for a CREALOGIX share is 70 per cent of the average closing price from the last five trading days preceding the definitive share allocation with a vesting period of three years.

At the end of the vesting period of 3 years, the shares can be voluntarily subjected to an additional three-year vesting period at the discretion of the Board of Directors ("6 years plan"). If the member of the Executive Board or employee is still employed with the Group and has not resigned or been dismissed by the end of the additional vesting period, he or she receives one additional share for every employee share that he or she voluntarily subjects to the additional three-year vesting period.

In the 2019/2020 financial year, 6 181 employee shares (previous year: 7 049) were given out for the 3 years plan at a price of CHF 95.16 (previous year: CHF 90.16). The discount per share was calculated as the difference between the sales price and the average closing price of the last five trading days prior to the cut-off date and amounted to CHF 28.55 (previous year: CHF 38.64).

On 2 December 2019, 2 450 bonus shares (previous year: 404) were given out at a price of CHF 96.20 (previous year: CHF 124.00) as additional shares in connection with the 6 years plan; i.e. these shares have been matched with the original share ownership plan from the year 2013.

In June 2020, each member of the Board of Directors received shares in the fixed amount of CHF 10 thousand. These shares are reported within the 3 years plan.

### Pension and additional Benefits

The members of the Executive Board are insured with a regular pension fund, along with the other employees in Switzerland. CREALOGIX pays for one half of this mandatory basic plan, which covers base salaries up to CHF 85 thousand with age-related contributions. The employees pay the other half.

There is also a management pension fund with a voluntary plan to insure base salaries in excess of CHF 85 thousand.

In addition, every member of the Executive Board is entitled to a company car and a fixed entertainment allowance in accordance with the expense policies in the respective countries.

### Employment conditions

All members of the Executive Board have employment contracts with a six-month notice period. They are not entitled to severance payments.

## 5 Remuneration of the Board of Directors and Executive Board

July – June 2019/2020	Annual fixed compensation	Annual variable compensation	Share-based payments		Social insurance contribution	Fringe Benefits	Total
			3 years plan	6 years plan			
Board of Directors							
Bruno Richle, Chairman	175	0	21	67	12	0	275
Dr. Richard Dratva, Vice Chairman and CSO	0	0	0	10	0	0	10
Dr. Christoph Schmid, Member	40	0	0	58	1	0	99
Ralph Mogicato, Member	47	0	0	10	3	0	60
Ruedi Noser, Member	38	0	0	10	2	0	50
<b>Total Board of Directors</b>	<b>300</b>	<b>0</b>	<b>21</b>	<b>155</b>	<b>18</b>	<b>0</b>	<b>494</b>
Executive Board	1 616	329	43	82	229	43	2 342
<b>Total</b>	<b>1 916</b>	<b>329</b>	<b>64</b>	<b>237</b>	<b>247</b>	<b>43</b>	<b>2 836</b>
<i>Highest compensation to Richard Dratva, Vice Chairman and CSO</i>	319	30	21	57	56	8	491

July – June 2018/2019	Annual fixed compensation	Annual variable compensation	Share-based payments		Social insurance contribution	Fringe Benefits	Total
			3 years plan	6 years plan			
Board of Directors							
Bruno Richle, Chairman	99	0	0	0	6	0	105
Dr. Richard Dratva, Vice Chairman and CSO	0	0	0	0	0	0	0
Jean-Claude Philipona, Member (until Oct 2018)	20	0	0	0	1	0	21
Dr. Christoph Schmid, Member	50	0	21	0	4	0	75
Ralph Mogicato, Member	52	0	0	0	3	0	55
Ruedi Noser, Member (since Nov 2018)	20	0	0	0	1	0	21
<b>Total Board of Directors</b>	<b>241</b>	<b>0</b>	<b>21</b>	<b>0</b>	<b>15</b>	<b>0</b>	<b>277</b>
Executive Board (six members as of January 2018)	1 548	0	81	36	207	37	1 909
<b>Total</b>	<b>1 689</b>	<b>0</b>	<b>102</b>	<b>36</b>	<b>222</b>	<b>37</b>	<b>2 186</b>
<i>Highest compensation to Thomas Avedik, President of the Executive Board and CEO</i>	300	0	17	36	49	10	412

The following annual maximum total compensations have been approved by the ordinary Shareholders' Meeting of 28 October 2019:

- Board of Directors: CHF 710 thousand
- Executive Board: CHF 3 660 thousand

In the year under review, the annual variable compensation is zero because the target achievement was below the pay-out threshold; however, the Board of Directors de-

cided to pay out a premium to selected key individuals who play an important role in the current transformation.

There were no further claims or commitments to/from persons in key management positions as of 30 June 2020 (previous year: none). No long-term payments or severance payments were made in the year under review (previous year: none). With respect to legal consultation, services were provided by Wenger & Vieli AG, a law firm closely related to Dr. Christoph Schmid, a member of the Board of Directors.

Wenger & Vieli's fees for legal advice totalled CHF 113 thousand (previous year: CHF 18 thousand). Further services were provided by Hixon AG in relation to business development consulting. The firm belongs to Ralph Mogenicato, a member of the Board of Directors. In the year under review, Hixon AG provided consulting services for total CHF 10 thousand (previous year: none).

## 6 Shareholdings of the Board of Directors and Executive Board

On 30 June 2020, members of the Board of Directors, the Executive Board as well as major shareholders owned CREALOGIX Holding AG shares as follows:

	CREALOGIX shares		thereof blocked	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Board of Directors				
Bruno Richle, Chairman	229 121	227 665	2 969	2 819
Dr. Richard Dratva, Vice Chairman and CSO	247 610	246 154	2 969	2 819
Dr. Christoph Schmid, Member	7 024	6 418	1 020	1 520
Ralph Mogenicato, Member	406	300	0	0
Ruedi Noser, Member	42 816	42 000	0	0
Members of the Executive Board				
Thomas Avedik, former member of the Executive Board and CEO (resigned as per December 2019)	n/a	2 379	n/a	1 607
Oliver Weber, member of the Executive Board and CEO	550	550	550	550
Philippe Wirth, member of the Executive Board and CFO (resigned as per September 2019)	n/a	1 426	n/a	1 076
Daniel Bader, member of the Executive Board and CFO (since September 2019)	450	509	450	509
David Moreno, member of the Executive Board and Ex- ecutive Vice President Spain	164 050	164 050	164 050	164 050
Volker Weimer, member of the Executive Board and Executive Vice President Germany	509	509	509	509
Total	692 536	691 960	172 517	175 459



Report of the statutory auditor to the General Meeting  
Crealogix Holding AG, Zürich

## Report of the statutory auditor on the remuneration report 2019/2020

We have audited the remuneration report of Crealogix Holding AG for the year ended 30 June 2020. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained on pages 36 to 37 of the remuneration report.

### Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

### Auditor's responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

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

## Opinion

In our opinion, the remuneration report of Crealogix Holding AG for the year ended 30 June 2020 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG



Oliver Kuntze  
Audit expert  
Auditor in charge



René Jenni  
Audit expert

Zürich, 11 September 2020



# Financial Report



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## Group Key Figures

Amounts in thousands of CHF	July – June 2019/2020	July – June 2018/2019
<b>Net sales from goods and services</b>	<b>103 659</b>	101 913
CHF sales growth	2%	17%
Local currency sales growth	4%	18%
<b>Adjusted EBITDA</b>	<b>2 428</b>	1 860
in % of net sales from goods and services	2.34%	1.83%
<b>Adjusted Free cash flow</b>	<b>7 934</b>	–2 544
<b>Adjusted earnings per share</b>	<b>–0.15</b>	–0.94
<b>Headcount</b>	<b>682</b>	702
	<b>30 June 2020</b>	30 June 2019
<b>Balance sheet total</b>	<b>114 581</b>	104 825
<b>Equity ratio</b>	<b>40%</b>	57%

### Non-GAAP Financial Measures

CREALOGIX supplements its SWISS GAAP FER results with non-GAAP financial measures:

Local Currency Sales Growth	July – June 2019/2020	July – June 2018/2019	Growth
Net sales from goods and services	103 659	101 913	2%
FX impact	2 261	0	
<b>Local currency sales from goods and services</b>	<b>105 920</b>	<b>101 913</b>	<b>4%</b>

CREALOGIX defines Local Currency Sales Growth as sales growth excluding the effect of currency exchange rate fluctuations that result from translating activity outside of Switzerland into Swiss Francs. CREALOGIX believes local currency information provides a helpful assessment of business performance and a useful measure of results between periods.

Adjusted EBITDA	July – June 2019/2020	July – June 2018/2019
EBITDA	–4 580	1 860
One-off reorganisation costs	7 008	0
<b>Adjusted EBITDA</b>	<b>2 428</b>	<b>1 860</b>

CREALOGIX defines adjusted EBITDA as operating result excluding depreciation on tangible fixed assets, amortisation on goodwill, amortization on other intangible assets and one-off costs.

CREALOGIX believes that adjusted EBITDA is an important performance indicator because it provides a measure of comparability to other companies with different capital or legal structures, which accordingly may be subject to disparate interest rates and effective tax rates, and to companies which may incur different depreciation and amortization expenses, or impairment charges related to fixed and intangible assets.

<b>Adjusted Earnings per share</b>	<b>July – June 2019/2020</b>	<b>July – June 2018/2019</b>
Consolidated profit attributable to Shareholders of CREALOGIX Holding AG	-12 129	-6 397
Goodwill amortisation, net of tax	4 916	5 109
One-off reorganisation costs	7 008	0
<b>Adjusted consolidated profit</b>	<b>-205</b>	<b>-1 288</b>
Weighted average number of shares outstanding	1 385 902	1 376 552
<b>Adjusted Earnings per share</b>	<b>-0.15</b>	<b>-0.94</b>

CREALOGIX defines Adjusted Earnings per Share as diluted earnings per share excluding goodwill amortisation, net of tax and one-off costs recognised during the period under review.

CREALOGIX believes that Adjusted Earnings per Share constitutes important information because it excludes a charge that is not directly related to current ongoing operations and is not included in the expenses of other international accounting standards. It therefore helps to compare ongoing operating performance.

<b>Adjusted Free Cash Flow</b>	<b>July – June 2019/2020</b>	<b>July – June 2018/2019</b>
Cash flow from operating activities	8 239	40
One-off reorganisation costs paid in the year under review	922	0
Purchase of tangible fixed assets	-964	-2 036
Disposal of tangible fixed assets	97	58
Purchase of intangible assets	-360	-606
<b>Adjusted Free Cash Flow</b>	<b>7 934</b>	<b>-2 544</b>

CREALOGIX defines Adjusted Free Cash Flow as cash flow from operating activities excluding paid one-off reorganisation costs, including purchase and disposal of tangible and intangible assets and before acquisition cost payments.

CREALOGIX believes that Adjusted Free Cash Flow constitutes important information because it represents the cash CREALOGIX is generating after required investment in its asset base and therefore can be distributed to holders of securities.

## Consolidated Income Statement

Amounts in thousands of CHF	Notes	July – June 2019/2020	%	July – June 2018/2019	%
<b>Net sales from goods and services</b>	5	103 659	100.0	101 913	100.0
Other operating income		1 537	1.5	575	0.6
Goods and Services purchased		-25 644	-24.7	-24 752	-24.3
Change in inventory of finished and unfinished goods as well as unbilled goods and services		583	0.6	-539	-0.5
Personnel expenses	20	-69 765	-67.3	-62 826	-61.6
Marketing expenses		-1 007	-1.0	-1 654	-1.6
Rent, maintenance and repairs		-4 817	-4.6	-3 418	-3.4
Other operating expense		-9 126	-8.8	-7 439	-7.3
<b>EBITDA <sup>*)</sup></b>		<b>-4 580</b>	<b>-4.4</b>	<b>1 860</b>	<b>1.8</b>
Depreciation on tangible fixed assets	11	-1 404	-1.4	-1 417	-1.4
Amortisation on Goodwill	12	-4 916	-4.7	-5 109	-5.0
Amortisation on other intangible assets	12	-1 095	-1.1	-1 249	-1.2
<b>Operating result</b>		<b>-11 995</b>	<b>-11.6</b>	<b>-5 915</b>	<b>-5.8</b>
Financial income	21	244	0.2	174	0.2
Financial expense	21	-1 112	-1.1	-745	-0.7
<b>Financial result</b>		<b>-868</b>	<b>-0.8</b>	<b>-571</b>	<b>-0.6</b>
Profit and loss from associates	10	0	0.0	-274	-0.3
<b>Ordinary earnings before tax</b>		<b>-12 863</b>	<b>-12.4</b>	<b>-6 760</b>	<b>-6.6</b>
Income tax	17	418	0.4	436	0.4
<b>Consolidated result</b>		<b>-12 445</b>	<b>-12.0</b>	<b>-6 324</b>	<b>-6.2</b>
Attributable to:					
Shareholders of CREALOGIX Holding AG		-12 129	-11.7	-6 397	-6.3
Minority interest		-316	-0.3	73	0.1
Earnings per share attributable to shareholders in CHF	22				
Undiluted		-8.75		-4.65	
Diluted		-8.75		-4.65	

<sup>\*)</sup>Operating result excluding depreciation on tangible fixed assets, amortisation on goodwill and amortisation on other intangible assets

The notes to the consolidated financial statements on pages 48 to 81 are an integral part of these consolidated financial statements.

## Consolidated Balance Sheet

Amounts in thousands of CHF	Notes	30 June 2020	%	30 June 2019	%
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	35 959		12 844	
Receivables from goods and services	7	14 067		20 200	
Other short-term receivables	8	1 970		3 064	
Prepayments and accrued income		2 805		2 764	
Work in progress/inventories	9	5 379		3 580	
<b>Total current assets</b>		<b>60 180</b>	<b>52.5</b>	<b>42 452</b>	<b>40.5</b>
<b>Non-current assets</b>					
Financial assets	10	1 630		1 557	
Tangible fixed assets	11	1 767		2 351	
Intangible assets	12	45 434		53 354	
Deferred tax assets	17	5 570		5 111	
<b>Total non-current assets</b>		<b>54 401</b>	<b>47.5</b>	<b>62 373</b>	<b>59.5</b>
<b>Total ASSETS</b>		<b>114 581</b>	<b>100.0</b>	<b>104 825</b>	<b>100.0</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Payables from goods and services		3 639		3 745	
Other short-term liabilities		2 622		2 610	
Short-term financial liabilities	15	5 000		13 441	
Accrued liabilities and deferred income	13	21 532		20 534	
Short-term provisions	14	8 144		1 200	
Income tax liabilities		338		1 482	
<b>Total current liabilities</b>		<b>41 275</b>	<b>36.0</b>	<b>43 012</b>	<b>41.0</b>
<b>Non-current liabilities</b>					
Long-term financial liabilities	15	25 885		1 459	
Deferred conditional purchase price obligations	16	0		565	
Long-term provisions	14	1 586		0	
Deferred tax liabilities	17	134		540	
<b>Total non-current liabilities</b>		<b>27 605</b>	<b>24.1</b>	<b>2 564</b>	<b>2.4</b>
<b>Total LIABILITIES</b>		<b>68 880</b>	<b>60.1</b>	<b>45 576</b>	<b>43.5</b>
<b>Shareholders' equity</b>					
Share capital	19	11 183		11 182	
Treasury shares	19	-1 021		-1 998	
Capital reserves		58 298		57 672	
Translation differences		-5 056		-2 570	
Retained earnings		-14 220		-2 091	
Total equity before minorities		49 184		62 195	
Minority interests		-3 483		-2 946	
<b>Total SHAREHOLDERS' EQUITY</b>		<b>45 701</b>	<b>39.9</b>	<b>59 249</b>	<b>56.5</b>
<b>Total LIABILITIES AND EQUITY</b>		<b>114 581</b>	<b>100.0</b>	<b>104 825</b>	<b>100.0</b>

The notes to the consolidated financial statements on pages 48 to 81 are an integral part of these consolidated financial statements.

## Consolidated Statement of Changes in Equity

Amounts in thousands of CHF	Share capital	Treasury shares	Capital reserve	Translation differences	Retained earnings	Total equity before minority interests	Minority interests	Total equity
<i>on 30 June 2018</i>	11 102	-2 369	57 308	-156	4 306	70 191	862	71 053
Change in scope of consolidation	0	0	0	0	0	0	-3 242	-3 242
Increase from convertible bond	80	0	961	0	0	1 041	0	1 041
Dividend payments to shareholders of CREALOGIX Holding AG	0	0	-342	0	0	-342	0	-342
Distribution minority interest	0	0	0	0	0	0	-667	-667
Currency translation of foreign entities	0	0	0	-2 414	0	-2 414	28	-2 386
Consolidated result	0	0	0	0	-6 397	-6 397	73	-6 324
Share-based payments	0	0	341	0	0	341	0	341
Change in treasury shares	0	371	-596	0	0	-225	0	-225
<i>on 30 June 2019</i>	11 182	-1 998	57 672	-2 570	-2 091	62 195	-2 946	59 249
Increase from convertible bond	1	0	601	0	0	602	0	602
Earn-out adjustment	0	0	560	0	0	560	0	560
Distribution minority interest	0	0	0	0	0	0	-94	-94
Currency translation of foreign entities	0	0	0	-2 486	0	-2 486	-127	-2 613
Consolidated result	0	0	0	0	-12 129	-12 129	-316	-12 445
Share-based compensation	0	0	-110	0	0	-110	0	-110
Change in treasury shares	0	977	-425	0	0	552	0	552
<b>on 30 June 2020</b>	<b>11 183</b>	<b>-1 021</b>	<b>58 298</b>	<b>-5 056</b>	<b>-14 220</b>	<b>49 184</b>	<b>-3 483</b>	<b>45 701</b>

The notes to the consolidated financial statements on pages 48 to 81 are an integral part of these consolidated financial statements.

## Consolidated Cash Flow statement

Amounts in thousands of CHF	Notes	July – June 2019/2020	July – June 2018/2019
Consolidated result		-12 445	-6 324
Income tax	17	-418	-436
Depreciation/amortisation	11/12	7 415	7 775
Financial result	21	868	571
Share of profit of associates	10	0	274
Change of receivables from goods and services, other receivables and other non cash flow related positions		6 358	-1 657
Change of work in progress/inventories		-1 891	2 479
Changes in payables from goods and services and other payables		1 184	-2 398
Changes in provisions		8 668	215
Interest received		9	16
Interest paid		-654	-447
Tax received		0	204
Tax paid		-855	-232
<b>Cash flow from operating activities</b>		<b>8 239</b>	<b>40</b>
<b>Investing activities</b>			
Purchase of tangible fixed assets	11	-964	-2 036
Disposal of tangible fixed assets	11	97	58
Purchase of intangible assets	12	-360	-606
Acquisition of organisations, net of cash acquired		0	-8 892
<b>Cash flow from investing activities</b>		<b>-1 227</b>	<b>-11 476</b>
<b>Financing activities</b>			
Inflows from a bond-issuance		24 393	0
Outflows for bond-repayments		-8 475	0
Dividend payments to shareholders of CREALOGIX Holding AG		0	-342
Dividend payments to minorities		-94	-667
Dividends received from associates	10	0	229
Proceeds from borrowing	15	500	5 000
Purchase of treasury shares		-2 387	-3 980
Sale of treasury shares		2 475	3 707
<b>Cash flow from financing activities</b>		<b>16 412</b>	<b>3 947</b>
Effects of exchange rate changes		-309	-359
<b>Net change in cash and cash equivalents</b>		<b>23 115</b>	<b>-7 848</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>12 844</b>	<b>20 692</b>
<b>Cash and cash equivalents at end of period</b>		<b>35 959</b>	<b>12 844</b>

The notes to the consolidated financial statements on pages 48 to 81 are an integral part of these consolidated financial statements.

## Notes to the consolidated financial statements

### 1 Basic information

CREALOGIX Holding AG (the 'Company') and its subsidiaries make up the CREALOGIX Group. CREALOGIX globally markets its extensive product range for tomorrow's digital bank. The CREALOGIX Group is a stock corporation headquartered in Switzerland. The address of its registered office is Badenerstrasse 694, CH-8048 Zurich. The Group's registered shares (CLXN) are traded on the SIX Swiss Exchange under identification number 1 111 570.

The consolidated financial statements were approved for issue by the Board of Directors on 11 September 2020 and proposed for adoption at the Shareholders' Meeting on 26 October 2020. The consolidated financial statements are reported in Swiss francs (CHF).

The following foreign exchange rates were applied:

	Year-end rates (balance sheet)		Average rates (income statement)	
	30 June 2020	30 June 2019	July – June 2019/2020	July – June 2018/2019
EUR	1.06	1.11	1.08	1.12
CAD	0.70	0.75	0.73	0.74
USD	0.95	0.98	0.98	1.00
GBP	1.17	1.25	1.24	1.26
SGD	0.67	0.72	0.70	0.72

On 30 June 2020, the following companies were included in the scope of consolidation:

Company	Activity	Capital	Ownership interest	Proportion of voting rights
CREALOGIX AG, Zurich, Switzerland	Consultancy and services in information technology and data communication	CHF 100 000	100%	100%
Swiss Learning Hub AG, Zurich, Switzerland	Provider of educational platforms and sophisticated learning media	CHF 100 000	100%	100%
CREALOGIX (Deutschland) AG, Stuttgart, Germany	Consultancy and services in information technology and data communication	EUR 100 000	100%	100%
CREALOGIX Advisory Holding GmbH, Stuttgart, Germany	Holding and administration of participating interests in companies	EUR 100 000	80%	80%
CREALOGIX Advisory GmbH & Co. KG, Stuttgart, Germany	Consultancy and services in information technology and data communication	EUR 10 000	80%	80%
CREALOGIX Advisory Verwaltungs GmbH, Stuttgart, Germany	Management of companies related to the ELAXY Group	EUR 25 000	100%	100%
CREALOGIX BaaS GmbH & Co. KG, Coburg, Germany	Hosting Solutions and Data Centre Services in the banking environment	EUR 10 200	100%	100%
CREALOGIX BaaS Verwaltungs GmbH, Coburg, Germany	Management of companies related to the ELAXY Groups	EUR 25 000	100%	100%
CREALOGIX GmbH, Coburg, Germany	Holding and administration of participating interests in companies	EUR 471 800	100%	100%
CREALOGIX UK Ltd, Winchester, UK	Holding and administration of participating interests in companies	GBP 1 050 000	100%	100%
CREALOGIX MBA Ltd, Winchester, UK	Consultancy and services in information technology and data communication	GBP 25 000	100%	100%
CREALOGIX PTE. Ltd, Singapore, Singapore	Consultancy and services in information technology and data communication	SGD 1 600 000	100%	100%
CREALOGIX (Austria) GmbH, Vienna, Austria	Consultancy and services in information technology and data communication	EUR 35 000	100%	100%
CREALOGIX ME S.L., Barcelona, Spain	Consultancy and services in information technology and data communication	EUR 7 000	100%	100%
Innofis ESGM S.L, Barcelona, Spain	Consultancy and services in information technology and data communication	EUR 100 000	100%	100%
Saudi CREALOGIX Single-Partner LLC Riyadh, Kingdom of Saudi Arabia	Consultancy and services in information technology and data communication	SAR 20'000	100%	100%
Qontis AG, Zurich, Switzerland	Establishment and operation of a highly automated independent multibank Personal-Finance-Management (PFM)-Platform	CHF 800 000	37%	37%

In the year under review, following changes in the Group structure have been made:

- October 2019: Saudi CREALOGIX Single-Partner LLC was established.
- December 2019: Swiss Learning Hub AG was established through a contribution in kind by CREALOGIX AG
- January 2020: CREALOGIX Corp., Toronto, Canada, was liquidated.

CREALOGIX holds 80% of Advisory Holding GmbH (former: FS&S Holding GmbH). There is a put option and a call option for the remaining 20% stake in this entity. The counterparty announced on 24 June its intention to execute the put option. The closing and the determination of the purchase price is expected by 31 December 2020. The underlying basic values of the options represent fair values. Therefore, the options create neither an asset nor a liability and do not qualify as derivative financial instruments as referred to in Swiss GAAP FER 27

## 2 Summary of significant accounting and valuation policies

The significant accounting and valuation policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

### 2.1 Basis of preparation

The consolidated financial statements of CREALOGIX Holding AG have been prepared in accordance with all the Swiss GAAP FER standards, Swiss law and the requirements of SIX Swiss Exchange.

The consolidated financial statements have been prepared under the historical cost accounting convention except for marketable securities and participations under 20% which are valued at fair value. The preparation of consolidated financial statements in agreement with Swiss GAAP FER requires estimates. Furthermore, the application of Groupwide accounting and valuation methods requires assessments by the management.

Areas with more room for judgement and higher complexity or areas where assumptions and estimates are crucial for the consolidated financial statements are listed in Note 4.

In tables, money values are presented in CHF thousands if not mentioned otherwise. In some cases, the sum of the figures given in this report may not precisely equal the stated totals, and percentages may not be exact due to rounding.

### 2.2 Consolidation

#### a) Subsidiaries

Subsidiaries consist of all entities over which the Group has the power to govern financial and operating policies; in general, the Group would also have acquired more than one-half of the entity's voting rights. When assessing whether or not the Group controls another entity, the existence and effect of potential voting rights that are currently exercisable or convertible are considered. Subsidiaries are fully consolidated in the consolidated financial statements once control is transferred to the Group; however, they are deconsolidated as soon as that control ceases to exist.

The purchase method of accounting is used to account for organisations that have been acquired by the Group. The cost of an acquisition is measured as the aggregate of the fair values of assets given, the equity instruments issued by the acquirer, and the liabilities incurred or assumed on the date of transaction, plus any costs directly attributable to the acquisition. Identifiable assets, liabilities and contingent liabilities assumed in a business combination are initially measured at fair value on the acquisition date, regardless of the extent of any minority interest. The excess of the cost of the acquisition over the Group's interest in the net assets recognised at fair value, capitalised as goodwill and amortised over 5 to 15 years (see Note 2.10 for further criteria applied).

If the net assets of the acquired organisation recognised at fair value exceed the cost of the acquisition, the difference (negative goodwill) is recognised as a provision that is released to profit or loss over the term.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the

transaction shows evidence of an impairment of the transferred asset. Accounting and valuation policies of subsidiaries have been revised where necessary in order to ensure consistency with the policies adopted by the Group.

#### *b) Associates*

Associates are all entities over which the Group has significant influence but not control, and generally has also acquired 20 to 50 per cent of the voting rights. Investments in associates are accounted for under the equity method and are initially recognised at cost.

The Group's share of the profits and losses of associates is recognised in the income statement on acquisition, and its share of changes in reserves is recognised in the consolidated reserves. The cumulative post-acquisition changes are adjusted to the loans receivable, if there are any. When the Group's share of an associate's losses equals or exceeds its interest in the associate (including any unsecured receivables), the Group does not recognise any further losses at the expense of the Group equity, unless the minority has a corresponding liability and is able to offset these losses.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction shows evidence of impairment of the transferred asset. Accounting and valuation policies of associates have been revised where necessary to ensure consistency with the policies adopted by the Group.

## 2.3 Segment reporting

The CREALOGIX Group globally markets its extensive product range for the digital bank of tomorrow, worldwide under the term 'Digital Banking Hub'.

All Group companies are managed based on an uniform business strategy with a central decision-making structure. The key element of the CREALOGIX strategy is a uniform business model. CREALOGIX supplies finance companies at their various locations around the world with products for the digital bank of tomorrow.

The Board of Directors and Executive Management manage the CREALOGIX Group based on the financial statements of the individual Group companies as well as the consolidated financial statement. Due to the economic similarity of the companies, the uniform strategy and the central management of the Group by Executive Management, CREALOGIX presents a summary of its business activities as a single segment, applying Swiss GAAP FER 31.

The income statement disclosures in the notes contain a breakdown of net sales from goods and services by geographical markets and categories.

## 2.4 Foreign currency translation

### *a) Functional currency and reporting currency*

Items included in the financial statements for each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated financial statements are reported in Swiss francs (CHF), the Company's reporting currency.

*b) Transactions and balances*

Foreign currency transactions are translated into the functional currency at the average monthly exchange rate prevailing at the time of the transaction. Gains and losses resulting from the execution of such transactions as well as from the translation at the closing rate of foreign currency denominated assets and liabilities are recorded in the income statement.

*c) Goodwill*

The capitalised goodwill for Group companies whose functional currency is not the reporting currency is translated to the reporting currency at the closing rate for each balance sheet date.

*d) Group companies*

The results and balance sheet items of all the Group entities (none of which have the currency of a hyperinflationary economy) that have a functional currency differing from the reporting currency are translated into the reporting currency as follows:

- Assets and liabilities are translated at the closing rate on the relevant balance sheet date
- Income and expenses in each income statement are translated at average exchange rates for the year under review
- All resulting translation differences are recognised separately in shareholders' equity

**2.5 Cash, cash equivalents and securities**

Cash and cash equivalents comprise cash on hand, bank account deposits and other short-term, highly liquid financial assets with a residual term to maturity of three months or less.

Current account overdrafts are disclosed in the balance sheet as liabilities due to banks under short-term financial liabilities.

Marketable securities are recognised at their fair value, whereby fair value changes are shown in the income statement under the item 'financial result'.

**2.6 Receivables from goods and services and other short-term receivables**

Receivables from goods and services are recognised at nominal value less an allowance for doubtful accounts. An impairment is recognised for receivables from goods and services when the Group has objective evidence that it is not in a position to realise the full amount of the claim. No general bad debt provisions are recognised.

## 2.7 Work in progress/inventories

Work in progress (projects) is recognised using the valuation method outlined in Note 2.19. Inventories are measured at the lower of cost and net realisable value. Cost includes all purchase costs, costs of conversion and all other costs incurred in bringing out the current status quo, but excluding any borrowing costs. The net realisable value is the estimated selling price attainable in the ordinary course of business, less the estimated variable costs necessary to make the sale.

Costs are measured using the weighted average cost method.

Prepayments from customers on work in progress are shown as deferred income and accrued expenses under "Income received in advance" wherever the prepayments exceed the degree of completion.

Cash discounts are treated as reductions in costs.

## 2.8 Financial assets and investments in associates

Financial assets are valued at purchasing cost less any value impairments.

Investments in associates are carried at cost. Losses from investments in associates are directly charged against the loan extended to the associate, if there are any. Gains are applied to the loan until the nominal value is reached. Any further gains are added to investments in associates.

If no loans are granted, gains and losses are added to investments in associates.

## 2.9 Tangible fixed assets

Tangible fixed assets are stated at historical cost less any accumulated depreciation.

Costs include all expenses directly attributable to the acquisition.

Subsequent costs are only included in the tangible fixed assets' costs or recognised as separate tangible fixed assets, as appropriate, if it is likely that future economic benefits associated with the item will flow to the Group and the cost of the tangible fixed assets can be reliably measured. Repair and maintenance costs are recognised as expenses in the income statement in the financial year in which they were incurred.

Tangible fixed assets are depreciated using the straight-line method, with the acquisition cost being depreciated to the residual book value over the expected useful life of the tangible fixed assets, as follows:

	Years
Furniture and fixed installations	10
IT and communication system	2
Office machines and other office equipment	5
Vehicles	5
Property	40

The residual book values and useful lives are reviewed and if necessary, adjusted at each balance sheet date.

Gains and losses arising from the disposal of tangible fixed assets are determined as the difference between the net proceeds and the carrying amount of the item and are recognised in profit or loss.

## 2.10 Intangible assets

Intangible assets are amortised under the item "Amortisations" using the straight-line method, with the acquisition cost being amortised over the expected useful life of the asset, as follows:

	Years
Software licences acquired	4
Trademarks and licences	5
Goodwill	5 to 15

### a) Software licences acquired

The cost of licences acquired are capitalised on the basis of the purchase price and any costs directly attributable to preparing the asset for its intended use.

### b) Trademarks and licences

Trademarks and licences are recognised at historical cost. Trademarks and licences have clearly defined useful lives and are valued at cost less accumulated amortisation.

### c) Goodwill

Any excess of the cost of the acquisition over the Group's interest in the net assets recognised at fair value, is capitalised as goodwill and amortised over 5, 10 or 15 years. The amortisation period is determined as follows, based on the investment case of the acquisition:

- Acquisition mainly due to product range: 5 years
  - Acquisition due to product range and existing customer base: 10 years
  - Acquisition due to product range, existing customer base and new market: 15 years.
- Deferred conditional purchase price obligations from acquisitions that will be paid in the future are based on a management estimate. The estimate is reviewed yearly, and any adjustments are recognised in equity.

### d) Badwill (negative goodwill)

If the net assets of the acquired organisation recognised at fair value exceed the cost of the acquisition, the difference is recognised as a provision that is released to profit or loss over 5 to 15 years. For criteria used to determine the duration, refer to listing under Note 2.10 lit c).

### e) Research and development costs

Research and development costs for our proprietary banking software and devices are expensed when incurred.

## 2.11 Impairment of assets

All assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

If there are indications of impairment, the recoverable amount is calculated in an impairment test. If the carrying amount exceeds the recoverable amount, an impairment loss is recognised in the income statement. Value-in-use calculations are based on cash flows forecasts for the next five years and extrapolated values starting with the sixth year.

## 2.12 Deferred taxes

Deferred taxes are recognised, using the balance sheet method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Swiss GAAP FER financial statements using the effective tax rate. Deferred taxes are determined using tax rates (and laws) that apply or have essentially been enacted on the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be offset.

Deferred tax liabilities arising due to temporary differences in connection with investments in subsidiaries are recognised, except where the Group can influence the realisation date of the temporary differences and it is unlikely that it will realise the temporary differences in the foreseeable future.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset the tax receivables against the current tax liabilities and if deferred taxes are levied by the same tax authority.

A deferred tax liability is only recognised on investments if their sale is foreseeable.

## 2.13 Liabilities

Liabilities are recorded at nominal value.

Loan liabilities are classified as current liabilities unless the Group has the unconditional right to postpone settlement of the debt until twelve months after the balance sheet date or later. Non-current liabilities are discounted at the current local risk-free interest rate. The resulting annual interest expense is recognised as a financial expense in the income statement.

The convertible bond issued was split into a debt component and an equity component upon first recognition. The debt component was obtained by discounting the future coupon payments and the repayment of the principal amount at the maturity date by a discount rate appropriate to a comparable straight bond. This discount rate is higher than the effective interest rate for the convertible bond since the latter includes a discount for the conversion right received. The equity component, in turn, reflects the conversion right for the bond. The debt portion is measured at amortised cost using the effective interest rate method. The interest accrued on the principal amount of 100 per cent of the convertible bond over the entire term is recognised in the income statement.

## 2.14 Leases

Leases are classified as operating leases if the lessor retains a substantial portion of the risks and rewards incident to ownership of the leased item. Payments in connection with an operating lease (net of reductions conceded by the lessor) are recognised in the income statement on a straight-line basis over the term of the lease.

## 2.15 Employee benefit plans

### *a) Pension obligations*

The Group companies operate a number of pension plans that conform to the legal regulations and provisions in force in the respective countries. An economic obligation is recognised as a liability if the requirements for the recognition of a provision according to Swiss GAAP FER 16.7 are met. An economic benefit is capitalised provided that it is permitted and intended to be used for future Group pension contributions. Freely available employer contribution reserves are capitalized.

The pension fund organisations (separate legal entities) are financed through employee and employer contributions of the affiliated Group companies with respect to the recommendations of independent, qualified actuaries.

### *b) Share-based payments*

The Group has set up share-based payment models comprising a 3 years ownership plan and a 6 years share ownership plan. Under the terms of the 6 years ownership plan, a defined number of shares are granted to managers and employees. The total amount to be expensed is recognised in capital reserves as of the balance sheet date. The amount is equal to the number of bonus shares promised, but not yet transferred to employees as of the balance sheet date, multiplied by the pro-rata value of the CLXN share. The change in the reporting period is shown as personnel expenses over the whole service period.

### *c) Bonus plans*

For bonus payments, a liability and an expense are recognised based on operating profit (net sales from goods and services, operating profit). The Group recognises a liability in cases of contractual obligations or where a de facto obligation exists due to past business practices.

## 2.16 Provisions

Provisions are made to cover guarantees, project risks, restructuring, litigation and other costs that are uncertain with respect to amount and date of occurrence. These provisions are recognised if the Group is subject to present legal or de facto obligations that resulted from a past event, payment is probable, and the amount can be reliably estimated. Provisions are recorded at discounted present value if the expected cash outflow for discharging the liability is in excess of one year after the balance sheet date. Restructuring provisions include payments for pre-term lease cancellations and employee severance payments.

## 2.17 Contingent liabilities

Contingent liabilities are valued on the balance sheet date. Contingent liabilities are reported in the notes if they represent possible future obligations or present obligations where payment is improbable or not reliably measurable. A provision is recognised if an outflow of resources is probable and does not involve an advantageous inflow of resources.

## 2.18 Shareholders' equity

Common shares are classified as shareholders' equity. Costs directly attributable to the issuance of new shares or options are disclosed in shareholders' equity, net of tax, as a deduction from the proceeds of the issue. Costs directly attributable to the issuance of new shares or incurred directly in connection with the acquisition of a company are included in the acquisition cost as part of the consideration paid for the acquisition.

When any Group company purchases the Company's equity (treasury shares), the consideration paid, including any directly attributable additional costs (net of taxes), is deducted from the shareholders' equity in the Company until the shares are re-called, reissued or disposed of. When such shares are subsequently reissued or sold, any consideration received, net of any directly attributable incremental transaction costs and the related income tax, is recognised in the shareholders' equity of the Company.

## 2.19 Operating revenue recognition

### A. Net sales from goods and services

CREALOGIX generates net sales from goods and services primarily from licences and services. The Company focuses on the design and production of highly sophisticated applications. These applications are developed and supported according to the "plan-build-run" model.

Net sales from goods are recognised on delivery of the goods and, where contractually stipulated, on acceptance by the buyer. Net sales from services are recognised by percentage of completion or based on the agreed fixed price. Net sales from goods and services are usually recognised in the income statement on delivery, except for major projects not completed until after the balance sheet date. In such cases, net sales from goods and services are recognised according to the percentage-of-completion method and the percentage completed is reported as of the balance sheet date.

Net sales from goods and services are realised only if the client is deemed "creditworthy". Each project is recognised individually. In the event of agency transactions, only the value of the service rendered by CREALOGIX itself is recognised. CREALOGIX distinguishes among different types of contracts:

- Fixed-price contracts
- Contracts based on agreed hourly work rates
- User fees
- Software as a service (SaaS)

*a) Recognition of net sales from goods and services for fixed-price contracts*

As soon as reliable estimates can be made regarding the profitability of an order, the net sales from goods and services resulting from the transaction are recognised according to the percentage-of-completion method and the percentage completed is reported as of the balance sheet date. The percentage of completion is measured as the ratio of the number of hours of work performed to date to the total number of hours of work estimated to fulfill the performance obligation as per the contract. The profitability of the transaction can be reliably estimated when the following criteria are fully met:

- A contract exists
- The amount of sales expected from the order can be reliably measured
- The amount of net sales from goods and services expected from the order can be reliably measured
- An organisation has the capability to fulfill the long-term contract
- The percentage of completion of the transaction at the balance sheet date can be reliably measured
- The costs already incurred for the transaction and the costs to complete the transaction can be reliably measured

If no reliable estimates on the outcome of a project can be made:

- Net sales from goods and services are recognised only to the extent of the recognised expenses that are recoverable
- These expenses are recognised as expenses in the period in which they were incurred

As soon as losses appear imminent in the course of a long-term contract (imminent losses), a value adjustment is recognised for the full amount regardless of the degree of completion. If the value adjustments exceed the value of the asset for the current contract, a provision is recognised for the amount of the difference.

Provisions are immediately recognised for any losses that can be identified upon the conclusion of the contract, even if no expenses have been incurred.

*b) Recognition of net sales from goods and services for contracts based on hourly work rates*

For this type of contract, CREALOGIX receives an agreed fixed fee per hour of work performed.

Net sales from goods and services from such transactions is posted with reference to the number of hours of work performed as of the balance sheet date. The total number of hours of work performed is billed on a monthly basis.

*c) Licence and maintenance contracts*

Net sales from licence sales are recognised when the right to use the software is made available to the customer; i.e. net sales from licences are recognised at a point of time. Net sales from maintenance fees are recognised pro rata on an accrual basis according to the economic substance of the relevant agreements.

*d) Software as a Service contracts (SaaS)*

The consideration given under these contracts consists of a monthly subscription fee that covers software use, maintenance and hosting. In these cases, the net sales from goods and services is calculated by multiplying the contractual subscription fee by the number of software users in the period.

**B. Other operating income**

This item includes, without limitation, freight charges, profits from the sale of organisations and other operating income that cannot be allocated to net sales from goods and services.

## 2.20 Financial income and expenses

*a) Interest income and expense*

Both interest income and expenses incurred from interest-bearing assets and liabilities, including interest paid on trade assets, are included in this item. If the value of a receivable declines, the Group writes down the book value to the recoverable amount (i.e. the sum of expected future payment streams discounted at the initial effective interest rate) and releases the interest income over the corresponding period.

Interest income from impaired receivables is recognised, depending on the circumstances, either when payment is received or when costs are incurred.

*b) Net income/expense – trade assets*

Realised and unrealised gains and losses from trade assets are recognised at the actual profit realised, which is based on the market price at the balance sheet date.

*c) Other financial income/expenses*

Other financial income and other financial expenses consist of all amounts that are not interest or trading income/expenses. Included in this category is dividend income. Dividend income is recognised when the right to receive payment is established.

## 2.21 Dividend distributions

Dividend distributions to the Company's shareholders are recognised as a liability in the period in which the dividends are approved.

### 3 Internal control system and risk management

The Group operates an internal control system (ICS) with the objective of ensuring the effectiveness and efficiency of operations, the reliability of financial reporting and adherence to the law. In the compliance with the provisions of the Swiss Code of Obligations, it is integrated, documented and applied in the controlling and reporting process.

The risk management process is managed by the CLX Risk-Management-Concept. With this, all business risks are identified, but the focus concentrates on risks that could have a material impact on the assessment of the financial statements. Such risks were

identified and quantified in workshops and brought to the attention of the Executive Management and Board of Directors and discussed there. The risk management process is repeated at regular intervals, at least once a year.

#### 3.1 Financial risk management

The fair values of financial assets and liabilities essentially correspond to their carrying values.

The nature of the Group's activities exposes it to various financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk, and liquidity risk. The comprehensive Group risk-management system focuses on the unpredictability of financial market developments and aims at minimising potential negative impacts on the Group's financial position. The Group is able to use derivative financial instruments to hedge against certain risks.

Risk management is conducted by the Group Finance Department in accordance with guidelines adopted by the Board of Directors. The Group Finance Department identifies, assesses and hedges against financial risks in close cooperation with the Group's operating units. Financial risks (including concentration risks) are thereby quantified by means of scenario planning and compared with the risk competence and risk tendency of the Group.

Financial risk management remains unchanged from the prior year.

#### 3.2 Financial risk factors

##### a) *Market risks*

##### i) Foreign exchange risks

The Group operates internationally and is consequently exposed to foreign exchange risks arising from fluctuations in the exchange rates of various foreign currencies, primarily the Euro. Foreign exchange risks arise from anticipated future transactions, recognised assets and liabilities, as well as from net investments in foreign operations.

Foreign exchange risks arise when future commercial transactions and recognised assets and liabilities are denominated in a currency other than the entity's functional currency. To hedge against risks from anticipated future transactions and recognised assets and liabilities, hedging instruments can be finalised.

The Group holds interests in foreign operations whose net assets are subject to risks from exchange rate fluctuations. Foreign exchange risks of the net assets of foreign business operations are partially minimised at Group level due to the risk assessment system. However, the risk is reduced primarily through the direct settlement of the cash flow in foreign currencies.

#### ii) Interest rate risks

Since the Group has interest-bearing assets, interest income is dependent on the movement of market interest rates. On the balance sheet, this affects cash and cash equivalents, securities, financial assets and financial liabilities.

Financial assets with variable interest rates expose the Group to cash flow risks, and assets with fixed interest rates subject the Group to fair value risks.

The Group analyses the interest rate risk on a regular basis by estimating the future development of the fixed and variable interest rates and regrouping financial assets accordingly.

#### iii) Price risks

The Group is subject to risks arising from fluctuations in the market prices of securities (recognised at fair value through profit or loss). Investments in marketable securities with excellent ratings are managed according to Group guidelines and are monitored through continuous performance analyses.

The Group diversifies its investments by investing in various products and at various institutions.

The Group is not exposed to any significant commodity risks with respect to raw materials or any substantial prepayment risks.

#### b) Credit risks

Basic principles are followed by the Group that ensure that transactions are only conducted with customers having an acceptable credit history. Investments in cash and cash equivalents as well as transactions involving financial derivatives or cash are carried out only with prime financial institutions. The maximum default risk is primarily limited to the book values of the corresponding financial assets.

#### c) Liquidity risks

Liquidity management involves maintaining sufficient reserves of cash, cash equivalents, and marketable securities, the possibility of financing through adequate available credit lines, and the ability to issue capital stock (authorised and conditional capital). The Group finance department bases its liquidity management on contractually fixed payment terms as well as cautious estimates regarding expected deferrals. There is no concentration risk with respect to liquidity since the Group works with several different banks.

### 3.3 Capital resource management

The objectives of capital resource management are as follows:

- To ensure the Group's operation as a going concern
- To achieve an adequate interest yield on equity

For implementation purposes, equity is considered in relation to risk, and adjustments are made if necessary. These adjustments are the basis for dividend policies, repayment of capital, increases in capital, or the sale of assets for subsequent debt repayments. Capital is managed on the basis of the equity ratio, which should amount to at least 30 per cent. In regards to the issue of convertible bonds, the Group has obligations to third parties regarding market standard covenants. Capital resource management remains unchanged from the prior year.

## 4 Critical accounting estimates and assumptions

The Group makes estimates and assumptions with respect to future developments. Naturally, the actual subsequent circumstances rarely match these estimates. All estimates and assessments are continually revised and are based on past experience as well as on other factors, including expectations of future events deemed reasonable under the given circumstances.

Those estimates and assumptions entailing significant risks in the form of substantial adjustments to the carrying value of assets and liabilities during the following financial year are discussed below.

### *a) Recognition of net sales from goods and services*

According to Note 2.19 A, net sales from services are recognised according to the degree of completion at the balance sheet date. Remaining expenses up to completion, and thus the degree of completion, are estimated as accurately as possible. If actual expenses were to differ significantly from these estimates, the differences would require recognition in subsequent accounting periods.

### *b) Capitalisation of tax losses*

The amount of the capitalised deferred tax assets resulting from loss carryforwards was estimated on the basis of the future taxable profit of the respective Group entity based on budget calculations. Should the entities develop differently than expected, the impact will be felt on future tax expenses.

### *c) Goodwill*

Deferred conditional purchase price obligations from acquisitions are based on a management estimate. The estimate is reviewed yearly and any adjustments are recognised in equity.

Goodwill is tested for impairment by calculating values in use at the acquiree level, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Value-in-use calculations are based on cash flow forecasts for the next five years and extrapolated values starting with the sixth year. Goodwill is capitalised and amortised over 5 to 15 years. The amortisation period is set as close to the useful life as possible. Useful life is determined on the scope of acquisition (see Note 2.10).

## 5 Segment information

### 5.1 Geographical segments

The Group's main activity is in three geographical segments: Switzerland, the home country of the Group, Europe, and other countries (mainly Middle East and Asia).

Net sales from goods and services	July – June 2019/2020	July – June 2018/2019
Switzerland	39 299	36 284
Europe	51 009	56 985
Other countries	13 351	8 644
<b>Total Group</b>	<b>103 659</b>	<b>101 913</b>

Net sales from goods and services are assigned to the country in which the client is domiciled.

### 5.2 Net sales from goods and services by category

Net sales from goods and services	July – June 2019/2020	July – June 2018/2019
Hosting and SaaS services	17 002	14 729
Maintenance	28 148	28 104
<b>Total recurring revenue</b>	<b>45 150</b>	<b>42 833</b>
Sales from services	41 011	41 502
Sales of goods	7 940	5 076
Licence sales	9 558	12 502
<b>Total net sales from services, goods and licences</b>	<b>58 509</b>	<b>59 080</b>
<b>Total sales from goods and services</b>	<b>103 659</b>	<b>101 913</b>

Net sales from Hosting/SaaS services and maintenance services are considered as recurring net sales. For the year under review, recurring net sales share amounted to 44% (previous period: 42%).

## 6 Cash and cash equivalents

Cash and cash equivalents	30 June 2020	30 June 2019
Cash on hand and bank accounts	35 959	12 844
<b>Total cash and cash equivalents</b>	<b>35 959</b>	<b>12 844</b>

The increase of cash and cash equivalents is mainly related to the convertible bond issued in November 2019 (see Note 15). See also the Cash Flow Statement for the cash movements (page 47).

CREALOGIX AG has pledged CHF 25 thousand in bank deposits to UBS AG as security for a surety bond issued to the Federal Tax Administration in Berne.

## 7 Receivables from goods and services

Receivables from goods and services	30 June 2020	30 June 2019
Current	9 633	15 919
Overdue 1–30 days	2 255	2 494
Overdue 31–90 days	1 097	1 252
Overdue more than 90 days	1 146	584
<b>Total receivables from goods and services (gross)</b>	<b>14 131</b>	<b>20 249</b>
Less: value adjustment of receivables from goods and services	–64	–49
<b>Total receivables from goods and services (net)</b>	<b>14 067</b>	<b>20 200</b>

Impairment of receivables from goods and services	July – June 2019/2020	July – June 2018/2019
At beginning of period	–49	–37
Value adjustment for doubtful accounts	–22	–34
Use of impairment for doubtful accounts	2	22
Write-off of impairment for doubtful accounts	5	1
Currency translation differences	0	–1
At end of period	–64	–49

Carrying values of receivables from goods and services are denominated in the following currencies (in CHF thousand):

Currencies of book values of receivables from goods and services	30 June 2020	30 June 2019
CHF	6 387	8 579
EUR	4 993	7 931
USD	1 858	3 280
GBP	215	302
Other currencies	678	157
<b>Total currencies of book values of receivables from goods and services</b>	<b>14 131</b>	<b>20 249</b>

As the Group has a broad international client base, there is no concentration of credit risks with respect to receivables from goods and services.

The amounts on the balance sheet are not secured. The maximum credit default risk corresponds to the stated carrying values.

During the financial year, the Group recognised an expense of CHF 22 thousand (previous year: CHF 34 thousand) on its impairment for receivables. The change is recorded under 'other operating expenses' in the income statement.

## 8 Other short-term receivables

Other short-term receivables	30 June 2020	30 June 2019
Tax receivables	408	825
Other current third-party receivables	433	424
Prepaid social security	1 129	1 815
<b>Total other short-term receivables</b>	<b>1 970</b>	<b>3 064</b>

The decrease in prepaid social security (CHF 686 thousand) is largely attributable to a lower prepayment to the company pension fund compared to prior year.

## 9 Work in progress/inventories

<b>Work in progress/inventories</b>	<b>30 June 2020</b>	30 June 2019
Work in progress (projects)	4 412	3 166
Value adjustment for work in progress (projects)	-763	-625
<b>Total work in progress</b>	<b>3 649</b>	2 541
Inventories	1 743	1 067
Value adjustment on inventories	-13	-28
<b>Total inventories</b>	<b>1 730</b>	1 039
<b>Total work in progress/inventories</b>	<b>5 379</b>	3 580

Work in progress (projects) is accounted for under the valuation methods described in Note 2.19. Prepayments received in advance for (long-term) projects were netted as per business year-end and amounted to CHF 6'280 thousand (previous year: CHF 6'958 thousand).

In the year under review, risk for imminent losses in the project business that are accounted for under the percentage of completion method totaled to CHF 2'931 thousand (previous year: CHF 352 thousand) and are recognised within short-term provisions (see Note 14).

Inventories are measured at cost, either as purchasing cost or production cost. They are recognised as an expense when the related revenue has been realised. In the period under review, total expenses amounting to CHF 2'628 thousand (previous year: CHF 2'171 thousand) have been recorded under cost of goods sold. Inventories comprise mainly trading goods (photo TANs, slip scanners and PayEyes).

## 10 Financial assets

Financial assets	30 June 2020	30 June 2019
Financial investment Meniga	615	615
Other financial assets	1 015	942
<b>Total financial assets</b>	<b>1 630</b>	<b>1 557</b>

The increase in other financial assets relates to loans to pension funds.

Investments in associates	30 June 2020	30 June 2019
At beginning of period	0	2 826
Dividend received	0	-229
Change in scope	0	-2 597
<b>At end of period</b>	<b>0</b>	<b>0</b>

Profit and loss from associates	30 June 2020	30 June 2019
Qontis AG, Zurich, Switzerland	0	-301
ELAXY Business Solution & Services GmbH & Co. KG, Coburg, Germany	0	27
<b>Total profit and loss from associates</b>	<b>0</b>	<b>-274</b>

Since January 2019, the Group took over control over Qontis AG. By gaining control, CREALOGIX began to consolidate Qontis AG as of January 2019. The loan to Qontis AG was subsequently eliminated in the consolidation.

The minority interests of 62.75% are disclosed in the consolidated statement of changes in equity.

## 11 Tangible fixed assets

July – June 2019/2020	Furniture & fixed installations	Office machines	IT & commu- nications systems	Vehicles	Property	Total
<i>Cost</i>						
Value at start of period	6 783	218	7 365	600	2 247	17 213
Translation differences on opening balance	-190	-5	-246	-6	-101	-548
Additions	160	60	744	0	0	964
Disposals	0	0	-2	-322	0	-324
Derecognition of tangible fixed assets no longer in use	-1 837	0	-2	-100	0	-1 939
Translation differences on effect of movement	-4	0	-15	2	0	-17
<i>Value at end of period</i>	<i>4 912</i>	<i>273</i>	<i>7 844</i>	<i>174</i>	<i>2 146</i>	<i>15 349</i>
<i>Accumulated depreciation</i>						
Value at start of period	5 986	137	6 211	429	2 099	14 862
Translation differences on opening balance	-160	-4	-228	-6	-95	-493
Depreciation	316	33	970	55	30	1 404
Disposals	0	0	-1	-238	0	-239
Derecognition of tangible fixed assets no longer in use	-1 837	0	-1	-94	0	-1 932
Translation differences on effect of change	-8	0	-12	1	-1	-20
<i>Value at end of period</i>	<i>4 297</i>	<i>166</i>	<i>6 939</i>	<i>147</i>	<i>2 033</i>	<i>13 582</i>
<i>30 June 2020</i>						
<i>Net book values</i>						
Value at start of period	797	81	1 154	171	148	2 351
<b>Value at end of period</b>	<b>615</b>	<b>107</b>	<b>905</b>	<b>27</b>	<b>113</b>	<b>1 767</b>

July – June 2018/2019	Furniture & fixed installations	Office machines	IT & commu- nications systems	Vehicles	Property	Total
<i>Cost</i>						
Value at start of period	4 669	177	2 835	666	596	8 943
Translation differences on opening balance	-92	-4	-72	-6	-26	-200
Change in scope of consolidation	1 813	0	3 363	0	1 697	6 873
Additions	501	80	1 401	0	54	2 036
Disposals	-19	-35	-5	-60	0	-119
Translation differences on effect of change	-89	0	-157	0	-74	-320
<i>Value at end of period</i>	<i>6 783</i>	<i>218</i>	<i>7 365</i>	<i>600</i>	<i>2 247</i>	<i>17 213</i>
<i>Accumulated depreciation</i>						
Value at start of period	4 240	128	2 307	352	553	7 580
Translation differences on opening balance	-77	-3	-60	-4	-24	-168
Change in scope of consolidation	1 598	0	3 165	0	1 613	6 376
Depreciation	317	15	939	117	29	1 417
Disposals	-19	-4	-2	-35	0	-60
Translation differences on effect of change	-73	1	-138	-1	-72	-283
<i>Value at end of period</i>	<i>5 986</i>	<i>137</i>	<i>6 211</i>	<i>429</i>	<i>2 099</i>	<i>14 862</i>
30 June 2019						
<i>Net book values</i>						
Value at start of period	429	49	528	314	43	1 363
<b>Value at end of period</b>	<b>797</b>	<b>81</b>	<b>1 154</b>	<b>171</b>	<b>148</b>	<b>2 351</b>

## 12 Intangible assets

July – June 2019/2020	Software licences	Goodwill	Other <sup>1)</sup>	Total
<i>Cost</i>				
Value at start of period	9 070	85 936	7 251	102 257
Translation differences on opening balance	-262	-3 192	-130	-3 584
Change in scope of consolidation	0	0	0	0
Additions	360	0	0	360
Translation differences on effect of change	-10	0	0	-10
<i>Value at end of period</i>	<i>9 158</i>	<i>82 744</i>	<i>7 121</i>	<i>99 023</i>
<i>Accumulated amortisation</i>				
Value at start of period	8 052	34 905	5 946	48 903
Exchange differences on opening balance	-235	-828	-70	-1 133
Change in scope of consolidation	0	0	0	0
Amortisation	642	4 916	453	6 011
Translation differences on effect of change	-14	-162	-16	-192
<i>Value at end of period</i>	<i>8 445</i>	<i>38 831</i>	<i>6 313</i>	<i>53 589</i>
30 June 2020				
<i>Net book values</i>				
Value at start of period	1 018	51 031	1 305	53 354
<b>Value at end of period</b>	<b>713</b>	<b>43 913</b>	<b>808</b>	<b>45 434</b>

<sup>1)</sup> Other intangible fixed assets include capitalised software development costs and service or production contracts that were recognised following business acquisitions. These intangible assets have definable useful lives over which they are amortised.

July – June 2018/2019	Software Licenses	Goodwill	Other <sup>1)</sup>	Total
<i>Cost</i>				
Value at start of period	5 305	78 226	6 970	90 501
Translation differences on opening balance	–92	–2 626	–107	–2 825
Change in scope of consolidation	3 406	10 336	405	14 147
Additions	606	0	0	606
Translation differences on effect of change	–155	0	–17	–172
<i>Value at end of period</i>	<i>9 070</i>	<i>85 936</i>	<i>7 251</i>	<i>102 257</i>
<i>Accumulated amortisation</i>				
Value at start of period	4 774	30 473	5 493	40 740
Exchange differences on opening balance	–86	–555	–43	–684
Change in scope of consolidation	2 756	0	0	2 756
Amortisation	742	5 109	506	6 357
Translation differences on effect of change	–134	–122	–10	–266
<i>Value at end of period</i>	<i>8 052</i>	<i>34 905</i>	<i>5 946</i>	<i>48 903</i>
30 June 2019				
<i>Net book values</i>				
Value at start of period	531	47 753	1 477	49 761
<b>Value at end of period</b>	<b>1 018</b>	<b>51 031</b>	<b>1 305</b>	<b>53 354</b>

<sup>1)</sup> Other intangible fixed assets include capitalised software development costs and service or production contracts that were recognised following business acquisitions. These intangible assets have definable useful lives over which they are amortised.

### 13 Accrued liabilities and deferred income

Accrued liabilities and deferred income	30 June 2020	30 June 2019
Deferred expenses, bonuses	5 021	5 115
Accruals regarding maintenance contracts	9 846	8 458
Payments received in advance (for long-term contracts)	3 869	4 478
Accruals/deferrals for vacation, overtime	2 796	2 483
<b>Total accrued liabilities and deferred income</b>	<b>21 532</b>	<b>20 534</b>

Changes within accrued liabilities and deferred income result from normal day-to-day operations, client prepayments and project status.

### 14 Short-/long-term provisions

July – June 2019/2020	Restructuring provisions	Other provisions	Total
Value at start of period	0	1 200	1 200
Translation differences on opening balance	0	–38	–38
Additional provisions	6 056	3 045	9 101
Used in year under review	0	–345	–345
Release of unused provisions	0	–79	–79
Effect of changes in foreign exchange	0	–109	–109
<b>Value at end of period</b>	<b>6 056</b>	<b>3 674</b>	<b>9 730</b>
Thereof long-term	1 586	0	1 586

July – June 2018/2019	Restructuring provisions	Other provisions	Total
Value at start of period	0	942	942
Translation differences on opening balance	0	–39	–39
Additional provisions	0	395	395
Used in year under review	0	0	0
Release of unused provisions	0	–99	–99
Effect of changes in foreign exchange	0	1	1
<b>Value at end of period</b>	<b>0</b>	<b>1 200</b>	<b>1 200</b>
Thereof long-term	0	0	0

In the year under review, the value adjustments recognised for imminent losses in the project business totalled CHF 2931 thousand (previous year: CHF 352 thousand).

In June 2020 CREALOGIX decided to execute a reorganisation which will lead to a reduction of staff and closure of a location in the following business year. The related one-time costs of CHF 6086 thousand have been provided for per 30 June 2020 and were recognised in the consolidated income statement under Personnel expenses (CHF 4500 thousand) and Rent maintenance and repairs (CHF 1586 thousand).

The valuation of short-term provision is based on management estimates of potential risks (claims or disputes) for the upcoming periods.

## 15 Financial liabilities

On 6 November 2019, the convertible bond (CLX15) expired and was replaced by a new convertible bond (CLX19) for CHF 25 million at an issue and placement price of 100% with a term of 5 years. The coupon was fixed at 1.5% (payable annually on 6 November) and the conversion price amounts to CHF 125.

Financial liabilities are recorded and valued at the present value.

As per end of the period under review, the Group replaced the CHF 5 million credit line (previous year: CHF 5 million) with a short-term loan due in July 2020 at a 1.0% interest rate.

### July–June 2019/2020

#### Short-term Financial liabilities

Amounts in thousands of CHF	Present Value	Nominal Value	Due Date	Interest Rate
Short-term financial liabilities	5 000	5 000	2020	1.0%
<b>Total</b>	<b>5 000</b>	<b>5 000</b>		

#### Long-term Financial liabilities

Convertible bond (CLX19)	23 918	25 000	2024	1.5%
Long term loans third	500	500	2025	0.0%
Long term loans third	523			
Other financial liabilities	944			
<b>Total</b>	<b>25 885</b>			
Unused credit limits	0	6 900		

### July–June 2018/2019

#### Short-term Financial liabilities

Amounts in thousands of CHF	Present Value	Nominal Value	Due Date	Interest Rate
Convertible bond (CLX15)	8 441	8 500	2019	2.375%
Short-term financial liabilities	5 000	5 000	2020	0.8%
<b>Total</b>	<b>13 441</b>	<b>13 500</b>		

#### Long-term Financial liabilities

Long term loans third	517			
Other financial liabilities	942			
<b>Total</b>	<b>1 459</b>			
Unused credit limits	0	7 000		

## 16 Deferred conditional purchase price obligations

The revenue-based earn-out targets have not been accomplished and were reversed through equity as required by the accounting policy.

July – June 2019/2020	Deferred conditional purchase price obligations
Value at start of period	565
Earn-out adjustments to equity	-560
Effect of changes in foreign exchange	-5
<b>Value at end of period</b>	<b>0</b>

July – June 2018/2019	Deferred conditional purchase price obligations
Value at start of period	584
Translation differences on opening balance	-27
Interest on discounted earn-out	8
<b>Value at end of period</b>	<b>565</b>

## 17 Taxes

Deferred Taxes	30 June 2020		30 June 2020 Net	30 June 2019		30 June 2019 Net
	Assets	Liabilities		Assets	Liabilities	
Loss carryforwards	4 405	0	4 405	4 315	0	4 315
Receivables	0	111	-111	0	200	-200
Work in progress/ inventories	0	143	-143	0	99	-99
Financial assets	129	0	129	147	0	147
Tangible fixed assets	83	0	83	118	4	114
Intangible assets	623	8	615	759	75	684
Liabilities	775	316	459	0	390	-390
Other	5	6	-1	0	0	0
<b>Total deferred taxes</b>	<b>6 020</b>	<b>584</b>	<b>5 436</b>	<b>5 339</b>	<b>768</b>	<b>4 571</b>
Netting	-450	-450	0	-228	-228	0
<b>Deferred taxes</b>	<b>5 570</b>	<b>134</b>	<b>5 436</b>	<b>5 111</b>	<b>540</b>	<b>4 571</b>

The Group has tax loss carryforwards. Deferred tax assets for these tax loss carryforwards are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The Group determines these gains based on the budget as well as on corresponding general and realisable tax strategies.

The existing tax loss carryforwards can be used as follows:

<b>Expiry of loss carryforwards</b>	<b>30 June 2020</b>	30 June 2019
Expiry in next 3 years	0	0
Expiry in 4–7 years	5 911	0
No expiry date	20 904	20 451
<b>Total tax losses</b>	<b>26 815</b>	20 451
Thereof tax losses for which deferred tax assets were recorded	22 553	20 451
Recorded deferred tax assets	4 406	4 315
<b>Tax losses for which no deferred tax assets were recorded</b>	<b>4 262</b>	0
Unrecorded deferred tax assets	1 438	0

<b>Income tax</b>	<b>July – June 2019/2020</b>	July – June 2018/2019
Current tax	–671	–247
Deferred tax	1 089	683
<b>Total income tax</b>	<b>418</b>	436

The income tax calculated on the ordinary earnings before tax differs from the theoretical tax expense, which is based on the ordinary earnings before tax using the domestic rate where the Group is domiciled, as follows:

<b>Income tax</b>	<b>July – June 2019/2020</b>	July – June 2018/2019
Ordinary earnings before tax	–12 863	–6 760
<b>Group's average domestic tax rate</b>	<b>23.80%</b>	21.58%
<b>Expected income taxes</b>	<b>3 061</b>	1 459
Cause for variance:		
Non-tax-deductible expenses	–1 377	–1 491
Tax losses from current year for which no deferred tax assets were recognised	–1 673	0
Adjusted tax charges/relief	399	405
Translation and other adjustments	8	63
<b>Total income tax</b>	<b>418</b>	436

For the purpose of clarification, prior year figures signs were changed to match the income tax figures in the previous table. No changes to the content were made.

## 18 Employee benefit plans

The plan assets of the pension funds are held in separate legally independent foundations. To cover the insurance benefits for death, disability and longevity risks, reinsurance cover has been taken out with a collective insurer.

Economic benefit/ economic obligation and pension benefit expenses in thousands of CHF	Surplus/ deficit	Economical part of the organisation		Change to prior year period recognised in the current result of the respective period	Contributions concerning the business period	Pension benefit expenses within personnel expenses	
		30 June 2020	30 June 2020			30 June 2019	July – June 2019/2020
Pension institutions with surplus	0	0	0	0	2 110	2 110	2 013
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 110</b>	<b>2 110</b>	<b>2 013</b>

The information on the economic benefit as at 30 June 2020 is based on the provisional calculation of the VZ pension fund. As at 30 June 2020, the VZ pension fund reported a coverage rate of 114.1% (previous year: 106.1%).

Contributions matched pension expenses during the relevant reporting period.

As of June 30, 2020 and as of June 30, 2019 there is no employer's contribution reserve.

## 19 Share capital

July – June 2019/2020	Number of shares			Capital in thousands of CHF		
	Issued	Treasury	Outstanding	Issued	Treasury	Outstanding
At beginning of period	1 397 808	-16 092	1 381 716	11 182	-1 998	9 184
Treasury shares purchased <sup>1)</sup>	0	-24 108	-24 108	0	-2 387	-2 387
Treasury shares sold <sup>2)</sup>	0	30 177	30 177	0	3 364	3 364
Increase of capital due to conversion of convertible bond	94	0	94	1	0	1
<b>At end of period</b>	<b>1 397 902</b>	<b>-10 023</b>	<b>1 387 879</b>	<b>11 183</b>	<b>-1 021</b>	<b>10 162</b>
<b>July – June 2018/2019</b>						
At beginning of period	1 387 770	-15 090	1 372 680	11 102	-2 369	8 733
Treasury shares purchased	0	-31 025	-31 025	0	-3 980	-3 980
Treasury shares sold	0	30 023	30 023	0	4 351	4 351
Increase of capital due to conversion of convertible bond	10 038	0	10 038	80	0	80
<b>At end of period</b>	<b>1 397 808</b>	<b>-16 092</b>	<b>1 381 716</b>	<b>11 182</b>	<b>-1 998</b>	<b>9 184</b>

<sup>1)</sup> In the year under review, CREALOGIX Holding AG purchased 24 108 (previous year: 31 025 shares) registered treasury shares at an average price of CHF 99.01 (previous year: CHF 128.28).

<sup>2)</sup> In the year under review, CREALOGIX Holding AG sold 30 177 (previous year: 30 023 shares) registered treasury shares at an average price of CHF 111.48 (previous year: CHF 144.92).

The total number of issued registered shares amounts to 1 397 902 (previous year: 1 397 808). In the period under review further fractions of the former convertible bond were converted into 94 shares (previous year: 10 038 shares). The share capital increased by CHF 1 thousand (previous year: CHF 80 thousand) to CHF 11 183 thousand.

The shareholders' equity comprises non-distributable reserves of total CHF 2 287 thousand, divided between statutory retained earnings (CHF 300 thousand) and statutory capital reserves (CHF 1 987 thousand).

Since 1 March 2007, each share has had a par value of CHF 8.

In November 2019, the conditional capital of the organisation has been renewed and consists of 300 thousand registered shares with a nominal value of CHF 8 per share in connection with the issuance of convertible bonds, warrant-linked bonds or other financial market instruments. As per 30 June 2020, 300 thousand registered shares (June 2019: 142 192 shares) were outstanding

Since 30 October 2019, the Board of Directors is authorised to increase share capital by as much as CHF 2 400 000 by issuing up to 300 thousand registered shares with a nominal value of CHF 8 each by 28 October 2021. As per 30 June 2020, 300 000 registered shares were outstanding

Transactions with treasury shares resulted in a net change of CHF 977 thousand (previous year: CHF 371 thousand) that was accounted for in shareholders' equity. The shares are held as treasury shares. The Company is entitled to resell these treasury shares in the future.

All treasury shares are directly held by CREALOGIX Holding AG.

## 20 Personnel expenses

Personnel expenses	July – June 2019/2020	July – June 2018/2019
Wages and salaries	-51 689	-50 511
Social security costs	-7 178	-7 021
Pension fund costs	-2 110	-2 013
Expenses for share-based compensation	-359	-308
Other personnel expenses	-8 429	-2 973
<b>Total personnel expenses</b>	<b>-69 765</b>	<b>-62 826</b>
Full-time employees	625.4	660.1
Headcount on 30 June	682	702

## 21 Financial result

Financial result	July – June 2019/2020	July – June 2018/2019
Interest income	9	16
Foreign exchange gain	235	158
<b>Total financial income</b>	<b>244</b>	<b>174</b>
Interest expense	-473	-305
Foreign exchange loss	-232	-239
Bank fees and other financial expense	-407	-201
<b>Total financial expense</b>	<b>-1 112</b>	<b>-745</b>
<b>Total Financial result</b>	<b>-868</b>	<b>-571</b>

Interest expenses in 2019/2020 mainly include 12 months of interest and other expenses for the former (2.375 per cent) and new (1.5 per cent) convertible bonds of totaling CHF 473 thousand (previous year: CHF 305 thousand). See Note: 15.

Other financial expenses 2019/2020 include the discounted amount of the issue costs of the convertible bond (CHF 137 thousand; previous year: CHF 131 thousand) and other smaller finance costs such as agency fees.

## 22 Earnings per share

	July – June 2019/2020	July – June 2018/2019
Consolidated profit attributable to Shareholders of CREALOGIX Holding AG	-12 129	-6 397
Weighted average number of shares outstanding	1 385 902	1 376 552
Maximum number of new shares (convertible bonds) <sup>1)</sup>	200 000	81 426
<b>Earnings per share - undiluted in CHF</b>	<b>-8.75</b>	<b>-4.65</b>
Dilutive effect of conversion of convertible bonds in CHF	n/a	n/a
<b>Earnings per share - diluted in CHF</b>	<b>-8.75</b>	<b>-4.65</b>

## 23 Obligations

### *Operating lease obligations*

The Group rents office space and vehicles under non-cancellable operating lease agreements. The lease agreements are subject to various conditions, rental increase clauses and extension options. The lease and rental expenses were recognised in the income statement for the current year.

The future aggregate minimum lease payments required under non-cancellable operating leases are as follows:

Future minimum lease payments	30 June 2020	30 June 2019
Due within 1 year	4 199	3 702
Due between 1 and 5 years	10 352	9 551
Due > 5 years	9 558	10 265
<b>Total future liabilities</b>	<b>24 109</b>	<b>23 518</b>

## 24 Contingent liabilities

There are no liabilities of a contingent nature existing. (previous year: none).

## 25 Related-party disclosures

Related parties include members of the Board of Directors, the Executive Board as well as friends and family members of the aforementioned persons, major shareholders and companies controlled by them, associated companies, and the Group's pension funds.

### a) Majority shareholders

The Group is controlled by Bruno Richle, Dr. Richard Dratva, Daniel Hildebrand and Peter Süsstrunk, who together have a 47 per cent shareholding in CREALOGIX Holding AG. The four shareholders (founder shareholders) have concluded a shareholder pooling agreement.

Since January 2018, David Moreno owns 11.7% of the issued shares via Mayfin Management Services S.I. The two major shareholders (Dr. Richard Dratva and Bruno Richle) entered into an agreement with David Moreno setting forth the tag-along rights of David Moreno and drag-along rights of Dr. Richard Dratva and Bruno Richle which entered into force with the issuance and the allocation of the new shares in January 2018.

The remaining 42 per cent of shares are in free float.

### b) Group companies and associates

Note 1 provides an overview of the Group companies and associates. Transactions between the parent company and its subsidiaries and those between Group companies have been eliminated in the consolidated financial statements.

### c) Members of the Management

The Board of Directors and Executive Board are composed as follows:

Board of Directors	Executive Board
Bruno Richle	Oliver Weber (CEO)
Dr. Richard Dratva	Dr. Richard Dratva (CSO)
Ralph Mogenicato	Daniel Bader (CFO)
Dr. Christoph Schmid	Volker Weimer
Ruedi Noser	David Moreno

### d) Remuneration and shareholdings of the Board of Directors and Executive Board

The remuneration report starting on page 32 to the annual financial statements of CREALOGIX Holding AG contains additional disclosures required by Swiss law regarding remuneration and ownership of shares and options for the Board of Directors and the Executive Board.

In addition to his role as Chairman, Bruno Richle has had an operative role outside the Executive Board until January 2019. For this role, the overall compensation was CHF 141 thousand in the previous year.

There were no further claims or commitments to/from persons in key management positions on 30 June 2020 (previous year: none). There are no outstanding liabilities to Mayfin Management Services S.l. (previous year: 622 thousand). There are outstanding long-term loans with Qontis AG shareholders in the amount of 523 CHF thousand (previous year: 517 thousand).

In relation to legal consultation, services were provided by Wenger & Vieli AG, a law firm closely related to Dr. Christoph Schmid, a member of the Board of Directors. Wenger & Vieli's fees for legal advice totalled CHF 113 thousand (previous year: CHF 18 thousand). In addition, further services were provided by Hixon AG in relation to business development consulting. The firm belongs to Ralph Morigato, a member of the Board of Directors. In the year under review, Hixon AG provided consulting services for total CHF 10 thousand (previous year: none).

## 26 Events after the balance sheet date

Since the balance sheet date of 30 June 2020, there were no significant events that would have a financial impact on the period under review.



Report of the statutory auditor to the General Meeting  
of CREALOGIX Holding AG, Zurich

## Report of the statutory auditor on the consolidated financial statements

### Opinion

We have audited the consolidated financial statements of Crealogix Holding AG and its subsidiaries (the Group), which comprise the consolidated income statement for the year ended 30 June 2020, the consolidated balance sheet as at 30 June 2020, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements (pages 44–81) give a true and fair view of the consolidated financial position of the Group as at 30 June 2020 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

### Basis for opinion

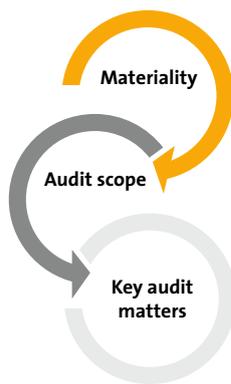
We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Our audit approach

### Overview

Overall Group materiality: CHF 1'000'000



We concluded full scope audit work at five reporting units in two countries. Our audit scope addressed 78% of the Group's revenue. In addition, specified procedures were performed on two further reporting units representing a further 14% of the Group's revenue.

In addition, we performed analytical audit procedures at further major locations, which were not in scope for group reporting purposes.

As key audit matter the following area of focus has been identified:

Goodwill valuation (intangible asset)

## Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

<b>Overall Group materiality</b>	CHF 1'000'000
<b>How we determined it</b>	1% of net sales from goods and services (rounded)
<b>Rationale for the materiality benchmark applied</b>	We chose net sales from goods and services as the benchmark because, in our view, it is the benchmark against which the performance of the Group is measured, and it is a generally accepted benchmark.

We agreed with the Audit Committee that we would report to them misstatements above CHF 100'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

### Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group financial statements are a consolidation of 17 group companies. We identified five group companies that, in our view, require an audit of their complete financial information due to their size or risk characteristics. For three of these group companies (CREALOGIX (Deutschland) AG, CREALOGIX Advisory GmbH & Co. KG and CREALOGIX BaaS GmbH & Co. KG), we worked very closely with the component audit team in Germany. Our involvement included setting the materiality, having conference calls to discuss the risk assessment, planned and performed audit procedures as well as receiving and reviewing the full scope reporting. The Group audit team performed analytical procedures over further major locations to achieve comfort of material balances. Further, the Group audit team performed specific audit procedures over the Group consolidation. In order to exercise the appropriate direction and supervision over the work of the component auditors, the Group engagement team performed several conference calls with the component auditors.

### Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Goodwill valuation (intangible asset)

Key audit matter	How our audit addressed the key audit matter
<p>Goodwill is a significant balance sheet position amounting to TCHF 43'913 as at 30 June 2020.</p> <p>Goodwill is capitalised and amortised over the expected useful life using the straight-line method. Goodwill items are tested for impairment by calculating the values in use at the acquiree level whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.</p> <p>We focused on this area because of the magnitude of the position and the level of judgement inherent in management's impairment assessment.</p> <p>Management calculated the value-in-use amount at the acquiree level based on forecasted cash flows for the next five years and extrapolated values starting with the sixth year. Management makes judgements on certain key inputs, the most judgemental of which are discount rates and revenue growth rates because comparatively small changes can have a material impact on the impairment assessment.</p> <p>Refer to note 12 (intangible assets).</p>	<p>We obtained, understood and evaluated management's impairment assessment. In particular, the following audit procedures were performed:</p> <ul style="list-style-type: none"> <li>– We compared the forecasted cash flows with the reconciliation to the Board approved budget.</li> <li>– We assessed the revenue growth rates by comparing them to budgeted revenue targets, as well as to expectations from market analysts. We further assessed the reliability of management's prior period assumptions through a comparison with actual performance in the reporting period.</li> <li>– With the support of our internal valuation specialist we assessed the reasonableness of the WACC (weighted average cost of capital) used in the discount rate calculation by comparing it to comparable organizations as well as considering territory specific factors.</li> <li>– We tested the mathematical accuracy of the calculation of the impairment assessment model.</li> </ul> <p>Based on our audit work performed, management's impairment assessment was supportable and the key assumptions used by management were within a reasonable range.</p>

## Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group'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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

## Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Oliver Kuntze  
Audit expert  
Auditor in charge



René Jenni  
Audit expert

Zürich, 11 September 2020

# CREALOGIX Holding AG Financial Report



## CREALOGIX Holding AG Financial Report

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## Income statement

Amounts in thousands of CHF	July – June 2019/2020	July – June 2018/2019
<b>Net proceeds from sales of goods and services</b>	2 798	2 692
<b>Staff costs</b>	-454	-354
<b>Other operational costs</b>	-1 118	-875
Financial income	2 244	718
Financial costs	-609	-614
Valuation adjustments on shareholdings	-1 524	0
<b>Financial costs and financial income</b>	111	104
<b>Direct taxes</b>	-474	-268
<b>Annual profit</b>	863	1 299

## Balance Sheet

Amounts in thousands of CHF	Notes	30 June 2020	%	30 June 2019	%
<b>ASSETS</b>					
Cash, cash equivalents and current assets with a quoted market price		12 263		5 471	
Other current receivables		10		24	
Accounts receivable from Group companies	2.1	17 916		16 059	
Accrued income and prepaid expenses		634		54	
<b>Current Assets</b>		<b>30 823</b>	<b>26.0</b>	<b>21 608</b>	<b>19.9</b>
Accounts receivable from Group companies with subordination statement	2.1	5 634		6 050	
Loans to Group companies	2.2	23 606		23 606	
Shareholdings	2.3	58 452		57 387	
<b>Non-current assets</b>		<b>87 692</b>	<b>74.0</b>	<b>87 043</b>	<b>80.1</b>
<b>Total ASSETS</b>		<b>118 515</b>	<b>100.0</b>	<b>108 651</b>	<b>100.0</b>
<b>LIABILITIES AND EQUITY</b>					
Trade creditors		42		6	
Other current liabilities		5		47	
Short-term financial liabilities	2.4	5 000		13 500	
Accounts payable to Group companies	2.1	3 001		10 785	
Deferred income and accrued expenses		535		806	
<b>Current liabilities</b>		<b>8 583</b>	<b>7.2</b>	<b>25 144</b>	<b>23.1</b>
Long-term interest-bearing liabilities	2.4	25 000		0	
<b>Non-current liabilities</b>		<b>25 000</b>	<b>21.1</b>	<b>0</b>	<b>0.0</b>
Shareholder capital	6	11 183		11 182	
Statutory capital reserves		60 354		60 345	
Statutory retained earnings		250		250	
<i>Profit / Loss brought forward</i>		13 728		12 532	
<i>Profit for the period</i>		863		1 299	
<i>Result from treasury shares</i>		-425		-103	
Voluntary retained earnings		14 166		13 728	
Treasury shares	5	-1 021		-1 998	
<b>Shareholders' equity</b>		<b>84 932</b>	<b>71.7</b>	<b>83 507</b>	<b>76.9</b>
<b>Total LIABILITIES AND EQUITY</b>		<b>118 515</b>	<b>100.0</b>	<b>108 651</b>	<b>100.0</b>

# Notes to the financial statements

## 1 Accounting policies adopted in the annual financial statements

These annual financial statements were prepared in accordance with the accounting provisions of the Swiss Code of Obligations (OR).

The following disclosures are not made pursuant to Art. 961d (1) OR:

- Additional disclosures in the notes (auditor's fee; disclosures on non-current interest-bearing liabilities)
- Cash flow statement
- Management report

All the values in the annual financial statements are reported in thousands of Swiss francs (CHF thousand) unless otherwise indicated.

The main balance sheet items are accounted for as follows:

### 1.1 Cash, cash equivalents and current assets with a quoted market price

Cash and cash equivalents comprise cash on hand, bank account deposits and other short-term, highly liquid financial assets with a residual term to maturity of three months or less. Current account overdrafts are disclosed in the balance sheet as liabilities due to banks under current financial liabilities.

Current assets held for a quoted market price are recognised at their current value. Changes to the values of such financial assets recognised through profit or loss are shown in the income statement under the item 'Financial expense and financial income'.

### 1.2 Receivables from Group companies

Receivables from Group companies are recognised at nominal value less an allowance for doubtful accounts. An impairment is recognised when the Group has objective evidence that it is not in a position to realise the full amount of the claim.

### 1.3 Loans to Group companies

Loans to Group companies are recognised at nominal value less an allowance for doubtful accounts. An impairment is recognised when the Group has objective evidence that it is not in a position to realise the full amount of the claim.

## 1.4 Shareholdings

Shareholdings are recognised at cost.

Shareholdings are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If there are indications of impairment, the recoverable amount is calculated in an impairment test.

## 1.5 Recognition of net proceeds from goods and services

Net proceeds from goods and services includes all sales from services provided by CREALOGIX Holding AG. Net proceeds from goods and services for services are determined on the basis of the services provided for the customer during the year under review.

## 1.6 Exchange rates

The exchange rates used in the balance sheet are the closing rates at 30 June and the rates for transactions during the year. The exchange rates used in the income statements are the average rates for the 2019/2020 and 2018/2019 financial years.

	Year-end rates (balance sheet)		Average rates (income statement)	
	30 June 2020	30 June 2019	July – June 2019/2020	July – June 2018/2019
EUR	1.06	1.11	1.08	1.12
CAD	0.70	0.75	0.73	0.74
USD	0.95	0.98	0.98	1.00
GBP	1.17	1.25	1.24	1.26
SGD	0.67	0.72	0.70	0.72

## 2 Disclosures, breakdown and explanatory notes to the annual financial statements

CREALOGIX Holding AG is legally domiciled in Zurich.

The number of full-time positions does not exceed ten employees on average over the year.

### 2.1 Receivables and liabilities

CREALOGIX Holding AG has the following receivables from and liabilities to Group companies:

	30 June 2020	30 June 2019
<b>Receivables from Group companies</b>		
CREALOGIX (Deutschland) AG	15 635	14 656
CREALOGIX (Austria) GmbH	1 657	1 604
CREALOGIX UK Ltd	2 932	2 800
CREALOGIX MBA Ltd	1 431	1 290
CREALOGIX PTE Ltd	674	1 390
CREALOGIX BaaS GmbH & Co. KG	440	226
CREALOGIX Corporation (Canada)	0	1
Innofis EGSM S.L., Barcelona	616	142
Swiss Learning Hub AG, Switzerland	165	0
<b>Total receivables from Group companies</b>	<b>23 550</b>	<b>22 109</b>
<i>Thereof without subordination statement</i>	<i>17 916</i>	<i>16 059</i>
<i>Thereof with subordination statement</i>	<i>5 634</i>	<i>6 050</i>
<b>Liabilities to group companies</b>		
CREALOGIX AG, Zurich	930	8 578
CREALOGIX Advisory GmbH & Co. KG, Germany	2 071	2 207
<b>Total liabilities to Group companies</b>	<b>3 001</b>	<b>10 785</b>

### 2.2 Loans to Group companies

The long-term loans to Group companies consist of a loan issued in 2015 to CREALOGIX UK Ltd to finance the acquisition of MBA Systems Ltd (CHF 4 103 thousand), as well as loans to CREALOGIX (Deutschland) AG issued in 2016 to finance the acquisition of FS&S Holding GmbH and in 2018 to finance the acquisition of ELAXY Business Solution & Services GmbH & Co. KG (CHF 19 503 thousand).

## 2.3 Shareholdings

### 30 June 2020

Company	Company Capital	Ownership interest	Votes
<b>Direct held shareholdings</b>			
CREALOGIX AG, Zurich, Switzerland	CHF 100 000	100%	100%
CREALOGIX (Deutschland) AG, Stuttgart, Germany	EUR 100 000	100%	100%
CREALOGIX UK Ltd, Winchester, UK	GBP 1 050 000	100%	100%
CREALOGIX PTE. Ltd, Singapore, Singapore	SGD 1 600 000	100%	100%
CREALOGIX (Austria) GmbH, Vienna, Austria	EUR 35 000	100%	100%
Innofis EGSM S.L., Barcelona	EUR 100 000	100%	100%
Swiss Learning Hub AG, Zurich, Switzerland	CHF 100 000	100%	100%
<b>Indirect held shareholdings</b>			
CREALOGIX MBA Ltd, Winchester, UK	GBP 25 000	100%	100%
CREALOGIX Advisory Holding GmbH, Stuttgart, Germany	EUR 100 000	80%	80%
CREALOGIX Advisory GmbH & Co. KG, Stuttgart, Germany	EUR 10 000	80%	80%
CREALOGIX Advisory Verwaltungs GmbH, Stuttgart, Germany	EUR 25 000	100%	100%
CREALOGIX ME S.L., Barcelona, Spain	EUR 6 902	100%	100%
CREALOGIX BaaS GmbH & Co. KG, Coburg, Germany	EUR 10 200	100%	100%
CREALOGIX BaaS Verwaltungs GmbH, Coburg, Germany	EUR 25 000	100%	100%
CREALOGIX GmbH, Coburg, Germany	EUR 471 800	100%	100%
Saudi CREALOGIX Single-Partner LLC Riyadh, Kingdom of Saudi Arabia	SAR 20'000	100%	100%
Qontis AG, Zurich, Switzerland	CHF 800 000	37%	37%

In the year under review, following changes in the Group structure have been made:

- October 2019: Saudi CREALOGIX Single-Partner LLC was established.
- December 2019: Swiss Learning Hub AG was established through a contribution in kind by CREALOGIX AG
- January 2020: CREALOGIX Corp., Toronto, Canada, was liquidated.

CREALOGIX holds 80% of Advisory Holding GmbH (former: FS&S Holding GmbH). There is a put option and a call option for the remaining 20% stake in this entity. The counterparty announced on 24 June its intention to execute the put option. The closing and the determination of the purchase price is expected by 31 December 2020. The underlying basic values of the options represent fair values. Therefore, the options create neither an asset nor a liability and do not qualify as derivative financial instruments as referred to in Swiss GAAP FER 27

**30 June 2019**

Company	Company Capital	Ownership interest	Votes
<b>Direct held shareholdings</b>			
CREALOGIX AG, Zurich, Switzerland	CHF 100 000	100%	100%
CREALOGIX (Deutschland) AG, Stuttgart, Germany	EUR 100 000	100%	100%
CREALOGIX Corp., Toronto, Canada	CAD 100 000	100%	100%
CREALOGIX UK Ltd, Winchester, UK	GBP 1 050 000	100%	100%
CREALOGIX PTE. Ltd, Singapore, Singapore	SGD 100 000	100%	100%
CREALOGIX (Austria) GmbH, Vienna, Austria	EUR 35 000	100%	100%
Innofis EGSM S.L., Barcelona	EUR 100 000	100%	100%
<b>Indirect held shareholdings</b>			
CREALOGIX MBA Ltd, Winchester, UK	GBP 25 000	100%	100%
CREALOGIX Advisory Holding GmbH (former FS&S Holding GmbH), Stuttgart, Germany	EUR 100 000	80%	80%
CREALOGIX Advisory GmbH & Co. KG (former: ELAXY Financial Software & Solutions GmbH & Co. KG), Stuttgart, Germany	EUR 10 000	80%	80%
CREALOGIX Advisory Verwaltungs GmbH (former: ELAXY Financial Software & Solutions Verwaltungs GmbH), Stuttgart, Germany	EUR 25 000	100%	100%
CREALOGIX ME S.L. (former: Good Deal S.L), Barcelona, Spain	EUR 6 902	100%	100%
CREALOGIX BaaS GmbH & Co. KG, Coburg, Germany	EUR 10200	100%	100%
CREALOGIX BaaS Verwaltungs GmbH, Coburg, Germany	EUR 25'000	100%	100%
CREALOGIX GmbH, Coburg, Germany	EUR 471800	100%	100%
Qontis AG, Zurich, Switzerland	CHF 800 000	37%	37%

**2.4 Short-term interest-bearing liabilities**

On 6 November 2019, the convertible bond (CLX15) expired and was replaced by a new convertible bond (CLX19) for CHF 25 million at an issue and placement price of 100 per cent with a term of 5 years. The coupon was fixed at 1.5 per cent (payable annually on 6 November) and the conversion price amounts to CHF 125. Financial liabilities are recorded and valued at the nominal value.

In the period under review fractions of the replaced convertible bond were converted into 94 shares (previous year: 10038), thus reducing the value by CHF 10 thousand (previous year: CHF 1 050 thousand).

As per end of the period under review, the Group replaced a CHF 5 million credit line (previous year: CHF 5 million) due in July 2020 at 1.0% interest rate.

**3 Contingent liabilities****3.1 Contingent liabilities due to legal disputes**

CREALOGIX Holding AG is not involved in any legal disputes, tax administration investigations or other legal matters.

### 3.2 Joint and several liabilities for debt from value added tax

The CREALOGIX companies in Switzerland are treated as a single taxable entity for VAT purposes (group taxation, art. 13 VAT law). If one of the Group companies is unable to meet its payment obligations to the Federal tax authorities, the other Group companies are jointly and severally liable.

## 4 Significant shareholders

On 30 June 2020, each of the following significant shareholders held more than three per cent of the voting rights:

Shareholders	Share of votes		Number of shares	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Dr. Richard Dratva	17.71%	17.61%	247 610	246 154
Bruno Richle	16.39%	16.29%	229 121	227 665
Daniel Hildebrand	9.76%	9.83%	136 419	137 419
Mayfin Management Services S.l.	11.74%	11.74%	164 050	164 050
Noser Management AG	3.06%	3.06%	42 816	42 000

## 5 Treasury shares including shares held in subsidiaries

	July – June 2019/2020		July – June 2018/2019	
	Quantity	Value	Quantity	Value
on 1 July	16 092	1 998	15 090	2 369
Purchases <sup>1)</sup>	24 108	2 387	31 025	3 980
Sales <sup>2)</sup>	–30 177	–3 364	–30 023	–4 351
<b>on 30 June</b>	<b>10 023</b>	<b>1 021</b>	<b>16 092</b>	<b>1 998</b>

<sup>1)</sup> In the year under review, CREALOGIX Holding AG purchased 24 108 (previous year: 31 025 shares) registered treasury shares at an average price of CHF 99.01 (previous year: CHF 128.28).

<sup>2)</sup> In the year under review, CREALOGIX Holding AG sold 30 177 (previous year: 30 023 shares) registered treasury shares at an average price of CHF 111.48 (previous year: CHF 144.92).

Treasury shares are purchased and sold at market prices.

## 6 Share capital

	30 June 2020	30 June 2019
Conditional share capital	2 400 000	1 137 536
Authorised share capital	2 400 000	1 040 000

In November 2019, the conditional capital of the organisation was renewed and consists of 300 thousand registered shares with a nominal value of CHF 8 per share in connection with the issuance of convertible bonds, warrant-linked bonds or other financial market instruments. As per 30 June 2020, 300 thousand registered shares (June 2019: 142 192 shares) were outstanding.

Shareholders do not have subscription rights (Art. 3b of the Articles of Association)

The general assembly determined at its general meeting in October 2019 an authorised share capital of CHF 2 400 000. This capital authorises the Board of Directors to increase the share capital by the respective amount. As per June 2020, 300 000 registered shares were outstanding.

## 7 Remuneration of the Board of Directors and Executive Board

July – June 2019/2020	Annual fixed compensation	Annual variable compensation	Share-based payments		Social insurance contribution	Fringe Benefits	Total
			3 years plan	6 years plan			
Board of Directors							
Bruno Richle, Chairman	175	0	21	67	12	0	275
Dr. Richard Dratva, Vice Chairman and CSO	0	0	0	10	0	0	10
Dr. Christoph Schmid, Member	40	0	0	58	1	0	99
Ralph Mogenicato, Member	47	0	0	10	3	0	60
Ruedi Noser, Member	38	0	0	10	2	0	50
<b>Total Board of Directors</b>	<b>300</b>	<b>0</b>	<b>21</b>	<b>155</b>	<b>18</b>	<b>0</b>	<b>494</b>
Executive Board	1 616	329	43	82	229	43	2 342
<b>Total</b>	<b>1 916</b>	<b>329</b>	<b>64</b>	<b>237</b>	<b>247</b>	<b>43</b>	<b>2 836</b>
<i>Highest compensation to Richard Dratva, Vice Chairman and CSO</i>	319	30	21	57	56	8	491

July – June 2018/2019	Annual fixed compensation	Annual variable compensation	Share-based payments		Social insurance contribution	Fringe Benefits	Total
			3 years plan	6 years plan			
Board of Directors							
Bruno Richle, Chairman	99	0	0	0	6	0	105
Dr. Richard Dratva, Vice Chairman and CSO	0	0	0	0	0	0	0
Jean-Claude Philipona, Member (until Oct 2018)	20	0	0	0	1	0	21
Dr. Christoph Schmid, Member	50	0	21	0	4	0	75
Ralph Mogenicato, Member	52	0	0	0	3	0	55
Ruedi Noser, Member (since Nov 2018)	20	0	0	0	1	0	21
<b>Total Board of Directors</b>	<b>241</b>	<b>0</b>	<b>21</b>	<b>0</b>	<b>15</b>	<b>0</b>	<b>277</b>
Executive Board (six members as of January 2018)	1 548	0	81	36	207	37	1 909
<b>Total</b>	<b>1 789</b>	<b>0</b>	<b>102</b>	<b>36</b>	<b>222</b>	<b>37</b>	<b>2 186</b>
<i>Highest compensation to Thomas Avedik, President of the Executive Board &amp; CEO</i>	300	0	17	36	49	10	412

<sup>3)</sup> Fair Value.

The amounts were adapted to conform with the Ordinance against Excessive Compensation with respect to Listed Stock Corporations (VegüV). The social security contributions include the employer's contributions to occupational and non-occupational accident insurance and daily sickness benefit insurance.

Out-of-pocket expenses are not calculated separately since the tax administration has approved the payment of a fixed entertainment allowance to cover out-of-pocket expenses.

*a) Compensation of members of the Board of Directors and Executive Board*

For discharging their duties, the non-executive members of the Group's Board of Directors receive a fixed fee, a fixed amount in shares and a compensation per meeting related to their committee membership. In lieu of receiving their fee in cash, they have the right to receive up to 90 per cent of their fee, but no more than the equivalent of CHF 50 thousand, in unvested CREALOGIX shares.

The executive members of the Group's Board of Directors and members of the Executive Board receive contractually agreed compensation for their role in the Company's operations. The fixed compensation includes an annual salary and lump-sum expense reimbursements. The variable compensation includes the bonuses.

*b) Share-based payments*

As disclosed in the remuneration report starting on page 32, an employee share ownership programme is in place for the Board of Directors and selected members of the Executive Board, senior staff and employees. The fair value is the basis for the valuation of expenditures recorded in the income statement relating to employee shares taken up.

*c) Social security contributions consist of the actual regulatory premiums paid to social security institutions during the current financial year.*

*d) Other compensation and credits*

There were no further claims or commitments to/from persons in key management positions on 30 June 2020 (previous year: none). No long-term payments or severance payments were made in the year under review (previous year: none).

In addition to his role as Chairman, Bruno Richle has had an operative role outside the Executive Board until January 2019. For this role, the overall compensation was CHF 141 thousand in the previous year.

In relation to legal consultation, services were provided by Wenger&Vieli AG, a law firm closely related to Dr. Christoph Schmid, a member of the Board of Directors. Wenger&Vieli's fees for legal advice totalled CHF 113 thousand (previous year: CHF 18 thousand). In addition, further services were provided by Hixon AG in relation to business development consulting. The firm belongs to Ralph Mogenicato, a member of the Board of Directors. In the year under review, Hixon AG provided consulting services for total CHF 10 thousand (previous year: none).

## 5) Shareholdings

The members of the Board of Directors and the Executive Board held the following CREALOGIX shares as of 30 June 2020:

	CREALOGIX shares		thereof blocked	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Board of Directors				
Bruno Richle, Chairman	229 121	227 665	2 969	2 819
Dr. Richard Dratva, Vice Chairman and CSO	247 610	246 154	2 969	2 819
Dr. Christoph Schmid, Member	7 024	6 418	1 020	1 520
Ralph Mogenicato, Member	406	300	0	0
Ruedi Noser, Member	42 816	42 000	0	0
Members of the Executive Board				
Thomas Avedik, former member of the Executive Board and CEO (resigned as per December 2019)	n/a	2 379	n/a	1 607
Oliver Weber, member of the Executive Board and CEO	550	550	550	550
Philippe Wirth, member of the Executive Board and CFO (resigned as per September 2019)	n/a	1 426	n/a	1 076
Daniel Bader, member of the Executive Board and CFO (since September 2019)	450	509	450	509
David Moreno, member of the Executive Board and Ex- ecutive Vice President Spain	164 050	164 050	164 050	164 050
Volker Weimer, member of the Executive Board and Ex- ecutive Vice President Ger- many	509	509	509	509
<b>Total</b>	<b>692 536</b>	<b>691 960</b>	<b>172 517</b>	<b>175 459</b>

## 8 Events after the balance sheet date

Since the balance sheet date of 30 June 2020, there were no significant events which would have a financial impact on the period under review.

## Proposal of the Board of Directors to the Shareholders' Meeting

Available earnings	July – June 2019/2020	July – June 2018/2019
Retained profit carried forward	13 728	12 532
Profit for the period	863	1 299
Result from treasury shares	-425	-103
<b>Available for distribution by the Shareholders' Meeting</b>	<b>14 166</b>	13 728
<b>Available earnings</b>	<b>14 166</b>	13 728
Appropriation to statutory retained earnings	0	0
Appropriation voluntary retained earnings	0	0
Carried forward to new account	14 166	13 728
<b>Distribution of share premium</b>	<b>0</b>	0

The Board of Directors will propose to the Shareholders' Meeting of 28 October 2020 that no dividend or share premium be distributed for the 2019/2020 financial year.



Report of the statutory auditor to the General Meeting  
of CREALOGIX Holding AG, Zurich

## Report of the statutory auditor on the the financial statements

### Opinion

We have audited the financial statements of Crealogix Holding AG, which comprise the income statement for the year ended 30 June 2020, the balance sheet as at 30 June 2020 and notes to the financial statements for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 89 to 100) as at 30 June 2020 comply with Swiss law and the company's articles of incorporation.

### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Our audit approach

### Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

<b>Overall materiality</b>	CHF 1'000'000
<b>How we determined it</b>	1% of total assets (rounded)
<b>Rationale for the materiality benchmark applied</b>	We chose total assets as the benchmark because, in our view, it is the most appropriate benchmark for this holding company which has limited operating activities and which mainly holds investments in subsidiaries and intercompany loans.

We agreed with the Audit Committee that we would report to them misstatements above CHF 100'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.

## Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

We have determined that there are no key audit matters to communicate in our report.

## Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors 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, the Board of Directors is responsible for assessing the entity'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 the Board of Directors either intends to liquidate the entity 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 Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

## Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Oliver Kuntze  
Audit expert  
Auditor in charge



René Jenni  
Audit expert

Zürich, 11 September 2020

# Additional information



## Important dates

26 October 2020

Ordinary Shareholders' Meeting

16 March 2021

Presentation of 2020/2021 Half-Year Results



## Caution concerning forward-looking statements

This annual report contains forward-looking statements regarding CREALOGIX that are inherently susceptible to risk and uncertainty. The reader must be aware that the actual future results may vary from these statements. Forward-looking statements are projections of possible developments. All forward-looking statements are based on information available to CREALOGIX at the time the annual report was prepared.

You can read the entire annual report of the CREALOGIX Group online at:



## Contact addresses

CREALOGIX Investor Relations

CREALOGIX Holding AG

Daniel Bader, Chief Financial Officer

Badenerstrasse 694 | 8048 Zurich | SWITZERLAND

+41 58 404 80 00 | daniel.bader@crealogix.com



[crealogix.com/report-en](https://crealogix.com/report-en)



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# Important Group companies

## CREALOGIX Holding AG

Headquarters  
Badenerstrasse 694, P.O. Box  
8048 Zurich  
T + 41 58 404 80 00  
contact-ch@crealogix.com



## Austria

### CREALOGIX (Austria) GmbH

Hohlweggasse 2/25  
1030 Vienna  
T +43 1 3771212



## Spain & Middle East

### CREALOGIX | Innofis S.L.

Balmes 150  
08008 Barcelona  
T +34 936 671855

### Saudi CREALOGIX Single-Partner LLC

Akaria Plaza, Gate D  
Olaya Main Street  
Riyadh 11622  
T +966 553 0909 38



## Switzerland

### CREALOGIX AG

Badenerstrasse 694, P.O. Box  
8048 Zurich  
T + 41 58 404 80 00

### Swiss Learning Hub AG

Badenerstrasse 694, P.O. Box  
8048 Zurich  
Tel: +41 58 404 88 70



## United Kingdom

### CREALOGIX MBA Ltd.

Staple House, Staple Gardens  
Winchester, Hampshire, SO23 8SR  
T: +44 1962 841494



## Singapore

### CREALOGIX PTE Ltd.

5 Shenton Way  
UIC Building, #10-01  
Singapore 068808  
T +65 9632 2804



## Germany

### CREALOGIX (Deutschland) AG

Breitscheidstrasse 10  
70174 Stuttgart  
T +49 711 614160

### CREALOGIX Advisory GmbH & Co. KG

Breitscheidstrasse 10  
70174 Stuttgart

### CREALOGIX Advisory GmbH & Co. KG

Mühlenstrasse 18  
26441 Jever

### CREALOGIX BaaS GmbH & Co. KG

Am Hofbräuhaus 1  
96450 Coburg



