

Ad hoc announcement pursuant to Art. 53 LR

Press release

Zurich, 13 September 2022

CREALOGIX: High one-off investments impact EBITDA in the financial year 2021/22

CREALOGIX sales fell by 14% to CHF 94 million in the challenging financial year 2021/22. This drop in sales, together with the extraordinarily high capital investment for the implementation of the development bank product in Germany led to a negative EBITDA of CHF 9.3 million. The implemented cost reductions and the conclusion of the investment in the development bank product will ensure a rapid return to positive EBITDA in the financial year 2022/23.

Swiss fintech company CREALOGIX invested significantly in the development of its existing and new products in the financial year 2021/22. Its portfolio of products and services were streamlined and consolidated according to strategic realignment criteria. For various reasons, including the fall in one-off sales, net turnover amounted to CHF 94 million, a drop in sales of 14% compared with the previous year. At the same time, the proportion of recurring sales now amounts to 51.3% of total sales. In addition to converting the licence model, the planned transfer of service revenue to implementation partners, exchange rate effects (CHF 1.6 million) and the weaker sales of payment devices all contributed to the drop in sales.

Extraordinarily high capital investment leads to a loss

The greatly increased product investment of 31% of total sales (previous year: 22%) led to a negative EBITDA of CHF 9.3 million. The implementation of the development bank platform in Germany represents the achievement of an important objective in product development for CREALOGIX, and the investment is 90% complete. The fall in sales volume and inflation in the production countries had an additional impact on the EBITDA. This could not be fully offset by means of cost savings and price increases.

The corporate loss before goodwill amortisation amounted to CHF -12.2 million, compared with a profit of CHF 0.8 million in the previous year. The equity ratio as of the end of the year was 22.6% (previous year: 38.0%) – with a conservative accounting policy and negative exchange rate effects arising from the consolidation of CHF 5.0 million. According to the terms of the convertible bond, CREALOGIX may not fall below an equity ratio of 25%. In particular due to the strong drop in the EUR/CHF exchange rate, this was temporarily not met

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at the end of the financial year. However, this has been remedied in the meantime with various measures that have already been announced, including the partial sale of Swiss Learning Hub AG. Accordingly, the temporary deviation of the equity ratio has no consequences for the convertible bond.

Thanks to increased efficiency arising from the consolidation of the portfolio, it has also been possible to modify the HR structure: CREALOGIX currently employs 542 people worldwide, 17% fewer than in the previous year.

Focus on digital banking

The focus on the core business of digital banking is also continued in the first two months of the financial year 2022/23: In August 2022, CREALOGIX sold 67% of its subsidiary Swiss Learning Hub AG.

Outlook

CEO Oliver Weber says: "The difficult financial year was characterised by a series of one-off effects, in particular high capital investment for the development banks. Capacities which were tied up for development and implementation are now once again available for important customer projects and initiatives. The greatly improved cost situation will quickly take us back to profitability."

At an adjusted comparison level (deconsolidation of Swiss Learning Hub AG) CREALOGIX does not yet expect higher sales for the financial year 2022/23, in particular because of the uncertainties with the euro exchange rate and the continuing switch to multi-year contracts. On the other hand, CREALOGIX does expect to return to a positive EBITDA in the first half of the financial year 2022/23.

You can download the full annual report for 2021/2022 here:

<https://crealogix.com/en/about-us/investor-relations>

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About CREALOGIX

The [CREALOGIX Group](#) is a Swiss top 100 fintech company and a global market leader in digital banking. CREALOGIX develops and implements innovative fintech solutions for the financial institutions of tomorrow. With CREALOGIX's solutions banks, wealth management firms and other financial institutions better respond to evolving customer needs in the area of digital transformation. The Group, founded in 1996, employs around 520 staff worldwide. Shares of the CREALOGIX Group (CLXN) are traded on the SIX Swiss Exchange

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