

Investor Presentation

GFT Technologies SE | November 2021

We believe in a **digital world**
where using **IT** smartly
is a **key driver of success.**

With GFT, technology delivers **clear
business value**, empowering clients
to be **leaders** in their markets.

Agenda

01. GFT at a glance
02. GFT growth path
03. Financial results 9M/2021
04. Outlook

GFT at a glance



GLOBAL WORKFORCE 9M/2021

7,286 FTE
plus 1,160 contractors

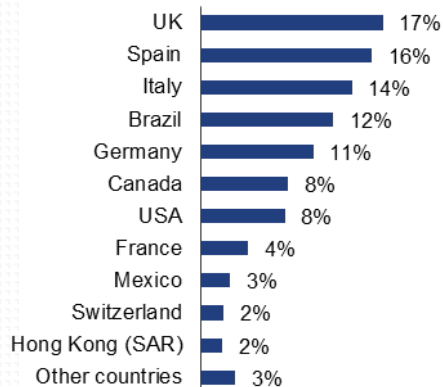
REVENUE FY 2021e

€ 560 million

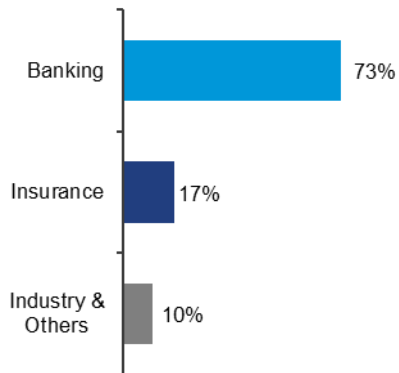
Adj. EBITDA FY 2021e

€ 65 million

REVENUE BY MARKET 9M/2021



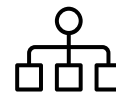
REVENUE BY SECTOR 9M/2021



CONSULTING



DIGITAL
SOLUTIONS



APPLICATION
MANAGEMENT

Investment case



Unique technology and sector expertise

- Longstanding expertise in digital transformation for financial institutions
- Strong focus on growth-potential technologies: AI, Cloud, Blockchain, Data Analytics, DevOps
- Partnerships with market leaders: AWS, Google, Guidewire, Thought Machine, Vodeno, Mambu
- Technology-driven diversification into IoT
- Proven client-focused onshore/ nearshore staffing model



Highly attractive sales and earnings potential

- Accelerated growth due to high structural demand
- Profit margins expected to improve considerably
- Attractive free cash flow generation with low capex (approx. 2 % of sales)
- Shareholder-friendly dividend policy at 20-50 % of net profit



Strong demand for digital transformation

- Digital transformation is a megatrend
- Cloud business to grow dynamically
- Rising IT budgets to innovate banking
- On-going industrial automation

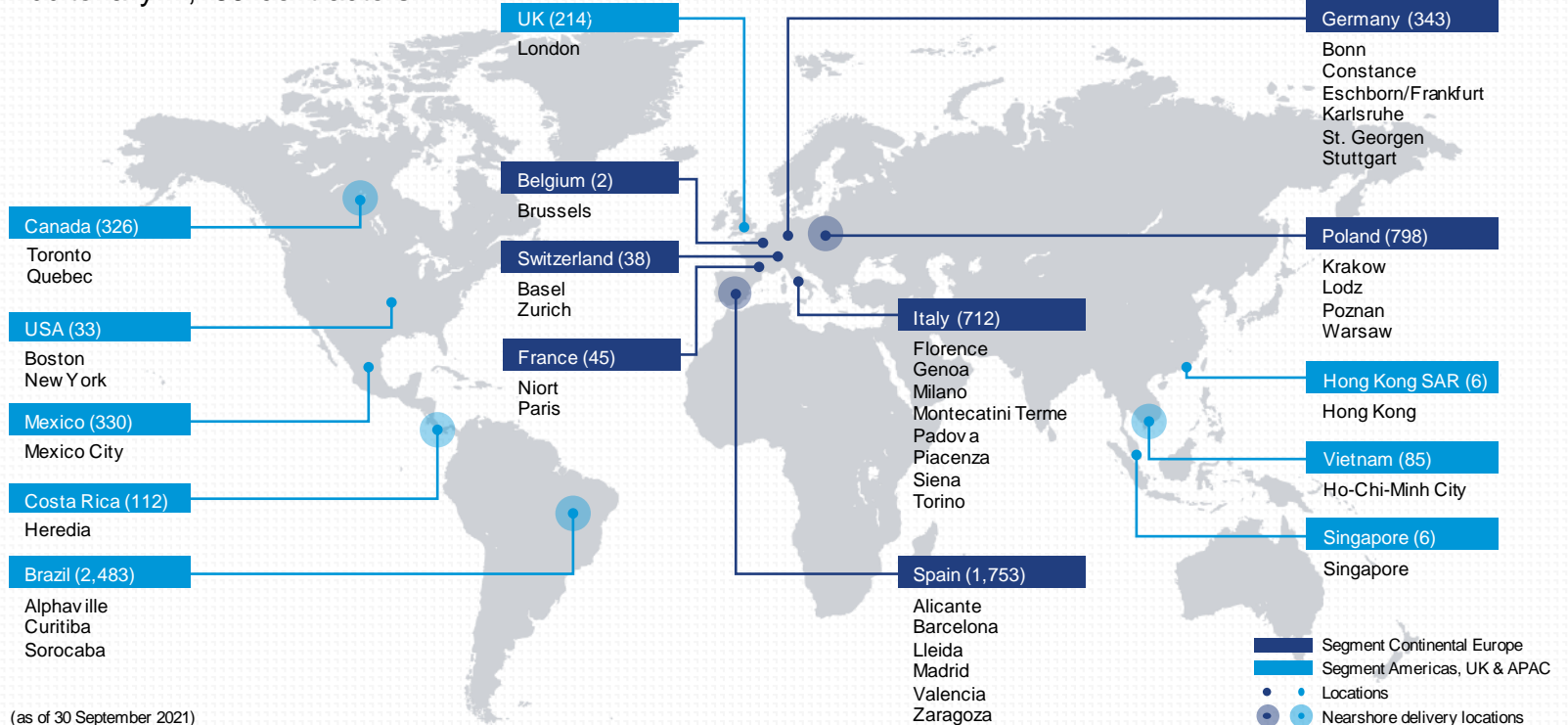


Sustainability and commitment

- CEO & CFO more than ten years with GFT
- Two anchor shareholders own 36 % of shares
- Commitment to grow IT talent worldwide
- Greencoding initiatives

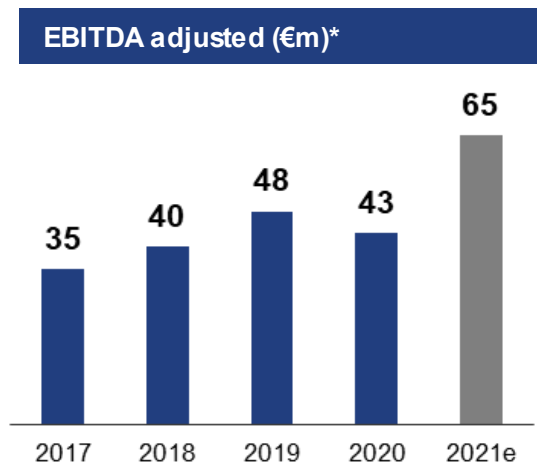
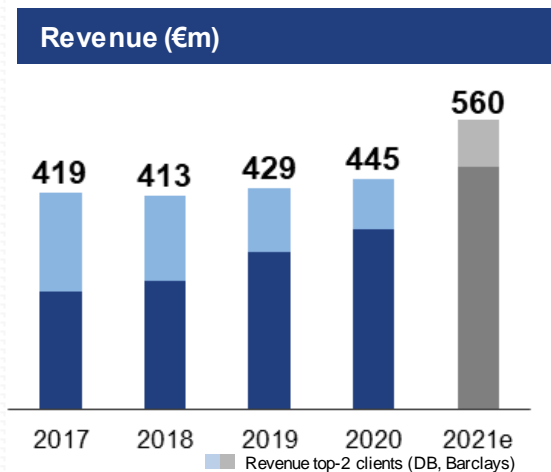
Proven onshore-/nearshore delivery model (7,286 FTE)

Approx. half of revenues generated nearshore
 Additionally 1,160 contractors



(as of 30 September 2021)

Key figures – strong improvement

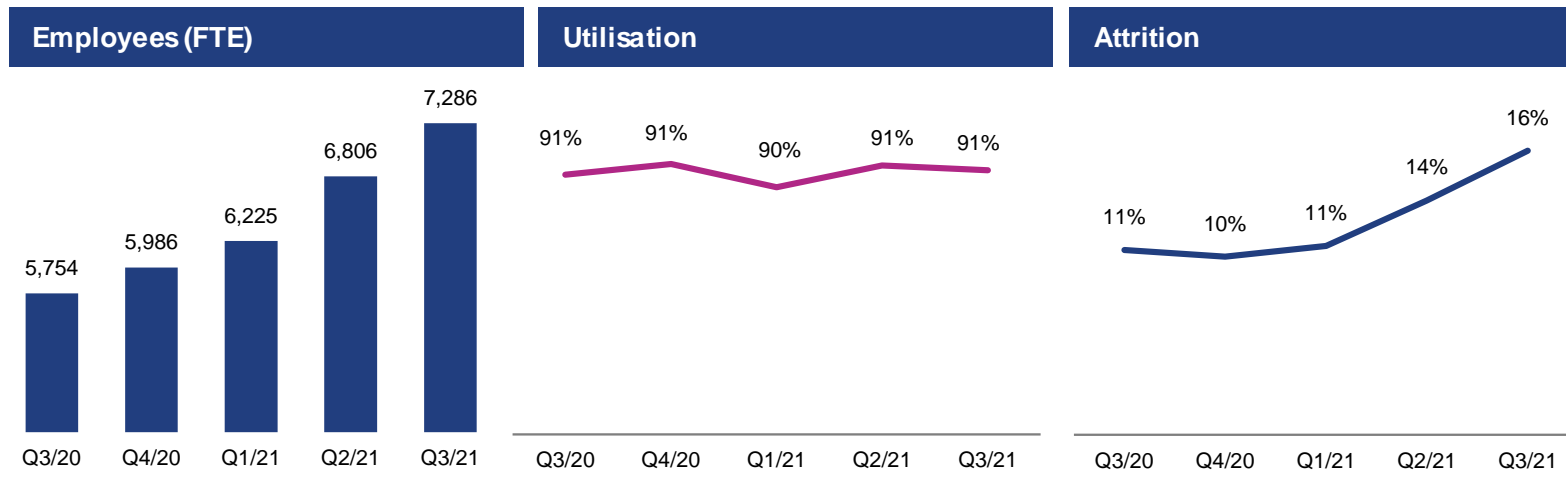


- 10-year CAGR: 18.5%
- 5-year CAGR ex top-2: 19.9%

- 10-year CAGR without IFRS 16: 22.5%
- 5-year CAGR without IFRS 16: 12.5%
- IFRS 16 effect 2021: €9m

*Adjusted for non-operational effects from M&A activities (EBITDA) plus applicable tax effects (net income and EPS)

Employees – staff expansion keeps pace with growth



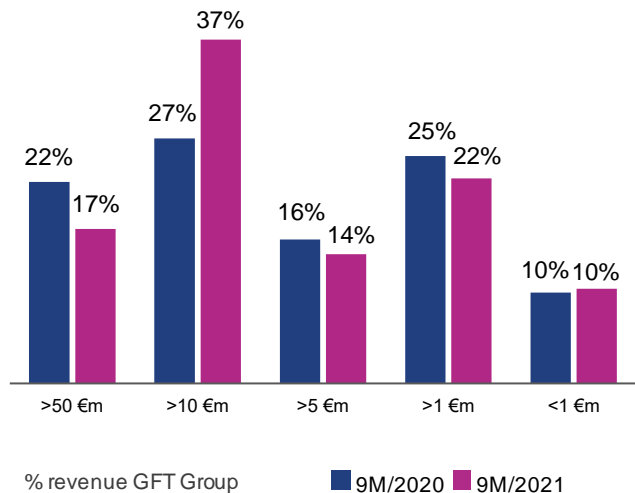
- Number of employees grew by 27% to new record high
- Strong rise esp. in Brazil
- Utilisation in third quarter at 91% on par with prior year (Q3/2020: 91%)
- Increase in attrition as expected, prior-year figures below long-term average due to Covid-19
- In addition: external contractors with strong rise to 1,160 (9M/2020: 698) (headcount, not reflected in figures above)

Diversification improved further



Broad client diversification*

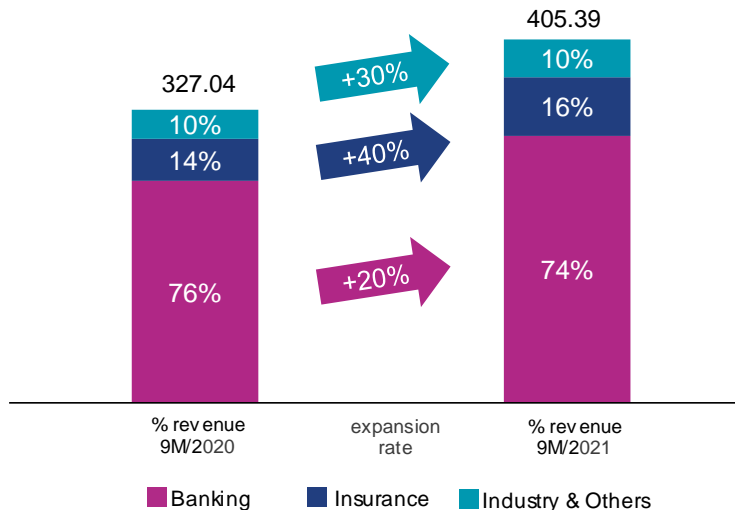
Client concentration risk further reduced



*Annualised extrapolation based on the past three quarters

All sectors with nominal growth

Sector split with further improvement



30 biggest clients 9M/2021 – four new entries vs. prior year



A grid of 30 client logos arranged in 5 rows and 6 columns. The logos are: [B]³ BRASIL BOLSA BALCAO, beneva (NEW), Bv banco, BBVA, citi, CA, CUSTODIGIT, Desjardins, Deutsche Bank, Google (NEW), HARBOURVEST (NEW), HSBC, iberCaja, iA Financial Group, INTESA SANPAOLO, Itaú, London Stock Exchange Group (NEW), MACIF, MAPFRE, MONTE DEI PASCHI DI SIENA BANK SINCE 1472, nexi, Sabadell, Santander, Schroders, serasa experian, Not disclosed, Standard Chartered, SulAmérica, UnipolSai ASSICURAZIONI, wsib ONTARIO.

ESG performance 2020



Environmental

GHG emissions* in tCO2e



3,047 total
9.1 per million € revenue
0.7 per FTE

* FY 2019, scope 1+2 acc. to GHG Protocol, market-based, coverage >80% of total workforce

Sustainability by design



Climate change is one of the greatest challenges humanity will face in the coming decades; ICT can make a difference with **GreenCoding**.

Social

Grow tech talent



18,752 trainings
194,731 hours of training

40+ tech-related external corporate volunteering initiatives supported



Brazil: **Great Place to Work**
 Mexico: **Best Place to Code**
 Germany: **Best employers for women**

GFT's female share



24% of total workforce
18% of our IT experts (and 65% of all women at GFT work in IT professions)

17% management positions
 Ratio female:male leaders **1:1.5**

Governance

Professional integrity (SASB*)

€0.00 Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations

* Sustainability Accounting Standards Board SV-PS-510a.2

Tax ratio

30%

Board



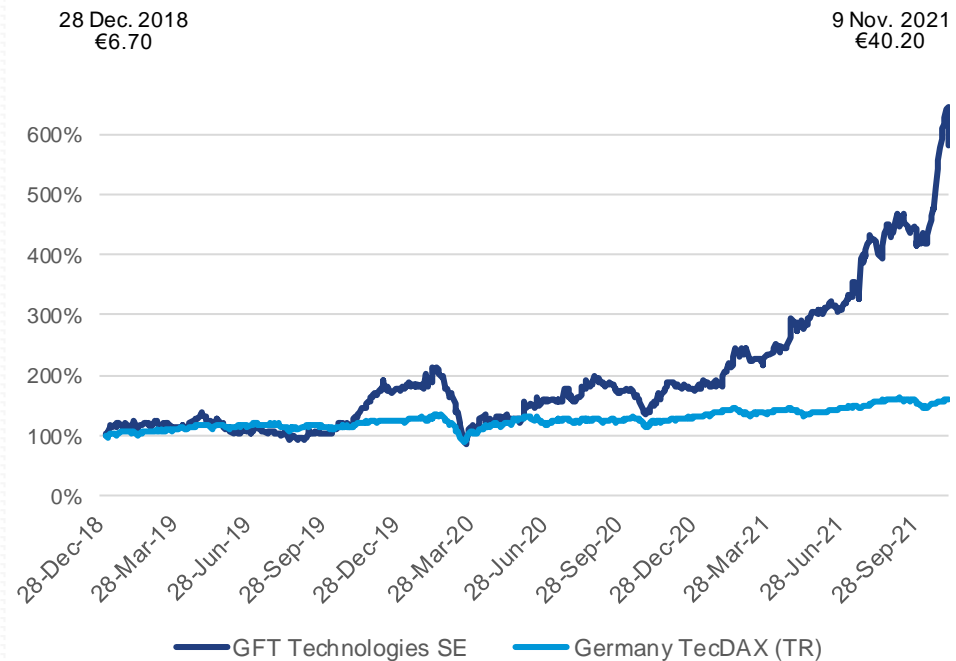
Independency: **4/7**
 Managing Directors incentivised for CSR



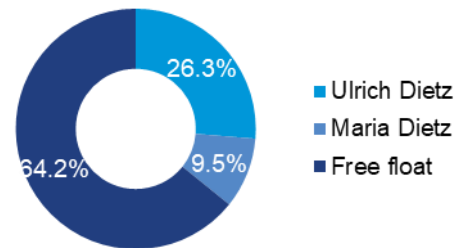
GFT share and shareholder structure



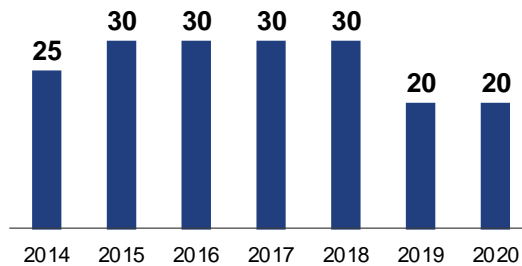
GFT share indexed



Shareholder structure



Dividend per share in Cent (for FY)



02.

GFT growth path

Digital business areas of GFT



SUN DECK

5% INNOVATION

TWEEN DECK

45% INNOVATION

25% MATURE TECH

ENGINE ROOM

25% APPLICATION
MANAGEMENT

Banking growth momentum



Capitalising on strong demand for cloud services

- Strategic investments in cloud partnerships
- Digital banking on new core banking platforms (smart contracts)



Recognitions

- Star Performer for Open Banking IT Services
 - › Highlighted in Everest Group PEAK Matrix® Assessment 2020
- IT Industry Awards Services Company of the Year, UK
 - › Awarded by British Computer Society & Computing Magazine



Proofpoints

- Built fully virtual new bank MOX (Hong Kong), using AWS cloud infrastructure and next-generation core banking system from Thought Machine
- Over 900 cloud engineers and deep expertise with disruptive features
 - › Google award in 2020 'Breakthrough Partner of the year 2019'

GFT's Banking growth

+20.2%

9M/2021

Outlook growth in Banking IT for Solutions

+12.2%

Source: Gartner July 2021

Predicted growth in Banking IT for Services

+8.7%

Source: Gartner July 2021

Insurance growth momentum



Increasing traction with Guidewire

- Capitalising on strong business demand, Insurances reinvent themselves
- Demand for cloud-based Guidewire solutions increases



Recognitions

- Major Contender and Star Performer
 - Awarded in PEAK Matrix® Assessment by Everest Group
- Innovation Award won by Guidewire for Aviva Italy
- Important Guidewire certifications achieved



Proofpoints

- First European full suite Guidewire implementation on cloud for La Macif
- Further Guidewire implementation projects for P&C insurers in North America and Europe realized

GFT's Insurance growth

+39.5%

9M/2021

Outlook for growth in Insurance IT for Solutions

+12.9%

Source: Gartner July 2021

Predicted growth in Insurance IT for Services

+8.1%

Source: Gartner July 2021

Industry growth momentum



Addressing IoT market with complete offering

- GFT's Sphinx Open IoT platform for Digital Twins in combination with strong AI competencies matches market demand
- High interest in multi- and hybrid-cloud strategies for Industry applications
- GFT expands business development in EMEA and the Americas



Recognitions

- Invited by Google to jointly present at Hannover Messe on Industry solutions
- Offering gained international quality standard DIN EN ISO 9001



Proofpoints

- Predictive maintenance for US oil rig project
- AI and connectivity solutions for big American OEM

GFT's Industry & Others growth

+30.0%

9M/2021

Outlook for growth in Industry IT for Solutions

+7.2%

Source: Gartner July 2021

Predicted growth in Industry IT for Services

+4.1%

Source: Gartner July 2021

Growth technologies at GFT – selected projects & data



Virtual Bank & Cloud

- MOX: fully virtual Hong Kong bank using AWS cloud infrastructure and core banking
- Partnerships with three major providers of next generation core banking solutions: Thought Machine, Mambu, Vodeno



GFT Cloud Academy

- Google Cloud Program offers courses, labs, projects and professional certification for juniors joining GFT Spain



IoT & Cloud

- High sensibility for multi cloud and hybrid cloud strategies
- GFT's cloud agnostic approach and years of experience in combination of edge, on premises and cloud strategies meet market needs directly
- Partnership with T-Systems to combine GFT's solution with 5G networks, edge computing and cloud

Estimated global cloud market growth

+23.1%

Source: Gartner, April 2021

03.

Financial results 9M/2021

Growth is accelerating further

Outlook raised again on 21 October



Highlights

- Structurally higher interest in new digitization solutions
- High demand enables focus on projects with higher margins
- Active cost containment curbs increase in administrative expenses
- High orders received lift confidence for 2021 and 2022
- For 2022 further high market dynamics and very positive business development expected (Revenue: approx. +20%, EBITDA adj. margin: approx. 11.5%, EBT margin: approx. 7.5%)

9M/2021	FY 2021e
Revenue €405.39m (+24%) ↑	Revenue €560m (+26%) ↑
EBT €28.13m (+211%) ↑↑	EBT €40m (+184%) ↑↑

Key figures – significant revenue growth, surge in earnings

in €m	9M/2021	9M/2020	Δ%
Revenue	405.39	327.04	24%
Order backlog	214.70	145.38	48%
EBITDA adjusted*	46.13	30.81	50%
EBITDA	44.19	27.80	59%
EBIT	28.87	10.74	>100%
EBT	28.13	9.05	>100%
Net income	21.09	6.38	>100%
Earnings per share (in €)	0.80	0.24	>100%
Earnings per share adjusted (in €)*	0.98	0.47	>100%
Employees (in FTE)	7,286	5,754	27%

*Adjusted for non-operational effects from M&A activities (EBITDA) plus applicable tax effects

- **Revenue growth** by 24%
- **Order backlog** significant above prior-year
- Strong increase in **EBITDA adjusted** by 50%
 - Utilisation back to normal
Underutilisation at €0.00m
(9M/2020: €-4.30m)
 - Restructuring measures amounted to
€-1.81m (9M/2020: €-6.01m)
 - FX effects of €-1.38m
(9M/2020: €-0.44m)
- **EBT** more than tripled
- **EBT margin** rose to 6.9% (9M/2020: 2.8%)
- Tax ratio below prior-year
25% (9M/2020: 29%)

Revenue by segment (I)



in €m	Revenue		Growth rates			
	9M/2021	9M/2020	Organic	M&A	FX	Total
Americas, UK & APAC	223.09	157.39	45%	n/a	-3%	42%
Continental Europe	182.14	169.39	8%	n/a	0%	8%
Others	0.16	0.26	n/a	n/a	n/a	n/a
GFT Group	405.39	327.04	26%	n/a	-2%	24%

- **Americas, UK & APAC:** consistently high revenue growth despite slight currency headwinds, dynamics esp. in Canada, Brazil, APAC, UK and USA
- **Continental Europe:** revenue increase accelerates slightly vs. prior-year, positive business development in Italy und Germany compensates for decrease with top-2 clients

Revenue by segment (II)



in €m		Revenue		Δ%
		9M/2021	9M/2020	9M/2021 vs. 9M/2020
Americas, UK & APAC	Top-2 clients	31.43	32.75	-4%
	Other clients	191.66	124.64	54%
	Total	223.09	157.39	42%
Continental Europe	Top-2 clients	36.72	39.38	-7%
	Other clients	145.42	130.01	12%
	Total	182.14	169.39	8%
GFT Group*	Top-2 clients	68.15	72.13	-6%
	Other clients	337.08	254.65	32%
	Total	405.23	326.78	24%

*w/o segment "Others"

- **Continuing decrease in client concentration:** revenue share top-2 clients now at 17% (9M/2020: 22%)
- **Revenue top-2 clients:** merely slight decrease esp. in UK (Americas, UK & APAC) and Spain (Continental Europe)
- Growth trend with **other clients** remains dynamic

Earnings by segment



in €m	EBITDA adjusted*			EBITDA			EBT		
	9M/2021	9M/2020	Δ%	9M/2021	9M/2020	Δ%	9M/2021	9M/2020	Δ%
Americas, UK & APAC	25.05	15.21	65%	23.12	13.14	76%	16.91	5.91	>100%
Continental Europe	24.68	15.78	56%	24.67	14.84	66%	15.82	4.61	>100%
Others	-3.60	-0.18	< -100%	-3.60	-0.18	< -100%	-4.60	-1.47	< -100%
GFT Group	46.13	30.81	50%	44.19	27.80	59%	28.13	9.05	>100%

- **Americas, UK & APAC:** revenue increase leads to higher earnings contribution and utilisation, strong margin improvement
- **Continental Europe:** profitable revenue growth, significant margin improvement due to 2020's efficiency enhancements; prior-year esp. burdened by underutilisation and restructuring

*Adjusted for non-operational effects from M&A activities

P&L – revenue growth, disproportionate earnings increase

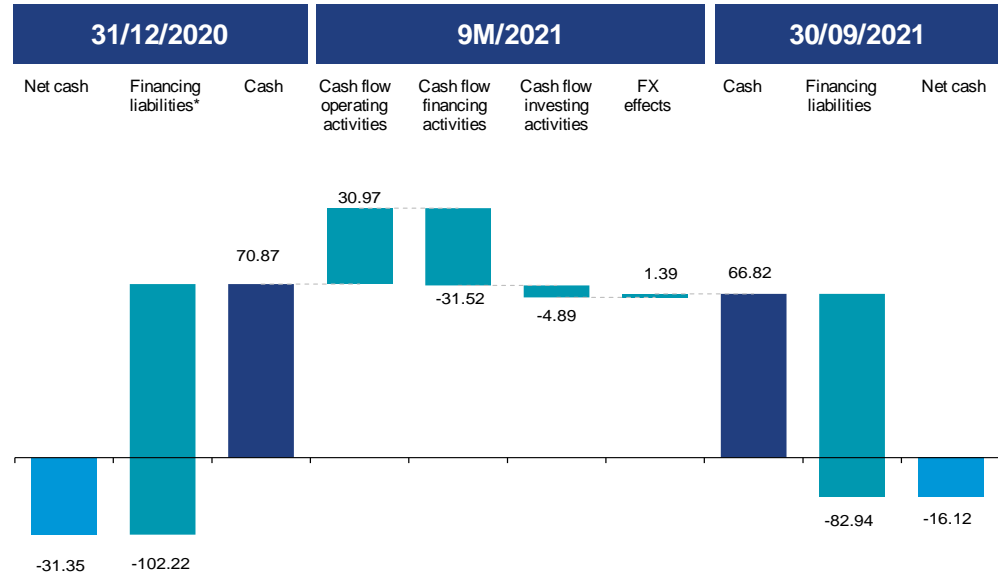


in €m	9M/2021	9M/2020	Δ%
Revenue	405.39	327.04	24%
Other operating income	8.13	9.68	-16%
Cost of purchased services	-56.79	-35.05	62%
Personnel expenses	-276.16	-237.44	16%
Other operating expenses*	-36.38	-36.43	0%
EBITDA	44.19	27.80	59%
Depreciation and amortisation	-15.32	-17.06	-10%
EBIT	28.87	10.74	>100%
Interest income/expenses	-0.74	-1.69	-56%
EBT	28.13	9.05	>100%
Income taxes	-7.04	-2.67	>100%
Net income	21.09	6.38	>100%
Earnings per share (in €)	0.80	0.24	>100%

*incl. results of investments accounted for using the equity method

- Continued and dynamic **revenue growth** attributed to higher demand for high-margin digitisation solutions
- Decrease in **other operating income** mainly characterised by lower foreign exchange gains
- Ratio **cost of purchased services** to revenue of 14% above prior-year level (9M/2020: 11%)
- Increase **personnel expenses** caused by higher average headcount, esp. in Brazil. Ratio of personnel expenses w/o restructuring costs plus purchased services to revenue at 82% (9M/2020: 83%)
- **Other operating expenses** unchanged compared to prior year due to active cost containment
- Effective **tax ratio** at 25% below prior-year level as a result of changed profit or loss distribution across affiliates (9M/2020: 29%)

Cash flow analysis (€m) – OCF on a high level



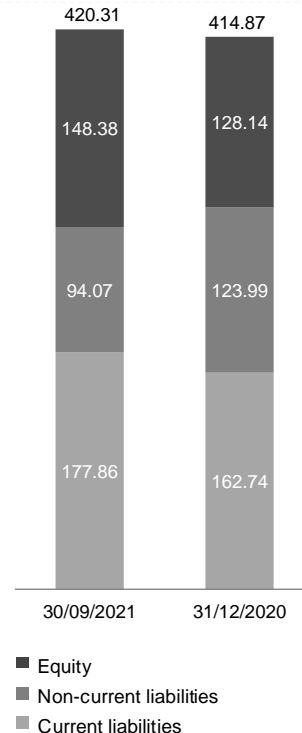
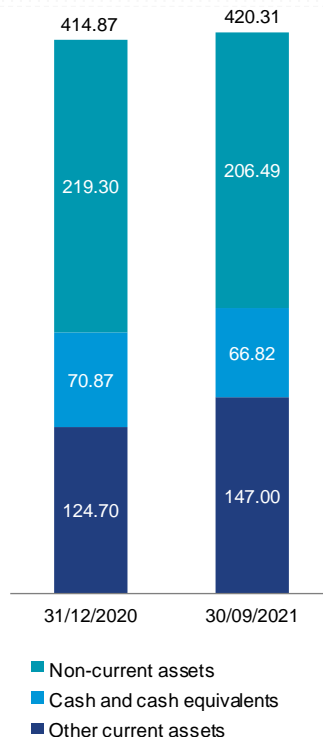
- **Financing structure** still very solid. Unused credit facilities of €51.09m (31/12/2020: €56.10m). Improved net cash €-16.12m (31/12/2020: €-31.35m)
- Decrease in **group cash** to €66.82m (31/12/2020: €70.87m) mainly due to redemption of loans from operating cash flow
- **Operating cash flow** of €30.97m at consistently high level (9M/2020: €31.19m)
- **Cash flow from financing activities** mainly influenced by net redemption of loans amounting to €19.24m (9M/2020: €5.23m).
- **Cash flow from investing** largely characterised by investments in property, plant and equipment €4.82m (9M/2020: €3.06m)

*Financing liabilities include liabilities to banks

Balance sheet (€m) – equity ratio increased

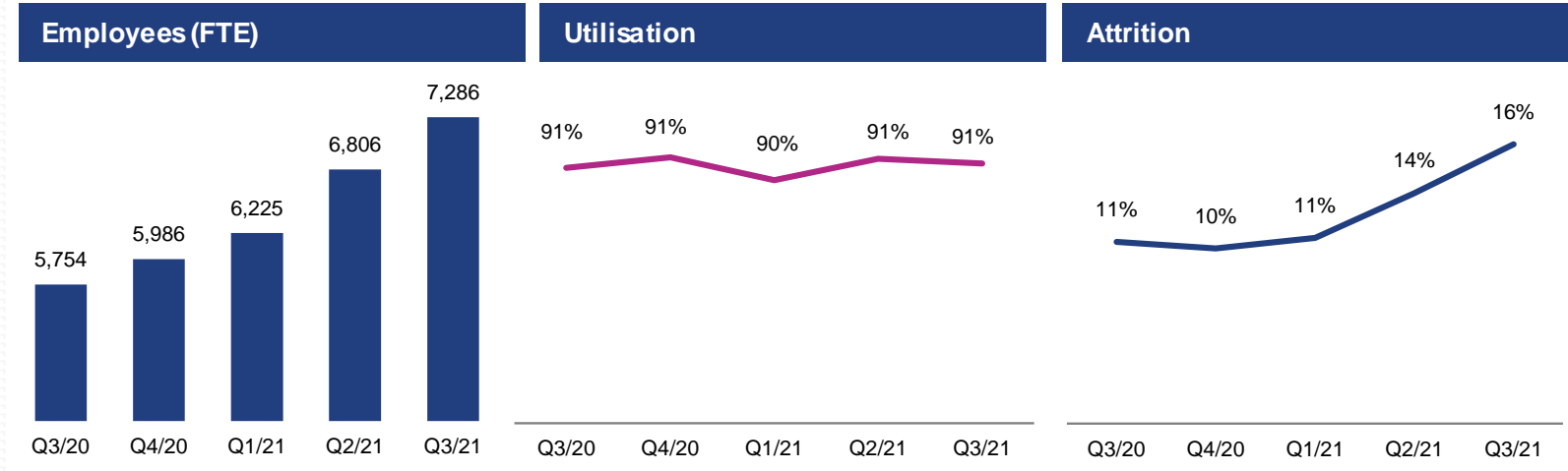


- **Balance sheet total** largely unchanged from end of previous year. Slight rise (+1%) due to increased receivables from contracts with clients. Opposing effect mainly from decline in property, plant and equipment
- Decrease in **non-current assets** of €12.81m primarily driven by lower right-of-use assets due to term-related adjustment of leases. Non-current assets account for 49% (31/12/2020: 53%) of balance sheet total
- Decline in **cash and cash equivalents** of 6% following redemption of bank loans
- Increase in **other current assets** of €22.30m esp. due to higher contract assets in connection with positive business trend



- **Equity** currency-adjusted up by €15.82m; net income of €21.09m exceeds dividend to shareholders of €5.27m. Equity ratio improved by 4 percentage points to 35% (31/12/2020: 31%)
- Decline in **non-current liabilities** of €29.92m to €94.07m mainly due to redemption of bank loans. Furthermore, decrease of other financial liabilities of €13.29m resulting from reduction in lease liabilities acc. to IFRS 16
- **Current liabilities** of €177.86m up €15.12m on prior-year level. Increase primarily driven by higher personnel-related obligations as well as outstanding supplier invoices. Opposing effect from lower contract liabilities from fixed-price contracts with clients

Employees – staff expansion keeps pace with growth



- Number of employees grew by 27% to new record high
- Strong rise esp. in Brazil
- Utilisation in third quarter at 91% on par with prior year (Q3/2020: 91%)
- Increase in attrition as expected, prior-year figures below long-term average due to Covid-19
- In addition: external contractors with strong rise to 1,160 (9M/2020: 698) (headcount, not reflected in figures above)

04.

Outlook

The way forward for 2021



Megatrend digitisation drives growth

- High growth dynamic in Americas, UK & APAC
- Expected comeback in Continental Europe
- Banking sector sees new digital banking concepts
- **Insurance sector** with high demand in Canada, France & UK
- **Industry sector** will pick up
- Continued focus on **fast-growing technologies**
- Further reduction of **top-2 client concentration**



Targets 2021

- » Growth: Insurance > Banking
- » Growth: Industry & Others > Banking
- » Revenue share 50% (2020: 42%)
- » Down to 16% (2020: 21%)



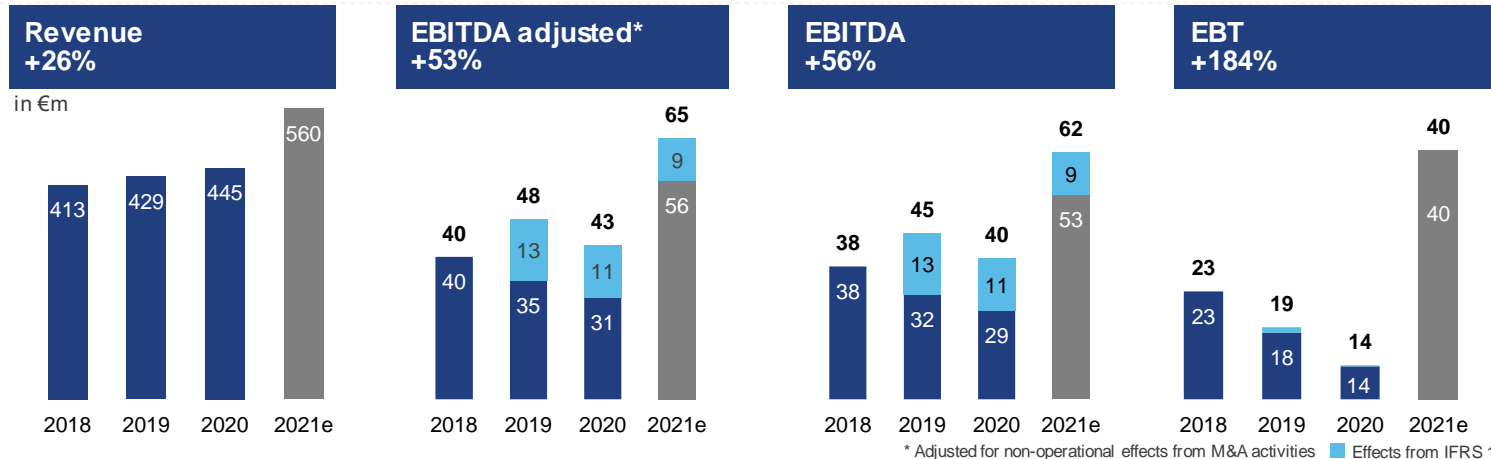
GFT key fundamentals

- Focus on double-digit revenue growth while improving earnings yoy
- Maintain solid balance sheet and cash position
- Seize bolt-on acquisition opportunities
- Shareholder friendly dividend policy with 20-50% net profit

*incl. Others

Outlook 2021 – higher growth, strong rise in earnings

For 2022 further positive business development expected



REVENUE 2021e ■ Accelerated revenue growth due to structural higher demand for digitisation solutions

EARNINGS 2021e ■ Strong rise driven by increased revenue contribution, focus on projects with higher margins, raised utilisation as well as active cost containment. Focus on revenue growth requires continued high spending for sales activities and technological expertise

OUTLOOK 2022e ■ Further high market dynamics and very positive business development in 2022: revenue increase of approx. 20%, EBITDA adjusted margin of approx. 11.5% as well as EBT margin of approx. 7.5% expected.

Backup

Clients in 2020 – 54 new qualified clients



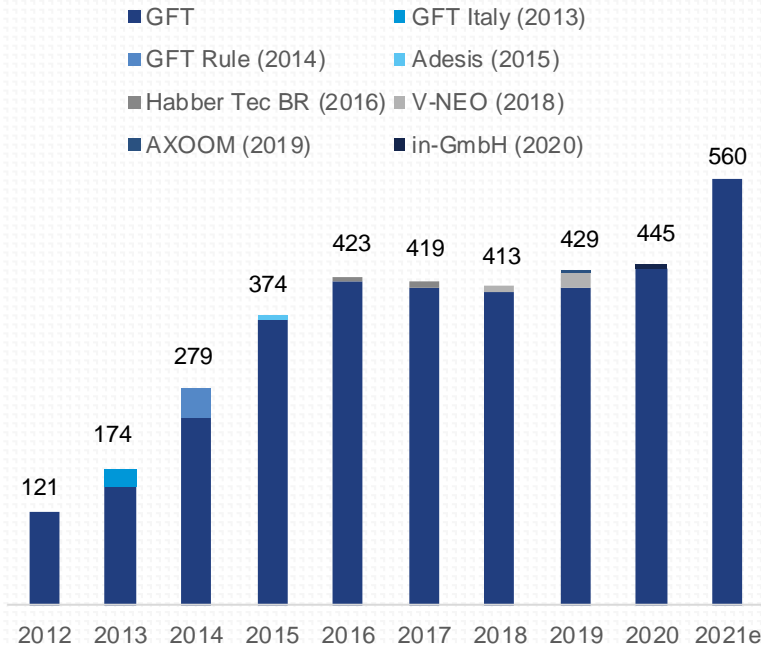
Revenue	2014	2015	2016	2017	2018	2019	2020*
< €1.0m	205	255	252	258	263	232	345
> €1.0m	20	30	38	35	48	52	45
> €5.0m	5	4	3	7	5	7	13
> €10.0m	3	5	6	5	5	7	7
Total	233	294	299	305	321	298	410

- Strong increase with clients below €1.0m annual revenue – securing ‘land & expand’ growth opportunities
- 54 new qualified clients added*

* New qualified clients per GFT’s definition: customers with a revenue runrate >€100k annually and w/o GFT revenues in the previous year.

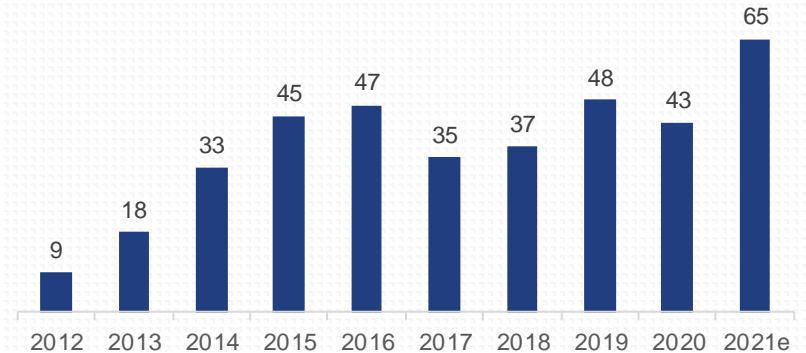
10-year development

REVENUE – 10y CAGR: 18.5%



EBITDA adjusted – 10y CAGR w/o IFRS 16: 22.5%

IFRS 16 effect 2021: €9m



Shaping the future of digital business

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