

2019/2020 Annual Results

CREALOGIX Holding AG

15 September 2020

Presenters



Oliver Weber
Chief Executive Officer



Daniel Bader
Chief Financial Officer



Richard Dratva
Chief Strategy Officer

A blurred photograph of several business professionals in a modern office hallway. The people are in motion, creating a sense of activity and movement. The background shows large windows and a clean, contemporary architectural style.

CREALOGIX 2019/20

Oliver Weber, Chief Executive Officer

Highlights 2019/20 full-year results



Revenue

+3.9%

(LC)



Profitability
(Adjusted EBITDA) at

CHF 2.4

million



Adjusted free
cash flow at

CHF 7.9

million



SaaS revenue
increased by

18.3%

(currency adjusted)

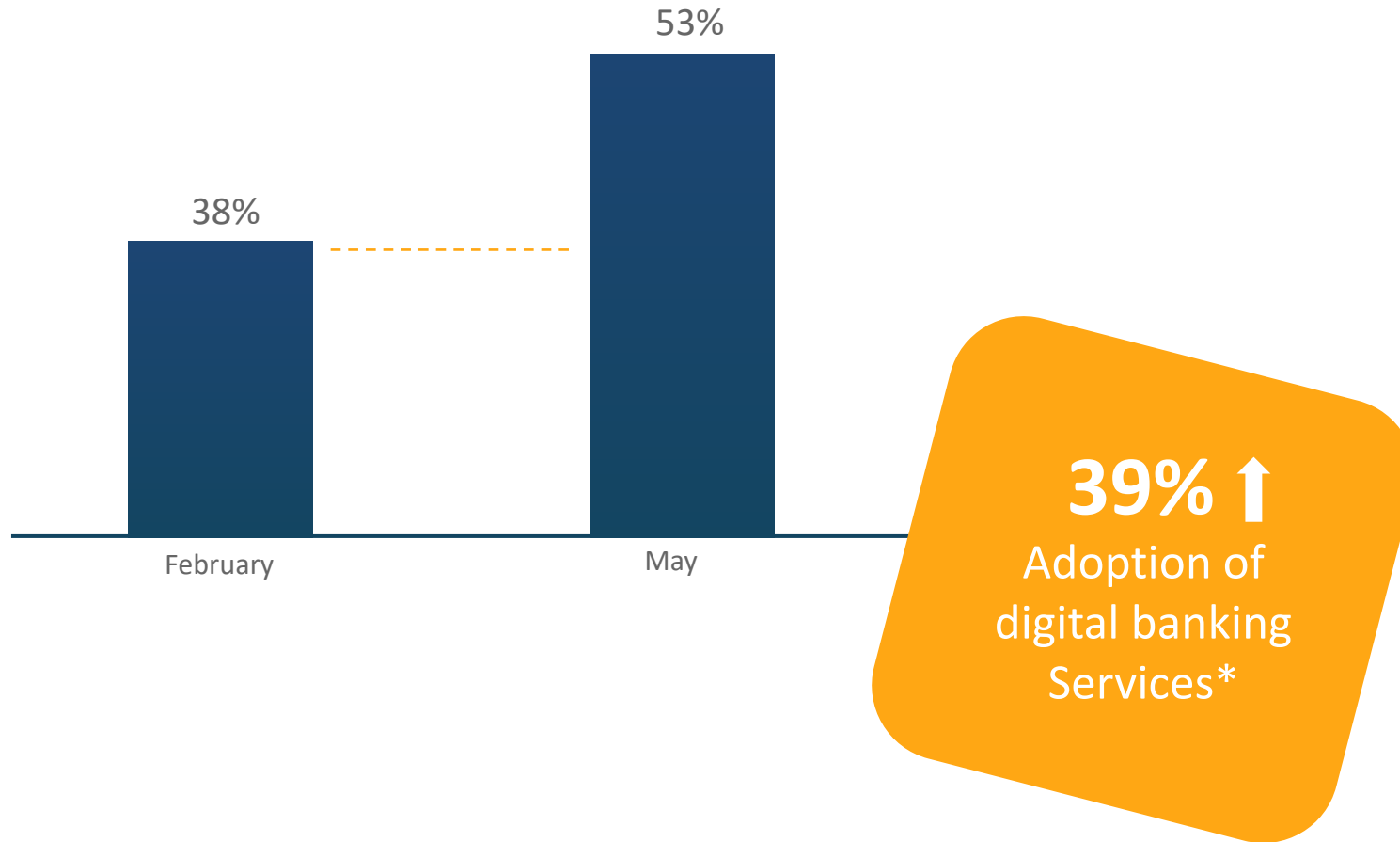


Recurring revenues
contributed with

44%

to results

The COVID-19 pandemic is substantially accelerating digitisation in finance



CREALOGIX is very well positioned in an attractive, growing market.

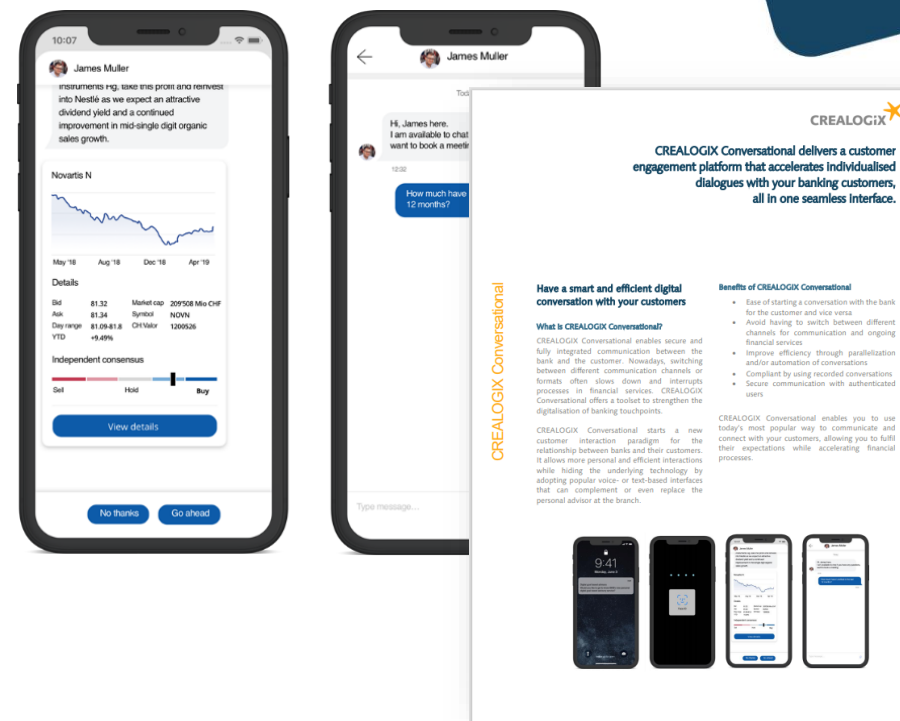
*Source: Deloitte 2020

CREALOGIX launched Conversational Banking Product in August 2020

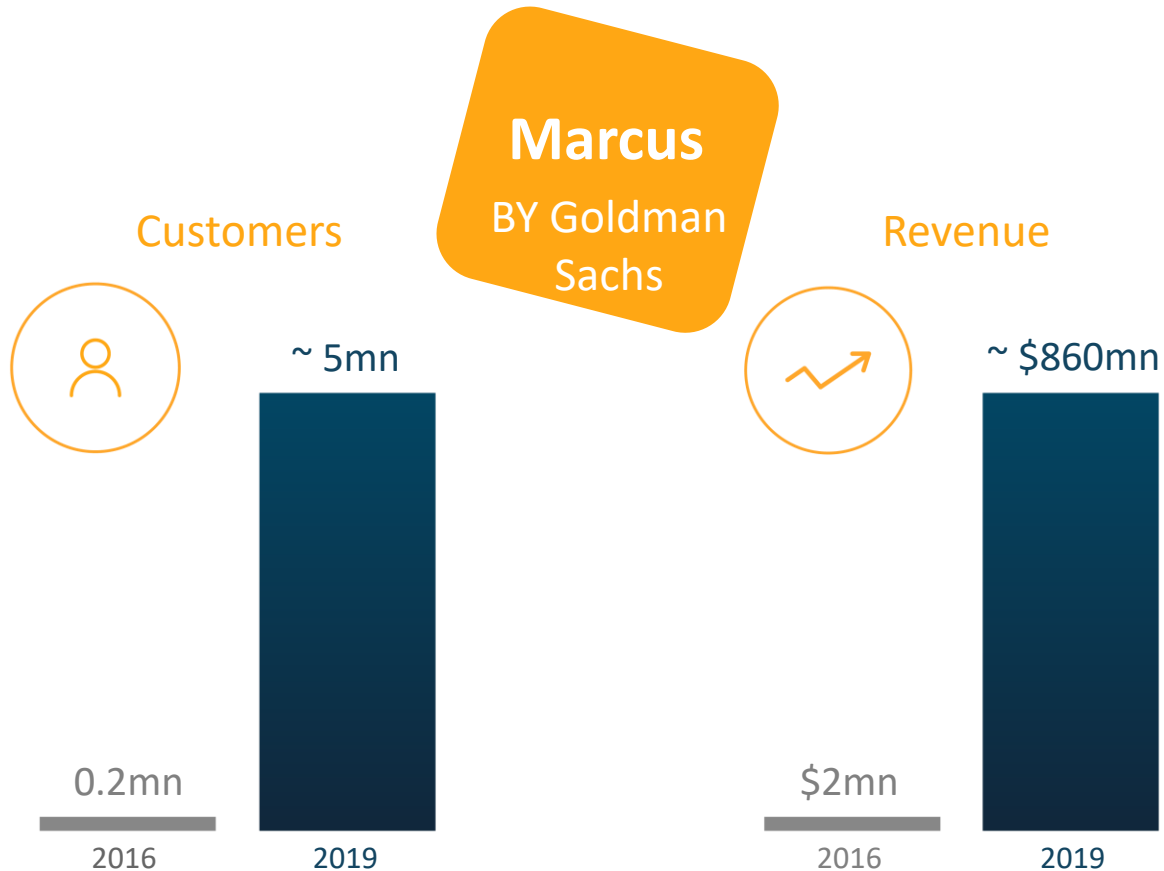


A smart and efficient digital conversation with customers

- Ease of starting a conversation with the bank for the customer and vice versa
- Improve **efficiency** through parallelization and/or automation of conversations
- **Compliant** by using recorded conversations



Traditional banks do have the strategic option to leverage the digitisation potential by applying the right digital strategies



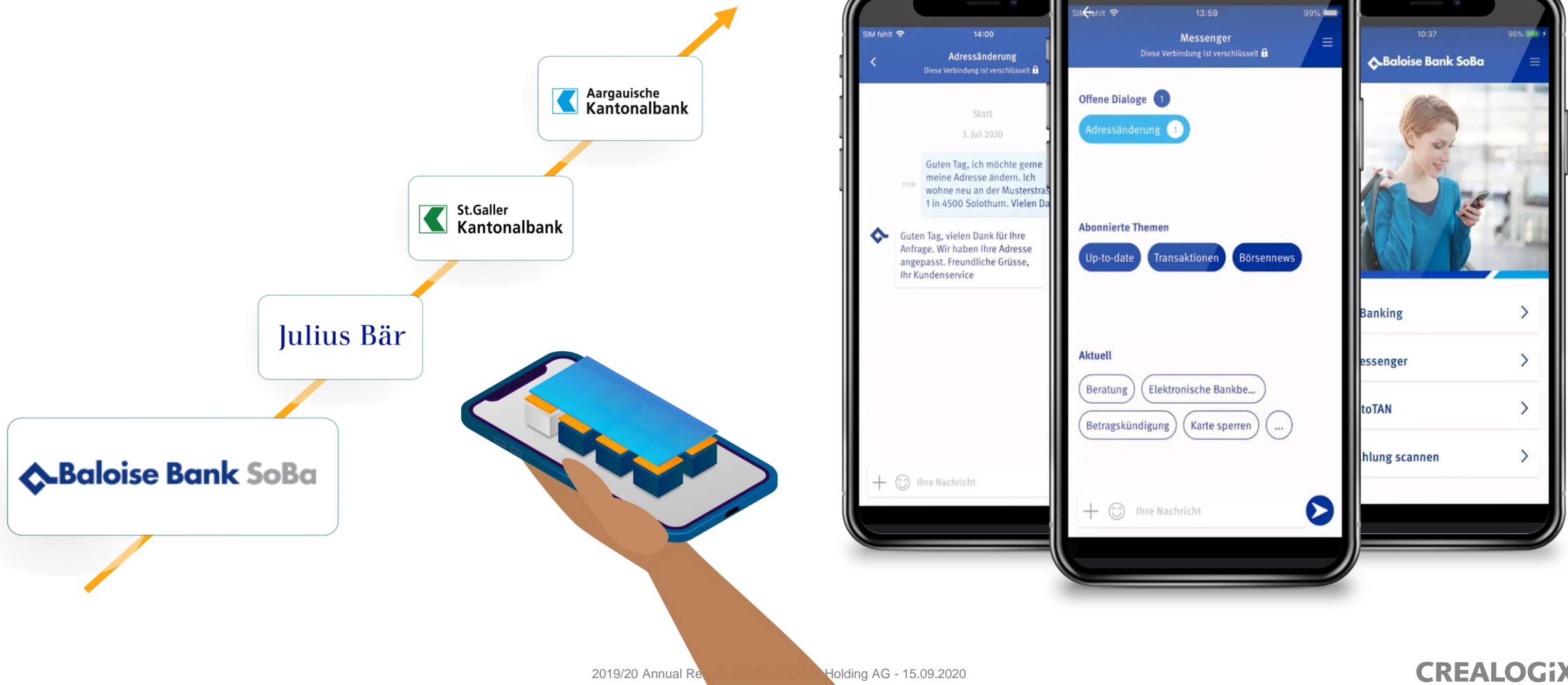
Banks need strong digital partners in order to succeed.

More to come

- CSX by CREDIT SUISSE
- “Challenger” by JPMC (UK)

*Source: Deloitte 2020

Example Switzerland: CREALOGIX plays a major role with its product migration strategy to enable Digital First

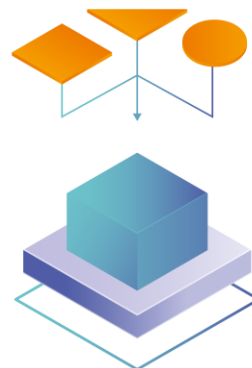


Core levers in our strategy towards increasing recurring revenues and double-digit profitability



Accelerate go-to-market

A stronger and segment-focused sales team as well as expanding our geographical reach through partners are the main changes in our approach.



Streamlining the product platform

Based on the different pockets of strength in our targeted geographies we are establishing a consolidated and streamlined global product portfolio.



Change revenue model

Our transition towards SaaS has started a couple of years ago and is helping us already now to steer the business through uncharted waters.



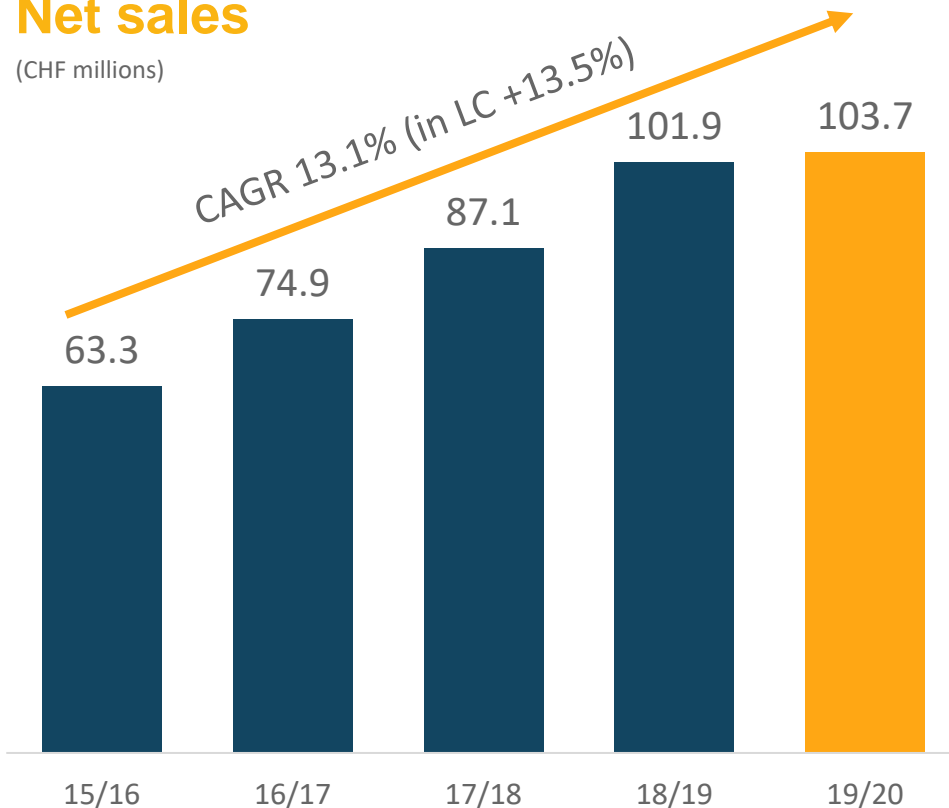
2019/20 Financial Results

Daniel Bader, Chief Financial Officer

Record high net sales due to strong 2nd HY 19/20

Net sales

(CHF millions)

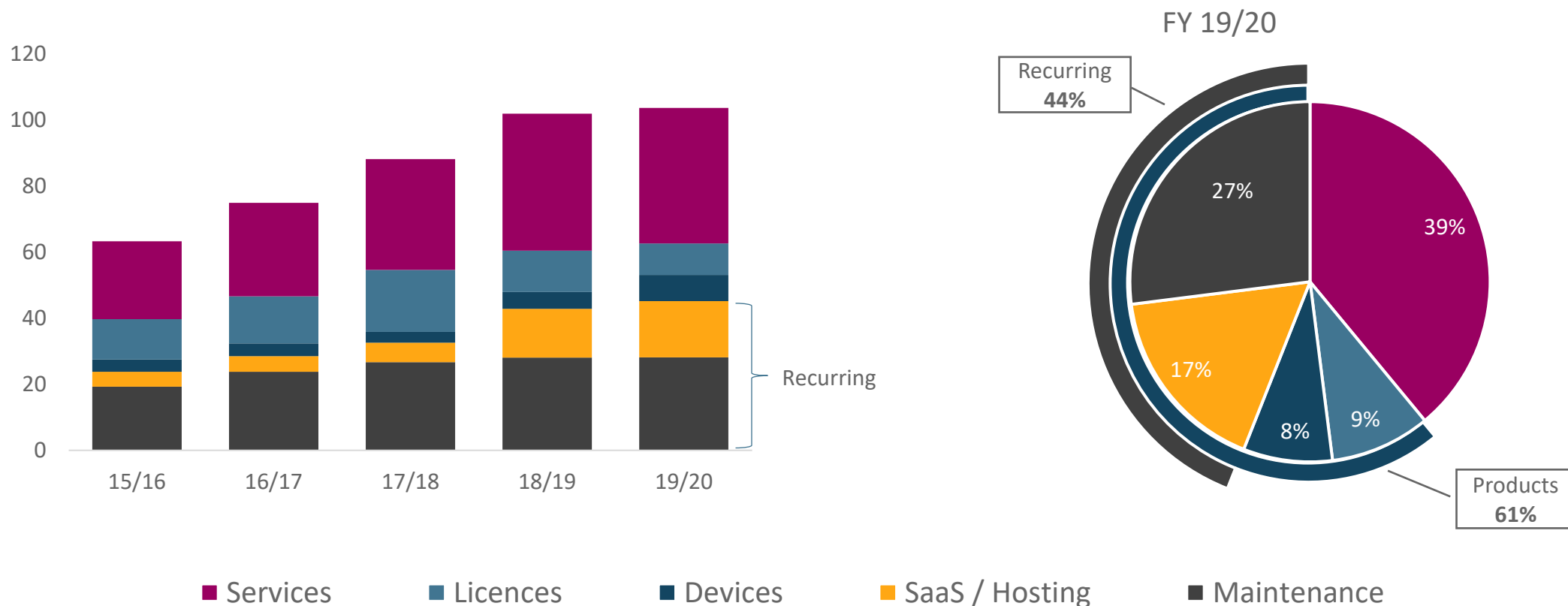


- Net sales increase by 1.7% in CHF (in LC 3.9%) - without M&A activities during FY 19/20
- Strong 2nd HY 19/20 with 13% growth to 1st HY 19/20
- Share of sales outside Switzerland slightly reduced to 62% (prior year: 64%) thanks to a strong performance in our home market

Recurring revenue share up to 44% from 42% in the prior year

Net sales by category

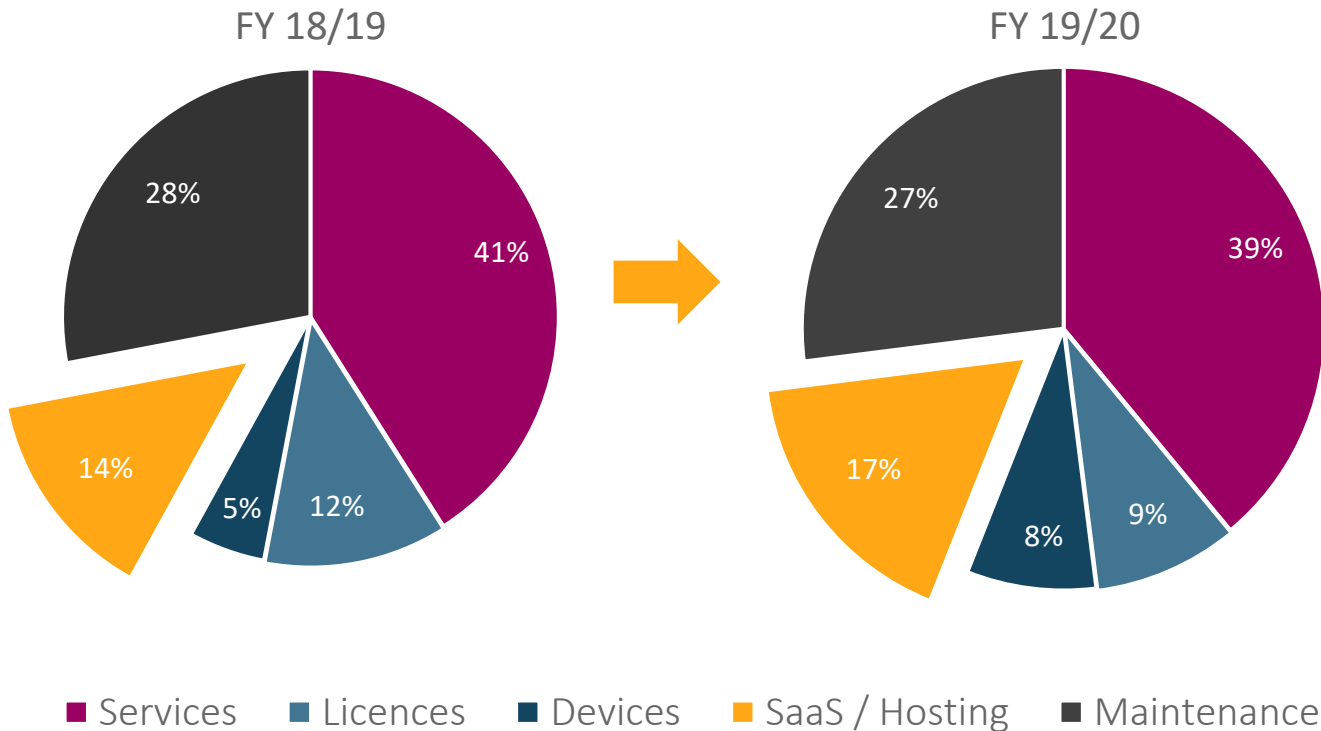
(CHF millions)



The transformation of the revenue model is progressing

Net sales by category

(% of net sales)

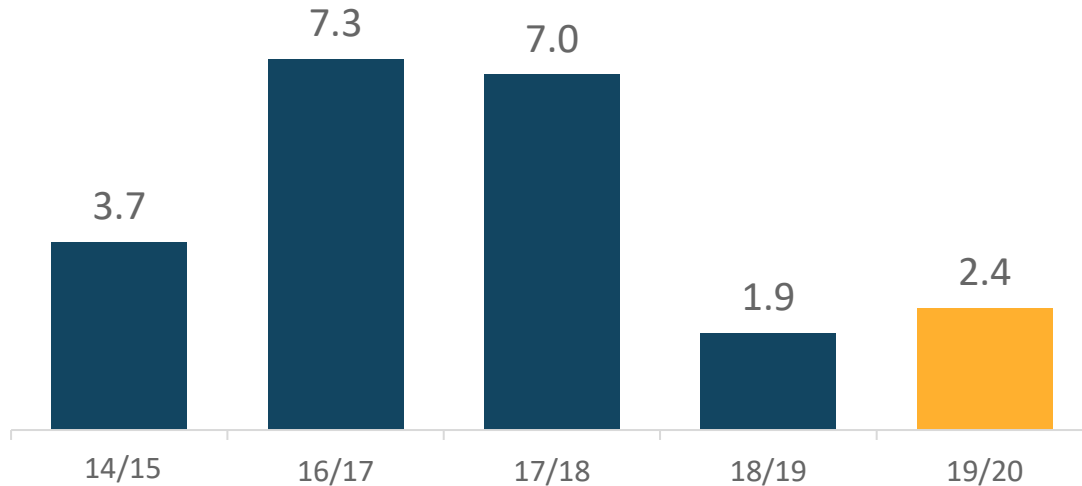


- Increase of SaaS / Hosting net sales from CHF 14.7m to CHF 17.0m
- Decrease of traditional license net sales from CHF 12.5m to CHF 9.6m

Solid operational result despite on-going transformation to subscription / SaaS

Adjusted EBITDA*

(CHF millions)



- Adjusted EBITDA margin of 2.3%, which exceeds the prior year adjusted EBITDA margin by 520 bps
- Shift from traditional licenses to subscription / SaaS with negative net impact of CHF 6.9m on net sales and EBITDA

*Non-GAAP measure excluding costs for reorganisation measures of CHF 7 million.

One-time costs of CHF 7m in 2019/2020 to accelerate the transformation

Consequences from our strategic priorities:

- Consolidation of non-strategic products
- Organisational alignment
- Increasing shift to nearshore resources



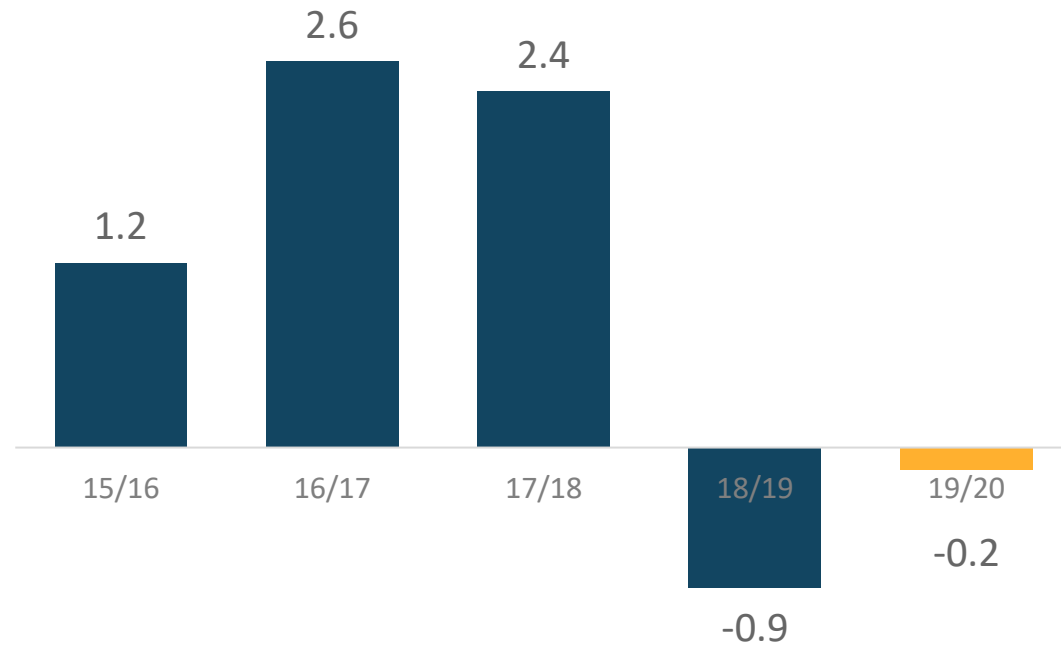
Provisions for organisational measures including:

- 10% reduction of staff
- Site closure and optimisation of office space
- **Full impact of savings in FY 2021/22**

Adjusted EPS improved

Adjusted Earnings Per Share*

(CHF)



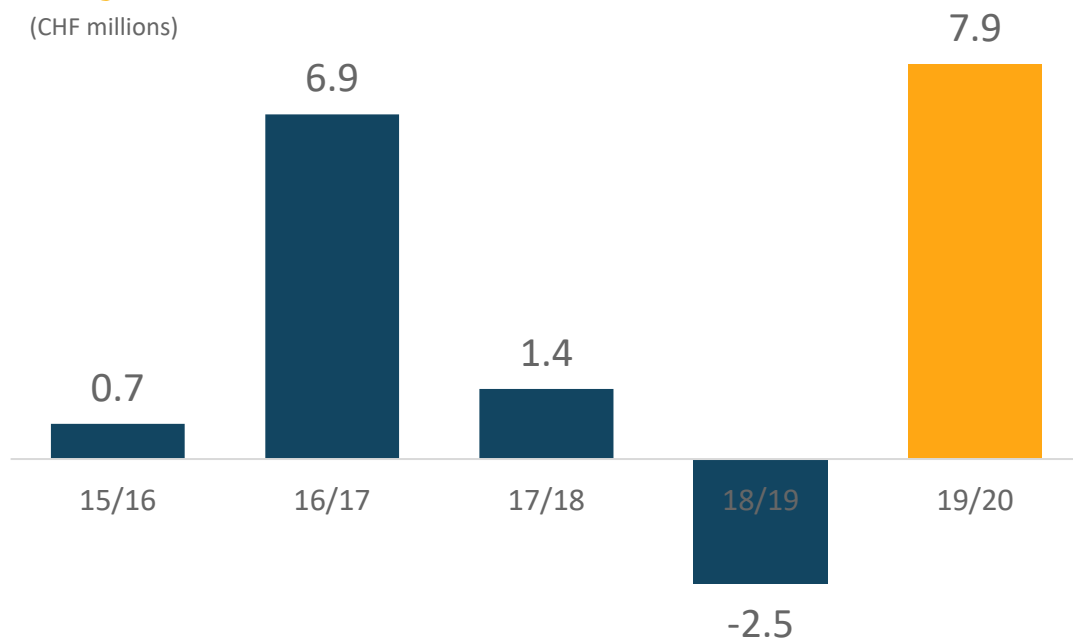
- Improved adjusted EPS due to increased operational result (Adjusted EBITDA)

* Adjusted Earnings per Share is defined as earnings per share excluding goodwill amortization (CHF 4.9m), net of tax and one-off costs

Strong adjusted free cash flow of CHF 7.9m

Adjusted Free Cash Flow*

(CHF millions)



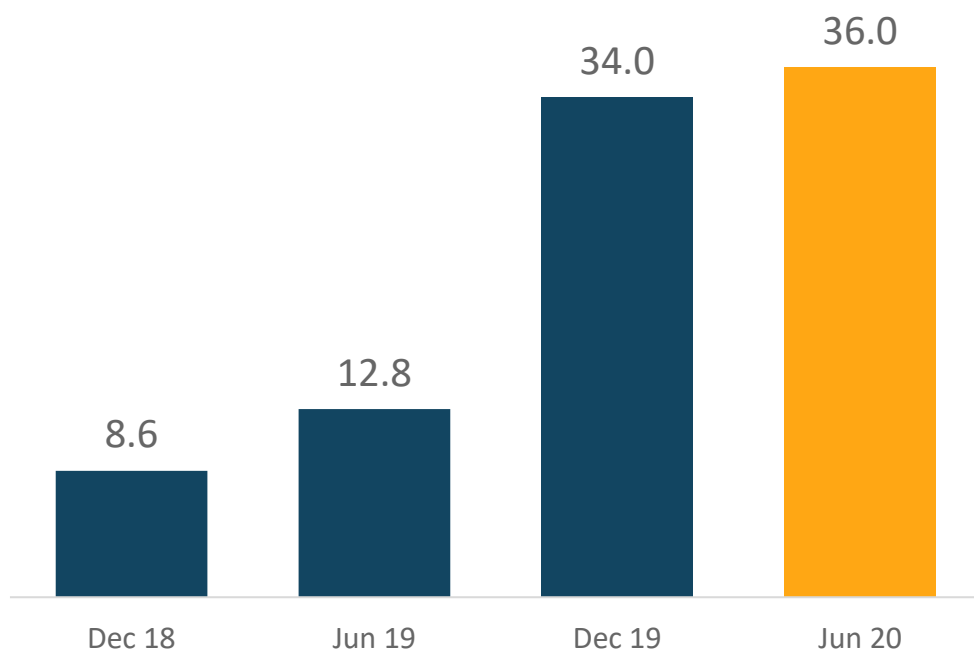
- Adjusted Free Cash Flow CHF 10.4m above prior year
- Closer monitoring of payment terms resulting in improved net working capital
- Unadjusted Free Cash Flow CHF 7.0m

* Adjusted Free Cash Flow is defined as cash flow from operating activities including purchase and disposal of tangible and intangible assets and excluding one-off reorganisation costs already recognized in the year under review (CHF 0.9m).

Successful refinancing leading to a healthy cash position

Cash and cash equivalents

(CHF millions)



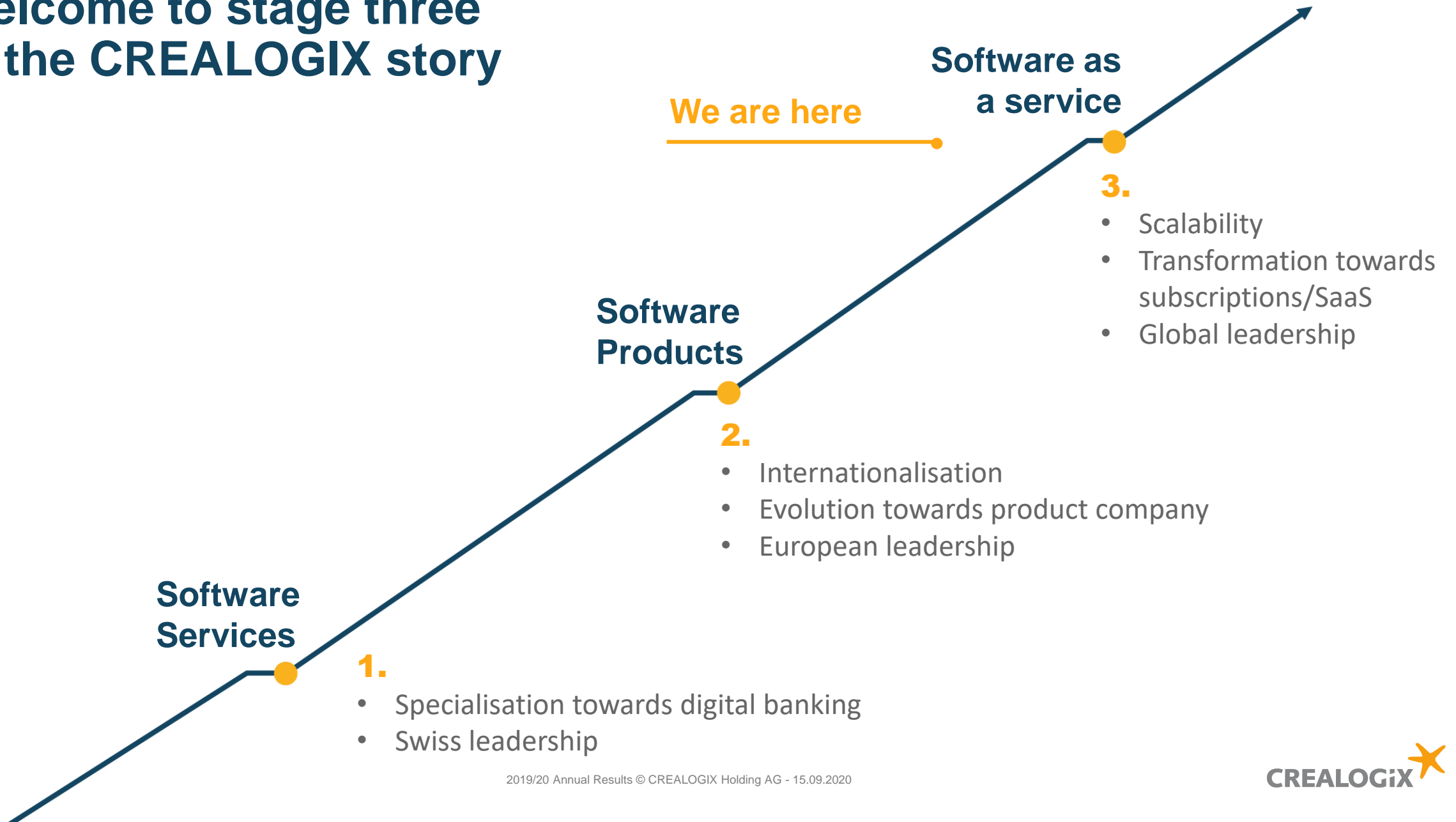
- Successful refinancing of new convertible bond at favorable conditions: nominal amount of CHF 25m for 5 years at 1.5% coupon
- Net cash position of CHF 5.1m (prior year: CHF -2.5m) due to strong free cash flow generation



Next steps of our journey

Dr. Richard Dratva, Chief Strategy Officer

Welcome to stage three of the CREALOGIX story



Enabling Open Banking Innovation



Unbundling
own services for others

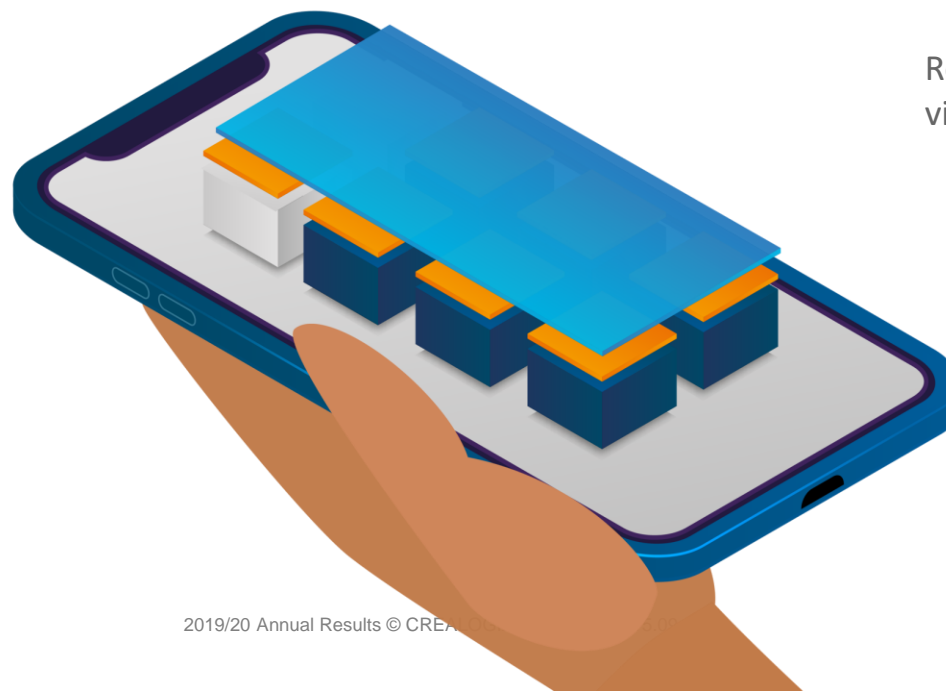
Enabling Open Banking Innovation

Rebundling

3rd party services into a seamless and orchestrated user experience



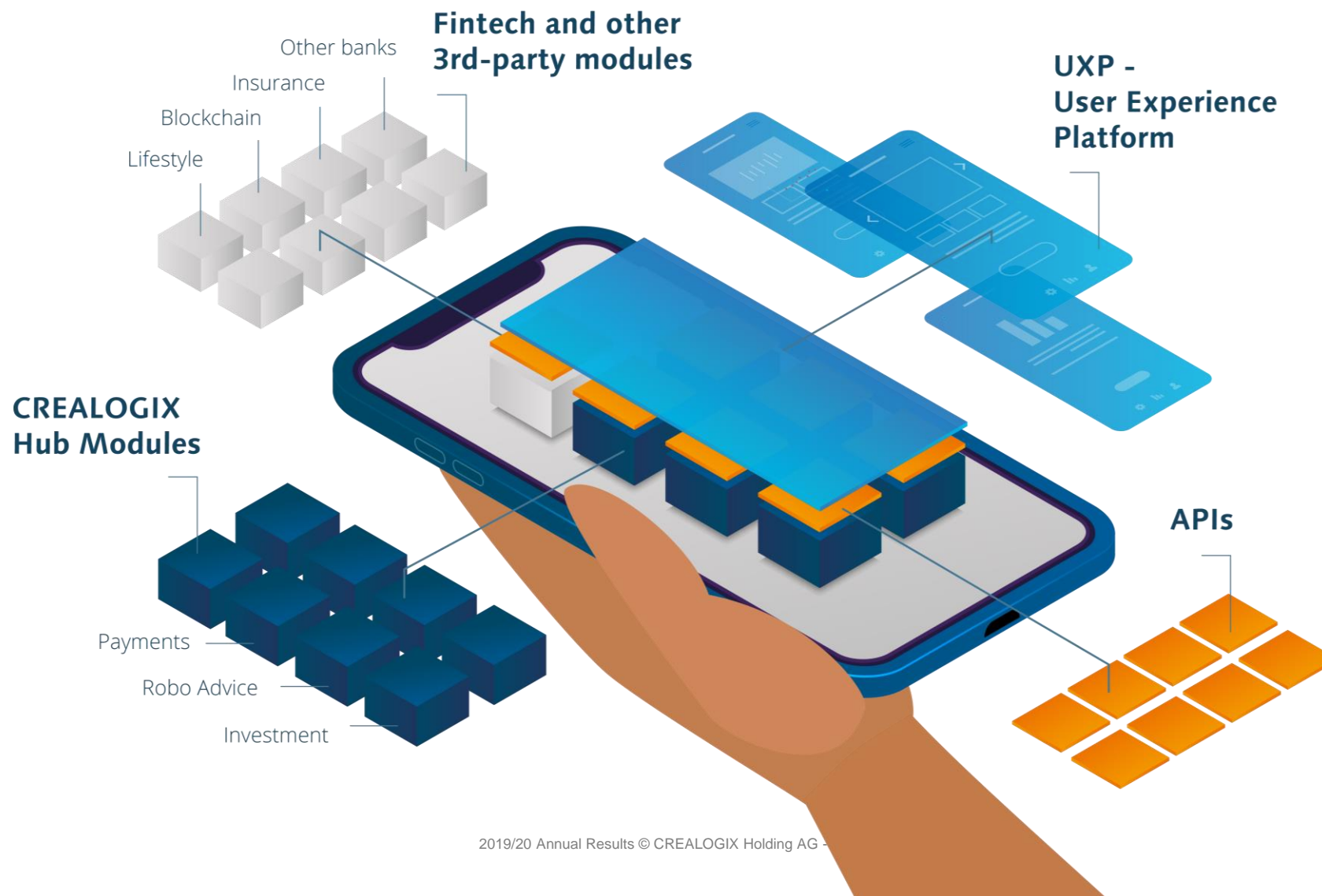
Rebundling via mutual sharing



Rebundling via TPP/PSD2/...



Enabling Open Banking Innovation

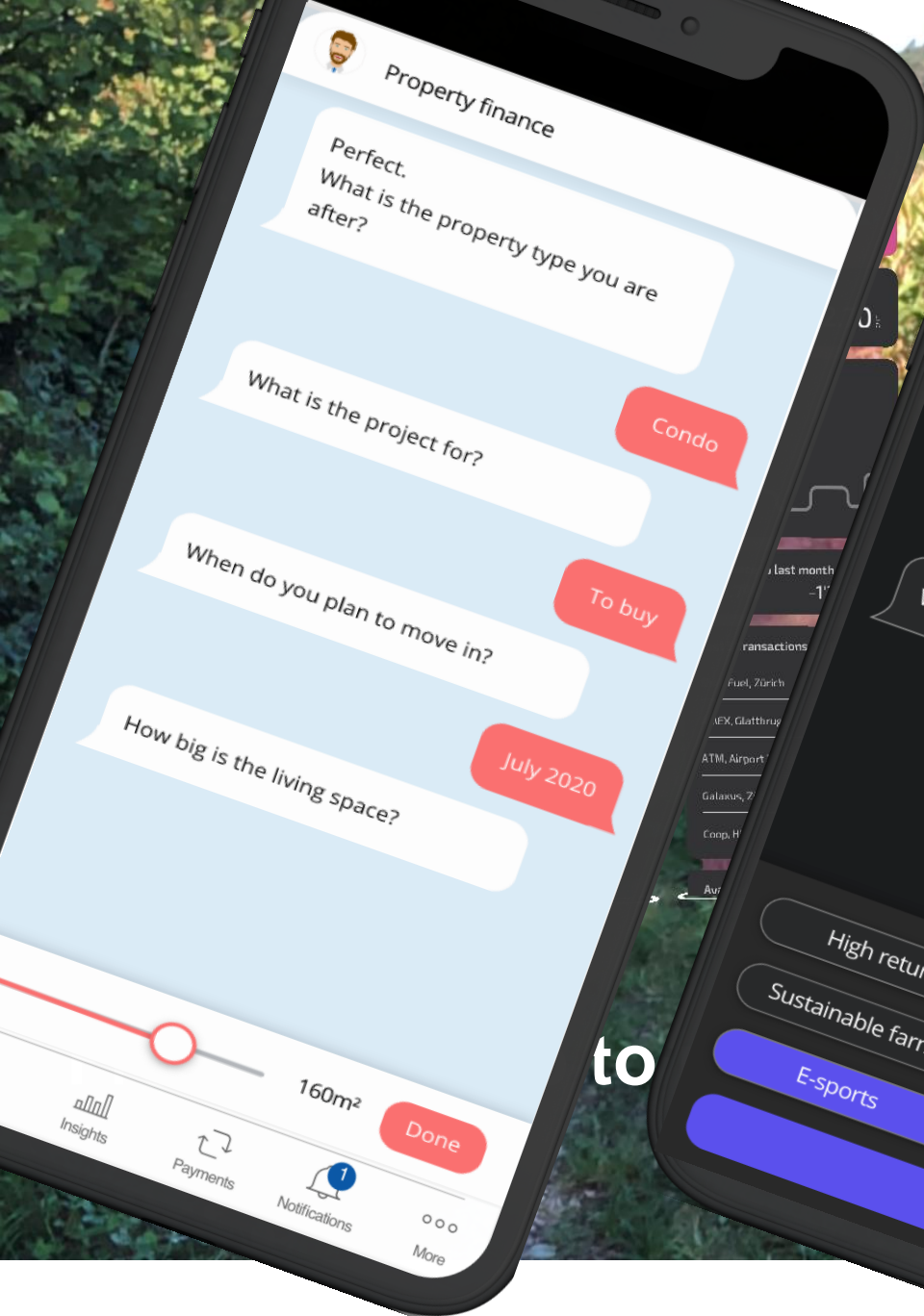




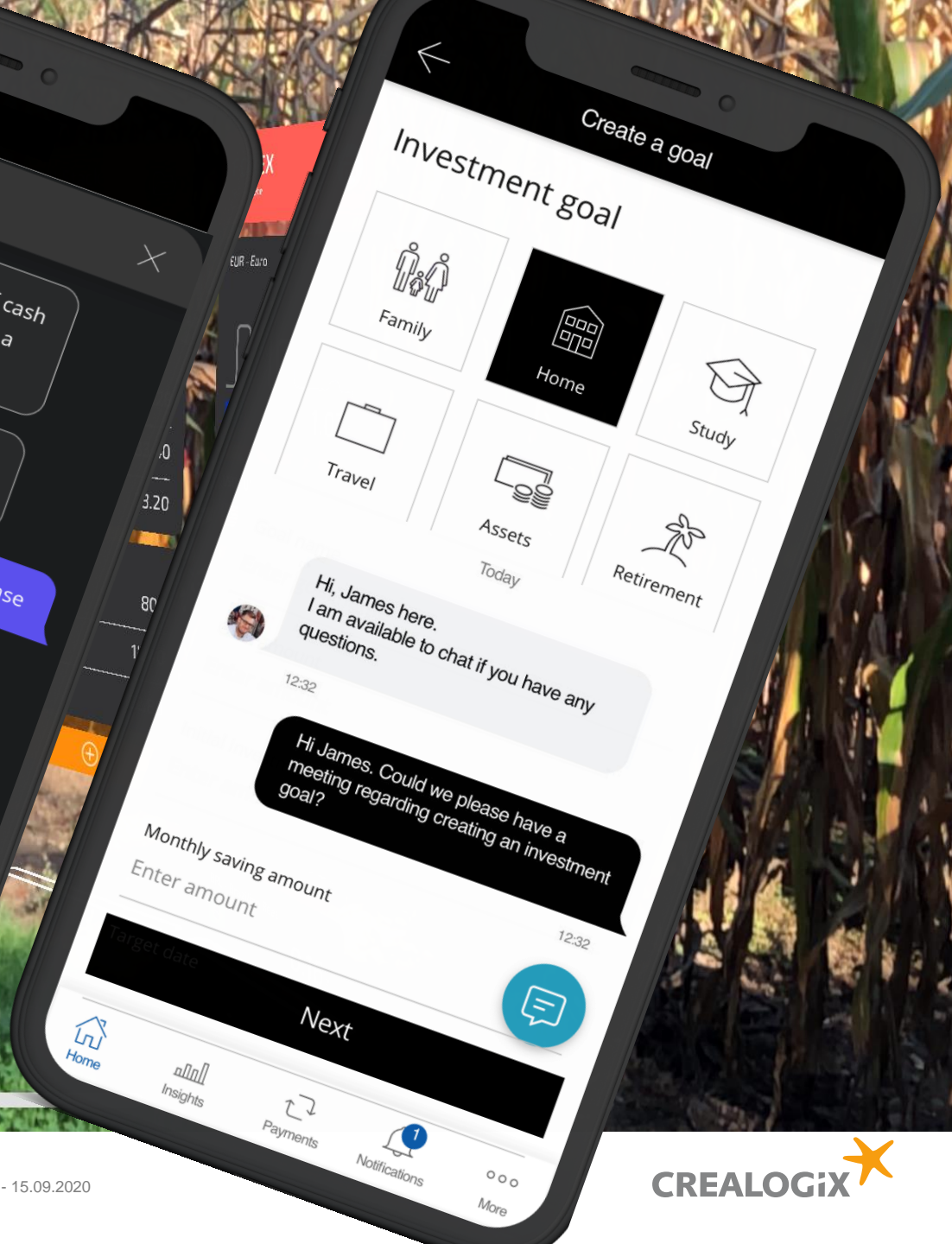
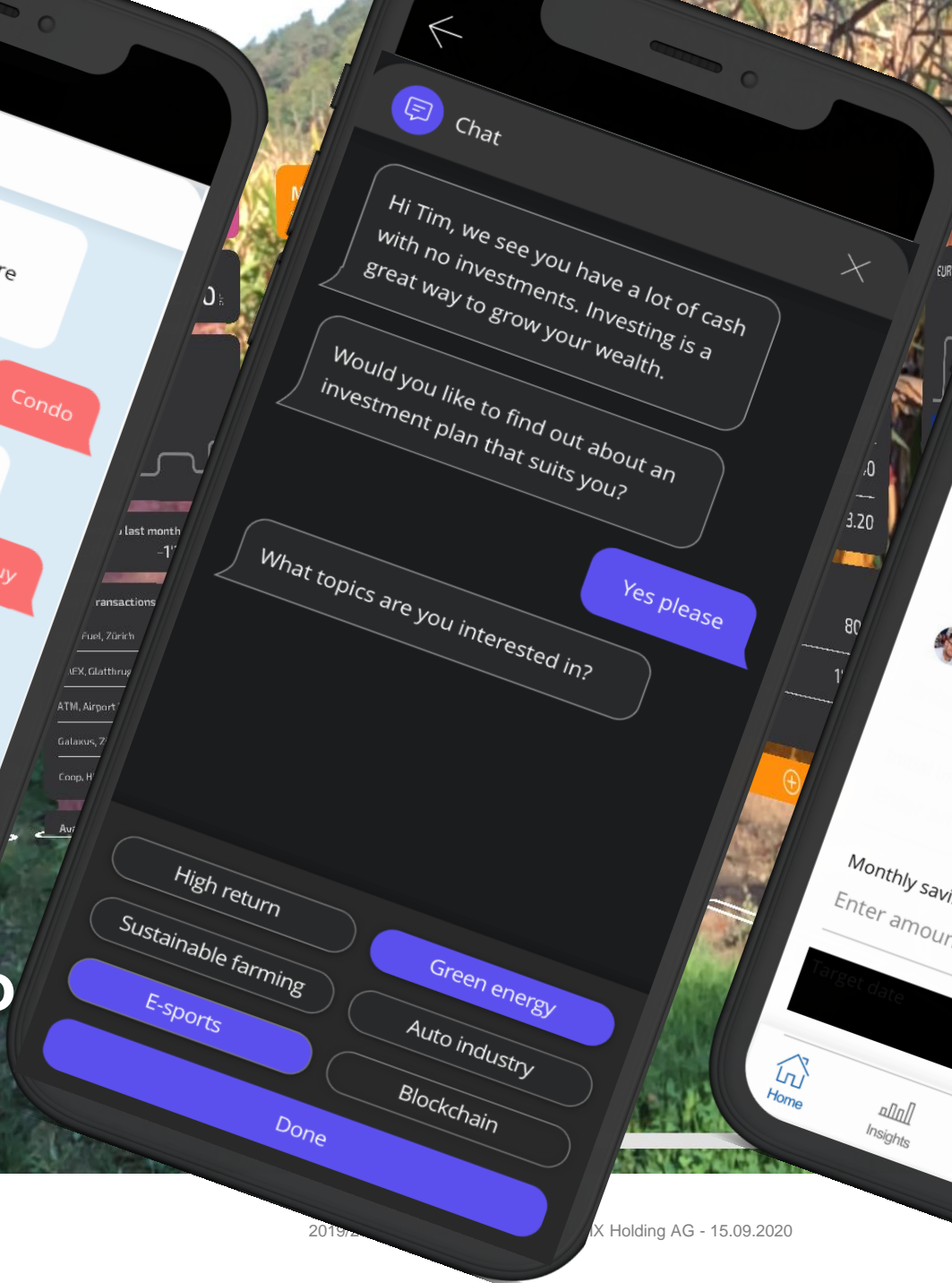
Example of upcoming orchestrated offerings:

- High personalisation
- Easy orchestration
- Open platform

From roadmap to reality



to





Outlook

Oliver Weber, Chief Executive Officer

15 September 2020

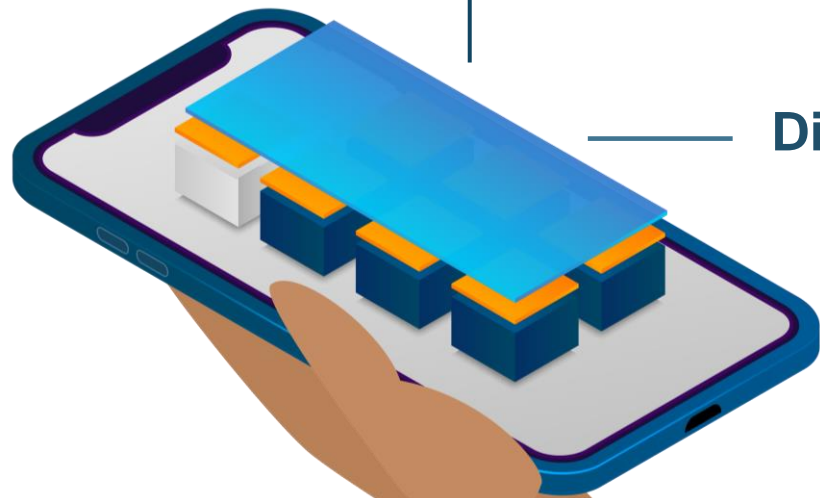
Fitness camp for the pioneer

CREALOGIX is accelerating the execution of its strategy

- ONE global organisation with four sales regions, three sales segments and a SaaS offering
- ONE global platform offering with the Digital Banking Hub
- ONE global functional organisation for delivery, product development and partners



Successful execution of our strategy to land major long-term SaaS engagements: Förderbanken Group



Digital Banking Portal

New global partnership with IBM helps accelerate go-to-market



- Backed by the IBM Cloud, CREALOGIX will deliver **standardized SaaS solutions** tailored to regulated requirements
- Offering key products as **digital banking portal** of CREALOGIX together with **Global Business Services** from IBM
- CREALOGIX to join the **Financial Services Cloud** of IBM

CREALOGIX's 2020/21 full-year target



EBITDA margin above adjusted EBITDA 19/20

However, the effects of COVID-19 may lead to a negative impact on the achievement of short-term targets.

CREALOGIX's mid-term targets



Increase recurring revenue to 60%



Double-digit EBITDA margins

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

Thanks!

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