2014/2015 Annual Report.

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CREALOGIX Group Financial Report.

CREALOGIX Holding AG Financial Report.

Group key figures

Income statement

Amounts in thousands of CHF	July–June 2011/2012	July–June 2012/2013	July–June 2013/2014[1]	July–June 2014/2015
Net revenue from goods and services	**48 586**	**49 273**	**50 113**	**49 307**
% change of sales	–7.4	1.4	1.7	**–1.6**
Other operating income	1 193	293	213	**106**
Operating revenue	49 779	49 566	50 326	**49 413**
Operating result before interest, taxes, depreciation and amortisation (EBITDA)	5 121	4 205	1 710	**–10 555**
in % of operating revenue	10.3	8.5	3.4	**–21.4**
Depreciation/Amortisation	1 118	1 149	2 818	**2 876**
Operating profit (EBIT)	**4 003**	**3 056**	**–1 108**	**–13 431**
in % of operating revenue	8.0	6.2	–2.2	**–27.2**
Consolidated profit	**3 146**	**2 552**	**–1 524**	**–10 274**
in % of operating revenue	6.3	5.1	–3.0	**–20.8**
in % of equity	8.3	7.0	–4.0	**–38.5**
Cash flow from operating activities	3 728	715	5 258	**–4 681**
in % of operating revenue	7.5	1.4	10.4	**–9.5**
Cash flow from investing activities	2 268	–3 181	–6 000	**–4 874**
Full-time employees	200.7	216.2	241.3	**287.5**
Full-time freelancers	33.4	32.9	41.2	**68.6**
Full-time employees (incl. freelancers)	234.1	249.1	282.5	**356.1**
Revenue per full-time employee (incl. freelancers)	213	199	178	**139**
Personnel expense per full-time employee	150	138	138	**141**
Full-time employees in June	197.0	235.7	259.9	**319.8**
Headcount on record date	221	256	282	**354**

Balance sheet

Amounts in thousands of CHF	30 June 2012	30 June 2013	30 June 2014[1]	30 June 2015
Balance sheet total	**53 284**	**49 959**	**55 138**	**48 588**
Current assets	47 410	43 085	40 273	**28 217**
thereof cash, cash equivalents and marketable securities	31 906	26 529	24 286	**13 137**
Non-current assets	5 874	6 874	14 865	**20 371**
Liabilities	15 284	13 372	16 717	**21 906**
Equity	38 000	36 587	38 421	**26 682**
Equity ratio (in %)	71.3	73.2	69.7	**54.9**

[1] Restated due to change in Goodwill policies, defined in Note 2.2

Share (CLXN)

Share prices in CHF	July–June 2011/2012	July–June 2012/2013	July–June 2013/2014[1)]	July–June 2014/2015
High	115.00	104.50	104.10	**100.50**
Low	83.05	88.50	95.00	**92.50**
on record date	90.00	100.00	99.05	**93.45**
Market capitalisation (in millions)				
High	123.1	111.8	111.4	**107.5**
Low	88.9	94.7	101.7	**99.0**
Market capitalisation on record date (in millions)	96.3	107.0	106.0	**100.0**
in % of operating revenue	193.5	215.9	210.6	**202.4**
in % of shareholders' equity	253.4	292.5	275.8	**374.8**
Earnings per share - undiluted in CHF	2.96	2.41	–1.44	**–9.65**
Price-earnings ratio (P/E)	30.4	41.6	n/a	**n/a**
Shareholders' equity per share in CHF	35.8	34.7	36.2	**25.0**
Price-book value	2.5	2.9	2.7	**3.7**

[1)] Restated due to change in Goodwill policies, defined in Note 2.2

Letter to shareholders

Bruno Richle, Chairman of the Board of Directors and CEO

Dear Shareholders,

The transformation of the CREALOGIX Group into a fintech enterprise of the latest generation operating on an international scale is proceeding according to plan. Thanks to the intensified internationalisation and expenditures of recent years, CREALOGIX is now capable of assisting banks around the globe in implementing their digital business models as rapidly as possible with innovative products as an "Enabler for the Digital Banking Strategy". The business plan of the CREALOGIX Group is ambitious, and the investments needed are high. For CREALOGIX, the financial year 2014/2015 (1 July 2014 to 30 June 2015) was the most cost-intensive phase on the path to becoming one of Europe's leading fintech enterprises.

In the year under review, we reached three important intermediate goals: first, the development of our international sales organisation, secondly, the conversion to our new digital banking platform and thirdly, the expansion of our product range and services in the fields of cloud and SaaS (software as a service). Among other things, this means that the newly established branch offices in London, Vienna and Singapore have assumed operations, and commencement of the active marketing in the respective local markets.

By taking over the UK-domiciled MBA Systems Ltd in early 2015, CREALOGIX has entered the market of the London financial industry. MBA Systems, a leading fintech specialist for online trading and brokerage solutions, delivers a customer base of more than 30 financial service providers to the CREALOGIX Group, with an attractive mix of established and newly emerging market players.

CREALOGIX MBA Ltd

Customers can purchase the comprehensive brokerage solutions of MBA Systems in the form of products on the basis of licences or lease them as SaaS (software as a service) from the CREALOGIX data centre. The sale of additional CREALOGIX products for these new UK customers has already begun.

In the financial year 2014/2015, the innovations of CREALOGIX again attracted a lot of attention. In October 2014, for example, our customer Coutts & Co. received the "Most Innovative Digital Offering" award in Singapore from Private Banker International (PBI). Moreover, in 2015, IDC Financial Insights included CREALOGIX once again in the list of the global Top 100 Fintech enterprises. At Finovate – the world's most important fintech conference – in London in February 2015, the media enterprise Finews designated the "BankClip" (on-demand video counselling for wealth management) presented by CREALOGIX as one of five global top trends.

BankClip

Development of net sales and profit

In the financial year 2014/2015, CREALOGIX generated net sales of CHF 49.3 million. Compared to the prior year (CHF 50.1 million), this represents a decline of 1.6 per cent, to which the massive change in the exchange rate made a rather significant negative contribution. The maintenance business performed well, generating net sales of CHF 12.4 million (prior year: CHF 11.5 million, +7.8 per cent). Despite new customer orders, the sales generated with new licences only reached CHF 10.6 million, compared to CHF 12.4 million in the prior year. This was also because these new orders could only be processed partially in the financial year 2014/2015.

Large expenditures significantly encumbered the profitability of the CREALOGIX Group in the year under review. Within the scope of our investment planning, EBITDA dropped from CHF 1.7 million to CHF –10.6 million. A major portion of this change is attributable to development costs for the realisation of the digital banking platform. Such costs are not capitalised but are fully recognised in the income statement. In the year under review, our total expenditures for development of new and existing products amounted to 76 person-years. The establishment of the sales organisation and the marketing activities at the new locations London, Vienna and Singapore also had an impact. In the year under review, CREALOGIX stepped up its headcount from 282 to 354.

The CREALOGIX Group is financially stable: as of the end of the financial year, the equity ratio stood at 54.9 per cent (prior year: 67.5 per cent). Cash and cash equivalents totalled CHF 13.1 million (prior year: CHF 24.3 million). The change of CHF 11.2 million was mainly caused by the acquisition of MBA Systems Ltd, UK (CHF 4.2 million net cash), the business operations (CHF 4.7 million) and the dividend payment (CHF 2.1 million). The balance sheet of CREALOGIX is still free of bank loans. A change in the treatment of goodwill is especially noteworthy. In these financial statements, the goodwill from acquisitions is no longer offset against the equity, but amortised over the useful economic life. This change in methodology increases reporting transparency associated with past and possible future acquisitions. It shows the current value of goodwill in the balance sheet, and shows the annual depreciation in the income statement. Therefore, the prior-year figures have been restated in the financial statements, as required in such cases. The amortisation of goodwill recognised in the income statement for the financial year 2014/2015 amounted to CHF 1.6 million.

The operating loss (EBIT) amounted to CHF 13.4 million (prior year: CHF 1.1 million). The consolidated loss amounted to CHF 9.8 million (prior year: CHF 1.5 million).

Digital banking of tomorrow

The strategic importance of digital channels around the globe in banking has resulted in major structural changes at banks. In the future, digital channels will not only facilitate electronic access to the bank, but will also form the basis for new, supplementary services and business models.

Our flagship product, the CREALOGIX digital banking platform, is an open and at the same time proven, secure and efficient portal including a large number of freely combinable innovative product modules for the digital bank of tomorrow – both for conventional Internet banking and for mobile banking.

ebanking.
crealogix.com

For example, our Campaigner module is one of the successful innovative extensions for our digital banking platform. This module enables the bank to systematically address customers or particular customer groups. Our advanced security solutions in the field of biometric fraud detection and the "TouchID" fingerprint access to mobile banking are also very popular.

The new security solutions of CREALOGIX also take the increased mobile usage behaviour of bank customers into consideration and expand the range of available security products. The core of the digital banking platform of CREALOGIX enables every bank to place a homogeneous integration layer over the existing, usually highly heterogeneous back-office systems. The available programmable interfaces (API) provide it with the flexibility needed for digital solutions, particularly for the integration of third-party products.

Custom-tailored solutions on the basis of a flexible, modular product suite

The flexibility of our solutions is greatly appreciated by our customers. For example, the Swiss Raiffeisen Banks rely on CREALOGIX e-banking solutions on a long-term basis. In this context, Raiffeisen recently launched an innovative change. Banque Calédonienne d'Investissement (BCI), which is domiciled in the Asia-Pacific economic region (APAC), has decided to expand its ongoing e-banking project with the entire banking portal from CREALOGIX. The private banking division of Société Générale in Paris is in the course of creating an entirely new user interface for its e-banking solution. Furthermore, leading Swiss private banks like Bank Julius Bär and Banque J. Safra Sarasin will be upgrading their e-banking solutions to the new digital banking platform of CREALOGIX. VZ Depotbank, which has decided to implement the innovative digital banking of CREALOGIX, is the second bank using a Finnova core banking system that we have been able to win over for our solution. This opens the way to additional growth potential for CREALOGIX in the Swiss banking market.

In Germany – our second home market – leading online banks also rely on the digital banking products and competence of CREALOGIX.

Together with Deutsche Kreditbank (DKB), we continually pursue the development of our product portfolio. Both the website and online banking are part of our competence area.

The flexible, highly integrative portal technology of CREALOGIX enables banks to establish and offer their customers a highly customised digital banking offer that is tailored to their fields of specialisation. For example, the new financial planner of Consorsbank is an essential component of the realignment of the online bank. In technological terms, the solution is based on the digital banking platform of CREALOGIX, which integrates the personal finance management (PFM) solution of Meniga. All Consorsbank account and credit card data are summarised and presented in a transparent manner, providing customers with a comprehensive overview of their income and expenses whenever needed.

At Fondsdepot Bank, CREALOGIX implements the fund management and trading portal, both for the bank itself and for its cooperating intermediary organisations. Moreover, CREALOGIX supports the advisory processes of private banks with the AdviceManager and ensures compliance with regulatory requirements (MiFID) for the advisory process. Based on the developments with the private bank Donner & Reuschel, CREALOGIX has further expanded the Digital Advisory product segment.

Through the takeover of the fintech specialist MBA Systems in the UK, which is active in wealth management and brokerage, CREALOGIX has gained more than 30 new customers. The portfolio includes leading brokers, wealth managers and international banks of the finance industry in London, such as AES International, Aegon Global, Bank of Nova Scotia, Halifax Sharedealing (Lloyds Bank), ING, James Brearley & Sons, JM Finn & Co., GHC Capital Markets, Killik & Co., MyTreasury, Mediterranean Bank, MeDirect, Peel Hunt, Santander Sharedealing, SVS Securities, Tilney Bestinvest, Trade Ideas Limited and Traiana.

In this newly gained customer base, CREALOGIX sees great market potential for marketing other products from the spectrum of digital banking and e-learning/compliance.

New developments in cross-border payment transactions for corporate customers

In the year under review, we successfully continued to develop our innovative CLX.NOVA software for digital payment transactions of tomorrow. This new CREALOGIX platform has already been sold to a number of renowned enterprises in Switzerland and abroad, increasingly also in the form of an SaaS package.

nova.crealogix.com

The latest changes in Swiss payment transactions (introduction of ISO 20022/EBICS) serve as a growth driver in the field of payment transactions for corporate customers. Thanks to its profound expertise in the introduction of EBICS at banks and further developed software products for companies and private customers, CREALOGIX is well positioned and established on the market.

For example, the popular CLX.PayMaker is one of the first products to implement the new payment formats in collaboration with PostFinance. CREALOGIX also sets new standards in cooperation with Swisscom: "EBICS as a Service" enables even smaller banks to keep up with the market leaders in the field of payment transactions with the help of an inexpensive SaaS solution.

EBICS

Increasing significance of e-learning/compliance in banking

The growth in the field of e-learning, which has already been observed for several years, was again evident in the financial year 2014/2015. In this connection, we were able to further expand our leading position especially among financial institutions. Our e-learning specialists deliver digital learning contents that are used for training, staff certification and the fulfilment of increasingly important compliance requirements in companies.

crealogix.com/
education

The CYP Association, the largest training cooperation in the Swiss banking world, trains Swiss banking students and junior staff with the help of CREALOGIX tools and learning modules. CYP has revised and restructured the training offer in the field of banking and finance. For this, CREALOGIX has developed an entirely new, specialised learning platform, which forms the basis for the use of modern teaching methods.

December 2014 saw the successful market launch of the fully newly developed learning platform CLX.Tracker. As many as 14 financial institutions are currently using this learning platform to train their employees and increasingly also to train their partners. Three renowned financial institutions have already opted for CLX.Tracker: Entris Banking, Leonteq and UBS. Technology leaders of other industries also successfully use our learning platforms and the associated software products for digital learning.

Outlook

The CREALOGIX Group is making good progress on the way to becoming a leading international software provider for the "digital bank of tomorrow" in the fintech segment. We will do our best to make consistent use of new opportunities in line with the motto "the trend is our friend".

The business plan of CREALOGIX is still ambitious, and the expenditures required are high. As already announced in the prior year, we expect net sales will grow in the financial year 2015/2016, though the strong Swiss franc is likely to continue to curb the dynamics to a certain extent. In the current financial year, we expect net sales growth of at least 10 per cent. At the same time, we endeavour to return to a balanced operating result before interest, taxes, depreciation and amortization (EBITDA). Starting from the financial year 2016/2017, we expect further net sales growth and higher profitability.

As already mentioned, CREALOGIX wants to keep the doors open for further growth through acquisitions, if necessary with the help of debt financing.

The associated accounting adjustment leads to higher depreciation and amortisation and thus less profit, but increases our equity – a key indicator of the financial stability of our enterprise.

Our product and internationalisation-related expenditures, which are not capitalised, will continue to reach figures in the millions in the current financial year as well, though at a level somewhat lower than in 2014/2015.

Therefore, the Board of Directors has decided to propose to the Shareholders' Meeting not to pay out any dividend from the reserves set aside from capital contributions.

Acknowledgements

On behalf of the Board of Directors and the Group Management Committee, I would like to thank all our employees for their hard work during the financial year ended. I am also grateful to our customers for their confidence in our services and their close cooperation. I would also like to sincerely thank you, our valued shareholders, for your trust in the CREALOGIX Group.

crealogix.com

Bruno Richle
Chairman of the Board of Directors and CEO

Corporate Governance.

Corporate Governance.

Group structure

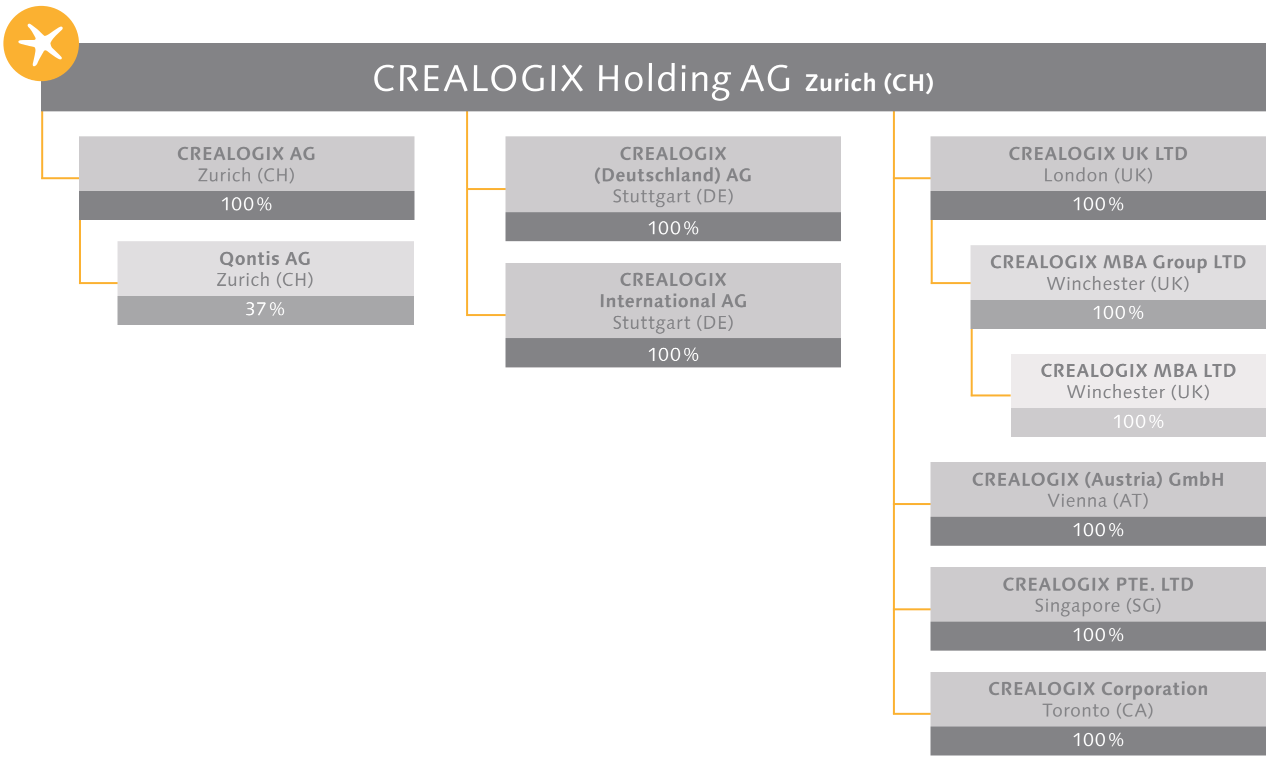
Management and controlling at the highest corporate levels at CREALOGIX are conducted in accordance with the principles and rules of the Swiss Code of Best Practice of economiesuisse and the SIX Swiss Exchange.
The information required to be published in accordance with the Swiss Exchange Corporate Governance 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 2015, market capitalisation was CHF 100.0 million

1.1 Group structure

The participations held by the CREALOGIX Holding AG in the different subsidiary companies are listed in detail on page 45 (scope of consolidation on 30 June 2015) of the Annual Report.
On 1 January 2015, CREALOGIX UK Ltd acquired 100 per cent of the shares in MBA Investment Group Ltd, renamed CREALOGIX MBA Group Ltd, and its subsidiary MBA Systems Ltd, renamed CREALOGIX MBA Ltd.



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 2015, the following shareholders each had a proportion of votes of more than 3 per cent at their disposal:

Shareholders	Proportion of votes	Number of shares
Dr. Richard Dratva	24.20 %	258 893
Bruno Richle	23.78 %	254 404
Daniel Hiltebrand	15.49 %	165 748
Peter Süsstrunk	6.60 %	70 609
Noser Management AG	3.93 %	42 000

The first four shareholders named (founder shareholders) have concluded a shareholder pooling agreement. Under the terms of this agreement they undertake to jointly exercise their voting rights in all substantive items of business transacted at the Annual General Meeting of CREALOGIX Holding AG (voting trust). Upon 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).

On 1 July 2014, 500 000 negotiable call warrants (symbol: CREANO) on 50 000 registered CREALOGIX shares (CLXN) were successfully distributed. The founders of CREALOGIX have entered into a standstill agreement with Neue Helvetische Bank AG in which Neue Helvetische Bank AG agrees to underwrite, in its own name and for the account of the founders, 500 000 call warrants with a subscription ratio of 10 call warrants per registered CREALOGIX share, an option period of four years and a strike price of CHF 130 per registered CREALOGIX share. The call warrants were first listed on SIX Structured Products on 10 July 2014.

1.3 Cross-shareholdings

There are no cross-shareholdings with other enterprises.

2 Capital structure

2.1 Capital

As of 30 June 2015 CREALOGIX Holding AG had the following share capital at its disposal:

Ordinary capital	CHF 8 560 000 Divided into 1 070 000 registered shares with a par value of CHF 8 per share.

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, with issue possible until 31 October 2015.
Conditional capital	CHF 2 000 000 Divided into 250 000 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

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

No change in the capital structure of the company occurred in the last three years.

2.4 Shares and participation certificates

On 30 June 2015, CREALOGIX Holding AG had issued 1 070 000 fully paid registered shares with a nominal value of CHF 8 per share. CREALOGIX Holding AG owned 3 358 shares of treasury stock on 30 June 2015, equivalent to 0.3 per cent of share capital. A registered share entitles the holder to one vote at the Annual General Meeting (one share, one vote).
All shares are entitled to dividends. Dividend policy is explained on page 26 of the Annual Report.
CREALOGIX Holding AG has not issued any participation certificates.

2.5 Bonus certificates

CREALOGIX Holding AG has not issued any bonus 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 3 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 3 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 obligation to inform with such nominees.

2.7 Convertible bonds and options

There are no convertible bonds or options in existence.

3 Board of Directors

The Board of Directors is currently composed of two executive members (in dual office on one hand the Chairman and CEO, as well as the Vice-Chairman and CSO) and three non-executive members.

Executive members

The dual office of the Chairman and CEO is consistent with the current size of the CREALOGIX Group. It has similarly proved advantageous that the CSO functions as Vice-Chairman of the Board of Directors. The Board of Directors can thus make use of the profound expertise and market knowledge of the Chairman/CEO and Vice-Chairman/CSO for its decisions without restriction. Furthermore, this ensures efficient preparation of the basis for complex decisions, enabling flexibility and speed in the most important decision processes.

Non-executive members

None of the non-executive Board members have previously exercised an executive function within the CREALOGIX Group or have a critical business relationship with it. An exception was, however, made between 8 May 2013 and 31 August 2013. During this period, Board of Directors member Jean-Claude Philipona served as interim Chief Financial Officer (CFO).

3.1 Members of the Board of Directors

Bruno Richle, 1957

Chairman, dipl. El.-Ing. HTL, Swiss citizen, CEO of the CREALOGIX Group.

Following his studies of electrical engineering majoring in computer science and communications engineering at the Hochschule Rapperswil, Bruno Richle was employed from 1985 to 1989 in the Bührle Group. During this time, from 1986 he was Head of the Department of Electronic Engineering with Oerlikon Aerospace in Montreal, Canada, and responsible for the electronic engineering of the guided missile system ADATS. From 1990 to 1996, he was a member of the executive management and Technical Director with Teleinform AG in Bubikon, at that time the leading Swiss company in telematics. In 1996, he was a founding member of CREALOGIX, which entered the Swiss Exchange SWX under his leadership in 2000. Additional board of directors' mandates: Yachtwerft Portier AG and Elektrizitätswerk Jona-Rapperswil AG. Foundation board mandates: Foundation FUTUR and Innovation Foundation of the Bank of Canton Schwyz. Member of the "Hochschulrat der Hochschule für Technik in Rapperswil (HSR)".

Richard Dratva, 1964

Vice Chairman, Dr. oec. HSG, Swiss citizen, Chief Strategy Officer (CSO) of the CREALOGIX Group.

From 1987 to 1991, Richard Dratva was employed as an internal consultant with the Swiss Bank Corporation (today: UBS AG). From 1992 to 1994, he was engaged as a research associate at the Institute of Information Management at the University of St. Gallen. From 1995 to 1996, he acted as a consultant with Teleinform AG before becoming a founding member of CREALOGIX in 1996.

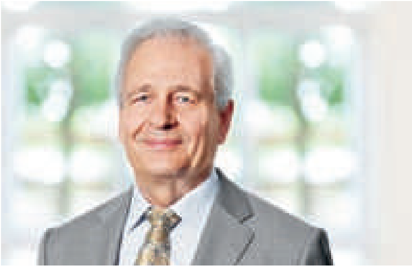
Jean-Claude Philipona, 1953

Member, lic. oec. publ., Swiss citizen.

After working at the Federal Price Monitor (1977–1980) and a sojourn in the USA (1981), Jean-Claude Philipona was employed from 1982 to 1989 with Pricewater-houseCoopers as a management consultant in a leadership role with focus on strategy, organisation and controlling. He then transferred to Papierfabrik Biberist, where from 1989 to 1997 as divisional head of finance and administration in the executive management he was instrumental in the renewal and restructuring process instituted with the extension project Biber-Nova, among other areas. In 1997, Mr Philipona entered Adval Tech Holding AG as CFO in view of the company's IPO. From 2001 to 2011, he was Chief Executive Officer of the Adval Tech Group with full operative responsibility. He has been serving on boards of directors and working as an independent consultant since 2012. Additional mandates: chairman of the board of Wolfensberger AG, Bauma, board member of Swissmem.

Beat Schmid, 1943

Member, Prof. em. Dr., Swiss citizen.



The Swiss Federal Institute of Technology Zurich awarded Beat Schmid a Master of Science in theoretical physics, a doctoral degree in mathematics and a postdoctoral lecture qualification. Between 1987 and 2008, he was a Professor for Information Management at the University of St. Gallen. From 1989 to 1997, he was Director of the Institute of Information Management. Since its founding in 1998, he served as Director of the Institute for Media and Communication Management at the University of St. Gallen. In summer of 2008 he was given emeritus status.

Christoph Schmid, 1954

Member, Dr. iur. and attorney-at-law, Swiss citizen.

Christoph Schmid is a member of the board of directors of various Swiss companies, including Robert Bosch Internationale Beteiligungen AG, public limited company of Neue Zürcher Zeitung, Kessler & Co AG, EBS Services Company Limited (chairman). He has served on the CREALOGIX Board of Directors since 2001. Christoph Schmid's professional career began at the district court of Meilen, followed by the legal department of Ringier AG and then a large US law firm. He has been a partner at Wenger & Vieli AG, a Zurich-based business law firm, since 1989.

3.2 Other activities and interests

Information on other activities and interests is disclosed together with the curricula vitae on pages 16 to 18.
The law firm of Wenger & Vieli AG provides consulting services for the CREALOGIX Group.
The compensation is listed in the remuneration report starting on page 30.

3.3 Election and term of office

The members of the Board of Directors and the Compensation Committee (CC) were elected by the Shareholders' Meeting held on 3 November 2014 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
Prof. em. Dr. Beat Schmid	Member	2001
Jean-Claude Philipona	Member	2005

3.4 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 2014/2015 the Board met four times for meetings of four to five hours. Two additional meetings were conducted as conference calls. The CFO and other members of the Executive Management as required took part 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, the supervision of the corporation and the establishment of its organisation, the appointment and recall of members of the Executive Management 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 2014/2015 was passed at the meeting of the Board of Directors on 22 September 2015.

Committees

The Board of Directors has formed an Audit Committee and a 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. Currently, Jean-Claude Philipona (Chairman) and Dr. Christoph Schmid form the Audit Committee. The Audit Committee convenes three times yearly as a rule. The CFO and Peter Süsstrunk, Chief Corporate Finance, take part in each meeting. In the financial year 2014/2015 the Audit Committee met three times for meetings of four to five hours. Representatives of the auditor were present at all of the meetings.

The Compensation Committee is responsible for the formulation of recommendations to the Board of Directors with regard to the compensation of the members of the Board and the Executive Management as well as the allotment of share-based payments. The Committee prepares the human resource planning on the level of the Board of Directors and the Executive Management. 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: Dr. Christoph Schmid (Chairman) and Prof. em. Dr. Beat Schmid. The Compensation Committee convenes twice yearly as a rule. In the financial year 2014/2015 the Committee met three times for meetings of two to three hours.

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

3.5 Powers

As far as allowed by law and the Articles of Association, the Board of Directors delegates the entire business execution and responsibility to the Executive Management ("Group Management").
In particular the following responsibilities inhere to the Executive Management 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 Group Management 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;
- Preparation 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 fulfilment of legal publication obligations pertinent to the stock exchange following orientation of the Board of Directors in advance.

3.6 Information and controlling tools vis-à-vis the Executive Management

The Executive Management reports to the Board of Directors on a monthly basis regarding the current business situation based on end-of-month accounts. The reports are prepared on the basis of the Microsoft Dynamics NAV business management software and IBM Cognos business intelligence and performance management products for financial controlling and the Vertec activity entry and allocation software for tracking internal and customer projects. These grant a comprehensive overview of the business situation and allow statements regarding future capacity utilisation.
Moreover, the Executive Management informs the members of the Board of Directors without delay by telephone or in writing regarding extraordinary occurrences and events (e.g. changes in areas of business, loss of a significant customer, resignation of a member of the executive management etc.) that are of great significance for the business development of the CREALOGIX Group.
The Board of Directors is guaranteed to receive information immediately because two members of the Group Management also sit on the Board of Directors.

4 Executive Management

4.1 Members of the Executive Management

The Executive Management assumes the operative functions and represents the CREALOGIX Group externally. As of 30 June 2015, the Executive Management consists of four members, two of whom are executive members of the Board of Directors.
Dr. Werner Truöl resigned from the Executive Management on 31 January 2015 and left the company on 30 April 2015. Dr. Louis-Paul Wicki stepped down from the Executive Management on 27 May 2015 and left the company on 31 August 2015. No replacements were made for either of these Executive Management positions.

As of 30 June 2015, the members of the Executive Management are:

Thomas F.J. Avedik, 1961

Member of the Executive Management,
CEO CREALOGIX E-Banking,
Dipl. Ing. ETH, Swiss citizen.

After studying at ETH in Zurich, Thomas Avedik conceived and developed mathematical and statistical simulation models. In 1991, he joined the Swiss Bank Corporation (today: UBS AG) and from 1997 he was in charge of the design and upgrade of UBS e-banking. In addition to projects such as the implementation of the UBS market data system for clients and advisors and the design and implementation of an e-banking security solution, he developed the global e-banking-strategy of UBS. Since 1 July 2007, Thomas Avedik has been CEO CREALOGIX E-Banking.

Richard Dratva, 1964

Dr. oec. HSG, Swiss citizen,
CSO of the CREALOGIX Group.

For detailed information see page 16.

Rolf Lichtin, 1964

Member of the Executive Management, Chief Financial Officer, lic. oec. HSG, Swiss citizen.

Rolf Lichtin studied business management at the University of St. Gallen. After graduating, he served in various management positions at Siemens Schweiz AG for 19 years. Among other things, he was CFO of the Business Innovation Center division (2004–2007) and CFO of the Engineering & Innovative Products division and the IT division (2007–2009). Subsequently, Rolf Lichtin worked for three years as CFO of Siemens IT Solutions and Services AG and Atos IT Solutions and Services AG (2009–2012), after which he assumed the same function at Trivadis Holding AG. He has longstanding experience in finance and HR in the IT industry.
Rolf Lichtin joined CREALOGIX in August 2013 and has been Chief Financial Officer (CFO) of CREALOGIX Group and a member of the Executive Management since 1 September 2013.

Bruno Richle, 1957

Dipl. El.-Ing. HTL, Swiss citizen, CEO of the CREALOGIX Group.

For detailed information see page 16.

4.2 Other activities and interests

Additional activities and commitments of interest of Bruno Richle, CEO, and Dr. Richard Dratva, CSO, are disclosed on page 16. No other members of Group Management had reportable activities or commitments of interest.

4.3 Management contracts

No management contracts have been established.

5 Compensation and share-based payments

Compensation to related persons or parties is disclosed in the remuneration report on page 30ff.

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 can 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 Articles of Association do not prescribe a qualified majority for passage of a resolution as mandatory.

The Articles of Association of CREALOGIX Holding AG foresee 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 twenty days prior to 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 also 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 OR Art. 699 (3), they were submitted in writing before the meeting was called to the Board of Directors by shareholders who jointly represent at least 10 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 headquarter location. Only those persons registered as shareholders in the register of shareholders are held as shareholder or beneficiary in relation to the corporation.
The register of shareholders will be closed ten days prior to 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 in excess of one third (33⅓ per cent) of the share capital of the corporation is required in accordance with the Federal Act on Stock Exchanges and Securities Trading (BEHG, Art. 32) 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 Management 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 this date has been Mr Hanspeter Gerber. The rotation plan of the lead auditor complies with the law and thus is seven years. The auditor is elected by the Shareholders' Meeting in each case on an annual basis for one year. It conducts its work within the scope of the pertinent legal regulations as well as in compliance with the principles of the profession.

8.2 Auditing fees

In the financial year 2014/2015, the agreed audit fees for PricewaterhouseCoopers AG in Zurich amounted to CHF 98 thousand (previous year: CHF 98 thousand).

8.3 Additional fees

In the 2014/2015 financial year, PricewaterhouseCoopers AG provided no further services (previous year: CHF 44 thousand).

8.4 Information tools of external auditors

The auditors inform the Executive Management and Board of Directors regularly 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 at which representatives of the auditing company take part and provide information on its determinations, particularly 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 reports to the Board of Directors accordingly.

9 Information policy

CREALOGIX Holding AG informs its shareholders and the capital markets openly, currently and with the greatest possible transparency. The most important vehicles of information are the Annual and Half-Year Report, the website (crealogix.com), information 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 publication, Art. 72, 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

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

Bruno Richle
Chairman of the Board of Directors and CEO
T +41 58 404 8000, F +41 58 404 8090
bruno.richle@crealogix.com

Rolf Lichtin
CFO
T +41 58 404 8000, F +41 58 404 8090
rolf.lichtin@crealogix.com

Share

Key figures – shares

Share capital in CHF	8 560 000
Total number of outstanding shares	1 070 000
of which publicly traded	320 346
in %	29.94%
Equity (carrying amount) per share in CHF	25.0
Earnings per share in CHF, undiluted	–9.65
Share prices in CHF	
30 June 2015	93.45
High (8 September 2014)	100.50
Low (6 March 2015)	92.50
Issue price (7 September 2000)	200.00
Market capitalisation in CHF million	
30 June 2015	100.0
High (8 September 2014)	107.5
Low (6 March 2015)	99.0
Issue price (7 September 2000)	214.0
Market capitalisation (30 June 2015)	
in % of operating revenue	202.4
in % of equity	374.8
Price earnings ratio (P/E)	n/a
Trading volume in CHF million	
1 July 2014 to 30 June 2015	2.8

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.

Ticker symbols	
Telekurs	CLXN
Reuters	CLXZn. S
Bloomberg	CLXN SW

Dividend policy

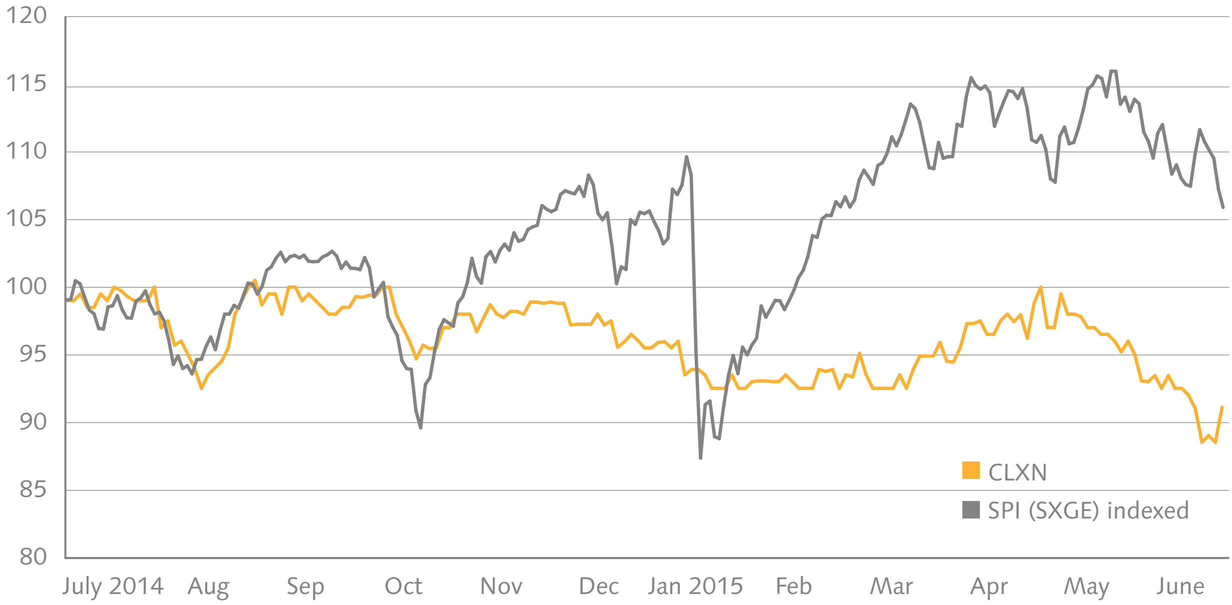
The Board of Directors will propose to the Shareholders' Meeting of 2 November 2015 not to distribute a dividend or share premium for the 2014/2015 financial year.

Articles of Association

The Articles of Association can be accessed under: crealogix.com/statuten

Share price from 1 July 2014 to 30 June 2015

All amounts in CHF



Symbols	High	Low	Year-on-year % change
CLXN	100.50	92.50	–5.60 (–5.65%)
SPI (SXGE)	9 524.33	7 804.32	462.96 (5.48%)

Distributions to shareholders

	2011/2012	2012/2013	2013/2014	2014/2015
Distribution of share premium per share in CHF	15.00	2.00	2.00	2.00
Total distribution to shareholders	16 034	2 121	2 117	2 126

Remuneration Report.

Remuneration Report.

Remuneration Report

1 Introduction

The remuneration report states the remuneration principles for the Board of Directors (BoD) and Executive Management (EM) of the Group, describes the remuneration policy and remuneration system, and discloses information on the remuneration paid in the 2014/2015 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.

The Board of Directors will submit a motion at the ordinary Shareholder's Meeting on 2 November 2015 to modify the Articles of Association as required by the VegüV. As a result, the disclosures required by Sec. 5.2 Annex DCG regarding various rules introduced by the VegüV in the Articles of Association cannot be made until the remuneration report for the 2015/2016 financial year. The remuneration paid in the 2014/2015 financial year was accounted for on an accrual basis in accordance with Swiss GAAP FER. Disclosures refer to the 2014/2015 financial year unless otherwise specified.

2 Remuneration principles

Our employees are key drivers of CREALOGIX's value and success. That 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 programs strengthen our managers' long-term commitment and align their interests with those of our shareholders.
– Our managers are protected from risk by pension and insurance plans.

The remuneration of the Board of Directors consists of a fixed fee and compensation for serving on Board of Directors committees.

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

Our share and bonus share ownership programs reflect our company's performance, strengthen our managers' long-term loyalty and align their interests with those of our shareholders.

3 Remuneration policy

The Compensation Committee (CC) assists the Board of Directors (BoD) with all the tasks and responsibilities relating to Human Resources policies, namely:
– Regularly reviewing the remuneration system and the fringe benefits
– Annually reviewing and assessing the remuneration of the individual members of the Executive Management

Approval system

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

The CC 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 CC consisted of Dr. Christoph Schmid (Chairman) and Prof. em. Dr. Beat Schmid.
The CC Chairman can invite the Chief Strategy Officer (CSO), the Chief Financial Officer (CFO) and Human Resources specialists to the meetings.

After every meeting, the CC Chairman provides a report that summarizes the issues discussed, decisions taken and recommendations made by the CC.
The entire BoD may review the minutes of the CC meeting.
The CC meets at least twice per financial year. Three 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 consists of a fixed fee and compensation per meeting in the Board of Directors committees.
Instead 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 5 trading days preceding the definitive share allocation with a vesting period of 3 years.
The remuneration of the executive members of the Board of Directors (Chairman and Vice Chairman) is covered by the remuneration paid to them as the CEO and CSO.

4.2 Executive Management

The remuneration of the Executive Management is laid out in a policy approved by the Board of Directors. It includes the following components:
– Base salary
– Variable cash remuneration
– Share/bonus share ownership plan
– 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 Management, depending on the function, is linked to the achievement of annual financial targets (sales growth, EBIT) for the respective division and/or Group.
Division targets can account for up to 60 per cent and Group targets up to 100 per cent of the variable cash remuneration. The variable cash remuneration can range from 0 to 67 per cent of the base salary.
The performance targets are jointly defined and agreed upon 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/bonus share ownership plan

Members of the Executive Management as well as other employees can purchase shares valued at up to CHF 50 thousand per year through an employee share ownership 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, the shares can be voluntarily subjected to an additional three-year vesting period at the discretion of the Board of Directors. If the member of the Executive Management 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 bonus share for every employee share that he or she voluntarily subjects to the additional three-year vesting period.

On 10 December 2014, 8590 employee shares (previous year: 9234) were given out at a price of CHF 67.61 (previous year: CHF 68.40). 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 28.98 (previous year: CHF 29.32).

On 28 October 2014, 4460 bonus shares (previous year: 3940) were given out at a price of CHF 99.30 (previous year: CHF 99.50).

Pension and additional benefits

The members of the Executive Management 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 84 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 84 thousand. CREALOGIX pays all the age-related premiums for members of the Executive Management.

In addition, every member of the Executive Management is entitled to a company car and a fixed entertainment allowance in accordance with the expense policies that apply to all members of upper management in Switzerland and that have been approved by the tax authorities.

Employment conditions

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

5 Remuneration of the Board of Directors and Executive Management

July–June 2014/2015	Annual fixed compensation	Annual variable compensation	Share-based payments	Social insurance contribution	Fringe Benefits	Total
Board of Directors						
Bruno Richle, Chairman and CEO	0	0	0	0	0	**0**
Dr. Richard Dratva, Vice Chairman and CSO	0	0	0	0	0	**0**
Jean-Claude Philipona, Member	30	12	2	3	0	**47**
Prof. em. Dr. Beat Schmid, Member	30	12	51	5	0	**98**
Dr. Christoph Schmid, Member	30	15	0	3	0	**48**
Total Board of Directors	**90**	**39**	**53**	**11**	**0**	**193**
Executive Management (six members until January 15, five members until May 15: today four members)	1 226	301	231	507	40	**2 305**
Total	**1 316**	**340**	**284**	**518**	**40**	**2 498**
Highest compensation to Bruno Richle, Chairman and CEO	*263*	*101*	*112*	*148*	*10*	**634**

July–June 2013/2014	Annual fixed compensation	Annual variable compensation	Share-based payments	Social security contribution	Fringe Benefits	Total
Board of Directors						
Bruno Richle, Chairman and CEO	0	0	0	0	0	**0**
Dr. Richard Dratva, Vice Chairman and CSO	0	0	0	0	0	**0**
Jean-Claude Philipona, Member	30	12	9	4	0	**55**
Prof. em. Dr. Beat Schmid, Member	30	10	2	1	0	**43**
Dr. Christoph Schmid, Member	0	0	50	4	0	**54**
Total Board of Directors	**60**	**22**	**61**	**9**	**0**	**152**
Executive Management (six members)	1 249	246	229	498	39	**2 261**
Total	**1 309**	**268**	**290**	**507**	**39**	**2 413**
Highest compensation to Bruno Richle, Chairman and CEO	*270*	*33*	*96*	*135*	*10*	**544**

The previous financial year, which was not audited by the auditor, was adapted to conform with the Ordinance against Excessive Compensation with respect to Listed Stock Corporations (VegüV). The social security contributions now also include the employer's contributions to occupational and non-occupational accident insurance and daily sickness benefit insurance.
Out-of-pocket expenses are no longer calculated separately since the tax administration has approved the payment of a fixed entertainment allowance to cover out-of-pocket expenses.

There were no further claims or commitments to/from persons in key management positions as of 30 June 2015 (previous year: none). No long-term payments or severance payments were made in the year under review (previous year: none). 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 15 thousand (previous year: CHF 21 thousand). Board of Directors member Jean-Claude Philipona provided no consulting services during the year under review (previous year: CHF 123 thousand).

6 Shareholdings of the Board of Directors and Executive Management

On 30 June 2015, members of the Board of Directors, the Executive Management as well as major shareholders owned CREALOGIX Holding AG shares as follows:

	CREALOGIX shares		thereof blocked		thereof blocked for warrants[1]	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014	**30 June 2015**	30 June 2014
Board of Directors						
Bruno Richle, Chairman and CEO	**254 404**	251 896	**6 993**	6 545	**17 000**	17 000
Dr. Richard Dratva, Vice Chairman and CSO	**258 893**	257 124	**4 802**	5 093	**17 000**	17 000
Jean-Claude Philipona, Member	**1 194**	1 076	**414**	296	**0**	0
Prof. em. Dr. Beat Schmid, Member	**3 197**	2 304	**804**	811	**0**	0
Dr. Christoph Schmid, Member	**4 418**	4 418	**1 962**	1 962	**0**	0
Members of the Executive Management						
Thomas Avedik, member of the Executive Management and CEO CREALOGIX E-Banking	**1 231**	1 010	**940**	719	**0**	0
Dr. Werner Truöl, member of the Executive Management (until 31.10.15) and CEO CREALOGIX E-Payment (until 30.04.15)	**n/a**	612	**n/a**	612	**0**	0
Dr. Louis-Paul Wicki, member of the Executive Management (until 27.05.15) and CEO CREALOGIX E-Business & Education (until 31.08.15)	**n/a**	2 188	**n/a**	2 188	**0**	0
Rolf Lichtin, member of the Executive Management and CFO	**438**	365	**438**	365	**0**	0
Other significant shareholders						
Noser Management AG	**42 000**	42 000	**0**	0	**0**	0
Total	**565 775**	562 993	**16 353**	18 591	**34 000**	34 000

[1] When issuing call warrants (CREANO symbol) with a term ending 29 June 2018 and an exercise price of CHF 130, a corresponding number of put options have been written.

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

Report of the statutory auditor remuneration report 2015

We have audited chapter 5 to 6 (pages 34 to 35) of the accompanying remuneration report dated 22 September 2015 of CREALOGIX Holding AG for the year ended 30 June 2015.

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 2015 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

Hanspeter Gerber	Andreas Fontanive
Audit expert	Audit expert
Auditor in charge	

Zurich, 22 September 2015

Financial Report.

CREALOGIX Group Financial Report.

Group key figures

Amounts in thousands of CHF	July–June 2014/2015	July–June 2013/2014[1)]
Net revenue from goods and services	**49 307**	50 113
change in %	**–1.6**	1.7
Other operating income	**106**	213
Operating revenue	**49 413**	50 326
Operating result before interest, taxes, depreciation and amortisation (EBITDA)	**–10 555**	1 710
in % of operating revenue	**–21.4**	3.4
Depreciation/amortisation	**2 876**	2 818
Operating profit (EBIT)	**–13 431**	–1 108
in % of operating revenue	**–27.2**	–2.2
Consolidated profit	**–10 274**	–1 524
in % of operating revenue	**–20.8**	–3.0
in % of shareholders' equity	**–38.5**	–4.0
Cash flow from operating activities	**–4 681**	5 258
in % of operating revenue	**–9.5**	10.4
Cash flow from investing activities	**–4 874**	–6 000
Full-time employees	**287.5**	241.3
Full-time freelancers	**68.6**	41.2
Full-time employees (incl. freelancers)	**356.1**	282.5
Operating revenue per full-time employee (incl. freelancers)	**139**	178
Personnel expenses per full-time employee	**141**	138
Full-time employees in June	**319.8**	259.9
Headcount on record date	**354**	282

	30 June 2015	30 June 2014[1)]
Balance sheet total	**48 588**	55 138
Current assets	**28 217**	40 273
thereof cash, cash equivalents and securities	**13 137**	24 286
Non-current assets	**20 371**	14 865
Liabilities	**21 906**	16 717
Shareholders' equity	**26 682**	38 421
Equity ratio (in %)	**54.9**	69.7

Share prices in CHF		
High	**100.50**	104.10
Low	**92.50**	95.00
on record date	**93.45**	99.05
Market capitalisation (in millions)		
High	**107.5**	111.4
Low	**99.0**	101.7
Market capitalisation on record date (in millions)	**100.0**	106.0
in % of operating revenue	**202.4**	210.6
in % of shareholders' equity	**374.8**	275.8
Earnings per share - undiluted in CHF	**–9.65**	–1.44
Price-earnings ratio (P/E)	**n/a**	n/a
Shareholders' equity per share in CHF	**25.0**	36.2
Price-book value	**3.7**	2.7
Distribution of share premium per share in CHF	**2.00**	2.00

[1)] Restated due to change in Goodwill policies, defined in Note 2.2

Consolidated balance sheet

Amounts in thousands of CHF	Notes	30 June 2015	%	30 June 2014[1]	%
ASSETS					
Current assets					
Cash	6	**10 815**		21 724	
Securities	7	**2 322**		2 562	
Receivables from goods and services	8	**8 301**		10 197	
Other short-term receivables	9	**2 821**		1 724	
Prepayments and accrued income		**511**		503	
Work in progress/inventories	10	**3 447**		3 563	
Total current assets		**28 217**	**58.1**	40 273	73.0
Non-current assets					
Financial assets	11	**3 007**		3 840	
Investments in associates	12	**298**		298	
Tangible fixed assets	13	**1 869**		1 841	
Intangible assets	14	**9 778**		4 146	
Deferred tax assets	18	**4 337**		2 023	
Asset from employer contribution reserve	19	**1 082**		2 717	
Total non-current assets		**20 371**	**41.9**	14 865	27.0
Total ASSETS		**48 588**	**100.0**	55 138	100.0
LIABILITIES AND EQUITY					
Current liabilities					
Payables from goods and services		**3 181**		1 695	
Other short-term liabilities		**1 121**		1 109	
Accrued liabilities and deferred income	15	**13 527**		12 519	
Short-term provisions	16	**1 352**		0	
Income tax liabilities		**2**		44	
Total current liabilities		**19 183**	**39.5**	15 367	27.9
Non-current liabilities					
Deferred conditional purchase price obligations	26	**2 630**		0	
Long-term provisions	16	**93**		0	
Deferred tax liabilities	18	**0**		1 350	
Total non-current liabilities		**2 723**	**5.6**	1 350	2.4
Total liabilities		**21 906**	**45.1**	16 717	30.3
Shareholders' equity					
Capital of the organisation	20	**8 560**		8 560	
Treasury shares	20	**–322**		–946	
Premium		***15 151***		*17 277*	
Other capital reserves		***775***		*769*	
Capital reserves		**15 926**		18 046	
Retained earnings		**2 518**		12 761	
Total Shareholders' equity		**26 682**	**54.9**	38 421	69.7
Total LIABILITIES AND EQUITY		**48 588**	**100.0**	55 138	100.0

[1] Restated due to change in Goodwill policies, defined in Note 2.2

The notes to the consolidated financial statements on pages 45 to 79 are an integral part of these consolidated financial statements.

Consolidated income statement

Amounts in thousands of CHF	Notes	**July–June 2014/2015**	%	July–June 2013/2014[1)]	%
Net sales from goods and services	5	**49 307**	**99.8**	50 113	99.6
Other operating income		**106**	**0.2**	213	0.4
Operating revenue		**49 413**	**100.0**	50 326	100.0
Cost of goods sold		**–12 290**	**–24.9**	–8 652	–17.2
Change in inventory of finished and unfinished goods as well as unbilled goods and services		**–531**	**–1.1**	–25	0.0
Personnel expense	21	**–40 419**	**–81.8**	–33 417	–66.4
Depreciation of tangible fixed assets	13	**–728**	**–1.5**	–666	–1.3
Amortisation on intangible assets	14	**–2 148**	**–4.3**	–2 152	–4.3
Marketing expenses		**–1 538**	**–3.1**	–1 544	–3.1
Rent, maintenance and repairs		**–2 564**	**–5.2**	–2 033	–4.0
General and administration expenses		**–2 626**	**–5.3**	–2 945	–5.9
Operating result		**–13 431**	**–27.2**	–1 108	–2.2
Financial income	22	**192**	**0.4**	231	0.5
Financial expense	22	**–97**	**–0.2**	–63	–0.2
Financial result		**95**	**0.2**	168	0.3
Prorated income from associates	11	**–837**	**–1.7**	–915	–1.8
Ordinary earnings before tax		**–14 173**	**–28.7**	–1 855	–3.7
Income tax	18	**3 899**	**7.9**	331	0.7
Consolidated profit		**–10 274**	**–20.8**	–1 524	–3.0

[1)] Restated due to change in Goodwill policies, defined in Note 2.2

The notes to the consolidated financial statements on pages 45 to 79 are an integral part of these consolidated financial statements.

Changes in consolidated shareholders' equity

Amounts in thousands of CHF	Capital of the organisation	Treasury shares	Capital reserve	Retained earnings	Translation differences	**Total equity**
on 30 June 2013 (published)	*8 560*	*–1 414*	*20 142*	*9 549*	*–250*	*36 587*
Impact of change in goodwill accounting policies[1)]				4 991		4 991
on 30 June 2013 (restated)	*8 560*	*–1 414*	*20 142*	*14 540*	*–250*	*41 578*
Distribution of share premium			–2 118			–2 118
Currency translation differences					–5	–5
Consolidated profit[1)]				–1 524		–1 524
Change in treasury shares		468	22			490
on 30 June 2014	*8 560*	*–946*	*18 046*	*13 016*	*–255*	*38 421*
Distribution of share premium			–2 126			–2 126
Currency translation differences					31	31
Consolidated profit				–10 274		–10 274
Change in treasury shares		624	6			630
on 30 June 2015	**8 560**	**–322**	**15 926**	**2 742**	**–224**	**26 682**

[1)] Restated due to change in Goodwill policies, defined in Note 2.2

The notes to the consolidated financial statements on pages 45 to 79 are an integral part of these consolidated financial statements.

Consolidated cash flow statement

Amounts in thousands of CHF	Notes	**July–June 2014/2015**	July–June 2013/2014[1)]
Consolidated profit		**–10 274**	–1 524
Income tax	18	**–3 899**	–331
Depreciation/amortisation	13/14	**2 876**	2 819
Impairment of receivables from goods and services		**–74**	82
Defined-benefit pension plans	19	**1 635**	–228
Gain/loss on sale of tangible fixed assets		**11**	0
Financial result	22	**–95**	–168
Share of profit of associates		**837**	915
Increase/decrease in provisions	16	**1 444**	0
Receivables from goods and services and other receivables & other non cash flow related positions		**1 711**	–158
Work in progress/inventories		**22**	766
Payables from goods and services and other payables, incl. tax liabilities		**1 303**	3 344
Interest received		**128**	107
Interest paid		**–37**	–73
Tax received		**38**	465
Tax paid		**–307**	–758
Cash flow from operating activities		**–4 681**	5 258
Cash flow from investing activities			
Purchase of tangible fixed assets	13	**–839**	–609
Disposal of tangible fixed assets	13	**100**	52
Purchase of intangible assets	14	**–279**	–302
Purchase of associates	12	**0**	–298
Disposal of associates	12	**0**	45
Extension of loans		**0**	–4 139
Other financial assets		**302**	–749
Acquisition of organisations, net of cash acquired		**–4 158**	0
Cash flow from investing activities		**–4 874**	–6 000
Free cash flow		**–9 555**	–742
Cash flow from financing activities			
Distribution of share premium		**–2 126**	–2 117
Purchase of treasury shares		**–1 382**	–1 439
Sale of treasury shares		**2 005**	1 929
Cash flow from financing activities		**–1 503**	–1 627
Net change in cash and cash equivalents		**–11 058**	–2 369
Cash and cash equivalents at beginning of period		**21 724**	24 101
Effects of exchange rate changes		**149**	–8
Cash and cash equivalents at end of period		**10 815**	21 724

[1)] Restated due to change in Goodwill policies, defined in Note 2.2

The notes to the consolidated financial statements on pages 45 to 79 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. The CREALOGIX Group is a leading independent software provider in Europe and a Swiss market leader for digital banking, e-payment and education. 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 Baslerstrasse 60, 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 22 September 2015 and proposed for adoption at the Shareholders' Meeting on 2 November 2015. All figures in the annual financial statements are, if not mentioned otherwise, in thousands of Swiss francs.

The following foreign exchange rates were applied:

	Year-end rates (balance sheet)		Average rates (income statement)	
	30 June 2015	30 June 2014	**July–June 2014/2015**	July–June 2013/2014
EUR	**1.05**	1.22	**1.14**	1.23
CAD	**0.75**	0.83	**0.81**	0.85
USD	**0.94**	0.89	**0.95**	0.91
GBP	**1.47**	1.52	**1.49**	1.50
SGD	**0.69**	0.71	**0.72**	0.71

On 30 June 2015, 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%
CREALOGIX (Deutschland) AG, Stuttgart, Germany*)	Consultancy and services in information technology and data communication	EUR 100 000	100%	100%
CREALOGIX International AG, Stuttgart, Germany*)	Consultancy and services in information technology and data communication	EUR 50 000	100%	100%
CREALOGIX Corp., Toronto, Canada*)	Consultancy and services in information technology and data communication	CAD 100 000	100%	100%
CREALOGIX UK Ltd, London, UK*)	Consultancy and services in information technology and data communication	GBP 1 050 000	100%	100%
CREALOGIX MBA Group Ltd, Winchester, UK*)	Consultancy and services in information technology and data communication	GBP 75 005	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 100 000	100%	100%
CREALOGIX (Austria) GmbH, Vienna, Austria*)	Consultancy and services in information technology and data communication	EUR 35 000	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%

*) Full consolidation **) Equity method

Changes in the scope of consolidation versus the previous year are defined in Note 26.

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. FER 31 is not being applied early. The new standard will first be applied in the 2015/2016 financial year.

The consolidated financial statements have been prepared under the historical cost accounting convention. The preparation of consolidated financial statements in agreement with Swiss GAAP FER requires estimates. Further, the application of group-wide 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.

2.2 Changes in accounting policies

Goodwill

The Board of Directors of CREALOGIX Holding AG decided to change the previous goodwill accounting policies. This change in policy will make the reporting more transparent with respect to past and possible future acquisitions. The carrying amount of goodwill will be recognised in the balance sheet, and annual amortisation will be recognised in the income statement.

The policy set out in FER 30.16 “Offsetting acquired goodwill with equity” was applied for the last time in the 2013/2014 financial year. In the 2014/2015 financial year, the carrying amount of the goodwill was retroactively capitalised as of 30 June 2014 and amortised over the 5 year amortisation period permitted under FER 30.15.

The change in accounting policies requires a retrospective application and thus a restatement of previously published consolidated financial statements. The restatement retroactively increased the equity recognised as of 30 June 2013 by CHF 4 991 thousand to CHF 41 578 thousand.

The restatement reduced the operating result for the 2013/14 financial year by CHF 1 609 thousand. A reconciliation of the published results and restated results for the appropriate reporting periods is shown below.

Impact on the consolidated income statement

Amounts in thousands of CHF	July–June 2013/2014		**July–June 2013/2014**
	Published	Change in goodwill policies	**Restated**
Depreciation of tangible fixed assets	–666	0	**–666**
Amortisation on intangible assets	–543	–1 609	**–2 152**
Operating result	501	–1 609	**–1 108**
Ordinary earnings before tax	–246	–1 609	**–1 855**
Income tax	14	317	**331**
Consolidated profit	–232	–1 292	**–1 524**

Impact on the consolidated balance sheet

Amounts in thousands of CHF	30 June 2014		**30 June 2014**	30 June 2013		**30 June 2013**
	Published	Change in goodwill policies	**Restated**	Published	Change in goodwill policies	**Restated**
ASSETS						
Total current assets	40 273	0	**40 273**	43 085	0	**43 085**
Intangible assets	926	3 220	**4 146**	1 169	4 830	**5 999**
Deferred tax assets	1 544	479	**2 023**	1 219	161	**1 380**
Total non-current assets	11 166	3 699	**14 865**	6 874	4 991	**11 865**
Total ASSETS	51 439	3 699	**55 138**	49 959	4 991	**54 950**
LIABILITIES AND EQUITY						
Total current liabilities	15 367	0	**15 367**	12 215	0	**12 215**
Total non-current liabilities	1 350	0	**1 350**	1 157	0	**1 157**
Total liabilities	16 717	0	**16 717**	13 372	0	**13 372**
Equity						
Capital of the organisation	8 560	0	**8 560**	8 560	0	**8 560**
Treasury shares	–946	0	**–946**	–1 414	0	**–1 414**
Premium	*17 277*	0	***17 277***	*19 396*	0	***19 396***
Other capital reserves	*769*	0	***769***	*746*	0	***746***
Capital reserves	18 046	0	**18 046**	20 142	0	**20 142**
Retained earnings	9 062	3 699	**12 761**	9 299	4 991	**14 290**
Total equity	34 722	3 699	**38 421**	36 587	4 991	**41 578**
Total LIABILITIES AND EQUITY	51 439	3 699	**55 138**	49 959	4 991	**54 950**

Impact on the consolidated cash flow statement

Amounts in thousands of CHF	July–June 2013/2014		**July–June 2013/2014**
	Published	Change in goodwill policies	**Restated**
Consolidated profit	–232	–1 292	**–1 524**
Income tax	–14	–317	**–331**
Depreciation/amortisation	1 210	1 609	**2 819**
Cash flow from operating activities	5 258	0	**5 258**
Cash flow from investing activities	–6 000	0	**–6 000**
Free cash flow	–742	0	**–742**
Cash flow from financing activities	–1 627	0	**–1 627**
Net change in cash and cash equivalents	–2 369	0	**–2 369**
Cash and cash equivalents at beginning of period	24 101	0	**24 101**
Cash and cash equivalents at end of period	21 724	0	**21 724**

2.3 Consolidation

a) Subsidiaries

Subsidiaries consist of all entities over which the Group has the power to govern the financial and operating policies; generally, 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 no longer exists.

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, is capitalised as goodwill and amortised over 5 to 20 years.

If the net assets of the acquired organisation recognised at fair value exceed the cost of the acquisition, the difference (badwill) is immediately 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 were adjusted to the loans receivable. When the Group's share of losses of an associate 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.

2.4 Segment reporting

The Group is only active in one segment.

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

2.5 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. In tables, money values are presented in thousands CHF, if not mentioned otherwise.

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 as a separate item in shareholders' equity.

On consolidation, exchange rate differences arising on translation of the reporting entity's net investments in a foreign operation or of financial liabilities and other currency instruments designated as hedges of such investments, are recognised in shareholders' equity with no impact on net earnings.

With the divestment of a foreign entity, such exchange rate differences are charged through the income statement as part of the gain/loss on the sale. Adjustments to the fair value that were booked upon acquisition of a foreign entity are recognised as assets and liabilities of the foreign entity and translated at the closing rate.

2.6 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 current financial liabilities.

Marketable securities are recognised at their current value. Should no such value be available, they are best valued at cost less any value impairments.

Changes in securities recognised at fair value in profit or loss are shown in the consolidated cash flow statement as part of the cash flow from investing activities.

Changes to the fair values of financial assets recognised through profit or loss are shown in the income statement under the item "financial result".

2.7 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.

2.8 Work in progress/inventories

Work in progress (projects) is recognised using the valuation method outlined in Note 2.20. 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.

2.9 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. Gains are applied to the loan until the nominal value is reached. Any further gains are added to investments in associates.

2.10 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 expense in the income statement in the financial year in which they were incurred.

Tangible fixed assets is 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 adjusted if necessary, 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.

2.11 Intangible assets

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

	Years
Software licences acquired	4
Capitalised software development costs	5
Trademarks and licences	5
Goodwill	5 to 20

a) Computer software

The cost of licences acquired for computer software are capitalised on the basis of the purchase price and any costs directly attributable to preparing the asset for its intended use.
Costs arising from the development and maintenance of our proprietary computer software are recognised as incurred expenses in the income statement.
Costs for internally-developed software are capitalised, provided the following conditions are met:

– the costs are clearly and unmistakably attributable to the specific software;
– the costs can be, and are, controlled by the Group; and
– the asset will probably generate future economic benefits in excess of the costs over an extended period of time. Costs include labour costs for the software developers and a reasonable portion of the relevant overhead expenses.

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 to 20 years. The amortisation period is set as close to the useful life as possible. Useful life is determined on the basis of the existing customer base, acquired product range and long-term customer contracts that guarantee income over multiple 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 goodwill.

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 20 years.

2.12 Impairment of assets

Intangible assets are tested annually for impairment. All other 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. Goodwill items are tested annually for impairment by calculating values in use at the acquiree level. Value-in-use calculations are based on forecasted cash flows for the next five years and extrapolated values starting with the sixth year.

2.13 Deferred taxes

Deferred taxes are recognised, using the liability 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 likely it will not be possible to 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.

2.14 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 12 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.

2.15 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.
Finance leases are recognised in tangible fixed assets and other financial liabilities if they transfer substantially all the risks and rewards to the Group company when the contract is concluded. Lease payments are divided into interest expenses and principal payments using the equivalent annual cost method. Leased items are depreciated over their estimated useful life or the lease term, whichever is shorter.

2.16 Employee benefit plans

a) Pension obligations

The Group operates a number of pension plans that qualify as defined benefit plans, the assets of which are held and managed autonomously by legally independent foundations.
Although pension plans in Switzerland are established according to the Swiss defined contributions principle, these do not meet all the criteria of a purely defined contribution pension plan.
The pension fund organisations are financed through employee and employer contributions of the affiliated group companies with respect to the recommendations of independent, qualified actuaries.
The contributions are accrued for the period and recorded as personnel expenses, as are the change in recorded economic benefit or liability of the reporting period and the change in the assets from the employer's contribution reserves. If the Group grants the pension fund a conditional waiver of usage, or intends to do so shortly after the balance sheet date, the asset from the employer's contribution reserves is value-adjusted.

b) Share-based payments

The Group has set up share-based payment models comprising a share ownership plan and a bonus share ownership plan. A temporary liability is recognised as of the balance sheet date. This temporary liability 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.

c) Profit sharing and bonus plans

For bonuses and profit sharing payments, a liability and an expense is 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.

2.17 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.

2.18 Contingent liabilities

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

2.19 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 recalled, 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.

2.20 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. Net sales from goods and services are usually recognised in the income statement on delivery, with the exception of 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, reporting the percentage completed as of the balance sheet date.

Net sales from goods and services are only realised if the client is deemed "creditworthy". Each project is recognised individually. CREALOGIX distinguishes between different types of contracts:

– fixed-price contracts
– contracts based on agreed hourly work rates

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, recording the percentage completed 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 according to the contract. The profitability of the transaction can be reliably estimated when all of the following criteria are met:

– existence of a contract;
– 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 capable of fulfilling 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 expenses recognised 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 must be 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 must be recognised for the amount of the difference.
Provisions must be 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. Ideally, this fee should cover all costs.
Net sales from goods and services from such transactions are 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) User fees

Net sales from goods and services from user fees are recognised pro rata temporis on an accrual basis according to the economic substance of the relevant agreements.

d) Software as a Service contracts

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 consist of the contractual subscription fee, multiplied 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 (including software development costs) and other operating income that cannot be allocated to net sales from goods and services.

2.21 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, when payment is received or 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.

2.22 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 controlling system and risk management

For several years, the Group has operated 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 was integrated, documented and applied in the controlling and reporting process.
The risk management process is monitored by the CLX.Risk-Management-Concept. With this, all business risks are identified, but with focus 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 the 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 corporate (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. Thereby financial risks (including concentration risks) are 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 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, futures contracts 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, as well as 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 the 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 only carried out with prime financial institutions. The maximum default risk is limited mainly 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 central finance department bases its liquidity management on contractually fixed payment terms as well as cautious estimates regarding expected deferments. 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;

– 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. The Group has no obligations to third parties regarding the maintenance of specific equity ratios (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 2.20 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 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 goodwill.
Goodwill items are tested annually for impairment by calculating values in use at the acquiree level. Value-in-use calculations are based on forecasted cash flows for the next five years and extrapolated values starting with the sixth year. Goodwill is capitalised and amortised over 5 to 20 years. The amortisation period is set as close to the useful life as possible. Useful life is determined on the basis of the existing customer base, acquired product range and long-term customer contracts that guarantee income over multiple years.

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 the Asia-Pacific region.

Sales	**July–June 2014/2015**	July–June 2013/2014
Switzerland	**34 388**	36 349
Europe	**13 856**	13 403
Other countries	**1 063**	361
Total Group	**49 307**	50 113

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 2014/2015**	July–June 2013/2014
Sales from services	**20 775**	21 966
Sales of goods	**4 073**	4 229
Hosting and SaaS services	**1 462**	0
Licence sales	**22 997**	23 918
Total net sales from goods and services	**49 307**	50 113

Net sales from goods and services from fixed-price contracts in the financial year amounted to CHF 12 403 thousand (previous year: CHF 14 208 thousand).

6 Cash

Cash	**30 June 2015**	30 June 2014
Cash on hand and bank accounts	**8 477**	19 462
Short-term investments	**2 338**	2 262
Total Cash	**10 815**	21 724

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 Bern.

7 Securities

Marketable securities	**30 June 2015**	30 June 2014
Obligations	**1 523**	1 457
Shares	**573**	872
Property/alternative investments	**226**	233
Total securities	**2 322**	2 562

8 Receivables from goods and services

Receivables from goods and services	30 June 2015	30 June 2014
Current	7 270	7 299
Overdue 1–30 days	626	1 791
Overdue 31–90 days	331	161
Overdue more than 90 days	82	1 028
Total receivables from goods and services (gross)	8 309	10 279
Less: value adjustment of receivables from goods and services	–8	–82
Total receivables from goods and services (net)	8 301	10 197

Impairment of receivables from goods and services	July–June 2014/2015	July–June 2013/2014
at beginning of period	–82	0
Value adjustment for doubtful accounts (income statement related)	–6	–35
Value adjustment for doubtful accounts (balance sheet related)	0	–49
Use of impairment for doubtful accounts (income statement related)	27	0
Use of impairment for doubtful accounts (balance sheet related)	49	0
Write-off of impairment for doubtful accounts	4	2
Currency translation differences	0	0
at end of period	–8	–82

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 2015	30 June 2014
CHF	5 949	7 313
EUR	1 660	2 959
Other currencies	700	7
Total currencies of book values of receivables from goods and services	8 309	10 279

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 6 thousand (previous year: CHF 35 thousand) on its impairment for receivables. The change is recorded under “general and administration expenses” in the income statement.

9 Other short-term receivables

Other short-term receivables	30 June 2015	30 June 2014
Tax receivables	341	133
Other current third-party receivables	269	257
Prepaid social security	1 237	1 078
Prepaid expenses	974	256
Total other short-term receivables	**2 821**	1 724

The increase in prepaid expenses (CHF 718 thousand) is largely attributable to the acquisition of CREALOGIX MBA (CHF 500 thousand). A rental property accounts for CHF 190 thousand of the prepaid expenses. The remaining CHF 28 thousand resulted from normal day-to-day operations.

10 Work in progress/inventories

Work in progress/inventories	30 June 2015	30 June 2014
Work in progress (projects)	2 732	1 781
Value adjustment for work in progress (projects)	–673	–137
Total work in progress	**2 059**	1 644
Inventories	1 527	2 206
Value adjustment on inventories	–139	–287
Total inventories	**1 388**	1 919
Total work in progress/inventories	**3 447**	3 563

Work in progress (projects) is accounted for under the valuation method described in Note 2.20.
Value adjustments recognised for imminent losses in the project business totalled CHF 1463 thousand in the 2014/2015 financial year. CHF 473 thousand were offset against the asset for the ongoing contract (work in progress), as required under FER 22.5. CHF 200 thousand in value adjustments were recognised to correct the recognition of long-term contracts as income using the completed contract method. CHF 990 thousand in short-term provisions from project risks were recognised; see note 16.

Inventories are measured at cost, either as purchasing cost or production cost. They are recognised as an expense amounting to CHF 1375 thousand (previous year: CHF 1327 thousand) under cost of goods sold. Inventories comprise mainly trading goods (slip scanners and mouse scanners).

11 Financial assets

Financial assets	**30 June 2015**	30 June 2014
Loans with associates	**2 392**	3 138
Financial investment Meniga	**615**	615
ohter financial assets	**0**	87
Total financial assets	**3 007**	3 840

The loan originally extended to Qontis AG amounted to CHF 4052 thousand. The proportionate loss of CHF 838 thousand (previous year: CHF 914 thousand) was credited toward the loan. Interest amounting to CHF 92 thousand was also charged. The net position of CHF 2392 thousand (previous year: CHF 3138 thousand) is subordinated.
The CREALOGIX Group also holds a stake worth CHF 615 thousand in Meniga, an Icelandic software company, as part of a financial investment deal.

12 Investments in associates

Investments in associates	**30 June 2015**	30 June 2014
at beginning of period	**298**	46
Acquisition of organisations	**0**	298
Disposal of organisations	**0**	–46
Share of profit[1]	**0**	0
at end of period	**298**	298

[1] Profit Portion is included in the loan.

13 Tangible fixed assets

July–June 2014/2015	**Furniture & fixed installations**	**Office machines**	**IT & communi-cations systems**	**Vehicles**	**Total**
Cost					
Value at start of period	2 547	142	2 079	1 037	5 805
Translation differences on opening balance	–6	–1	–29	–11	–47
Change in scope of consolidation	141	39	529	3	712
Additions	118	20	419	280	837
Disposals	0	0	0	–384	–384
Translation differences on effect of chance	–11	–3	–7	–11	–32
Value at end of period	*2 789*	*197*	*2 991*	*914*	*6 891*
Accumulated depreciation					
Value at start of period	1 517	125	1 847	475	3 964
Translation differences on opening balance	–5	–1	–23	–3	–32
Change in scope of consolidation	110	37	492	3	642
Depreciation	210	16	285	217	728
Disposals	0	0	0	–273	–273
Derecognition of tangible fixed assets no longer in use	0	0	0	0	0
Translation differences on effect of chance	–1	–1	–4	–1	–7
Value at end of period	*1 831*	*176*	*2 597*	*418*	*5 022*
30 June 2015					
Net book values					
Value at start of period	1 030	17	232	562	1 841
Value at end of period	**958**	**21**	**394**	**496**	**1 869**

July–June 2013/2014	**Furniture & fixed installations**	**Office machines**	**IT & communi-cations systems**	**Vehicles**	**Total**
Cost					
Value at start of period	2 532	135	1 792	941	5 400
Translation differences on opening balance	0	0	–1	0	–1
Change in scope of consolidation	0	0	0	0	0
Additions	15	6	289	299	609
Disposals	0	0	0	–203	–203
Translation differences on effect of chance	0	0	0	0	0
Value at end of period	*2 547*	*141*	*2 080*	*1 037*	*5 805*
Accumulated depreciation					
Value at start of period	1 279	106	1 635	429	3 449
Translation differences on opening balance	0	0	–1	0	–1
Change in scope of consolidation	0	0	0	0	0
Depreciation	238	19	213	196	666
Disposals	0	0	0	–150	–150
Translation differences on effect of chance	0	0	0	0	0
Value at end of period	*1 517*	*125*	*1 847*	*475*	*3 964*
30 June 2014					
Net book values					
Value at start of period	1 253	29	157	512	1 951
Value at end of period	**1 030**	**16**	**233**	**562**	**1 841**

14 Intangible assets

July–June 2014/2015	Software Licenses	Goodwill	Other[1]	Total
Cost				
Value at start of period	2 466	23 994	4 805	31 265
Translation differences on opening balance	–4	0	–40	–44
Change in scope of consolidation	311	6 967	407	7 685
Additions	279	0	0	279
Translation differences on effect of chance	0	362	8	370
Value at end of period	*3 052*	*31 323*	*5 180*	*39 555*
Accumulated amortisation				
Value at start of period	1 670	20 773	4 676	27 119
Exchange differences on opening balance	–2	–1	–22	–25
Change in scope of consolidation	298	0	0	298
Amortisation	438	1 616	94	2 148
Translation differences on effect of chance	–2	242	–3	237
Value at end of period	*2 402*	*22 630*	*4 745*	*29 777*
30 June 2015				
Net book values				
Value at start of period	796	3 221	129	4 146
Value at end of period	**650**	**8 693**	**435**	**9 778**

[1] Other intangible fixed assets include capitalised software development costs and service/production contracts, which where recognised following business acquisitions. These assets have definable useful lives over which they are amortised, until 31 December 2019 at the latest.

July–June 2013/2014	**Software licences acquired**	**Goodwill**	**Other[1)]**	**Total**
Cost				
Value at start of period	2 165	23 994	4 808	30 967
Translation differences on opening balance	0	0	–3	–3
Change in scope of consolidation	0	0	0	0
Additions	301	0	0	301
Disposals	0	0	0	0
Translation differences on effect of chance	0	0	0	0
Value at end of period	*2 466*	*23 994*	*4 805*	*31 265*
Accumulated amortisation				
Value at start of period	1 199	19 164	4 605	24 968
Exchange differences on opening balance	0	0	–1	–1
Change in scope of consolidation	0	0	0	0
Amortisation	471	1 609	72	2 152
Translation differences on effect of chance	0	0	0	0
Value at end of period	*1 670*	*20 773*	*4 676*	*27 119*
30 June 2014				
Net book values				
Value at start of period	966	4 830	203	5 999
Value at end of period	**796**	**3 221**	**129**	**4 146**

1) Other intangible fixed assets include capitalised software development costs and service/production contracts, which where recognised following business acquisitions. These assets have definable useful lives over which they are amortised, until 30 September 2017 at the latest.

15 Deferred income and accrued expenses/current provisions

Deferred income and accrued expenses	30 June 2015	30 June 2014
Deferred expenses, bonuses	9 314	7 954
Payments received in advance (for long-term contracts)	1 740	2 342
Accruals/deferrals for vacation, overtime	2 473	2 223
Total deferred income and accrued expenses	**13 527**	12 519

16 Short-/long-term provisions

July–June 2014/2015	Provisions short term	Provisions long term
Value at start of period	0	0
Additional provisions	1 352	93
Used in year under review	0	0
Release of unused provisions	0	0
Value at end of period	**1 352**	**93**

July–June 2013/2014	Provisions short term	Provisions long term
Value at start of period	0	0
Additional provisions	0	0
Used in year under review	0	0
Release of unused provisions	0	0
Value at end of period	**0**	**0**

Value adjustments recognised for imminent losses in the project business totalled CHF 1463 thousand in the 2014/2015 financial year. As required under FER 22.5, CHF 473 thousand were offset against the asset for the ongoing contract (work in progress). CHF 990 thousand in short-term provisions from project risks were recognised. In addition, CHF 454 thousand in provisions were recognised for various legal disputes in Germany, of which CHF 93 thousand are classified as long-term provisions.

17 Financial liabilities

Financial liabilities	Term	Interest rate	Collateral	30 June 2015	30 June 2014
Loans	0	0	none	0	0
Other financial liabilities	0	0	none	0	0
Total financial liabilities				**0**	0
Unused credit limits				**7 000**	7 000

18 Taxes

Deferred Taxes	30 June 2015	30 June 2015	30 June 2015	30 June 2014[1]	30 June 2014[1]	30 June 2014[1]
	Assets	Liabilities	Net	Assets	Liabilities	Net
Use of loss carryforwards	4 146	0	–4 146	1 545	0	–1 545
Receivables	306	138	–168	0	170	170
Work in progress/ inventories	0	108	108	0	135	135
Financial assets	0	0	0	0	0	0
Tangible fixed assets	21	96	75	14	106	92
Intangible assets	738	33	–705	480	37	–443
Asset from employer contribution reserve	0	229	229	0	574	574
Share-based payments	0	0	0	0	0	0
Liabilities	184	454	270	0	344	344
Total deferred taxes	5 395	1 058	–4 337	2 039	1 366	–673
Netting	–1 058	–1 058	0	–16	–16	0
Deferred taxes	4 337	0	–4 337	2 023	1 350	–673

[1] Restated due to change in Goodwill policies, defined in Note 2.2

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:

Expiry of loss carryforwards	30 June 2015	30 June 2014
Expiry in next 3 years	6 800	7 303
Expiry in 4–7 years	4 618	359
No expiry date	10 160	3 360
Total tax losses	21 578	11 022
Thereof tax losses for which deferred tax assets were recorded	16 228	5 833
Recorded deferred tax assets	4 146	1 565
Tax losses for which no deferred tax assets were recorded	5 350	5 189
Unrecorded deferred tax assets	1 131	1 097

Income tax	July–June 2014/2015	July–June 2013/2014[1]
Current tax	–1	–124
Deferred tax	3 900	455
Total income tax	3 899	331

[1] Restated due to change in Goodwill policies, defined in Note 2.2

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

Income tax	**July–June 2014/2015**	July–June 2013/2014[1)]
Ordinary earnings before tax	**–14 173**	–1 855
Domestic tax rate where the entity is domiciled	**21.14%**	21.14%
Tax expense at the domestic group rate	**2 996**	392
Effect of different tax rates in other tax jurisdictions	**683**	294
Effect from acquisition/disposal of organisations	**0**	0
Non-tax-deductible expenses and earnings	**–14**	–35
Tax losses from current year for which no deferred tax assets were recognised	**0**	0
Use of tax losses for which no deferred tax assets were recognised in previous periods	**0**	0
Depreciation of capitalised tax losses carried forward	**0**	–140
Adjusted tax charges/relief	**–1**	–124
Translation and other adjustments	**235**	–56
Total income tax	**3 899**	331

[1)] Restated due to change in Goodwill policies, defined in Note 2.2

19 Asset from employer contribution reserve

The plan assets of the pension funds are held in separate legally independent foundations. In order to cover the insurance benefits for death, disability and longevity risks, reinsurance cover has been taken out with a collective insurer.
The information about the financial situation of the pension funds is always based on the interim financial statements on 30 June of the financial year.

The conditional appropriation waiver for the employer contribution reserves of CHF –1 319 thousand that CREALOGIX had granted to the mandatory pension fund was released and recognised as personnel expenses in the 2013/2014 financial year. The employer contributions for the 2014 and 2015 calendar years were taken from the employer contribution reserves.

Employer contribution reserve	**July–June 2014/2015**	July–June 2013/2014
Nominal value at start of period	**2 717**	3 808
Additions	**0**	0
Interest	**86**	93
Employer contribution	**–1 721**	–1 184
Nominal value at end of period	**1 082**	2 717
Appropriation waiver at end of period	**0**	0
Balance sheet at end of period	**1 082**	2 717
Interest	**86**	93
Release appropriation waiver	**0**	1 319
Additions appropriation waiver	**0**	0
Impact on personnel expense	**86**	1 412

Economic benefit/economic liability and pension costs	**July–June 2014/2015**			July–June 2013/2014		
	Pension fund			Pension fund		
	mandatory	**voluntary**	**Total**	mandatory	voluntary	Total
Funded status at start of period	0	0	**0**	–30	0	–30
Change	0	0	**0**	30	0	30
Funded status at end of period	**0**	**0**	**0**	0	0	0
Economic share of CREALOGIX at start of period	0	0	**0**	0	0	0
Economic share of CREALOGIX at end of period	0	0	**0**	0	0	0
Effect on income statement	0	0	**0**	0	0	0
Interest	0	86	**86**	0	93	93
release appropriation waiver	0	0	**0**	1 319	0	1 319
Employer contribution	–944	–1 048	**–1 992**	–756	–946	–1 702
Pension costs included in personnel expense	**–944**	**–962**	**–1 906**	563	–853	–290

20 Share capital

July–June 2014/2015	Number of shares			Capital		
	Issued	Treasury	Outstanding	Issued	Treasury	Outstanding
at beginning of period	1 070 000	–9 546	1 060 454	8 560	–945	7 615
Treasury shares purchased		–14 264	–14 264		–1 383	–1 383
Treasury shares sold		7 402	7 402		718	718
Treasury shares used for share-based payments		13 050	13 050		1 288	1 288
at end of period	**1 070 000**	**–3 358**	**1 066 642**	**8 560**	**–322**	**8 238**
July–June 2013/2014						
at beginning of period	1 070 000	–14 239	1 055 761	8 560	–1 414	7 146
Treasury shares purchased		–14 492	–14 492		–1 436	–1 436
Treasury shares sold		6 011	6 011		611	611
Treasury shares used for share-based payments		13 174	13 174		1 294	1 294
at end of period	**1 070 000**	**–9 546**	**1 060 454**	**8 560**	**–945**	**7 615**

The total number of issued registered shares is 1 070 000 (previous year: 1 070 000). The shareholders' equity comprises CHF 300 thousand (previous year: CHF 1 245 thousand) in non-distributable reserves. The decline is attributable to the elimination of the obligation to recognise reserves for treasury shares (New Financial Reporting Act).
The nominal value of the 1 070 000 registered shares was lowered from CHF 10 to CHF 8 on 9 November 2006 in connection with the capital reduction; shareholders received CHF 2 per share on 1 March 2007. The share capital has been CHF 8 560 000 since then.
The Company has had authorised share capital since September 2003. This capital, which was last renewed at the Shareholders' Meeting of 4 November 2013, authorises the Board of Directors to increase share capital by as much as CHF 2 400 000 by issuing up to 300 000 registered shares with a nominal value of CHF 8 each by 31 October 2015. The Board of Directors is authorised to not grant subscription rights to shareholders.
The Company has also had conditional capital since 5 September 2000. The Board of Directors is authorised to increase the share capital by as much as CHF 2 000 000 by issuing up to 250 000 registered shares with a nominal value of CHF 8 each while not granting subscription rights to shareholders. The Shareholders' Meeting of 15 November 2012 changed the purpose of the capital. The conditional capital can now only be used to exercise warrants and/or conversion rights related to the issuance of convertible bonds, warrant bonds or other financial market instruments of the Company.
Transactions with treasury shares resulted in a net change of CHF 623 thousand (previous year: CHF 469 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.

21 Personnel expenses

Personnel expenses	July–June 2014/2015	July–June 2013/2014
Wages and salaries	–32 712	–28 428
Social security costs	–3 102	–2 543
Pension fund costs	–1 906	–290
Other personnel expenses	–2 699	–2 156
Total personnel expenses	–40 419	–33 417
Full-time employees	287.5	241.3
Headcount on 30 June	354	282

22 Financial result

Financial result	July–June 2014/2015	July–June 2013/2014
Interest income	128	88
Gain on marketable securities/dividends	64	143
Foreign exchange gain	0	0
Total financial income	192	231
Interest expense	–36	–7
Foreign exchange loss	–37	–33
Other financial expense	–24	–23
Total financial expense	–97	–63
Total Financial result	95	168

23 Earnings per share

Undiluted

Basic earnings per share are calculated by dividing the consolidated profit attributable to CREALOGIX Holding AG shareholders by the weighted average number of outstanding shares during the financial year, excluding treasury shares.

Undiluted	July–June 2014/2015	July–June 2013/2014[1]
Consolidated profit attributable to shareholders of CREALOGIX Holding AG	–10 274	–1 524
Weighted average number of ordinary shares outstanding	1 064 637	1 059 884
Undiluted earnings per share (in CHF)	–9.650	–1.438

[1] Restated due to change in Goodwill policies, defined in Note 2.2

24 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 2015	30 June 2014
Due within 1 year	**2 036**	1 948
Due between 1 and 5 years	**5 134**	5 146
Due > 5 years	**664**	0
Total future liabilities	**7 834**	7 094

25 Contingent liabilities

Due to a client project, there was another quantifiable liability of a contingent nature amounting to CHF 100 thousand.

26 Legal restructuring/acquisition/sale of organisations

July–June 2014/2015

The CREALOGIX Group established a subsidiary in Vienna (CREALOGIX Austria GmbH) on 1 August 2014.
On 1 January 2015, CREALOGIX UK Ltd acquired 100 % of the shares in MBA Investment Group Ltd, renamed CREALOGIX MBA Group Ltd, which in turn holds 100 % of the shares in MBA Systems Ltd, renamed CREALOGIX MBA Ltd.

The acquired net assets and goodwill as of the acquisition date are as follows:

	CLX MBA Group Ltd & CLX MBA Ltd
Purchase price	5 733
Costs directly attributable to the acquisition	494
Estimate of future purchase price payments	2 515
Total purchase price	**8 742**
Fair value of net assets acquired	1 775
Goodwill	**6 967**

To reflect the long-term nature of this investment, the Board of Directors of CREALOGIX Holding AG decided to amortise the goodwill created by capitalising the acquisition premium over 10 years.

The following assets and liabilities were acquired during the acquisition:

	Fair value	Acquiree's carrying amount
Cash	1 639	1 639
Other current assets	1 125	1 125
Tangible fixed assets	66	66
Intangible assets	381	11
Total ASSETS	3 211	2 841
Current liabilities	–1 436	–1 436
Total LIABILITIES	–1 436	–1 436
Fair value of net assets acquired	**1 775**	**1 405**

	CLX MBA Group Ltd & CLX MBA Ltd
Purchase price paid	5 471
Costs directly attributable to the acquisition	494
Cash acquired	–1 639
Cash outflow from the transaction	**4 326**
Payment through CLXN Shares	**262**

July–June 2013/2014

CREALOGIX AG, acting as a technology supplier, acquired a minority stake in Qontis AG in the summer of 2013 as part of a collaborative venture.

The equity interest in 3logix AG was sold in the spring of 2014. The CREALOGIX Group established two branch offices in the spring of 2014: one in London (CREALOGIX UK LTD) and one in Singapore (CREALOGIX PTE. LTD).

27 Related-party disclosures

Related parties include members of the Board of Directors, the Executive Management 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 Hiltebrand and Peter Süsstrunk, who together have a 70 per cent shareholding in CREALOGIX Holding AG. The remaining 30 per cent of shares are in free float.
These four shareholders (founder shareholders) have concluded a shareholder pooling agreement.

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

c) Member of the management
The Board of Directors and the Executive Management are composed as follows:

Board of Directors	Executive Management
Bruno Richle	Bruno Richle (CEO)
Dr. Richard Dratva	Dr. Richard Dratva
Jean-Claude Philipona	Rolf Lichtin (CFO)
Prof. em. Dr. Beat Schmid	Thomas F.J. Avedik
Dr. Christoph Schmid	Dr. Werner Truöl (until 31.01.15)
	Dr. Louis-Paul Wicki (until 27.05.15)

d) Remuneration and shareholdings of the Board of Directors and Executive Management
The remuneration report starting on page 30 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 Management.

There were no further claims or commitments to/from persons in key management positions on 30 June 2015 (previous year: none). No long-term payments or severance payments were made in the year under review (previous year: none). 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 15 thousand (previous year: CHF 21 thousand). Board of Directors member Jean-Claude Philipona provided consulting services amounting to CHF 123 thousand related to acquisition projects in the previous year. He did not provide any services during the year under review.

Other compensation and credits
Qontis AG generated CHF 323 thousand in net sales from goods and services during the year under review (previous year: CHF 2738 thousand). On 30 June 2015, there were also CHF 1 thousand (including VAT) in outstanding receivables (previous year: CHF 58 thousand) and CHF 2137 thousand in non-current loans (previous year: CHF 3173 thousand).

28 Events after the balance sheet date

Since the balance sheet date of 30 June 2015, there have been no material events that would affect the integrity of the consolidated financial statements approved by the Board of Directors on 22 September 2015.

pwc

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

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of CREALOGIX Holding AG, which comprise the balance sheet, income statement, cash flow statement, statement of changes in equity and notes (pages 41 to 79), for the year ended 30 June 2015.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 30 June 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

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

Hanspeter Gerber
Audit expert
Auditor in charge

Andreas Fontanive
Audit expert

Zurich, 22 September 2015

CREALOGIX Holding AG Financial Report.

CREALOGIX Holding AG Financial Report.

Balance sheet

Amounts in thousands of CHF	Notes	30 June 2015	%	30 June 2014	%
ASSETS					
Cash and cash equivalents and current assets with a stock exchange price	2.1	**5 702**		8 389	
Other current receivables		**3**		9	
Accounts receivable from group companies	2.2	**5 656**		5 232	
Accounts receivable from group companies with subordination statement	2.2	**8 877**		3 590	
Accrued income and prepaid expenses		**110**		137	
Current assets		**20 348**	**48.9**	17 357	52.5
Loans to Group companies		**4 103**		0	
Shareholdings	2.5	**17 167**		15 685	
Non-current assets		**21 270**	**51.1**	15 685	47.5
Total ASSETS		**41 618**	**100.0**	33 042	100.0
LIABILITIES AND EQUITY					
Trade creditors		**14**		19	
Other current liabilities		**424**		489	
Accounts payable to Group companies	2.2	**17 456**		7 789	
Deferred income and accrued expenses		**110**		133	
Liabilities		**18 004**	**43.3**	8 430	25.5
Capital of the organisation	7	**8 560**		8 560	
Capital contributions from reserves		**19 168**		21 293	
Statutory capital reserves		**19 168**		21 293	
Statutory retained earnings		**250**		250	
Voluntary retained earnings		**–9**		–9	
Retained losses carried forward		***–4 537***		*–5 601*	
Net profit		***504***		*1 064*	
Available earnings		**–4 033**		–4 537	
Own capital shares as negative items	5	**–322**		–945	
Shareholders' equity		**23 614**	**56.7**	24 612	74.5
Total LIABILITIES AND EQUITY		**41 618**	**100.0**	33 042	100.0

Income statement

Amounts in thousands of CHF	**July–June 2014/2015**	July–June 2013/2014
Income statement by nature of expense	**1 343**	1 391
Personnel expenses	**–202**	–213
Other operating expenses	**–684**	–226
Financial income	**303**	362
Financial expense	**–215**	–208
Financial expenses and financial income	**88**	154
Direct taxes	**–41**	–42
Annual result	**504**	1 064

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 previous year's disclosures were restated to reflect the structure of the New Financial Reporting Act.
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 held with a stock exchange 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 with a stock exchange 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.

CHF 8877 thousand in receivables from Group companies are subordinated.

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 capitalised 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 sales from goods and services

Net sales from goods and services includes all sales from services provided by CREALOGIX Holding AG. Net sales 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 on 30 June and the rates for transactions made during the year. The exchange rates used in the income statements are the average rates for the 2014/2015 and 2013/2014 financial years.

	Year-end rates (balance sheet)		**Average rates (income statement)**	
	30 June 2015	30 June 2014	**July–June 2014/2015**	July–June 2013/2014
EUR	**1.05**	1.22	**1.14**	1.23
CAD	**0.75**	0.83	**0.81**	0.85
USD	**0.94**	0.89	**0.95**	0.91
GBP	**1.47**	1.52	**1.49**	1.50
SGD	**0.69**	0.71	**0.72**	0.71

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 10 employees on average over the year.

2.1 Cash, cash equivalents and current assets held with a stock exchange price

	30 June 2015	30 June 2014
Cash	**3 380**	5 818
Cash equivalents and current assets with a stock exchange price	**2 322**	2 571
Total cash and cash equivalents and current assets with a stock exchange price	**5 702**	8 389

2.2 Receivables and liabilities

CREALOGIX Holding AG has the following receivables from and liabilities to companies in which it has shareholdings:

	30 June 2015	30 June 2014
Receivables from Group companies		
CREALOGIX (Deutschland) AG	**11 592**	8 815
CREALOGIX International AG	**993**	0
CREALOGIX Austria GmbH	**219**	0
CREALOGIX UK Ltd	**1 073**	1
CREALOGIX MBA Ltd	**234**	0
CREALOGIX PTE Ltd	**422**	6
Total receivables from Group companies	**14 533**	8 822
thereof without subordination statement	**5 656**	5 232
thereof with subordination statement	**8 877**	3 590
Liabilities to Group companies		
CREALOGIX International AG	**0**	–76
CREALOGIX AG	**–17 456**	–7 713
Total liabilities to Group companies	**–17 456**	–7 789

2.3 Liabilities to pension funds

There are no liabilities to pension funds as of 30 June 2015 (previous year: none).

2.4 Loans to Group companies

The long-term loans to Group companies consist of a loan to CREALOGIX UK Ltd to finance the acquisition of MBA Investment Group Ltd.

2.5 Shareholdings

Company	Carrying amount as of 30. June 2015 in CHF thousands	Company capital	Ownership interest	Proportion of voting rights
CREALOGIX AG, Zurich, Switzerland	15 113	CHF 100 000	100%	100%
CREALOGIX (Deutschland) AG, Stuttgart, Germany	308	EUR 100 000	100%	100%
CREALOGIX International AG, Stuttgart, Germany	81	EUR 50 000	100%	100%
CREALOGIX Corp., Toronto, Canada	110	CAD 100 000	100%	100%
CREALOGIX UK Ltd, London, UK	1 439	GBP 1 050 000	100%	100%
CREALOGIX PTE. Ltd, Singapore, Singapore	73	SGD 100 000	100%	100%
CREALOGIX (Austria) GmbH, Vienna, Austria	43	EUR 35 000	100%	100%
Total carrying amount of the directly held shareholdings	**17 167**			
CREALOGIX MBA Group Ltd, Winchester, UK	1 511	GBP 75 005	100%	100%
CREALOGIX MBA Ltd, Winchester, UK	1 439	GBP 25 000	100%	100%
Total carrying amount of the indirect held shareholdings	**2 950**			
Total carrying amount of the shareholdings	**20 117**			

Company	Carrying amount as of 30. June 2014 in CHF thousands	Company capital	Ownership interest	Proportion of voting rights
CREALOGIX AG, Zurich, Switzerland	15 113	CHF 100 000	100%	100%
CREALOGIX (Deutschland) AG, Stuttgart, Germany	308	EUR 100 000	100%	100%
CREALOGIX International AG, Stuttgart, Germany	81	EUR 50 000	100%	100%
CREALOGIX Corp., Toronto, Canada	110	CAD 100 000	100%	100%
CREALOGIX PTE. Ltd, Singapore, Singapore	73	SGD 100 000	100%	100%
CREALOGIX UK Ltd, London, UK	0	GBP 0	100%	100%
Total carrying amount of the directly held shareholdings	**15 685**			
Total carrying amount of the indirect held shareholdings	**0**			
Total carrying amount of the shareholdings	**15 685**			

3 Contingent liabilities

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

3.1 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 2015, each of the following significant shareholders held more than 3 per cent of the voting rights:

Shareholders	Share of votes		Number of shares	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
Dr. Richard Dratva	**24.20%**	24.03%	**258 893**	257 124
Bruno Richle	**23.78%**	23.54%	**254 404**	251 896
Daniel Hiltebrand	**15.49%**	15.46%	**165 748**	165 451
Peter Süsstrunk	**6.60%**	6.70%	**70 609**	71 700
Noser Management AG	**3.93%**	3.93%	**42 000**	42 000

5 Treasury shares including shares held in subsidiaries

	2015		2014	
	Quantity	Value	Quantity	Value
on 1 July 2014	9 546	945	14 239	1 414
Purchases 2014/2015	14 264	1 383	14 492	1 436
Sales 2014/2015	–20 452	–2 006	–19 185	–1 905
on 30 June 2015	**3 358**	**322**	**9 546**	**945**

Treasury shares are purchased and sold at market prices.

6 Explanations of extraordinary, non-recurring or prior-period items in the income statement

None occurred in the year under review or the previous year.

7 Share capital

Since 5 September 2000, 1 070 000 registered shares of the Company have been outstanding: these are all fully paid in. The nominal value of the 1 070 000 registered shares was lowered from CHF 10 to CHF 8 on 9 November 2006 in connection with the capital reduction; shareholders received CHF 2 per share on 1 March 2007. The share capital has been CHF 8 560 000 since then.

The Company has had authorised share capital since September 2003. This capital, which was last renewed at the Shareholders' Meeting of 4 November 2013, authorises the Board of Directors to increase share capital by as much as CHF 2 400 000 by issuing up to 300 000 registered shares with a nominal value of CHF 8 each by 31 October 2015. The Board of Directors is authorised to not grant subscription rights to shareholders.

The Company has also had conditional capital since 5 September 2000. The Board of Directors is authorised to increase the share capital by as much as CHF 2 000 000 by issuing up to 250 000 registered shares with a nominal value of CHF 8 each while not granting subscription rights to shareholders. The Shareholders' Meeting of 15 November 2012 changed the purpose of the capital. The conditional capital can now be used to exercise warrants and/or conversion rights related to the issuance of convertible bonds, warrant bonds or other financial market instruments of the Company.

	30 June 2015	30 June 2014
Conditional share capital	**2 000 000**	2 000 000
Authorised share capital	**2 400 000**	2 400 000

8 Remuneration of the Board of Directors and Executive Management

Compensation

July–June 2014/2015	**Annual fixed compensation**	**Annual variable compensation**	**Share-based payments[1]**	**Social insurance contribution**	**Additional Benefits**	**Total**
Board of Directors						
Bruno Richle, Chairman and CEO	0	0	0	0	0	**0**
Dr. Richard Dratva, Vice Chairman and CSO	0	0	0	0	0	**0**
Jean-Claude Philipona, Member	30	12	2	3	0	**47**
Prof. em. Dr. Beat Schmid, Member	30	12	51	5	0	**98**
Dr. Christoph Schmid, Member	30	15	0	3	0	**48**
Total Board of Directors	**90**	**39**	**53**	**11**	**0**	**193**
Executive Management (six members until January 15, five members until May 15: today four members)	1 226	301	231	507	40	**2 305**
Total	**1 316**	**340**	**284**	**518**	**40**	**2 498**
Highest compensation to Bruno Richle, Chairman and CEO	*263*	*101*	*112*	*148*	*10*	**634**

July–June 2013/2014	**Annual fixed compensation**	**Annual variable compensation**	**Share-based payments[1]**	**Social security contribution**	**Additional Benefits**	**Total**
Board of Directors						
Bruno Richle, Chairman and CEO	0	0	0	0	0	**0**
Dr. Richard Dratva, Vice Chairman and CSO	0	0	0	0	0	**0**
Jean-Claude Philipona, Member	30	12	9	4	0	**55**
Prof. em. Dr. Beat Schmid, Member	30	10	2	1	0	**43**
Dr. Christoph Schmid, Member	0	0	50	4	0	**54**
Total Board of Directors	**60**	**22**	**61**	**9**	**0**	**152**
Executive Management (six members)	1 249	246	229	498	39	**2 261**
Total	**1 309**	**268**	**290**	**507**	**39**	**2 413**
Highest compensation to Bruno Richle, Chairman and CEO	*270*	*33*	*96*	*135*	*10*	**544**

[1] 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 now also include the employer's contributions to occupational and non-occupational accident insurance and daily sickness benefit insurance.
Out-of-pocket expenses are no longer calculated separately since the tax administration has approved the payment of a fixed entertainment allowance to cover out-of-pocket expenses.

1) Compensation of members of the Board of Directors and Executive Management
For discharging their duties, the non-executive members of the Group's Board of Directors receive an annual fixed salary plus additional compensation per meeting related to their committee membership. Instead 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 Management 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.

2) Share-based payments
As disclosed in the remuneration report on page 30, an employee share ownership programme is in place for the Board of Directors and selected members of the Executive Management, senior staff and employees. The fair value is the basis for the valuation of expenditures recorded in the income statement relating to employees shares taken up.

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

4) Other compensation and credits
There were no further claims or commitments to/from persons in key management positions on 30 June 2015 (previous year: none). No long-term payments or severance payments were made in the year under review (previous year: none). 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 15 thousand (previous year: CHF 21 thousand). In the previous year, Board of Directors member Jean-Claude Philipona provided consulting services amounting to CHF 123 thousand related to acquisition projects and the replacement of the CFO. He did not provide any services during the year under review.

5) Shareholdings
The members of the Board of Directors and the Executive Management held the following CREALOGIX shares as of 30 June 2014:

	CREALOGIX shares		**thereof blocked**		**thereof blocked for warrants**[1]	
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014	**30 June 2015**	30 June 2014
Board of Directors						
Bruno Richle, Chairman and CEO	**254 404**	251 896	**6 993**	6 545	**17 000**	17 000
Dr. Richard Dratva, Vice Chairman and CSO	**258 893**	257 124	**4 802**	5 093	**17 000**	17 000
Jean-Claude Philipona, Member	**1 194**	1 076	**414**	296	**0**	0
Prof. em. Dr. Beat Schmid, Member	**3 197**	2 304	**804**	811	**0**	0
Dr. Christoph Schmid, Member	**4 418**	4 418	**1 962**	1 962	**0**	0
Members of the Executive Management						
Thomas Avedik, member of the Executive Management and CEO CREALOGIX E-Banking	**1 231**	1 010	**940**	719	**0**	0
Dr. Werner Truöl, member of the Executive Management (until 31.10.15) and CEO CREALOGIX E-Payment (until 30.04.15)	**n/a**	612	**n/a**	612	**0**	0
Dr. Louis-Paul Wicki, member of the Executive Management (until 27.05.15) and CEO CREALOGIX E-Business & Education (until 31.08.15)	**n/a**	2 188	**n/a**	2 188	**0**	0
Rolf Lichtin, member of the Executive Management and CFO	**438**	365	**438**	365	**0**	0
Other significant shareholders						
Noser Management AG	**42 000**	42 000	**0**	0	**0**	0
Total	**565 775**	562 993	**16 353**	18 591	**34 000**	34 000

[1] When issuing call-warrants (Symbol CREANO) with a term ending 29 June 2018 and an exercise price of CHF 130, a corresponding number of put-options have been written.

9 Events after the balance sheet date

Since the balance sheet date of 30 June 2015, there have been no material events that would affect the integrity of the annual financial statements approved by the Board of Directors on 22 September 2015.

Proposal of the Board of Directors to the Shareholders' Meeting

Available earnings	**July–June 2014/2015**	July–June 2013/2014
Retained losses carried forward	**–4 537**	–5 601
Net profit	**504**	1 064
Available for distribution by the Annual General Meeting	**–4 033**	–4 537
Appropriation of available earnings		
Available earnings	**–4 033**	–4 537
Appropriation to statutory retained earnings	**0**	0
Appropriation voluntary retained earnings	**–9**	0
Carried forward to new account	**–4 042**	–4 537
Distribution of share premium	**0**	–2 140

The Board of Directors will propose to the Shareholders' Meeting of 2 November 2015 not to distribute a dividend or share premium for the 2014/2015 financial year.

pwc

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

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of CREALOGIX Holding AG, which comprise the balance sheet, income statement and notes (pages 84 to 94), for the year ended 30 June 2015.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 30 June 2015 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

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 recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Hanspeter Gerber	Andreas Fontanive
Audit expert	Audit expert
Auditor in charge	

Zurich, 22 September 2015

Dates and contacts

Important dates

2 November 2015
Ordinary Shareholders' Meeting

March 2016
Presentation of 2015/2016 half-year results

Contact addresses

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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.

This annual report is also available in German. Please note, the German version is authoritative. You can read the entire annual report of the CREALOGIX Group online at:

crealogix.com/report-en

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