

Media Release

11 April 2019

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SIX Exchange Regulation AG reaches an agreement with poenina holding ag

SIX Exchange Regulation AG has reached an agreement with poenina holding ag with regard to a breach of Swiss GAAP FER accounting standards in the 2017 annual financial statements. The identified deficiencies relate to the presentation of receivables and liabilities from work in progress as well as related allowances in the balance sheet and the income statement, omission of disclosures with regard to segment reporting as well as economic impacts arising from pension benefit obligations. As part of the agreement, the company has undertaken to correct the errors in the 2018 Swiss GAAP FER annual financial statements and to make a payment of CHF 10,000 to the Swiss Foundation for Accounting and Reporting Recommendations.

In the 2017 Swiss GAAP FER annual financial statements, poenina holding ag offset receivables from work in progress in the amount of KCHF 3,598 against liabilities from work in progress, although these projects are not in connection to one another and therefore may not have been netted. In addition, related allowances of KCHF 2,582 for anticipated losses were presented as part of short-term provisions, but need to be presented as a deduction from services recognized under work in progress. Moreover, changes arising from allowances for anticipated losses under long-term contracts in the amount of KCHF 1,587 were not presented correctly in the income statement. Furthermore, several items amounting to KCHF 3,344 in total were presented as short-term provisions instead of accrued liabilities and deferred income.

As a result of these omissions, presentation in the balance sheet and the income statement was adjusted. However, the abovementioned deficiencies had no effect on the results and equity reported in the 2017 annual financial statements.

Line item	Amount posted in the 2017 Swiss GAAP FER annual financial statements	Adjusted amounts	Adjustment posting
Balance sheet:			
Receivables from work in progress	KCHF 4,517	KCHF 5,533	KCHF +1,016
Liabilities from work in progress	KCHF 0	KCHF 3,598	KCHF +3,598
Short-term provisions	KCHF 7,852	KCHF 1,926	KCHF -5,926
Accrued liabilities and deferred income	KCHF 398	KCHF 3,742	KCHF +3,344
Income statement:			
Changes in inventory of work in progress	KCHF 3,602	KCHF 2,015	KCHF -1,587
Changes in provisions	KCHF -1,530	KCHF 0	KCHF +1,530
Raw material expense	KCHF -65,323	KCHF -65,266	KCHF +57

Moreover, in the 2017 annual financial statements, poenina holding ag failed to present quantitative information for segment revenues, justify the non-disclosure of segment results and disclose the economic impacts arising from pension benefit obligations.

As part of the agreement with SIX Exchange Regulation AG, poenina holding ag has undertaken to correct and disclose these errors in the 2018 Swiss GAAP FER annual financial statements as well as to adjust the notes. In addition, the company will make a payment of CHF 10,000 to the Foundation for Accounting and Reporting Recommendations.

The investigation opened by SIX Exchange Regulation AG against poenina holding ag in connection with the 2017 Swiss GAAP FER annual financial statements was closed when the agreement was reached.

This and previous publications of agreements in connection with financial reporting can be found at:

<https://www.six-exchange-regulation.com/en/home/publications/explorer/communiques.html>

Obligations concerning financial reporting

Periodic financial reporting is part of the information required under the Financial Market Infrastructure Act and the Listing Rules to ensure a functional market. As part of this process, issuers must comply with the applicable financial reporting standards.

Information on the field of financial reporting can be found at:

<https://www.six-exchange-regulation.com/en/home/issuer/obligations/financial-reporting.html>

Relevant accounting standards in assessing the case in question:

According to Swiss GAAP FER 22/7, principles of recognition, measurement and disclosure of long-term contracts in the annual financial statements are generally to be applied to each long-term contract individually. Pursuant to Swiss GAAP FER 22/5, allowances need to be recognized for losses that become apparent. Provisions need to be recognized only when the necessary allowances are higher than the amount capitalized for the respective project.

An income statement presented according to the nature of expense method is subject to the minimum format requirements pursuant to Swiss GAAP FER 3/7, and expenses as well as reductions of expenses are to be presented accordingly.

As per Swiss GAAP FER 11/4, liabilities from current income taxes are to be classified as accrued liabilities or other short-term liabilities. Furthermore, pursuant to Swiss GAAP FER 23/1, provisions only represent probable obligations which are based on a past event and which amount and/or due date is uncertain but can be estimated.

Pursuant to Swiss GAAP FER 31/8, the segment reporting used on the top management level has to be presented for segment revenues and segment results. If a company disclaims the disclosure of segment results, it must disclose this fact accordingly and the reasons must be explained specifically to the situation of the entity.

According to Swiss GAAP FER 16/4 and Swiss GAAP FER 16/5, the notes must include further information concerning economic impacts of pension benefit obligations in table format.

Should you have any questions, please feel free to contact Jürg Schneider, Head Media Relations SIX.

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SIX Exchange Regulation AG

SIX Exchange Regulation AG performs the functions assigned under Swiss federal law and enforces and monitors compliance with the rules laid down by the Regulatory Board. SIX Exchange Regulation AG imposes sanctions in so far as it is authorised to do so by the regulations, or submits sanction requests to SIX Swiss Exchange's Sanction Commission.

SIX Exchange Regulation AG's independence from SIX Swiss Exchange's operating business is guaranteed by its direct subordination to the Chairman of the Board of Directors of SIX. SIX Exchange Regulation AG consists of the divisions Listing & Enforcement, responsible for regulating issuers, and Surveillance & Enforcement monitoring trading. www.six-exchange-regulation.com

SIX

SIX operates and develops infrastructure services in the Securities & Exchanges, Banking Services and Financial Information business units with the aim of raising efficiency, quality and innovative capacity across the entire value chain of the Swiss financial center. The company is owned by its users (127 banks). With a workforce of some 2,600 employees and a presence in 20 countries, it generated operating income in excess of CHF 1.9 billion and Group net profit of CHF 221.3 million in 2018. www.six-group.com