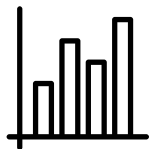


Interim statement Q1/2023



GFT Technologies SE | 11 May 2023



Agenda

- **Highlights** | Marika Lulay (CEO)
- Financials Q1 2023 | Dr Jochen Ruetz (CFO)
- Outlook 2023 | Marika Lulay (CEO)

Highlights Q1 2023



- › Solid growth in our key markets driven by continuing digitisation pressure
- › Revenue **+10%** y-o-y
- › Adjusted EBIT **+17%** y-o-y
- › US revenue **+62%**
- › ESG ratings improved (CDP: D→C; S&P: 35→49)
- › Guidance 2023 confirmed

REVENUE

€ **191** million

ADJ. EBIT

€ **16** million

REVENUE BY SECTORS



- Banking **72%**
- Insurance **18%**
- Industry & Others **10%**

GUIDANCE 2023

REVENUE

€ **850** million

Adj. EBIT

€ **80** million

targens is a perfect strategic fit for GFT



REVENUE CONTRIBUTION
FY 2023e

€~30 million

EXPERTS

~300

PRODUCT PORTFOLIO ENHANCED WITH LEADING COMPLIANCE SOFTWARE

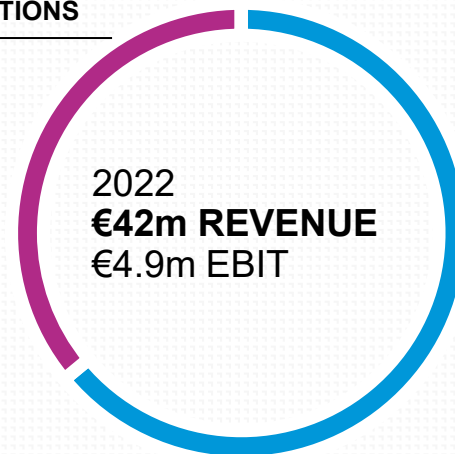
‘SMARAGD Compliance Suite’

- Used by 7 out of 10 German biggest banks
- Installed in 56 countries

Strategic benefits

- Enhanced expertise in the areas of consulting and compliance solutions
- Doubling of market share in the German financial industry
- Improved economies of scale and diversification

36%
SOFTWARE
SOLUTIONS



64%
CONSULTING

Transaction details: 100% acquisition closed on Apr 3, 2023 | cash deal, financed via liquidity & existing credit lines

Agenda

- Highlights | Marika Lulay (CEO)
- **Financials Q1 2023** | Dr Jochen Ruetz (CFO)
- Outlook 2023 | Marika Lulay (CEO)

Q1 key figures – double-digit sales and earnings growth



in €m	Q1/2023	Q1/2022	Δ
Revenue	190.67	173.35	10%
Order backlog	355.72	366.94	-3%
EBITDA	19.89	18.52	7%
EBIT adjusted*	16.28	13.91	17%
<i>EBIT adjusted margin</i>	8.5%	8.0%	
EBIT	14.83	13.45	10%
EBT	15.04	13.42	12%
<i>EBT margin</i>	7.9%	7.7%	
Net income	10.54	9.58	10%
Earnings per share (in €)	0.40	0.36	10%
Employees (in FTE)	8,792	8,120	8%

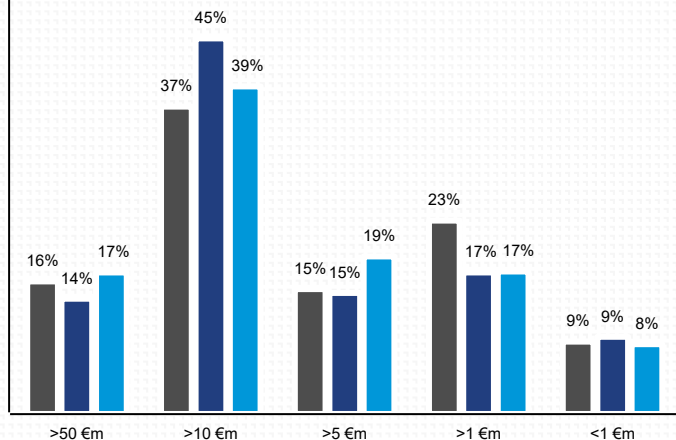
- **Revenue:** +10% (thereof FX effects: +1%)
- **Order backlog** slightly lower than previous year
- **Adjusted EBIT** increased disproportionately by 17%
 - Capacity adjustments: €-1.5m (Q1/2022: €-0.9m)
 - FX effects of €-0.5m (Q1/2022: €0.3m)
- **Adjusted EBIT margin** rose to 8.5% (Q1/2022: 8.0%)
- Increase in **EBT** by 12% to €15.0m
- Stable **tax rate** at 30% (Q1/2022: 29%)

* Adjusted for non-operational effects from M&A activities and share-price-based effects in the valuation of management remuneration; for details, see [key performance indicators \(gft.com\)](https://www.gft.com/key-performance-indicators)

Growth in all key markets



Well-balanced client portfolio
Largest client with temporarily higher portion

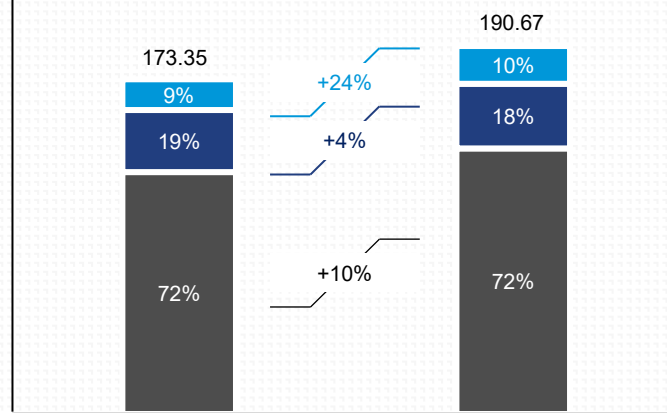


% revenue GFT Group ■ 2021 ■ 2022 ■ Q1/2023*

*Revenue portion Q1

Solid growth in key markets

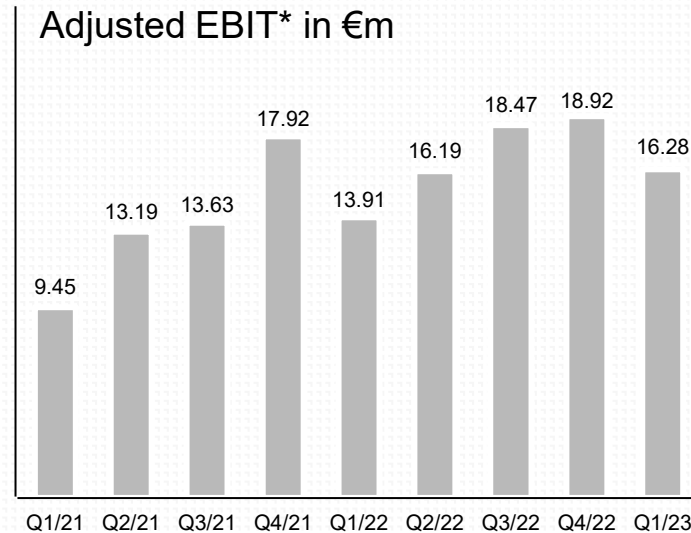
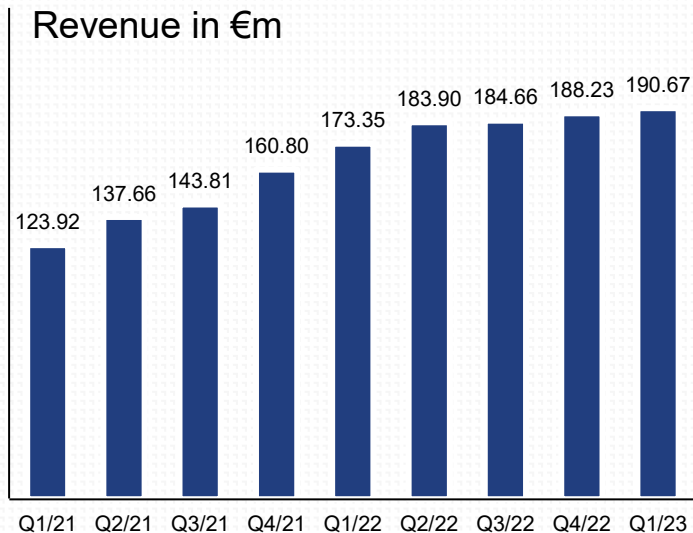
Banking +10%



■ Banking ■ Insurance ■ Industry & Others

** Prior-year figures restated

Revenue and adjusted EBIT by quarter



- **Q1/2023 vs. Q1/2022:** Solid revenue growth (+10%) and significant increase in adjusted EBIT (+17%)
- **Q1/2023 vs. Q4/2022:** Revenue slightly up by 1.3%, adjusted EBIT down 14%, mainly due to negative FX effects and higher expenses for capacity adjustments

*Adjusted for non-operational effects from M&A activities and share-price-based effects in the valuation of management remuneration; for details, see [key performance indicators](#) (gft.com)

Revenue and earnings by segment



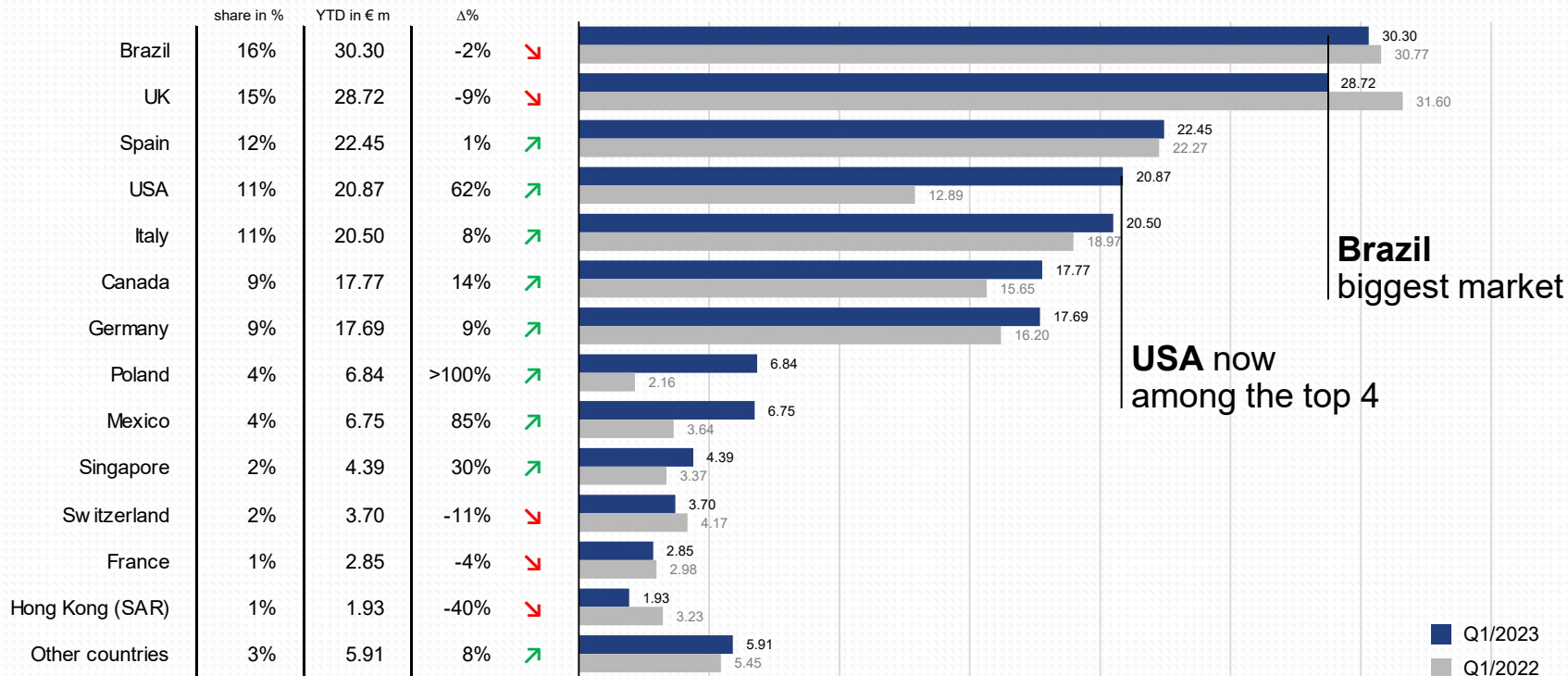
in €m	Revenue		Growth rates			EBIT adjusted*		
	Q1/2023	Q1/2022	Organic	FX	Total	Q1/2023	Q1/2022	Δ%
Americas, UK & APAC	116.56	106.59	8%	1%	9%	10.62	7.96	33%
Continental Europe	73.93	66.69	11%	0%	11%	8.43	7.68	10%
Others	0.18	0.07	n/a	n/a	n/a	-2.77	-1.73	-60%
GFT Group	190.67	173.35	9%	1%	10%	16.28	13.91	17%

- Strong market position in **Americas, UK & APAC** further expanded with growth of 9%, significant growth in USA (+62%) and Mexico (+85%), both significantly driven by the banking sector
- In **Continental Europe** sustained growth (+11%); strongest growth in Poland (>100%) due to revenue shifts from UK
- **GFT Group**: Organic revenue growth of 9%, disproportionately high increase in adjusted EBIT of 17%

*Adjusted for non-operational effects from M&A activities and share-price-based effects in the valuation of management remuneration; for details, see [key performance indicators](#) (gft.com)

Revenue by markets

US business expanded by more than 60%



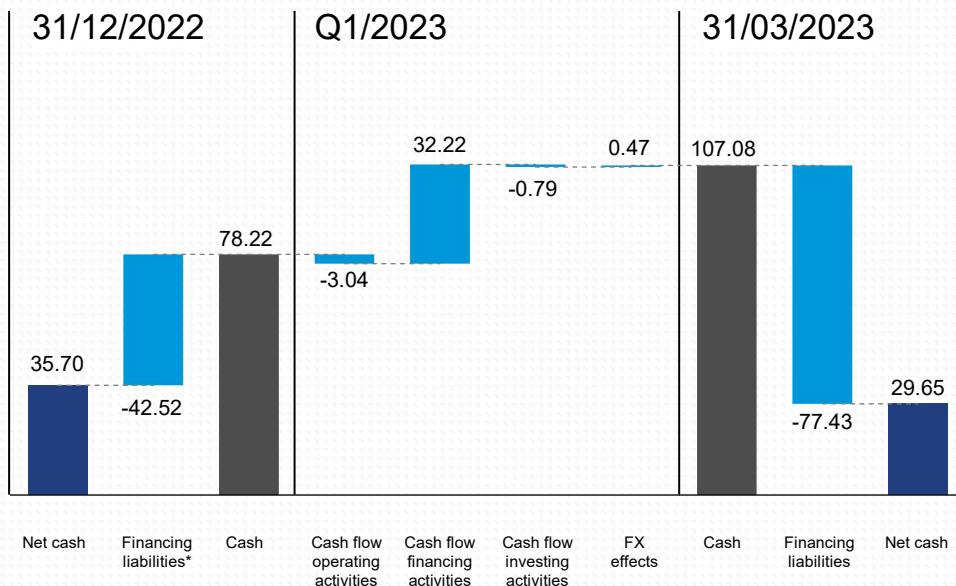
Income statement – increasing operating profitability



in €m	Q1/2023	Q1/2022	Δ%
Revenue	190.67	173.35	10%
Other operating income	3.00	5.22	-43%
Cost of purchased services	-25.59	-27.35	-6%
Personnel expenses	-128.07	-114.26	12%
Other operating expenses	-20.12	-18.44	9%
EBITDA	19.89	18.52	7%
Depreciation and amortisation	-5.06	-5.07	0%
EBIT	14.83	13.45	10%
Interest income/expenses	0.21	-0.03	>100%
EBT	15.04	13.42	12%
Income taxes	-4.50	-3.84	17%
Net income	10.54	9.58	10%
Earnings per share (in €)	0.40	0.36	10%

- As expected, **revenue growth** boosted by ongoing digitisation pressure from customers
- Decline in **other operating income** mainly due to lower foreign exchange gains
- Ratio of **cost of purchased services** to revenue of 13% significantly below previous year's level (Q1/2022: 16%)
- Increase in **personnel costs** in essence due to higher average number of employees in operating business. Ratio of personnel expense excluding capacity adjustments plus purchased services to revenue below previous year's level at 80% (Q1/2022: 81%)
- **Other operating expenses** increased mainly due to personnel-related expense – primarily travel expenses. This was partly offset by minor foreign currency losses.
- Increase in **income taxes** as a result of higher pre-tax profit. Effective tax rate at 30% (Q1/2022: 29%)

Cash flow analysis (€m) – Solid net cash position



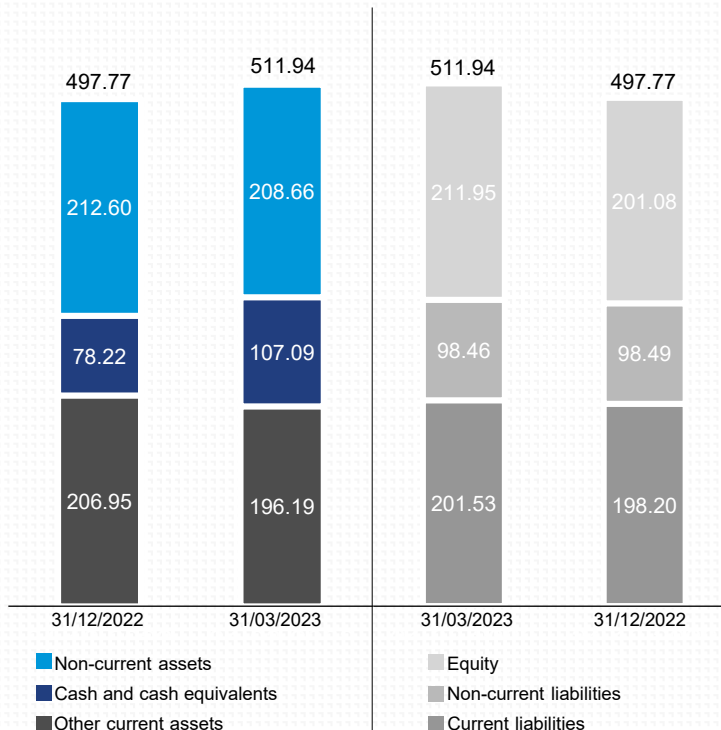
- **Net cash** stable at €29.65m (31/12/2022: €35.70m) | Solid financing structure; undrawn credit lines of €25.30m (31/12/2022: €51.31m)
- Increase of **Group cash** to €107.08m (31/12/2022: €78.22m) mainly due to borrowing for finance targets acquisition
- **Cash flow from operating activities** of €-3.04m (Q1/2022: €3.62m) significantly impacted by the transfer of grants received for third-party account amounting to €14.34m
- **Cash flow from financing activities** of €32.22m (Q1/2022: €-12.93m) characterised by net bank borrowings of €34.92m (Q1/2022: net repayment of €10.58m)
- **Cash flow from investing activities** primarily influenced by investments in property, plant and equipment of €0.84m (Q1/2022: €1.80m)

*Financing liabilities include liabilities to banks

Balance sheet (€m) – Stable asset structure

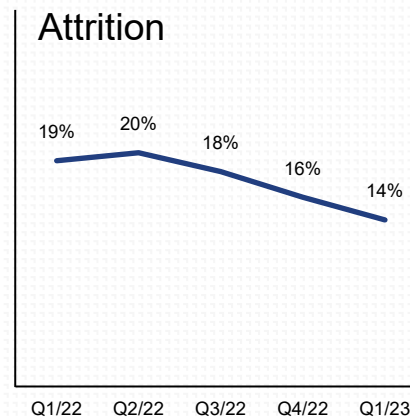
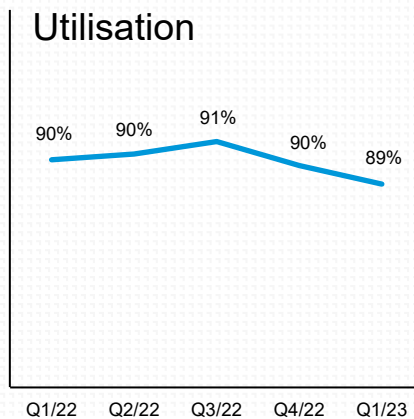
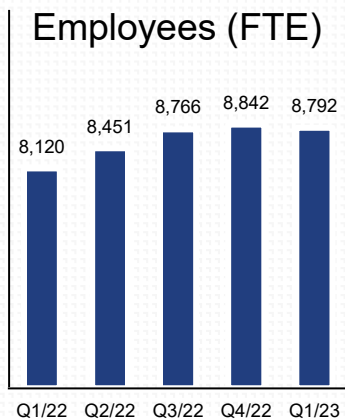


- **Balance sheet total** essentially unchanged. Slight increase of 3% mainly due to pre-financing of targets acquisition
- **Non-current assets** stable at €208.66m (31/12/2022: €212.60m). Decrease of 2% characterised by various offsetting effects. Non-current assets as a proportion of total assets at 41% (31/12/2022: 43%)
- Increase in **cash and cash equivalents** by €28.87m to €107.09m as a result of borrowing to finance the purchase price payment for the targets acquisition
- Decrease in **other current assets** by €10.76m to €196.19m (31/12/2022: €206.95m) due to lower receivables from contracts with customers and income tax refund claims



- **Equity** increased in essence by amount of net profit for the period of €10.54 m; currency effects marginal | equity ratio improved by 1 percentage point to 41% (31/12/2022: 40%).
- **Non-current liabilities** of €98.46 million essentially at the level at the end of the previous year (31/12/2022: €98.49m)
- Increase in **current liabilities** by €3.33m to €201.53m (31/12/2022: €198.20m) as a result of bank borrowings of €35.00m to finance the targets acquisition. This was mainly offset by the decrease in other liabilities (€-14.51m) due to the transfer of grants received for third-party accounts; in addition, contract liabilities from fixed-price contracts with customers decreased by €9.87m as of the reporting date

Attrition further reduced



- More than 10,000 experts worldwide
- Number of employees up by 8% y-o-y, new hires particularly in Italy and Spain
- Number of external contractors down to 1,158 (Q1/2022: 1,301)
- Utilisation at 89% around 1% below previous year's level, based on lower call-offs especially in Jan. + Feb. 2023
- Attrition further reduced to 14% (Q1/2022: 19%)

Agenda

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- Highlights | Marika Lulay (CEO)
- Financials Q1 2023 | Dr Jochen Ruetz (CFO)
- **Outlook 2023** | Marika Lulay (CEO)

Continued solid growth in 2023



Growth remains our mission

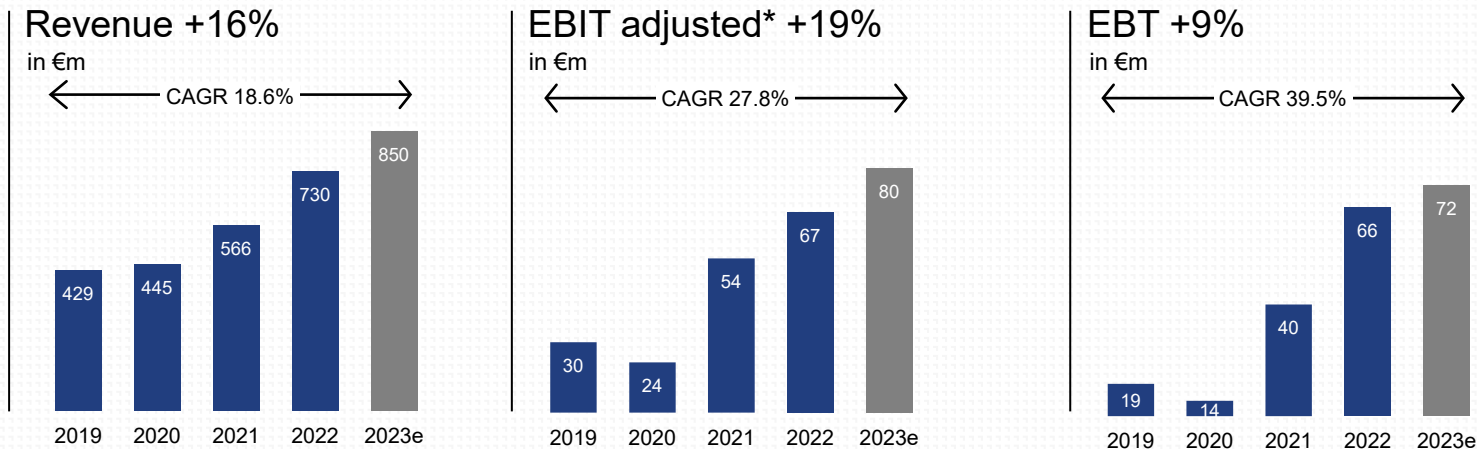
- Cloud technologies with biggest growth; AI, DLT/Blockchain rising
- Clients' requests for digital transformation is increasing
- GFT anticipates growth in every sector



Resilience through diversification & focus

- Diversified client structure increases stability
- Regional diversification compensates for local variation
- agility@scale through global delivery centres
- Leading position for next gen. banking and insurance solutions
- Sustainable and shareholder value driven strategy
- Growth ambition: twice as fast as the market

Outlook FY 2023 confirmed



* Adjusted for non-operational effects from M&A activities and share price-based effects in the valuation of management remuneration – see details: <https://www.gft.com/int/en/about-us/investor-relations/key-performance-measures>

- Revenue 2023e**
 - Revenue expected at €850m (including €30m from targens acquisition) – at constant currency rate: +18%
 - Solid growth trend due to unique position in new technologies and structural strong demand for digital transformation
 - Growth in every segment and across all sectors
- Earnings 2023e**
 - EBIT adjusted to grow to €80m (including €2.6m from targens acquisition)
 - Development in line with revenue growth, supported by economies of scale
 - EBT expected to rise to €72m (including €-1m from targens acquisition due to usual M&A effects)

Backup

Results at a glance per quarter



in €m	Q1/2022	Q2/2022	Q3/2022	Q4/2022	FY2022	Q1/2023
Revenue	173.35	183.90	184.66	188.23	730.14	190.67
EBITDA	18.52	20.86	23.84	22.82	86.04	19.89
EBIT adjusted*	13.91	16.19	18.47	18.92	67.48	16.28
EBIT	13.45	15.57	18.63	17.90	65.55	14.83
EBT	13.42	15.74	18.75	18.14	66.05	15.04
Net income	9.58	11.11	13.09	12.47	46.25	10.54
Earnings per share (in €)	0.36	0.43	0.49	0.48	1.76	0.40
Employees (in FTE)	8,120	8,451	8,766	8,842	8,842	8,792

*Adjusted for non-operational effects from M&A activities and share-price-based effects in the valuation of management remuneration; for details, see [key performance indicators](#) (gft.com)

Consolidated income statement



in €	Q1/2023	Q1/2022	Δ%
Revenue	190,671,809.70	173,354,983.10	10%
Other operating income	2,999,180.76	5,223,415.65	-43%
Cost of purchased services	25,592,645.46	27,351,006.70	-6%
Personnel expenses	128,067,717.86	114,261,733.87	12%
Other operating expenses	20,122,708.64	18,447,948.57	9%
Result from operating activities before depreciation and amortisation	19,887,918.50	18,517,709.61	7%
Depreciation and amortisation of intangible assets and property, plant and equipment	5,062,911.72	5,066,601.36	0%
Result from operating activities	14,825,006.78	13,451,108.25	10%
Interest income	697,350.63	280,216.24	>100%
Interest expenses	485,192.76	313,098.81	55%
Financial result	212,157.87	-32,882.57	>100%
Earnings before taxes	15,037,164.65	13,418,225.68	12%
Income taxes	4,494,814.55	3,838,355.61	17%
Net income for the period	10,542,350.10	9,579,870.07	10%
Earnings per share – basic	0.40	0.36	10%

Consolidated cash flow statement



in €	Q1/2023	Q1/2022	Δ%
Net income for the period	10,542,350.10	9,579,870.07	10%
Income taxes	4,494,814.55	3,838,355.61	17%
Interest result	-212,157.87	32,882.57	< -100%
Income taxes paid	-1,588,556.73	-2,280,285.24	30%
Income taxes received	2,366,596.85	596,655.00	>100%
Interest paid	-204,225.94	-130,287.31	-57%
Interest received	655,128.50	251,167.11	>100%
Depreciation and amortisation of intangible assets and property, plant and equipment	5,062,911.72	5,066,601.36	0%
Net proceeds on disposal of intangible assets and property, plant and equipment	39,093.68	260,926.98	-85%
Net proceeds on disposal of financial assets	0.00	-59,957.07	100%
Other non-cash expenses and income	-1,598,928.15	-1,818,440.28	12%
Change in trade receivables	24,479,859.64	18,826,574.06	30%
Change in contract assets	-15,653,416.6	-19,975,690.04	22%
Change in other assets	1,120,414.6	-3,219,080.42	>100%
Change in provisions	-9,493,951.87	2,710,088.59 *	< -100%
Change in trade payables	-2,463,297.86	-4,511,636.41	45%
Change in contract liabilities	-9,869,078.09	-6,684,052.00	-48%
Change in other liabilities	-10,714,462.04	1,134,958.80*	< -100%
Cash flow from operating activities	-3,036,905.47	3,618,651.38	< -100%
Proceeds from disposal of property, plant and equipment	52,291.46	32,324.39	62%
Proceeds from disposal of financial assets	0.00	69,957.07	-100%
Capital expenditure for intangible assets	0.00	-3,013.07	100%
Capital expenditure for property, plant and equipment	-844,341.15	-1,797,818.68	53%
Cash flow from investing activities	-792,049.69	-1,698,550.29	53%
Proceeds from borrowing	35,000,000.00	5,500,000.00	>100%
Cash outflows from loan repayments	-82,015.63	-16,079,957.14	99%
Cash outflows from repayment of lease liabilities	-2,698,820.25	-2,351,823.55	-15%
Cash flow from financing activities	32,219,164.12	-12,931,780.69	>100%
Effect of foreign exchange rate changes on cash and cash equivalents	471,877.86	2,599,434.01	-82%
Net increase in cash and cash equivalents	28,862,086.82	-8,412,245.59	>100%
Cash and cash equivalents at beginning of period	78,222,547.05	70,770,150.46	11%
Cash and cash equivalents at end of period	107,084,633.87	62,357,904.87	72%

* Adjusted due to the balance sheet reclassification of holiday obligations in the amount of €3,941 thousand from other provisions to other liabilities (with respect to the changed balance sheet disclosure refer to note 2.2 of the consolidated financial statements 2022).

Consolidated balance sheet



Assets			
in €	31.03.2023	31.12.2022	Δ%
Non-current assets			
Goodwill	123,724,062.16	123,968,225.19	0%
Other intangible assets	4,868,926.40	5,914,809.30	-18%
Property, plant and equipment	64,055,941.48	63,577,276.37	1%
Financial investments	696,217.60	696,217.60	0%
Other financial assets	2,136,359.87	1,907,834.26	12%
Deferred tax assets	10,505,058.77	12,040,713.13	-13%
Income tax assets	345,733.93	385,190.60	-10%
Other assets	2,328,831.16	4,109,110.88	-43%
	208,661,131.39	212,599,377.33	-2%
Current assets			
Inventories	14,361.65	13,848.32	4%
Trade receivables	128,080,992.04	152,560,851.68	-16%
Contract assets	37,385,033.64	21,731,617.03	72%
Cash and cash equivalents	107,084,633.87	78,222,547.05	37%
Other financial assets	4,649,319.85	4,902,675.35	-5%
Income tax assets	7,819,208.30	10,182,222.91	-23%
Other assets	18,241,666.42	17,557,484.81	4%
	303,275,215.77	285,171,247.15	6%
	511,936,347.16	497,770,624.48	3%

Equity and liabilities			
in €	31.03.2023	31.12.2022	Δ%
Shareholders' equity			
Share capital	26,325,946.00	26,325,946.00	0%
Capital reserve	42,147,782.15	42,147,782.15	0%
Retained earnings	148,114,848.90	137,572,498.80	8%
Other reserves	-4,642,997.35	-4,964,588.78	6%
	211,945,579.70	201,081,638.17	5%
Non-current liabilities			
Financing liabilities	42,083,947.76	42,168,443.39	0%
Other financial liabilities	31,927,986.30	31,163,462.72	2%
Provisions for pensions	5,511,791.60	5,388,399.91	2%
Other provisions	5,135,375.31	7,553,890.33	-32%
Deferred tax liabilities	4,363,928.72	3,990,744.41	9%
Other liabilities	9,432,406.17	8,225,973.37	15%
	98,455,435.94	98,490,914.13	0%
Current liabilities			
Trade payables	9,335,643.88	11,798,941.74	-21%
Financing liabilities	35,353,071.12	350,591.12	>100%
Other financial liabilities	21,281,137.20	18,387,520.68	16%
Other provisions	41,040,567.73	48,173,128.91	-15%
Income tax liabilities	8,034,603.70	8,614,151.55	-7%
Contract liabilities	29,727,766.71	39,596,844.80	-25%
Other liabilities	56,762,541.16	71,276,893.38	-20%
	201,535,331.52	198,198,072.18	2%
	511,936,347.16	497,770,624.48	3%

Consolidated statement of comprehensive income



in €	Q1/2023	Q1/2022	Δ%
Net income for the period	10,542,350.10	9,579,870.07	10%
Items that will not be reclassified to the income statement			
Actuarial gains/losses from pensions (before taxes)*	0.00	-277,471.16	100%
Income taxes on actuarial gains/losses from pensions	0.00	61,043.83	-100%
Actuarial gains/losses from pensions (after taxes)	0.00	-216,427.33	100%
Items that may be reclassified to the income statement			
Currency translation	321,591.43	4,166,035.01	-92%
Other comprehensive income	321,591.43	3,949,607.68	-92%
Total comprehensive income	10,863,941.53	13,529,477.75	-20%

* Actuarial gains/losses are generally recognised at year-end based on corresponding expert reports.

Consolidated statement of changes in equity



	Share capital	Capital reserve	Retained earnings*	Other reserves Currency translation	Total equity
in €					
Balance at 1 January 2022	26,325,946.00	42,147,782.15	98,024,103.12	-5,833,109.53	160,664,721.74
Net income for the period	--	--	9,579,870.07	--	9,579,870.07
Other comprehensive income	--	--	-216,427.33	4,166,035.01	3,949,607.68
Total comprehensive income	--	--	9,363,442.74	4,166,035.01	13,529,477.75
Balance at 31 March 2022	26,325,946.00	42,147,782.15	107,387,545.86	-1,667,074.52	174,194,199.49
Balance at 1 January 2023	26,325,946.00	42,147,782.15	137,572,498.80	-4,964,588.78	201,081,638.17
Net income for the period	--	--	10,542,350.10	--	10,542,350.10
Other comprehensive income	--	--	0.00	321,591.43	321,591.43
Total comprehensive income	--	--	10,542,350.10	321,591.43	10,863,941.53
Balance at 31 March 2023	26,325,946.00	42,147,782.15	148,114,848.90	-4,642,997.35	211,945,579.70

* Retained earnings also include items that will not be reclassified to the consolidated income statement.

Segment report



in € thsd.	Americas, UK & APAC		Continental Europe		Total segments		Reconciliation		GFT Group	
	Q1/2023	Q1/2022	Q1/2023	Q1/2022	Q1/2023	Q1/2022	Q1/2023	Q1/2022	Q1/2023	Q1/2022
External revenue	116,562	106,591	73,925	66,696	190,487	173,287	185	68	190,672	173,355
Intersegment revenue	1,229	1,556	24,367	23,857	25,596	25,413	-25,596	-25,413	0	0
Total revenue	117,791	108,147	98,292	90,553	216,083	198,700	-25,411	-25,345	190,672	173,355
Segment result (EBT)	10,120	7,054	7,855	7,581	17,975	14,635	-2,938	-1,217	15,037	13,418
thereof depreciation and amortisation	-1,923	-2,056	-2,771	-2,605	-4,694	-4,661	-368	-406	-5,062	-5,067
thereof interest income	741	258	108	26	849	284	-152	-4	697	280
thereof interest expenses	-383	-357	-216	-131	-599	-488	114	175	-485	-313

Calculation adjusted EBIT Q1/2023



in thsd. €	Q1/2023	Q1/2022
Revenue	190,672	173,355
EBIT adjusted	16,279	13,910
M&A Earn-out	0	0
M&A Acquisition related costs	-323	0
M&A Amortisation PPA	-878	-1,161
Share-price related effects from valuation of management remuneration	-253	702
EBIT	14,825	13,451
Interest	212	-33
EBT	15,037	13,418
EBIT adjusted margin	8.5%	8.0%
EBT margin	7.9%	7.7%

Shaping the future of digital business

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