

Acquisition of V-NEO

GFT Technologies SE

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Acquisition of Canadian IT specialist (insurance sector) (1/2)

Business model

- Integrated digital solutions for Property & Casualty (P&C), Life & Health (L&H) insurance companies
- Comprehensive services for Guidewire technology platform
- Main market in Canada, smaller footprint in Belgium and France

Certified Partner



Offering

- Broad range of Guidewire and Oracle OIPA related activities to support the insurance lifecycle, as well as services for cost-benefit analysis and strategic roadmap
- Cloud services
- Specialist services: business architecture & IT, enterprise package solutions, process optimisation, digital transformation

Key figures

08/17-07/18	<i>in EUR million</i>	<i>in CAD million</i>
Revenue	15.48	23.49
EBITDA	2.59	4.33
EBT	2.56	4.28

Acquisition of Canadian IT specialist (insurance sector) (2/2)

USP

- Mix of highly skilled local and nearshore teams deliver high quality solutions for carriers in North America and Europe, supported by competitive rates
- Consulting Advantage Partner within the Guidewire PartnerConnect network
- Own 'Centre of Excellence' provides training, development and specialised Guidewire boot camps

Highlights

- Healthy client structure: 4 out of 10 Canadian insurers, as well as AXA in Europe
- Longstanding client relationships, multi-year contracts (5 years with top 5 clients)
- Approx. 62% business related to Guidewire activities

Acquisition rationale

Geographics & Industry

- Access to Canadian and international insurance markets
- Increased share of insurance business and diversification of client portfolio
- Strongly growing demand for integrated solutions in property and casualty insurance

Technology & Know-how

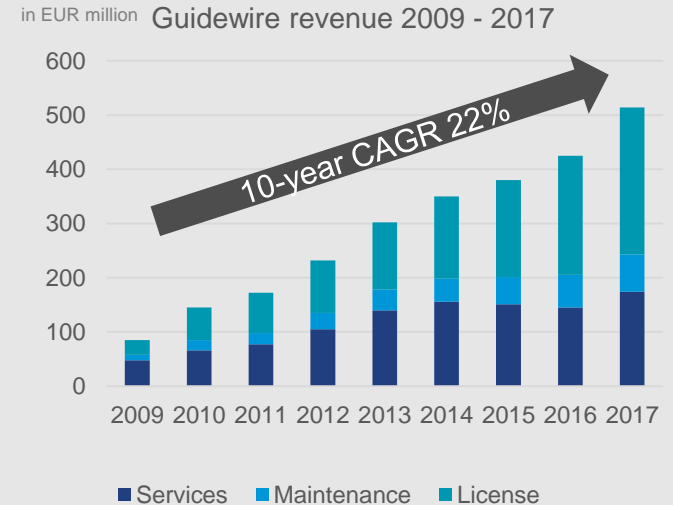
- Excellent fit to existing insurance business (claims management, anti-fraud, customer centricity, digital channels, IT efficiency)
- Strengthening of GFT's technology portfolio
- Complements existing insurance business and Guidewire competency

Business & Financials

- Attractive business with high retention rate through longstanding client relations
- Revenue growth CAGR in last 2 years over 30% and EBITDA-margin above Group average
- Strong cultural fit

Guidewire deep dive

- Comprehensive software platform for property and casualty insurers
- Cloud-based solution, which includes core transaction processing, data management and analytics, as well as digital engagement
- IDC and Gartner have both ranked Guidewire as the leader in property and casualty insurance
- Market for insurance IT-services is growing rapidly: only a minority of insurers have started their digital transition
- Guidewire serves an international client base with a focus on blue chip clients, adding 170 new customers between 2013 and 2017



Key points of the transaction

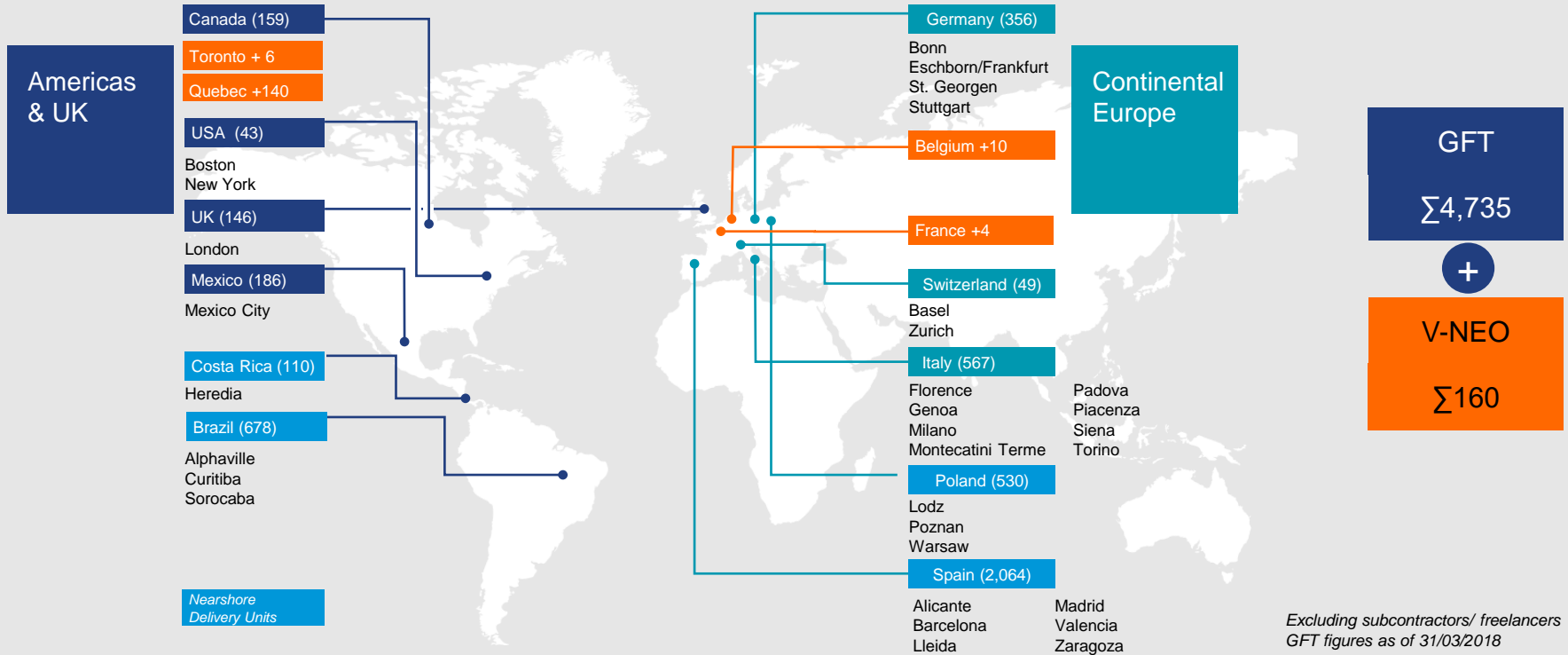
Transaction Details

- Acquisition of the entire share capital of **V-NEO Inc.** and full integration into GFT
- Management remains with GFT, earn-out period ends 30.06.2022
- Transaction in cash, cash-out in third quarter 2018
- Both parties have agreed to keep the purchase price confidential
- First consolidation on 1 August, 2018

Contribution to GFT financials

- **Business figures for FY 2018 (from 01.08.2018 – 31.12.2018):**
 - Revenue: approx. 7 EUR million
(80% to Americas & UK and 20% to Continental Europe)
 - Earnings: no significant contribution in FY 2018
 - M&A effects: PPA and impact on GFT financials 2018 (Revenue, EBITDA, EBT) will be part of Q2 2018 communication
 - Employees: 160

160 employees added to our proven onshore / nearshore delivery model



GFT

Σ4,735

+

V-NEO

Σ160

Excluding subcontractors/ freelancers
GFT figures as of 31/03/2018

GFT's biggest clients with new entries in insurance

Capital Markets

Retail Banking

Insurance

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New Insurance Clients

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Summary

- ✓ Diversification in geography, sector and client base
- ✓ V-NEO has above average revenue growth and EBITDA-margin
→ full impact from FY 2019 onwards

→ **M&A strategy supportive for mid-term targets 2022**

Shaping the future of digital business

GFT Technologies SE

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