

Investor presentation

GFT Technologies SE | May 2022



We believe in a digital world in which the intelligent use of IT is a key success factor. Our vision is to simplify this world for our clients.

We work side by side with our clients on digital transformation, enabling them to stay ahead of the competition and making change easy.

Agenda

1. **GFT at a glance**
2. GFT growth path
3. Financial results Q1/2022
4. Outlook



GFT at a glance



GLOBAL WORKFORCE FY 2021

7,718 FTE
plus 1,305 contractors

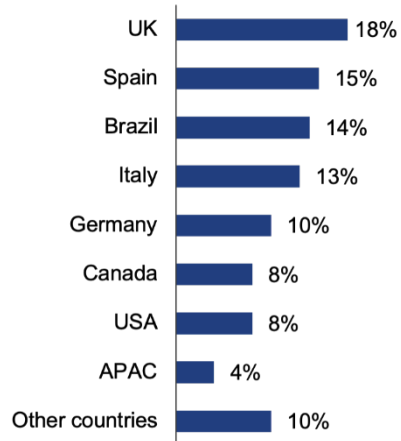
REVENUE FY 2021

€ 566 million

Adj. EBITDA FY 2021

€ 65 million

REVENUE BY MARKET FY 2021



REVENUE BY SECTOR FY 2021



73%
BANKING



16%
INSURANCE



11%
INDUSTRY
& OTHERS

REVENUE BY SERVICE FY 2021



Smart technologies **8%**
Digital transformation **68%**
Platform services **24%**

Investment case



Unique technology and sector expertise

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



Highly attractive sales and earnings potential

- Accelerated growth due to high structural demand
- Increasing profit margins
- 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

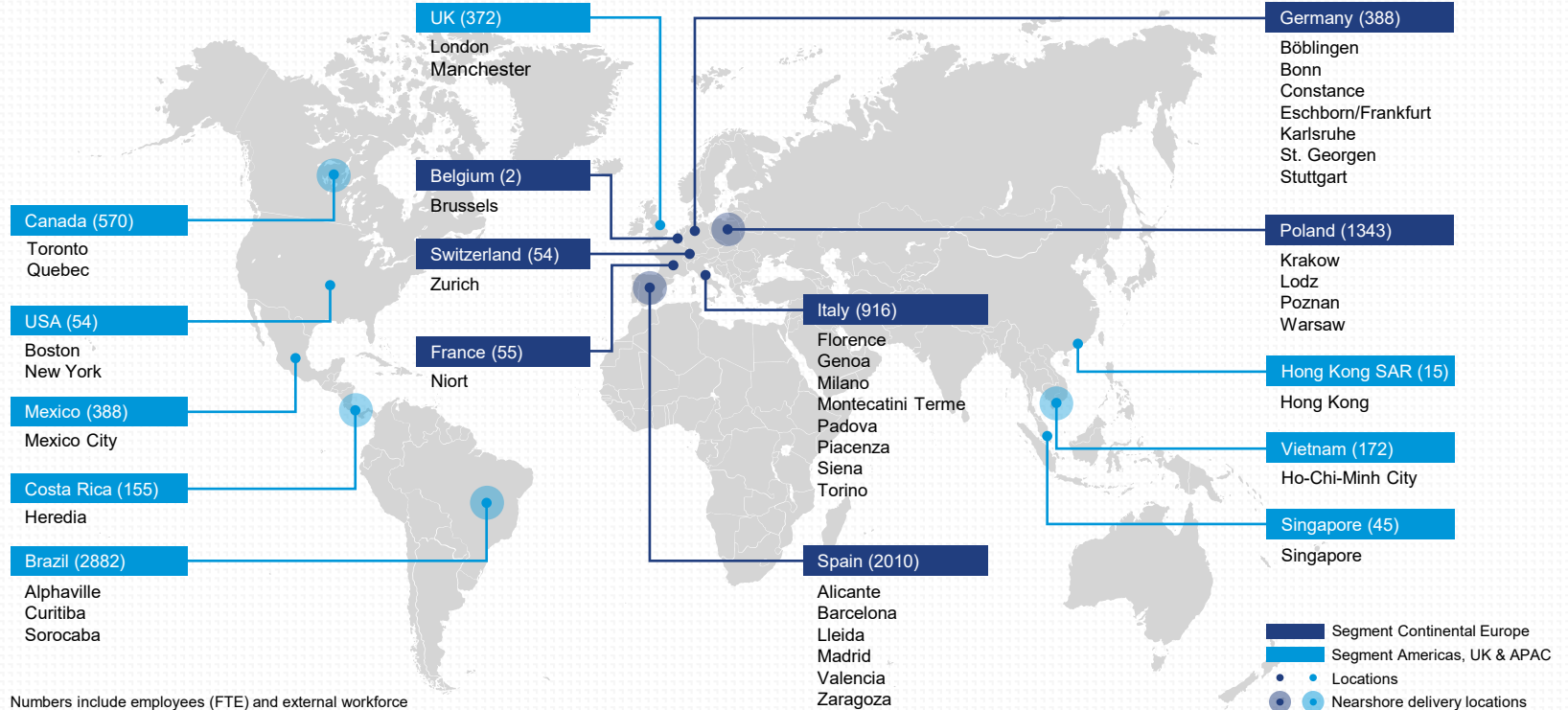


Sustainability and commitment

- 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 with 9,000+ talents

Approx. half of revenues generated nearshore | 8,120 FTEs and 1,301 contractors (Q1/2022)

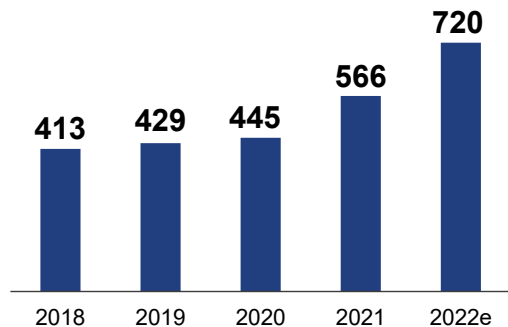


Numbers include employees (FTE) and external workforce

Key figures – strong improvement

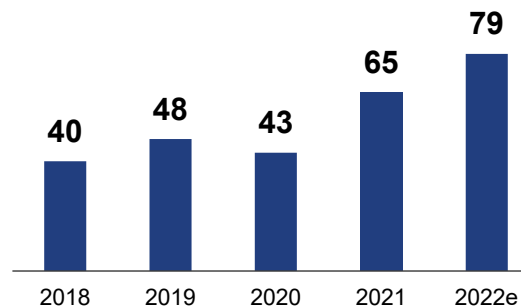


Revenue (€m)



- 10-year CAGR: 18.8 %
- 5-year CAGR: 15.5 %

EBITDA adjusted (€m)*



- 10-year CAGR: 17.9 %
- 5-year CAGR: 18.8 %

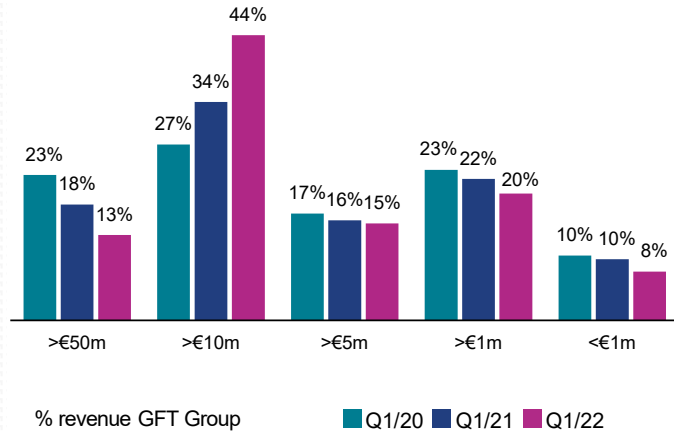
*Adjusted for non-operational effects from M&A activities (EBITDA) plus applicable tax effects (net income and EPS)

Diversification improved further



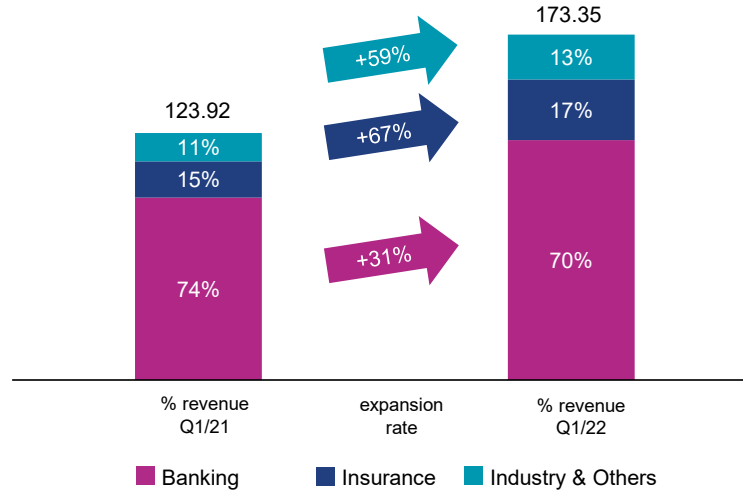
Well-balanced client portfolio*

Largest client with approx. 13% of total revenue

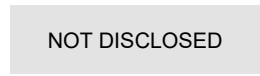
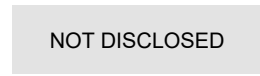


* Annualised extrapolation based on respective first quarter

All sectors with strong growth



30 biggest clients Q1/2022 – five new entries



ESG performance 2021



ENVIRONMENT

SUSTAINABILITY BY DESIGN

500+ people GreenCoding certified

GHG INTENSITY* (IN tCO₂e)

30,036 total Scope 1 – 3 acc. to GHGP

59.9 per m€ revenue

4.9 per person

SCIENCE BASED TARGET

We have committed to set a SBT through the Science Based Target initiative.

* FY 2020, market-based, coverage: 91% revenues / 97% of total GFT workforce incl. contractors (in average FTE)

SOCIAL

GROW TECH TALENT WORLDWIDE

67 initiatives supported to create and empower external tech talent

27 hours of training per employee



Brazil, Spain: **Great Place to Work**
Mexico: **Best Place to Code**
Poland: **Forbes Diamonds - top 10 in IT**

GFT'S FEMALE SHARE

23% of total workforce

18% of our IT experts (and 67% of all women at GFT work in IT professions)

17% management positions

Ratio female:male leaders **1:1.5**

GOVERNANCE

RESILIENT MANAGEMENT SYSTEMS

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

25% tax ratio

4/7 board independency

83% of top management is ESG incentivised

CERTIFICATIONS

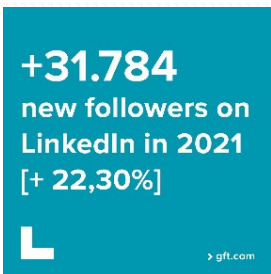
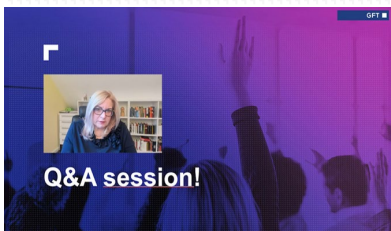


ISO 27001
(certified for a dedicated client)



CMMI L3
certified

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



Business strategies might adapt – our unique values stay

Culture of...

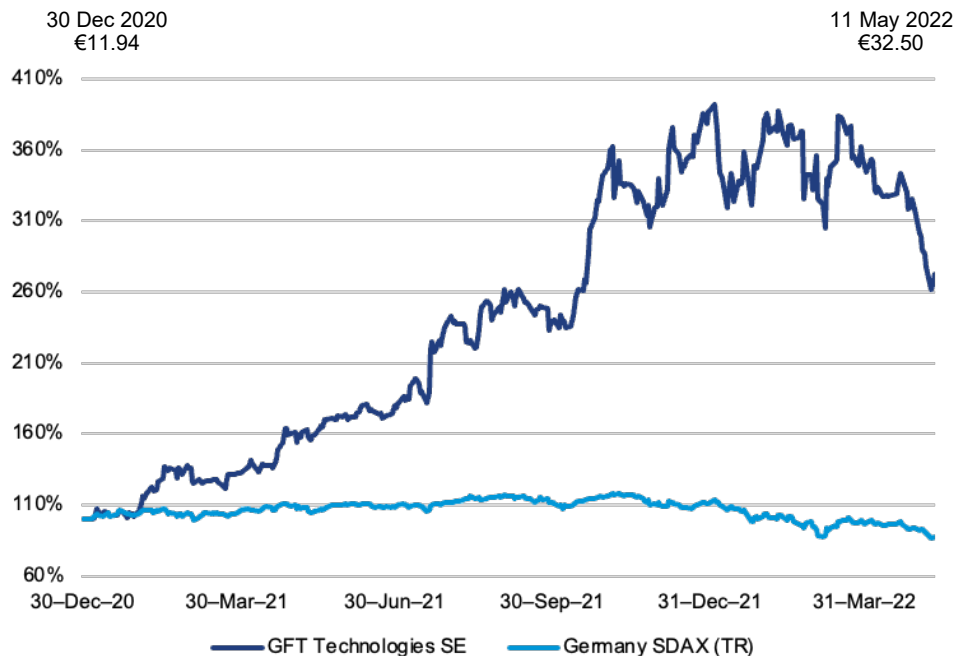
- leading from the front
- global-local responsibility mix
- continuous learning
- diversity & equality
- growing tech talent globally

➤ differentiates us to attract and retain talents.

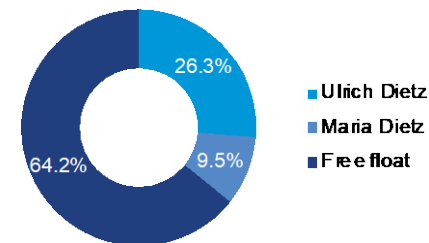
GFT share and shareholder structure



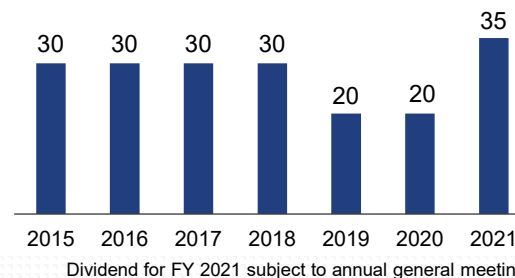
GFT share indexed



Shareholder structure



Dividend per share in Cent (for FY)

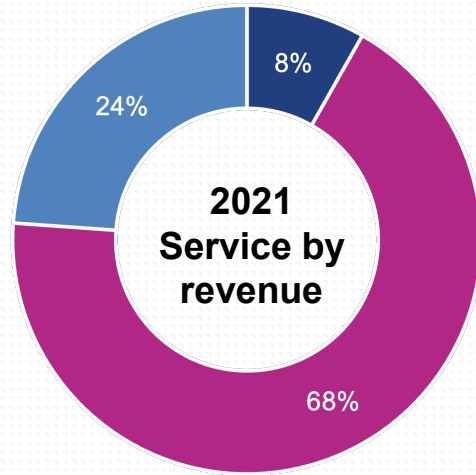


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Cloud business drives digital transformation revenues



- Smart Technologies
- Digital Transformation
- Platform Services



Megatrend digital transformation

- Smart Technologies – Enabling and boosting transformation
 - Highly innovative solutions with smaller project sizes
 - Includes: AI, DLT/Blockchain, AR/VR, Robotic Process Automation (RPA), Bots/virtual assistants and Data Engineering
- Digital Transformation – Vital elements for new ecosystems
 - Nearly 70% of GFT total revenues in 2021
 - Dynamic growth: 38% in 2021 (31% in 2020)
 - Includes: Cloud, Agile and DevOps, Customer Centricity and Collaboration Solutions
- Platform Services – Managing IT environments
 - Stable business with high amount of recurring revenues
 - Includes: Core Platform Management, Replatforming, Regulatory, Risk and Compliance services

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

- Over 900 cloud engineers and deep expertise with disruptive features
- Built fully virtual new bank MOX (Hong Kong)
- For Al Rajhi Bank Malaysia: collaboration with Oliver Wyman to design, build and launch cloud-based digital bank

GFT's Banking growth

+22.9%

FY 2021

Growth in Banking IT for Solutions 2021

+13.9%

Source: Gartner December 2021

Growth in Banking IT for Services 2021

+9.8%

Source: Gartner December 2021

Insurance growth momentum



Increasing traction with Guidewire

- Capitalising on strong business demand, Insurances reinvent themselves
- Demand for cloud-based Guidewire solutions increases
- GFT's hybrid cloud approach appeal to more insurers



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

- For large automobile insurer: simultaneous complex upgrade to Guidewire v10 functionalities and migration to Google Cloud.
- First European full suite Guidewire implementation on cloud for La Macif

GFT's Insurance growth

+51.7%

FY 2021

Growth in Insurance IT for Solutions 2021

+14.4%

Source: Gartner December 2021

Growth in Insurance IT for Services 2021

+8.8%

Source: Gartner December 2021

Industry growth momentum



Addressing market with complete offering

- Sustainability offering based on asset sphinx open online (SOO)
- Multi-year development projects with thousands of engineers leveraging weblet asset
- Expanding US success in Visual Inspection to more countries



Recognitions

- AutoQML: solving industry challenges by leveraging the power of KI & Quantum Computing with SOO
- MAD Urban: data hub for managed autonomous driving with intelligent infrastructure



Proofpoints

- For large automotive client: fully digital car crash test process solution - includes role-based secure data sharing
- High traction of weblet projects and optimisation - 15,000 active users for one client alone

GFT's Industry & Others growth

+27.3%

FY 2021

Growth in Industry IT for Solutions 2021

+9.3%

Source: Gartner December 2021

Growth in Industry IT for Services 2021

+5.2%

Source: Gartner December 2021

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Dynamic growth continues in Q1 2022

Revenue and earnings outlook upgraded for full year 2022



Strong demand: digital transformation

- Structurally strong demand for digital transformation from all client sectors
- Additional scaling from diversification
- Active price and cost management
- Employee growth is keeping pace
- Liquidity remains high

→ Outlook 2022 upgrade

- Revenue: €720m
- EBITDA adj. €79m
- EBT: €58m



Performance Q1 2022

- ▶ **+40%** revenue
- ▶ **+91%** EBT
- ▶ **+67%** in the Insurance sector
- ▶ **+59%** in Industry & Others sector
- ▶ **+30%** employees
- ▶ **39%** equity ratio

Key figures – strong growth in revenue and earnings



in €m	Q1/2022	Q1/2021	Δ%
Revenue	173.35	123.92	40%
Order backlog	366.94	231.28	59%
EBITDA adjusted*	18.52	13.55	37%
EBITDA	18.52	12.90	44%
EBIT	13.45	7.37	82%
EBT	13.42	7.01	91%
Net income	9.58	5.16	86%
Earnings per share (in €)	0.36	0.20	86%
Earnings per share adjusted (in €)*	0.40	0.26	54%
Employees (in FTE)	8,120	6,225	30%

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

- **Revenue growth** of 40%
- **Order backlog** significantly above prior-year figure
- Strong increase in **EBITDA adjusted** of 37%
 - Utilisation at normal level
 - Restructuring measures amounted to €-0.93m (Q1/2021: €-0.97m)
 - FX effects of €0.28m (Q1/2021: €-0.17m)
- Disproportionately strong **EBT** growth of 91%
- Significant increase in **EBT margin** to 7.7% (Q1/2021: 5.7%)
- **Tax ratio** above previous year at 29% (Q1/2021: 26%)

Revenue by segment



in €m	Revenue		Growth rates			
	Q1/2022	Q1/2021	Organic	M&A	FX	Total
Americas, UK & APAC	106.59	63.45	60%	n/a	8%	68%
Continental Europe	66.69	60.44	10%	n/a	0%	10%
Others	0.07	0.03	n/a	n/a	n/a	n/a
GFT Group	173.35	123.92	35%	n/a	5%	40%

- **Americas, UK & APAC:** further strong revenue growth, especially in Canada, Brazil, APAC, UK and USA
- **Continental Europe:** slightly faster revenue growth than previous year, positive trend in Germany, Spain and Switzerland

Earnings by segment



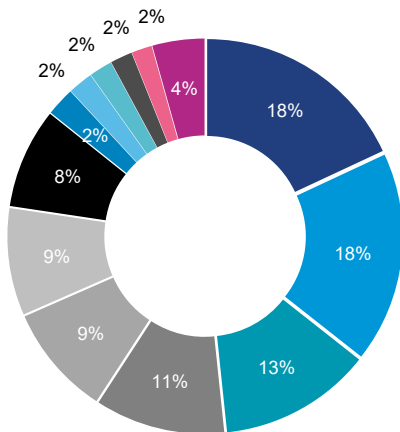
in €m	EBITDA adjusted*			EBITDA			EBT		
	Q1/2022	Q1/2021	Δ%	Q1/2022	Q1/2021	Δ%	Q1/2022	Q1/2021	Δ%
Americas, UK & APAC	9.21	6.93	33%	9.21	6.28	47%	7.06	4.17	69%
Continental Europe	10.29	7.09	45%	10.29	7.09	45%	7.58	3.65	>100%
Others	-0.98	-0.47	< -100%	-0.98	-0.47	< -100%	-1.22	-0.81	-50%
GFT Group	18.52	13.55	37%	18.52	12.90	44%	13.42	7.01	91%

- **Americas, UK & APAC:** stable EBT margin despite increased Sales and Business Development investments as well as special M&A effects (earn-out)
- **Continental Europe:** significant margin improvement – limited to Q1 – due to increased transfer prices for internal nearshore services as of 1 January 2022 (salary increases only due in Q2)

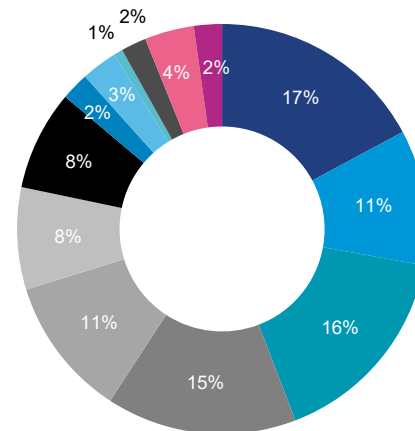
*Adjusted for non-operational effects from M&A activities

Revenue by markets

Brazil now second largest market



Q1/2022		Δ%	Q1/2021
31.60	UK	50%	21.04
30.77	Brazil	>100%	14.35
22.27	Spain	11%	20.05
18.97	Italy	3%	18.41
16.20	Germany	20%	13.54
15.65	Canada	58%	9.88
12.89	USA	34%	9.65
4.17	Switzerland	54%	2.71
3.64	Mexico	5%	3.47
3.37	Singapore	>100%	0.87
3.23	Hong Kong (SAR)	32%	2.45
2.98	France	-38%	4.78
7.61	Other countries	>100%	2.72
173.35	Total	40%	123.92



Income statement: disproportionately improved earnings

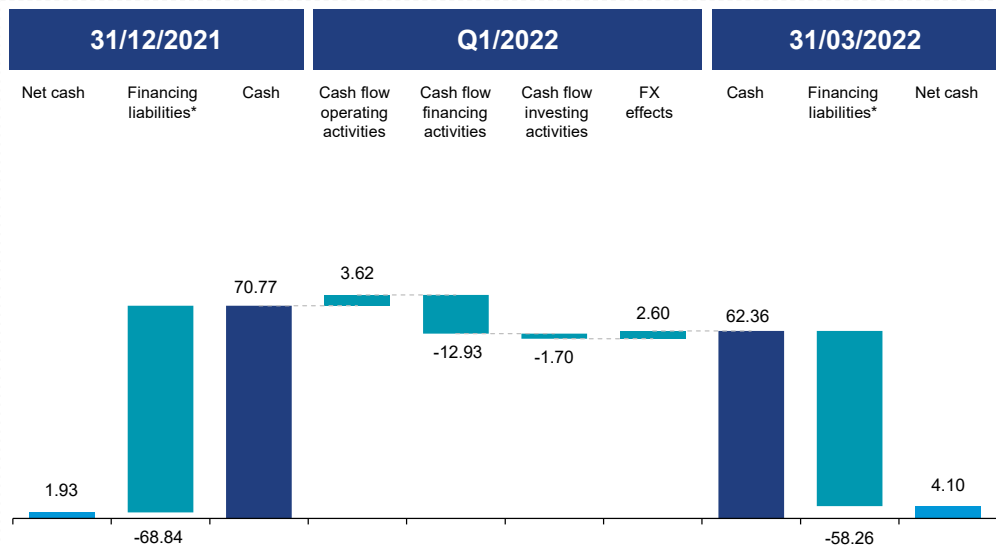


in €m	Q1/2022	Q1/2021	Δ%
Revenue	173.35	123.92	40%
Other operating income	5.22	2.54	>100%
Cost of purchased services	-27.35	-15.93	72%
Personnel expenses	-114.26	-87.30	31%
Other operating expenses*	-18.44	-10.33	79%
EBITDA	18.52	12.90	43%
Depreciation and amortisation	-5.07	-5.53	-8%
EBIT	13.45	7.37	81%
Interest income/expenses	-0.03	-0.36	-92%
EBT	13.42	7.01	91%
Income taxes	-3.84	-1.85	>100%
Net income	9.58	5.16	86%
Earnings per share (in €)	0.36	0.20	86%

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

- Profitable **revenue growth** due to sustained demand for digital transformation
- Increase in **other operating income** mainly driven by higher foreign exchange gains (gross)
- Ratio **cost of purchased services** to revenue of 16% significantly above prior-year level (Q1/2021: 13%)
- Increased **personnel expenses** caused by higher average headcount, esp. in Brazil. Ratio of personnel expenses w/o restructuring costs plus purchased services to revenue of 81% below prior-year level (Q1/2021: 83%)
- Disproportionate increase in **other operating expenses** primarily due to expenses for recruiting and business development
- Increase in **income taxes** mainly as a result of higher EBT. Effective tax ratio at 29% (Q1/2021: 26%)

Cash flow analysis (€m) – net cash improved



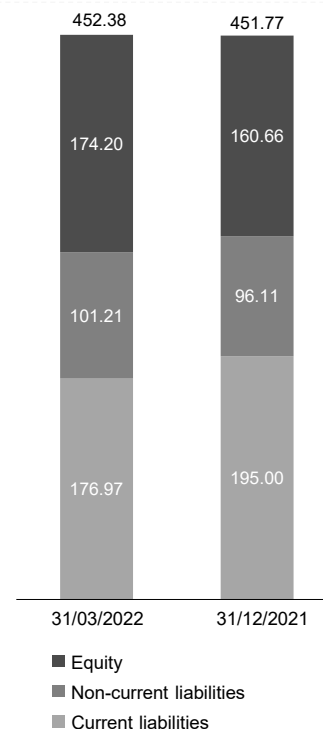
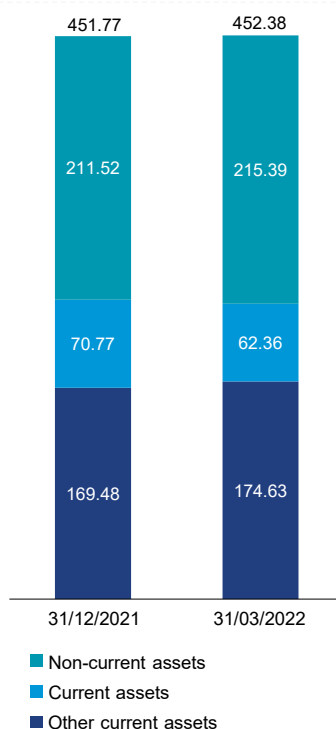
* Financing liabilities include liabilities to banks

- **Financing structure** improved further. Unused credit facilities of €43.61m (31/12/2021: €35.08m). Net cash at €4.10m (31/12/2021: €1.93m)
- Decrease in **group cash** of €8.41m to €62.36m (31/12/2021: €70.77m) mainly due to bank loan redemption
- **Operating cash flow** of €3.62m below prior-year figure (Q1/2021: €15.12m) due to payment of tax and personnel liabilities; also more unfavourable working capital effects
- **Cash flow from financing activities** characterised by net redemption of bank loans amounting to €10.58m (Q1/2021: €20.07m)
- **Cash flow from investing activities** primarily influenced by capital expenditures in property, plant and equipment of €1.80m (Q1/2021: €1.53m)

Balance sheet (€m) – stable asset structure

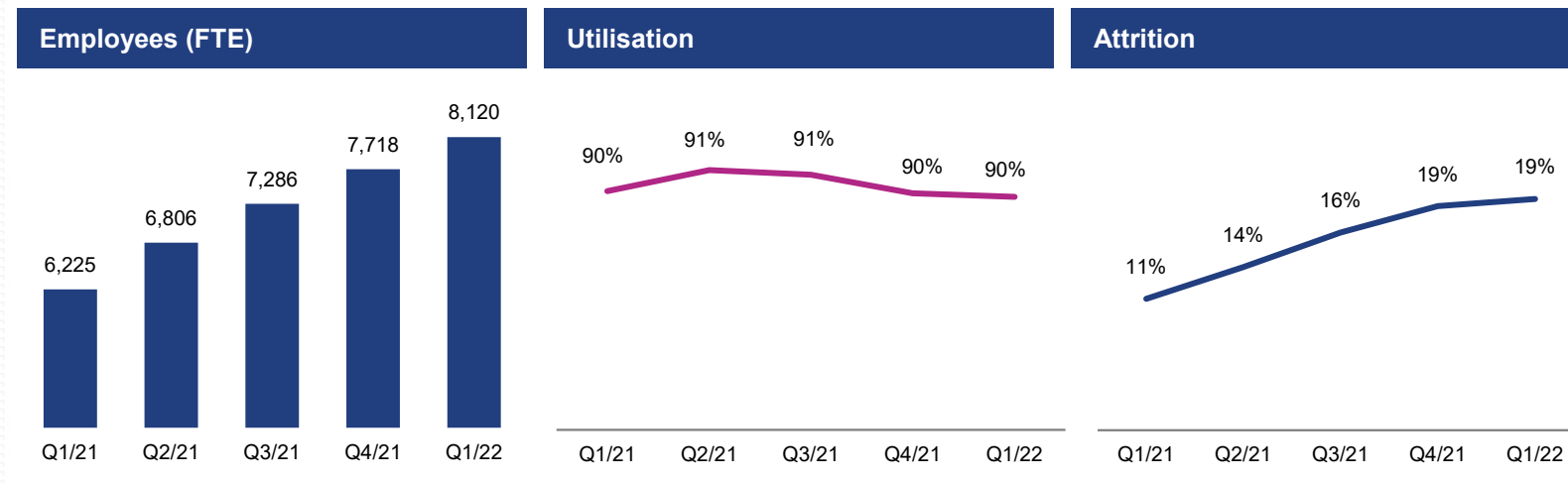


- **Balance sheet total** remained stable (+/- 0%) at €452.33m (31/12/2021: €451.77m)
- Increase in **non-current assets** of €3.87m mainly driven by replacement/follow-on investments for real estate leasing. Non-current assets account for 48% of balance sheet total (31/12/2021: 47%)
- Decrease in **cash and cash equivalents** of €8.41m to €62.36m primarily due to redemption of bank loans
- Increase in **other current assets** of €5.15m to €174.63m (31/12/2021: €169.48m) mainly due to prepaid expenses and tax payments, as well as higher (conditional) receivables from contracts with clients



- **Equity** currency-adjusted up by €9.37m with net income of €9.58m (Q1/2021: €5.16m); equity ratio improved by 3 percentage points to 39% (31/12/2021: 36%)
- Increase in **non-current liabilities** of €5.10m to €101.21m primarily due to higher lease liabilities
- Decline in **current liabilities** of €18.03m to €176.97m due to redemption of bank loans totalling €10.50m and lower client contract liabilities (€-6.68m) as well as trade payables (€-4,51m). Main opposing effect from increased other provisions due to rise in personnel-related obligations

Employees – successful staff expansion



- Number of employees grew by 30% compared to previous year
- Strong increase esp. in Brazil
- Utilisation of 90% in first quarter at prior-year level
- Attrition as expected, prior-year figures below long-term average due to Covid-19
- In addition: external contractors with strong rise to 1,301 (Q1/2021: 828); (headcount, not reflected in figures above)

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Reaching new heights in 2022



Megatrend digital transformation pushes GFT up

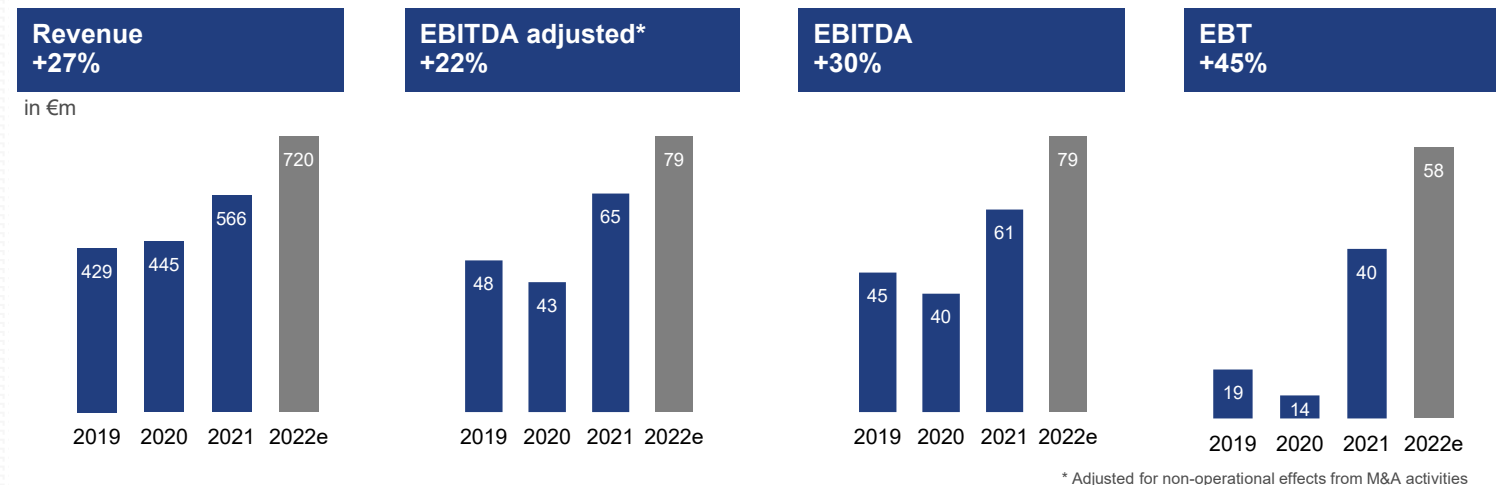
- Anticipating growth in every sector
- Highest dynamic with cloud technologies
- AI & DLT/ Blockchain projects increasing too
- Global talent pool and sourcing as competitive advantage
- Solid client structure; biggest client approx. 12% revenue



... while keeping solid foundation

- Focus on double-digit revenue growth while improving earnings yoy
- Banking, Insurance, Industry & Others at 65:20:15 in mid-term
- Maintain solid balance sheet and cash position
- Seize bolt-on acquisition opportunities
- Shareholder friendly dividend policy with 20-50% net profit

Outlook 2022 – sustained growth, increased EBT margin



- REVENUE 2022e**
- Revenue outlook upgraded from €680m to €720m
 - Sustained growth trend due to structurally strong demand for digital transformation
 - Growth in all sectors expected; disproportionately strong growth for Industry & Other and Insurance
- EARNINGS 2022e**
- Outlook for EBITDA upgraded from €75.5m to €79m and for EBT from €54.5m to €58m
 - Driven by economies of scale as well as active price and cost management

Backup

Clients in 2021 – 46 new qualified clients



Revenue	2015	2016	2017	2018	2019	2020	2021
< €1.0m	255	252	258	263	232	345	371
> €1.0m	30	38	35	48	52	45	56
> €5.0m	4	3	7	5	7	13	11
> €10.0m	5	6	5	5	7	7	12
Total	294	299	305	321	298	410	450

- Further increase of clients below €1.0m annual revenue – securing ‘land & expand’ growth opportunities
- 46 new qualified clients added*

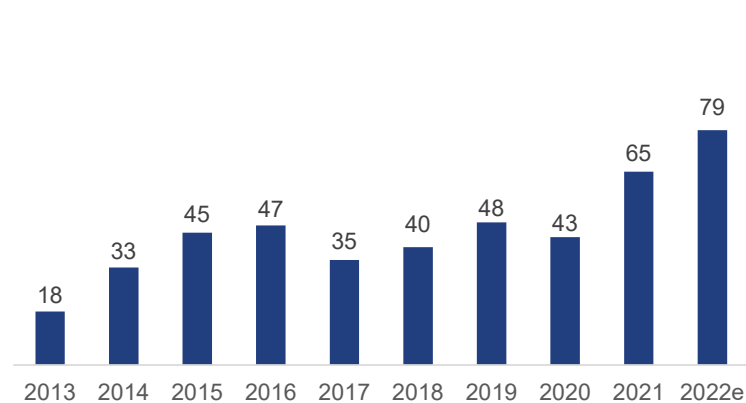
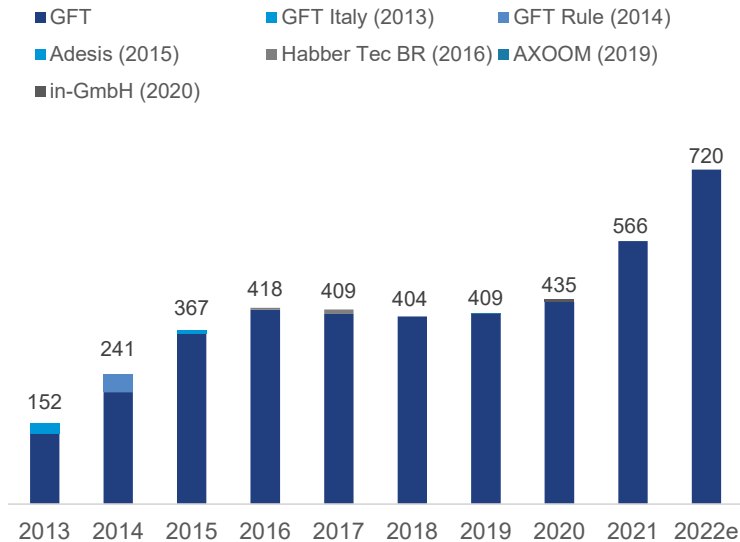
* New qualified clients per GFT’s definition: customers with a revenue runrate >€100k annually and w/o GFT revenues in the previous year.

10-year development



REVENUE – 10y CAGR: 18.8%

EBITDA adjusted – 10y CAGR: 17.9%



Shaping the future of digital business

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