



# Annual Results 2017/18

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CREALOGIX Group

18 September 2018

# Disclaimer

This presentation contains forward-looking statements, which offer no guarantee with regard to future performance. These statements are based on information currently available to our management as well as on management's current assumptions and forecasts. There are numerous risks and uncertainties, many of which are beyond our control, that could cause our actual results, financial situation and performance to differ materially from the forward-looking information and statements made in this presentation. Each forward-looking statement speaks only as of the date of the particular statement and CREALOGIX does not assume any obligation to update or revise any forward-looking statements or other information, except as required by law.

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# CREALOGIX at a Glance

## KEY ACHIEVEMENTS



Record Sales of CHF 87.1 Mio:  
growth of 16.4% (13.1% in local currency)



Recurring sales increased by 15%



Profitability (EBITDA) at 8.1%

**“CREALOGIX  
enhances, grows  
and expands”**

# SURVEY: What do customers expect from their banks?



# 20,7 %

Swiss interviewees  
conduct their banking  
business exclusively  
online





DIGITAL BANKING HAS 99% TO GO.

“

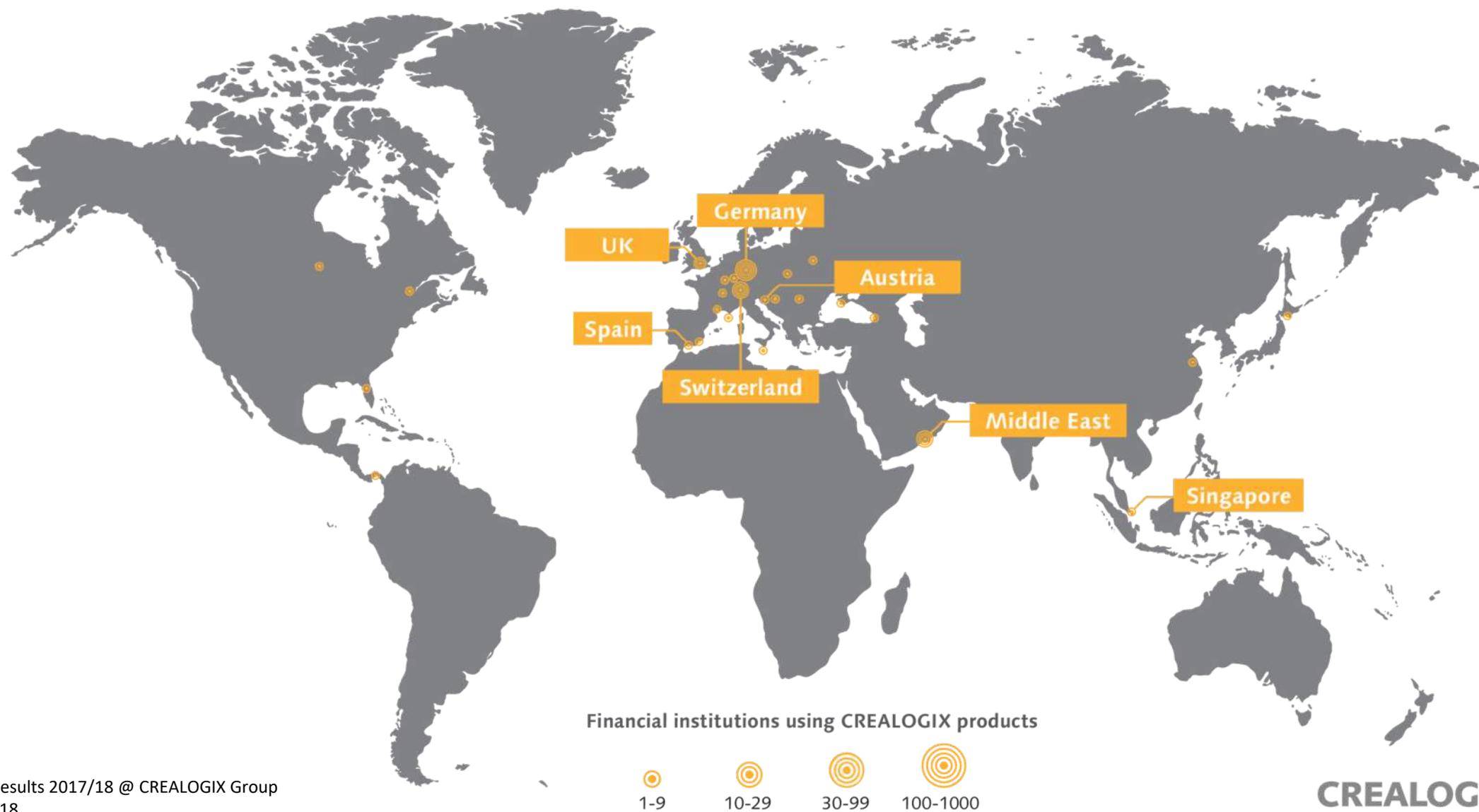
Digital Banking is only 1% finished, that isn't a criticism or anything negative about the industry. It just means that [...] we've only begun to scratch the surface of what's possible

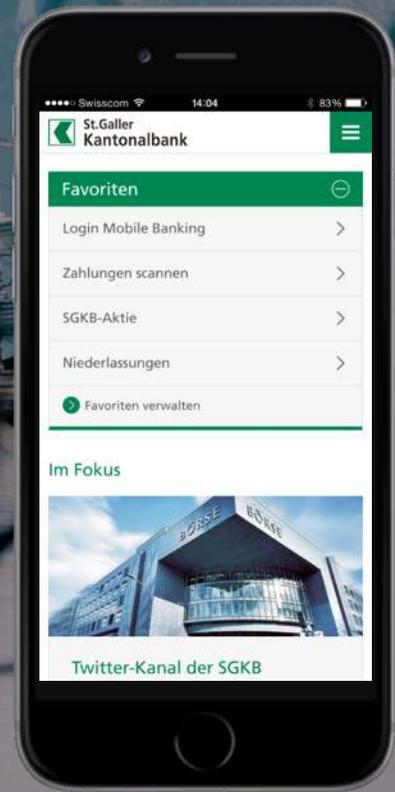
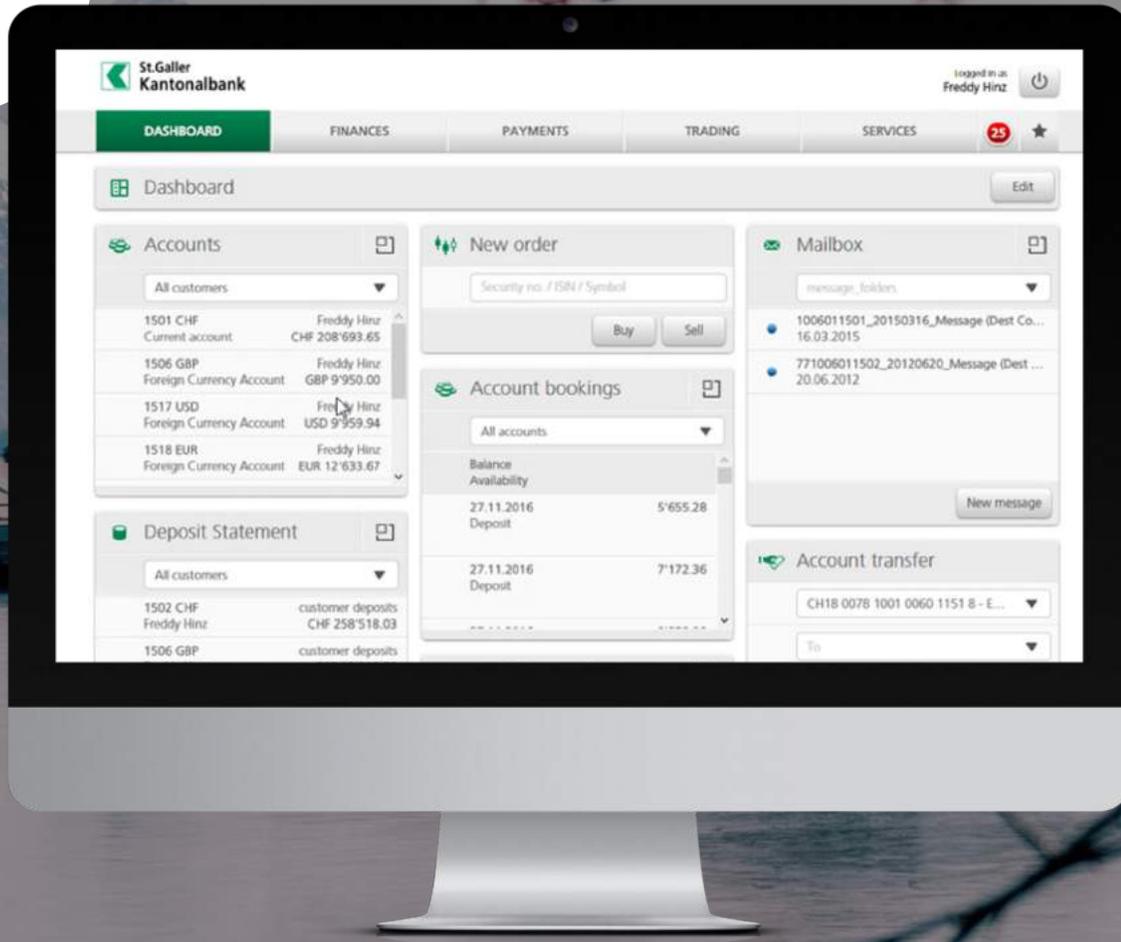
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~ David M. Brear, 11:FS

Source: 11fs.com

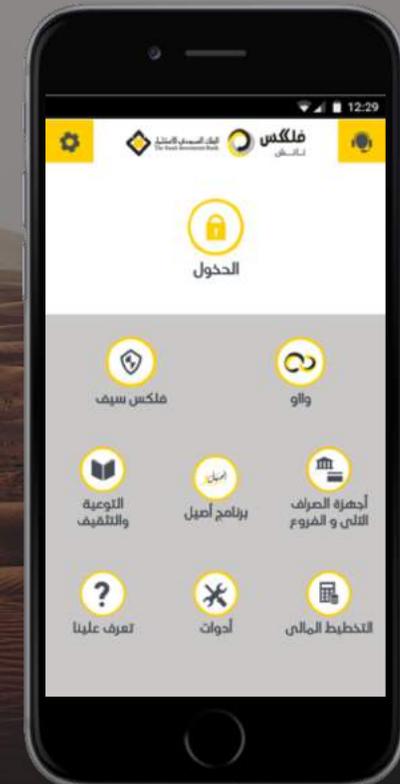
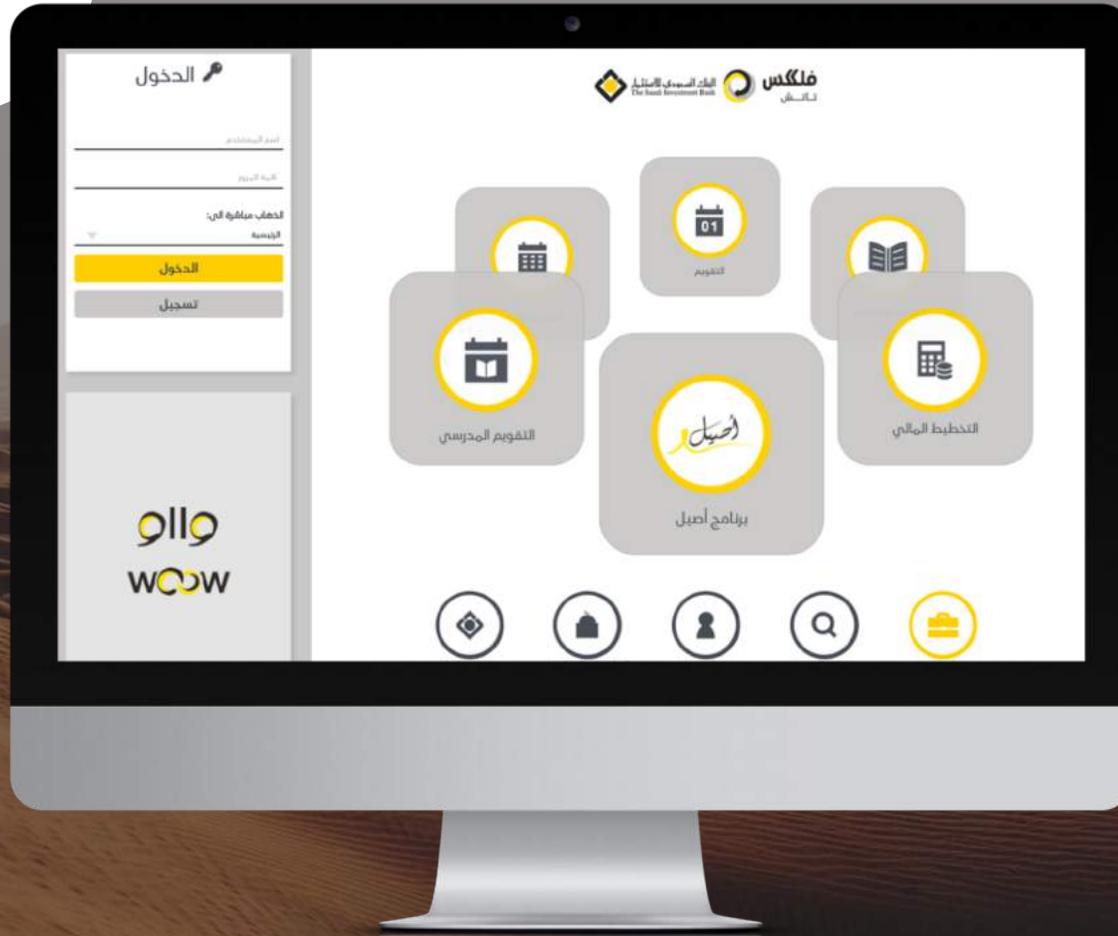
# International Presence

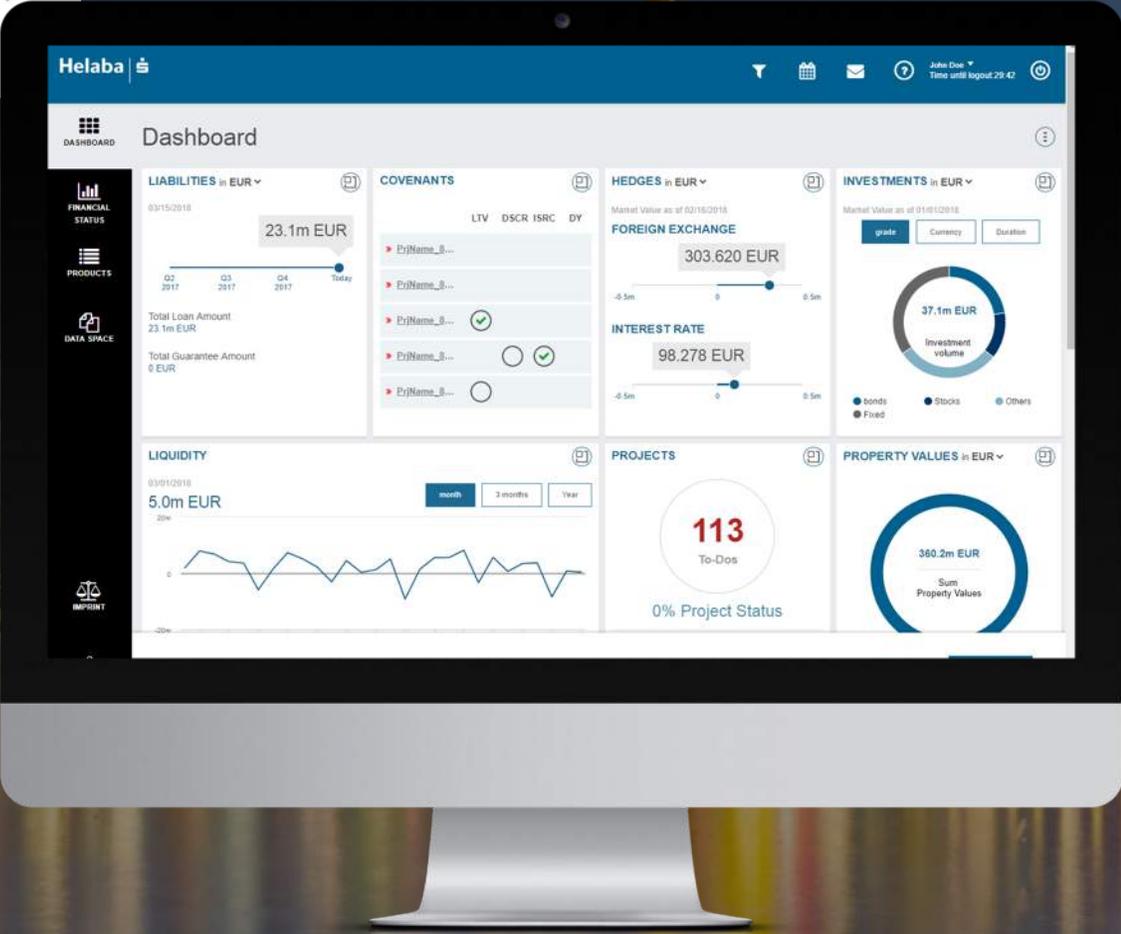






البنك السعودي للاستثمار  
The Saudi Investment Bank





# CREALOGIX with Award Winning Solutions (2018)



## ASIAN PRIVATE BANKER

elected CREALOGIX as “Best Mobile/Tablet App Developer” in Asia as part of the “Technology Award”



## The bobsguide

named CREALOGIX in the Top 10 of “30 asset management software and solutions to watch in 2018”



## Private Banker International

Hybrid consulting solution “Financial Advisory Workbench” convinces in “**Excellence in Customer Experience**” Germany Award



## Goodacre’s Systems in The City

CREALOGIX was awarded “**Best Web Front End Solution**” for innovative solutions provided to leading wealth management firms.

# Banking App «Gravity»



# FINOVATE



# 60 %

Would like to have a single banking app that could be used to trigger all financial processes





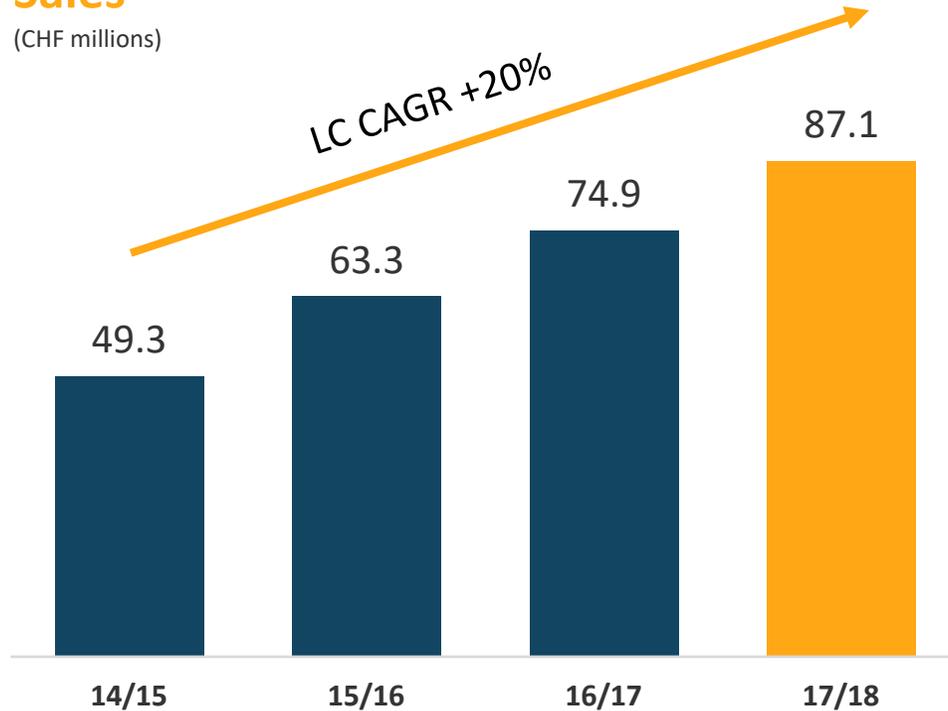
# 2017/18 Facts & Figures

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# Key Figures 2017/2018 Full Year Results

## Sales

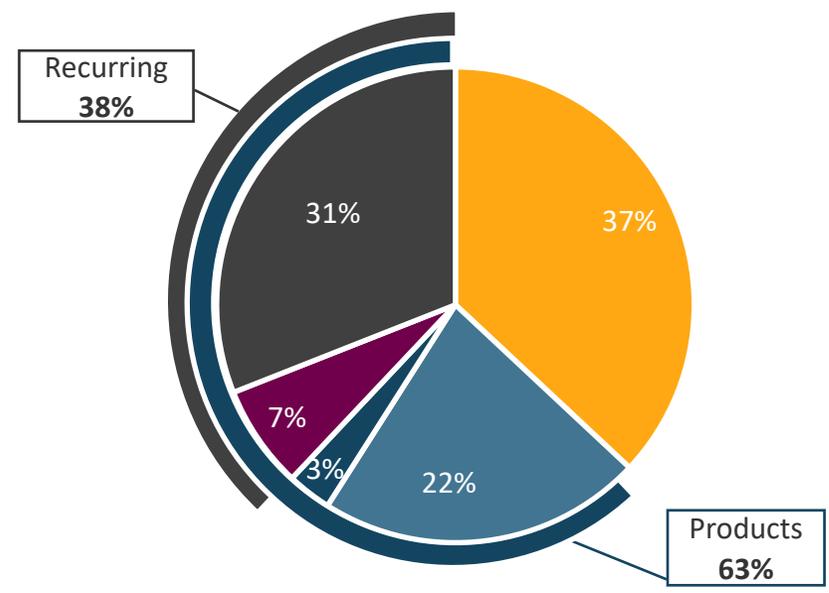
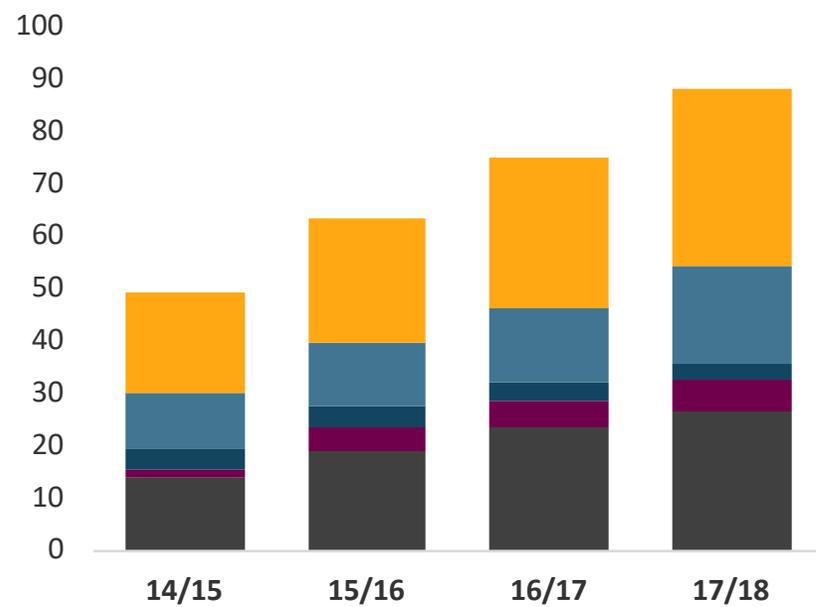
(CHF millions)



- Sales increased 16.4% in CHF
- In local currency (LC) sales increased 13.1%
- Strong growth despite shift towards SaaS/Rent model in Germany. Most new customers in Germany with SaaS/Rent

# Key Figures 2017/2018 Full Year Results

**Sales by Category:** 15% growth with recurring revenue in the fiscal year 2017/18

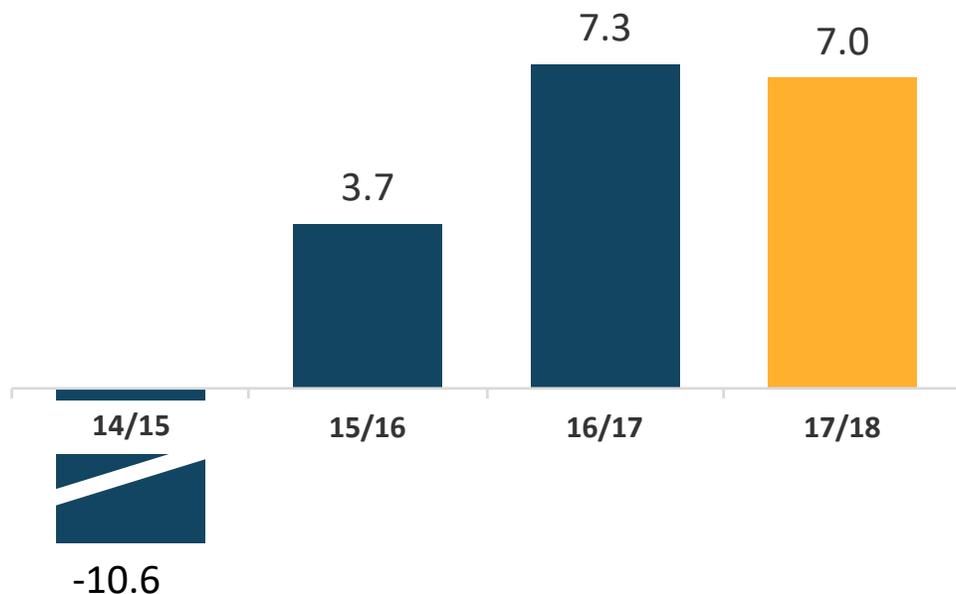


■ Services    ■ Licences    ■ Devices    ■ SaaS / Hosting    ■ Maintenance

# Key Figures 2017/2018 Full Year Results

## EBITDA

(CHF millions)

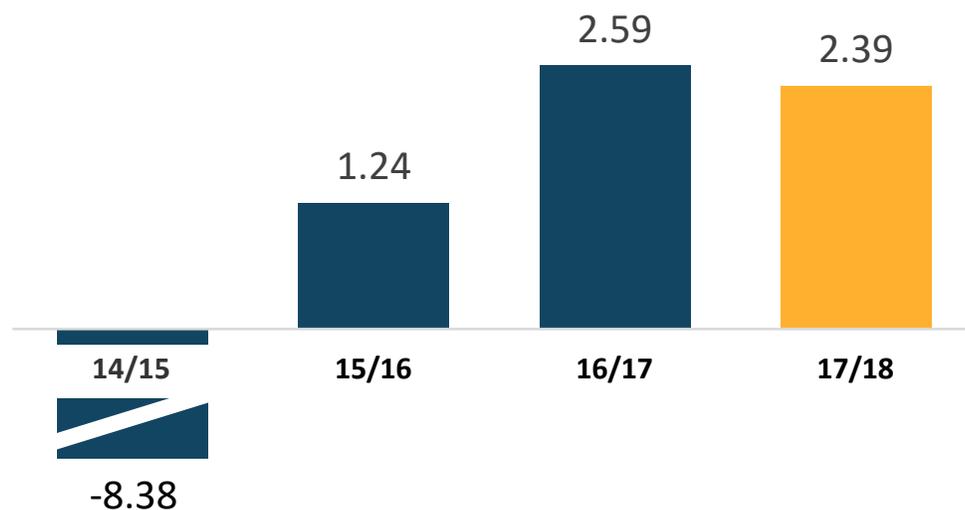


- EBITDA margin at 8.1% which is 170 bps below prior year.  
Two main reasons:
  - Switch to SaaS/Rent in Germany
  - Personnel resources needed to be filled with expensive local freelancers
- We continue to heavily invest in our products: R&D expenses in 17/18 were 21% of sales (prior year 20%)

# Key Figures 2017/2018 Full Year Results

## Adjusted Earnings Per Share\*

(CHF)



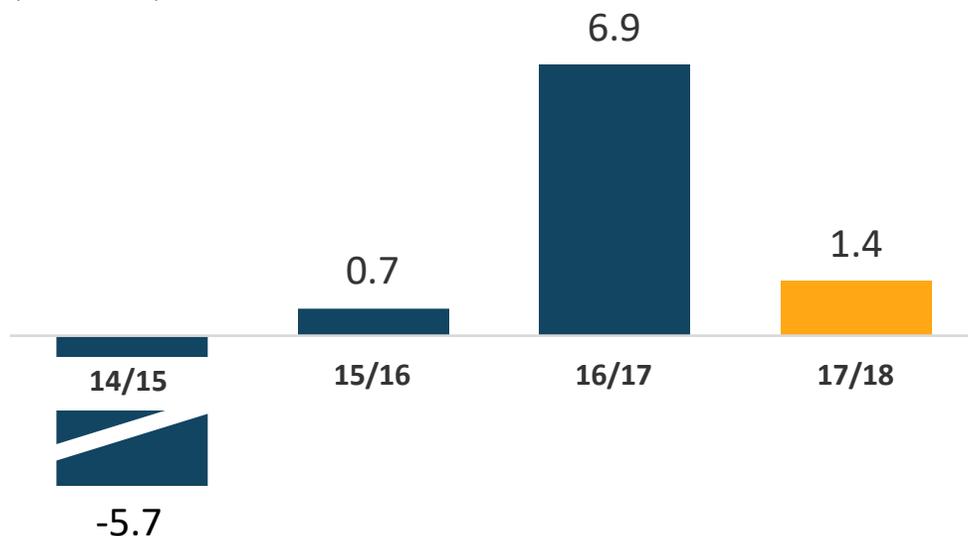
- Adjusted EPS excludes amortisation of goodwill. This makes the results comparable to other international accounting standards
- EPS below prior year mainly due to lower EBITDA

\* Adjusted Earnings per Share is defined as diluted earnings per share excluding goodwill amortisation, net of tax.

# Key Figures 2017/2018 Full Year Results

## Free Cash Flow\*

(CHF millions)



- Free Cash Flow is CHF 5.5m below prior year
- Volatility is high due to timing of invoicing for licenses and completion of projects.
- Receivables increased CHF 8.8m compared to prior year

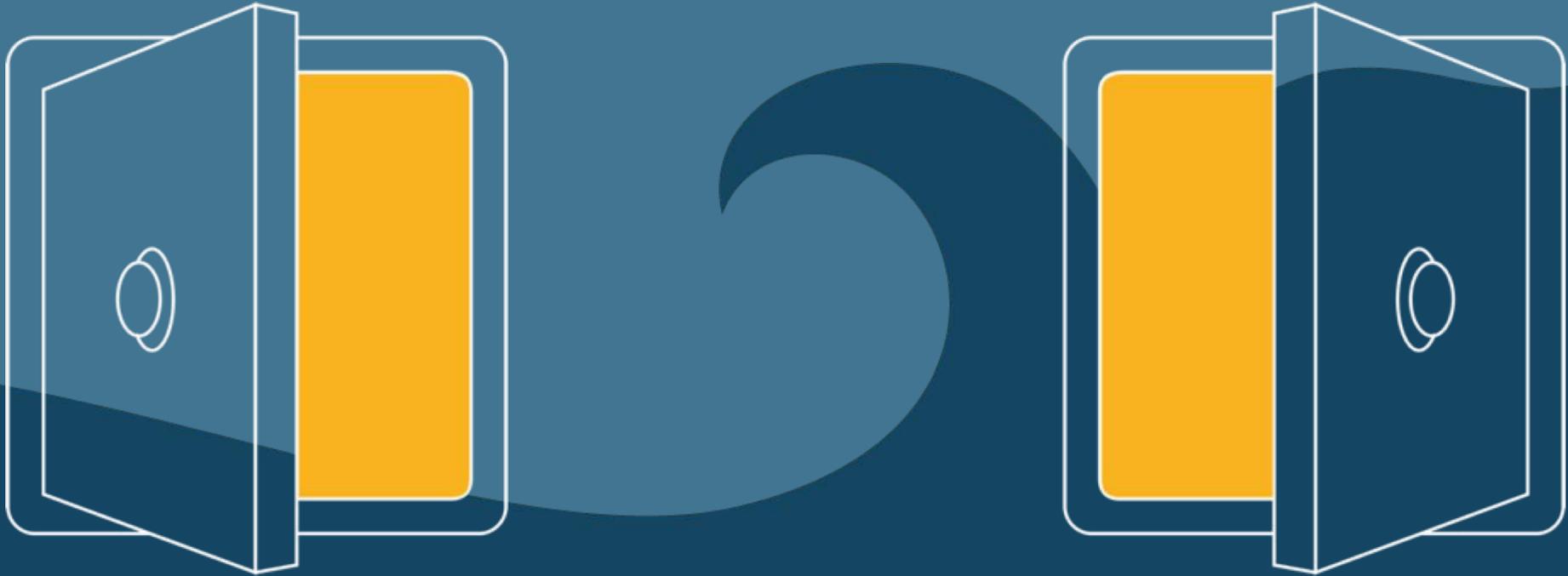
\* Free Cash Flow is defined as cash flow from operating activities including purchase and disposal of tangible and intangible assets

A woman with curly hair is smiling broadly in a meeting. She is wearing a grey t-shirt and a necklace. Two men in suits are also smiling and looking at her. The background is a bright, modern office with large windows.

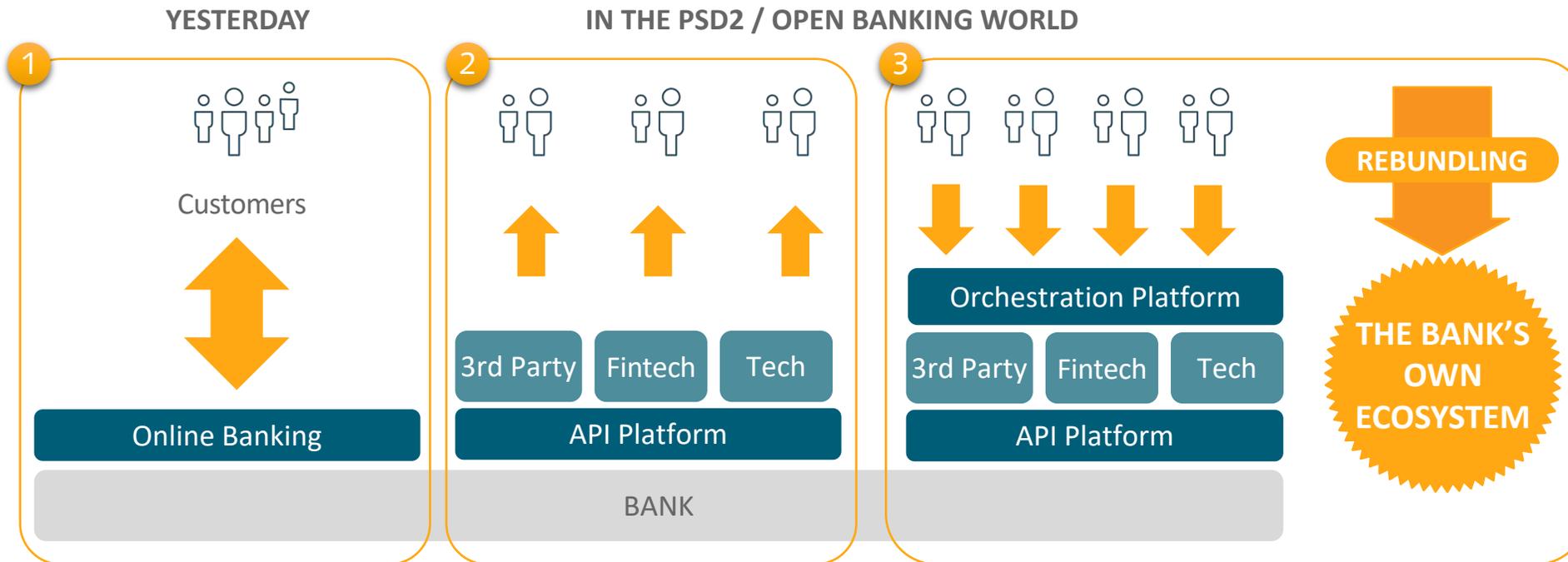
# The Open Banking Wave

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The Open Banking wave is unfolding . . . and will change banking forever

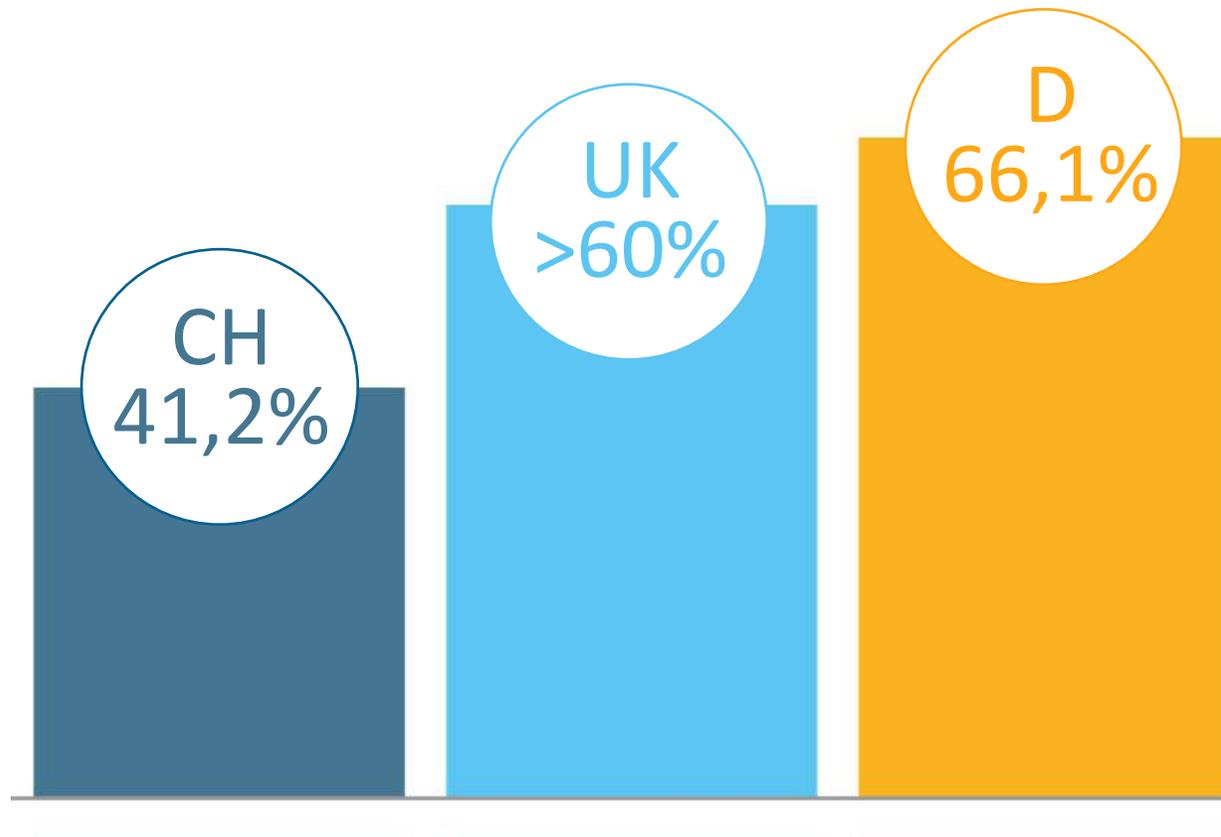


# Open Banking is here to stay



The gravitational force towards Open Banking is getting stronger

# The Open Banking wave is unfolding . . . our survey shows it



More and more people would like to have a single banking app that could be used to trigger all financial processes

CREALOGIX Banking Customer Surveys 2018



# The Open Banking wave is unfolding . . . every survey shows it

We are convinced that **open banking** is the beginning of a very strategic transformation: the shift to a 'platform of services' model.

LookOut 2020, Atos, 2018

*Opening internal systems through APIs is not an easy task, but the potential benefits have the power to offset the unavoidable challenges*

*The future of banking, Aité, 07/2017*

Collaborating with a growing **ecosystem** of FinTech service providers can offer wealth managers the opportunity to serve their clients better.

*Tomorrow's wealth management, Ernst & Young, 2017*

The winners will be banks that embrace **Open Banking** and modernize their business model, opening it up to 3rd parties

*Brave new world of open banking, Accenture, 2018*

We believe that the future winners will be players that truly focus on clients' interests, build an **open technological ecosystem**

*Global WM report, Boston Consulting Group, 2018*

These aren't entirely new models, but **Open Banking** provides a pathway to digital enablement that wasn't as open before.

*Demystifying open banking, PwC, 05/2018*

Banks should put **API platforms** at the heart of their digital strategy to attract ecosystem partners.

*LookOut 2020, Atos, 2018*

The **APIconomy** is an **ecosystem** in which banks and FinTechs co-evolve and co-innovate. Now is the time to invite others onto your banking platform.

*Embracing the APIconomy, Cap Gemini, 08/2018*

"Our goal is to firmly anchor the independent local cooperative bank as a **digital financial platform** for its members and customers."

*President of German Cooperative Banks, 06/2018*

90% of bankers surveyed believe **Open Banking** will boost organic growth by up to 10%.

*Brave new world of open banking, Accenture, 2018*

More than just a new compliance requirement: **Open Banking** will transform the industry

*Demystifying open banking, PwC, 05/2018*

55% think **APIs** will have a positive effect on their organisations' profitability

*The future of retail banking report, 12/2017*

Through **APIs**, wealthtech companies can serve as **open platforms** that integrate clients' multiple accounts to provide a comprehensive view of the financial position

*Global WM report, Boston Consulting Group, 2018*

One sure path to a disadvantaged position, is to neglect to develop a data & customer strategy that reflects the ongoing evolution in **Open Banking**

*Open banking's next wave, McKinsey, 08/2018*

**Open Banking** is about releasing the real potential of new technology for the benefit of consumers

*Head of Client Service, Coutts, 08/2018*

**APIs: a new kind of trade route**

*Brave new world of open banking, Accenture, 2018*

The two big things that will fundamentally change our business are centred around **Open Banking**

*Chief Digital Officer, Deutsche Bank, 07/2018*

In an **open-data** market that banking is becoming, the ability to form effective partnerships is a vital skill and a new source of competitive advantage.

*globalbankingandfinance.com, 06/2018*

87% of all banks report that they have a clear strategy for developing **open APIs**, up from 59% in 2017.

*Global retail banking survey, ACI Worldwide, Ovum, 2018*

The **platformification**, or bundling together of new products + services on one platform from different providers, is changing the dynamics of the **Open Banking** battlefield."

*Beginner's guide to open banking, 11fs.com, 05/2018*

**Open Banking** systems make it possible to interconnect the finances of clients and to create a myriad of new applications based on common and easily interoperable standards.

*BBVA, bbvaopen4u.com, 04/2018*

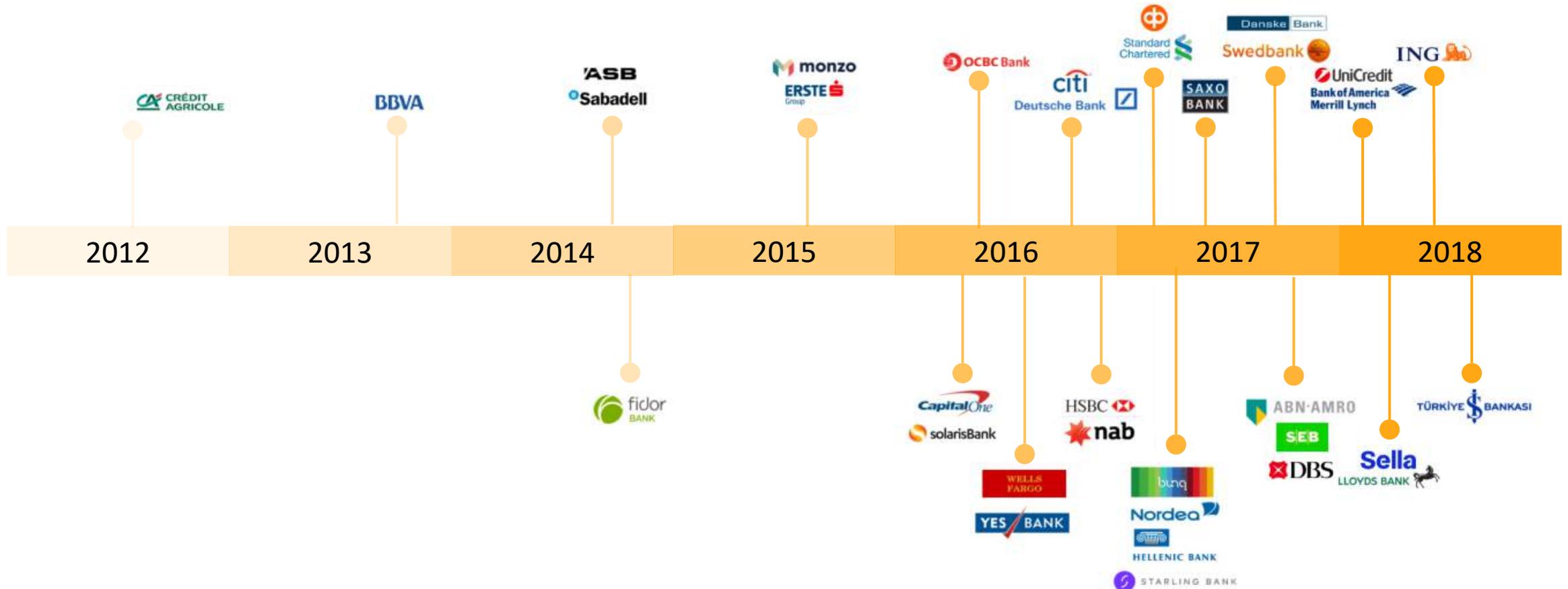
Banks that are well prepared, to both partner with non-traditional players and monetize their **APIs**, will have an early edge.

*paymentsjournal.com, 02/2018*

Experts and bankers embrace **Open Banking**

**CREALOGIX** 

# The Open Banking landscape is growing . . . but it is still in the early days



# How can banks become successful in the Open Banking world?

## Own ecosystem

Create it easily - build it up from a client perspective

## Time-to-market

Be able to connect seamlessly with relevant players within weeks

## Customer convenience

Actively hide complexity



## Simplified customer journeys

With intelligent and proactive use of data

## Customer in control

Allow for a free choice and a highly personalised offering

## Digital revenue streams

Extend value across the customer journey

# What is the unique role of CREALOGIX in the Open Banking world?

CREALOGIX Digital Banking Hub



Orchestration API

Aggregation API

Integration API



engage

enrich

enable

**VALUE**

**EXPERIENCE**

**INTELLIGENCE**

**OPENNESS**

# Our Hub is open - Our marketplace is the whole global fintech world

**Wallets & Money Transfer**

one97 KakaoPay TransferWise Revolut mo currencyfair  
worldremit CIRCLE Zidovik LevelUp ZENIA coins.ph  
Toss Mynt pago BitPesa

**Processing & Payments Infrastructure**

stripe 技术股 adyen Klarna iZettle PING++ rdp  
SIGNIFYD YAPSTORE Ebury Pa/oneer AIRWALLEX QFPAY  
ZOOZ flywire MARQETA Currencycloud tygo PayNearMe veem  
iyzico goCARDLESS ezetap YOCO paystack

**Capital Markets & Trading**

Quantopian TRUMID D A Q Neighborly Reorg Research  
KENSHC Credit Benchmark alphasense ARTIVEST easyinvest  
xignite iex riskalyze STREET CONTX NUMERAIR  
eShares CAPTABLE 10 ALGOMI NYSHEX

**Crowdfunding**

KICKSTARTER INDIEGOGO CircleUp crowdcube AngelList 蚂蚁聚宝  
SEEDRS gofundme

**Real Estate Investing**

POINT CADRE REALTYSHARES roofstock PeerStreet  
Property Partner

**Blockchain**

ripple Digital Asset Chain 蚂蚁金服 BLOCKSTACK  
AXONI Blockstream factom Polychain Capital  
coinbase bitFlyer brave xapo

**Wealth Management**

raisin. GuiaBolso PERSONAL CAPITAL moneyfarm Guideline  
Betterment nutmeg wealthfront THEO STASH Ellevest  
Wealthsimple FOLIO ADDEPAR acorns  
富途证券 robinhood

**Personal Finance & Mobile Banking**

digit nerdwallet claritymoney clearTax tally Atom  
51信用卡 tink 随手记 CAPITAL N26 Nium  
Even API PROPEL

**Financial Services & Infrastructure**

cross river Cloud9 SYMPHONY PLAID openfin  
solarisBank DEPOSIT SOLUTIONS figo Quovo Kasisto TRADEIT

**Regulatory & Compliance**

EverCompliant OpenGamma Perfos Merlon Intelligence  
Digital Reasoning token verato SOCURI onfido  
Trulioo fenergo DROIT ComplyAdvantage

**General Lending & Marketplaces**

LU.com JD 微 WeLab paytm Lendip auxmoney Orchard  
TrueAccord 微360 indifi Kreditech OPORTUN finrise

**Personal & Consumer Lending**

Affirm activehours upgrade SoFi LendUp smava  
钱 用钱宝 微分期 credits 瑞分期 eamest 拍拍贷 SocietyOne  
GreenSky 分期乐 Finacle 宜信 微粒贷 拍拍贷 zest

**Business Lending**

Kabbage Funding Circle 点融网 BlueVine CAPITAL FLOAT 元宝铺  
behalf FUNDBOX marketinvoice C2FO 农分期  
prospa LENDINGKAT funding accounts

**Mortgage Lending**

lendinvest LendingHome habito ROOSTIFY abetter blend 安居客

**Credit Score & Analytics**

credit karma Wecash 蚂蚁金服 bestfinance TALA NOV branch  
JUVO KREDIT bonify PEEPIO CreditMentor

**Merchant Services**

silverfin avidxchange TRADESHIFT ZEITGOLD PARASUT  
billtrust SirionLabs WAVE free Magento travelbank  
Avalara VATBOX canopy ZUORA FinancialForce kyriba

**Insurance**

众安保险 OSCAR Clover bright trov Namely bob GUSTO  
metromile BIMA Lemonade 蚂蚁金服 WorldCover  
new next simplesurance CYKOR Ladder EMBROKER



# Beyond PSD2 - a glimpse into the future of Open Banking . . .

## PSD

### «The Force Awakens»

- It all starts with the innocent-sounding harmonisation of payments (SEPA)
- A chain of events has begun that leads to fundamental changes
- Only a few can foresee the disruptive potential ahead

## PSD 2

### «Attack of the Clones»

- Disruptors are gearing up: copycat apps and buzzword-driven startups pop up everywhere
- Unbundling of banks becomes visible
- Incumbents evaluate the situation

## PSD 3

### «The Empire Strikes Back»

- The large or technologically capable banks have finally got their digital act together
- Leading banks ask for more data to be opened for aggregation to enhance their position

## PSD 4

### «A New Hope»

- Digital ecosystems with embedded financial functionalities reign the banking world
- Banking is smartly and seamlessly integrated into people's (digital) lives



**WE ARE HERE NOW**



# Outlook

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## Targets

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Sales to exceed threshold of CHF 100 Mio in financial year 18/19



Annual Sales growth of >20% in the mid-term



Profitability (EBITDA) at 15% in the mid-term

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„Such a level of detail -  
which is needed in the  
market - you will hardly  
find with any other  
software.“

Prof. Heinrich Bockholt, Institut für Finanzwirtschaft – *on the CREALOGIX solutions*



## CREALOGIX

 Philippe Wirth, Chief Financial Officer

 philippe.wirth@crealogix.com

 +41 58 404 86 62

We Create Digital Leaders

CREALOGIX 