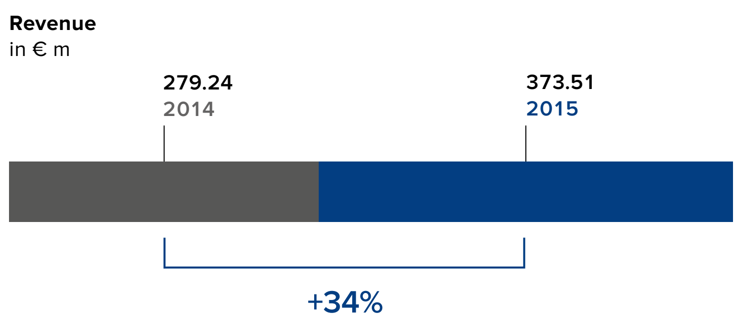
GFT

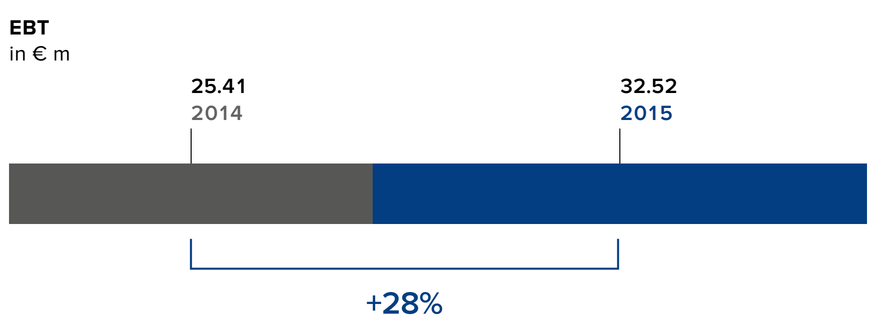
Future: Think. Do.

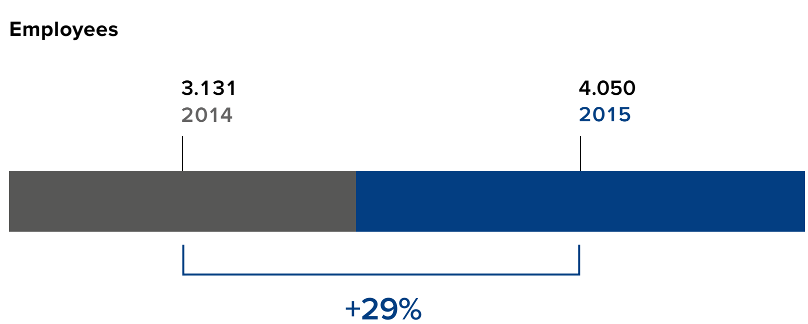
Annual Report 2015

The GFT Group is a global technology partner for digital transformation. Leading international banks put their trust in our IT and consulting expertise to solve the complex challenges of their industry. These include developments to meet compliance regulations and the challenges of a changing digital world.

With its innovation platform CODE_n, GFT gives start-ups, tech pioneers and established companies access to a global network. This enables them to discover disruptive trends in the banking industry and integrate them into new business models.







Theme

Future: Think. Do.

FUTURE. We live in a time of change. Developments in IT are affecting both industry and society so radically and permanently that change has become the New Normal. The future of banking is digital. It uses all channels, is active 24 / 7 and is being shaken up by resourceful start-ups with disruptive technology solutions.

THINK. How can we actively shape the future? It starts with a new mindset that challenges the status quo and produces new ideas. Pushing the envelope is in our genes at GFT. It's perfectly normal for us to already be working on ideas that will affect our finance sector clients in the years ahead.

DO. Only those who offer applications with the highest added value for the customer can ultimately survive. GFT supports investment banks particularly in fulfilling their reporting obligations. On the following pages, we will show you some examples of how our forward-looking solutions make everyday life more convenient – on the go, at home or visiting your local bank branch.

Content

Highlights

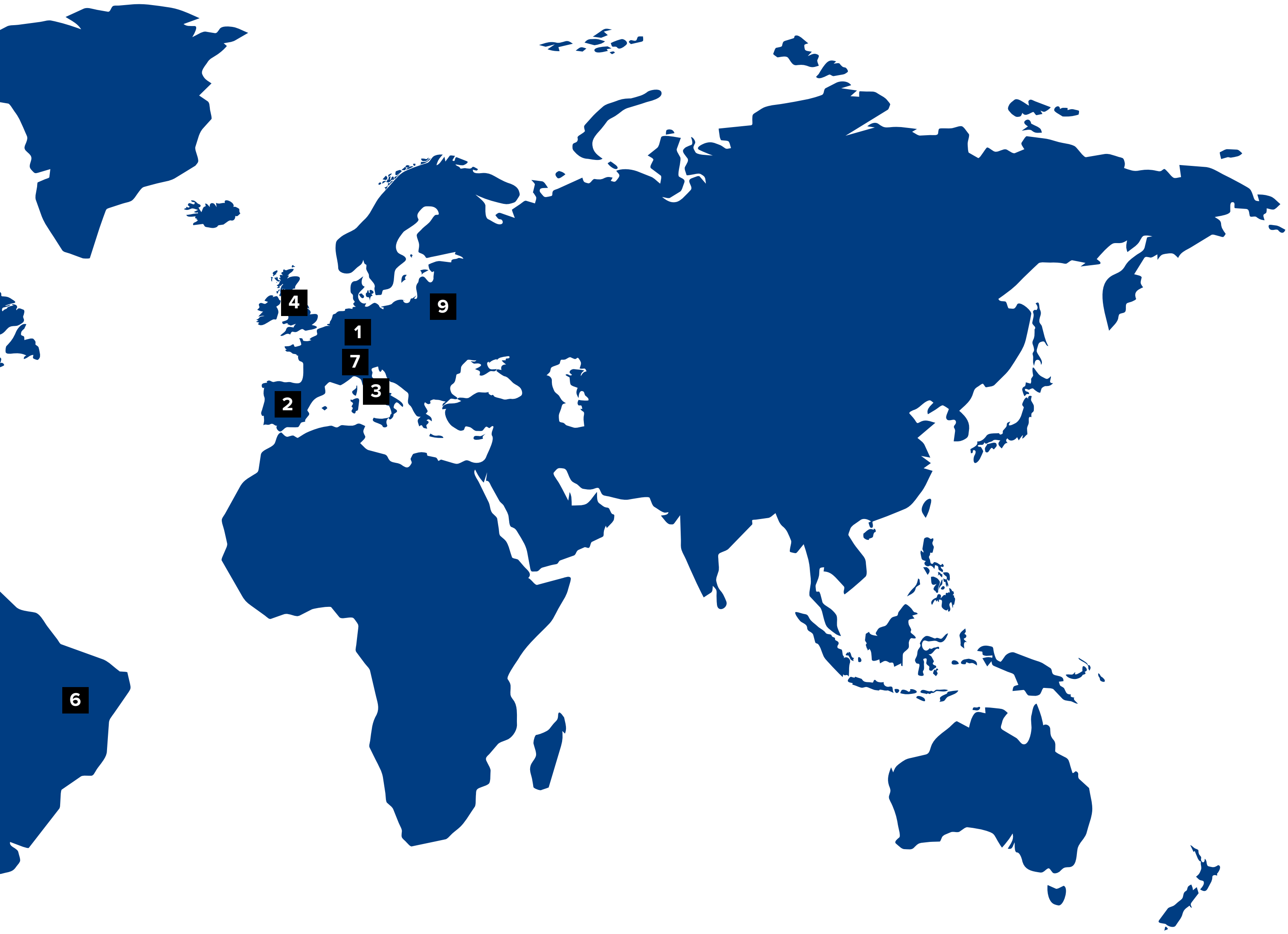
GFT international

2015 was one of the most successful years in GFT's 28-year history.

Our company is now active in twelve countries and employs more than 4,000 people. As a specialist for digital banking and compliance, we successfully completed numerous projects, won new orders and drove forward existing projects. With the acquisition of the Spanish company Adesis Netlife S.L., we expanded our expertise and portfolio in the field of banking. In 2015, we raised revenue by 34% to € 373.51 million and earnings (EBT) by 28% to € 32.52 million. The GFT share, which was accepted into the TecDAX index in March 2015, achieved growth of 154% over the year.

Our highlights worldwide:

1 Germany
GFT AG becomes GFT SE: at our Annual General Meeting in June, shareholders vote in favour of changing GFT AG into a European Company (Societas Europaea, SE). This modern, European and internationally recognised legal form underlines the global alignment of the GFT Group. The finalists of the CODE_n CONTEST thrill visitors to the CeBIT fair with their Internet of Things (IoT) business models. In mid-2015, the Digital Banking Lab opens at GFT's Stuttgart headquarters to showcase its innovative services for the networked living room and bank branch of the future. In November, the innovation campus CODE_n SPACES opens its doors in Stuttgart for ambitious start-ups, experienced company founders and innovation teams.



2 **Spain**
The Spanish Digital Banking Lab already opens in Sant Cugat des Vallès (Barcelona) at the beginning of the year. Here customers can dip into the future of digital transformation. The Adesis team also receives an important award: the Nielsen Norman Group honours its Intranet solution for oil producer Repsol as one of the world's ten best.

3 **Italy**
In June, GFT Italy partners with a major Italian bank to help it extend its leading position in digital banking. 73 experts from Italy, Brazil, Spain and Germany are currently working on the implementation of a new omni-channel architecture for the bank. In addition, Jiffy – the peer-to-peer payment service of SIA S.p.A. and GFT – is enjoying considerable success in Italy. In November, the two companies launch nationwide sales in Germany.

4 **UK**
In February, GFT's UK staff move into new premises in the heart of London. The innovation space "create@GFT" is also opened here in late 2015. In addition, "Project Jupiter" gets underway – an innovative Blockchain approach which is causing quite a stir in the finance world.

5 **Peru**
The GFT Group steps up its activities in South America and opens an office in Lima.

6 **Brazil**
The GFT Team in Alphaville moves into a new and larger office complex in December – the Brazilian team grows by 60% to 454 employees in 2015.

7 **Switzerland**
GFT signs a partnership agreement with Appway, a provider of Business Process Management systems. The Swiss team now handles the development and maintenance of all projects on the Appway platform for a private bank.

8 **Mexico**
The Adesis team in Mexico is successfully integrated into the GFT Group and grows from 45 to 100 employees.

9 **Poland**
Three new clients, 15 new projects and 489 colleagues at year-end – a successful 2015 for us in Poland.

10 **USA**
GFT's US team wins numerous new clients in the investment sector.

11 **Canada**
As of January, GFT is also represented in Canada with a motivated team in Toronto. In summer, the first event – the "New Normal" with managers from the industry – is a resounding success.

12 **Costa Rica**
GFT taps the financial services market in Costa Rica: our colleagues in Costa Rica and Brazil cooperate to create a new design for the mobile apps of their first local client.

■ Ulrich Dietz — Chairman of the Managing Directors, Chief Executive Officer (CEO)
Marika Lulay — Chief Operating Officer (COO)
Dr Jochen Ruetz — Chief Financial Officer (CFO)

Letter to the share-holders

Ladies and gentlemen,

2015 was an exciting year for the GFT Group, with plenty of change and success; all in all, one of the most successful in the company's 28-year history. The GFT Group maintained its dynamic growth trajectory in the past year. With revenue growth of 34% to € 373.51 million and a 28% improvement in pre-tax earnings to € 32.52 million, we even surpassed our last guidance upgrade issued in late 2015.

As a result of this persistently positive trend, the GFT share price made very encouraging progress in a globally volatile market environment and the share was chosen for the TecDAX index in March 2015. This greatly enhanced awareness of GFT and its profile on the international capital markets. Over the year as a whole, the share grew by 154% and was among the top three TecDAX performers.

Let me give you just a brief summary of the past year.

At the Annual General Meeting on 23 June 2015, our shareholders voted almost unanimously in favour of changing our legal status from a German public limited company (Aktiengesellschaft, AG) to a European Company (Societas Europaea, SE). This modern, European and internationally recognised legal form underlines our global alignment. GFT Technologies AG thus became GFT Technologies SE.

Our business with innovative IT solutions for the banking industry grew organically by 20%. The company acquisitions we made in the UK in 2014 and in Spain in 2015 have made very good progress. Banks are still faced with major challenges: since the financial crisis 2007 / 2008 they have had to deal with an avalanche of regulatory reforms. With its innovative IT solutions, GFT supports especially investment banks in the UK and USA in fulfilling their reporting obligations. Revenue growth in these countries was over 40%. Growth was also driven by the ongoing digitisation of business processes, especially in retail banking. In Spain, for example, whose banking sector is one of the most advanced in terms of digitisation, revenue rose by 58%.

In order to focus more strongly on our high-growth business with IT solutions for the finance sector, the GFT Group decided to sell its emagine division – the specialist for staffing technology projects – in mid-2015. This allowed us to further sharpen GFT's profile.

At the same time, we expanded our portfolio for banks and insurances with modern offerings in the field of digital banking. The acquisition in mid-2015 of Adesis with 300 employees in Spain and Mexico gave us additional expertise in this field and new clients in both countries. This takeover will also accelerate our expansion in Latin America with a new development centre in Mexico and a sales office in Peru. As a result, we have expanded our nearshore development centres in Spain, Poland and South America and strengthened our established international model for developing comprehensive solutions across borders: with a wide range of consulting services and IT expertise, our company is now represented in the major financial markets of Germany, the UK and the USA by our experienced consultant teams. In cooperation with our nearshore locations, we can handle complex IT projects with outstanding value for money.

For 2016, we expect a further continuation of our positive business trend. Consolidated revenue is expected to reach € 410.00 million with earnings before interest, taxes, depreciation and amortisation (EBITDA) of €48.50 million and pre-tax earnings of €35.00 million. It can be assumed that both retail and investment banks will continue to earmark a large portion of their IT budgets for compliance implementation in the coming years. For complex regulations like Basel III, for example, the process is likely to last several more years.

Digital transformation will also remain an important topic for banks in 2016. In view of the current low interest rates and falling margins, retail banks are faced with the challenge of modernising their core banking systems and outsourcing some of their IT services in order to save costs. At the same time, competition has intensified with the market entry of new innovative players from the fintech environment. The quality of the digital platforms recently used to offer financial products and services will become an increasingly important factor for winning and retaining customers. Banks are expected to invest heavily in the digital transformation of their business processes in future. We support them during this transformation by providing customer-centric solutions, such as mobile payment, smart finance management and innovative concepts for omni-channel offerings running on all devices.

We expect that the need to digitise processes and comply with banking regulations will continue to drive the growth of our business in the years ahead. By the year 2020, we want to raise GFT Group's revenue to € 800 million with an EBITDA margin of around 12%. We anticipate organic growth of around 10% in combination with further targeted acquisitions to strengthen our regional footprint or technological expertise. In order to be well equipped for this growth as a global technology partner, we will continue to invest in our IT infrastructure and in targeted headcount growth.

I would like to thank our employees for their hard work and dedication, as well as our clients, partners and shareholders for their continued trust.

Ulrich Dietz
Chairman of the Managing Directors, CEO

Trends

Digitisation and regulation

The digitisation of the financial services sector is in full swing. Banks have to gradually implement a raft of new regulatory reforms. As experts for digitisation and regulation, our clients are always one step ahead. We are also closely observing the fintech scene, testing the market, picking up trends for our clients and partnering with innovative start-ups. Project work is based on our established Global Delivery Model.

Digitisation	**Global Delivery Model**
Regulation	**Fintechs**

Digitisation

Banks in Europe are actively engaging with the topic of digitisation. The trend is being driven by the banks' customers. As competition continues to intensify, customer satisfaction and loyalty are being given top priority. This means that banks are also willing to radically rethink their roles and tread new ground. Today's customers expect seamless on-demand services for their banking transactions. In order to enhance their appeal, banks therefore need a consistent omni-channel approach (mobile, branch, online). At the GFT Digital Banking Labs in Stuttgart and Sant Cugat del Vallès (Barcelona), bank and technology experts are working together on creating new solutions.

Regulation

The financial world needs greater transparency and professionalism. This is also the aim of stricter legislation and new guidelines introduced since the 2007/2008 crisis. Constantly adapting to these new regulations has become everyday life for banks around the world: The New Normal. GFT helps banks make their business models and IT systems more flexible and adaptable. This is the prerequisite for constant and trouble-free compliance with ever-changing rules and regulations while at the same time remaining profitable. At the moment, banks are involved with PSD2, among other things. This EU directive aims to strengthen competition in the field of payment transactions to benefit consumers.

Global Delivery Model

With bank IT infrastructure and budgets under increasing pressure, cost reduction continues to be at the top of the industry's agenda. The easiest cost-cutting strategies have already been implemented though, and it is becoming more difficult to keep delivering the required savings. By outsourcing individual functions, banks can make their IT operations more cost effective. With its nearshore development centres in Spain, Poland, Brazil and Costa Rica, GFT ensures the necessary cultural proximity and high quality standards. On-site consultants also know the local financial market inside out and understand client needs.

Fintechs

Finance technology start-ups, or fintechs for short, are more than just the hype surrounding them – they have set themselves the target of revolutionising the banking world. With fresh ideas, they put the customer at the centre, offer new solutions and ensure transparency. Banks need to counter this fast-growing competition with a rapid and all-embracing digitisation strategy. The established banks are also beginning to appreciate the innovative spirit of these young companies. Instead of seeing them as a threat, they now look to forge partnerships with them as they seek to strengthen their own competitive position. In turn, the fintechs benefit from the banks' access to customers and see the growth potential this offers. GFT knows both sides and can thus act as a broker and catalyst for pioneering alliances. At the same time, young start-ups use our banking expertise to translate their ideas into functional solutions.

On the way

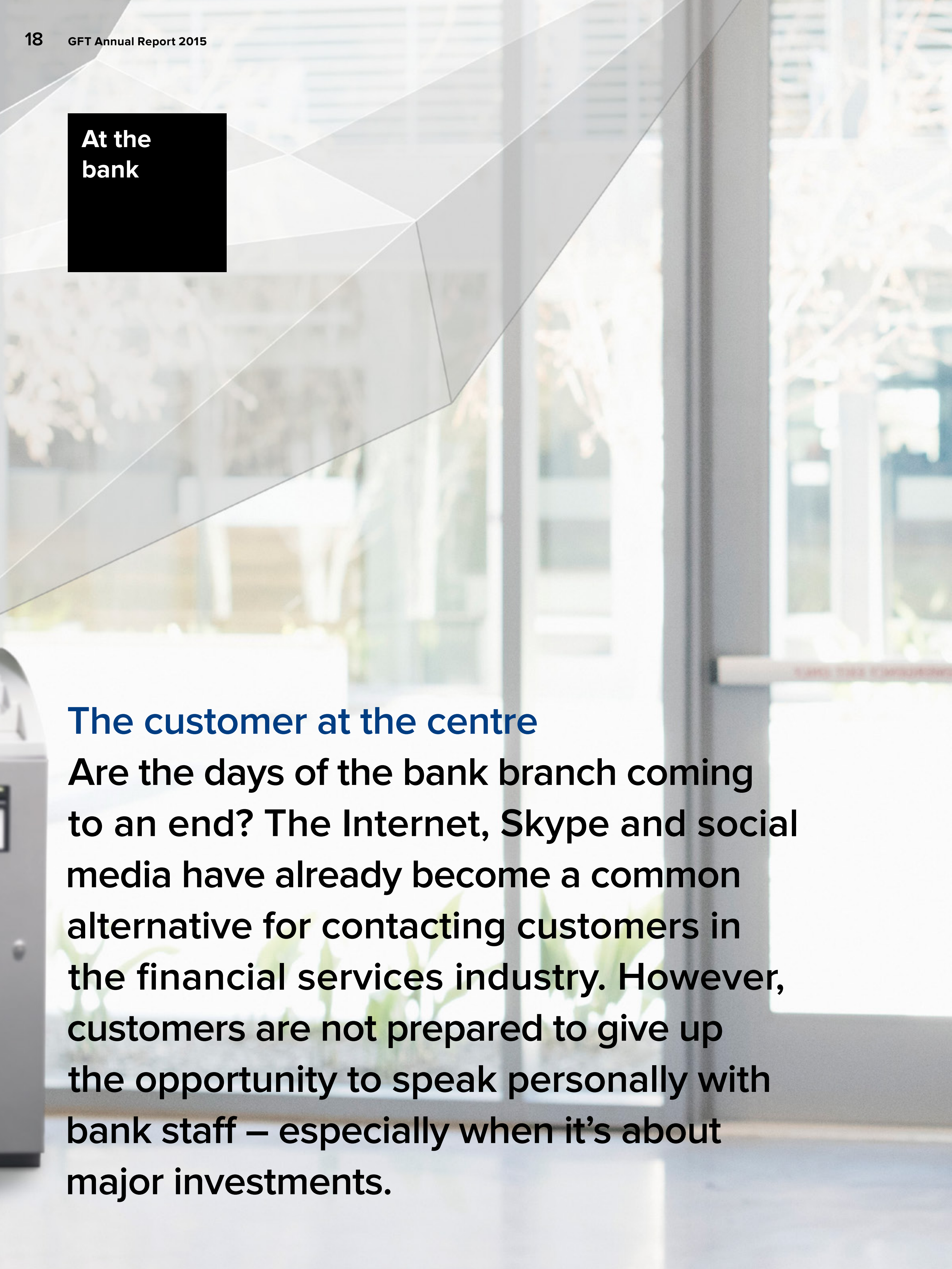
Paying without cash

The mobile phone is held briefly above the cafe's POS terminal and the cappuccino is paid for. Without cash, without PIN – fast and secure. This is made possible by NFC technology (Near Field Communication), which runs on all modern smartphones and is gradually establishing itself as the standard for mobile payments.

■ A quick croissant on the way to work. Instead of rummaging in your pocket for change, use your mobile to pay simply and conveniently.

- A reminder on my smartphone: I'm invited to a birthday party tonight. I'll quickly transfer my share of the present with Jiffy.

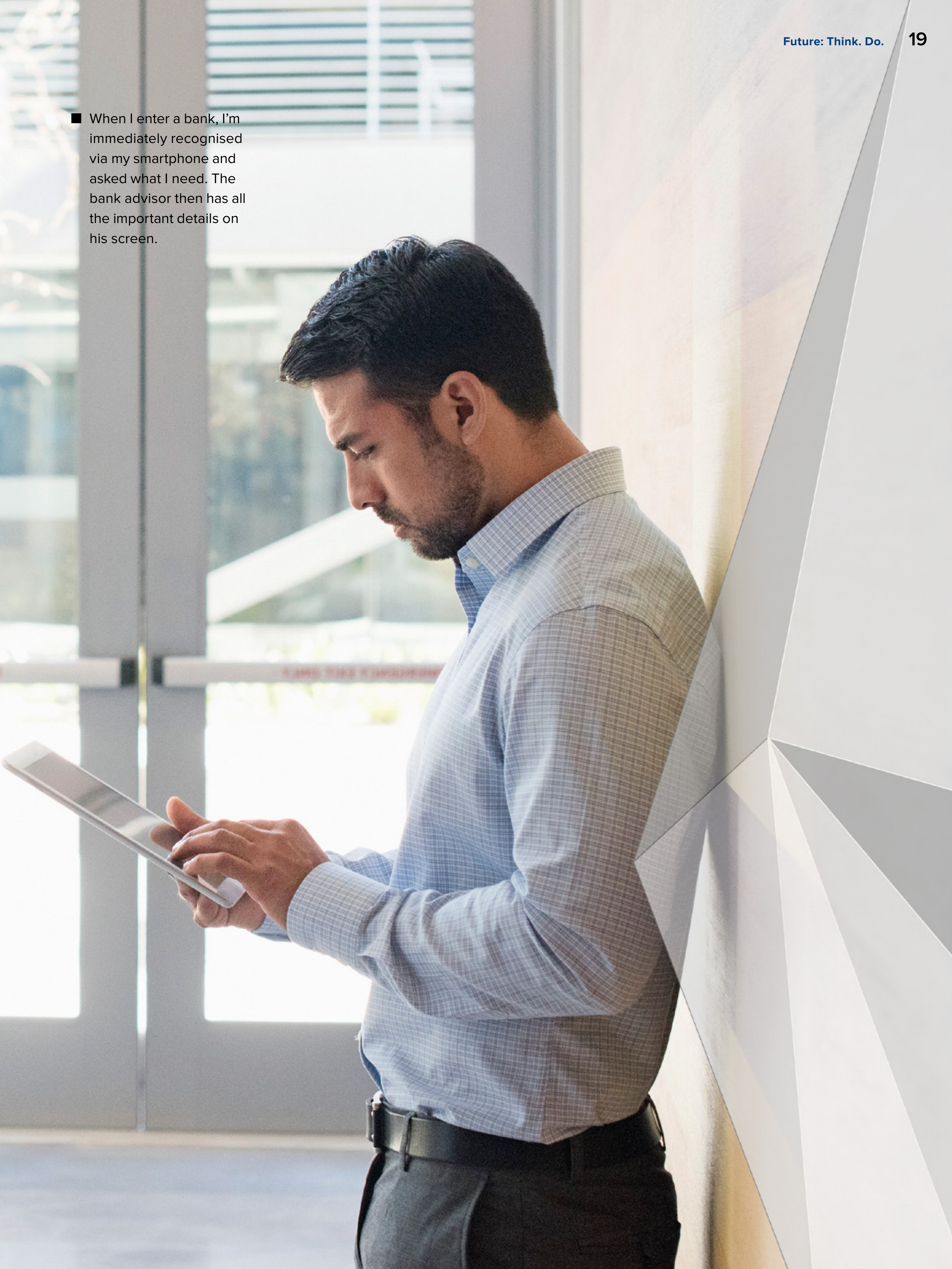
Jiffy the enabler: a quick look in your mobile phone's address book and money is soon transferred to friends or colleagues. The person-to-person (P2P) payment service makes it possible to send and receive money via smartphones in real time; account numbers and transfer slips are consigned to history. That's not only convenient, but also secure as it runs within the IT infrastructure of a major bank – inaccessible to third parties. GFT has been part of the Jiffy development team since 2013. In Italy, the European pioneer for P2P, the service is already available to four out of every five bank customers.



At the bank

The customer at the centre

Are the days of the bank branch coming to an end? The Internet, Skype and social media have already become a common alternative for contacting customers in the financial services industry. However, customers are not prepared to give up the opportunity to speak personally with bank staff – especially when it's about major investments.



■ When I enter a bank, I'm immediately recognised via my smartphone and asked what I need. The bank advisor then has all the important details on his screen.

The bank branch of the future is modern and interactive. Customers and their needs are at the centre. Thanks to improved data management, the bank advisor can present tailored product offerings. Experts at GFT's Digital Banking Lab are working hard on these scenarios. The key is: all sales channels – online, mobile and local branches – have to be seamlessly integrated. Customers can sign forms from their local branch at home using a digital signature. If they have questions, they can contact their bank advisor by phone or online.

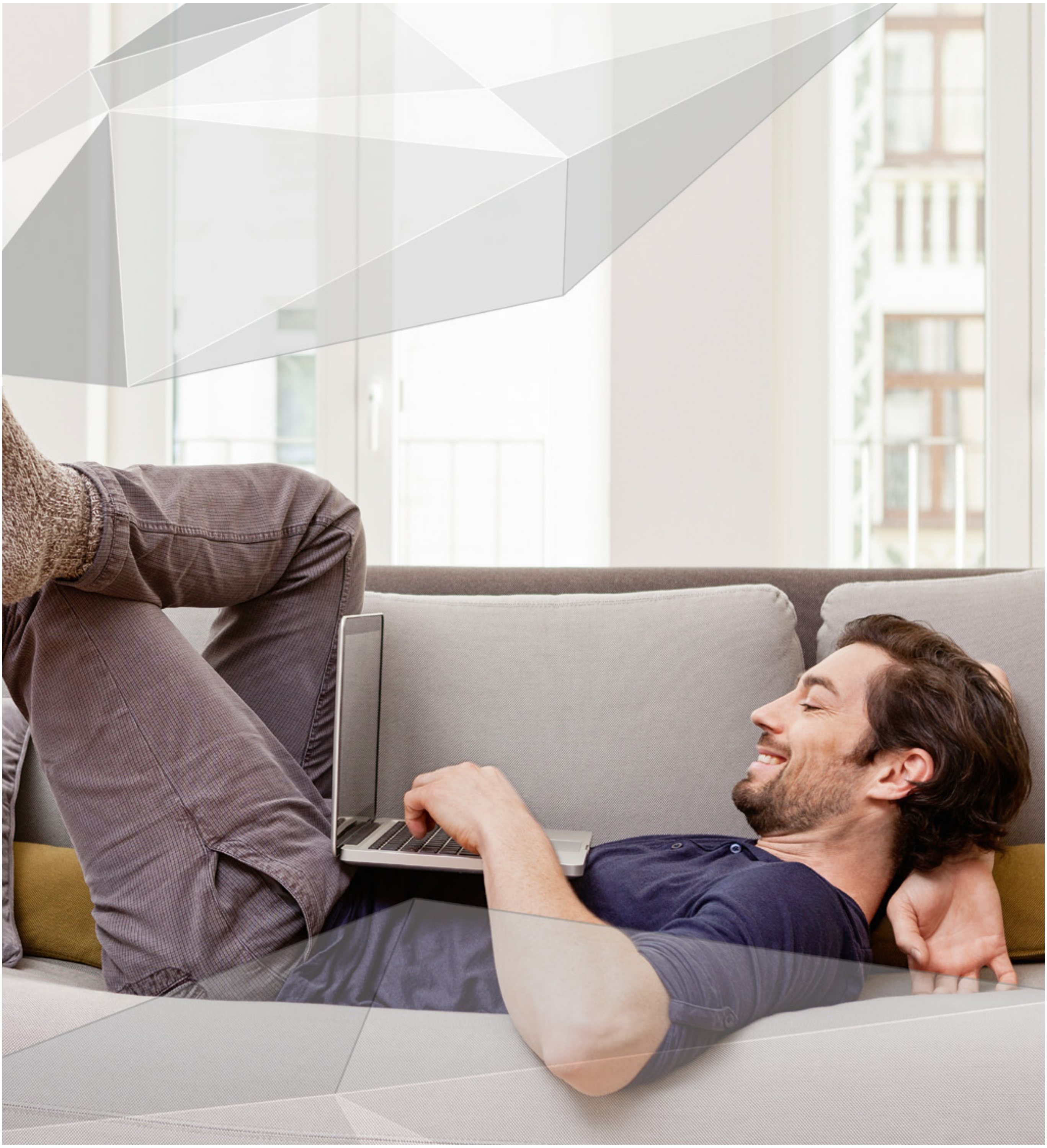
- I've found a nice three-room flat for sale. I want to discuss the various finance options with my bank advisor.

■ Instead of tediously entering all the data for a transfer by hand, I simply photograph my bills.

At home

Digitisation means convenience

Everyday banking activities are becoming increasing digital. Three out of every four Germans aged 18 to 39 already do their banking online. The digital transformation of their business model is a major opportunity for banks to secure the loyalty of their customers.



■ After logging in for online banking, I’m automatically shown a graphic giving a clear overview of my personal finances with all money coming in and going out.

The key competitive factor for banks is the added value they offer customers. For example, a central online banking portal for handling all accounts and credit cards – via smartphone, tablet or PC. Or a warning via text message or push mail if customers are about to overdraw their accounts. The banking app developed by GFT also offers convenience: for example, no longer having to fill in time-consuming transfer slips. Bank customers now just have to photograph their bills. The app filters out the relevant data and prepares the transfer for you.

CODE_n

CODE_n sniffs out innovation

Ambitious start-ups meet experienced business owners: new business models emerge.

The rapid developments being made in IT are currently exerting a hitherto unknown level of influence on business and society. Companies are being forced to digitise their operations in order to remain competitive. New business models which will radically change our lives are emerging on an almost daily basis. Modern technologies offer unprecedented opportunities to innovate and stand the traditional practices of entire industries on their head.

CODE_n makes these relationships visible and promotes the implementation of innovations in new business models. To do this, CODE_n brings together young ambitious company founders and successful, experienced entrepreneurs. The latter must constantly reassess their business models if they want to secure long-term success. This can only be achieved by those with a passion for the potential of new technologies and who are open for new and uncharted paths.

Founded by GFT in 2011 as an event for start-ups and business founders at the CeBIT fair, CODE_n has evolved into global innovation network of digital visionaries. CODE_n stands for the “Code of the New”, the DNA of innovation. Over 1,500 young companies are now connected through the network. Via its innovation platform CODE_n, GFT offers start-ups, technology pioneers and established companies access to a global network to discover disruptive trends in the finance sector and integrate them into new business models. With the elements **CONTEST, EVENTS, CONNECT** and **SPACES, CODE_n** offers an ecosystem that inspires, promotes creative approaches and enables businesses to exchange notes.

The **CODE_n CONTEST** has been sniffing out the most exciting start-ups and presenting the year’s 50 best business models at the CeBIT computer fair since 2012. After just four years, the **CODE_n Award** has established itself as one of the most important international awards for young companies.

■ Central anchor point of the CODE_n space at CeBIT 2015: four enormous industrial robots as a tangible example of the Internet of Things. Via the website www.robochop.com Internet users around the world could directly access the equipment and produce small furniture items using a 3D web app. These were then produced by the robots during the CeBIT and dispatched to the users.

In 2015, the start-up contest dived into the Internet of Things. From around 400 submissions in the fields of Industry 4.0, Smart City, Future Mobility and Digital Life, the jury chose the 50 most pioneering solutions.

Start-ups need to be visible to clients and investors in order to find the right partners for the next stage of their development. **CODE_n CONNECT** brings together founders and established companies. Emerging and established companies around the world can register for the digital network with matchmaking capabilities. It gives them the opportunity to present themselves throughout the year to established companies and investors, to find suitable development partners, and to swap notes with each other.

CODE_n SPACES offer the necessary space for sophisticated work, a dash of inspiration and a large networking spectrum. Rented for defined periods – with low ancillary costs for start-ups – the Corporate Centre of GFT Technologies SE in Stuttgart provides offices, comfortable lounge areas, fully equipped community areas and modern workshop areas. Ambitious start-ups, experienced entrepreneurs and innovation teams of established companies find a professional Work Environment 2.0 surrounded by a creative space.

CODE_n EVENTS bring together the digital avant-garde with sophisticated event formats which encourage experts from different fields to exchange ideas. The first new. New Festival will take place in autumn 2016 and give attendees the possibility to experience the digital transformation of current trend sectors. With the motto "Unveiling Digital Disruption", the **CODE_n CONTEST** remains a central element of the event. In the contest clusters Applied FinTechs, Connected Mobility, Healthtech and Photonics 4.0, international start-ups will be showcasing their new business models in the hope of grabbing the € 30,000 prize money that comes with the **CODE_n Award.** ■

Employees

The changing work environment

Rigid working hours, strict hierarchies and a fixed place in the office were yesterday. Many companies have already recognised: it’s not always those who stay at the office longest whose performance is the best.

“We need individuals who think outside the box and grasp the idea that change is normal.”

Ulrich Dietz
Chairman of the Managing Directors, CEO

Digitisation means we can now work from anywhere and have thus increased our own flexibility. Digital pioneers and visionaries: they are the ones who bring fresh ideas to the company, who think differently to the accepted ways and who will ultimately strengthen a company’s innovative spirit.

GFT boss Ulrich Dietz is convinced: “We need individuals who think outside the box and grasp the idea that change is normal.” All GFT employees – from manager to junior IT expert – are called upon to think boldly and openly. In a multinational business environment, employees from twelve countries bounce opinions and ideas off each other. They all benefit from the different perspectives and unexpected approaches this brings. Standardised processes at all GFT offices, such as CMMI® for project management, provide a solid foundation for the successful cooperation of cross-border teams. One component of GFT’s philosophy is that new employees are immediately involved in running projects and given tailored training and support throughout the process.

The consistent establishment of such processes paid off in 2015. Acquisitions and recruitment led to an increase in GFT’s headcount of around 30 percent. When new colleagues join the team, they bring fresh ideas and new knowledge, as well as influences from other company cultures. During the integration of our company acquisitions in particular, we place great emphasis on ensuring a harmonious process of growing together and combining the best of both worlds. Instead of rigidly incorporating the new colleagues into existing GFT

“At GFT, I can adapt my working hours flexibly to my current circumstances.”

structures, we think: What positive aspects can be transferred to the company as a whole? In which areas can new ideas help us improve?

Promoting flexible thinking also means breaking down rigid frameworks – for example, by means of flexible working and career models. The internationality and fast pace of our industry call for a totally different work approach and pace compared to those still common in traditional manufacturing industries. Instead of equating efficient work with an obligation to be in the office, we create the necessary infrastructure to also allow time-shifted work from home or elsewhere. After all, it’s the result that counts, not simply being here.

The shortage of skilled IT workers makes employees a company’s most valuable asset and its decisive economic resource. IT specialists don’t need to fret about jobs or salaries: what they’re looking for is meaningful work and exciting projects. We cater to the respective life situations of individual employees with intelligent career and working time models, and promote their individual professional development – equally for women and men.

Instead of running short-term campaigns to promote women, we have overcome the stereotypes to create a truly needs-oriented work environment. This was honoured by the German Ministry for Family Affairs, which once again singled out GFT as one of the country’s most female-friendly employers. A strong team of female executives is testament to this strategy. For the IT industry – still a classic male domain in many areas – a fantastic success.

In the competition for top talent, GFT successfully campaigns for young IT professionals by highlighting the attractiveness and diversity of professions in the IT industry via its work in industry associations and in public. Students from various disciplines get to know the group by working as interns at one of our worldwide locations. In cooperation with various universities, we also offer an integrated degree course that combines practical in-company periods with thorough academic training. ■

GFT share

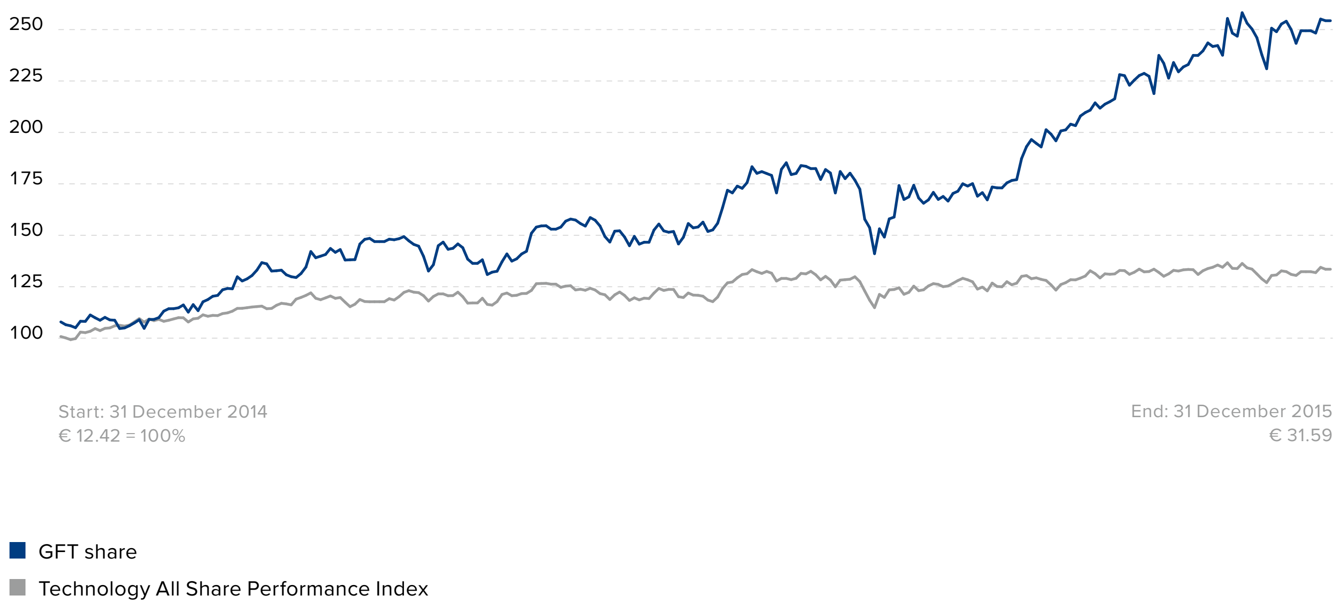
GFT share up 154% in 2015

This puts GFT Technologies SE among the top three performers in the TecDAX.

German shares outperformed their European and global counterparts in 2015. Despite high volatility and temporary losses, the German blue-chip index DAX 30 posted year-on-year growth of around 10% and thus outperformed the Euro Stoxx 50 (+4%). The global share index MSCI All Country World was even down by 4%. The GFT share, which was accepted into the TecDAX index in March 2015, achieved growth of 154% and was thus one of the top three performing TecDAX shares.

At the beginning of the year, the international stock markets were predominantly buoyant with new all-time highs for the German stock indices DAX 30 and MDAX in the second quarter. The US Dow Jones and Nasdaq Composite indices also scaled new heights. Against the backdrop of a worsening debt crisis in Greece, however, the stock markets became increasingly volatile towards the middle of the year and a period of consolidation began. In the third quarter, stock exchange sentiment was burdened above all by the devaluation of the Chinese currency in August. Many investors regarded this as a sign that economic growth in China was slowing. This mood was compounded by a further weakening of economic data in other emerging nations. The DAX 30 was hit further by the VW crisis which emerged in September. In the final quarter of the year, the German stock indices rallied and initially made strong progress on the back of an announcement by the European Central Bank (ECB) that further monetary easing could be expected. However, the ECB's cautious decisions on 3 December 2015 fell short of investor expectations and led to heavy losses in Europe and

Indexed performance 2015 — GFT Technologies SE vs. TecDAX



the USA, which continued until year-end. Compared to the previous year, however, the German stock indices performed significantly better in 2015. The DAX was up by 9.6% (prev. year: 2.7%), the MDAX by 22.7% (prev. year: 2.2%) and the TecDAX by as much as 33.5% (prev. year: 17.5%). The US indices posted much weaker growth with the Dow Jones down 2.2% (prev. year: up 7.5%), the S&P 500 down 0.7% (prev. year: up 11.4%) and the Nasdaq composite up slightly by 5.7% (prev. year: up 13.4%).

The GFT share got off to a successful start in 2015 after closing 2014 at €12.42. Following strong gains in January, the share continued its upward trend. On 23 March 2015, the GFT share was listed in the German tech-stock index TecDAX and ended the first quarter at € 18.39 – representing growth of 48% for the quarter. In the second quarter, the GFT share was initially affected by profit-taking in a volatile and nervous market environment. The share made significant gains on publication of positive first-quarter results in the reporting month of May. The GFT share was unable to escape the downward stock market trend towards the end of the half-year and closed on 30 June 2015 at a price of € 18.51, corresponding to growth of 49% over the beginning of the year. In the third quarter, the GFT share largely shadowed the volatile trend of the overall market. Although July started well with new all-time-highs, subsequent market turbulence led to profit-taking and markdowns. Following a strong opposing trend, the GFT share closed the third quarter at € 21.80 – corresponding to growth of 78% after nine months. In the fourth quarter, the GFT share made strong gains and continued its dynamic upward trend during the quarter. Positive financial results, the upgrading of guidance for the year and the raising of upside targets by analysts led to new highs in November and an all-time-high on 7 December 2015 of € 32.07. In a weak market environment, the share held firm in the last few weeks and closed at € 31.59 on 31 December 2015. With annual growth of 154%, the GFT share achieved the third highest performance of all TecDAX shares in 2015.

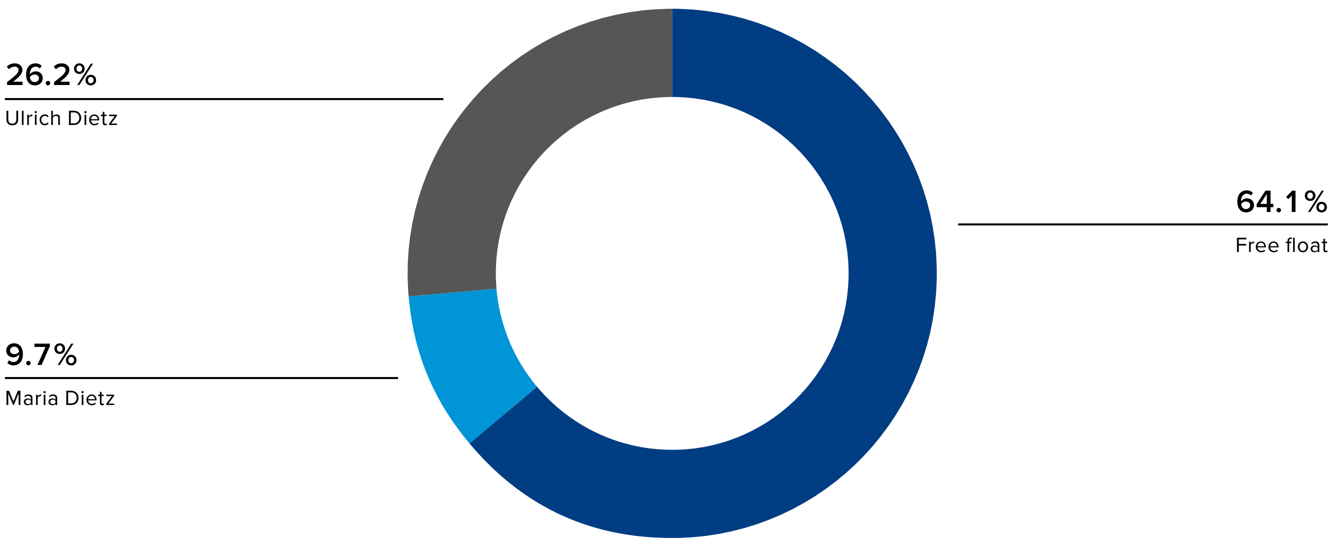
The positive share price trend led to a significant increase in the share's liquidity. The average daily trading volume almost doubled to 127,038 shares (prev. year 69,641 shares).

Changes in shareholder structure

As of 31 December 2015, the share capital of GFT Technologies SE amounted to €26,325,946, divided into 26,325,946 no-par bearer shares. Each no-par share has a prorated share of capital amounting to €1.00.

Over the three trading days 27 November to 1 December 2015, company founder Ulrich Dietz sold a total of 500,000 shares in GFT SE (corresponding to 1.9% of 26,325,946 voting rights) in over-the-counter transactions aimed at minimizing any impact on the share price. At the end of the year, Ulrich Dietz held 26.2% of GFT SE's share capital (previously 28.1%). The shareholding of Maria Dietz remained unchanged at 9.7%.

Shareholder structure on 31 December 2015



As a consequence, the free float portion (according to the definition of Deutsche Börse) rose from 62.2% at the end of the previous year to 64.1% on 31 December 2015. According to the aforementioned definition, "non-free float" applies to all shares held by a shareholder whose accumulated total accounts for at least 5% of a company's share capital attributable to a particular share class.

Annual General Meeting adopts all proposals

A total of 51% of voting rights were represented at the Annual General Meeting of GFT Technologies AG on 23 June 2015. With a majority of over 99%, shareholders voted in favour of the proposal presented by the Executive Board and Supervisory Board to change the company's legal status to that of a European Company (Societas Europaea, SE). All other proposals were also adopted with large majorities.

Dividend

At the Annual General Meeting 2015, a dividend payment of €0.25 per no-par share was adopted. This corresponds to a total dividend payment of €6.58 million and a dividend rate of around 33% of the GFT Group's net profit in 2014. Based on the 2014 closing price of the GFT share (Xetra: €12.42), the dividend yield amounted to 2%. At the Annual General Meeting on 14 June 2016, the Executive Board will propose a dividend of €0.30 for the 2015 financial year. This corresponds to a dividend payout of € 7.90 million and a dividend rate of around 30% and is thus in line with the company's dividend policy, which recommends a dividend rate of between 20% and 40%. Within this range, the aim is to achieve a dividend rate of approximately 30%, whereby upward and downward adjustments may be made depending on the organic and inorganic growth of the GFT Group.

Consistent capital market communication

The Investor Relations team of GFT SE maintains a continuous dialogue with shareholders, financial analysts and business journalists in order to explain – together with the Managing Directors – the company's business model, business development and strategic decisions. The aim is to provide a high degree of transparency and openness for all capital market participants.

In the financial year 2015, there was a strong increase in the interest shown by institutional investors in the GFT share. This was largely due to the company's consistently positive business trend and the share's increased visibility following its acceptance to the TecDAX. At investor conferences and roadshows held at Europe's leading stock exchange locations, over one hundred discussions were held with investors. A first roadshow held in Scandinavia (Copenhagen and Helsinki) was very well received, resulting in a

Information on the GFT share

	2015	2014
Year-closing quotation (daily closing prices Xetra)	€ 12.42	€ 6.45
Closing quotation on 31 December (daily closing prices Xetra)	€ 31.59	€ 12.42
Percentage change	+154%	+93%
Highest price in trading year (daily closing prices Xetra)	€ 32.07 (07/12/2015)	€ 12.56 (18/11/2014)
Lowest price in trading year (daily closing prices Xetra)	€ 13.00 (20/01/2015)	€ 6.64 (02/01/2014)
Number of shares on 31 December	26,325,946	26,325,946
Market capitalisation on 31 December	€ 832 million	€ 327 million
Average daily trading volume in shares (Xetra and Frankfurt)	127,038	69,641
Earnings per share	€ 1.01	**€ 0.76**

Initial stock market quotation: 28/06/1999
ISIN: DE0005800601
Market segment: Prime Standard
Indices: TecDAX, DAXplus 30 Family, GERMAN GENDER INDEX

further internationalisation of the investor base with which the Investor Relations team maintains close relations. The Group's annual and quarterly results, as well as key strategic decisions, were explained to investors and analysts during conference calls. There were also numerous individual talks held with domestic and foreign institutional investors, either by phone or at the company's headquarters in Stuttgart. Once again, there were signs of strongly increased interest in the GFT share – especially among investors in other European countries. In 2016, the company plans to intensify its contacts with institutional investors in the USA.

GFT SE also attaches great importance to providing support for private investors. The new corporate website completed at the turn of the year (www.gft.com) supplies both institutional and private investors with a wealth of information on the GFT share. Private shareholders can direct their enquiries to the Investor Relations team via telephone or a central e-mail address (ir@gft.com). In addition to quarterly and annual reports, visitors can download the latest presentations on strategy and business development. By subscribing to the company's News Service, potential and current investors can opt to receive regular financial updates via e-mail.

Of the four financial institutes that published studies and ratings on the GFT share in 2015 (equinet, Warburg Research, LBBW and quirin), three rated the share a "Buy" at the end of the year and one as a "Sell". In addition, the company continued its cooperation with the research specialist Edison Research which publishes studies on the GFT share (without rating). Thanks to its strong international orientation, the institute's publications reach a wide audience in the Anglo-American market. ■

GFT Administrative Board:

1 Dr-Ing Andreas Bereczky
2 Dr Jochen Ruetz
3 Marika Lulay
4 Dr Paul Lerbinger
5 Ulrich Dietz
6 Maria Dietz
7 Prof Dr Andreas Wiedemann

Administrative Board Report

Dear shareholders,

The GFT Group continued the positive development of the previous year in its financial year 2015 with high growth rates for both revenue and earnings. Forecasts were raised repeatedly during the year and still exceeded at year-end. Following the discontinuation of the emagine division, the GFT Group focused on its fast-growing GFT division in 2015 and strengthened it further with the acquisition of Adesis.

With a resolution of the Annual General Meeting on 23 June 2015 and entry in the commercial register on 18 August 2015, the legal form of GFT Technologies Aktiengesellschaft (GFT AG) was converted to GFT Technologies SE (GFT SE) while preserving identity. Prior to registering the conversion, GFT AG had a dual-tier governance system comprising an Executive Board and Supervisory Board. Since this time, the company has been managed by the Administrative Board, which also defines the principles of its activity and supervises their implementation by the Managing Directors.

The Administrative Board believes that the modern legal form of the SE, based on EU law, underlines the company's international business activities and in particular the importance of the European market for GFT SE. At the same time, the legal form of the SE replaces the dual governance structure with the internationally common single-tier governance structure headed by an Administrative Board.

In the course of conversion, four members left the Supervisory Board. Two former members, Dr Paul Lerbinger and Dr-Ing Andreas Bereczky, were elected to the Administrative Board. The previous Executive Board members, Ulrich Dietz, Marika Lulay and Dr Jochen Ruetz, were also elected as members of the Administrative Board and at the same time appointed as Managing Directors. The new members elected to the Administrative Board were Maria Dietz and Prof Dr Andreas Wiedemann. The composition of the Administrative Board ensures continuity in both the management and supervision of the company for the future development of the GFT Group.

Jean-François Bodin, who was a member of the Executive Board until the conversion into GFT SE, departed as a result of the discontinuation of the emagine division. He is one of the major shareholders of the company which acquired the companies belonging to the discontinued business division emagine.

Due to the low number of its respective members, neither the Supervisory Board nor the Administrative Board formed any committees. In accordance with statutory obligations, all tasks could and can be performed in a sensible and transparent manner by the respective boards as a complete body.

In the following, we would like to report in detail on the work of the Supervisory Board up to the conversion and the Administrative Board after the conversion:

Supervisory Board

In the financial year 2015, up to the company's conversion into an SE, the Supervisory Board of GFT AG carefully monitored the activities of the Executive Board in accordance with its obligations pursuant to law, the articles of association and its rules of procedure. In particular, all major projects of the Executive Board, the individual operating divisions, and the activities of the subsidiaries and their respective results were discussed thoroughly and critically. The Supervisory Board advised the Executive Board both on strategic questions and significant individual issues. Discussions not only focused on the company's long-term organic and external growth, but also on management questions such as compliance, risk management and the internal control and audit systems. There was also an in-depth analysis of the integration of company acquisitions made in the past few years, focusing mainly on the organisational integration of Rule. The strategic options for the discontinued emagine division were also discussed in detail.

In written and verbal reports, the Supervisory Board was regularly informed by the Executive Board – both during and outside its meetings – on the current course of business, the development of earnings, key projects and any deviations from planned developments by means of ongoing target/actual comparisons. All reports formed the basis for extensive discussions within the Supervisory Board and between the Supervisory Board and the Executive Board. Moreover, the Group's development prospects, its strategic alignment and its financial, investment and personnel planning, as well as the associated risks, were discussed with the Executive Board. In addition to the regular Supervisory Board meetings, the Chairman and Deputy Chairman of the Supervisory Board were also in regular contact with the Executive Board throughout the year. This ensured that they were continually informed about the current development of business and key business transactions.

The Executive Board involved the Supervisory Board in all key decisions. All transactions which required the approval of the Supervisory Board during the reporting year were extensively examined and discussed by the Supervisory Board on the basis of the written documents and oral explanations provided. All resolutions of the Supervisory Board – including the necessary approval decisions – were adopted during the meetings, or by phone or e-mail.

The processes described above ensured that the Supervisory Board was able to exercise its monitoring function carefully and promptly at all times in the period up to the company's conversion into GFT SE.

Administrative Board

As of 18 August 2015 (the date on which the company changed its legal form to that of an SE), the Administrative Board of GFT SE also conducted its duties with great care and pursuant to the legal provisions, the company's articles of association and its own rules of procedure. All significant strategic questions and individual issues were discussed thoroughly and resolved on by the Administrative Board. The Administrative Board focused mainly on the current course of business, the development of earnings, key projects and any deviations from planned developments. In particular, all major projects of the Managing Directors, the activities of the subsidiaries and their respective results were discussed thoroughly and critically during the meetings.

In written and verbal reports, the Administrative Board was regularly informed by the Managing Directors – both during and outside its meetings – about the current state of business, the earnings trend, major projects and deviations from planned developments by means of ongoing target/actual comparisons. All reports also formed the basis for extensive discussions within the Administrative Board. Moreover, the company's development prospects, its strategic alignment and its financial, investment and personnel planning, as well as the associated risks, were discussed in detail with the Managing Directors.

In addition to the meetings, the Chairman of the Administrative Board was also in regular contact with the Managing Directors.

All transactions which required the approval of the Administrative Board during the reporting year were extensively examined and discussed by the Administrative Board based on the basis of the written documents and oral explanations provided. All resolutions of the Administrative Board – including the necessary approval decisions – were adopted during the meetings.

These processes ensured that the Administrative Board was able to exercise its duties carefully and promptly at all times in the period after the company's conversion into GFT SE.

Meetings of the Supervisory Board and Administrative Board as well as discussions held outside of meetings

The Supervisory Board held three meetings and two conference calls in the reporting period. Resolutions on particularly urgent matters were adopted outside meetings by phone or e-mail. One member of the Supervisory Board attended less than half of the Supervisory Board meetings.

The Administrative Board held four meetings in the financial year 2015. All meetings were attended by all members of the Administrative Board.

The business development of the GFT Group, as well as the short-, medium- and long-term corporate and financial planning, was discussed in detail at every regular meeting of both the Supervisory Board and Administrative Board. In addition, discussions of the Supervisory Board and Administrative Board focused on the various company acquisitions of the past few years and especially the integration of Rule. The strategic options for the discontinued emagine division were also discussed in detail by the Supervisory Board.

In a **conference call** on **4 March 2015,** the preliminary figures of the annual and consolidated financial statements for the financial year 2014 as submitted by the Executive Board were discussed. The Executive Board's dividend proposal was also the subject of discussions. Following its own examination, the Supervisory Board approved the preliminary figures and the dividend proposal.

In the absence of the Executive Board, the Supervisory Board discussed the personal targets which form part of the variable compensation of the Executive Board members for financial year 2015.

At the **balance-sheet meeting** on **24 March 2015,** the Supervisory Board approved the annual financial statements and consolidated financial statements as at 31 December 2014 and thus adopted the financial statements for the year. Prior to this, the Supervisory Board had examined in detail the annual financial statements of GFT AG, the management report for GFT AG and the proposal for allocating net income, as well as the consolidated financial statements and Group management report on the basis of the documents provided well in advance, and in particular the audit reports and unqualified audit opinion of the auditing company KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin. Moreover, the documents were discussed thoroughly with the Executive Board during the meeting, which was also attended by the chief auditors. The latter presented their audit results in detail and fully answered all questions posed by the Supervisory Board. Before the meeting, the Supervisory Board carefully examined the auditor's reports itself and was able to satisfy itself that the audit and audit report had been executed in an orderly and proper manner. The results of the Supervisory Board's own review corresponded with those of the auditors.

At the same meeting, the agenda for the Annual General Meeting on 23 June 2015 was discussed and – insofar as the Supervisory Board was responsible – adopted. The auditors confirmed beforehand that there were no circumstances which might cast doubt on their independence. Moreover, the Executive Board informed the Supervisory Board at the meeting about the current status of the planned conversion of GFT AG into an SE.

Without the presence of the Executive Board, the Supervisory Board also resolved on whether the Executive Board members had reached their personal targets for the financial year 2014 with regard to their variable compensation and resolved on the personal targets for the Executive Board for the financial year 2015.

At the **meeting** on **11 May 2015,** the Executive Board presented the results for the first quarter of 2015, the quarterly financial report and the current forecast for the financial year, as well as explaining the progress of negotiations on a potential acquisition of Adesis. The Supervisory Board and Executive Board also discussed the status of Rule's integration. Finally, the Executive Board reported on its negotiations to conclude a syndicated loan agreement.

Prior to this, and in the absence of the Executive Board, the Supervisory Board discussed in detail the development of the emagine division and assessed the strategic options.

At a **meeting** of the Supervisory Board on **22 June 2015,** the Supervisory Board once again discussed the acquisition of Adesis and approved it by adopting the respective resolution.

In the absence of the Executive Board, the Supervisory Board discussed the strategic options for the emagine division.

Following the Annual General Meeting on **23 June 2015,** the elected members of the Administrative Board held a **meeting,** elected Dr Paul Lerbinger as its Chairman and Ulrich Dietz as its Deputy Chairman, then appointed Ulrich Dietz, Marika Lulay and Dr Jochen Ruetz as the Managing Directors.

During a **conference call** of the Supervisory Board on **27 July 2015,** the Supervisory Board once again discussed the strategic options for the emagine division without the Executive Board being present. Following these discussions, the Supervisory Board approved the proposal of the Executive Board and adopted a resolution to discontinue the division and sell all companies allocated to the emagine division.

On entry of GFT Technologies SE in the commercial register on 18 August 2015, the period of office of the Supervisory Board members ended and the members of the Administrative Board assumed responsibility.

At the **meeting** of the Administrative Board on **14 September 2015,** the Administrative Board discussed the definition of targets for the share of women on the Administrative Board and the two highest management levels, and adopted corresponding resolutions. Moreover, discussions centred on the future organisation of the Administrative Board and the rules of procedure for the Administrative Board and the Managing Directors. The Managing Directors also discussed the half-year results for 2015.

At the Administrative Board **meeting** on **9 November 2015,** the Administrative Board discussed the results for the third quarter of 2015, the quarterly financial report and the forecast for the fourth quarter.

At the **meeting** on **9 December 2015,** the Managing Directors presented the proposed budget for the financial year 2016 and explained the company's medium-term planning, including financial, investment and manpower planning. The Administrative Board discussed the proposals in detail before adopting the budget. Following this, the Administrative Board adopted the rules of procedure for itself and for the Managing Directors and then issued the scheduled Declaration of Compliance with the German Corporate Governance Code according to section 22 (6) SEAG in conjunction with section 161 AktG. The Administrative Board was also informed about the progress made so far with the integration of those companies acquired over the past few years.

Prior to this, the Administrative Board discussed the personal targets for the financial year 2016 with regard to variable compensation of the Managing Directors, in the absence of the members concerned.

Corporate Governance and Declaration of Compliance

In the financial year 2015, the Supervisory Board and Administrative Board discussed the rules of good corporate governance and their application within the GFT Group, especially in view of the company's conversion into a single-tier SE. Further details on the corporate governance principles and their implementation are presented in the Corporate Governance Report.

At the meeting on 9 December 2015, the Administrative Board issued its declaration on the German Corporate Governance Code according to section 22 (6) SEAG in conjunction with section 161 AktG. The document was published on the company's website *http://www.gft.com/int/en/index/company/investor-relations/corporate-governance/declaration-of-compliance/* on 11 December 2015 and is included in the Corporate Governance Statement.

The members of the Supervisory Board – and after the conversion to GFT SE also the Administrative Board members – individually pursued their duties regarding ongoing training, as also recommended in section 5.4.5 (2) of the German Corporate Governance Code (GCGC), by studying the latest literature and attending various events, in particular on issues regarding the correct performance of duties, corporate governance and financial reporting.

Conflicts of interest and their treatment

Whenever transactions between GFT SE, or companies of the GFT Group, on the one hand and companies for which individual members of the Administrative Board work on the other hand were discussed, or resolutions were adopted, the Administrative Board members in question did not participate in discussions or the adoption of resolutions in order to avoid any suspicion of a conflict of interest. The same procedure was used in the case of conflicts of interest regarding members of the Supervisory Board.

Annual financial statements and consolidated financial statements 2015

The annual financial statements and management report as at 31 December 2015 of GFT SE, as well as the consolidated financial statements and Group management report of the GFT Group as at 31 December 2015 were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin. The audits each received an unqualified audit opinion. As part of the audit remit, the auditors also concluded that the

Administrative Board had taken appropriate steps, as required by section 22 (3) sentence 2 SEAG, in particular to establish a monitoring system for the early detection of developments which might jeopardise the continued existence of the company and that the monitoring system can fulfil its tasks.

The annual financial statements and management report and the consolidated financial statements and Group management report as at 31 December 2015, as well as the audit reports of the auditors, the other documents to be examined and the proposal of the Managing Directors for the appropriation of the balance sheet profit were made available to each member of the Administrative Board in good time. All of the above documents – with the exception of the annotated auditor's reports – were explained by the Managing Directors at the Administrative Board of 23 March 2016. The meeting was also attended by the auditors, who reported on the priorities and the results of the audit and stated that no material weaknesses in the internal control system and risk management system in relation to the financial reporting process had been detected.

The qualification, independence and efficiency of the auditors was checked by the Administrative Board, especially in connection with discussions on the annual financial statements and interim financial report for the third quarter of 2015. The auditors also reported on other services rendered and declared that pursuant to sections 7.2.1 GCGC there were no circumstances which might impair their independent and unbiased audit.

The Administrative Board examined itself all documents submitted on the annual and consolidated financial statements, including the audit reports of the auditors, and discussed them with the Managing Directors and the auditors at length. It is the firm belief of the Administrative Board that these documents were prepared in an orderly manner and comply with statutory requirements, as do the audit and the audit reports. The Administrative Board has no objections and concurs with the findings of the audit, also on the basis of its own review. At its meeting on 23 March 2016, it approved the annual financial statements 2015 of GFT SE and the consolidated financial statements of the GFT Group for 2015, as prepared by the Managing Directors, with a corresponding resolution. The annual financial statements of GFT SE for 2015 were thus adopted. On the basis of its own review, and in consideration of the economic situation of the company, the Administrative Board believes that the proposal of the Managing Directors concerning the allocation of net income and a dividend payment of €0.30 per ordinary share entitled to dividends is reasonable and therefore supports this proposal.

Thanks

The Administrative Board would like to thank all employees of the GFT Group's companies in Germany and abroad. Their hard work and dedication played a decisive role in helping the Group achieve its excellent results in the financial year 2015. Once again, the Administrative Board also thanks the shareholders of GFT SE. We would also like to express our gratitude to Jean-François Bodin for the many years of cooperation and mutual trust. The company is particularly indebted to those members of the Supervisory Board who left the company during the year. They accompanied the company over many years and always displayed a particularly high level of personal commitment.

Stuttgart, 23 March 2016

For the Administrative Board

Dr Paul Lerbinger
Chairman of the Administrative Board

Corporate Governance

Responsible Corporate Governance

The GFT Group fundamentally observes the recommendations of the German Corporate Governance Code.

Responsible corporate governance is an important foundation for the sustainable business success of the GFT Group. In this respect, the Administrative Board of GFT SE is guided by the recommendations of the German Corporate Governance Code (GCGC) in its currently valid version as published by the respective Government Commission.

Corporate Governance of the GFT Group

As a European Company listed in Germany, GFT Technologies SE (GFT SE) is primarily subject to the guidelines of Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European Company (SE Regulation) and the German act implementing Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European Company ("SE-Ausführungsgesetz"-SEAG). Insofar as the SE Regulation and the SEAG do not contain more specific regulations, the German Stock Corporation Act (Aktiengesetz – AktG), the German Commercial Code (Handelsgesetzbuch – HGB) and the Securities Trading Act (Wertpapierhandelsgesetz – WpHG) as well as the regulations of the German Corporate Governance Code (GCGC, *www.dcgk.de/en*), among others, shall additionally apply. Moreover, the Articles of Association of GFT SE, the rules of procedure of the Administrative Board and the Managing Directors, the respective local legislation and rules of procedure for affiliated companies as defined by section 15 et seq. AktG and the Business Conduct Guidelines of the GFT Group form the basis for implementing proper corporate governance. The Administrative Board regularly considers the details of corporate governance and discusses their integration into the company's internal and external processes with the Managing Directors.

With a few exceptions, GFT SE has been observing the recommendations of the GCGC since its introduction in 2002. The latest Declaration of Compliance of the Administrative

Board of GFT SE concerning the recommendations of the Government Commission on the German Corporate Governance Code can be found on the following pages in the Corporate Governance Statement. The latest Declaration of Compliance, and all others submitted so far, are permanently available on the GFT Group's website *(http://www.gft.com/int/en/index/company/investor-relations/corporate-governance/declaration-of-compliance/)*.

Shareholders, Annual General Meeting and Investor Relations

The share capital of GFT SE is divided into 26,325,946 no-par bearer shares. Each share entitles the bearer to one vote. The shareholders of GFT SE exercise their rights at the company's Annual General Meeting, where they receive information, can interact with the Administrative Board and Managing Directors and cast their votes. In this way, shareholders can actively exercise their rights and engage in a dialogue with the administration. The Annual General Meeting is held once per calendar year. Prior to the Annual General Meeting, GFT SE publishes all the necessary documents and information on its website. Shareholders can cast their votes at the Annual General Meeting either in person or via a proxy of their choice. The company also appoints a proxy who is bound by the voting instructions received. Shareholders can issue their instructions to this proxy in writing, by fax or electronically – as described in the invitation to the Annual General Meeting. Shareholders attending the Annual General Meeting can also instruct a proxy to vote for them in accordance with the conditions announced at the Annual General Meeting and on transfer of the voting card.

The company provides its shareholders, as well as financial analysts, shareholders' associations, the media and interested members of the public, with regular and up-to-date information on the development of business. Further information on the company's extensive Investor Relations activities is presented on the corporate website of GFT SE *(http://www.gft.com/int/en/index/company/investor-relations/)*. In addition, the dates of essential regular publications (including the Annual Report and interim financial reports) and the dates of the Annual General Meeting, balance-sheet press and analysts' conferences are published here sufficiently in advance. Analyst assessments and the latest investor presentation are also available in English.

Governing, supervisory and management bodies, single-tier management and control structure

GFT SE has a single-tier management and control structure. This internationally widespread system is characterized by the fact that the SE is managed by a single governing body, the Administrative Board, while the Managing Directors are responsible for the operating business.

The Administrative Board and Managing Directors are obliged to pursue the company's interests and its strategic principles, which are geared in particular towards avoiding conflicts of interest.

The company has taken out D&O insurance for the members of the Administrative Board and the Managing Directors. The agreed excess in this D&O policy for the Managing Directors complies with the statutory provisions. No suitable excess has been agreed in the D&O policy for the Administrative Board members. The company does not believe that an excess for members of the Administrative Board provides an additional incentive to carry out its activities with due diligence and in accordance with statutory provisions.

Administrative Board

The Administrative Board of GFT SE consists of seven members. It comprises leading business figures with detailed knowledge and international experience of the IT sector, banking, finance and law. The Administrative Board consists exclusively of shareholder representatives. The disclosures on the respective professions of Administrative Board members and a list of the seats they hold on mandatory supervisory boards or comparable committees, as well as their relations with related companies and persons, are presented in the notes to the consolidated financial statements.

With regard to its composition, the Administrative Board fully meets the obligations arising from the statutory provisions on the equal participation of women and men in leadership positions in the private and the public sectors of 24 April 2015. In other respects, the Administrative Board of GFT SE considers the special professional competencies of its members in different areas, in national and international experiences, as well as their independence within the meaning of number 5.4.2 sentence 2 GCGC as essential criteria for the composition of the body. However, the Administrative Board refrains from defining specific objectives for its composition beyond the aforementioned principles. It believes this would deprive the Administrative Board of the necessary flexibility in nominating candidates for election to the Administrative Board by the Annual General Meeting. For the same reason, the Administrative Board also refrains from setting a regular limit for the length of membership to the Administrative Board. To this extent, the company diverges from number 5.4.1 (2) GCGC.

Three members of the Administrative Board were appointed as Managing Directors; the majority are non-executive members. All members of the Administrative Board were elected by the Annual General Meeting of 23 June 2015 for the period ending on expiry of the Annual General Meeting which decides on discharge for the financial year 2020, but for no longer than six years.

Details on the meetings of the Administrative Board in the reporting period are published in the Administrative Board Report. Information on the working procedures of the Administrative Board are to be found in the Corporate Governance Statement.

Managing Directors
GFT SE has three Managing Directors. Mr Ulrich Dietz was appointed as Chief Executive Officer. The responsibilities of the Managing Directors and the divisions they head are presented in the notes to the consolidated financial statements and online at *http://www.gft.com/int/en/index/company/about-us/management/*.

Information on the working procedures of the Managing Directors is provided in the Corporate Governance Statement.

A list of seats held by the Managing Directors on mandatory supervisory boards or comparable committees, as well as their relations with related companies and persons, are presented in the notes to the consolidated financial statements.

Remuneration for members of the Administrative Board and the Managing Directors
Disclosures on remuneration for members of the Administrative Board and the Managing Directors are to be found in the Remuneration Report.

Share option programmes and similar share-based incentive schemes
No Managing Directors or members of the Administrative Board, or any other employees of the GFT Group, are entitled to share option programmes or similar share-based incentive schemes.

Shareholdings of Administrative Board members and Managing Directors of GFT SE
At the end of the reporting period on 31 December 2015, the members of the Administrative Board held a total of 9,578,560 shares. Of this total, the Deputy Chairman of the Administrative Board Ulrich Dietz held a total of 6,893,014 shares, of which 1,000 were attributed to him, and the member of the Administrative Board Maria Dietz held a total of 2,547,706 shares, of which 1,000 were attributed to her.

At the end of the reporting period, the Managing Directors held a total of 7,030,854 shares. Of this total, the Chief Executive Officer Ulrich Dietz held a total of 6,893,014 shares, of which 1,000 were attributed to him.

Directors' Dealings
Pursuant to section 15a of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG), the members of the Administrative Board and Managing Directors of GFT SE are obliged to disclose the purchase and sale of GFT SE shares and related financial instruments. This also applies to certain employees with management responsibility and persons closely related to the above mentioned group. The respective disclosures are published online at *http://www.gft.com/int/en/index/company/investor-relations/corporate-governance/directors-dealings/*.

Compliance
In its rules of procedure and internal guidelines, the GFT Group has formulated binding regulations regarding behaviour, processes and guiding values for the company and its employees. It is an overriding principle of the Administrative Board that all employees comply with legally and ethically correct procedures in their daily business and regard them as a matter of course. In order to ensure that compliance remains a firm component of company processes, all employees – including those of domestic and foreign subsidiaries – are regularly informed and trained. The Compliance Office and further internal offices provide support for GFT SE's Managing Directors and the management boards of GFT Group subsidiaries regarding compliance with guidelines and processes. With the aid of internal and external audits, compliance with all valid regulations is regularly reviewed and recommendations provided for their ongoing development.

In accordance with section 15b WpHG, GFT SE maintains an Insider Directory listing all individuals working for the company who have access to insider information due to their function. GFT SE regularly informs these persons about the duties arising from the respective law.

Corporate Governance Statement pursuant to section 289a of the German Commercial Code (HGB)

At its meeting on 9 December 2015, the Administrative Board submitted the following declaration pursuant to section 22 (6) SEAG in conjunction with section 161 AktG taking into account the German Corporate Governance Code of 12 June 2015. It reads as follows:

Declaration of Compliance of the Administrative Board of GFT Technologies SE concerning the recommendations of the Government Commission on the German Corporate Governance Code pursuant to section 161 AktG (As at: 9 December 2015)

Since the last Declaration of Compliance on 10 December 2014, GFT Technologies SE (hereinafter also referred to as "GFT") has largely complied with the recommendations of the "Government Commission on the German Corporate Governance Code" (the "Code") as amended on 24 June 2014, announced in the German Federal Gazette (Bundesanzeiger) on September 30, 2014. Since 12 June 2015, GFT has largely complied and will comply in the future with the recommendations of the "Government Commission on the German Corporate Governance Code" as amended on 5 May 2015, announced in the German Federal Gazette on 12 June 2015. This Declaration of Compliance applies with the special characteristics of the single-tier system of GFT Technologies SE set forth under section I. and with the exceptions set forth under section II. below:

Special characteristics in consequence of changing the legal form to a single-tier SE

By resolution of the Annual General Meeting of GFT Technologies Aktiengesellschaft on 23 June 2015, GFT Technologies Aktiengesellschaft was converted into GFT Technologies SE. The registration of GFT Technologies SE in the commercial register occurred on 18 August 2015. Pursuant to section 5 (1) of the Articles of Association of GFT Technologies SE, GFT Technologies SE has a single-tier management and control structure.

According to Art. 43-45 SE-VO (Council Regulation (EC) No 2157/2001 of 08 October 2001 on the Statute of the European Company (SE)) in connection with sections 20 et seq. SEAG (Gesetz zur Ausführung der Verordnung (EG) Nr. 2157/2001 des Rates vom 8. Oktober 2001 über das Statut der Europäischen Gesellschaft (SE-Ausführungsgesetz – SEAG), Act on the implementation of Council Regulation (EC) No 2157/2001 of 08 October 2001 on the Statute of the European Company (SE), SEAG), the single-tier system is characterized by the fact that a single governance body, the Administrative Board, is responsible for the management of the SE, cf. paragraph 7 of the Preamble of the Code. The Administrative Board manages the company, determines the basic policies of its activity and supervises their implementation by the Managing Directors. The Managing Directors conduct the business of the company and represent the company in and out-of-court. They are bound by instructions of the Administrative Board.

GFT Technologies SE applies the recommendation of the Code for the Supervisory Board in principle to the Administrative Board of GFT Technologies SE and the recommendation of the Code for the Management Board to its Managing Directors. This applies with the following exceptions regarding the legal structure of the single-tier system:

- In derogation from number 2.2.1 sentence 1 of the Code, the Administrative Board shall submit the financial statements and the consolidated financial statements to the general meeting, section 48 (2) sentence 2 SEAG.
- In derogation from numbers 2.3.1 sentence 1 and 3.7 (3) of the Code, the Administrative Board is responsible for convening the general meeting, sections 48 and 22 (2) SEAG.
- The responsibilities of the Management Board set forth in number 4.1.1 (Management of the Company), number 4.1.2 in connection with number 3.2 first half-sentence (Development of the enterprise's strategy), number 4.1.3 (Compliance with the Legal Requirements and the Company's Internal Policies (Compliance)) and number 4.1.4 (Adequate Risk Management and Controlling) of the Code are incumbent upon the Administrative Board.
- The competencies of the Management Board set forth in number 2.3.2 sentence 2 (Proxies Bound by Instructions), number 3.7 (1) (Statement on a Takeover Bid) and (2) (Handling of a Takeover Bid), and number 3.10 (Corporate Governance Report), number 4.1.3 (Compliance), 4.1.4 (Risk Management and Controlling) and 4.1.5 sentence 2 (Defining Targets for the Proportion of Women below the Management Board level) of the Code are the responsibilities of the Administrative Board of GFT Technologies SE, pursuant to section 22 (6) SEAG.
- In derogation from number 5.1.2 sentences 5 and 6 of the Code, Managing Directors, contrary to Members of the Management Board are not subject to a definite and maximum permissible term, pursuant to section 40 (1), sentence 1 SEAG.

- In derogation from number 5.4.2 sentence 2 and 5.4.4 of the Code, members of the Administrative Board can be appointed as Managing Directors, provided that the majority of members of the Administrative Board continues to consist of non-executive members, pursuant to section 40 (1), sentence 2 SEAG.

Exceptions to the recommendations of the Corporate Governance Code

3.8 paragraph 3

"If the company takes out a D&O (directors' and officers' liability insurance) policy for the Management Board, a deductible of at least 10% of the loss up to at least the amount of one and a half times the fixed annual compensation of the Management Board member must be agreed upon. A similar deductible shall be agreed upon in any D&O policy for the Supervisory Board."

The company diverges from the recommendation of a deductible for the Administrative Board.

With regard to the D&O insurance, no reasonable deductible is agreed upon for the members of the Administrative Board. The company is of the opinion that a deductible for members of the Administrative Board provides no additional incentive to carry out their activities with due diligence and in accordance with the statutory provisions.

4.2.3 paragraph 4

"In concluding Management Board contracts, care shall be taken to ensure that payments made to a Management Board member on premature termination of his/her contract, including fringe benefits, do not exceed the value of two years' compensation (severance pay cap) and compensate no more than the remaining term of the employment contract. If the employment contract is terminated for a serious cause for which the Management Board member is responsible, no payments are made to the Management Board member. The severance payment cap shall be calculated on the basis of the total compensation for the past full financial year and if appropriate also the expected total compensation for the current financial year."

The Administrative Board has not entered into an agreement with the Managing Directors in the event of any premature termination of the function as Managing Director. This is also not intended to be the case in the future. The company is of the opinion that in this regard the statutory provisions provide for a proper and equitable balance of interests in the event of a Managing Director's premature departure from office.

4.2.5 last paragraph

"The model tables provided in the appendix shall be used to present this information."

The remuneration of the Managing Directors is disclosed in the compensation report or in the notes to the financial statements on an individual basis. The compensation report or the notes to the financial statements contains all information required by number 4.2.5 of the Code. However, the Company waives the use of the model tables, because it believes that the model tables would not provide any further informational content to the shareholders, in particular with regard to the individualized disclosure of the remuneration of the Managing Directors.

5.3 "Formation of committees"

In view of the manageable size of the Administrative Board, the Administrative Board of GFT refrains from forming committees. This ensures efficient work and complete information, as well as involvement of all members of the Administrative Board in all decisions.

5.4.1 paragraph 2 and 3

"The Supervisory Board shall specify concrete objectives regarding its composition which, whilst considering the specifics of the enterprise, take into account the international activities of the enterprise, potential conflicts of interest, the number of independent Supervisory Board members within the meaning of number 5.4.2, an age limit to be specified and a regular limit of length of membership to be specified for the members of the Supervisory Board as well as diversity. In listed companies for which the Codetermination Act, the Codetermination Act for the Iron and Steel Industry or the Codetermination Extension Act apply, the Supervisory Board shall comprise at least 30 percent women and at least 30 percent men. In the other companies covered by the Equality Act the Supervisory Board shall determine targets for the share of women. Recommendations by the Supervisory Board to the competent election bodies shall take these objectives into account. The concrete objectives of the Supervisory Board and the status of the implementation shall be published in the Corporate Governance Report."

The company fully meets the obligations arising from the statutory provisions on the equal participation of women and men in leadership positions in the private and the public sectors of 24 April 2015. In other respects, the Administrative Board considers the special professional competencies in different areas, in national and international experiences, as well as the independence within the meaning of number 5.4.2 sentence 2 of the Code as essential criteria and objectives for the composition of the body. With regard to the composition of the Administrative Board, the experiences, skills, knowledge, and independence of the individual person are, in the interest of the company, of primary importance to the company. However, the Administrative Board refrains from defining specific objectives for its composition beyond the aforementioned principles, because this will, in the opinion of the Administrative Board, deprive the necessary flexibility in designating candidates for the election to the Administrative Board by the general meeting. For the same reason, the Administrative Board also refrains from setting a regular limit of the length of the membership in the Administrative Board. To this extent, the company diverges from number 5.4.1 (2) of the Code.

5.4.2 paragraph 3
“Not more than two former members of the Management Board shall be members of the Supervisory Board.”

More than two former members of the previous Executive Board of GFT Technologies AG are members of the Administrative Board of GFT. However, this is solely due to the establishment of a single-tier organisational and management structure made in the course of the conversion. While in the dual-tier system the Management Board is responsible for the management function, the management competency is assigned in the single-tier system to the Administrative Board in accordance with article 43 (1) SE-VO. All Managing Directors of GFT were previously appointed as members of the Executive Board of GFT Technologies AG. Therefore, it necessarily follows from the desired personnel continuity in the management of the company that more than two former members of the Executive Board of GFT Technologies AG must belong to the Administrative Board after the conversion.

Stuttgart, 9 December 2015

GFT Technologies SE

The Administrative Board

Corporate governance practices (section 289a (2) No 2 HGB)

GFT SE is the company which manages the GFT Group. Its business practices are based on the legal system of the Federal Republic of Germany and the legal systems of those states in which companies of the GFT Group operate, as well as the Articles of Association of GFT SE. As presented in its Corporate Governance Report, GFT SE has made internal organisational arrangements which form the basis for responsible and legally compliant practices of its employees and executive bodies. GFT SE believes that responsible and forward-looking corporate governance forms the basis for the company’s long-term, sustainable success.

Description of the operation and composition of the Executive Board, Supervisory Board and committees of GFT AG (section 289a (2) No 3 HGB)

By resolution of the Annual General Meeting of GFT Technologies AG on 23 June 2015, GFT Technologies Aktiengesellschaft was converted into GFT Technologies SE. The registration of GFT SE in the commercial register occurred on 18 August 2015. Pursuant to section 5 (1) of the Articles of Association of GFT SE, the company has a single-tier management and control structure. The single-tier system is characterized by the fact that a single governance body, the Administrative Board, is responsible for the management of the SE, while the Managing Directors conduct the operating business.

GFT Technologies SE applies the disclosure obligations of section 289a (2) No 3 HGB to the Administrative Board, wherever the Supervisory Board is mentioned, and to the Managing Directors, insofar as the Management Board is concerned.

Administrative Board

Pursuant to section 22 (1) SEAG, the Administrative Board manages the company, defines the principles of its activity and supervises their implementation. It acts in compliance with the legal regulations, the Articles of Association and the rules of procedure for the Administrative Board, and observes the recommendations of the German Corporate Governance Code taking into account the company’s single-tier structure and the latest Declaration of Compliance it has adopted.

The Administrative Board currently consists of seven members. According to section 6 (1) sentence 1 of the Articles of Association, the Administrative Board shall consist of three members, whereby the Annual General Meeting has the possibility pursuant to section 23 (1) SEAG to elect a larger number of Administrative Board members. The Annual General Meeting of 23 June 2015 made use of this option. The members of the Administrative Board have the same rights and duties and are not bound by instructions. Information on the members of the Administrative Board is available online at *http://www.gft.com/int/en/index/company/about-us/administrative-board/*.

The principles of cooperation and the decision processes within the Administrative Board are defined in the Articles of Association of GFT SE and the rules of procedure for the Administrative Board. Meetings of the Administrative Board are held at least every three months. In addition, meetings or conference calls may be held if it is in the company's best interests or so requested by a member of the Administrative Board. Six regular meetings of the Administrative Board are generally held per financial year. The meetings of the Administrative Board are convened by the Chairman, who also sends notification of the agenda items. Resolutions are generally adopted during the meetings. The Chairman of the Administrative Board may allow members of the Administrative Board to participate in Administrative Board meetings via videoconferencing or other electronic media which permit the Administrative Board members to see and hear each other. The Administrative Board constitutes a quorum if at least half of the members of which it consists take part in the adoption of resolutions. Members also take part in the adoption of a resolution if they abstain from voting. Should the vote be tied, the Chairman of the Administrative Board shall have two votes. In the case of instructions for the Managing Directors as a whole, or for individual Managing Directors, a qualified majority of 2/3 of the votes cast by the Administrative Board is required. Minutes are taken of the meetings, of decisions in the meetings and of any resolutions adopted outside meetings. In the case of urgent business transactions, resolutions are also adopted by conference call or by written circulation.

The Administrative Board appoints and dismisses the Managing Directors, adopts resolutions concerning their remuneration and regulates the service relationship by means of the service contract. It is also the Administrative Board's duty to ensure long-term succession planning. The Administrative Board determines the remuneration of the Managing Directors and regularly reviews the compensation system regarding its alignment with a sustainable development. Moreover, it ensures that all compensation elements, both individually and as a whole, are appropriate and do not induce the recipients to take inappropriate risks.

In order to fulfil its duties, the Administrative Board receives swift, regular and comprehensive information from the Managing Directors on all significant decisions and all relevant questions concerning planning, business development, risks, the implementation of risk management and compliance. The Administrative Board is also informed about deviations in the course of business from the stated plans and targets and about the reasons. The Administrative Board is informed immediately about exceptional events of particular importance.

In the past financial year, the agenda included the integration of Rule, the acquisition of Adesis and the sale of those companies belonging to the discontinued business division emagine. Further focus areas were questions relating to the operating business, including strategy and planning. Due to regular and prompt written and oral reports and information provided by the Managing Directors during and outside its meetings, the Administrative Board is always informed about the current course of business, planned developments and significant events within the GFT Group. As a result, it is able to evaluate current business progress, any deviations from plans and forecasts, individual significant transactions and the company's strategic alignment. Moreover, this enables the Administrative Board to discuss the respective topics in detail with the Managing Directors. The Administrative Board is directly involved in all fundamental decisions of the company and its affiliates. Before adopting its resolutions, the Administrative Board thoroughly examines all documents and reports submitted to it and discusses them with the Managing Directors.

In derogation from the recommendation in number 5.4.2 sentence 3 of the German Corporate Governance Code, more than two former members of the previous Executive Board of GFT Technologies AG are members of the Administrative Board of GFT SE. This is solely due to the establishment of a single-tier organisational and management structure made in the course of the conversion. Whereas in the dual-tier system, the Management Board is responsible for the management function, management competency is assigned in the single-tier system to the Administrative Board in accordance with article 43 (1) SE-VO. All Managing Directors of GFT SE were previously appointed as members of the Executive Board of GFT Technologies AG. Therefore, it necessarily follows from the desired personnel continuity in the management of the company that more than two former members of the Executive Board of GFT Technologies AG must belong to the Administrative Board after the conversion to GFT SE.

Due to its limited size, the Administrative Board has not formed any committees.

Managing Directors

GFT SE has three Managing Directors at present. At the same time, they are also members of the Administrative Board. GFT SE has thus made use of the authorisation in section 40 (1) sentence 2 SEAG which states that members of the Administrative Board can be appointed as Managing Directors provided that the majority of the Administrative Board's members continue to be non-executive members. Moreover, the Administrative Board has appointed Mr Ulrich Dietz as Chief Executive Officer pursuant to section 16 (1) sentence 2 of the Articles of Association. Information on the individual Managing Directors and their areas of responsibility is available online at *http://www.gft.com/int/en/index/company/about-us/management/*.

In accordance with section 10 (2) of the Articles of Association, the Administrative Board has issued rules of procedure for the Managing Directors.

The Managing Directors manage the company's operations in accordance with legal regulations, the Articles of Association and its own rules of procedure. In addition, they observe the German Corporate Governance Code within the framework of the Declaration of Compliance last adopted by the Administrative Board. The Managing Directors are obliged to pursue the company's interests and its strategic principles. They report to the Administrative Board swiftly, regularly and comprehensively on all significant business transactions and the current earnings situation, including the company's risk position and the implementation of its risk management system. Whenever there are deviations from planning and targets, the Managing Directors discus these in detail with the Administrative Board providing explanations and reasons. The Administrative Board is regularly informed by the Managing Directors about compliance issues, i.e. adherence to all statutory provisions and the company's internal guidelines. The Chief Executive Officer is also in regular contact with the Chairman of the Administrative Board.

The Managing Directors manage the company's business collectively: they therefore take joint responsibility for management. The main tasks include the implementation of company strategy, the operational management of the company, controlling, and the implementation of the risk management system adopted by the Administrative Board. The Managing Directors obtain the prior consent of the Administrative Board for those transactions requiring such consent, as specified in the rules of procedure for the Managing Directors.

The resolutions of the Managing Directors are always adopted at its meetings. These are generally held monthly. In urgent cases, resolutions are also adopted by written circulation, or by telephone or e-mail. The Chief Executive Officer is responsible for scheduling and convening the meetings, setting their agenda, chairing the meetings and taking minutes. The Managing Directors only constitute a quorum if at least half of the members take part in the adoption of resolutions. Resolutions are adopted with a simple majority. In the case of a tie, the Chief Executive Officer has the casting vote. Moreover, the latter also has the possibility to veto management measures of the Managing Directors or resolutions of the Managing Directors. If this right is exercised, the management measure or implementation of a resolution must remain undone.

The Managing Directors have not formed any committees.

Definitions pursuant to section 76 (4) and section 111 (5) AktG and disclosure whether the defined targets were reached during the reference period and, if not, disclosures on the reasons (section 289a (2) No 4 HGB

At its meeting on 15 September 2015, the Administrative Board resolved that by 30 June 2017 the share of women

(1) on the Administrative Board should be 28.6% and
(2) at the first management level, comprising the Managing Directors of GFT SE, should be 30% and
(3) the share of women at the second management level of GFT SE, comprising those directors and managers of GFT SE who report directly to one of the Managing Directors, should be 30%.

As things stand at present, all defined targets have been reached.

Group Management Report
of GFT Technologies SE as of 31 December 2015

Group Management Report

1. Basic principles of the Group

1.1. Business model

Group structure

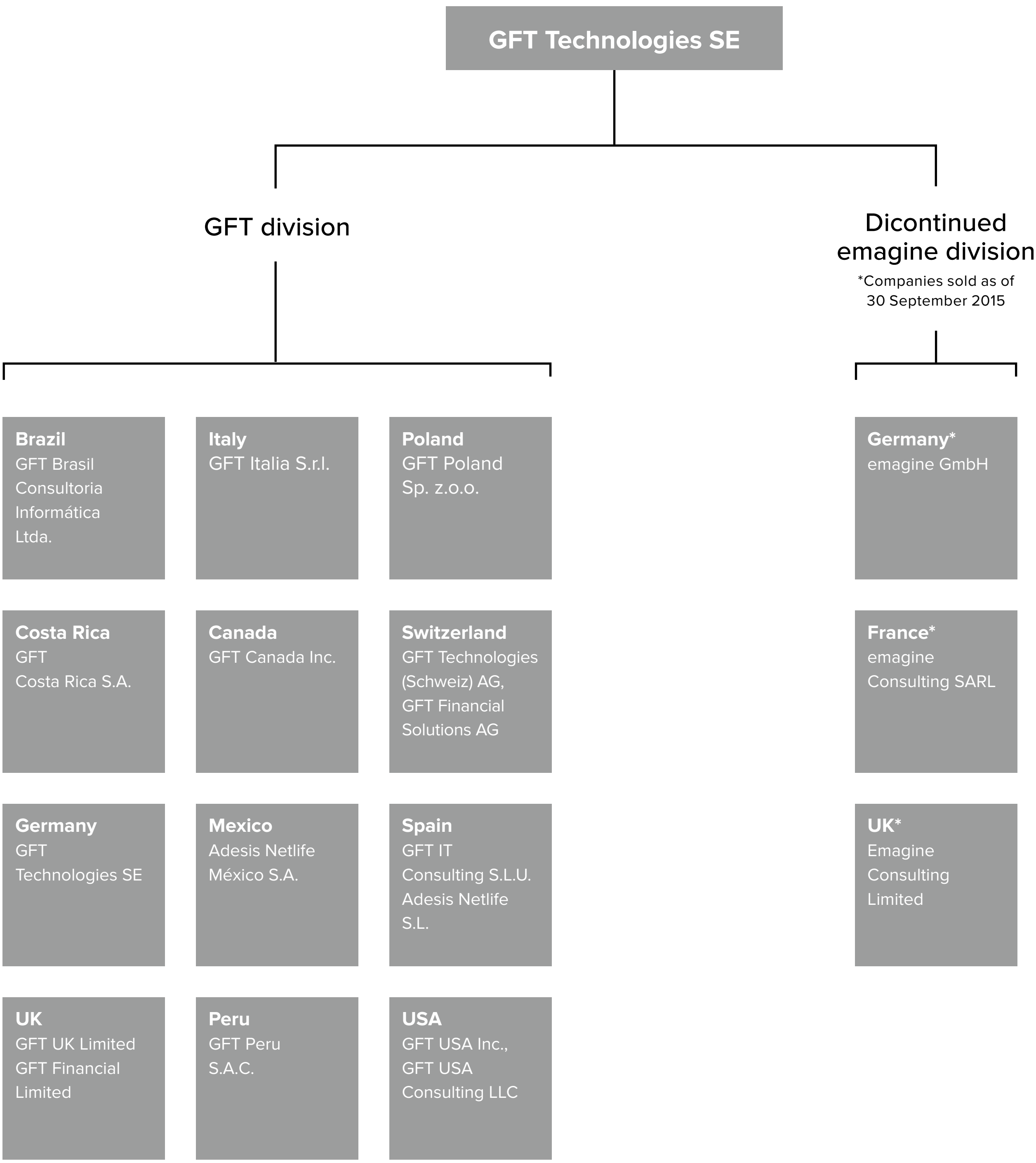
As the strategic management holding company of the GFT Group, GFT Technologies SE (GFT SE), domiciled in Stuttgart, Germany, is responsible for the management and control of all legally independent companies of the GFT Group. In addition to defining the corporate targets and strategy, its key responsibilities include steering the Group's risk and financial management. Moreover, GFT SE provides group-wide administrative services and manages global Corporate Communications, including communication with the capital market in the field of Investor Relations. In addition, GFT SE acts as a separate legal entity for operating business in Germany. The Administrative Board of GFT SE is responsible for the management and control of the GFT Group: it manages the GFT Group, defines the principles of its activity and supervises their operational implementation by the Managing Directors.

The company's conversion to a European Company (Societas Europaea, SE) was adopted by the shareholders at the Annual General Meeting of GFT Technologies AG on 23 June 2015. The new legal status underlines the global alignment of the GFT Group, which is represented in six European countries as well as in North and South America. The conversion became effective on GFT SE's entry in the Commercial Register on 18 August 2015. The former organisational structure consisting of an Executive Board and a Supervisory Board – whose term of office ceased with this entry – was replaced by a single-tier management and supervision structure with an Administrative Board. The Administrative Board of GFT SE comprises seven members: these are the former Chairman of the Supervisory Board, Dr Paul Lerbinger, the former Supervisory Board member Dr Ing Andreas Bereczky, Maria Dietz and the lawyer Prof Dr Andreas Wiedemann, as well as the former Chairman of the Executive Board Ulrich Dietz and the former Executive Board members Marika Lulay and Dr Jochen Ruetz. Dr Paul Lerbinger is the Chairman of the Administrative Board and Ulrich Dietz is its Deputy Chairman. The Administrative Board appointed Ulrich Dietz (CEO), Marika Lulay (COO) and Dr Jochen Ruetz (CFO) as Managing Directors.

On 27 July 2015, an agreement was signed with Financière Valérien SAS, Paris, France, regarding the sale of all companies belonging to the emagine division in Germany, France and the UK. The transaction was closed with the transfer of shares to Financière Valérien SAS on 30 September 2015. The GFT Group has thus ended its activities as an agent for freelance technology experts, which were formerly pooled in the emagine segment. In line with IFRS regulations (IFRS 5), the emagine segment is thus disclosed as a discontinued operation in the consolidated financial statements as of 31 December 2015.

Structure of the GFT Group with the most important Group companies

A full list of subsidiaries and other investments is provided in the notes to the consolidated financial statements.



On 28 July 2015, GFT Iberia Holding S.A.U., Sant Cugat del Vallès, Spain, acquired the IT service provider Adesis Netlife S.L., Madrid, Spain, and its subsidiaries (hereinafter "Adesis"). The shares were transferred to GFT Iberia Holding S.A.U. on the same day (closing). The acquisition of Adesis has expanded the GFT Group's offerings in the field of digital banking and brought new clients in Spain and Mexico. The acquisition will accelerate the GFT Group's expansion in Latin America by adding a new development centre in Mexico and a sales office in Peru.

Business operations

With the sale of its staffing services division emagine, the GFT Group is now focused on its operating business as a provider of IT services for the finance sector and therefore has just one business segment (GFT), which is disclosed in the consolidated financial statements as of 31 December 2015 as a continued operation. With its IT and consulting expertise, GFT helps leading international financial institutes with the digital transformation of their business processes and the implementation of compliance requirements. The range of services includes consulting on the development and realisation of IT strategies, the development of bespoke solutions, the implementation of bank-specific standard software, and the maintenance and further development of business-critical core banking processes.

With the aid of its Global Delivery Model, which combines customer proximity with attractive cost benefits (onshore/nearshore model), GFT can reliably supply its range of solutions to the core markets of Europe and the Americas.

The innovation platform CODE_n helps position the GFT Group as a forward-looking company and provides it with advance access to innovative start-ups in the finance sector (fintechs) with disruptive business models and new technologies. Interesting innovations and technologies are integrated into GFT's solutions portfolio.

1.2. Management system

The GFT Group's strategy is aimed at achieving a sustainable increase in the company's value by continually expanding its competitive advantages. As part of its strategic planning, it determines how this objective is to be achieved in the targeted countries and market segments. The internal management system comprises regulations and measures for the organisational implementation of management decisions and the permanent monitoring of their effectiveness. All Group executives are involved in this management process. This includes the Administrative Board, the Managing Directors, the managing directors of the Group's subsidiaries, and the managers responsible for group-wide administrative functions. The national organisations regularly report to the Managing Directors on the course of business and analyse the opportunities and risks for future business.

The monthly reporting of all national organisations on the development of key performance indicators (KPIs) compared to the given targets (target / actual comparison) serves as the Group's main internal controlling instrument.

The KPIs used to measure the success of strategy implementation are consolidated revenue, EBITDA (earnings before interest, taxes, depreciation and amortisation) and EBT (earnings before taxes). Other key operating figures are also used for the internal management process. These include revenue by country, market segment and industry, as well as contribution margins and account collection targets. A key non-financial performance indicator is the productive utilisation rate of the GFT division. The productive utilisation rate is based solely on the use of staff in client projects and does not include any sales activities or involvement in internal projects. Target/actual and year-on-year comparisons of key financial performance indicators and year-on-year figures for utilisation rate are to be found in the Economic Report. Moreover, the Economic Report includes an explanation of further key non-financial performance indicators which play an important role for the company's successful development but are not used to steer all areas of the company.

A key component of the internal management process is the Group's systematic opportunity and risk management aimed at identifying, assessing and steering opportunities and risks which may lead to positive or negative deviations from our targets. Further information on opportunity and risk management is provided in the Risk Report and Opportunities Report sections.

1.3. Research and development

The GFT Group continually analyses the most important technology trends in the finance sector. On this basis, the GFT division develops pioneering solutions for the banking sector and helps its clients enhance their competitive position by gaining a technological lead. The Applied Technologies Group is responsible for conducting innovative basic research at the Spanish development centre in Sant Cugat del Vallès, near Barcelona. It prepares and evaluates trend analyses, examines the viability of new technological developments, builds prototypes of new application solutions and supports the sales teams with solution approaches.

The GFT division concentrated its R&D efforts on the following strategic initiatives in 2015:

At its two **Digital Banking Labs** in Stuttgart and Barcelona, GFT uses prototypes and live demonstrations to show how new technologies can support banking transactions in future. The main focus is on applications which enable banks to tailor their business processes more precisely to customer needs with the aid of digital transformation. These include mobile payment processes, solutions for intelligent finance management, automated account optimising and context-based account management.

GFT's **International Cooperation Projects** (ICP) team focuses on developing IT innovations as part of the Horizon 2020 R&D programme launched by the European Union in January 2014. In cooperation with research institutes, universities and other companies, GFT collaborated on ten IT initiatives in 2015 aimed at developing future technologies in the field of Big Data, Data Analytics and Mobility.

In the field of internal projects, the main focus was on the roll-out of a new **PSA solution** (Professional Service Automation) which is specially adapted to the needs of the GFT Group as a project-oriented service company. This solution supports all administrative areas of the IT infrastructure – from client support to project management and the interface to financial accounting. The development costs incurred in connection with this project amounted to € 0.79 million in the financial year 2015. Of this total, personnel expenses accounted for € 0.43 million.

The ongoing development of the project management solution **Cardinis** – acquired in connection with the Sempla takeover in 2013 – resulted in development costs of € 0.30 million in the financial year 2015 (prev. year: € 0.31 million), which were capitalised as in the previous year.

The GFT Group invested a total of € 3.62 million in research and development during the reporting period 2015 (prev. year: € 2.14 million). The largest share of this total (€ 2.60 million or 72%) was accounted for by personnel expenses (prev. year: € 1.93 million or 90%). Expenses for outside services amounted to € 0.48 million (prev. year: € 0.06 million), corresponding to 13% (prev. year: 3%) of total research and development costs.

2. Economic report

2.1. General economic and sector-specific conditions

General economic conditions

The recovery of the global economy in 2015 was tentative and uneven. In their January 2016 outlook, the economic experts of the International Monetary Fund (IMF) rated the economic trend in the industrialised nations during the reporting period as generally robust. However, the performance of certain emerging economies was weaker than they predicted in their July outlook. The IMF's experts have now reduced their forecast for global economic growth to 3.1%, compared to the 3.3% they anticipated in July. The IMF believes that low oil prices and improved prospects for employment are benefiting the industrialised nations, while structural barriers and macroeconomic disequilibrium are dampening growth in the emerging nations. Moreover, the global economic trend is being burdened by the challenge of economic restructuring in China and the end of the USA's looser monetary policy.

The eurozone's economic recovery continued to gather pace in 2015, although growth was no more than moderate. In its economic report of January 2016, the European Central Bank (ECB) puts growth in gross domestic product (GDP) for 2015 at 1.5%. According to the ECB, the main drivers were the positive development of consumer spending, favourable oil prices, the loose monetary policy of the European Central Bank and the falling value of the euro.

The German economy maintained its encouraging prior-year growth trend in the reporting period, albeit at a slightly slower pace. Following a strong first half-year, Deutsche Bundesbank's monthly report of December 2015 noted a slightly reduced rate of expansion in the second half of the year. Consumer spending was the main growth driver. By contrast, exports suffered somewhat from weaker demand in the emerging economies. All in all, the economists expect year-on-year GDP growth of 1.7% for 2015.

Sector-specific conditions

The global IT market recorded modest growth of 2.4% in 2015. This was the conclusion of US market research firm Gartner in its January 2016 report (adjusted for currency fluctuations). In the first six months, Gartner had forecast growth of 3.1% but then downgraded to 2.5% in September. As in the previous year, spending on IT services rose by 3.6%.

In the past financial year, banks reduced their IT investments slightly. According to Gartner, IT spending fell by 2.2% in total and by 2.5% for IT services. A survey conducted by the market research firm International Data Corporation (IDC) in October 2015 found that European banks and insurers gave top priority to digital transformation measures. This was followed, stated IDC, by the topic compliance and regulation. In June 2015, IDC already announced that 79% of the financial institutes it had surveyed in Europe were actively driving the digitisation of their processes.

According to the German digital association BITKOM, Germany's information and communications technology (ICT) market made strong progress in 2015. Compared to the previous year, market volume increased by 2.3% to € 146.2 billion. In its bi-annual economic survey, the association already reported a generally positive trend in the first half-year: 67% of companies surveyed reported revenue growth, and as many as 73% in the IT services segment. The situation continued to improve in the second half of 2015: almost three quarters of companies (73%) reported increased sales from July to December and only 13% stated that revenues had fallen. Over the same period, IT service providers fared the best with 80% of companies in this field reporting revenue growth.

2.2. Development of business

Development of business compared to guidance

The GFT Group announced its guidance for the financial year 2015 on 5 March 2015. It forecasted an increase in revenue of around 16% to € 425.00 million. Earnings before interest, taxes, depreciation and amortisation (EBITDA) were expected to grow by around 26% to € 44.00 million and pre-tax earnings (EBT) by around 15% to € 31.00 million. The key performance indicator (KPI) "productive utilisation rate" introduced in 2015 for the GFT division was expected to remain at the high prior-year rate of 89% in 2015. As no decision had been made at the time regarding the various options for the emagine division, prior-year levels of revenue and earnings were assumed for emagine in the forecast.

On 27 July 2015, the GFT Group announced the sale of its emagine division, which had posted revenue of € 86.09 million and EBT of € 1.66 million in the financial year 2014. In line with valid IFRS regulations (International Financial Reporting Standards), the revenue and earnings contributions of the discontinued emagine division are no longer disclosed in the revenue, EBITDA and EBT figures of the GFT Group for the financial years 2014 and 2015. As a consequence, the GFT Group adjusted its guidance for financial year 2015 by the expected revenue and earnings contributions of emagine and forecast revenue of around € 340.00 million, EBITDA of € 42.00 million and EBT of € 29.00 million.

On announcement of the results for the first half of 2015 on 13 August 2015, the revenue forecast was raised by € 22.00 million to € 362.00 million, of which € 7.00 million resulted from the acquisition of Spanish IT service provider Adesis at the end of July 2015. The forecasts for EBITDA and EBT were raised by € 1.00 million each to € 43.00 million and € 30.00 million, respectively. Due to expected PPA effects (purchase price allocation), the upgraded earnings guidance did not include any significant contribution from Adesis.

As a result of further improvements in its operating business, the GFT Group raised its full-year guidance for revenue from € 362.00 million to € 368.00 million and for EBITDA and EBT by € 1.00 million each to € 44.00 million and € 31.00 million, respectively, on publication of its results for the first nine months on 12 November 2015.

In terms of revenue and earnings, the GFT Group exceeded the last guidance it issued in financial year 2015. With revenue growth of 33.8% to € 373.51 million (prev. year: € 279.24 million), the guidance issued on 12 November 2015 was exceeded by € 5.51 million or 1.5%. EBITDA rose by 35.8% to € 44.56 million (prev. year: € 32.82 million) and was thus € 0.56 million or 1.3% above the last guidance issued. EBT amounted to € 32.52 million, corresponding to growth of 28.0% over the previous year (€ 25.41 million) and a positive forecast deviation of 4.9% or € 1.52 million. The capacity utilisation rate in 2015 was 89% (prev. year: 89%) and thus in line with guidance.

Target/actual comparison for the financial year 2015

KPIs	Forecast 2015	Results 2015	Absolute deviation	% deviation
Revenue	€ 368.00 million [1]	€ 373.51 million	€ 5.51 million	1.5
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	€ 44.00 million [2]	€ 44.56 million	€ 0.56 million	1.3
Earnings before taxes (EBT)	€ 31.00 million [3]	€ 32.52 million	€ 1.52 million	4.9
Capacity utilisation rate	89%	89%	–	–

1) Guidance upgraded in July 2015 adjusted for emagine revenue (minus € 85.00 million); in August 2015 (plus € 22.00 million) and in November 2015 (plus € 5.00 million)

2) Guidance upgraded in July 2015 adjusted for emagine earnings (minus € 2.00 million); in August 2015 (plus € 1.00 million) and in November (plus € 1.00 million)

3) Guidance upgraded in July 2015 adjusted for emagine earnings (minus € 2.00 million); in August 2015 (plus € 1.00 million) and in November (plus € 1.00 million)

Overview of business development

In the financial year 2015, the GFT Group discontinued its emagine division, which specialised in providing staff for technology projects, and sold the respective companies in Germany, France and the UK. As a result, the Group is now focused on its high-growth business with IT services for the finance sector, which is represented by the GFT business segment.

This division was strengthened by the acquisition of the Spanish IT and consulting company Adesis Netlife S.L. (hereinafter "Adesis"), which specialises in digital solutions for the finance sector. Especially in the field of digital banking, the acquisition has expanded the GFT Group's offerings as well as its technological expertise. Furthermore, Adesis strengthens the Group's market position in Spain and will accelerate expansion in Latin America with the new development centre in Mexico. Adesis was included in the Group's consolidated income statement as of the second half of the year.

The GFT Group continued the positive development of the previous year in its financial year 2015 and achieved strong growth in revenue and earnings. Guidance was upgraded several times over the course of the year and still exceeded by year-end.

Consolidated revenue rose year on year by 34% to € 373.51 million in 2015 (prev. year: € 279.24 million). This dynamic revenue trend resulted from strong organic growth in providing IT solutions for the finance sector as well as from the acquisition of the UK-based company Rule Financial Ltd. (hereinafter "Rule") in June 2014 and Adesis in July 2015. The GFT Group achieved organic growth of 20% in 2015. Growth was particularly strong in Spain (plus 58%), the UK (plus 47%) and the USA (plus 42%). Business in Spain was boosted by the country's ongoing economic recovery and reinvigorated banking sector, which is one of Europe's most advanced in terms of digitisation.

Due to the positive revenue trend and consistently high capacity utilisation rate of the GFT division, earnings before interest, taxes, depreciation and amortisation (EBITDA) improved by 36% to € 44.56 million (prev. year: € 32.82 million). Pre-tax earnings (EBT) rose by 28% to € 32.52 million (prev. year: € 25.41 million). The capacity utilisation rate remained high at 89% (unchanged from the previous year).

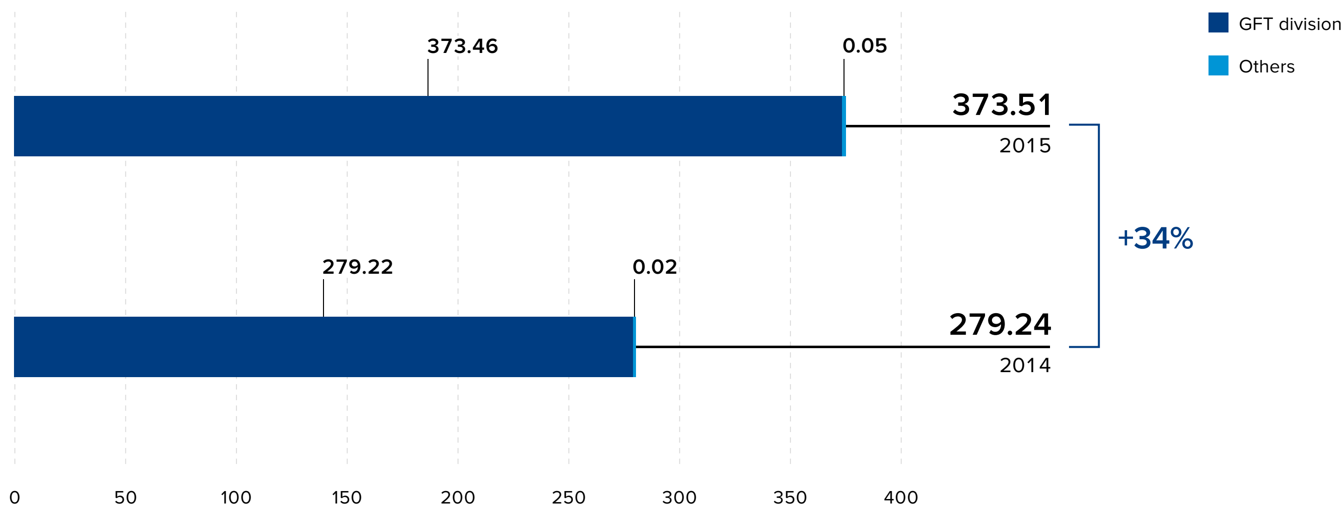
2.3. Development of revenue

With the sale of its staffing services division emagine, the GFT Group is now focused on its operating business as a provider of IT services for the finance sector and therefore has just one business segment (GFT), which is disclosed in the consolidated financial statements as of 31 December 2015 as a continued operation. In accordance with IFRS 5, the revenue contribution of the discontinued operation emagine was not included in consolidated revenue for the financial year 2015. In order to aid comparability, the prior-year figures were adjusted correspondingly by deducting the revenue contribution of emagine. The revenue trend of the GFT Group thus largely reflects the revenue development of the continued operation GFT.

Key figures by quarter

in € m	Q1/2015	Q2/2015	Q3/2015	Q4/2015	FY 2015	FY 2014	YoY in %
Revenue	88.52	90.24	92.72	102.03	373.51	279.24	34%
EBITDA	9.56	10.24	11.50	13.26	44.56	32.82	36%
EBT	6.89	7.35	8.51	9.77	32.52	25.41	28%

Revenue of GFT division
in € m



Revenue of GFT division

In the financial year 2015, the continuing business division GFT generated revenue growth of 34% to € 373.46 million (prev. year: € 279.22 million). Rule (acquired in June 2014) contributed € 78.86 million (prev. year: € 38.39 million) and Adesis (acquired in July 2015) € 6.42 million (prev. year: € 0.00 million) to consolidated revenue. Adjusted for revenue contributed by Rule and Adesis (integrated into this division), GFT achieved organic growth of 20%. Once again, the key growth drivers were increasing compliance requirements in the banking sector – especially in the field of investment banking. Growth was boosted further by the trend towards further digitisation of business processes, especially among retail banks.

Revenue by country

Since the acquisition of Rule, the **UK** is by far the biggest sales market of the GFT Group. Revenue generated with clients in this country rose year on year by 47% to € 161.82 million (prev. year: € 110.00 million) and accounted for 43% of consolidated revenue (prev. year: 39%). Bolstered by the Rule acquisition, GFT also posted strong revenue growth of 42% to € 37.12 million in the **USA** (prev. year: € 26.17 million). In both countries, the main growth driver was persistently high demand for regulatory compliance solutions in the investment banking sector.

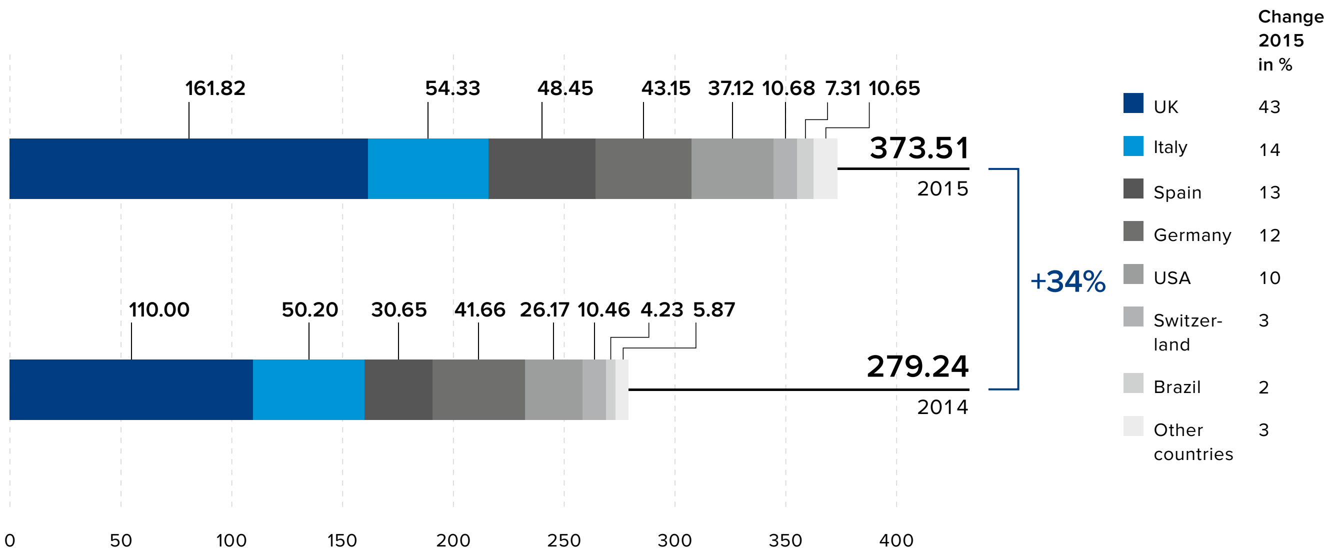
GFT also enjoyed significant revenue growth of 58% to € 48.45 million in **Spain** (prev. year: € 30.65 million). Business here was aided by the continued progress of the country's economic recovery and a revitalised banking sector, which is one of Europe's most advanced in terms of digitisation. With a 13% share of consolidated revenue (prev. year: 11%), Spain was the third-largest market after Italy (14%; prev. year: 18%).

As of the interim report for the first nine months of 2015, **Brazil** is reported separately for the first time rather than being included in **Other countries.** Sales generated with clients in Brazil increased by 73% to € 7.31 million in the reporting period (prev. year: € 4.23 million) – accounting for 2% of consolidated revenue (prev. year: 2%).

Revenue generated in **Other countries** increased by 81% to € 10.65 million in the reporting period (prev. year: € 5.87 million). This strong growth in revenue resulted mainly from a project in Luxembourg not included in the previous year.

In **France**, the GFT Group was represented almost exclusively by the discontinued operation emagine. In accordance with IFRS 5, the revenue generated in this country by the discontinued operation emagine is no longer disclo-

Revenue by country
in € m



sed. The low-level revenue generated in this country by the GFT division is now included under "Other countries".

Revenue generated outside Germany rose by 39% to € 330.36 million (prev. year: € 237.57 million) and accounted for 88% of total Group revenue (prev. year: 85%).

Revenue by industry
Revenue with clients in the finance sector rose by 33% to € 349.49 million in the reporting period (prev. year: € 261.82 million). Its share of consolidated revenue was unchanged from the previous year (94%).

In the **Other service providers** sector, revenue increased by 54% to € 18.22 million (prev. year: € 11.82 million). The share of GFT Group revenue rose from 4% in the previous year to 5%.

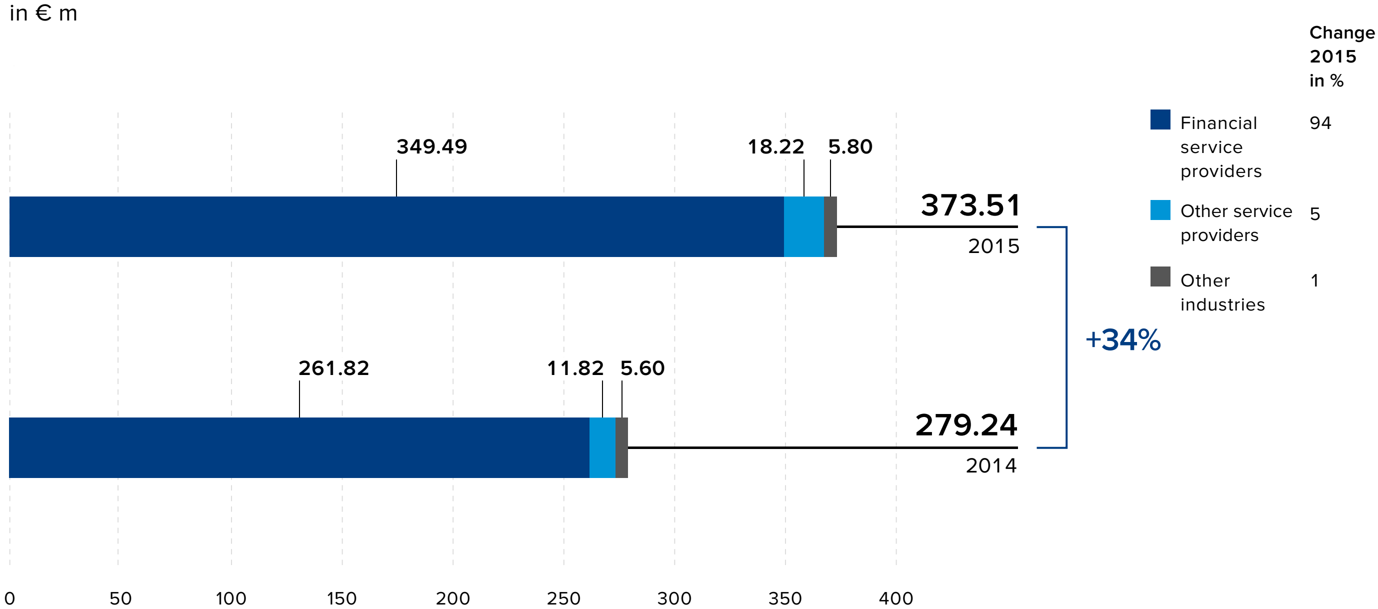
Revenue generated with clients in the industrial sector, disclosed under **Other industries**, grew by 4% to € 5.80 million (prev. year: € 5.60 million) and accounted for 1% of consolidated revenue (prev. year: 2%).

2.4. Earnings position

In accordance with IFRS 5, the earnings contribution of the discontinued business division emagine was only included in the presentation of earnings for the GFT Group in financial year 2015 in earnings after taxes (net income). The earnings contribution of this discontinued business division was not included in the other key earnings figures. In order to aid comparability with the previous year, the prior-year figures were adjusted correspondingly by deducting the earnings contribution of the emagine segment.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) of the GFT Group rose by € 11.74 million to € 44.56 million in the financial year 2015 (prev. year: € 32.82 million), corresponding to growth of 36%. Following its acquisition in June 2014, Rule incurred standard central Group cost allocations of € 4.12 million for the first time in the reporting period and achieved an EBITDA result after allocations of € 2.14 million. EBITDA of the GFT Group includes costs for the CODE_n innovation drive and this year's CeBIT fair presence of € 2.28 million (prev. year: € 1.05 million).

Revenue by industry
in € m



Despite a sharp increase in depreciation and amortisation of € 3.93 million, **earnings before interest and taxes (EBIT)** improved by € 7.81 million to € 34.23 million in the financial year 2015 and were thus 30% above the prior-year figure (€ 26.42 million).

Earnings before taxes (EBT) were up € 7.11 million or 28% to € 32.52 million (prev. year: € 25.41 million). The operating margin of 8.7% was 0.4 percentage point below the prior-year figure (9.1%).

In the reporting period, **earnings after taxes (net income)** amounted to € 26.55 million, corresponding to a year-on-year increase of € 7.96 million or 43% (prev. year: € 18.59 million). Earnings of the discontinued business division of € −1.21 million (prev. year: € 1.36 million) are included in net income of the total company amounting to € 25.34 million (prev. year: € 19.95 million).

As a result of the current distribution of earnings among the various national subsidiaries, as well as special items from retroactive tax refunds in Spain and from the acquisition of Adesis, the calculated **tax ratio** amounted to 18% (prev. year: 27%).

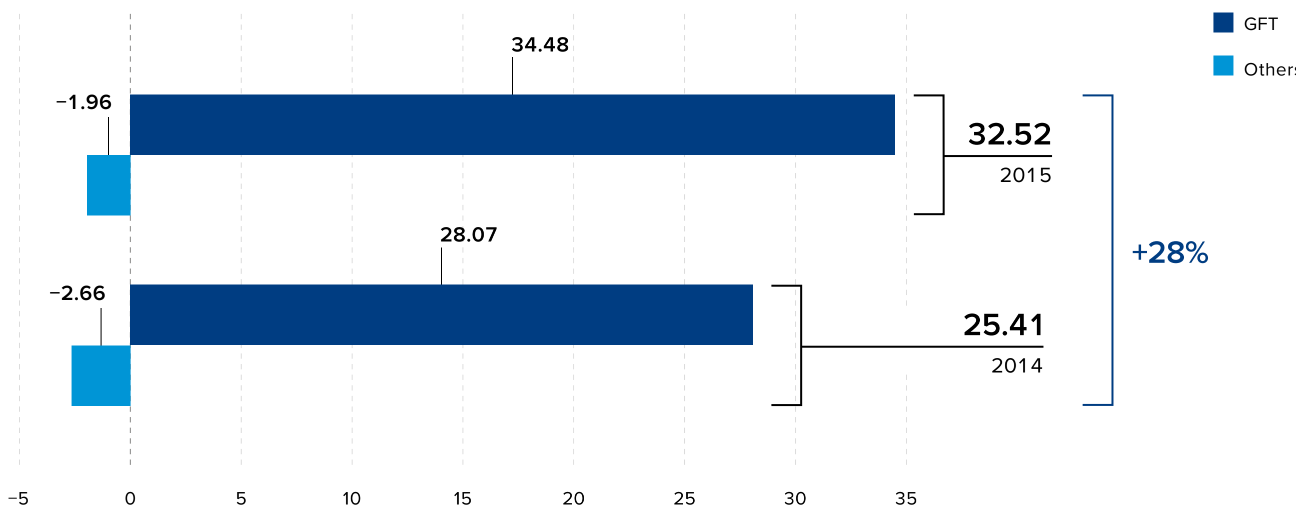
The positive development of earnings and low tax rate lifted **earnings per share** to € 1.01 (prev. year: € € 0.71), based on 26,325,946 outstanding shares.

Consolidated earnings by segment
In financial year 2015, the pre-tax earnings contribution (EBT) of the continued GFT segment rose by 23% to € 34.48 million (prev. year: € 28.07 million). However, there was a decrease in the operating margin to 9.2% (prev. year: 10.1%) due primarily to Purchase Price Allocation (PPA) effects from the acquisition of Rule and Adesis.

Pre-tax earnings (EBT) of the discontinued emagine segment amounted to € −0.91 million (prev. year: € 1.66 million). Pursuant to IFRS 5, this earnings contribution is not included in the GFT Group's current pre-tax result nor in the pre-tax result for the same period last year.

The **"Others"** category – presented as a reconciliation column in segment reporting – comprises balance sheet effects, costs of the holding company and consolidation amounts which cannot be directly charged to any division. Pre-tax earnings amounted to € −1.96 million (prev. year: € −2.66 million). This segment includes expenses for the CODE_n innovation platform and CeBIT fair presence in March 2015 as well as currency effects.

Earnings (EBT) by segment
in € m



Consolidated earnings position by income and expense items
In financial year 2015, **other operating income** fell by € 0.41 million to € 3.44 million (prev. year: € 3.85 million). The largest item was income from the fair appearance of € 1.40 million (prev. year: € 0.82 million) and income from currency effects of € 1.01 million (prev. year: € 0.64 million).

The **cost of purchased services** increased to € 62.49 million in the reporting period (prev. year: € 52.19 million). The rise resulted mainly from increased purchases of external services by the GFT division in line with the expansion of business. Moreover, the comparable purchases by Rule were only included in the first half of the previous year. The cost of purchased services to revenue ratio fell year on year by two percentage points to 17% (prev. year: 19%).

Personnel expenses increased by € 57.71 million to € 215.45 million in the reporting period (prev. year: € 157.74 million) due to increased headcount and the acquired companies. Compared to the same period last year, the proportion of revenue to personnel expenses (the personnel cost ratio) increased from 56% to 58%.

Depreciation of intangible and tangible assets rose by € 3.93 million to € 10.33 million in the reporting period (prev. year: € 6.40 million). As a result of the Rule acquisition, there was also prorated depreciation from operating activities of € 1.15 million (prev. year: € 0.54 million) and writedowns on the customer base from PPA of € 2.93 million (prev. year: € 1.34 million). The acquisition of Adesis led to prorated writedowns on the customer base from PPA of € 0.55 million.

Other operating expenses rose by € 14.11 million to € 54.42 million in the reporting period (prev. year: € 40.31 million). The main cost elements were operating, administrative and selling expenses, which increased by € 10.63 million to € 48.18 million (prev. year: € 37.55 million). The remaining expenses increased by € 3.48 million. Of the increase of € 10.63 million, an amount of € 4.45 million is attributable to Rule and € 0.72 million to Adesis. In the field of operating expenses, office space represents the largest item. Selling expenses rose due to increased travel expenses and a rise in external services. Other operating expenses also includes exchange rate effects and other taxes.

Compared to the same period last year, the **financial result** fell by € 0.70 million to € −1.73 million (prev. year: € −1.03 million).

Income taxes amounted to € 5.98 million and were thus € 0.84 million below the prior-year figure (€ 6.82 million).

The distribution of earnings among the various national subsidiaries in financial year 2015 led to a fall in the calculated tax ratio (as explained in the first section).

2.5. Financial position

The sale of the emagine division to the French company Financière Valérien SAS was completed on 30 September 2015 (closing). All assets and liabilities of emagine were therefore derecognised from the balance sheet as of 30 September 2015. In accordance with IFRS regulations, the discontinued operation emagine is carried in full in the balance sheet figures as of 31 December 2014. Comparability with 31 December 2014 is thus restricted.

As of 30 September 2015, the sold assets of emagine amounted to € 22.55 million. On the same date, the sold liabilities totalled € 16.80 million. Please refer to the detailed list provided in section 28 of the notes to the consolidated financial statements.

The GFT Group's financial management ensures the permanent liquidity of all Group companies. The Treasury division implements financial policy and risk management on the basis of the agreed guidelines. Financial investments are currently all made for short-term periods. The central Treasury department monitors currency and interest rate risks for all Group companies and hedges via derivative financial instruments in accordance with the guidelines set. Only existing balance sheet items or expected cash flows, as well as interest rate risks, are hedged.

On 21 July 2015, GFT SE signed a syndicated loan agreement with a fixed term of five years for an amount of up to € 80 million. The agreement was made with a banking consortium comprising Deutsche Bank AG, Landesbank Baden-Württemberg and UniCredit Bank AG. This syndicated loan agreement provides long-term funding and replaces the short-term financing of the Rule acquisition. Moreover, the syndicated loan agreement served to finance the takeover of Adesis completed on 28 July 2015.

The amount of up to € 80 million comprises two tranches, a Facility A credit line of up to € 40 million and a Facility B revolving credit line of up to € 40 million. At the end of the reporting period, € 40 million of Facility A and € 10 million of Facility B had been drawn. The interest rate is variable. For both facilities it is a fixed premium set per calendar year depending on the GFT Group's level of debt and based on the one-, two-, three- or six-month EURIBOR rate.

There are certain rules of conduct for GFT during the term of the syndicated loan agreement and the promissory note agreements signed in financial year 2013. These mainly refer to specific financial covenants which must be met. The assumption of financial liabilities and the provision of collateral is limited.If the GFT Group does not meet the specific financial covenants and other rules of conduct, this may lead to the immediate termination of the loan agreements. From the current perspective, there are no significant risks relating to the non-achievement of financial covenants or non-compliance with the other rules of conduct which are known to the company.

As of 31 December 2015, **cash, cash equivalents and securities** amounted to € 47.10 million and were thus € 8.85 million above the corresponding figure at the end of 2014 (€ 38.25 million). The cash inflow resulted mainly from the sale of emagine, a strong increase in operating cash flow and in particular from reduced payments for company acquisitions.

As of 31 December 2015, **trade receivables** of € 94.83 million were € 13.39 million below the prior-year figure (€ 108.22 million). If the prior-year figure is adjusted for receivables attributable to the sold emagine division, there is an increase of € 6.57 million. At the end of the reporting period, trade receivables included receivables of Adesis totalling € 5.69 million.

There was no stock of short-term securities. As of 31 December 2015, the GFT Group had unused credit lines of € 57.77 million.

The net liquidity of the GFT Group improved from € −42.03 million as of 31 December 2014 to € −36.46 million. Net liquidity is calculated as the stock of disclosed cash, cash equivalents and short-term securities less financial liabilities.

In the financial year 2015, **cash flows from operating activities** amounted to € 42.60 million and were thus € 27.39 million above the comparative prior-year figure (€ 15.21 million). The positive year-on-year trend was influenced by numerous opposing effects. Increased net income of € 25.34 million (prev. year: € 19.95 million), the increases in amortisation and depreciation of € 3.83 million to € 10.39 million (prev. year: € 6.56 million), and in particular the change in liquidity from trade payables and other liabilities of € 9.06 million (prev. year: € −0.15 million), and trade receivables of € 1.13 million (prev. year: € −17.85 million) were opposed by changes in provisions of € 3.12 million (prev. year: € 5.10 million) and income taxes paid of € −11.42 million (prev. year: € −8.15 million).

Cash flow from investing activities improved by € 36.19 million to € −31.73 million in financial year 2015 (prev. year: € −67.92 million). This was mainly due to reduced payments for the acquisition of consolidated companies less acquired cash and cash equivalents of € −22.34 million (prev. year: € −58.72 million) and proceeds from the disposal of the emagine division of € 6.03 million. Capital expenditure of € −13.12 million in financial year 2015 (prev. year: € −10.56 million) mostly concerned the administration building (€ 4.35 million), and investments due to relocation and standard investments in IT.

Cash flows from financing activities amounted to € −3.37 million in the financial year 2015 and were thus € 46.14 million above the prior-year figure of € 42.77 million. The strong decrease resulted mainly from the reduced assumption of external loans of € 5.01 million, compared to € 53.89 million in the previous year. By contrast, the redemption of short-term loans amounting to € −1.80 million (prev. year: € −4.54 million) and the payment to shareholders of € −6.58 million (prev. year: € −6.58 million) agreed at the Annual General Meeting of 23 June 2015 (dividend payment for the financial year 2014) resulted in a cash outflow.

2.6. Asset position

As of 31 December 2015, the balance sheet total of the GFT Group amounted to € 326.81 million and was thus € 25.16 million above the year-end figure 2014 (31 December 2014: € 301.65 million).

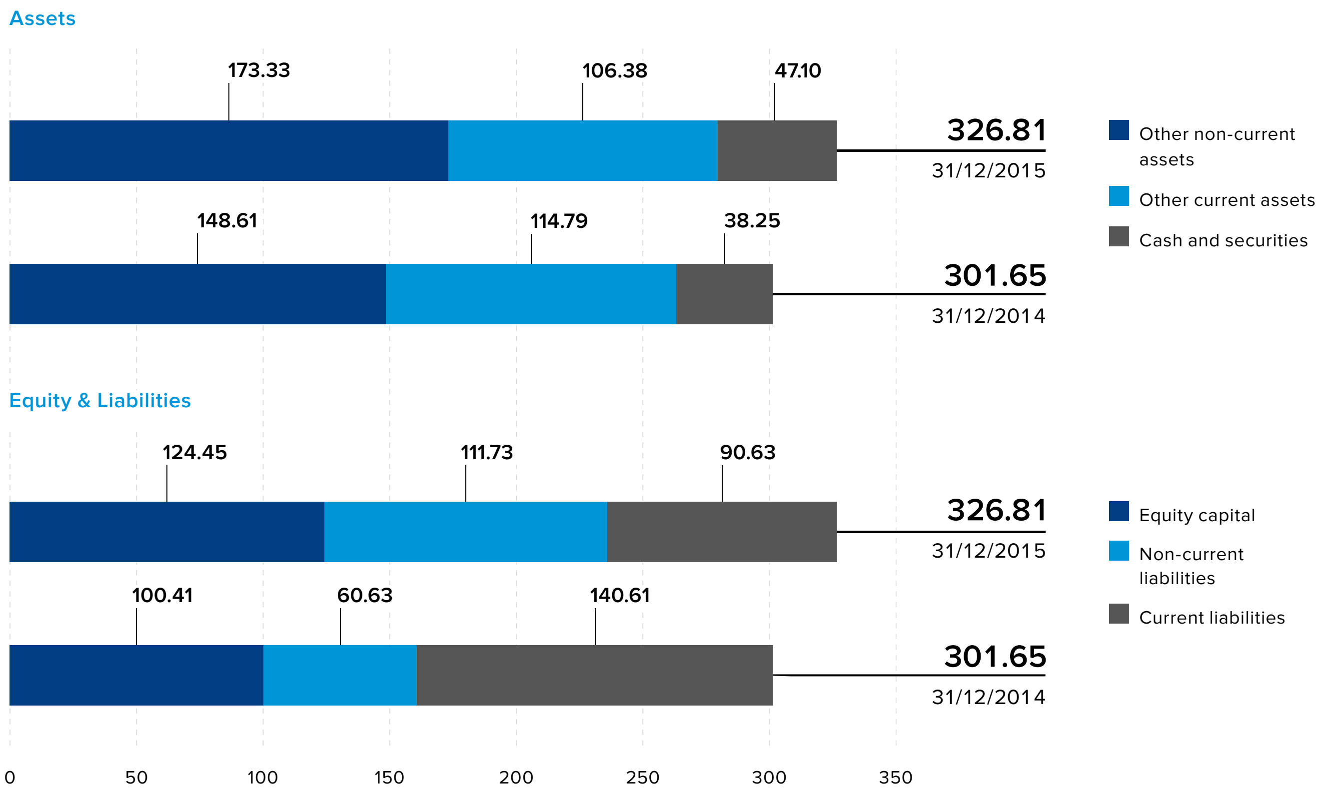
The increase in assets resulted mainly from the rise in goodwill of € 10.63 million due to the purchase of Adesis, as well as from currency effects and an increase in cash and cash equivalents of € 8.85 million.

Non-current assets as of 31 December 2015 totalled € 173.45 million, compared to € 148.73 million on 31 December 2014. The increase of € 24.72 million resulted mainly from the rise in goodwill of € 10.63 million, mostly as a result of the initial consolidation of Adesis. Property, plant and equipment increased by € 8.71 million, most of which is in connection with the new administration building in Stuttgart, as well as relocation-related investments in Spain and the UK, and standard investments in IT infrastructure.

As of 31 December 2015, **current assets** amounted to € 153.36 million and were thus largely unchanged from the end of financial year 2014 (€ 152.92 million). The slight increase of € 0.44 million resulted mainly from the rise in cash and cash equivalents of € 8.85 million to € 46.98 million (31 December 2014: € 38.13 million) and an increase in current tax assets of € 4.13 million to € 5.41 million (prev. year: € 1.28 million). This was opposed by a decline in trade receivables of € 13.39 million to € 94.83 million (31 December 2014: € 108.22 million), which was directly linked with the sale of the emagine division.

As of 31 December 2015, the GFT Group had **equity** of € 124.45 million – an increase of € 24.04 million over 31 December 2014 (€ 100.41 million). The rise in equity was largely due to net income of € 25.34 million, less the dividend for shareholders of the parent company of € 6.58 million paid in June 2015 and changes in equity not affecting net income of € 6.73 million. Other items were largely unchanged. The changes in equity not affecting net income refer to balancing items from currency translations and result almost exclusively from the translation of goodwill carried in foreign currencies.

Group balance sheet structure
in € m



Due in particular to the strong increase in the balance sheet profit, the **equity ratio** rose by five percentage points to 38% (31 December 2014: 33%).

On the **liabilities side,** there was an increase in **non-current liabilities** of € 51.10 million to € 111.73 million as of 31 December 2015 (31 December 2014: € 60.63 million). The rise was mainly due to higher financial liabilities, which increased by € 48.69 million to € 82.82 million following the conclusion of a long-term syndicated loan in the past financial year.

Non-current deferred tax liabilities remained largely unchanged in the reporting period and amounted to € 5.90 million at the end of the financial year 2015 (31 December 2014: € 5.88 million). Provisions for pensions rose by € 1.04 million to € 8.33 million as of 31 December 2015 (31 December 2014: € 7.29 million).

As of 31 December 2015, **current liabilities** of € 90.63 million were € 49.98 million down on the prior-year figure (31 December 2014: € 140.61 million). The decrease resulted mainly from the reduction in financial liabilities of € 45.41 million to € 0.62 million (31 December 2014: € 46.03 million) due to the conclusion of a long-term syndicated loan in the reporting period. Trade payables fell by € 9.43 million to € 11.37 million (31 December 2014: € 20.80 million). This decrease includes a derecognition of liabilities from the sale of the emagine division amounting to € 10.37 million.

Current other liabilities rose by € 5.98 million to € 30.55 million (31 December 2014: € 24.57 million), while current income tax liabilities fell year on year by € 2.01 million to € 1.83 million.

Despite the rise in liabilities, the GFT Group's debt ratio fell by five percentage points to 62% (31 December 2014: 67%) as a result of the increased balance sheet total.

2.7. Overall assessment of the development of business and the economic position

In the financial year 2015, the GFT Group continued its positive development of the previous year and achieved strong growth in revenue and earnings. The last guidance for revenue, EBITDA and EBT issued for the financial year 2015 was exceeded. The dynamic revenue trend was mainly due to strong organic growth in the GFT division and the acquisition of the UK company Rule and the Spanish company Adesis.

The equity ratio of 38% as of 31 December 2015 was five percentage points above the corresponding figure as of 31 December 2014 (33%). The GFT Group thus has a solid capital and balance sheet structure. On 21 July 2015, a syndicated loan agreement with a fixed term of five years for an amount of up to € 80 million was signed with a banking consortium. This syndicated loan agreement serves to provide long-term funding.

2.8. Non-financial performance indicators

Employees

As an IT service provider, the GFT Group regards skilled and motivated employees as a key success factor in its efforts to secure growth and enhance enterprise value. It therefore focuses on attracting the best employees world-wide, promoting their professional and personal development and retaining them at the company. The main increase in headcount has been at the development centres in Spain, Poland and Brazil. As an internationally aligned company, the GFT Group is an attractive employer in these countries – especially for young university graduates seeking an international career.

In order to actively recruit suitable university graduates, the GFT Group cooperates closely with universities in Spain, Poland and Germany, including the Universitat de Barcelona, the Catalan Pompeu Fabra, the IESE Business School, the Universitat de Lleida, the University of Lodz, the Technical University of Poznan, the Cooperative State Universities of Baden-Württemberg in Stuttgart and Villingen-Schwenningen, as well as Darmstadt Technical University. Students of various degree courses can get to know the Group by doing internships at one of its international locations.

Regular group-wide staff surveys provide insights on how to improve the working environment. Individual career plans are developed during annual performance reviews and monitored continuously. A mentoring programme promotes the development of employees by providing personal guidance. With a series of programmes, such as the GFT Accelerated Leadership Programme and Cross Cultural Management Training, staff are provided with the skills they need for the next career level.

A wide range of internal training opportunities are provided for staff. These are specially tailored to employee needs in the field of software development, architecture, consulting, sales and project management. In addition to technical training and courses in methodological skills for project management, seminars on language and soft skills are also provided. In addition, there is an online platform for interactive e-learning, especially for technical subjects.

The GFT Group promotes the career prospects of its executives by offering coaching and internal mentoring. For all our employees, we offer working time models that are tailored to their specific needs and life situation. Flexible working hours and mobile working without strict requirements regarding office presence enable staff to find a suitable work-life balance.

Following the sale of the staffing services division emagine on 27 July 2015, the employee figures for emagine were deducted from the GFT Group's headcount figures as of 31 December 2015. To aid comparability, the prior-year figures have been adjusted accordingly. Headcount is calculated on the basis of full-time employees; part-time staff are included on a pro rata basis.

As of 31 December 2015, the GFT Group employed a total of 4,050 people. This corresponds to a year-on-year increase in headcount of 29% (31 December 2014: 3,131). At the end of 2015, headcount in the GFT division amounted to 3,953 (31 December 2014: 3,064). The increase of 29% resulted in part from the Adesis acquisition, with a total of 300 employees in Spain and Mexico, as well as from extensive hiring (20%), in particular at the development centres in Spain, Brazil, Poland and Costa Rica. The productive utilisation rate of the GFT segment, based on the use of production staff in client projects, amounted to 89.2% in the reporting period (prev. year: 89.2%).

As of 31 December 2015, the number of staff employed by the holding company was 97 an thus 45% higher than on the same date last year (31 December 2014: 67). In Germany, headcount increased by 3% to 276 (31 December 2014: 267). The number of staff employed outside Germany rose by 910 or 32%, to 3,774 (31 December 2014: 2,864). At the end of the reporting period, 93% of the GFT Group's employees were thus located abroad (31 December 2014: 91%).

Viewed over the year as a whole, the GFT Group had an average of 3,737 full-time employees in 2015 compared to 2,997 in 2014 – an increase of 25%.

Employees by segment as of 31 December*

	2015	2014	Change in %
GFT	3,953	3,064	29
Holding	97	67	45
Total	**4,050**	**3,131**	**29**

*Without emagine staff

Employees by country as of 31 December*

	2015	2014	Change in %
Spain	1,802	1,320	37
Italy	499	471	6
Poland	489	420	16
Brazil	454	283	60
Germany	276	267	3
UK	241	217	11
Mexico**	100	0	–
USA	71	72	–1
Costa Rica	62	38	63
Switzerland	46	34	35
Canada	10	9	11
Total	**4,050**	**3,131**	**29**
Foreign share in %	93	91	–

* Without emagine staff
** New development centre as a result of the Adesis acquisition

Quality management
The GFT division undertakes complex IT projects on behalf of its clients that place high demands on project management. In order to ensure high-quality implementation of budget and deadline agreements and minimise project risks, internal processes and development work are systematically reviewed and continuously optimised according to the criteria of the internationally recognised Capability Maturity Model Integration (CMMI®) system. The process organisation developed by GFT for handling client projects was first assessed according to CMMI® regulations in 2008 at the development centres in Spain, Brazil and Germany and rated CMMI® Level 3. This rating requires projects to be conducted according to an adapted standard process with constant group-wide process optimisation. Scheduled rating is carried out every three years. In 2011 and 2014, GFT's rating was re-certified according to CMMI® Level 3. In 2014, the processes and development services of GFT Italia S.r.l. were included in the rating. In Poland and the UK, teams were established for quality assurance and process optimization as part of the project organisation process (PPQA Process Product Quality Assurance) according to CMMI® in 2015.

3. Subsequent events

No events of major significance occurred after the reporting date of 31 December 2015.

4. Risk report

Internal control and risk management organisation
As an internationally operating company, the GFT Group is continually exposed to internal and external risks which need to be monitored and limited. To this end, a group-wide risk management system has been established in order to identify and analyse risks at an early stage and take appropriate counter-measures. The system serves to recognise potential occurrences that might lead to a lasting or significant impairment of the company's financial position and performance.

The establishment of this risk management system ensures compliance with the relevant legislation as well as the effective management of risks. In order to guarantee the effectiveness of the GFT Group's global risk management system and enable the aggregation of risks and transparent reporting, a consistent, integrated approach to the management of corporate risks has been implemented.

The risk management system comprises a variety of control processes and control mechanisms and represents an essential element of the corporate decision-making process. It has therefore been implemented throughout the GFT Group as a fundamental component of the business processes. The main principles and the organisational structures, measurement and monitoring processes are defined in a Risk Management Guideline.

The group-wide risk management function (headed by Group Controlling) and the Risk Category Responsibles are charged with updating and implementing the Risk Management Guideline. At the same time, the risk inventory is regularly updated and risks assessed on an annual basis. Within the central risk management system of the GFT Group, each employee has the opportunity to report escalations in risk categories, which are then measured by the Risk Category Responsibles. The notification system was made part of an integrated system in 2015.

On the basis of standardised reports and information flows, environment analyses and staff notifications, the Risk Category Responsibles derive the relevant recommendations for reducing or avoiding risks. These recommendations are then incorporated into the risk management system.

All managers of the GFT Group are involved in the group-wide risk policy and associated reporting processes. This includes the Managing Directors and the chief executives of Group subsidiaries, as well as those managers responsible for processes and projects.

Risk management system
The Risk Management Guideline regulates the handling of risks within the GFT Group and defines a uniform methodology valid across the entire Group. The guideline is regularly reviewed and adjusted as required, but at least once a year. The effectiveness of the risk management system is monitored by regular audits of the Corporate Internal Audit division. Moreover, the external auditors check every year whether the risk management system is suited to recognising existential risks at an early stage.

The GFT Group's risk management system is integrated into its business processes and decisions and thus embedded into group-wide planning and controlling processes. Risk management and control mechanisms are precisely coordinated with each other. They ensure that relevant risks for the company are recognised and assessed as early as possible.

Risk management is mainly centrally organised, although individual responsibilities may be located locally. Risks and opportunities are regularly determined, evaluated and analysed across all hierarchy levels. The identification of risks takes place at different levels of the company. This is to ensure that risk tendencies are recognised and consistent risk management is practised across all departments. Moreover, each employee is called upon to inform their superiors about foreseeable risks and/or to report escalations in risk categories to the central risk management system of the GFT Group.

The centrally organised **Risk Management Steering Committee**, headed by the Chief Financial Officer (CFO), is at the heart of the standardised risk reporting process. It coordinates the various management bodies and ensures they are provided with swift and continual information. The Risk Management Steering Committee is also responsible for the continual analysis of GFT's risk profile, for initiating measures to prevent risks and for the corresponding control instruments. In addition, GFT Group's management bodies hold regular meetings in dedicated groups (mainly Global Business Committee and Risk Management Steering Committee) in order to exchange risk-relevant information between the operative and central divisions across all levels, locations and countries.

The planning and identification of internal and external risks is carried out jointly by the Risk Category Responsibles and the business units or national companies. Depending on the estimated probability of occurrence and potential impact (such as the potential loss or damage amount), risks are classified as "high", "medium" or "low". The key risk indicators are summarised in the risk inventory.

Risks are monitored in close cooperation between the Risk Category Responsibles and the department managers in the operational areas. They also jointly ensure the implementation of effective strategies to minimise risks. Risks can either be reduced by taking pro-active countermeasures or consciously accepted. The line managers are responsible for continuously monitoring the risks and the effectiveness of countermeasures. Risks are hedged against by taking out insurance cover if this is considered useful with regard to the economic benefits.

The Risk Management Steering Committee receives regular reports on the status of the risk management system and its implementation in the Group's various divisions. Internal Audit regularly reviews aspects of the risk management system and reports to the Risk Management Steering Committee, the Managing Directors and the Administrative Board.

Internal control and risk management system for consolidated accounting
The internal control and risk management system for consolidated accounting of the GFT Group is linked with the company-wide risk management system. It includes organisational and monitoring structures to ensure that business items are recorded, processed and analysed in accordance with statutory regulations and are subsequently incorporated into the Consolidated Financial Statements according to IFRS and the Annual Financial Statements of GFT Technologies SE pursuant to the German Commercial Code (Handelsgesetzbuch – HGB).

The accounting process of the GFT Group (including GFT Technologies SE) ensures that the full and correct amounts and disclosures are included in the instruments of financial reporting (accounting, components of the financial statements, the Group Management Report and

Management Report) and that the relevant legal and statutory requirements are fulfilled. The respective structures and processes also comprise the risk management system and internal control measures in relation to the accounting process.

Key elements of risk management and control in the accounting process include a clear allocation of responsibilities and controls in the preparation of annual financial statements, as well as transparent regulations in the form of accounting guidelines. Further important control principles in the accounting process include the "four-eye principle" and a clear separation of functions.

The Group Consolidation department transfers all relevant changes in the accounting and measurement policies to the group-wide guidelines on accounting and revenue recognition. Together with the financial reporting calendar, these guidelines form the basis for the financial reporting process. The subsidiaries of GFT SE are responsible for compliance with group-wide accounting standards in their financial statements and are supported and monitored to this end by the Group Consolidation department. External service providers are used for the valuation of pension obligations, purchase price allocations in the course of company acquisitions or other complex accounting transactions. The consolidation is performed globally by the Group Consolidation department. Internal Audit performs audits of the accounts prepared by the consolidated companies.

Risk assessment

As part of the risk management system, risks are classified as "high", "medium" or "low" according to the estimated probability of occurrence and their potential impact on business targets. The scales used to measure these indicators are presented in the tables below.

Probability of occurrence	Description
1 to 33%	more unlikely
34 to 66%	likely
67 to 99%	more likely

According to this classification, the Risk Category Responsibles define a "more unlikely" risk as one whose probability of occurrence is low, and a "more likely" risk as one whose occurrence can be expected within a given period of time.

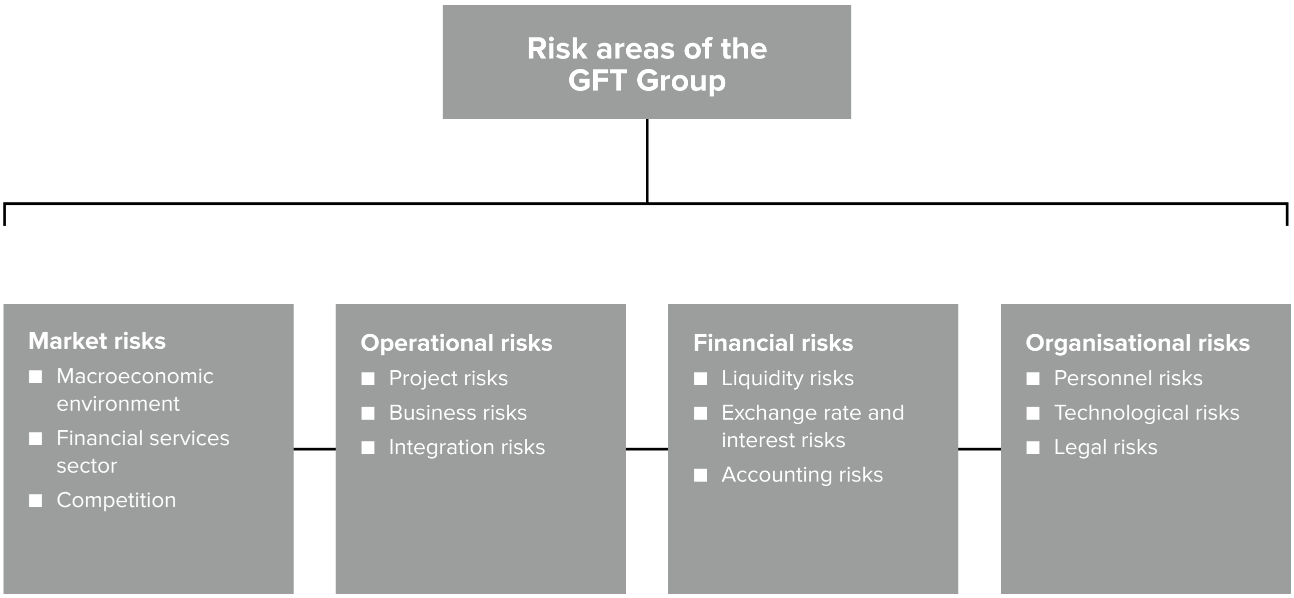
The effects of these risks are classified in the groups "insignificant", "moderate" or "significant".

Effects	Description
insignificant	limited negative impact on business, financial position, earnings and cash flow
moderate	negative impact on business, financial position, earnings and cash flow
significant	considerable negative impact on business, financial position, earnings and cash flow

Risks are classified as "high", "medium" or "low" according to the estimated probability of occurrence and their impact based on business, reputation, financial position, earnings and cash flow.

	Effects		
Probability of occurrence	insignificant	moderate	significant
more unlikely	*l*	*l*	*m*
likely	*l*	*m*	*h*
more likely	*m*	*h*	*h*

l = low risk m = medium risk h = high risk



Risk factors

The risk positions listed below are those which the GFT Group identifies and monitors as part of its risk management system. These risk positions grouped into four categories: market risks, operational risks, financial risks and organisational risk, which are in turn broken down into smaller categories.

The common factor for all risks described in this report is that their occurrence may have a critical impact on the GFT Group's business, financial position, earnings and cash flow. At the same time, they may increase other risks and result in a negative deviation from current revenue and earnings targets. Each risk is classified on a scale of low, medium or high.

Market risks

Macroeconomic environment

The main macroeconomic risks of the GFT Group include the overall economic situation, the general propensity to invest and price developments on the IT market. The political and economic development of the economies in core markets has an impact on the investment behaviour of customers. In the financial year 2015, the GFT Group generated 87% of its revenue in Europe, so that in particular the European environment is of importance.

Events such as a regional or global economic crisis, military conflicts, terrorist attacks or fluctuations in national currencies can have a lasting impact on demand for solutions and services, for example due to delays in project contracts, rising credit risks of customers, changed refinancing costs or other distortions of competition.

The GFT Group prepares for the occurrence of such macroeconomic risks by taking appropriate measures such as changing its investment priorities, adjusting the portfolio of services, making organisational changes or hedging.

The GFT Group estimates the probability of these macroeconomic risks as likely. The effects on the GFT Group can range from insignificant to significant, so that in total these risks are classified as high.

Focus on financial services sector

The GFT Group has a strong focus on the financial services sector. In the financial year 2015, 94% of revenue was generated with clients in this industry. There are risks, for example, in the form of regional or global financial crises, a loss of public confidence in banks and states, a lack of or excessive regulation of financial service providers, as well as typical sector demand cycles.

These risks may adversely affect the demand of customers in a country or a region. Events such as a regional or global economic crisis, military conflicts, terrorist attacks or fluctuations in national currencies can have a lasting impact on demand for the solutions and services of the GFT Group, for example due to delays in project contracts, rising credit risks of customers, changed refinancing costs or other distortions of competition.

In order to keep these market risks low, the GFT Group broadens both its client base and service portfolio in the area of its core competencies. Measures include the conclusion of long-term contracts, intensive customer support at top management level, a focus on high-quality consulting services in the field of core banking applications and targeted account management.

The GFT Group estimates the probability of the risk of focusing on the financial services sector as likely, its impact on the GFT Group can range from insignificant to significant, and the resulting risks in total are therefore classified as high.

Competition

The global market for IT services is fiercely competitive. The GFT Group must compete with a number of companies of varying size and international scope. Risks may arise, for example, from new competitors with cheaper price structures, pioneering technological innovations and changes in the organisational structures of bank with a focus on internal IT departments.

These competitive risks may adversely affect the market shares of the GFT Group if the currently occupied or targeted solution areas are replaced by new technologies or cheaper providers.

The GFT Group is working hard to meet the requirements of its clients by anticipating their needs with innovative solutions and by investing in future-oriented topics such as the digitisation of banking processes and the implementation of compliance requirements. The GFT Group uses the innovation platform CODE_n to anticipate disruptive trends in the finance sector and to incorporate them into new business models. The GFT Group's software development model offers further competitive advantages. The Applied Technology team continually monitors market developments and new technologies in order to flexibly adapt the portfolio of services where necessary.

The GFT Group estimates the probability of competitive risks as likely and their impact on the GFT Group as more moderate, so that in total these risks are classified as medium.

Operational Risks

Project risks

The core business of the GFT Group comprises consulting, the development of software solutions, and the implementation of international IT projects. Depending on the complexity of the project, the type of order or solution offered, this may involve contractual, technological and economic risks.

As a result, project delays, insufficient quality or lack of resources may lead to economic losses, compensation claims, lack of repeat business and damage to the Group's reputation.

In order to keep these project risks at a manageable level, the GFT Group employs a standardised and computer-aided bidding process which makes the calculated margins and potential risks transparent for all employees. Offers are released by defined specialists and managers at all levels of the hierarchy depending on the economic size and risk profile of the project.

Project processing includes a risk management system integrated into project management methods, which safeguards the implementation or provision of services. The internationally recognised Capability Maturity Model Integration (CMMI®) process model is used. Application of the CMMI® process has in the past enabled us to significantly reduce technical problems such as projects going over budget or deadlines not being met. Project and quality management have been optimised with the successfully certified further development of internal processes according to CMMI® Level 3 – as achieved by the development centres in Spain, Germany and Brazil in 2008. The process was re-certified as scheduled in 2011 and 2014. The delivery unit in Italy was included in the rating for the first time in 2014. At the time of the rating, the Rule and Adesis delivery units were not yet part of the GFT Group. Teams for quality assurance and the optimisation of processes as part of project organisation (PPQA: Process Product Quality Assurance) according to CMMI® were established in Poland and the UK in 2015. The corporate division Operational Risk & Quality examines group-wide compliance with the CMMI® model and the implementation of risk management requirements, and reports any deviations to the responsible managers and the Managing Directors.

The staff required for the completion of contracted projects are coordinated by the local staffing managers. The required manpower capacities and technological knowledge for the project are continuously planned. The resulting utilisation in the following months is defined on the basis of the in-house workforce and project utilisation. Any lack of capacity is offset by hiring new staff or purchasing external services. Foreseeable surplus capacities are counteracted by early communication to the sales department, which then steps up its sales activities. The staffing organisation is managed uniformly by a manager with global responsibility.

The relevant project risks of the GFT Group are made transparent for the manager responsible by means of standardised escalations of the respective departments (Operational Risk & Quality, Controlling). In the course of standardised monthly reporting, the main project risks are communicated to the Managing Directors who initiate additional countermeasures where appropriate.

The project business of the GFT Group is not possible without project risks – which are generally offset by project opportunities. GFT estimates the probability of such project risks as likely. Their impact on the GFT Group can be significant in certain cases, and in total this risk is therefore classified as high and extensive methods and processes of risk management are employed.

Operating risks

The possible economic harm caused by the infringement of industrial property rights, and in particular third-party rights to patents and software, may lead to considerable damage. Due to the increasingly frequent disputes between licensors and licensees, the growing relevance of patents in the field of software and the ever-increasing use of open source software, the GFT Group has established mechanisms for the preparation of bids to customers which are designed to reduce legal risks and potential damages claims in this field.

The Chief Security Officer of the GFT Group is currently responsible for examining any possible pre-existing patents. In addition, a technical and legal process has been introduced which accompanies the use of open source components during bid preparation and throughout the project activities. During the bid preparation stage, any open source components which are used are checked by the project managers with regard to licensing using a matrix system; technical alternatives are discussed – where necessary – with the project managers. On the basis of this review, the use of specific open source software is possible, possible only to a limited extent, or not possible at all. The GFT Group estimates the probability of operating risks as more unlikely. Their impact on the GFT Group can be significant in certain cases, so that in total these risks are classified as a medium risk.

Integration risks

The growth strategy of the GFT Group is based on organic growth which is flanked by targeted acquisitions that expand the service portfolio or allow faster access to new markets. It is therefore important to acquire and then integrate such new businesses in an efficient manner.

The risks in this field include false assessments regarding the integration concept, potential customers, staff qualifications, management skills, or legal and warranty risks.

These risks are dealt with by commissioning external experts in advance of any acquisition to assess the legal and commercial risks and the quality of the customer relationships (due diligence). Moreover, a qualitative evaluation of the employees and managers to be transferred is made prior to acquisition. The integration concept is also prepared in detail prior to any corporate acquisition on the basis of experience from previous takeovers.

The GFT Group estimates the probability of risks in connection with company acquisitions as likely and their impact on the GFT Group may be significant in certain cases. In total, these risks are therefore classified as high. As a consequence, company acquisitions are examined very thoroughly and the subsequent integration process is well prepared.

Financial Risks

Liquidity risks

The liquidity of the GFT Group ensures its ability to conduct business. Local or global turbulence among banks, customers or capital markets can result in risks for investments made and receivables due and thus adversely affect the liquidity position.

Such risks may arise, for example, from delayed receipt of receivables or the partial or complete loss of receivables from customers. On the investment side, capital market turbulence, rating downgrades and bank failures may lead to write-downs on investments made with an impact on earnings.

The GFT Group has a centralised financial management system with daily financial reporting. The most important objective is to ensure the defined minimum liquidity of the Group. Outstanding receivables are analysed as part of the monthly consolidated reporting process and countermeasures are initiated at an early stage. In the case of new customers, credit checks are carried out during the bidding process. On the investment side, money is only invested with banks which have a minimum rating of “BBB”. Capital market products are also only purchased from issuers with a minimum rating of “BBB”. The GFT Group pursues a conservative investment policy with a wide spread with an exclusively short-term focus at present.

GFT SE has signed a syndicated loan agreement to secure its long-term funding. There are certain rules of conduct for the GFT Group during the term of the loan agreement and the promissory note agreements signed in financial year 2013. These mainly refer to specific financial covenants which must be met and the assumption of financial liabilities and the provision of collateral is limited. If specific financial covenants and other rules of conduct are not met, this may lead to the immediate termination of the loan agreements. From the current perspective, there are no significant risks relating to the non-achievement of financial covenants or non-compliance with the other rules of conduct which are known.

The GFT Group estimates the probability of these liquidity risks as more unlikely. However, their impact on the GFT Group may be significant so that in total this risk is classified as medium.

Risks from exchange rate and interest fluctuations

As an internationally operating group of companies which prepares its accounts in euro, operations and financial ratios may be influenced by currency and interest rate fluctuations. As all currencies must be converted into euro, exchange rate fluctuations involve risks for the financial position and performance. The financial structure, investments and other balance sheet items are subject to interest rate fluctuations on the capital markets, which may have a negative impact on earnings, and especially on the interest result and other items of the income statement subject to discounting.

In 2015, the proportion of consolidated revenue attributable to business in foreign currencies increased from 23% to 33%, as the Rule units were included in accounting in all four quarters (prev. year: two quarters). The periodic fluctuations of individual currencies can have a significant impact on the revenues and results of the GFT Group.

The Treasury department continuously monitors the existing and potential additional currency risks for revenue, earnings and balance sheet items. Where required, the GFT Group uses financial instruments to hedge against exchange rate fluctuations. In particular, the exchange rates of the Brazilian real, the US dollar, the British pound and the Polish zloty are closely observed as they are of particular importance for the Group. Interest rate risks are managed by the Group's treasury management, which uses financial instruments as required.

In order to limit the risk of interest rate changes for a loan with a nominal amount of € 40.00 million and variable interest, an interest cap was concluded with an upper interest rate of 1.00 %. Changes in interest rates can lead to fluctuations in the market value of the derivative financial instrument. Such market value fluctuations cannot be viewed in isolation from the hedged underlying transaction as the derivative and underlying transaction form an valuation unit with regard to their offsetting value development. The risk from using of interest rate caps is limited to the current market value, which is reduced in a linear development to € 0 over the term. For a more detailed presentation, see section 31 of the notes to the consolidated financial statements.

There were no other significant financial instruments used for risk management purposes at the end of the financial year 2015.

The GFT Group estimates the probability of exchange rate and interest rate risks as more unlikely and the impact on the GFT Group as moderate so that in total these risks are classified as low.

Accounting risks

The GFT Group's accounts are prepared according to IFRS regulations, as well as local accounting regulations in the national companies. Changes and new implementation guidelines on accounting policy and other standards, especially with regard to revenue recognition, can have a negative impact on the published financial results.

Accounting risks may affect the GFT Group in such a way that previously made forecasts and estimates about the future development of financial ratios can no longer be met due to changes in accounting standards, or may require retroactive adjustments, which in turn can lead to negative reactions on the capital market.

The GFT Group regularly examines reform proposals for changes to accounting policies of relevance to its activities and environment. Moreover, the Group Consolidation department and the CFO discuss upcoming changes in accounting standards with the auditors. Based on such latest information, accounting policies are kept up-to-date and any impact on forecasts is analysed.

The GFT Group estimates the probability of accounting risks as more unlikely, although their impact on the GFT Group can be significant. All in all, these risks are therefore classified as medium.

Organisational Risks

Personnel risks

Highly qualified and motivated employees are a key success factor for GFT. Risks arise if the employees required for the implementation of the acquired projects are not available, if the technological skills of employees do not (or no longer) satisfy market needs, or if team sizes are reduced by above-average staff turnover. These risks may lead to inadequate utilisation of the Group's own employees and thus result in fixed costs not being covered. Staff departures may incur additional costs for personnel recruitment measures. The GFT Group counters these risks by positioning itself as an attractive employer which seeks to retain its specialists and executives. The respective HR policy measures include attractive working conditions, personal space, attractive remuneration systems, tailored career models and extensive training. With the aid of targeted recruitment measures, the Group strives to attract new talent and to develop its positive presence on the job market. Potential under-utilisation of own employees is counteracted by regular and intensive utilisation management.

The GFT Group estimates the probability of personnel risks as likely, while their impact on the GFT Group can be moderate and in total these risks are therefore classified as medium.

Technological risks

The GFT Group safeguards its future market success as a leader in technology and innovation by identifying technological trends early on and introducing corresponding measures to quickly implement suitable technologies. The short life cycles of IT systems, technologies and software solutions are a key element of the business environment. There is a risk that major developments may not be recognised quickly enough, or underestimated and not applied or implemented. This would have a negative impact on the development of business and revenue.

The GFT Group's Marketing department and sales managers observe market developments, prepare market studies and evaluate them. The Applied Technologies team monitors technological trends, prepares trend analyses and undertakes group-wide research and development. The Group's own IT processes are regularly examined and adapted to new technologies. In addition, the company services and maintains its IT infrastructure to ensure efficient and reliable operation and constant availability. Numerous protective measures, such as data backups, access protection, firewalls, virus scanners and software to detect any penetration of the computer systems, all serve to protect the IT infrastructure. This is intended to guarantee operational capability and exclude unauthorised access to key data or the loss of such data as effectively as possible.

The GFT Group estimates the probability of such technological risks as more unlikely, their impact on the GFT Group can be significant however, and in total therefore these risks are classified as medium.

Legal risks

The legal requirements to be observed by the GFT Group have intensified significantly over the past years. Even if GFT does not infringe any laws, an alleged violation of laws or an accusation brought forward can have a seriously negative impact on its reputation and thus on its share price.

The wide variety of relevant legal regulations makes it difficult to assess such legal risks. If the relevant laws are not observed or the requirements of customers (e.g. regarding data privacy and information security) are not sufficiently met, this might lead to investigations by the supervisory authorities, liability claims, fines and the loss of customers and thus affect the business and economic success of the GFT Group.

The Legal Affairs department regularly reviews new legal requirements in the business and corporate environment of the GFT Group. Based on this latest information, internal legal processes and corporate guidelines are continuously kept up to date. The GFT Group takes particular care to ensure that all employees are familiar with, and comply with, its code of conduct (Business Conduct Guideline), the data protection rules and the regulations on information security.

Moreover, as a further risk-reducing measure in the field of operating activities, master contracts drafted by the Group's own legal department are used as far as possible. With the exception of companies in Italy, any deviations from the standards and the clients' own contracts are checked and negotiated by the GFT Group's legal department. The companies in Italy are supported completely by external legal advisors. These measures ensure that liability risks associated with the contracts (for example, warranties or industrial property rights) are regulated in a clear and transparent way and limited to a reasonable amount. The companies belonging to the GFT division in Italy are supported by external lawyers. Contractual provisions that go beyond the general requirements of the GFT Group, such as the assumption of unlimited liability or the agreement of excessive penalties, require the express approval of the Managing Directors.

The GFT Group estimates the probability of legal risks as not predominantly likely, their impact on the GFT Group may be significant however, and in total these risks are therefore classified as medium.

Overall risk assessment
At the time of preparing this report, there are no recognisable risks that might jeopardise the existence of the GFT Group. No permanent or substantial impairment of the asset, financial or earnings situation of the company is expected. The early warning system for the detection of risks implemented by the GFT Group is constantly evolving and will be reviewed by the external auditor in accordance with statutory requirements.

5. Opportunity report

Opportunity management
The GFT Group operates as an international provider of IT services in a dynamic market environment in which opportunities regularly emerge. Systematically identifying and exploiting such opportunities – while avoiding unnecessary risks – is a key factor for the sustainable development of the company. Opportunities are generally also associated with risks, which are carefully assessed by linking opportunity and risk management.

In its opportunity management system, the GFT Group assesses the relevant market and competitive analyses as well as industry studies and considers the alignment of its portfolio, its cost drivers and the critical success factors in the IT and financial services industry. In this way, it derives those specific opportunities in the target markets which are taken into account in its business planning and the agreement of personal targets with operational management. The goal is to create an added value for shareholders by analysing market opportunities and taking calculable risks.

The GFT Group has a solid control and communication structure that enables it to identify potential opportunities, to assess the necessary investments and thus to pursue the associated risks. Those identified opportunities which are likely to occur have been included in business planning, the outlook for 2016 and the medium-term prospects. The forecast is set out in the Economic Report. The following section focuses on trends or events which deviate from these expectations and which might lead to a positive deviation from the outlook and medium-term prospects. In this connection, the GFT Group attaches greater importance to the opportunities from its international software development centres and client relationships.

Opportunities from the economic environment
Economic conditions have an impact on business, the financial position, earnings and cash flow. The outlook for 2016 and the medium-term prospects are based on the expectation that future economic conditions comply with the presentation in the Forecast Report of this Management Report. Should the global economy and/or the target in-

dustries perform better than presented in this outlook, the revenue and results may exceed current guidance and the medium-term prospects.

Opportunities from research and development

As a service company, the GFT Group focuses very closely on the needs of its customers. Additional potential may result from innovative development services which are accepted and used by customers. The continuation of the Group's growth strategy depends on its ability to anticipate customer needs, to offer tailored services and solutions, and to implement them with a high degree of quality. In addition to its own development work, the GFT Group integrates reliable technologies from partners into its solution portfolio.

Should the offered solutions be adopted by clients to a greater extent than currently expected, this may have a positive effect on revenue, earnings and cash flow, so that the stated guidance and medium-term prospects are exceeded.

Opportunities from personnel

Employees are the innovation drivers of the GFT Group, the source of added value for its customers and the driving force behind its sustained growth and profitability. In 2015, the GFT Group's work force grew by 919 employees due to the hiring of new staff and a company acquisition, thus enabling it to take advantage of the prevailing growth opportunities.

The productivity of employees is steadily increased by continuously improving methods and processes, ensuring international team structures and providing regular training. If better progress is made with these methods and measures than currently expected, or should new employees be integrated into the production process more quickly than planned, this may have a positive effect on revenue, earnings and cash flow and consequently the stated guidance and medium-term prospects would be exceeded.

Opportunities from international production centres

The services of the GFT Group are rendered by its own employees and freelance specialists. The Group's own staff work either in the immediate vicinity of customers or carry out their work at one of the international development centres. In the case of the latter, services are provided across borders and at attractive cost rates – mainly from Spain and Poland for Europe, and from Brazil and Costa Rica for the US market.

The international development centres are permanently improved with the aim of maintaining an efficient and cost-effective global delivery network. Further staff hiring is planned at major locations, which will leverage additional economies of scale and increase per capita earnings. Should these economies of scale develop faster than currently expected, this may have a positive effect on revenue, earnings and cash flow. This would result in the stated guidance and medium-term prospects being exceeded.

Opportunities from customer relationships

The GFT Group's added value is generated by providing IT services, mainly for the financial services industry. Its portfolio of solutions is marketed accorded to regions and customer segments. The GFT Group focuses in particular on those regions and customers with the highest spending on services and the greatest business and revenue potential. Services are delivered to clients either locally in the customer's country or across borders from one of the international development centres.

The GFT Group invests in the development of its sales network in order to support existing customers globally and to tap new customers in high-growth markets. In addition, local specialisations are systematised and these competencies are then marketed across borders to customers in all sales regions (cross-selling).

The GFT Group will continue to actively seek opportunities in this sales structure in order to increase the added value for its customers more strongly than currently expected. Should these opportunities develop faster than currently expected, this may have a positive effect on revenue, earnings and cash flow of the GFT Group. In this case, the stated guidance and medium-term prospects would be exceeded.

6. Takeover-relevant information

Disclosures pursuant to Sec. 315 (4) HGB and explanatory report of the Administrative Board acc. to Sec. 48 (2) Sentence 2 SE-Implementation Act (SEAG) in conjunction with Sec. 176 (1) Sentence 1 German Stock Corporation Act (AktG)

Structure of the share capital (No. 1):
At the end of the reporting period, the issued share capital of GFT Technologies SE amounted to € 26,325,946.00. It is divided into 26,325,946 shares. The proportionate amount of share capital allocated to each share totals € 1.00. All shares of GFT Technologies SE were issued as ordinary bearer shares without nominal value (no-par shares). The shares are fully paid up. All shares have the same rights and obligations. Each share grants one vote at the Annual General Meeting.

Restrictions on voting rights or the transfer of shares (No. 2):
Sec. 136 AktG and Sec. 28 German Securities Trading Act (WpHG) excludes voting rights for the affected shares in the specified cases. We are not otherwise aware of any restrictions affecting voting rights or the transfer of shares.

Shareholdings exceeding 10 percent of the voting rights (No. 3):
GFT Technologies SE is aware of the following shareholdings that exceed 10 percent of the voting rights: as at 31 December 2015, Mr Ulrich Dietz (Deputy Chairman of the Administrative Board and Managing Director of GFT Technologies SE), Germany, held 26.183% directly and 0.004% indirectly of total voting rights.

Shares with special control rights (No. 4):
There are no shares with special rights conferring control.

System of control over voting rights when employees own shares and their control rights are not exercised directly (No. 5):
We are not aware of any employees who hold shares and do not exercise their control rights.

Legal regulations and provisions in the Articles of Association governing the appointment and replacement of executive board members (No. 6):
As a company with a single-tier management and control structure, GFT Technologies SE applies the disclosure obligations of Sec. 315 (4) No. 6 HGB on the appointment and dismissal of executive board members to the Managing Directors. Their appointment and dismissal is governed by Art. 43 of Council Regulation (EC) No. 2157/2001 on the Statute for a European Company (SE-VO) and Sec. 40 of the German SE Implementation Act (SEAG). Pursuant to Sec. 16 of the Articles of Association of GFT Technologies SE, the Administrative Board appoints one or more Managing Directors. The Administrative Board can appoint one of these Managing Directors as Chief Executive Officer and one as Deputy Chief Executive Officer. In each case, the appointment and dismissal of Managing Directors requires a majority of two thirds of votes cast by the Administrative Board, whereby abstentions or invalid votes are deemed to be votes not cast. The Articles of Association of GFT Technologies SE do not contain any further regulations on the appointment and dismissal of Managing Directors. Should one of the required Managing Directors be missing, Sec. 45 SEAG states that a court may appoint a Managing Director on application of one of the persons involved.

Rules governing amendments to the Articles of Association (No. 6):
The requirements for amendments to the Articles of Association are primarily regulated in Art. 59 SE-VO and Sec. 51 SEAG. Reference is made to these provisions. According to Sec. 51 SEAG, the Articles of Association may determine, unless binding statutory regulations state otherwise, that a simple majority of votes cast is sufficient for a resolution of the Annual General Meeting to amend the Articles of Association, providing that at least half of share capital is represented. The Articles of Association of GFT Technologies SE make use of this provision in Sec. 23 (4). A larger majority is required for an amendment to the company's object, for a resolution on relocating the registered offices of the SE to a different EU member state, and for other legally binding cases (Sec. 51 Sentence 2 SEAG). The Annual General Meeting can assign the authority to amend the Articles of Association to the Administ-

rative Board insofar as such amendments merely relate to the wording. This is allowed by the company through the provisions in Sec. 21 (1) of the Articles of Association of GFT Technologies SE.

Executive board authorities, particularly the issuing and buy-back of shares (No. 7):
As a company with a single-tier management and control structure, GFT Technologies SE applies the disclosure obligations of Sec. 315 (4) No. 7 HGB regarding executive board authorities to the Administrative Board.

Authorised capital:
The Administrative Board is authorised until 30 May 2016 to increase the share capital of GFT Technologies SE by up to € 10,000,000.00 through a one-time-only or repeated partial issuance of bearer shares against cash contributions and/or contributions in kind (Authorised Capital). The Administrative Board is authorised to exclude the legal subscription right of shareholders,

(a) to remove fractional amounts from subscription rights,
(b) in the case of capital increases for contribution in kind for the granting of shares for the purpose of acquiring companies or interests in companies,
(c) in the case of a capital increase for cash contribution if the issue price of the new shares is not significantly lower than the stock exchange price and the total prorated amount of share capital attributable to the new shares, for which subscription rights are excluded, does not exceed 10% of share capital, neither on the effective date or at the time of exercising this authorisation, or
(d) in the case of a capital increase for the issue of employee shares if the total prorated amount of share capital attributable to the new shares, for which subscription rights are excluded, does not exceed 10% of share capital, neither on the effective date nor at the time of exercising this authorisation.

The Administrative Board is authorised to determine further details regarding the implementation of capital increases from Authorised Capital.

Conditional capital:
Conditional Capital 2012 (Secs. 192 et seq. AktG) is regulated in Sec. 4 (7) of the Articles of Association.

A conditional increase in share capital (Conditional Capital 2012) of up to € 10,000,000.00 is authorised through the issue of a maximum of 10,000,000 new bearer shares. A conditional increase in share capital is only implemented if

(i) the bearers of warrant or conversion rights, or those obliged to convert their warrant or convertible bonds, which were issued or guaranteed by GFT Technologies SE or a company in which GFT Technologies SE directly or indirectly holds a majority of voting rights and capital, on the basis of the authorisation adopted by the Annual General Meeting of 22 May 2012, make use of their warrant or conversion rights or, insofar as they are obliged to convert, fulfil their conversion obligation and
(ii) neither cash settlement is selected nor treasury shares or shares of another listed company are used for fulfilment. The new shares are issued at a warrant or conversion price which corresponds to the requirements of the authorisation to issue warrant or convertible bonds adopted by the Annual General Meeting of 22 May 2012. The new shares participate in the profit from the beginning of the financial year in which they are created as a result of exercising warrant or conversion rights or fulfilling conversion obligations. The Administrative Board is authorised to determine the further specifics in connection with the issue of shares under this contingency.

Purchase of treasury shares:
With a resolution adopted by the Annual General Meeting of 23 June 2015, GFT Technologies SE is authorised to purchase treasury shares up to a total of 10% of share capital as at the time of the Annual General Meeting resolution. The authorisation may be exercised once or several times and in full or in partial amounts. However, the treasury shares purchased on the basis of this authorisation, together with those treasury shares already held by the company or attributed to it pursuant to Secs. 71a et seq. AktG, may at no time exceed 10% of the respective share capital. The purchase of treasury shares is made via the stock exchange or as part of a public purchase offer made to all shareholders by the company. The purchase price

per share paid by the company (exclusive of any ancillary costs) may not exceed, or fall below, the arithmetic mean price for shares of the same class and with the same rights in GFT Technologies SE in the closing auction of XETRA trading (or a comparable successor system) over the ten trading days on which a closing auction was held prior to the purchase of treasury shares or, in the case of a public offer, prior to the day on which the public offer was announced, by more than 10%. In the case of a public offer, the volume of the offer may be limited. The authorisation was granted for every legally permissible purpose, and in particular for the following purposes:

- to use the treasury shares as an acquisition currency for the acquisition of companies or company divisions by GFT Technologies SE;
- to cancel shares;
- to offer the corresponding shares for purchase to employees of GFT Technologies SE and affiliated companies as defined by Sec. 15 AktG;
- to sell the shares with the exclusion of shareholder subscription rights while meeting the requirements of Sec. 186 (3) Sentence 4 AktG.

The sale of purchased treasury shares must always be made via the stock exchange or by means of a public offer made to all shareholders. GFT Technologies SE was authorised, however, to employ a different selling method, with the exclusion of shareholder subscription rights, should this be necessary in the company's interests, in order to use the shares as follows:

- to use the treasury shares as an acquisition currency for the acquisition of companies or company divisions by the company;
- to offer the corresponding shares for purchase to employees of the company and affiliated companies as defined by Sec. 15 AktG.

The Administrative Board was also authorised, with the exclusion of shareholder subscription rights, to sell the acquired treasury shares in ways other than via the stock exchange or by way of a public offer to all shareholders, provided that the shares issued with the exclusion of shareholder subscription rights pursuant to Sec. 186 (3) Sentence 4 AktG do not exceed 10% in total of share capital, neither at the time this authorisation becomes effective nor at the time when this authorisation is exercised. Those shares issued during the term of this authorisation, utilising an authorisation to issue new shares from Authorised Capital pursuant to Sec. 186 (3) Sentence 4 AktG with the exclusion of shareholder subscription rights valid at the time this authorisation became effective, are to be included in this limitation. Also to be included are those shares issued, or still to be issued, for the settlement of warrant/convertible bonds, providing such bonds were issued during the effective term of this authorisation pursuant to Sec. 186 (3) Sentence 4 AktG.

In all the above cases, the selling price of a company share (excluding transaction costs) may not be significantly lower than the arithmetic mean price for shares of the same class and with the same rights in GFT Technologies SE in the closing auction of XETRA trading (or a comparable successor system) over the ten trading days on which a closing auction was held prior to the sale of treasury shares or prior to the date on which contract for the sale of treasury shares is concluded. The authorisations to sell may be exercised separately or together, in whole or in part. If exercised in part, the authorisation may be utilised on several occasions. The authorisation applies to shares of GFT Technologies SE already held by the company at the time this authorisation was granted.

The Administrative Board was also authorised to cancel treasury shares without any further resolution of the Annual General Meeting. The authorisation to cancel shares may be exercised in whole or in part. If exercised in part, the authorisation may be utilised on several occasions. The authorisation applies to shares of GFT Technologies SE already held by GFT Technologies SE at the time this authorisation was granted. Cancellation results in a capital reduction. Contrary to the aforementioned, the Administrative Board may determine that share capital is not reduced, but that the proportion of the remaining shares in the share capital is increased pursuant to Sec. 8 (3) AktG. In this case, the Administrative Board is authorised to adjust the number of shares stated in the Articles of Association.

The authorisation to purchase treasury shares became effective on 23 June 2015 and is valid until 22 June 2020.

Material agreements of the parent company conditional to a change of control following a takeover bid (No. 8):
GFT Technologies SE has signed several promissory note agreements totalling € 25 million which grant termination rights to the respective lender in the event that, without prior consent of the respective lender, a person or a group of people who have coordinated their actions, or persons acting on behalf of such persons (with the exception of those defined “Permitted Owners” defined below) directly or indirectly acquire, at any time, control of more than 50% of the voting capital of GFT Technologies SE. The term “Permitted Owners” refers to (i) the spouses Ulrich and Maria Dietz and their offspring, as well as (ii) persons acting on behalf of one or more of the aforementioned persons.

A banking consortium has provided GFT Technologies SE with a syndicated, half-revolving credit line for a total amount of up to € 80 million, of which € 50 million had been drawn at the end of the reporting period. The consortium members were granted the right to terminate their portion if a person or a group of people who have coordinated their actions pursuant to Sec. 2 (5) German Takeover Act (Wertpapiererwerbs und Übernahmegesetz – WpÜG), or persons acting on behalf of such persons (with the exception of Ulrich Dietz and/or Maria Dietz and/or their offspring) directly or indirectly acquire, at any time, control of more than 50% of the voting capital of GFT Technologies SE.

GFT Technologies SE provides services under a master agreement with Deutsche Bank AG, which also grants Deutsche Bank AG the right to terminate the master agreement and the attendant separate agreements in the case of a change of control. Under this definition, a change of control occurs if (i) a competitor of Deutsche Bank AG buys shares in GFT Technologies SE, and/or an affiliated company which has concluded one or more separate agreements under the master agreement, to the extent that the competitor is able to assume decisive positions within GFT Technologies SE or (ii) a third person who is listed in the embargo list of Deutsche Bank AG purchases half or more of the shares in GFT Technologies SE, or one of the aforementioned affiliated companies, or gains control of their business. In the service contracts of its Managing Directors, GFT Technologies SE has granted the latter special termination rights in the event of a change of control. Further details are provided in the explanations below.

Compensation agreements with executive board members and employees in the event of a change of control (No. 9):
As a company with a single-tier management and control structure, GFT Technologies SE exclusively applies the disclosure obligation of Sec. 315 (4) No. 9 HGB, regarding compensation agreements made with executive board members for the case of a takeover offer, to its Managing Directors.

For the event of a change of control, GFT Technologies SE has agreed identical, time-limited special termination rights with each Managing Director individually. A change of control exists after the purchase of a minimum of 30% of voting rights in the company by a third party or by several third parties acting together. A change of control is also deemed to exist on conclusion of an affiliation agreement (as defined by Sec. 291 AktG) by GFT Technologies SE as a dependent company, or if the company merges with a non-group legal entity, or in other comparable situations. If a Managing Director should justifiably exercise his or her special termination rights, they shall have a one-off claim to severance pay. In two cases, this shall amount to 50% of the annual fixed salary which would have accrued without exercising the special termination right up to the end of the regular contract period, but at least 50% and a maximum of 100% of a full annual fixed salary. In the case of one Managing Director, compensation amounting to a full annual fixed salary plus one payment composed of part of the variable short-term remuneration paid in the previous year and the sum of € 200,000.00 is agreed. However, this compensation is absolutely limited to 150% of the reimbursement for the regular residual contract period.

7. Remuneration Report

Principles of the compensation system pursuant to Sec. 315 (2) No. 4 HGB and disclosures pursuant to Sec. 314 (1) No. 6 HGB, as well as in compliance with the recommendations in section 4.2.5 (3) of the German Corporate Governance Code

This report is based on the requirements of the German Commercial Code (HGB), the German Accounting Standards and the International Financial Reporting Standards (IFRS), as well as the recommendations of the German Corporate Governance Code (GCGC) insofar as the Administrative Board has not stated deviations to the latter in its Declaration of Compliance.

On 18 August 2015, GFT Technologies Aktiengesellschaft (GFT AG) completed its conversion to GFT Technologies SE (GFT SE). The company previously had a two-tier corporate governance structure consisting of an executive board and a supervisory board. Since the conversion, the company has been headed by an Administrative Board with Managing Directors in charge of the operating business. The following presents the compensation systems of all above mentioned executive bodies. Moreover, this Remuneration Report includes the disclosures pursuant to Sec. 314 (1) No. 6 HGB and Sec. 285 No. 9 HGB, which apply to the single-tier corporate governance system of GFT SE pursuant to Art. 61 SE-VO.

The Annual General Meeting of GFT AG on 20 May 2010 adopted a resolution that remuneration for the Managing Directors for the financial years 2010 to 2014 inclusive should not be disclosed on an individual basis (opting out). In accordance with the wishes of its shareholders, GFT SE does not disclose prior-year figures for Executive Board members of GFT AG and the Managing Directors of GFT SE as a comparison for the figures of financial year 2015.

In its latest Declaration of Compliance of 9 December 2015, the Administrative Board of GFT SE declared that the company had waived the use of model tables pursuant to the recommendations of the German Corporate Governance Code. It believes that the model tables would not provide any further informational content to the shareholders, in particular with regard to the individualised disclosure of remuneration for the Managing Directors. In its opinion, the Remuneration Report contains all disclosures required by section 4.2.5 GCGC.

Administrative Board and Supervisory Board

Up to 18 August 2015, the former two-tier corporate governance structure of GFT AG included a Supervisory Board. As of 18 August 2015, GFT SE is headed by an Administrative Board. As the remuneration structures of Supervisory Board and Administrative Board are similar, the compensation systems are reported together.

Administrative Board (as of 18 August 2015)

In accordance with section 15 of the Articles of Association of GFT SE, remuneration for the members of the Administrative Board is set by the Annual General Meeting. The Annual General Meeting may adopt a higher payment for the chair and deputy chair of the Administrative Board. Payment is due at the end of each financial year.

Members of the Administrative Board who only served on the Administrative Board for part of the financial year, receive one-twelfth of annual remuneration for each month of their membership they commenced.

The Annual General Meeting of GFT AG on 23 June 2015 adopted a resolution that the Administrative Board members of the future GFT SE should receive a fixed remuneration of € 13,000.00, while the Chairman of the Administrative Board should receive € 26,000.00 and the Deputy Chairman of the Administrative Board should receive remuneration of € 19,500.00 – in each case for the respective financial year and in addition to the reimbursement of expenses and the reimbursement of any VAT due on the remuneration and expenses. For the financial year 2015, this remuneration is to be granted pro rata for the period beginning on entry of GFT SE in the commercial register, i.e. 18 August 2015. Those Administrative Board members – including the Chairman and his Deputy – who have been appointed Managing Directors of the company shall not receive any Administrative Board remuneration insofar as they already receive remuneration for their duties as Managing Directors. This compensation regulation for the Administrative Board applies until the Annual General Meeting decides otherwise.

Total compensation for the members of the Administrative Board in the past financial year amounted to € 24,219.19 (prev. year: € 0.00). In 2015, an amount € 60,000 (prev. year: € 140,000) was incurred for legal and consultancy services provided by the law firm Hennerkes, Kirchdörfer&Lorz, of whom Prof Dr Andreas Wiedemann is a partner. There were no other benefits or payments granted to members of the Administrative Board for personally rendered services, and in particular consultancy and referral services. There are currently no stock option programmes or similar securities-oriented incentive systems in place for the Administrative Board. No Administrative Board members were granted loans by the company or any affiliated company.

The members of the Administrative Board received the following compensation in financial year 2015:

Member of the Administrative Board	Payment for financial year 2015 (in €)
Dr Paul Lerbinger (Chairman)	9,687.67
Ulrich Dietz (Deputy Chairman)	0.00
Dr Ing. Andreas Bereczky	4,843.84
Maria Dietz	4,843.84
Marika Lulay	0.00
Dr Jochen Ruetz	0.00
Prof Dr Andreas Wiedemann	4,843.84
Total	**24,219.19**

Supervisory Board (until 18 August 2015)

During the past financial year, remuneration for members of the Supervisory Board totalled € 65,000.01 (previous year: € 97,500.00). Additional benefits or remuneration for personal services rendered, in particular for consulting and referral services, were not granted to Supervisory Board members. There are also no stock option programmes or similar securities-oriented incentive systems in place for the Supervisory Board. No Supervisory Board members were granted loans by the company or any affiliated company.

The members of the Supervisory Board received the following compensation in the financial years 2014 and 2015:

	Payment for financial year (in €)	
Member of the Supervisory Board	2015	2014
Dr Paul Lerbinger (Chairman)	17,333.33	26,000.00
Dr Peter Opitz (Deputy Chairman)	13,000.00	19,500.00
Dr Ing Andreas Bereczky	8,666.67	13,000.00
Andreas Bernhardt	8,666.67	13,000.00
Prof Dr Hans-Peter Burghof	8,666.67	13,000.00
Dr Thorsten Demel	8,666.67	13,000.00
Total	**65,000.01**	**97,500.00**

Managing Directors and Executive Board members

Up to 18 August 2015, the former GFT AG was managed by the Executive Board. As of 18 August 2015, the operating business of GFT SE is managed by the Managing Directors. As the remuneration structures of the Managing Directors and the Executive Board members are similar, their compensation systems are reported together.

Remuneration of the Managing Directors (as of 18 August 2015)

Compensation for the Managing Directors is set by the Administrative Board. Amongst other things, it depends on the responsibilities of the respective Managing Director.

Remuneration is composed of performance-based and non-performance-based components. The non-performance-based component is paid in monthly amounts, i.e. twelve times per financial year. The performance-based components are granted as one-off payments. Stock option programmes or similar securities-oriented incentive systems do not currently exist.

In addition, the respective remuneration includes fringe benefits, such as the benefit in kind from the provision of a company vehicle also for private use, premiums for appropriate accident insurance and subsidies for pensions and health insurance within the customary range.

The first performance-based compensation component is linked to the attainment of targets for the key earnings figure of consolidated EBT (Earning Before Taxes) as well as the attainment of personal targets for the financial year agreed individually with the Administrative Board for each Managing Director. If the agreed minimum target is not reached, no corresponding variable compensation is paid. This component is capped individually for each Managing Director.

As variable compensation components should be based on a multi-year development, which considers both positive and negative trends, a corresponding second performance-based compensation component (value growth bonus) was agreed with the Managing Directors. The value growth bonus is linked to the multi-year development of the ratio between EBT and revenue at Group level.

All variable remuneration amounts and total remuneration are capped.

No Managing Director was granted a loan or advance by the company or any affiliated company.

No special capping of payments to the Managing Directors in the event of premature termination without good cause has been agreed. The legal regulations therefore apply.

With reference to the contractual arrangements in the event of a change of control, reference is made to Sec. 315 (4) HGB, “Compensation agreements with executive board members in the event of a change of control (No. 9)”, (see chapter 6: Takeover-relevant information).

Since the company’s conversion, total remuneration for the Managing Directors in the past financial year amounted to € 950,721.08.

Remuneration of the Executive Board members (until 18 August 2015)

The compensation structure for members of the Executive Board of GFT AG corresponded completely with the compensation structure for the Managing Directors.

One member of the Executive Board, Jean-François Bodin, was not appointed by the Administrative Board as a Managing Director of GFT SE. His service contract, which would normally have ended on expiry of 28 February 2016, was terminated by mutual consent on expiry of 30 September 2015. The background to this termination is the sale of the companies belonging to the discontinued division emagine in one of which Mr Jean-François Bodin has a substantial shareholding. There were no severance payments. Notwithstanding this fact, Mr Bodin received the acquired short-term performance-based compensation and the long-term performance-based compensation accrued up to the point of his departure.

Total remuneration for members of the Executive Board from 1 January 2015 to 18 August 2015 amounted to € 1,908,724.53 (prev. year: € 2,612,824.28).

Remuneration of the Executive Board members and Managing Directors in 2015 acc. to HGB

Total remuneration for members of the Executive Board and the Managing Directors together in the past financial year amounted to € 2,859,445.61 (prev. year: € 2,612,824.28).

In detail, the members of the Executive Board (until 18 August 2015) and the Managing Directors (as of 18 August 2015) received the following compensation (benefits granted acc. to HGB):

Ulrich Dietz

in €	Benefits: Executive Board of GFT AG	Benefits: Managing Director of GFT SE	Benefits: Total	minimum	maximum
Non-performance-based compensation	250,793.62	149,206.34	399,999.96	399,999.96	399,999.96
Fringe benefits	5,962.02	3,353.69	9,315.71	9,315.71	9,315.71
Sub-total	**256,755.64**	**152,560.03**	**409,315.67**	**409,315.67**	**409,315.67**
Performance-based compensation					
short-term	219,845.90	128,808.39	348,654.29	0.00	1,500,000.00
long-term	88,277.78	51,722.22	140,000.00	0.00	200,000.00
Total	**564,879.32**	**333,090.64**	**897,969.96**	**409,315.67**	**2,109,315.67**

Marika Lulay

in €	Benefits: Executive Board of GFT AG	Benefits: Managing Director of GFT SE	Benefits: Total	minimum	maximum
Non-performance-based compensation	208,253.99	141,746.05	350,000.04	350,000.04	350,000.04
Fringe benefits	36,314.84	23,136.87	59,451.71	59,451.71	59,451.71
Sub-total	**244,568.83**	**164,882.92**	**409,451.75**	**409,451.75**	**409,451.75**
Performance-based compensation					
short-term	221,477.01	129,764.06	351,241.07	0.00	1,250,000.00
long-term	107,194.44	62,805.56	170,000.00	0.00	265,000.00
Total	**573,240.28**	**357,452.54**	**930,692.82**	**409,451.75**	**1,924,451.75**

Dr Jochen Ruetz

in €	Benefits: Executive Board of GFT AG	Benefits: Managing Director of GFT SE	Benefits: Total	minimum	maximum
Non-performance-based compensation	163,015.90	96,984.14	260,000.04	260,000.04	260,000.04
Fringe benefits	10,387.92	33,372.44	43,760.36	43,760.36	43,760.36
Sub-total	**173,403.82**	**130,356.58**	**303,760.40**	**303,760.40**	**303,760.40**
Performance-based compensation					
short-term	155,366.40	91,029.66	246,396.06	0.00	1,050,000.00
long-term	66,208.33	38,791.67	105,000.00	0.00	120,000.00
Total	**394,978.56**	**260,177.90**	**655,156.46**	**303,760.40**	**1,473,760.40**

Jean-François Bodin	Benefits			minimum	maximum
in €	Executive Board of GFT AG	Managing Director of GFT SE	Total		
Non-performance-based compensation	168,750.00	0.00	168,750.00	168,750.00	168,750.00
Fringe benefits	25,496.39	0.00	25,496.39	25,496.39	25,496.39
Sub-total	**194,246.39**	**0.00**	**194,246.39**	**194,246.39**	**194,246.39**
Performance-based compensation					
short-term	98,879.98	0.00	98,879.98	0.00	1,000,000.00
long-term	82,500.00	0.00	82,500.00	0.00	200,000.00
Total	**375,626.37**	**0.00**	**375,626.37**	**194,246.39**	**1,394,246.39**

Allocation based on the recommendations of section 4.2.5 (3) GCGC:
For reasons of transparency, the disclosures for the members of the Executive Board and the Managing Directors are together according to the recommendations of section 4.2.5 (3) GCGC. The figures are thus based on financial year 2015 as a whole:

in €	Ulrich Dietz	Marika Lulay	Dr Jochen Ruetz	Jean-François Bodin
Non-performance-based compensation	399,999.96	350,000.04	260,000.04	168,750.00
Fringe benefits	9,315.71	59,451.71	43,760.36	25,496.39
Sub-total	**409,315.67**	**409,451.75**	**303,760.40**	**194,246.39**
Performance-based compensation				
short-term	348,654.29	291,241.07	246,396.06	183,966.19**
long-term	0.00	120,000.00*	0.00	110,000.00***
Total	**757,969.96**	**820,692.82**	**550,156.46**	**488,212.58**

* Value of long-term performance-based compensation based on the financial year 2014. A total amount of € 446,000.00 was paid in the financial year 2015 as long-term performance-based compensation for the financial years 2010 – 2014.

** Value of short-term performance-based compensation based on the financial year 2014. A total amount of € 338,879.98 was paid in the financial year 2015 as short-term performance-based compensation for the financial years 2014 – 2015. This amount includes the short-term performance-based compensation for the financial year 2015 acquired up to the point of his departure.

***Value of long-term performance-based compensation based on the financial year 2014. A total amount of € 192,500.00 was paid in the financial year 2015 as long-term performance-based compensation for the financial years 2014 – 2015. This amount includes the long-term performance-based compensation for the financial year 2015 accrued up to the point of Mr Bodin's departure.

Other disclosures
The Company takes out D&O insurance for members of the GFT Group's executive bodies. It is concluded or prolonged annually. The insurance covers the personal liability risk in the event of claims for financial losses. The policy includes a deductible for the Managing Directors – as was also included for the Executive Board members of GFT AG – which complied, and continues to comply, at all times with the requirements of Sec. 93 (2) Sentence 3 AktG.

With regard to the D&O insurance, no reasonable deductible is agreed upon for the members of the Administrative Board. The company is of the opinion that a deductible for members of the Administrative Board provides no additional incentive to carry out their activities with due diligence and in accordance with the statutory provisions.

8. Forecast report

Macroeconomic development

In its latest economic outlook of January 2016, the International Monetary Fund (IMF) forecasts growth of 3.4% for the global economy in the current financial year – two percentage points below its autumn outlook. For 2017, the IMF expects growth to reach 3.6%. However, this growth is subject to various risks. These include the turbulent economic situation in China, the end of easy money in the USA and depressed oil prices which place a major burden on the budgets of oil exporting nations. According to the economic report of the European Central Bank (ECB), the eurozone will continue its recovery. The economists expect a positive impact from the further consolidation of state budgets, as well as structural reforms and an increase in consumer spending, among other things. They forecast growth of 1.7% for 2016 and 1.9% for 2017. However, growth continues to be held back by sluggish global trade and poor growth prospects in the emerging nations.

The German economy may enjoy slightly stronger growth in early 2016 than at the end of the previous year. This was the conclusion of Deutsche Bundesbank's monthly report for February 2016. Consumer spending continues to benefit from strong employment figures. Moreover, the economists expect falling oil prices at the turn of the year to boost the purchasing power of German households. They forecast growth of 1.7% in 2016 and 1.9% in 2017. The Bundesbank believes that overcoming the current weak demand from abroad will be a major prerequisite for stronger growth.

Sector development

Corporate IT spending around the world is expected to grow more slowly in 2016 than in 2015. In its January 2016 report, the US market research firm Gartner forecasts growth of 1.7%. The market researchers are much more confident about the prospects for IT services in 2016, for which they anticipate growth of 3.6% – as in 2015. Gartner believes that the finance sector will raise its total IT investments by 3.1% in 2016, and its spending for IT services by as much as 4.8%.

The German digital association BITKOM is upbeat about the sector's future prospects. In its latest economic survey, it predicts further growth for Germany's information and communications technology (ICT) market in 2016. 74% of companies surveyed expect rising sales in the first half-year. In the case of IT service providers, the figure is 80%. According to BITKOM, as many as 81% of all ICT companies predict sales growth for 2016 as a whole; only 5% expect a decline. As a result, total sales of ICT products and services in Germany are likely to grow by 1.5% to € 158.4 billion. As in previous years, this positive outlook is expected to impact the labour market: the lack of IT experts is still by far the biggest obstacle for the IT sector, well ahead of topics such as the political conditions or export demand.

Expected development of the GFT Group

Following the sale of the emagine division, the following forecast is based mainly on the GFT division, which focuses on providing IT services for the finance sector. The GFT Group expects a further positive development of its business in 2016 and is confident that it will once again display much stronger growth than the global economy and the IT services sector. Both retail and investment banks will continue to earmark a large proportion of their IT budgets for the implementation of compliance requirements. In view of persistently low interest rates and falling margins, it is also becoming increasingly important for banks to reduce costs and modernise their business processes with the aid of innovations and digitisation. This offers a wide variety of growth possibilities for GFT.

Compliance remains a major growth driver

The regulatory reforms prompted by the financial crisis affect the entire banking sector, and investment banks in particular. Key elements of these reforms, such as optimising reporting and improving risk management, require efficient data management and investments in IT. Now that the main regulatory projects have been adopted by the standard-setting bodies, banks have entered the implementation phase. In the case of complex regulations, such as the Basel III framework, the new financial market guideline MiFID II, and risk reporting according to BCBS 239, this phase is expected to last until the end of 2019. Although the pace of new initiatives is gradually slowing, there is consensus among the standard-setters that the overall economic benefit of regulatory reforms far exceeds their costs and these must therefore be fully implemented and further developed. Against this backdrop, it can be assumed that the IT budgets of banks for compliance implementation will remain high in the next few years – especially among investment banks. GFT has a wide range of consulting and IT skills in the field of compliance implementation and is represented in the major financial hubs of Germany, the UK and the USA by its experienced local consultancy teams. In cooperation with the nearshore development centres in Spain, Poland and South America, complex IT projects can be delivered at attractive terms offering great value for money. In 2016, 39 banks in the euro currency zone will also be subjected to the ECB's so-called "stress test". GFT has extensive project experience in this area from the previous stress test in 2014.

Digitisation becoming an increasingly important growth driver

Competition for established banks has grown considerably since the market entry of new fintech companies. With their innovative digital business models, they now occupy lucrative sections of the classic value chain, such as payment transactions, lending and investment advice. For the retail business of commercial banks, this means that the quality of their digital platforms for offering products and services will be an important topic in the future. Customers are increasingly expecting a range of services which have already become well established in e-commerce. The digital transformation of their business processes thus offers traditional banks a great opportunity to develop new and innovative business models for increasing customer loyalty and winning new clients. Many banking processes can be optimised and largely automated with the aid of digitisation. Under the heading "omnichannel", banks are working on service offerings which can be bundled via a single interface and used on any device. Concepts for tomorrow's high-tech bank branches are also currently in the design phase. Banks are expected to invest heavily in the digital transformation of their business processes in future. GFT supports banks with this transformation process. The focus is on customer-centric solutions for mobile payment, smart financial management, automated account optimisation and context-based account management, and the development of innovative concepts for omnichannel offerings.

Demographic change accelerating IT outsourcing trend

Against the backdrop of demographic change and the increasing shortage of IT professionals in the high-priced economic regions, banks are expected to transfer an ever greater share of their IT budgets to specialised, low-cost service providers (outsourcing). GFT has a well-established Global Delivery Model with considerable cost benefits compared to local providers. With its local onshore consultancy teams and nearshore development centres in Europe and South America, GFT can offer exceptional value for money.

Operating targets for 2016

The GFT Group has issued the following guidance for the financial year 2016:

- Consolidated revenue for the full year 2016 is expected to reach € 410.00 million.
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) of € 48.50 million and pre-tax earnings (EBT) of € 35.00 million are anticipated in 2016.
- The productive utilisation rate of the GFT division is expected to remain at the high prior-year rate (89%) in 2016.

Medium-term prospects

Assuming that the demand for solutions to achieve regulatory compliance remains strong and the trend to digitise business processes continues, the GFT Group aims to raise consolidated revenue to € 800.00 million in the medium term with an EBITDA margin of around 12% in 2020. The underlying business plan assumes continued organic growth of around 10% p.a. in combination with targeted acquisitions.

Assumptions for the forecasts

Our forecasts are based on the above assumptions regarding overall economic development and the development of the financial services sector and IT industry. These forecasts take account of all events known at the time of preparing this report that might have an impact on the performance of the GFT Group.

Overall statement on the expected development

The GFT Group expects a continuation of its positive development in the financial year 2016 and believes that rising costs and competitive pressure in the banking sector, as well as the ongoing implementation of regulatory reforms and the trend towards the digital transformation of business processes will offer numerous growth opportunities.

Stuttgart, 23 March 2016

GFT Technologies SE
The Managing Directors

Ulrich Dietz
CEO

Marika Lulay
COO

Dr Jochen Ruetz
CFO

Financial Statements (IFRS)

Consolidated Balance Sheet

as at 31 December 2015, GFT Technologies SE, Stuttgart

Assets

in €	Notes	31/12/2015	31/12/2014
Non-current assets			
Licences, industrial property rights and similar rights	7	30,273,556.49	27,280,732.43
Goodwill	7	109,206,156.49	98,571,580.50
Property, plant and equipment	8	26,487,994.14	17,779,622.81
Securities	9	123,059.81	121,180.18
Financial assets, accounted for using the equity method	9	424,201.99	8,666.63
Other financial assets	10	1,813,994.68	764,895.66
Current tax assets	11	799,302.01	204,026.33
Deferred tax assets	11	4,323,057.16	4,001,538.31
		173,451,322.77	**148,732,242.85**
Current assets			
Trade receivables	12	94,827,931.04	108,215,841.61
Current tax assets	11	5,406,581.79	1,283,262.86
Cash and cash equivalents	13	46,977,516.05	38,128,720.78
Other financial assets	10	1,222,092.94	1,023,220.69
Other assets	10	4,922,683.49	4,270,122.81
		153,356,805.31	**152,921,168.75**
		326,808,128.08	**301,653,411.60**

Equity and liabilities

in €	Notes	31/12/2015	31/12/2014
Shareholders' equity			
Share capital	14	26,325,946.00	26,325,946.00
Capital reserve	14	42,147,782.15	42,147,782.15
Retained earnings	14		
Other retained earnings		22,243,349.97	22,243,349.97
Changes not affecting net income		−3,201,360.01	−1,753,204.02
Changes in equity not affecting net income			
Actuarial gains / losses		−2,727,351.59	−2,125,673.79
Foreign currency translations	14	8,678,759.88	1,348,211.87
Consolidated balance sheet profit	14	30,980,236.76	12,225,392.90
		124,447,363.16	**100,411,805.08**
Liabilities			
Non-current liabilities			
Other financial liabilities	18	13,935,523.93	12,642,117.94
Financial liabilities	31	82,816,789.16	34,130,876.08
Provisions for pensions	15	8,334,339.98	7,291,304.32
Other provisions	16	744,764.93	681,764.84
Deferred tax liabilities	11	5,901,647.84	5,881,800.20
		111,733,065.84	**60,627,863.38**
Current liabilities			
Other provisions	16	41,969,939.29	41,766,324.17
Current income tax liabilities	11	1,828,862.73	3,837,294.97
Financial liabilities	31	619,560.40	46,031,729.79
Trade payables	17	11,370,826.34	20,794,829.67
Other financial liabilities	18	4,287,498.34	3,613,869.39
Other liabilities	18	30,551,011.98	24,569,695.15
		90,627,699.08	**140,613,743.14**
		326,808,128.08	**301,653,411.60**

Consolidated Income Statement

for the period from 1 January 2015 to 31 December 2015, GFT Technologies SE, Stuttgart

in €	Notes	2015	2014
Revenue	20	373,506,841.13	279,235,451.62
Other operating income	21	3,436,561.91	3,849,622.11
		376,943,403.04	**283,085,073.73**
Cost of purchased services	22	62,485,694.53	52,193,603.20
Personnel expenses:			
a) Salaries and wages	23, 26	178,941,707.25	130,782,418.18
b) Social security and expenditures for retirement pensions	15, 23, 26	36,505,030.95	26,961,279.93
		215,446,738.20	**157,743,698.11**
Depreciation on intangible assets and of tangible assets	24	10,328,513.13	6,400,928.64
Other operating expenses	25	54,424,159.21	40,313,469.93
Result from operating activities		**34,258,297.97**	**26,433,373.85**
Other interest and similar income	27	191,808.50	357,453.91
Financial assets, accounted for using the equity method	9	−30,181.12	−12,185.04
Interest and similar expenses	27	1,895,245.72	1,372,349.03
Financial result		−1,733,618.34	−1,027,080.16
Earnings before taxes		**32,524,679.63**	**25,406,293.69**
Taxes on income and earnings	11	5,979,432.70	6,819,114.74
Net income from continued operations		26,545,246.93	18,587,178.95
Net income from discontinued operations		−1,208,917.33	1,367,592.89
Net income of the whole company		**25,336,329.60**	**19,954,771.84**
Loss carried forward from previous year		5,643,907.16	−4,729,378.94
Allocations to other retained earnings		0.00	−3,000,000.00
Consolidated balance sheet profit / loss		**30,980,236.76**	**12,225,392.90**
thereof attributed to non-controling shareholder		0.00	0.00
thereof attributed to shareholders of parent company		25,336,329.60	19,954,771.84
Net earnings per share – undiluted	30	0.96	0.76
Net earnings per share – diluted	30	0.96	0.76
Net earnings per share from continued operations – undiluted	30	1.01	0.71
Net earnings per share from continued operations – diluted	30	1.01	0.71

Consolidated Statement of Comprehensive Income

for the period from 1 January 2015 to 31 December 2015, GFT Technologies SE, Stuttgart

in €	Notes	2015	2014
Net income of the whole company		**25,336,329.60**	**19,954,771.84**
A.) Components never reclassified to the income statement			
Actuarial gains / losses	15	−822,939.42	−542,118.75
Income taxes on components of other comprehensive income		221,261.62	149,043.26
Other (partial) result A.)		**−601,677.80**	**−393,075.49**
B.) Components that can be reclassified to the income statement			
Change of fair value recognised in other result during the financial year	31	0.00	−52,200.00
Reclassification adjustments in the income statement	31	0.00	0.00
		0.00	**−52,200.00**
Exchange differences on translating foreign operations: Profits / losses during the financial year	19	7,330,548.01	1,290,103.71
		7,330,548.01	1,290,103.71
Income taxes on components of other result	11	0.00	14,616.00
Other (partial) result B.)		**7,330,548.01**	**1,252,519.71**
Other result		6,728,870.21	859,444.22
Total result		**32,065,199.81**	**20,814,216.06**

Consolidated Statement of Changes in Equity

as at 31 December 2015, GFT Technologies SE, Stuttgart

		Subscribed capital	Capital reserve	
in €	Notes			
As at 01/01/2014		**26,325,946.00**	**42,147,782.15**	
Dividend payment May 2014	14			
Dividend to minority shareholders				
Discounting of the conditional purchase price liability	28			
Allocations to retained earnings 2014				
Comprehensive income for the period 01/01/ – 31/12/2014				
As at 31/12/2014		**26,325,946.00**	**42,147,782.15**	
As at 01/01/2015		**26,325,946.00**	**42,147,782.15**	
Dividend payment May 2015	14			
Dividend to minority shareholders				
Discounting of the conditional purchase price liability	28			
Comprehensive income for the period 01/01/ – 31/12/2015				
As at 31/12/2015		**26,325,946.00**	**42,147,782.15**	

* Net income of the whole company

Retained earnings		Other results			Consolidated balance sheet profit / loss	Total
Other retained earnings	Changes without effect on profit / loss	Foreign currency translations	Market assessment for securities	Actuarial gains / losses	profit (+) / loss (–)	
19,243,349.97	**−784,097.50**	**58,108.16**	**37,584.00**	**−1,732,598.30**	**1,852,108.32**	**87,148,182.80**
					−6,581,487.26	−6,581,487.26
	−536,231.00					−536,231.00
	−432,875.52					−432,875.52
3,000,000.00					−3,000,000.00	0.00
	0.00	1,290,103.71	−37,584.00	−393,075.49	19,954,771.84*	20,814,216.06
22,243,349.97	**−1,753,204.02**	**1,348,211.87**	**0.00**	**−2,125,673.79**	**12,225,392.90**	**100,411,805.08**
22,243,349.97	**−1,753,204.02**	**1,348,211.87**	**0.00**	**−2,125,673.79**	**12,225,392.90**	**100,411,805.08**
					−6,581,485.74	−6,581,485.74
	−998,524.00					−998,524.00
	−449,631.99					−449,631.99
	0.00	7,330,548.01	0.00	−601,677.80	25,336,329.60*	32,065,199.81
22,243,349.97	**−3,201,360.01**	**8,678,759.88**	**0.00**	**−2,727,351.59**	**30,980,236.76**	**124,447,363.16**

Consolidated Cash Flow Statement

for the period from 1 January 2015 to 31 December 2015, GFT Technologies SE, Stuttgart

in €	Notes	2015	2014
Net income		25,336,329.60	19,954,771.84
Taxes on income and earnings	11	6,274,600.20	7,113,265.51
Interest income		1,796,242.57	1,015,530.05
Interest paid		−1,556,038.35	−1,228,408.42
Income taxes paid		−11,423,834.97	−8,151,606.50
Depreciation on tangible and intangible assets	8	10,388,778.57	6,558,584.21
Changes in provisions		3,123,599.26	5,099,427.91
Other non-cash expenses / income		3,379,068.64	715,961.21
Profit from the disposal of tangible and intangible assets as well as financial assets		208,009.54	−263,833.70
Changes in trade receivables		1,132,836.09	−17,851,205.94
Changes in other assets		−5,127,419.81	2,392,447.90
Changes in trade payables and other liabilities		9,063,241.47	−149,729.24
Cash flow from operating activities	29	**42,595,412.81**	**15,205,204.83**
Cash receipts from sales of financial assets		3,871.88	772.37
Cash payments to acquire financial assets	8	−13,120,523.94	−10,559,426.35
Cash payments to acquire non-current intangible assets	8	−1,339,824.13	−699,327.97
Cash receipts from sales of financial assets		0.00	1,578,253.70
Cash payments for loans granted to third parties		−619,755.00	0.00
Cash payments to acquire consolidated companies net of cash and cash equivalents acquired		−22,341,474.58	−58,721,941.41
Cash receipts from the acquisition of consolidated companies		0.00	250,000.00
Cash receipts from the sale of consolidated companies		6,027,115.68	0.00
Cash payments to acquire shares in associated companies		−445,716.48	0.00
Interest received		109,176.93	231,011.11
Cash flow from investing activities	29	**−31,727,129.64**	**−67,920,658.55**

in €	Notes	2015	2014
Cash receipts from taking out short-term or long-term loans	31	5,009,004.25	53,888,047.27
Cash payments to redeem short-term or long-term loans		−1,795,497.46	−4,539,844.19
Payments to shareholders	14	−6,581,485.74	−6,581,487.26
Cash flow from financing activities	29	**−3,367,978.95**	**42,766,715.82**
Influence of exchange rate fluctuations on cash and cash equivalents		1,348,491.05	928,593.36
Change in cash funds from cash-relevant transactions		8,848,795.27	−9,020,144.54
Cash funds at the beginning of the period	29	38,128,720.78	47,148,865.32
Cash funds at the end of the period	29	**46,977,516.05**	**38,128,720.78**

Notes

From 1 January 2015 to 31 December 2015
GFT Technologies SE, Stuttgart

Principles and methods

1. General information

The consolidated financial statements of GFT Technologies SE ("GFT SE") as of 31 December 2015 have been drawn up in application of Section 315a of the German Commercial Code (HGB), in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) London as they are to be applied in the EU, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). The consolidated financial statements of GFT SE as of 31 December 2015 are consistent with those IFRSs which must be applied in the EU and which were mandatory as of the end of the reporting period.

The consolidated financial statements have been prepared in euro ("€"). Note is made of any amounts which have been rounded to thousand euros ("€ thousand") or million euros ("€ million"). The income statement was prepared using the "nature of costs method". The consolidated financial statements were prepared by the Managing Directors of GFT SE on 23 March 2016 and adopted by the Supervisory Board on 23 March 2016.

With its IT and consulting expertise, GFT helps leading international financial institutes with the digital transformation of their business processes and the implementation of compliance requirements. The range of services includes consulting on the development and realisation of IT strategies, the development of bespoke solutions, the implementation of bank-specific standard software, and the maintenance and further development of business-critical core banking processes.

GFT SE is registered in Germany in the legal form of a European public limited company (Societas Europaea, SE) with headquarters at Schelmenwasenstrasse 34, 70567 Stuttgart. GFT SE is a listed company and the ultimate parent company of the GFT Group. Its shares are traded on Germany's main stock exchanges. GFT SE was formed from the conversion of GFT Technologies Aktiengesellschaft ("GFT AG"). The change in legal status from GFT AG to GFT SE was adopted by the Annual General Meeting of GFT AG on 23 June 2015. The conversion to an SE was entered in the Commercial Register on 18 August 2015. The European legal status of the parent company underlines the Group's global alignment.

Due to the acquisition of Rule Financial Ltd., London, UK, on 26 June 2014, and Adesis Netlife S.L., Madrid, Spain, on 28 July 2015, comparability with prior-year figures is only possible to a limited extent.

The emagine division was sold on 30 September 2015. Due to the disposal, the emagine division is presented as a discontinued operation in line with IFRS regulations (IFRS 5). The main KPIs (revenue, EBITDA and EBT) therefore refer to continued operations; the prior-year figures have been adjusted accordingly.

2. Effects of new or changed accounting standards

Accounting standards applied for the first time in the financial year 2015

The following presents those pronouncements and amendments released by the IASB for initial application in financial year 2015.

IFRIC 21 – Levies
IFRIC 21 is an interpretation of IAS 37. The principal question answered is when a present obligation arises for levies imposed by governments and when a provision or liability should be recognised.

The new interpretation has no impact on the consolidated financial statements of GFT SE.

Improvements to IFRS (2011 – 2013)
Four standards were amended in conjunction with the annual improvement project. The adjustments to formulations in certain IFRSs are aimed at clarifying existing regulations. The standards affected for the financial year 2015 are IFRS 1, IFRS 3, IFRS 13, IAS 40.

The amendments do not affect the consolidated financial statements of GFT SE.

The table below shows which new or amended standards or interpretations issued by the IASB and adopted by the EU have not yet been applied by the GFT Group in the financial year 2015, as permitted.

Unless otherwise stated, the effects on the consolidated financial statements of GFT SE are currently being examined.

		Applicable to financial years from	Planned first application by GFT from
IAS 19	Employee Benefits	1 February 2015	1 January 2016
	Improvements to IFRS (2010 – 2012)		
IFRS 2	Share-based Payment	1 February 2015	1 January 2016
IFRS 3	Business Combinations	1 February 2015	1 January 2016
IFRS 8	Operating Segments	1 February 2015	1 January 2016
IFRS 13	Fair Value Measurement	1 February 2015	1 January 2016
IAS 16	Property, plant and equipment	1 February 2015	1 January 2016
IAS 24	Related Party Disclosures	1 February 2015	1 January 2016
IAS 38	Intangible Assets	1 February 2015	1 January 2016
IFRS 11	Joint Arrangements	1 January 2016	1 January 2016
IAS 1	Presentation of Financial Statements	1 January 2016	1 January 2016
IAS 16	Property, plant and equipment	1 January 2016	1 January 2016
IAS 38	Intangible Assets	1 January 2016	1 January 2016
IAS 41	Agriculture	1 January 2016	1 January 2016
IAS 27	Separate Financial Statements	1 January 2016	1 January 2016
	Improvements to IFRS (2012 – 2014)		
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2016	1 January 2016
IFRS 7	Financial Instruments: Disclosures	1 January 2016	1 January 2016
IAS 19	Employee Benefits	1 January 2016	1 January 2016
IAS 34	Interim Financial Reporting	1 January 2016	1 January 2016

Eleven standards were amended in conjunction with the annual improvement project (2010-2012). The adjustments to formulations in certain IFRSs are aimed at clarifying existing regulations. Some of the amendments also affect disclosure requirements. The standards affected are IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.

The amendments to IAS 19 clarify those regulations that concern the allocation of contributions by employees or third parties to service periods in cases where the contributions are linked to the same period of service. In addition, relief is granted in cases where the contributions are independent of the number of years of service.

With the amendments to IFRS 11, the IASB provides for the accounting treatment of the purchase of shares in a joint operation representing a business entity as defined in IFRS 3 Business Combinations. In such cases the purchaser is to apply the principles of accounting for business combinations as set out in IFRS 3. In addition, the disclosure requirements of IFRS 3 also apply in these cases.

The amendments to IAS 1 relate to various disclosure issues. It is made clear that information only needs to be included in the Notes if the content is not immaterial. This explicitly also applies if an IFRS requires a list of minimum disclosures. In addition, explanations concerning the aggregation and disaggregation of items in the statement of financial position and statement of comprehensive income are included. Furthermore, it is clarified how shares in the Other operating income of entities measured at equity are to be recorded in the statement of comprehensive income. Finally, the structure template for the Notes is replaced by a structure that takes account of the relevance of information for the individual entity.

With these amendments to IAS 16 and IAS 38, the IASB provides additional guidelines to define an acceptable method of depreciation and amortisation. Revenue-based methods of depreciation are thus not permitted for property, plant and equipment and are only permitted for intangible assets in certain exceptional cases (refutable presumption of inadequacy).

The amendments to IAS 16 and IAS 41 mean that bearer plants are to be treated in the balance sheet like property, plant and equipment according to IAS 16 in future, as their use is comparable. However, their fruits must continue to be carried pursuant to IAS 41.

The amendment has no impact on GFT's consolidated financial statements.

As a result of the amendment to IAS 27, the equity method is re-introduced as an accounting option for interests in subsidiaries, joint ventures and associates in separate financial statements of an investor. The existing options for measurement at cost or in accordance with IAS 39 / IFRS 9 continue to apply. As of 2005, the use of the equity method for interests in separate financial statements (of the parent company) was not permitted by IAS 27.

Four standards were amended in conjunction with the annual improvement project (2012 – 2014). The adjustments to formulations in certain IFRS / IAS standards are aimed at clarifying existing regulations. The standards affected are IFRS 5, IFRS 7, IAS 19 and IAS 34.

In addition to the stated mandatory standards already endorsed by the EU, the IASB published further amendments to standards which do not have to be applied until a later date and which have not completed the endorsement process to become European law. The effects of these standards on the consolidated financial statements of GFT are currently being examined.

		Applicable to financial years from	Planned first application by GFT from
IFRS 9	Financial Instruments	1 January 2018	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018	1 January 2018
Amendment IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	–	–
Amendment IFRS 10 / IFRS 12 / IAS 28	Investment Entities: Applying the Consolidation Exception	1 January 2016	1 January 2016

IFRS 9, published in July 2014, replaces the existing guidelines contained in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 contains revised guidelines on the classification and measurement of financial instruments, including a new model of the expected loan defaults for calculating the impairment of financial assets, as well as the new general rules for hedge accounting. It also adopts the guidelines on the recognition and derecognition of financial instruments of the former IAS 39.16.

IFRS 15 Revenue from Contracts with Customers sets out a comprehensive framework for determining whether, at what level and when revenue is recognised. It replaces existing guidelines on recognising revenue, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

This amendment will affect the consolidated financial statements of GFT SE in future. To what extent is currently being examined.

The amendments to IFRS 10 and IAS 28 address a known inconsistency between the provisions in IFRS 10 and those in IAS 28 (2011) in the event of the sale of assets to an associate or joint venture and / or the contribution of assets to an associate or joint venture.

Under IFRS 10 a parent must recognise total profit or loss from the sale of a subsidiary on the income statement when control is lost. In contrast, the currently applicable IAS 28.28 requires that the sale proceeds in the case of sales transactions between an investor and an equity holding measured at equity – whether it is an associate or a joint venture – are only recognised in the amount of the share of the other shareholders in this entity. In future, the entire profit or loss of a transaction is only to be recognised if the sold or received assets constitute a business operation as defined in IFRS 3. This applies regardless of whether the transaction is structured as a share or asset deal. Conversely, if the assets do not constitute a business operation, it is only permissible to recognise proportionate net income. IASB has postponed initial adoption of the amendments indefinitely.

The amendments to IFRS 10, IFRS 12 and IAS 28 serve to clarify various questions relating to the application of the exemption from the consolidation obligation under IFRS 10, if the parent meets the definition of an "investment entity". Parents are accordingly also released from the obligation to prepare consolidated financial statements if the higher-level parent does not consolidate its subsidiaries, but accounts for them at fair value in accordance with IFRS 10. Distinctions are applied as follows concerning the accounting treatment of the subsidiaries of an investment entity: subsidiaries that themselves are investment entities are to be accounted for at fair value in line with the general principle of the investment entity exception. In contrast, those subsidiaries that are not investment entities but provide services relating to the parent company's investment activities, and so could be regarded as an extension of the parent's operation, have to be consolidated. Finally it is clarified that an investor which does not meet the definition of an investment entity and applies the equity method to an associate or joint venture may retain the fair value measurement which the investment company applies to its equity holdings in subsidiaries.

In addition, the amendments envisage that an investment entity which measures all its subsidiaries at fair value must provide the information on investment entities as prescribed by IFRS 12.

3. Consolidated group

In addition to GFT Technologies SE, the consolidated financial statements as of 31 December 2015 also included the following subsidiaries (fully consolidated):

- GFT Technologies (Switzerland) AG, Zurich, Switzerland
- GFT UK Limited, London, UK
- GFT Iberia Holding, S.A.U., Sant Cugat del Vallès, Spain
- GFT IT Consulting, S.L.U., Sant Cugat del Vallès, Spain
- GFT Brasil Consultoria Informática Ltda., São Paulo, Brazil
- GFT USA, Inc., New York, USA
- GFT Innovations GmbH, Stuttgart, Germany
- GFT Financial Solutions AG, Zurich, Switzerland
- GFT UK Invest Limited, London, UK
- GFT Appverse, S.L.U., Sant Cugat del Vallès, Spain
- GFT Real Estate GmbH, Stuttgart, Germany
- SW34 Gastro GmbH, Stuttgart, Germany
- GFT Holding Italy S.r.l., Milan, Italy
- GFT Italia S.r.l., Milan, Italy
- Med-Use S.r.l., Milan, Italy
- GFT Financial Limited, London, UK
- GFT USA Consulting LLC, New York, USA
- GFT Canada LLC, Toronto, Canada
- Waterline Group Inc., Boston, USA
- GFT Poland Sp z.o.o, Łódź, Poland
- Rule Consultants SL, Barcelona, Spain (merged with GFT IT-Consulting S.L.U., Sant Cugat del Vallès, Spain, on 1 January 2015)
- GFT Costa Rica SA., Heredia, Costa Rica
- Peer2Peer Systems Limited, London, UK
- Adesis Netlife S.L., Madrid, Spain
- Adesis Netlife México S.A, Mexico City, Mexico
- Adesis Netlife México Servicio, Mexico City, Mexico
- Adesis Netlife Norte, Bilbao, Spain (liquidated in August 2015)
- GFT Peru S.A.C., Lima, Peru

The following changes to the scope of consolidation and the subsidiaries have occurred since the consolidated financial statements as of 31 December 2014:

On 30 September 2015, GFT SE and GFT UK Ltd., London, UK, sold all shares in the emagine Group. This affected the following subsidiaries which form the discontinued emagine division.

- emagine GmbH, Eschborn, Germany
- emagine Flexwork GmbH, Stuttgart, Germany
- emagine Consulting SARL, Neuilly-sur-Seine, France
- emagine Holding France SARL, Neuilly-sur-Seine, France
- Emagine Consulting Limited, London, UK

For further information on the disposal of the above companies, please see the disclosures on discontinued operations in note 28 “Business combinations and discontinued operations”.

In an agreement dated 28 July 2015, GFT Iberia Holding S.A.U., Sant Cugat del Vallès / Spain, acquired 100% of shares in the Spanish IT service provider Adesis Netlife S.L., Madrid, Spain, for a purchase price of € 20,000 thousand. For further information on the acquisition, please also refer to note 28.

GFT Beteiligungs GmbH, Stuttgart, was renamed as SW34 Gastro GmbH, Stuttgart, on 23 July 2015.

On 13 November 2015, GFT Iberia Holding S.A.U., Sant Cugat del Vallès, Spain, and GFT IT Consulting SLU, Sant Cugat del Vallès, Spain, founded GFT Peru SAC, Lima, Peru. Business operations began in January 2016. Paid-in capital amounts to € 269.68 (1,000 Peruvian sol).

Equity holdings acc. to Section 313 (2) HGB are presented on pages 126–127.

4. Consolidation methods

Assets and liabilities of domestic and foreign companies included in the consolidated financial statements are stated in accordance with uniformly applicable accounting and valuation methods.

The consolidated financial statements comprise GFT SE and the companies it controls. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Equity attributable to minority shareholders and their share of profit or loss is shown separately in both the statement of financial position and income statement.

Capital is consolidated through application of the purchase method by offsetting the investment carrying values with the revalued equity of the subsidiaries at the time of acquisition. In this process, the acquired assets, debts and possible liabilities are stated at their current value at the time of acquisition. Remaining positive differences are reported as goodwill. Negative differences from initial consolidation are eliminated after renewed assessment and recognised in profit or loss. The hidden reserves and encumbrances disclosed are amortised on the basis of the corresponding assets and debts.

The write-ups or depreciation on equity interests in Group companies shown in individual financial statements are cancelled again in the consolidated financial statements.

Group-internal gains and losses, revenue, expenses, and income, as well as receivables and liabilities existing between consolidated companies are eliminated.

Income tax effects have been taken into consideration and deferred taxes are reported in the consolidation processes.

The Rule and Sempla groups were consolidated according to the anticipated acquisition method. We refer to point 28 of the notes to the consolidated financial statements.

Those investments in which GFT SE holds a significant influence (associated companies) – usually due to an equity holding of between 20% and 50% – are valued in accordance with the equity method. For investments valued in accordance with the equity method, historical costs are increased or reduced annually by the amount of respective equity changes in the GFT Group's stake. For first-time inclusion of investments in accordance with the equity method, differences from first-time consolidation are treated in accordance with the principles of full consolidation. As in the previous year, the shares in associated companies ("Investment in associates reported according to the equity method"), as well as the profit from associated companies recognised on 31 December 2015, concern the shares in eQuadriga Software Private Limited, Trichy, India, and Parkpocket GmbH, Munich (see point 9 of the notes to the consolidated financial statements).

The balance sheet dates of companies included in the consolidated financial statements correspond to the date of the consolidated financial statements (31 December).

5. Foreign currency

Business transactions in foreign currency
Business transactions in foreign currency are translated into the functional currency of the Group companies – where different to the national currency of the Group's home country – at the currency spot rates on the day of the transaction. Monetary assets and liabilities denominated in a foreign currency on the reporting date are translated into the functional currency at the currency spot rates of exchange on the reporting date. Foreign currency gains and losses of monetary items result from the difference between amortised cost in the functional currency at the beginning of the financial year, adjusted for the effective interest rate and payments of the year, and the amortised cost in the foreign currency, translated at the exchange rate at the end of the financial year.

Non-monetary assets and liabilities measured at fair value in a foreign currency, are translated at the exchange rate valid on the date when fair value was assessed. Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rates on the date of the initial transaction.

Currency translation differences are always recognised in the income statement of the period.

Foreign operations
Assets and liabilities of foreign operations, including goodwill and adjustments to fair value arising on acquisition, are translated into euro at the exchange rate valid on the balance sheet date. Income and expenditure from foreign operations are translated at the exchange rate valid on the date of the respective transaction.

Currency translation differences are recognised in other comprehensive income and disclosed in equity under foreign currency reserves (Foreign currency translations).

If Group companies leave the consolidated group, the applicable currency translation difference is liquidated affecting net income.

6. Accounting and valuation methods

Intangible assets and impairment test

Intangible assets acquired for consideration are capitalised at historical costs and – with the exception of goodwill – are subject to depreciation on a straight-line basis over their economic useful life. This particularly involves customer bases that are depreciated over a period of four-and-a-half to ten years; the depreciations start at the purchase date. Impairments are taken into consideration through non-scheduled depreciation. Should the reasons giving rise to the non-scheduled depreciation charge cease to apply, appropriate write-ups are recognised which may not exceed amortised cost. No write-ups are recognised in subsequent periods for goodwill already written down.

Goodwill, including goodwill from the capital consolidation is no longer subject to scheduled depreciation. In accordance with IAS 36 goodwill is audited annually for possible impairment. If events or changed circumstances indicating a possible impairment occur, the impairment test has to be performed more frequently.

As part of the impairment test of goodwill in the GFT Group, the residual carrying values of individual cash-generating units with their respective recoverable amount, i.e. the higher value from fair value less costs to sell, and value in use, are compared. In accordance with the definition of a cash-generating unit, the segments (GFT and emagine) of the GFT Group were used as cash generating units up to the sale of the emagine division.

If the carrying value of the cash-generating unit is higher than the recoverable amount, there is an impairment loss in the amount of the difference. In the first step, goodwill of the affected strategic unit thus determined is written off in the amount of the impairments and recognised as expense. A possible remaining residual amount is distributed over the other assets of the respective strategic business unit proportionally to the carrying value up to their fair value less selling costs, their value in use, or at most the entire carrying value. Value adjustments are shown in the income statement under depreciation.

The cash value of future payments is used as the basis to determine the achievable amount, due to continuous use of the strategic unit and whose disposal is expected at the end of its useful life. The payment forecast is based on the current plans of the GFT Group. The capitalisation rate is determined as a pre-tax rate, with consideration of a risk component.

Although estimates of the useful lives of certain assets, assumptions concerning the economic environment and developments, and estimates of the discounted future cash flows are believed to be appropriate, changes in assumptions or circumstances could require changes in the analysis. This could lead to additional impairment losses in the future or – except in the case of goodwill – to reversals of impairment losses.

Research and development costs, internally produced intangible assets

Research costs are registered as an expense in the period they are incurred. Development costs are capitalised as intangible assets provided the capitalisation requirements under IAS 38 are satisfied, and in particular insofar as an economic benefit for the GFT Group is expected to be generated by the intangible asset. If the requirements for capitalisation are not met, development expenditures are registered in the period they are incurred in. The acquisition or production costs of an internally produced intangible asset include all costs that can be directly allocated to the development process and an appropriate share of development-related overhead costs. Borrowing costs which can be directly attributed to the purchase or manufacturing of a qualified, internally produced intangible asset are capitalised as part of the historical or production costs of this asset. Depreciation is charged over three years from the time of completion on a straight-line basis and is based on the regular use of these development costs in the GFT Group.

Property, plant and equipment

Property, plant and equipment are stated at historical costs, reduced by scheduled use-related depreciation and non-scheduled depreciation. Schedule depreciation is applied on a straight-line basis over the useful life, from three to thirty-three years. Repairs and maintenance costs are recognised as expense when they are incurred. Retroactive historical or production costs are capitalised if there is future economic benefit through the costs associated with the tangible asset.

Non-scheduled depreciation on property, plant and equipment is executed in accordance with IAS 36 if the recoverable amount of the respective asset has dropped below the carrying value. The recoverable amount is the higher value from value in use and fair value, minus selling costs. Should the reasons giving rise to the non-scheduled depreciation charge cease to apply, appropriate write-ups are recognised. Please refer to the information on intangible assets and impairment test above for the impairment test procedure.

If property, plant and equipment (or no-current intangible assets) are leased, and if the economic ownership remains with the lessor, the leasing rates are recognised on a straight-line basis as an expense over the term of the leasing relationship (operating lease).

Financial instruments

A financial instrument in a contract that simultaneously leads to the creation of a financial asset at one company and to a financial liability or an equity instrument at another company. Financial instruments recorded as financial assets or financial liabilities are always listed separately. Financial instruments are recorded as soon as the GFT Group becomes the contracting party of the financial instrument. Financial instruments are initially recognised at fair value. Transaction costs directly attributable to the acquisition or the issue are included when determining the asset value if the financial instruments are not measured at fair value through profit or loss. For subsequent valuation, financial instruments are assigned to one of the valuation categories listed in IAS 39.

Financial assets

Financial assets especially include trade receivables, cash and cash equivalents, other receivables and existing loans, securities, specific financial investments and derivative financial assets with positive fair values. Normal purchases and sales of financial assets are shown in the balance sheet on the settlement date.

Financial assets measured at fair value through profit or loss

comprise the financial assets held for trading purposes, including derivatives, unless they have been designated as hedging instruments. Certain securities existing at the time, which were classified as at fair value through profit or loss in the course of the initial application of the revised IAS 39 in 2005 also fall into this category. Amendments to the fair value of financial assets in this category are recorded as recognised in profit or loss at the time of the increase in value or impairment.

Loans and receivables

are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are valued at amortised cost using the effective interest method. The trade receivables, the financial receivables shown in the other assets and cash and cash equivalents are assigned to this valuation category. Profits and losses are recorded in the consolidated profit or loss if the loans and receivables are written off or depreciated. The interest effects from applying the effective interest method are also recorded as being recognised in profit or loss.

Held-to-maturity financial assets

are non-derivative financial assets with fixed or determinable payments and a fixed maturity date until which they are to be held. They are accounted for at amortised cost using the effective-interest method.

Available-for-sale financial assets
comprise those non-derivative financial assets which have not been assigned to one of the aforementioned categories. These are in particular equity (investment) measured at fair value, and liabilities (securities) not held to maturity. After initial valuation, available-for-sale financial assets are measured at fair value, with the non-realised profits or losses recognised directly in equity in the market assessment reserve. If there are actual references to impairment, or if amendments to the fair value of a debt instrument result from currency fluctuations, these are recognised in profit or loss. When financial assets are retired, the cumulative profits or losses recognised in equity from the valuation are recorded at fair value through profit and loss. If the fair value of unquoted equity instruments cannot be determined with sufficient reliability, the shares are valued at amortised cost (if applicable, minus impairment). Interest received is recognised in profit or loss as interest income using the effective interest method. Dividends are recognised in profit or loss when the legal claim to payment arises.

Financial assets are written off if the contractual rights to cash flows from the financial assets no longer exist or the financial assets are transferred with all the material risks and opportunities.

Impairment of financial assets
The carrying amounts of financial assets which are not measured at fair value through profit or loss are examined on each balance sheet date to establish whether actual references (such as considerable financial difficulties on the part of the debtor, increased risk of insolvency on the part of the debtor, breach of contract, significant changes in the technological environment and the market environment of the debtor) indicate an impairment. In the case of equity instruments, a sustained or significant reduction in the fair value is an actual reference to a potential impairment. The GFT Group carries out an individual assessment of the impairment requirement on a case-by-case basis.

Loans, receivables and held-to-maturity financial assets
The size of the impairments in the case of loans and receivables is the difference between the carrying amount of the assets and the present value of the expected future cash flow (with the exception of future loan defaults not yet suffered) discounting the original effective interest rate of the financial asset. The impairment is recognised in profit or loss. If the impairment sum falls in one of the following audit periods, and this reduction can be actually attributed to a situation occurring after the recognition of the impairment, the previously recognised impairment is reversed through profit or loss. The impairments of loans and receivables (e.g. trade receivables) are mainly recognised in value adjustment accounts. The decision regarding whether a credit risk will be taken into account by means of a value adjustment account or via a direct reduction in the receivable depends on the estimated level of bad debt probability. If receivables are classified as irrecoverable, the corresponding impaired asset is written off.

Available-for-sale financial assets
If an available-for-sale asset is impaired in its value, an amount previously recognised only directly in equity is recognised in the income statement as the sum of the difference between the costs of purchase (minus any repayments or amortisation) and the current fair value, minus any valuation allowances for this financial asset already previously recognised in profit or loss. Reversal of an impairment loss in the case of equity instruments which are classified as available-for-sale is recognised directly in equity. Reversal of an impairment loss in the case of debt instruments is recognised in profit or loss if the increase in the fair value of the instrument can actually be attributed to an occurrence that took place after the impairment was recognised in profit or loss.

Financial liabilities
Financial liabilities include in particular trade payables, liabilities to banks or other lenders, conditional purchase price obligations, specific other liabilities and derivative financial liabilities with negative fair values. Financial liabilities are measured at fair value at the time of their initial recognition.

Financial liabilities measured at amortised cost
After initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss comprise financial liabilities held for trading purposes. Derivatives are classified as being held for trading purposes unless they have been included in hedge accounting as hedging instruments and are effective as such. Profits or losses from financial liabilities which are held for trading purposes are recognised in profit or loss.

Financial liabilities are derecognised if the contractual liabilities have been paid, cancelled or expired.

Other receivables and liabilities as well as borrowing costs
Deferrals, prepayments and other non-financial assets and liabilities are carried at amortised cost. They are reversed on a straight-line basis or as the performance obligation is discharged.

Borrowing costs are recorded as an expense in the period in which they occur, provided that they cannot be directly attributed to the purchase or manufacturing of a qualified asset and are then to be capitalised as part of the historical or production costs of this asset.

Provisions

Provisions for employee benefits are made according to IAS 19. The actuarial valuation of pension provisions is based on the projected unit credit method prescribed in IAS 19. In addition to pensions and acquired entitlements known at the balance sheet date, expected future increases in salaries and pensions are also considered.

Other provisions are formed in accordance with IAS 37 if, relative to third parties, a present liability exists from a past event that in the future probably results in an outflow of resources, and its amount can be reliably estimated. Other provisions are valued in accordance with IAS 37, possibly also in accordance with IAS 19, using the best possible estimate of the expenses that would be required to discharge the present liability as of the balance sheet date. If outflows of funds for a liability are only anticipated after more than one year, then the provisions are stated with the cash value of the foreseeable outflow of funds. Provisions are not offset with retrospective claims.

Revenue and profit recognition

Revenues recognised in the income statement of GFT SE mainly refer to maintenance, service and fixed-price projects. These are defined as follows:

In the GFT division, revenues from production contracts (mainly client-specific work contracts with the object of developing new customer software) are recognised in accordance with IAS 11, based on the percentage of completion of the business at the end of the reporting period. The percentage of completion is measured on the basis of the performance rendered as of the end of the reporting period as a ratio of the total expected project costs. The expected project costs are checked monthly. Earnings are recognised if the amount of revenue can be reliably estimated, if it is sufficiently probable that the economic benefit will accrue to the GFT Group, if the percentage of completion can be reliably determined at the end of the reporting period, and if the costs incurred for the business, as well as the costs that can be anticipated until it is fully completed, can be reliably determined.

Revenues from maintenance contracts refer to services rendered in a certain time period. The term of the maintenance contracts corresponds to the calendar year and revenue is thus recognised in a straight line during the year. Services rendered refer to services in connection with existing systems.

Service projects mainly involve the provision of development services for client projects. Cooperation in a project is sold in such cases and no promise of success is given. Revenues are recognised according to the services rendered.

In the emagine division, revenues resulted solely from services recognised in accordance with IAS 18.

Profit recognition from interest, user fees, rents, income under license agreements, and equivalent items is limited to the period; dividend earnings are recognised with the creation of legal title.

Income taxes

Current income taxes are calculated on the basis of the respective national taxable results of the year and the national tax regulations. In addition, current taxes of the year include adjustment amounts for possible tax payments and rebates due for years not yet assessed and possibly also interest and penalties on tax arrears. The change in deferred tax assets and liabilities is reflected in income taxes. An exception to the aforementioned are changes which are to be recognised directly in equity.

Deferred tax assets and liabilities are determined on the basis of temporary differences between financial reporting and the tax basis of assets and liabilities, including differences from consolidation, loss carryforwards and tax credits. Measurement is based on the tax rates expected to be effective in the period in which an asset is realised or a liability is settled. For this purpose, those tax rates and tax regulations are used which have been enacted or substantively enacted as of the end of the reporting period. Deferred tax assets are recognised to the extent that taxable profit at the level of the relevant tax authority will be available for the utilisation of the deductible temporary differences. The GFT Group recognises a valuation allowance for deferred tax assets when it is unlikely that a sufficient amount of future taxable profit will be available.

Tax benefits resulting from uncertain income tax positions are recognised at the best estimate of the tax amount expected to be paid.

The calculation of income taxes for the GFT Group and its subsidiaries is based on the valid laws and ordinances of the individual countries. Due to their complexity, the tax items presented in the financial statements are possibly subject to different interpretation by taxpayers on the one hand and local tax authorities on the other. For the calculation of deferred tax assets, assumptions have to be made regarding future taxable income and the time of realisation of the deferred tax assets. In this context, we take into consideration, among other things, the projected earnings from business operations, the effects on earnings of the reversal of taxable temporary differences, and realisable tax strategies. As future business developments are uncertain and are sometimes beyond the Group's control, the assumptions to be made in connection with accounting for deferred tax assets are connected with a substantial degree of uncertainty. At the end of each reporting period, the GFT Group carries out impairment tests on deferred tax assets on the basis of the planned taxable income in future financial years; if the Group assesses that the probability of future tax advantages being partially or fully unrealised is more than 50%, the deferred tax assets are impaired.

Discretionary decisions concerning the application of accounting methods
Discretionary decisions are to be made when applying the accounting and valuation methods. This applies in particular to the following items:

Financial assets are to be categorised as “held-to-maturity investments”, “loans and receivables”, “available-for-sale financial assets”, and “financial assets measured at fair value through profit or loss”. In the case of “available-for-sale financial assets”, it must be decided whether and when an impairment should be recognised in profit or loss. The section “Accounting and valuation methods” includes an explanation of which decisions were taken by the GFT Group with regard to these items.

Management estimates and judgements, estimate uncertainties
In drawing up the consolidated financial statements, judgements must be made to a certain extent that effect the amount and the presentation of reported assets and liabilities, earnings and expenses, as well as possible liabilities for the reporting period. These judgements are mainly based on an assessment of the intrinsic value of intangible assets (especially goodwill), the valuation of purchase price obligations from company acquisitions, the determination of the economic useful life for fixed assets, the percentage of completion of customer projects in progress, the collectability of receivables, the accounting and valuation of provisions, and the usability of taxable loss carry-forwards that have resulted in the statement of deferred taxes. Judgements are made on the basis of the most current information available. Due to developments that deviate from, or are beyond, Management’s sphere of influence, actual amounts can vary from the originally expected estimated values. If the actual development deviates from the

expected development, then the premises, and if necessary the carrying values, of the assets and liabilities concerned are adjusted accordingly. At the time the consolidated financial statements were drawn up there were no significant uncertainties underlying the judgements, so that from the present perspective there is no reason to assume a significant adjustment to carrying values of assets and debts shown in the consolidated financial statements in the following financial year. Further information on the judgements made in the preparation of these consolidated financial statements are to be found in the explanations of individual financial statement items.

7. Intangible assets, goodwill

The development of intangible assets, including goodwill, of the GFT Group is presented below.

Development of consolidated intangible and tangible assets 2015

	Acquisition or production costs							
in €	As at 01/01/2015	Additions from changes in consolidated group	Additions	Disposals	Disposals from changes in consolidated group	Reclassifi-cations	Currency changes	As at 31/12/2015
Intangible assets								
Licences, industrial property rights and similar rights	40,915,425.60	7,919,848.27	1,339,824.13	250,908.90	587,503.36		−12,999.49	49,323,686.26
Goodwill	98,571,580.50	9,626,502.00	0.00	0.00	6,029,790.38		7,037,864.37	109,206,156.49
	139,487,006.10	**17,546,350.27**	**1,339,824.13**	**250,908.90**	**6,617,293.74**		**7,024,864.88**	**158,529,842.75**
Tangible assets								
Developed land and buildings	7,411,284.76	0.00	4,171,707.50	0.00	0.00	−80,278.07	0.00	11,502,714.19
Other equipment, office and factory equipment in use	24,838,356.50	803,888.17	6,999,917.14	966,496.81	828,621.30	−413,319.25	−280,249.85	30,153,474.59
Construction on foreign property	451,358.80	0.00	1,948,899.30	77,940.31	0.00	493,597.32	1,108.35	2,817,023.46
	32,701,000.06	**803,888.17**	**13,120,523.94**	**1,044,437.12**	**828,621.30**	**0.00**	**−279,141.50**	**44,473,212.23**
	172,188,006.16	**18,350,238.44**	**14,460,348.07**	**1,295,346.02**	**7,445,915.04**	**0.00**	**6,745,723.38**	**203,003,054.98**

Depreciation								Book values	
As at 01/01/2015	Additions from changes in consolidated group	Depreciation of the financial year scheduled	Disposals	Disposals from changes in consolidated group	Reclassifi-cations	Currency changes	As at 31/12/2015	As at 31/12/2015	As at 31/12/2014
13,634,693.17	40,387.59	6,068,824.54	178,411.72	587,680.88	0.00	72,317.07	19,050,129.77	30,273,556.48	27,280,732.43
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	109,206,156.49	98,571,580.50
13,634,693.17	**40,387.59**	**6,068,824.54**	**178,411.72**	**587,680.88**	**0.00**	**72,317.07**	**19,050,129.77**	**139,479,712.97**	**125,852,312.93**
114,576.38	0.00	292,656.07	0.00	0.00	−406.00	0.00	406,826.45	11,095,887.74	7,296,708.38
14,437,915.10	605,869.12	3,730,192.96	864,253.69	662,431.20	406.00	−335,945.26	16,911,753.02	13,241,721.57	10,400,441.39
368,885.75	0.00	297,105.00	0.00	0.00	0.00	647.84	666,638.59	2,150,384.84	82,473.04
14,921,377.22	**605,869.12**	**4,319,954.03**	**864,253.69**	**662,431.20**	**0.00**	**−335,297.42**	**17,985,218.06**	**26,487,994.14**	**17,779,622.81**
28,556,070.39	**646,256.71**	**10,388,778.57**	**1,042,665.41**	**1,250,112.08**	**0.00**	**−262,980.35**	**37,035,347.83**	**165,967,707.12**	**143,631,935.74**

Development of consolidated intangible and tangible assets 2014

	Acquisition or production costs					
in €	As at 01/01/2014	Additions from changes in consolidated group	Additions	Disposals	Currency changes	As at 31/12/2014
Intangible assets						
Licences, industrial property rights and similar rights	18,511,026.02	21,900,919.36	699,327.97	195,014.28	−833.47	40,915,425.60
Goodwill	59,429,704.66	38,562,112.91	0.00	0.00	579,762.93	98,571,580.50
	77,940,730.68	**60,463,032.28**	**699,327.97**	**195,014.28**	**578,929.46**	**139,487,006.10**
Tangible assets						
Developed land and buildings	2,848,171.15	0.00	4,563,113.61	0.00	0.00	7,411,284.76
Other equipment, office and factory equipment in use	16,274,767.79	4,101,579.74	5,824,069.26	1,357,815.63	−4,244.67	24,838,356.49
Construction on foreign property	279,115.33	0.00	172,243.47	0.00	0.00	451,358.80
	19,402,054.27	**4,101,579.74**	**10,559,426.34**	**1,357,815.63**	**−4,244.67**	**32,701,000.04**
	97,342,784.95	**64,564,612.01**	**11,258,754.31**	**1,552,829.91**	**574,684.79**	**172,188,006.15**

Depreciation						Book values	
As at 01/01/2014	Additions from changes in consolidated group	Depreciation of the financial year scheduled	Disposals	Currency changes	As at 31/12/2014	As at 31/12/2014	As at 31/12/2013
9,730,480.61	35,407.50	4,088,640.86	193,801.48	−26,034.32	13,634,693.17	27,280,732.43	8,780,545.41
0.00	0.00	0.00	0.00	0.00	0.00	98,571,580.50	59,429,704.66
9,730,480.61	**35,407.50**	**4,088,640.86**	**193,801.48**	**−26,034.32**	**13,634,693.17**	**125,852,312.93**	**68,210,250.07**
42,516.68	0.00	72,059.70	0.00	0.00	114,576.38	7,296,708.38	2,805,654.47
11,418,567.95	2,023,422.68	2,307,444.82	1,336,766.62	25,246.28	14,437,915.10	10,400,441.39	4,856,199.84
275,355.84	0.00	90,438.83	0.00	3,091.08	368,885.75	82,473.04	3,759.49
11,736,440.46	**2,023,422.68**	**2,469,943.35**	**1,336,766.62**	**28,337.36**	**14,921,377.23**	**17,779,622.81**	**7,665,613.80**
21,466,921.07	**2,058,830.18**	**6,558,584.21**	**1,530,568.10**	**2,303.04**	**28,556,070.40**	**143,631,935.74**	**75,875,863.87**

Goodwill is no longer subject to scheduled amortisation but is tested once a year for impairment in accordance with IAS 36. The impairment test of goodwill was performed on the basis of the future anticipated cash flow as derived from planning. Planning is based on the approved budged for the upcoming 2016 financial year, which was carried forward with defined growth rates for the subsequent three years. Fourth year values were then continued with a growth rate of 1% for the extended future. Cash flows for the cash-generating unit GFT Finance & Insurance were discounted with a discount rate of 8.4% (prev. year: 7%). The discount rate before taxes for the cash-generating unit GFT Finance & Insurance amounts to 11.7% (prev. year: 9%). The recoverable amount of the cash-generating units was thus determined as value in use. The discount rate of each cash-generating unit is determined specifically. The weighted cost of capital for each unit is calculated using the WACC method. The components comprise the risk-free interest rate, the country-specific market risk premium and the country-specific inflation delta, as well as a beta factor from the GFT peer group.

For the cash flow forecasts for the cash generating unit GFT Finance & Insurance, management assumes that existing and new client business, based on planning for the financial year 2016, can be increased by 10% in the years 2017 to 2019 and thereafter at a growth rate of 1%. Assumptions are based on orders already placed, as well as on experience and signals received from the markets.

The carrying value of total goodwill is assigned to the cash-generating units as follows:

in € thsd.	31/12/2015	31/12/2014
Cash-generating units		
GFT Finance & Insurance	109,206	92,542
emagine*	0	6,030
	109,206	**98,572**

*Discontinued operation

As in the previous years, the impairment test in financial year 2015 did not result in any non-scheduled amortisation of goodwill.

A negative change in free cash flow of five percent or an increase in WACC of one percent as of the end of the reporting period would not have resulted in any impairment of goodwill.

The changes in intangible assets were as follows:

in € thsd.	Goodwill	Software	Customer relationships	Develop-ment costs*	Other	Total
Acquisition or production costs						
As at 1 January 2014	**59,430**	**4,064**	**4,489**	**88**	**9,870**	**77,941**
Additions	0	0	0	314	385	699
Acquisitions from business combinations	38,562	1,098	20,739	0	64	60,463
Net translation differences	580	0	0	0	−1	579
Disposals	0	0	0	0	195	195
As at 31 December 2014	**98,572**	**5,162**	**25,228**	**402**	**10,123**	**139,487**
As at 1 January 2015	**98,572**	**5,162**	**25,228**	**402**	**10,123**	**139,487**
Additions	0	0	0	303	1,037	1,340
Acquisitions from business combinations	9,627	0	7,848	0	72	17,546
Net translation differences	7,038	0	0	0	−13	7,025
Disposals	6,030	0	0	0	838	6,868
As at 31 December 2015	**109,206**	**5,162**	**33,076**	**705**	**10,381**	**158,530**

*exclusively self-produced software

in € thsd.	Goodwill	Software	Customer relationships	Develop-ment costs*	Other	Total
Amortisation and impairment						
As at 1 January 2014	**0**	**484**	**720**	**0**	**8,526**	**9,730**
Additions	0	0	0	0	35	35
Amortisation	0	1,150	2,255	0	683	4,089
Net translation differences	0	0	0	0	−26	−26
Disposals	0	0	0	0	194	194
As at 31 December 2014	**0**	**1,634**	**2,976**	**0**	**9,025**	**13,635**
As at 1 January 2015	**0**	**1,634**	**2,976**	**0**	**9,025**	**13,635**
Additions	0	0	0	0	40	40
Amortisation	0	1,333	3,694	193	848	6,069
Net translation differences	0	0	0	0	72	72
Disposals	0	0	0	0	766	766
As at 31 December 2015	**0**	**2,968**	**6,670**	**193**	**9,220**	**19,050**
Book values						
As at 31 December 2014	**98,572**	**3,528**	**22,252**	**402**	**1,098**	**125,852**
As at 31 December 2015	**109,206**	**2,194**	**26,406**	**512**	**1,161**	**139,480**

*exclusively self-produced software

The carrying value of software has a residual useful life of 0.5 to 2.5 years. Capitalised development costs are the costs for software products with an estimated useful life of 2.5 to 3.5 years.

The individual goodwill values and main intangible assets are listed in the table below:

in € thsd.	Goodwill	Software	Customer relationships	Residual useful life (years)	Total
Book values					
Company acquisition 1	1,016	0	0		1,016
Company acquisition 2	3	0	0		3
Company acquisition 3	13,317	0	0		13,317
Company acquisition 4	3	0	0		3
Company acquisition 5	11,852	0	63	1.0	11,916
Company acquisition 6	6,001	0	16	1.3	6,017
Company acquisition 7	23,586	2,613	2,581	3.5	28,780
Company acquisition 8	43,802	915	19,592	7.5	64,309
As at 1 January 2015	**99,580**	**3,528**	**22,252**		**125,360**
Book values of acquisitions in current financial year					
Company acquisition 9	9,627	0	7,848	5.6	17,475
Amortisation and impairment of current financial year					
Company acquisition 1	0	0	0		0
Company acquisition 2	0	0	0		0
Company acquisition 3	0	0	0		0
Company acquisition 4	0	0	0		0
Company acquisition 5	0	0	63		63
Company acquisition 6	0	0	13		13
Company acquisition 7	0	967	772		1,739
Company acquisition 8	0	366	2,295		2,661
Company acquisition 9	0	0	552		552
As at 31 December 2015	**0**	**1,333**	**3,694**		**5,028**
Book values					
As at 31 December 2015	**109,206**	**2,194**	**26,406**		**137,807**

With the exception of goodwill, there are no intangible assets with unlimited useful lives within the GFT Group.

8. Property, plant and equipment

The development of property, plant and equipment of the GFT Group is presented on pages 116–119.

Property, plant and equipment are measured at acquisition or manufacturing costs less accumulated depreciation and accumulated impairment losses.

Acquisition or manufacturing costs include expenses directly attributable to the acquisition of the asset. The manufacturing costs of internally produced assets include the following:
- directly allocable material expenses and wages / salaries
- all other directly allocable costs incurred in order to put the asset in a condition which makes it ready for its intended purpose

The assets of the GFT Group do not include any internally produced assets at present.

Any gain or loss from the disposal of property, plant and equipment (calculated as the difference between the net sales proceeds and the item's carrying amount) is recognised in profit or loss. The amounts disclosed in the item "Construction on foreign property" refer to leasehold improvements in rented offices.

The amounts disclosed in the item "Developed land and buildings" refer to the administration building in Stuttgart.

The building is encumbered with a mortgage of € 8 million. As in the previous year, non-scheduled depreciation on property, plant and equipment due to impairment was not necessary in the financial year 2015.

9. Financial assets

Securities
The securities held as of 31 December 2015 consist of interest-bearing debt instruments and are broken down as follows:

in € thsd.	31/12/2015	31/12/2014
Category according to IAS 39		
Financial assets at fair value through profit and loss	123	121
	123	**121**

The measurement of securities "measured at fair value through profit or loss" led to income recognised in the income statement of € 2 thousand in financial year 2015 (prev. year: € 1 thousand).

The inventory of securities as of 31 December 2015 consists solely of debt issues with good credit standing. At least on every balance sheet date, the GFT Group determines whether there are objective indications that an impairment of securities is present. As of 31 December 2015, there were no factors for impairment.

Investments at equity
Investments at equity (shares in associated companies), as well as the profit from shares in associated companies recognised on 31 December 2015, concern the shares in eQuadriga Software Private Limited, Trichy / India (30.0%; prev. year: 30.0%) and Parkpocket GmbH, Munich (25.1%, prev. year: 0%).

On 29 February 2008, 70.0% of the shares in eQuadriga Software Private Limited (formerly GFT Technologies (India) Private Limited) Trichy, India, were sold. Due to this only significant influence of GFT SE (at the time GFT AG) on the company since 1 March 2008, the former subsidiary is an associated company since 1 March 2008. eQuadriga is active mainly in the field of offshore application development and implementation. The balance sheet recognition of shares in eQuadriga Software Private Limited as of 31 December 2015 occurs according to the equity method (as in the previous year). Due to the small size of the company the effects on the GFT Group are negligible.

The subsidiary GFT Innovations GmbH signed an agreement on 3 August 2015 to acquire a 25.1% stake in the start-up Parkpocket GmbH, Munich. The company is developing an innovative business project, that helps people find available parking spaces using an application or via the Internet. Due to the significant influence on the company and its resulting classification as an associated company, it has been carried in the statement of financial position since 31 December 2015 using the equity method. As a result of the small scale of Parkpocket GmbH, its impact on the GFT Group is negligible.

As the associated companies eQuadriga Software Private Limited and Parkpocket GmbH prepare their balance sheets using principles similar to those of the GFT Group, thus ensuring generally uniform accounting and measurement polices, no possibly necessary adjustments of the annual financial statements of eQuadriga Software Private Limited and Parkpocket GmbH used for equity recognition were made to bring them in line with the accounting policies of the GFT Group.

The following overview presents the summarised financial information about the associated companies, which formed the basis for equity measurement in the Group:

in € thsd.	31/12/2015	31/12/2014
eQuadriga Software Private Limited		
Balance sheet disclosures (31 December)		
Assets	15	15
Equity	−22	−5
Liabilities	38	20
Income statement disclosures (31 December)		
Revenue	142	191
Profit / loss for the year	−18	−41

in € thsd.	2015	2014
At-equity book value 1 January	9	21
At-equity result	−5	−12
At-equity book value 31 December	3	9

in € thsd.	31/12/2015	31/12/2014
Parkpocket GmbH		
Balance sheet disclosures (31 December)		
Assets	359	–
Equity	307	–
Liabilities	51	–
Income statement disclosures (31 December)		
Revenue	39	–
Profit / loss for the year	−189	–
Profit / loss 3 August to 31 December	−99	–

in € thsd.	2015	2014
At-equity book value 3 August	446	–
At-equity result	−25	–
At-equity book value 31 December	421	–

Investments

The investments shown as financial assets are the investments in Thinkmap, Inc., New York, USA (4.8%; prev. year: 4.8%), as well as in incowia GmbH, Ilmenau (10.0%; prev. year: 10.0%). Due to impairment, the investment in Thinkmap, Inc. was already written down to zero in 2002 and the investment in incowia GmbH written down to zero in 2004. As in the previous years, there were no dividends from investments shown as financial assets in 2015.

Equity holdings acc. to section 313 (2) (HGB)

		Share of the capital in %	Company equity 31/12/2015	Earnings after tax 2015
I. Direct investments				
DOMESTIC				
GFT Innovations GmbH, Stuttgart, Germany		100	782 €k	−207 €k
GFT Real Estate GmbH, Stuttgart, Germany	1	100	364 €k	0 €k
SW 34 Gastro GmbH, Stuttgart, Germany	2	100	533 €k	0 €k
FOREIGN				
GFT Technologies (Schweiz) AG, Zurich, Switzerland		100	1,886 CHFk	1,128 CHFk
GFT Schweiz AG (formerly: Financial Solutions AG), Zurich, Switzerland		100	2,760 CHFk	1,542 CHFk
GFT UK Limited, London, UK		100	26,712 €k	10,272 €k
GFT Iberia Holding, S.A.U., Sant Cugat del Vallès, Spain		100	16,705 €k	9,925 €k
GFT Holding Italy S.r.l., Milan, Italy		100	2,922 €k	−233 €k
eQuadriga Software Private Limited, Trichy, India		30	−1,365 INRk	−1,263 INRk
II. Indirect investments				
DOMESTIC				
Parkpocket GmbH, Munich, Germany		25.1	307 €k	−189 €k

		Share of the capital in %	Company equity 31/12/2015	Earnings after tax 2015
II. Indirect investments				
FOREIGN				
GFT IT Consulting, S.L.U., Sant Cugat del Vallès, Spain		100	14,920 €k	14,939 €k
GFT Brasil Consultoria Informática Ltda., São Paulo, Brazil		100	10,366 BRLk	4,011 BRLk
GFT USA Inc., New York, USA		100	12,167 USDk	3,055 USDk
GFT Appverse, S.L.U., Sant Cugat del Vallès, Spain		100	14 €k	−4 €k
GFT UK Invest Limited, London, UK		100	0	0
GFT Italia S.r.l., Milan, Italy		80	26,216 €k	3,330 €k
Med-Use S.r.l., Milan, Italy		80	365 €k	84 €k
GFT Financial Limited, London, UK		100	7,177 GBPk	1,004 GBPk
GFT USA Consulting LLC, New York, USA		100	2,198 USDk	−2,807 USDk
GFT Canada Inc., Toronto, Canada		100	512 CADk	−682 CADk
Waterline Group Inc., Boston, USA		100	20 USDk	0 USDk
GFT Poland Sp. Z.o.o., Lodz, Poland		100	11,238 PLNk	6,245 PLNk
GFT Costa Rica S.A., Heredia, Costa Rica		100	175,811 CRCk	131,449 CRCk
Peer2Peer Systems Limited, London, UK		100	5 GBPk	0 GBPk
Adesis Netlife S.L. Madrid, Spain		100	30,259 €k	453 €k
Adesis Netlife, Mexico City, Mexico	3	100	13,413 MXNk	5,679 MXNk
Adesis Netlife Servicio, Mexico City, Mexico	4	100	3,023 MXNk	1,768 MXNk
GFT Peru S.A.C., Lima, Peru	5	100	0.3 PENk	0 PENk

1 There is an agreement for the transfer of profits between GFT Real Estate GmbH (profit-transferring company) and GFT Technologies SE
2 There is an agreement for the transfer of profits between SW 34 Gastro GmbH (profit-transferring company) and GFT Technologies SE
3 Adesis Netlife, Mexico was renamed as GFT Mèxico S.A. de C.V. in January 2016
4 Adesis Netlife Services, Mexico was renamed as GFT Mèxico Servicios S.A. de CV in January 2016
5 In a contract dated 13 November 2015, GFT Peru S.A.C., Lima, Peru, was founded. Business operations were commenced in 2016

10. Other assets

Other assets can be broken down as follows:

in € thsd.	31/12/2015	31/12/2014
Other non-current financial assets		
Deposits	715	765
Loans	620	0
Remaining purchase price receivable emagine	479	0
Total non-current assets	**1,814**	**765**
Other non-current financial assets		
Deposits	458	441
Receivables from employees	97	159
Creditors with debit balance	137	89
Deferred interest	221	0
Others	309	334
Total current financial assets	**1,222**	**1,023**
Other current assets		
Accruals	3,047	2,133
Claims for VAT and other tax refunds	927	1,366
Damage claims	0	160
Receivables from social security fund	96	143
Receivables from emagine GmbH	590	0
Others	263	468
Total other current assets	**4,923**	**4,270**
Total current assets	**6,145**	**5,293**
Total	**7,959**	**6,058**

11. Income taxes

The item “Income taxes” disclosed in the income statement includes:

in € thsd.	31/12/2015	31/12/2014
Current tax expense	8,530	8,600
Deferred tax income	−2,256	−1,487
Tax expense	**6,274**	**7,113**

The discontinued operation accounted for € 295 thousand of total tax expense for the whole company (prev. year: € 294 thousand).

The current tax expense includes out-of-period current income tax income of € 3,157 thousand (prev. year: € 741 thousand)

Deferred income taxes result from the following causes:

in € thsd.	31/12/2015	31/12/2014
From temporary differences	−2,256	−1,896
From taxable loss carry-forwards	0	409
Deferred tax income	**−2,256**	**−1,487**

Items credited directly to other comprehensive income resulted in deferred taxes of € 221 thousand (prev. year: € 164 thousand) which could not be booked through profit or loss. As in the previous year, the change in tax rates did not lead to a decline in deferred tax income.

There was also no corrected recognition of deferred tax assets on tax loss carry-forwards (prev. year: € 409 thousand).

Deferred tax assets and liabilities disclosed in the balance sheet are broken down as follows:

in € thsd.	31/12/2015	31/12/2014
Deferred tax assets	4,323	4,002
Long-term current income tax claims	799	204
Short-term current income tax claims	5,406	1,284
Total	**10,528**	**5,490**

Current income tax claims mainly concern a foreign Group subsidiary which can make subsequent tax deduction claims following a change in the local tax laws.

in € thsd.	31/12/2015	31/12/2014
Deferred tax liabilities	5,902	5,882
Current tax liabilities	1,829	3,837
Total	**7,731**	**9,719**

The tax deferrals and accruals are allocated to individual balance sheet items as follows:

in € thsd.	31/12/2015	31/12/2014
Tax loss carry-forwards	2,400	2,400
Other provisions	1,165	1,062
Intangible assets and property, plant and equipment	4,992	2,894
Provisions for pensions	1,500	1,139
Receivables and other financial assets	4,771	645
Subtotal	14,828	8,140
Offsetting	−10,505	−4,138
Deferred tax assets	**4,323**	**4,002**

in € thsd.	31/12/2015	31/12/2014
Receivables	855	437
Intangible assets and equipment	11,605	9,146
Inventories	18	167
Other financial obligations	3,787	137
Provisions for pensions	142	133
Subtotal	16,407	10,020
Offsetting	−10,505	−4,138
Deferred tax liabilities	**5,902**	**5,882**

There are loss carry forwards for German Group companies amounting to € 10.4 million (prev. year: € 6.1 million) for corporation tax and loss carry forwards for trade tax of € 8.6 million (prev. year: € 4.9 million), as well as for foreign Group companies amounting to € 8.1 million (prev. year: € 6.4 million), for which no deferred tax assets could be formed as no future settlement is currently expected. Loss carry forwards for which no deferred tax assets could be formed are non-forfeitable.

The deferred tax asset for unused tax losses as of 31 December 2015 refers to GFT SE (€ 2,400 thousand; prev. year: € 2,400 thousand). The Managing Directors assume, based on profitability planning, that in the future sufficient taxable results will be available for GFT SE against which the unused tax losses – for which deferred tax assets of € 2,400 thousand have been recognised – can be used. This is based mainly on improved operating results and increased Group allocations. GFT SE therefore has capitalised deferred tax loss carry forwards to the extent at which their use in the planning horizon appears probable.

The reconciliation between the effective tax rate of the GFT Group and the German tax rate of GFT SE of 28.0% (prev. year: 28.0%) concerns the entire company and is presented as follows:

in € thsd.	31/12/2015	31/12/2014
Earnings before income taxes	31,611	**27,068**
Expected tax expenses at 28.0% (prev. year: 28.0%)	8,851	7,579
Other non tax-deductible expenses and tax-free income	258	−708
Recognition correction on deferred assets and use of tax loss carry-forwards without capitalisation of deferred taxes	−201	444
Tax rate differences	−206	744
Aperiodic effects (income tax for previous years)	−2,685	−741
Other tax effects	258	−205
Effective tax expense	6,274	7,113
Effective tax rate	19.85%	26.28%

The total amount of temporary differences in connection with shares in subsidiaries and associated companies for which no deferred tax liabilities were carried in the balance sheet amounts to € 131,015 thousand (prev. year: € 118,132 thousand).

Deferred tax assets are netted with deferred tax liabilities if they refer to income taxes levied by the same taxation authority and if there is the right to set off current tax assets against current tax liabilities. In the balance sheet, deferred tax assets and liabilities are not broken down into current and non-current. The following table shows the Group's deferred tax assets and liabilities.

in € thsd.	31/12/2015	31/12/2014
Deferred tax assets	4,323	4,002
Deferred tax liabilities	−5,902	−5,882
Balance as of 31 December	**−1,579**	**−1,880**

The development of net deferred tax assets is shown in the following table:

in € thsd.	31/12/2015	31/12/2014
Balance as of 1 January	4,002	3,893
Addition	321	109
Balance as of 31 December	**4,323**	**4,002**

Including the items recognised in other comprehensive income for pension provisions and amounts from financial investments accounted for using the equity method, the tax expense is broken down as follows:

in € thsd.	31/12/2015	31/12/2014
Deferred taxes in the income statement	−2,256	−1,487
Deferred taxes in other comprehensive income	221	164
Total	**−2,035**	**−1,323**

12. Inventories and trade receivables

Trade receivables result from ongoing business and are all due in the short-term, as in the previous year. Required value adjustments based on the probable risk of default are taken into account with € 3,046 thousand (prev. year: € 2,602 thousand). Trade receivables, in accordance with IAS 11, include realised revenue from unfinished projects as of the balance sheet date in the amount of € 24,864 thousand (prev. year: € 19,756 thousand) minus prepayments received in the amount of € 13,466 thousand (prev. year: € 10,194 thousand). Order revenue recognised in the period from production orders as defined by IAS 11 are not recognised separately by the GFT Group. Revenue of the GFT division includes revenue of € 103,190 thousand (prev. year: € 53,837 thousand) recognised using the percentage of completion method. This was opposed by costs of € 93,900 thousand (prev. year: € 48,432 thousand). There was therefore a profit from production orders of € 9,290 thousand (prev. year: € 5,405 thousand).

The development in 2015 is presented below:

in € thsd.	31/12/2015	31/12/2014
Trade receivables	86,476	101,256
Revenue recognised from unfinished projects, in accordance with IAS 11	24,864	19,756
less prepayments received	−13,466	−10,194
Value adjustments	−3,046	−2,602
Balance as of 31 December	**94,828**	**108,216**

Revenue recognised in accordance with IAS 11 developed as follows:

in € thsd.	31/12/2015	31/12/2014
Revenue recognised using PoC method (IAS 11)	103,190	53,837
Costs incurred	−93,900	−48,432
Profit	**9,290**	**5,405**

The cumulative value adjustments on trade receivables developed as follows:

in € thsd.	31/12/2015	31/12/2014
Balance as of 1 January	2,602	1,141
Additions	769	716
Drawings	0	−101
Reversals	−342	−27
Additions from changes to consolidated group	0	837
Disposals from changes to consolidated group	−160	0
Exchange rate effects and other effects	177	36
Balance as of 31 December	**3,046**	**2,602**

13. Cash and cash equivalents

Cash and cash equivalents of the total company developed as follows:

in € thsd.	31/12/2015	31/12/2014
Cash and cash equivalents		
Short-term bank deposits	46,973	38,126
Cash	5	3
Balance as of 31 December	**46,978**	**38,129**

14. Shareholders' equity

Please refer to the separately presented statement of changes in equity for the equity development during the financial years 2015 and 2014.

As of 31 December 2015, share capital in the amount of € 26,325,946.00 consisted of 26,325.946 no-par bearer shares (unchanged from 31 December 2014) which all grant equal rights.

The capital reserve includes the amount that was obtained in the issue of shares over the calculated value. Other accumulated profit reserves are amounts that were formed from results in financial year 2015 and in previous financial years.

The changes in equity not affecting results include income and expenses to be recognised in other comprehensive income from currency translation (IAS 21), from the valuation of securities classified as "financial assets available for sale" (IAS 39), from the valuation of pension obligations not affecting results (IAS 19 R) and from the subsequent valuation of the acquisition Sempla S.r.l., Milan, Italy, not affecting results.

The capital management of the Group concerns the Group equity attributable to the shareholders of the parent company GFT SE, whose structure and possible uses are largely determined by the capital structure of GFT SE. As there are no shares of non-controlling interests, the equity attributable to the shareholders of GFT SE corresponds to total Group equity. The aim of capital management is to secure the sustainable provision of equity for the Group under consideration of appropriate dividend payments to the shareholders. GFT is subject to external minimum capital requirements due to covenants in connection with the promissory note loans and syndicated loan. The quantitative statements as to managed capital and the changes compared to the previous year are presented in the Consolidated Statement of Changes in Equity of the GFT Group.

In the financial year 2015, a dividend of € 0.25 per share was distributed to shareholders, totalling € 6,581 thousand (prev. year: € 0.25 per share, totalling € 6,581 thousand), from the balance sheet profit of the parent company GFT SE.

It is proposed to distribute a dividend of € 0.30 per share to shareholders, totalling € 7.898 thousand (prev. year: € 0.25 per share, totalling € 6,581 thousand) from the balance sheet profit of GFT SE as of 31 December 2015.

Authorised capital
As of 31 December 2015, there was unutilised authorised capital in the amount of € 10,000,000.00 (31 December 2014: € 10,000,000.00).

Conditional capital
Conditional capital amounted to € 10,000,000.00 as of 31 December 2015 (prev. year: € 10,000,000.00).

15. Provisions for pensions

In the GFT Group, employee benefits are provided through defined contribution and defined benefit plans as well as one-off payments on termination of employment (TFR – Trattamentodi Fine Rapporto). The heterogeneity of benefits is due to historical reasons and the development of the Group.

For defined contribution plans, contributions are paid by the Company based on legal or contractual regulations, or on a voluntary basis, to state or private pension insurance institutes. The contributions paid in the financial year 2014 for defined contribution plans to public and private pensions regulatory authority of € 19,661 thousand (prev. year: € 14,197 thousand) are included in personnel expenses.

Defined benefit plans in Germany exist due to direct individual commitments to retirement benefits, invalidity benefits, and provisions for dependents for an active manager and a manager who has left the company, as well as for a former Managing Director of a former subsidiary (pension recipient).

The defined benefit plans in Switzerland concern provisioning according to Swiss Federal legislation on occupational old age, survivor's and disability benefit plans (BVG). These plans represent so-called "BVG full insurance solutions". Due to the statutory minimum interest and conversion rate guarantees, these plans represent defined benefit plans in the meaning of IAS 19. For this reason, provisions were formed in the balance sheet for these plans on 31 December 2015 and in the previous year. Please see the explanations below regarding additions in the financial year 2015.

"Fully insured" BVG plans refer to those plans for which all actuarial risks, including capital market risks, are borne by an insurance company, at least temporarily. The BVG provisioning of the Swiss subsidiary of GFT SE comprises 47 active insured parties and no pension recipient as of 31 December 2015 (prev. year: 39 active insured parties and no pension recipient).

Severance payments under Italian law (TFR) are one-off payments due as soon as the employee leaves the company. The size of the severance payment is based on the number of monthly salaries (indexed), whereby one service year entitles the employee to one monthly salary (annual salary divided by 13.5). Under certain circumstances, for example for the purchase of a home or medical care, the employee may receive an advance of up to 70% of the claim. As of the financial year 2007, these payments are to be made to the state social security institute (INPS – Istituto Nazionale della Previdenzia Sociale) or an insurance provider nominated by the employee, as soon as a company employs more than 50 people. Below this threshold, transfers are voluntary and are not made by the Italian subsidiary GFT Italia S.r.l.

The obligations under Polish law also refer to severance payments which are required by law via the Polish Social Insurance Institution (ZUS – Zakład Ubezpieczeń Społecznych), whereby they become due on reaching the retirement age or with a decline in health or increased need for medical care. The sum is calculated on the basis of one monthly salary per employee and is disclosed at the discounted rate as of the beginning of employment.

The following parameters were taken into consideration for determining the actuarial value of the provisions for pensions:

	Germany		Switzerland		Italy		Poland	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Probability of fluctuation	–	–	BVG 2010	BVG 2010	10.00%	10.00%	9.10%	7.60%
Pensionable age	63	63	65 / 64	65 / 64	67	67	67	67
Salary increases (employee / manager)	2.00%	2.00%	2.00%	2.00%	0.5%+ Inflation	0.5%+ Inflation	3.50%	3.50%
Salary increases (manager)	–	–	–	–	1%+ Inflation	1%+ Inflation	–	–
Pension increases	2.00%	2.00%	0.00%	0.00%	2.63%	2.63%	–	–
Discount rate	1.75%	1.75%	0.80%	1.50%	2.03%	1.49%	2.90%	2.30%
Expected return on plan assets	0.00%	0.00%	0.80%	1.50%	–	–	–	–

Assumptions relative to average fluctuation for the German plans were not necessary due to the small number of people involved. The “2005 RT G Guideline Tables” by Prof Klaus Heubeck (Cologne 2005) were used as a basis for the computation .

The likelihood of withdrawals and the actuarial assumptions for the Swiss plans are geared to the Swiss Federal legislation on occupational old age, survivor’s and disability benefit plans (BVG 2010).

The likelihood of withdrawals in Italy is assessed at 10%. The actuarial assumptions for mortality rates are prescribed by surveys of the Italian statistics office (ISTAT 2004). The actuarial assumptions for disability incidence rates are based on the tables of the National Institute for Social Security (INPS - Istituto Nazionale della Previdenza Sociale).

For Poland, the likelihood of withdrawals is assessed at 9.10%. The actuarial assumptions for mortality rates are prescribed by the Main Statistical Office (GUS) (GUS 2014: x60%). The actuarial assumptions for disability incidence rates are based on the table (ZUS 2008) of the Polish Social Insurance Institution (ZUS – Zakład Ubezpieczeń Społecznych).

The present values of the defined benefit obligations, the fair values of the plan assets and the respective excessive and / or insufficient cover of the current reporting year 2015 and the preceding year can be taken from the following table:

in € thsd.	31/12/2015	31/12/2014
Fair value of plan assets	−3,838	−3,626
Present values of defined benefit obligations	12,173	10,917
Surplus cover (net asset) / deficient cover (net liability)	**8,334**	**7,291**

The weighted average term of the defined benefit obligations is 14.78 years.

Of the present value for rights accrued, € 8,532 thousand (prev. year: € 6,934 thousand) refer to pension plans that are financed completely or partially through plan assets, and € 3,641 thousand (prev. year: € 3,983 thousand) to pension plans that are not financed by plan assets.

The experience adjustments to the liabilities of the plans came to € 142 thousand in financial year 2015 (2014: € −640 thousand); the experience adjustments to the plan assets came to € 109 thousand (2014: € 29 thousand).

in € thsd.	31/12/2015	31/12/2014
Pension obligation as of 1 January	10,917	11,044
Current service cost	781	860
Interest expense / income	160	262
Restatements	579	514
Contributions to pension plan	434	527
Benefits paid	−1,173	−2,521
Effects from currency differences	475	206
Effects from business combinations and disposals	0	25
Pension obligation as of 31 December	12,173	10,917

The reconciliation accounts of the opening and closing balances for the fair value of plan assets are shown in the following table:

in € thsd.	31/12/2015	31/12/2014
Fair value of plan assets as of 1 January	3,626	4,664
Income from plan assets (without interest income)	51	92
Benefits paid	–464	–1,783
Contributions by employer	230	232
Contributions by entitled employees	230	232
Effects from currency differences	165	189
Fair value of plan assets as of 31 December	3,838	3,626

Plan assets concern the BVG provisioning in Switzerland and an amount of € 250 thousand in securities pledged to the pension recipient ("Plan Assets GFT SE").

In the following year (2016), employer contributions to the plan assets of € 265 thousand and employee contributions of € 265 thousand are expected.

As in the previous year, the calculation of the obligation and the generally expected return of the plan assets in Switzerland was based on the valid insurance regulations, databases and cash flow disclosures for 2015 of the two Swiss companies. The expected income from plan assets of GFT SE results from interest and is insignificant. There are no plan assets in Italy and Poland.

Under IAS 19R, companies must classify the fair value of plan assets according to the nature and risks of these assets. The major portion of plan assets refers to the benefit plans in Switzerland. The breakdown is as follows:

in € thsd.	31/12/2015	31/12/2014
Cash and cash equivalents	0	48
Mortgages	594	342
Loans	0	0
Bonds	2,244	2,515
Shares	368	351
Alternative investments	197	18
Property	435	352
Fair value of plan assets as of 31 December	3,838	3,626

The table above includes € 250 thousand (prev. year: € 250 thousand) of plan assets from Germany which are invested in shares. There are no plan assets in Italy and Poland.

In the next reporting period (2016), plan contributions of € 558 thousand are expected throughout the Group.

In order to improve estimations of the amount and uncertainty of future cash flows, the following shows a sensitivity analysis as of 31 December 2015. This illustrates how sensitively the present value of obligations reacts to changes in the discount rate, salary increases and pension increases. Summarised information based on weighted averages is provided for the respective plans in Switzerland.

	Obligation in € thsd.				Change in %			
	Germany	Switzer-land	Italy	Poland	Germany	Switzer-land	Italy	Poland
Present value of obligation	1,447	8,022	2,660	44				
Discount rate	1.75%	0.80%	2.03%	2.90%				
Increase of 0.5%	1,348	7,048	2,569	40	−6.86%	−11.93%	−3.43%	−8.56%
Decrease of 0.5%	1,557	8,994	2,757	48	7.65%	12.38%	3.66%	9.79%
Salary increase	2.00%	2.00%	1.00%	3.50%				
Increase of 0.5%	1,459	8,392	2,661	49	0.82%	4.86%	0.05%	11.46%
Decrease of 0.5%	1,435	7,458	2,658	39	−0.81%	−6.80%	−0.05%	−10.19%
Pension increase	2.00%	0.00%	2.63%	–				
Increase of 0.5%	1,519	8,252	2,724	–	5.03%	3.12%	2.41%	–
Decrease of 0.5%	1,381	8,003	2,598	–	−4.55%	0.00%	−2.33%	–

In Switzerland, a pension increase of 0% was assumed as there are no mandatory inflation-linked rights. A reduction of 0.5 percentage points would therefore imply a negative pension control, which is not legally possible.

16. Other provisions

Other provisions developed as follows in the financial year 2015:

in € thsd.	Balance as of 01/01/2015	Additions from changes to consolidated group	Consumption	Reversals	Additions	Disposals from changes to consolida-ted group	Balance as of 31/12/2015
Employee commissions / bonuses / anniversaries / severance payments	23,214	920	19,371	666	20,239	536	23,800
Holiday obligations	5,010	250	4,779	0	5,669	418	5,732
Contributions to professional associations	100	0	95	5	99	22	77
Provisions for personnel expenses	**28,324**	**1,170**	**24,245**	**671**	**26,007**	**976**	**29,609**
Outstanding purchase invoices	8,204	0	6,602	435	7,842	1,932	7,077
Credits notes still to be issued	3,442	0	15	1,023	131	479	2,056
Warranty	106	0	0	14	16	2	106
Impending losses from projects	23	0	0	23	129	0	129
Other	2,349	0	1,865	104	3,974	616	3,738
Total	**42,448**	**1,170**	**32,727**	**2,270**	**38,099**	**4,005**	**42,715**

The interest expense from the discounting of provisions for anniversary obligations amounted to € 22 thousand in the financial year 2015 (prev. year: € 57 thousand).

Due to the maturity profile, i.e. the expected settlement date for outflows of economic benefit, other provisions are shown in the statement of financial position as follows:

in € thsd.	31/12/2015	31/12/2014
Long-term provisions		
Anniversaries	455	566
Other	290	116
	745	682
Other short-term provisions	**41,970**	**41,766**
	42,715	**42,448**

Anniversaries have a maturity profile of one to thirty years. Other provisions have a maturity profile of one to five years.

17. Liabilities

The remaining terms and collateralisation of the liabilities are shown in the following overview:

in € thsd.	Remaining term up to 1 year	Remaining term more than 5 years	Total amount 31/12/2015	Thereof secured through liens and similar rights	Nature and form of the collateral
Trade payables	11,371 (prev. year: € 20,795 thsd.)	0 (prev. year: € – thsd.)	11,371 (prev. year: € 20,795 thsd.)		Usual reservation of property rights
Deferred tax liabilities	0 (prev. year: € – thsd.)	0 (prev. year: € – thsd.)	5,902 (prev. year: € 5,882 thsd.)		
Financial liabilities	620 (prev. year: € 46,032 thsd.)	6,138 (prev. year: € 12,000 thsd.)	83,437 (prev. year: € 80,163 thsd.)	8,000	Mortgage
Current income tax liabilities	1,829 (prev. year: € 3,837 thsd.)	0 (prev. year: € – thsd.)	1,829 (prev. year: € 3,837 thsd.)		
Other financial liabilities	4,288 (prev. year: € 3,614 thsd.)	0 (prev. year: € – thsd.)	4,288 (prev. year: € 16,256 thsd.)	631	Collateral
Liabilities from purchase price obligations and dividends	0 (prev. year: € – thsd.)	0 (prev. year: € – thsd.)	13,936 (prev. year: € 12,642 thsd.)		
Other liabilities	30,551 (prev. year: € 24,569 thsd.)	0 (prev. year: € – thsd.)	30,551 (prev. year: € 24,569 thsd.)		
	48,659 (prev. year: € 98,847 thsd.)	**6,138 (prev. year: € 12,000 thsd.)**	**151,314 (prev. year: € 164,144 thsd.)**		

There are trade payables to associated companies of € 3 thousand (prev. year: € 3 thousand). As in the previous year, there are no trade payables to companies with whom an equity interest exists.

18. Other liabilities

Other liabilities are broken down as follows:

in € thsd.	31/12/2015	31/12/2014
Other non-current financial liabilities		
Conditional purchase price obligation and dividend liabilities from business combinations	13,936	12,642
Other current financial liabilities		
Liabilities to employees	2,089	3,344
Debtors with credit balances	2,198	90
Conditional purchase price obligation from business combinations	0	180
Total	**4,287**	**3,614**
Other current liabilities		
Deferred income	10,523	9,316
Wage tax, VAT, and other tax liabilities	8,627	8,111
Liabilities from social security contributions	4,003	3,208
Advance payments on orders	3,726	2,746
Corporation tax liabilities	1,173	0
Others	2,499	1,189
Total	**30,551**	**24,570**
Total other liabilities	**48,774**	**40,826**

19. Additional information on the Consolidated Statement of Comprehensive Income

Income tax amounts for the various components of other comprehensive income are shown below:

in €	2015 Amount before tax	2015 Income taxes	2015 Amount after tax	2014 Amount before tax	2014 Income taxes	2014 Amount after tax
Components never reclassified to the income statement, actuarial gains / losses	−822,939.42	221,261.62	−601,677.80	−542,118.75	149,043.26	−393,075.49
Change in fair value recognised in equity	0.00	0.00	0.00	−52,200.00	14,616.00	−37,584.00
Reclassification to the income statement	0.00	0.00	0.00	0.00	0.00	0.00
	−822,939.42	221,261.62	−601,677.80	−594,318.75	163,659.26	−430,659.49
Exchange differences on translating foreign operations	7,330,548.01	0.00	7,330,548.01	1,290,103.71	0.00	1,290,103.71
	6,507,608.59	**221,261.62**	**6,728,870.21**	**695,784.96**	**163,659.26**	**859,444.22**

20. Segment reporting

The GFT Group has identified the business divisions GFT (formerly GFT solutions) and emagine as reportable segments. The reportable emagine segment was sold on 30 September 2015. It is therefore a discontinued operation. The factors used in identifying these business segments were in particular the facts that the services and products offered in these divisions display differences and that the GFT Group is organised and managed on the basis of these business divisions. Internal reporting to the Managing Directors is based on the grouping of Group activities in the aforementioned business segments.

The type of services and products with which the reporting segments generate their income are as follows: all activities in conjunction with IT solutions (services and projects) are summarised in the GFT segment. The emagine segment comprises the placement of freelance IT specialists and engineers.

Internal controlling and reporting within the GFT Group, and thus the segment reporting, is based on the principles of IFRS accounting, as applied in the consolidated financial statements. The GFT Group measures the success of its segments on the basis of the segment performance indicator EBT (earnings before taxes), amongst others. Segment revenues and segment results also include transactions between business segments. Transactions between segments are conducted at market prices and on an arm's-length basis.

The Managing Directors and the Administrative Board do not receive regular information on segment assets, segment liabilities or the capital expenditure of each segment. Assets and liabilities are disclosed in the consolidated balance sheet.

Please refer to pages 146–147 for further details on individual items of the business segments. Disclosures concerning revenue from external clients for each group of comparable products and services are also included.

The reconciliation calculations of the segment figures to the respective figures of the consolidated financial statements are shown below:

in € thsd.	31/12/2015	31/12/2014
Total segment revenue	441,096	366,701
Elimination of inter-segment revenue	–778	–1,395
Occasionally occurring revenue	45	14
Group revenue	**440,363**	**365,320**
Total segment results (EBT)	33,570	29,726
Non-attributed expenses / income of Group HQ	631	–1,223
Other	–2,590	–1,435
Group result before taxes	**31,611**	**27,068**

The reconciliation discloses items which per definition are not components of the segments. In addition, non-attributed items of Group HQ, e.g. from centrally managed issues, or revenue which only occasionally occurs for company activities, are also contained. The reconciliation also contains disclosures in connection with the trade fair appearance of CODE_n and activities in connection with the construction of a new administration building. Business transactions between the segments are also eliminated in the reconciliation.

The table below shows information according to geographic regions for the GFT Group:

in € thsd.	Revenue from sales to external clients * 2015	Revenue from sales to external clients * 2014	Non-current intangible and tangible assets * 2015	Non-current intangible and tangible assets * 2014
UK	171,803	121,810	63,043	60,064
Italy	54,328	50,203	28,671	30,789
Spain	48,468	30,741	22,826	4,576
Germany	71,053	78,530	42,871	40,787
USA	37,119	26,169	6,182	5,594
Switzerland	10,736	10,455	130	135
Brazil	7,306	4,226	953	577
France	29,443	36,879	0	72
Poland	0	0	1,122	887
Other foreign countries	10,107	6,306	169	151
emagine (discontinued)	–66,856	–86,084		
Total	**373,507**	**279,235**	**165,967**	**143,632**

* According to client location

Revenue from clients who account for more than 10% each of Group revenue is shown below:

in € m	Revenue 01/01/ – 31/12/2015	Revenue 01/01/ – 31/12/2014	Segments in which this revenue is generated 01/01/ – 31/12/2015	Segments in which this revenue is generated 01/01/ – 31/12/2014
Client 1	172.79	147.04	GFT	GFT, emagine
Client 2	39.37	0	GFT	

As in the previous year, revenue was generated from the provision of services.

Segment Report –
GFT Technologies SE, Stuttgart
IFRS for the period 1 January – 31 December 2015

	GFT		emagine*	
in € thsd.	2015	2014	2015	2014
External sales	373,462	279,222	66,856	86,084
Inter-segment sales	403	352	375	1,043
Total revenues	**373,865**	**279,574**	**67,231**	**87,127**
Scheduled depreciaton and amortisation	−9,648	−6,199	−60	−158
Significant non-cash income / expenditure other than depreciation	−135	−10	−2,949	0
Interest income	555	651	2	3
Interest expenses	−2,702	−1,926	−95	−106
Share of net profits of associated companies reported according to the equity method	−30	−12	0	0
Segment result (EBT)	**34,484**	**28,064**	**−914**	**1,662**

* Sold business division

Total		Reconciliation		GFT Group	
2015	**2014**	**2015**	**2014**	**2015**	**2014**
440,318	365,306	45	14	440,363	365,320
778	1,395	−778	−1,395	0	0
441,096	**366,701**	**−733**	**−1,381**	**440,363**	**365,320**
−9,708	−6,357	−680	−202	−10,388	−6,559
−3,084	−10	−295	−706	−3,379	−716
557	654	−365	−295	192	359
−2,797	−2,032	809	658	−1,988	−1,374
−30	−12	0	0	−30	−12
33,570	**29,726**	**−1,959**	**−2,658**	**31,611**	**27,068**

21. Other operating income

This item includes:

in € thsd.	31/12/2015	31/12/2014
Income from the adjusted expected value of GFT Financial Solutions AG, Switzerland (formerly Asymo)	0	254
Other income from the CeBIT fair appearance of CODE_n	1,393	821
Benefits in kind – employee private motor vehicle use	188	231
Income from the lowering of value adjustments and intakes on receivables written off	11	14
Income from the disposal of securities	0	276
Social insurance rebates	86	20
Income from exchange rate differences	1,011	623
Income from the adjusted expected value of G2	0	132
Out-of-period income	21	20
Income from derecognition of liabilities	0	388
Insurance recoveries	4	1
Income from arrears penalties	0	345
Reversals of provisions	92	269
Other	631	456
Continued operations	**3,437**	**3,850**
Discontinued operations	**418**	**400**
Entire company	**3,855**	**4,250**

Other operating income of the continued operation which is attributable to another financial year amounted to € 236 thousand (prev. year: € 1,568 thousand). It comprises social security rebates (€ 123 thousand; prev. year: € 20 thousand), the reversal of provisions (€ 92 thousand; prev. year: € 269 thousand), other out-of-period income (€ 21 thousand; prev. year: € 20 thousand), the adjustment of the expected value for GFT Financial Solutions (formerly Asymo) and G2 Systems (€ 0 thousand; prev. year: € 386 thousand), income from arrears penalties (€ 0 thousand; prev. year: € 345 thousand) and written-off receivables (€ 0 thousand; prev. year: € 388 thousand).

22. Costs of purchased services

The cost of purchased services for the total company comprise expenses for services rendered by freelancers (consultants, software developers) and subcontractors (€ 115,400 thousand; prev. year: € 125,130 thousand).

Of this total, the continued operation accounts for € 62,485 thousand (prev. year: € 52,194 thousand) and the discontinued operation accounts for € 52,915 thousand (prev. year: € 72,937 thousand).

23. Personnel expenses

Personnel expenses include expenses for the GFT Group's own personnel. In the reporting period, these amounted to € 223,842 thousand for the entire company (prev. year: € 165,099 thousand). For the expenses for retirement pensions we refer to note 15 of the consolidated financial statements.

Of this total, the continued operation accounts for € 215,447 thousand (prior year: € 157,744 thousand) and the discontinued operation accounts for € 8,395 thousand (prev. year: € 7,356 thousand).

24. Depreciation and amortisation

As in the previous year, depreciation and amortisation of non-current intangible assets and property, plant and equipment in the financial year 2015 does not include any write-downs on goodwill due to impairment. Depreciation and amortisation amounted to € 10,389 thousand (prev. year: € 6,559 thousand). The year-on-year increase resulted from the business combination in 2015 and the related revaluation of intangible assets (software, client base).

Of this total, the continued operation accounts for € 10,329 thousand (prev. year: € 6,401 thousand) and the discontinued operation accounts for € 60 thousand (prev. year: € 158 thousand).

25. Other operating expenses

Other operating expenses comprise the following items:

in € thsd.	31/12/2015	31/12/2014
Operating expenses	14,428	11,062
Distribution expenses	20,569	13,955
Administrative expenses	13,183	12,534
Currency losses	1,831	647
Taxes not dependent on income	781	762
Expenses in connection with the acquisition of companies	283	1,066
Value adjustments and uncollectable receivables	776	216
Out-of-period expenses	35	2
Contract penalties, warranties	500	0
Other operating expenses	2,038	69
Continued operations	**54,424**	**40,313**
Discontinued operations	**6,725**	**4,373**
Entire company	**61,149**	**44,686**

26. Research and development expenses

In the financial year 2015, total expenses for research and development amounted to € 3,617 thousand (prev. year € 2,137 thousand). The GFT Group only discloses expenses from the development of new technologies and processes in this item.

Development costs of € 303 thousand were capitalised by GFT Italia S.r.l. in 2015 (prev. year: € 314 thousand). These capitalised expenses are not included in the aforementioned expense. They refer to self-used project management software for processing external projects.

27. Interest income, interest expenses

The interest result is broken down as follows:

in € thsd.	31/12/2015	31/12/2014
Other interest and similar income		
Interest on bank balances	42	186
Interest from securities	3	33
Other interest income	147	138
Continued operations	**192**	**357**
Discontinued operations	**0**	**1**
Entire company	**192**	**358**
Interest and similar expenses		
Interest on financial liabilities	−1,707	−1,234
Other interest expenses	−188	−138
Continued operations	**−1,895**	**−1,372**
Discontinued operations	**−93**	**−2**
Entire company	**−1,988**	**−1,374**
Interest result of continued operations	**−1,703**	**−1,015**
Interest result of discontinued operations	**−93**	**−1**
Interest result of entire company	**−1,796**	**−1,016**

28. Business combinations and discontinued operations during the financial year 2015

Compared to the consolidated financial statements as of 31 December 2014, the following changes have resulted for the consolidated group and the subsidiaries:

In an agreement dated 28 July 2015, GFT Iberia Holding S.A.U., Sant Cugat del Vallès, Spain, acquired 100% of shares in the Spanish IT service provider Adesis Netlife S.L., Madrid, Spain, for a purchase price of € 20,000 thousand.

Founded in 1999 and with facilities in Spain and Mexico, Adesis Netlife S.L. provides IT services and consulting for the implementation of digital solutions with a special focus on the financial sector. Its clients include large and leading Spanish companies in the banking and insurance sectors. With over 270 employees, the company generated revenue of € 13,385 thousand, earnings before interest, taxes, depreciation and amortisation (EBITDA) of € 2,303 thousand and earnings before taxes (EBT) of € 2,205 thousand in its financial year 2014.

The main motivation for the acquisition was to strengthen the position of GFT as an IT specialist and to expand its portfolio of services by adding high-quality consulting expertise in the Spanish and Mexican markets.

Further reasons included:

- The high level of skill and motivation of employees at Adesis Netlife S.L.
- Expected synergies between GFT and Adesis Netlife S.L. in the joint tapping of customers in the Spanish market
- Positioning of selected expertise of Adesis Netlife S.L. among European clients of the GFT Group (credit products)

In total, the acquisition is intended to drive the continued internationalisation of the GFT Group.

The goodwill resulting from the purchase amounts to € 9,627 thousand, which not only reflects the considerable synergy effects and expected cross-selling effects, but also the expected growth in the portfolio of the GFT Group. Goodwill is not tax deductible.

The transaction costs for the acquisition amount to € 283 thousand and were recognised in profit or loss as other operating expenses.

The amounts of acquired assets and assumed liabilities at the time of acquisition are shown below. As the purchase price allocation is unaudited, all amounts are preliminary:

in € thsd.	At time of acquisition
Goodwill	9,627
Intangible assets	7,878
Office and factory equipment	200
Order backlog	1,000
Receivables	5,137
Other assets	180
Cash and cash equivalents	244
Total assets	**24,266**
Provisions for tax	2,243
Other provisions	1,171
Bank liabilities	60
Trade payables	189
Other liabilities	603
Total liabilities	**4,266**

The acquired receivables refer to trade receivables. The fair value of acquired receivables amounts to € 5,137 thousand, and the gross amount is € 5,137 thousand. Adjusted receivables as of the purchase date amount to € 0 thousand. In accordance with IFRS 3.23, no other contingent liabilities were recognised. As of 31 December 2015, there were no significant changes to contingent liabilities.

Since the date of acquisition (i.e. 28 July 2015), Adesis Netlife S.L. has generated third-party sales of € 6,419 thousand and contributed € 401 thousand to the consolidated operating result (EBT) as of 31 December 2015. If the acquisition had already taken place on 1 January 2015, third-party sales of € 17,499 thousand and an earnings contribution of approx. € 1,183 thousand would have been generated.

The subsidiary GFT Innovations GmbH, Stuttgart, Germany, which is responsible for the innovation project Code_n, signed an agreement on 3 August 2015 to acquire a 25.1% stake in the start-up Parkpocket GmbH, Munich, Germany. In accordance with IAS regulations, GFT SE carries this acquisition as an investment at equity. The purchase price for the stake was € 425 thousand and was capitalised together with ancillary costs also incurred of € 21 thousand.

As of 31 December 2015, the carrying value of the conditional consideration for the former shareholders of Sempla S.r.l. changed as follows:

in € thsd.	2015
Carrying value as of 1 January	11,533
Adjustment to the expected value	0
Interest effects	450
Payment	–155
Carrying value as of 31 December	**11,828**

The variable purchase price liability depends on the future earnings of GFT Italia S.r.l. Average earnings before interest, taxes, depreciation and amortisation in the years 2015, 2016 and 2017 are the main factor for calculating the variable purchase price liability. The above figures were based on net income for 2015 and the budget for 2016, as well as earnings before interest, taxes, depreciation and amortisation for 2017, which are 20% above the average of the financial years 2014 to 2016. The maximum amount of the payment is not capped and the estimated range of payments from this agreement is between € 0 thousand and € 13,809 thousand.

A change in the calculation basis of 5 percent as at the end of the reporting period would have increased or decreased the value of the variable purchase price liability as follows:

	Sensitivity of variable purchase price liability	
in € thsd.	31/12/2015	31/12/2015
EBITDA (+ / −5%)	1,833	−1,833

A review of fair value of the variable purchase price liability at the end of the reporting period resulted merely in an adjustment of interest. There was no adjustment of the expected value.

By exercising the option to apply the anticipated acquisition method, the transaction is already treated as an acquisition of all outstanding shares in Sempla S.r.l. as of 3 July 2013 (closing). As a result, only the contractually dividend is treated as a dividend to minority shareholders.

In order to focus the GFT Group's strategy more strictly on the fast-growing business with IT solutions for the finance sector, strategic options for the emagine division have been considered since November 2014. On 27 July 2015, GFT SE and GFT UK signed an agreement with Financière Valérien SAS, 3 Rue La Boétie, 75008 Paris, France, regarding the sale of all companies belonging to the emagine division in Germany, France and the UK. The shares were transferred on expiry of 30 September 2015 (closing). The emagine division is thus disclosed as a discontinued operation as of 30 September 2015. The revenues and earnings generated by emagine are disclosed in the consolidated income statement under "Net income from discontinued operations". In the reporting period, the discontinued business division emagine generated revenue of € 67.23 million (prev. year: € 87.13 million) and earnings of € −1.21 million (prev. year: € 1.37 million).

The amounts for each major group of assets and liabilities sold are as follows:

in € thsd.	At time of disposal
Intangible assets	167
Deferred tax assets	73
Trade receivables	17,691
Other current receivables and assets	683
Cash and cash equivalents	3,936
Total assets	**22,550**
Provisions for taxes	251
Other provisions	4,005
Current liabilities	12,541
Total liabilities	**16,797**

In the consolidated statement of comprehensive income (part of the consolidated income statement), net income after taxes of the discontinued operation is stated in a separate line. A breakdown of the respective income and expenses is shown below.

in € thsd.	31/12/2015	31/12/2014
Revenue	67,231	87,127
Other income	619	672
Expenses	68,764	86,137
Earnings before taxes	−914	1,662
Income taxes	295	294
Profit / loss for the year	−1,209	1,368
Earnings per share for the discontinued operation	**−0.05**	**0.05**

The loss from the sale of the emagine segment amounted to € 1.4 million and was allocated to the discontinued operation.

The differences in equity from currency translation of foreign subsidiaries of the discontinued operation emagine amounted to € 57 thousand and were reversed through profit or loss.

Net cash flows from operating activities, investing activities and financing activities are al-located to the discontinued operation as follows:

in € thsd.	30/09/2015	31/12/2014
Cash flow from operating activities	426	1,516
Cash flow from investing activities	−64	−50
Cash flow from financing activities	0	−401

Net cash flow from disposal is disclosed under cash receipts from the sale of consolidated companies in the section cash flow from investing activities and comprises the following:

in € thsd.	31/12/2015
Net cash flow from the sale of subsidiaries	
Payments received in cash and cash equivalents	9,964
Sold stock of cash and cash equivalents	−3,936
Net cash flow from the sale of subsidiaries	6,028

29. Statement of cash flows

Cash flow from operating activities is calculated using the indirect method. The additional information as per IAS 7 is indicated as follows:

The financial fund on which the statement of cash flows is based comprises cash and cash equivalents and is reconciled with the balance sheet items of the same name as follows:

in € thsd.	31/12/2015	31/12/2014
Cash and cash equivalents		
Short-term cash deposits with banks	46,973	38,126
Cash	5	3
Balance as of 31 December	46,978	**38,129**

The disclosures on the purchase of subsidiaries and other legal entities in the year 2015 have the following result:

	Purchase price in € thsd.	Share of cash in the purchase price in %	Cash acquired in € thsd.	Other assets acquired in € thsd.	Liabilities assumed in € thsd.
Acquisition of companies	20,000	100	244	24,022	4,266
				thereof	thereof
Non-current assets				17,949	
Current assets				6,073	
Non-current liabilities					3,160
Current liabilities					1,106

Disclosures on the sale of subsidiaries and other business units in the financial year 2015 are as follows:

	Purchase price in € thsd.	Share of cash in the purchase price in %	Cash acquired in € thsd.	Other assets acquired in € thsd.	Liabilities assumed in € thsd.
Acquisition of companies	10,443	95	3,936	18,614	16,797
				thereof	thereof
Non-current assets				240	
Current assets				18,374	
Non-current liabilities					27
Current liabilities					16,770

30. Earnings per share

Earnings per share of the GFT Group in accordance with IAS 33 are shown in the following tables.

in €	31/12/2015	31/12/2014
Basic earnings per share	0.96	0.76
profit for the period considered	25,336,329.60	19,954,771.84
number of ordinary shares considered	26,325,946	26,325,946
Diluted earnings per share	0.96	0.76
profit for the period considered	25,336,329.60	19,954,771.84
number of ordinary shares considered	26,325,946	26,325,946

in €	31/12/2015	31/12/2014
Basic earnings per share from continued operations	1.01	0.76
profit for the period considered	26,545,246.93	19,954,771.84
number of ordinary shares considered	26,325,946	26,325,946
Diluted earnings per share from continued operations	1.01	0.76
profit for the period considered	26,545,246.93	19,954,771.84
number of ordinary shares considered	26,325,946	26,325,946

Conditional capital may potentially dilute undiluted earnings in future. It was not included in the calculation of undiluted earnings per share in the financial years 2015 and 2014 as the conditional capital was not exercised.

31. Reporting on financial instruments

Information on financial instruments according to categories
The table on pages 162–163 shows the carrying amounts and the fair value of the individual financial assets and liabilities for each individual class of financial instruments, and transfers them to the corresponding balance sheet items.

The fair value of a financial instrument is the price at which a party would take on the rights and / or obligations from this financial instrument from an independent, contractually-willing other party.

In the case of financial instruments to be accounted for at fair value, the fair value is determined on the basis of market prices. If no market prices are available, a valuation is carried out using typical valuation methods based on instrument-specific market parameters.

The fair value of loans and receivables and of original liabilities is determined as the present value of future cash inflows or outflows, discounted at a current interest rate at the end of the reporting period, taking into account the respective due date of the asset items or the residual term of the liability. Owing to the mainly short maturity term of trade payables and receivables, other receivables and liabilities and cash and cash equivalents, the carrying amounts at the end of the reporting period do not vary significantly from the fair values.

Financial instruments stated in the balance sheet at fair value can be classified according to the following hierarchy which reflects to which extent the fair value is observable:

Level 1: measurement at fair value on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: measurement at fair value using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: measurement at fair value based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of Level 3 were measured using the following valuation model:

The valuation model takes into account the present value of the expected payment, discounted using a risk-adjusted discount rate. The expected payment is calculated taking account of the possible scenarios of predicted EBITDA, the amount to be paid in each of these scenarios, and the probability of each of these scenarios.

The main non-observable input factors include the expected development of revenue and earnings.

The relationship between material, non-observable input factors and measurement at fair value is as follows:

The estimated fair value would increase (decrease) if revenue and earnings increase (decrease) relative to the expected value.

Quantitative disclosures for financial instruments stated in the balance sheet at fair value are included in the table on pages 162–163.

Disclosures regarding all profits and losses from financial instruments measured at fair value recognised in net income are provided in the table below.

Income, expenses, profits and losses from financial instruments

The following table shows the net profits (+) or losses (-) from financial instruments:

in € thsd.	31/12/2015	31/12/2014
Net profits / losses from financial assets measured at fair value through profit or loss	−698	0
Net profits / losses from the disposal of available-for-sale financial assets	0	0
Profit / loss directly recognised in other comprehensive income (market assessment reserve)	0	38
Amount reclassified from equity (market assessment reserve) to the income statement	0	0
Net profits / losses from loans and receivables	**−426**	**−689**
Expenses from impairment	−769	−716
Income from reversals of impairment loss	343	27
Derecognition	0	0
Net profits / losses from financial liabilities valued at amortised cost	**0**	**0**

The net profits or losses from financial assets and liabilities measured at fair value through profit or loss also include interest expenses and income from these financial instruments in addition to earnings from changes in market value. Results from market assessment changes are included in the income statement in the items "Other operating income / expenses" and "Write-downs on securities". Interest income and expenses from financial assets and liabilities measured at fair value through profit or loss are included in the financial result of the income statement.

The net profits or losses arising from loans and receivables, and from financial liabilities which are valued at amortised cost, mainly contain earnings from impairment, reversal of an impairment loss and write-offs which are shown in other operating income or expenses.

The total interest income and expenses for financial assets and financial liabilities which are not classified as measured at fair value through profit or loss are as follows:

in € thsd.	31/12/2015	31/12/2014
Total interest income (entire company)	189	352
Total interest expense (entire company)	−1,800	−1,234

For a statement of impairment loss on trade receivables, please refer to "The development of valuation allowance" in point 12 of the notes to the consolidated financial statements. In the case of other financial assets, impairment losses of € 0 thousand were recognised in profit and loss (prev. year: € 0 thousand).

In the reporting period, as in the previous year, no impairments on investments or on securities in the “available for sale” category were recognised in profit or loss.

General information on risks arising from financial instruments
The GFT Group is exposed to various risks in connection with financial instruments, which are detailed below. The risk report within the consolidated management report also contains statements on the risks arising from financial instruments which we hereby refer to.

The GFT Group has issued internal guidelines which concern risk controlling processes and thus contain a clear separation of functions with regard to the operative financial activities, their handling, bookkeeping and the controlling of the financial instruments. The guidelines which form the basis for the Group’s risk management processes are aimed at identifying and analysing the risks on a Group-wide basis. In addition, they are aimed at the appropriate limitation and control of risks and their supervision.

Credit risk
The credit risk is the risk of a financial loss arising because a contracting party fails to meet its contractual payment obligations. The credit risk includes both the direct credit risk and the risk of deterioration in creditworthiness.

The liquid funds are mainly composed of cash and cash equivalents. The Group is exposed to losses from credit risks in connection with the in-vestment of cash and cash equivalents if banks and issuers of securities do not meet their obligations. When investing cash and cash equivalents, the banks and issuers of securities are selected with care. The maximum risk exposure from cash and cash equivalents corresponds to the carrying amounts of these assets.

There is no significant credit risk for these financial assets which are neither overdue nor value-adjusted.

The maximum risk exposure of securities and current assets corresponds to the carrying value of these assets.

The trade receivables result from sales activities of the Group. The credit risk includes the credit risk of customers; customer receivables are not hedged as a rule. The GFT Group controls credit risks from trade receivables on the basis of internal guidelines. In order to safeguard against credit risk, creditworthiness checks are carried out by counterparties. Processes also exist for regular monitoring, especially of default-endangered receivables. Valuation allowances are carried out for the risk inherent in trade receivables if required. The maximum risk exposure from trade receivables corresponds to the carrying amount of these receivables.

The carrying amounts of trade receivables with a separate disclosure of overdue and value-adjusted receivables are comprised as follows:

in € m	31/12/2015	31/12/2014
Neither overdue nor value-adjusted receivables	86.2	95.1
Overdue receivables which have not been value adjusted		
Less than 90 days	2.3	9.0
90 to 180 days	0.8	1.5
180 to 360 days	0.4	0.3
More than 360 days	0	0
Value-adjusted receivables	5.1	2.3
Carrying amount	**94.8**	**108.2**

There are receivables, which are neither overdue nor value-adjusted, amounting to € 86.2 million due from customers with very good credit ratings.

The maximum risk exposure of receivables from construction contracts corresponds to the carrying value of these assets. There is no significant credit risk for these financial assets which are neither overdue nor value-adjusted.

The maximum credit risk exposure of the financial assets shown in other non-current and current assets corresponds to the carrying amount of these instruments; the GFT Group is only exposed to a minimal credit risk from other assets. There is no significant credit risk for these financial assets which are neither overdue nor value-adjusted.

There are no significant financial assets which are overdue but not value-adjusted in any other the above mentioned classes.

There are risk concentrations in the area of credit risk as follows:

in € m	31/12/2015	31/12/2014
Carrying amount	94.8	108.2
Concentration according to customers:		
Receivables from 5 biggest customers	28.8	37.7
Receivables from rest of customers	66.0	70.5
Concentration according to regions*		
Germany	3.2	16.8
Europe outside Germany	82.3	78.7
Rest of the world	9.3	12.7

*According to client location

Information on financial instruments according to class

in € thsd.	31/12/2015 Valued at amortised cost Carrying amount	Valued at amortised cost Fair value	Valued at fair value Carrying amount	Valued at fair value Fair value Level 1[1]	Fair value Level 2[2]	Fair value Level 3[3]	Total 31/12/2015
Financial assets							
Loans and receivables							
Receivables from goods and services rendered	83,429	83,429					83,429
Amounts due from customers for production work	11,399	11,399					11,399
Cash and cash equivalents	46,978	46,978					46,978
Other long-term financial assets[5]	1,593	1,593					1,593
Other short-term financial assets	1,222	1,222					1,222
Total							**144,621**
Measured at fair value through profit or loss							
Dividend-bearing securities			123	123			123
Interest cap[5]			221		221		221
Total							**344**
Financial liabilities							
Other financial liabilities							
Trade payables	11,371	11,371					11,371
Other short-term financial liabilities	4,287	4,287					4,287
Other long-term financial liabilities[4]	2,108	2,108					2,108
Financial liabilities	83,437	83,437					83,437
Financial liabilities from subsequent purchase price payments[4, 6]			11,828			11,828	11,828
Total							**113,031**

1) Fair values were measured on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities.
2) Fair values were measured on the basis of inputs other than quoted prices included within level that are observable for the assetor liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
3) Fair values were measured on the basis of inputs for the asset or liability that are not based on observable market data (unobservable inputs).
4) Other long-term financial liabilities and financial liabilities from subsequent purchase price payments form together total other long-term financial liabilities acc. to balance sheet disclosure.
5) Other long-term financial assets and the interest cap form together other financial assets acc. to balance sheet disclosure.
6) The carrying amount of financial liabilities from subsequent purchase price payments was adjusted. A reclassification was made.

31/12/2014						
Valued at amortised cost		Valued at fair value				Total 31/12/2014
Carrying amount	Fair value	Carrying amount	Fair value			
			Level 1 [1]	Level 2 [2]	Level 3 [3]	
98,654	98,654					98,654
9,562	9,562					9,562
38,129	38,129					38,129
765	765					765
1,023	1,023					1,023
						148,133
		121	121			121
		0		0		0
						121
20,795	20,795					20,795
3,614	3,614					3,614
1,109	1,109					1,109
80,163	80,163					80,163
		11,713			11,713	11,713
						117,394

Liquidity risk

The liquidity risk describes the risk that a company cannot adequately meet its financial obligations.

The GFT Group mainly generates funds from its operating business and external financing. The funds are mainly used to finance working capital and investments. All companies are included in the liquidity management by means of a central Treasury department. Liquidity surpluses and demands can thus be controlled according to the needs of the entire Group, as well as individual companies in the Group. Due to the sale of the emagine segment, cash pooling was dissolved as the necessity no longer exists.

	Carrying amount	Cash flows				
in € thsd.	31/12/2015	up to 1 month	from 1 to 3 months	from 3 months to 1 year	from 1 to 5 years	more than 5 years
Liabilities due to banks	83,437	9	167	444	76,679	6,138
Trade payables	11,371	8,080	3,131	160		
Other financial liabilities	4,287	2,138		1,776	373	
Financial liabilities from dividends and purchase price payments	13,936				13,936	
	113,031	**10,227**	**3,298**	**2,380**	**90,988**	**6,138**

	Carrying amount	Cash flows				
in € thsd.	31/12/2014	up to 1 month	from 1 to 3 months	from 3 months to 1 year	from 1 to 5 years	more than 5 years
Liabilities due to banks	80,163	281	270	45,483	14,263	19,866
Trade payables	20,794	17,842	2,499	47	406	
Other financial liabilities	3,614	3,614				
Financial liabilities from dividends and purchase price payments	12,642				12,642	
	117,213	**21,737**	**2,769**	**45,530**	**27,311**	**19,866**

The liquidity kept in reserve, the credit lines and the ongoing operative cash flow give the GFT Group sufficient flexibility to cover the Group's refinancing needs. There is a concentration of risk regarding cash outflows in the period one year to five years after the balance sheet date. The cash outflow is mainly due to expiring bank loans. The total amount of outgoing liquidity during this period amounts to € 90,988 thousand. The amount is calculated on the basis of liquidity management.

The promissory note loan agreements signed on 27 November 2013 and the syndicated loan agreement of 21 July 2015 amounting to a total of € 80,000 thousand include various covenants. Non-compliance with these covenants may lead to the premature maturity of the loan. These loan covenants were met at all times.

Interest rate risks of bank liabilities with variable interest rates are hedged by the GFT Group with an interest cap of € 40,000 thousand.

The derivative has the following structure:

Interest cap	40,000 € thsd.
Term	5 years
Upper interest limit	1.00%
Reference interest rate	3-month Euribor

The hedged item refers to cash flows for interest payments based on the 3-month Euribor rate from a floating-rate loan of € 40,000 thousand (syndicated loan). The hedged risk is designated as the negative cash flow in the form of changes in interest payments due to an increase in the 3-month Euribor interest rate beyond the strike of the interest rate cap set at 1.00 percent. In accordance with IAS 39.74 (a), the hedging instrument is designated as the interest rate cap in the amount of change in its intrinsic value, the change in fair value of € −149 thousand (prev year: € 0 thousand) is not considered in the measurement of effectiveness and recognised directly through profit or loss. Hedged item and hedging instrument constitute a valuation unit. The market value of the interest rate cap as of 31 December 2015 amounts to € 221 thousand.

	Nominal		Market value	
in € thsd.	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Interest cap	40,000	0	221	0

The valuation is carried out by the participating financial institutions on the basis of market data on the measurement date and using generally accepted valuation models.

A change in interest rates of 100 base points (bp) as of the reporting date would have increased or decreased equity and profit or loss by the following amounts:

	Sensitivity of cash flows			
	Through profit and loss		Through equity	
in € thsd.	Increase 100 Bp	Decrease 100 Bp	Increase 100 Bp	Decrease 100 Bp
Interest cap 31/12/2015	183	−129	270	0
Interest cap 31/12/2014	0	0	0	0

As of the reporting date, there is no ineffectiveness as the intrinsic value of the derivative amounts to € 0 thousand (prev year: € 0 thousand).

Market risk

In terms of market risk, risk means that the fair value or future cash flows of a financial instrument fluctuate due to the changes in market prices. Market risk includes the three risk types: exchange rate risk, interest risk and other price risks (e.g. share price risks). Market risks may have a negative impact on the Group's financial position and profit or loss. The GFT Group controls and monitors market risks mainly via its operative business and financing activities and, if it is appropriate and meaningful in individual cases, by using derivative financial instruments. The Group regularly assesses these risks by following changes in economic key indicators and market information.

The GFT Group is also exposed to exchange rate risks due to its international alignment. Exchange rate risks occur in the case of financial instruments which are denominated in a foreign currency, i.e. a different currency to the functional currency in which they are valued. Financial instruments in functional currency and non-monetary items do not include any exchange rate risk.

The exchange rate risk of the GFT Group arising from its operative business is very low for the following reasons:

- The revenue of the GFT Group is generated virtually exclusively in euro (2015 approx. 67%, 2014 approx. 77%), which is the functional currency of the invoicing company. In addition to customers in the euro zone, this also applies to sales with customers in the UK, Brazil and the USA.
- Sales through customers in Switzerland (corresponding to about 3% of total revenue, prev. year 3%), are normally invoiced in Swiss francs, which is the functional currency of the Swiss national company, and so no exchange rate risk is incurred.

- Revenue from clients in the UK (corresponding to about 43% of total revenue, prev. year 30%) are invoiced in UK pounds (23%, prev. year: 11%) and euro (20%, prev. year: 19%). The functional currency of GFT UK Limited is euro, the functional currency of GFT Financial Limited and Emagine Consulting Limited (discontinued operation) is UK pounds.
- Revenue from clients in the USA (corresponding to about 10% of total revenue, prev. year 8%) are invoiced in US dollars (4%, prev. year: 2%), which is the functional currency of the US national company, and euro (6%, prev. year: 6%). As a result, there is only a marginal exchange rate risk.
- Sales through customers in Brazil (corresponding to about 2% of total revenue; prev. year 1%), are invoiced in Brazilian real, which is the functional currency of the Brazilian national company, and so no exchange rate risk is incurred.
- Revenue from clients in Mexico (corresponding to about 1% of total revenue and resulting from the acquisition of the Adesis Group in 2015) are invoiced in Mexican peso, which is the functional currency of the Mexican companies. As a result, no exchange rate risk is incurred.

The purchases of the GFT Group (mainly outside services, staff) are also carried out virtually exclusively in the functional currency of the procuring company (in practice largely in euro).

Effects may arise from the currency conversion within the scope of consolidation from the conversion from the balance sheet and income statement of subsidiaries whose functional currency is not the euro. These currency conversion effects increased by € 7,330 thousand as of 31 December 2015. The development in financial year 2015 was mainly the result of the development of the Swiss franc, the UK pound and the US dollar.

The risk for the GFT Group is that on deconsolidation of Group companies, the applicable currency translation difference is liquidated affecting net income.

There are no currencies that pose a significant risk to the Group.

In the financial year 2015, there was only exchange rate hedging for certain periods between the UK pound and the Polish zloty using derivative instruments. Only structured synthetic exchange rate transactions were used to hedge internal Group payments in Polish zloty between GFT Financial Ltd. and GFT Poland Sp. z.o.o.

Interest risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in the market interest rate. As regards financial assets, the GFT Group does not see any risk from interest rate changes in the case of the largely short-term due and non-interest-bearing trade receivables or the other financial assets. In the case of cash and cash equivalents there is a risk that a lower market interest rate will lead to lower interest income; a fall in the market interest rate by one percentage point would in this case lead to a fall in interest income of € 40 thousand. The securities with a partially variable rate of interest (liabilities) are subject to an interest risk that is reflected in both the fair value and the size of the interest income. Owing to the manageable scale of the existing floating-rate security portfolios, GFT regards the interest risk for securities in relation to interest income as insignificant (approximately € 1 thousand to € 2 thousand per percentage point change in interest). Original financial liabilities with a variable rate of interest and without hedging amount to € 19,000 thousand. An increase in the interest rate of one percentage point would raise the interest expense by € 190 thousand.

Hedging the interest risk was not necessary until 2014 and was also not carried out. For the non-revolving tranche of the syndicated loan drawn in 2015 amounting to € 40,000 thousand, the interest risk was hedged in the form of an interest rate cap using interest options. The maximum interest rate risk compared to the interest rate at the end of the reporting period is 1 percent and would lead to an increase in interest expenses of € 400 thousand.

As the GFT Group does not hold any shares in listed companies and other financial instruments are also not dependent on share prices or share price indexes, there is no share price risk.

32. Other financial obligations

The table below shows future minimum leasing payments from operating leases according to their due dates:

in € thsd.	31/12/2015	31/12/2014
Obligations from temporary rental, leasing and licensing contracts at nominal value		
due in the following year	5,820	5,443
due in 2 – 4 years	14,629	12,603
due in 5 or more years (excluding obligations unlimited in time)	15,594	6,013
	36,043	**24,059**
Annual obligations from open-ended rental contracts	457	530

Payments under operating leases that are recorded as expense in the period under review total € 9.284 thousand (prev. year: € 8,251 thousand). Of this total, the continued operation accounts for € 8,587 thousand (prev. year: € 7,517 thousand) and the discontinued operation accounts for € 697 thousand (prev. year: € 734 thousand).

All lease agreements of the GFT Group qualify as operating leases from a commercial point of view, so that leased objects are attributed to the lessor, not the GFT Group, the lessee. Leases primarily relate to business premises, as well as vehicles and office equipment. Lease agreements for buildings are generally concluded for a fixed lease period and had remaining terms of up to 15 years as of 31 December 2015. Operating leases for vehicles and office equipment have terms of between three and seven years. Agreements usually terminate automatically at the end of the term of the agreement.

Order commitments for intangible assets as of 31 December 2015 amount to € 0 thousand (prev. year: € 0 thousand). Order commitments for property, plant and equipment amount to € 338 thousand (prev. year: € 832 thousand).

33. Relationships with affiliated companies and persons

Investors with significant influence

Affiliated persons from the shareholder group that held shares in the Company prior to the IPO in June of 1999 are Ulrich Dietz, the Chairman of the Managing Directors, as well as Maria Dietz, member of the Supervisory Board. Ulrich Dietz and Maria Dietz have informed the company that they held 29.9% and 9.7% of voting rights in GFT Technologies SE, respectively, as of 1 April 2002. As of 31 December 2015, Ulrich Dietz holds 26.2% (prev. year: 28.1%) and Maria Dietz 9.7% (prev. year: 9.7%) of GFT shares. There were no other relationships or transactions above and beyond the existing employment relationships with the individuals mentioned above (as of 23 June 2015 there is no employment relationship with Maria Dietz) during the financial year 2015 as well as during the financial year 2014.

Regarding the composition of related parties of the Managing Directors and Administrative Board, we refer to the following section on "Executive bodies of the parent company", and with regard to their remuneration, we refer to the Remuneration Report contained in the Management Report.

Associated companies

Since 1 March 2008, eQuadriga Software Private Limited, Trichy, India, (formerly GFT Technologies (India) Private Limited), is a related company of the GFT Group (associated company since 1 March 2008, previously fully consolidated). Relations to eQuadriga Software Private Limited have existed since 1 March 2008, primarily within the context of service procurements (above all procurement of IT consulting and programming services). In the financial year 2015, services procured from eQuadriga Software Private Limited amounted to a total of € 38 thousand (prev. year: € 38 thousand); the services were invoiced at customary market conditions. As of 31 December 2015, trade payables include liabilities due to eQuadriga Software Private Limited of € 3 thousand (prev. year: € 3 thousand).

Since 3 August 2015, Parkpocket GmbH is a related company of the GFT Group. There was no exchange of services between the GFT Group and Parkpocket GmbH in the financial year 2015.

As of 30 September 2015, the emagine division, comprising emagine GmbH, Eschborn, Germany, emagine Flexwork GmbH, Stuttgart, Germany, emagine Consulting Ltd., London, UK, emagine consulting SARL, Paris, France, and GFT Holding France, Paris, France, was sold in part to Financière Valérien SAS, Paris, France, and in part to the management of emagine GmbH and a former Executive Board member of GFT Technologies Aktiengesellschaft. The total sales price amounted to € 10,443 thousand. At the end of the reporting period, there were receivables from the sale of the division amounting to € 479 thousand.

The acquiring management team includes Mr Jean-François Bodin, who retired from the company's Executive Board on conversion of GFT Technologies AG to an SE, but who still held key management positions at GFT Technologies Aktiengesellschaft during negotiations on the sale of the emagine division. Mr Bodin acquired a 22.75% stake in emagine.

The sale of the emagine division was based on standard market terms and conditions.

34. Executive bodies of the parent company

Administrative Board

Dr Paul Lerbinger

- Chairman of the Administrative Board
- Former CEO of HSH Nordbank AG, Hamburg, Germany

External mandates:
MainFirst Bank Aktiengesellschaft, Frankfurt / Main, Germany
(Member of the Supervisory Board)

Ulrich Dietz

- Deputy Chairman of the Administrative Board
- Chairman of the Managing Directors, CEO
- Responsible for the corporate functions Strategy, Marketing, Communication, Investor Relations and Internal IT

Group mandates:
GFT Iberia Holding S.A.U., Spain (chair) until 11 May 2015
GFT IT Consulting S.L.U., Spain (chair) until 11 May 2015
GFT Appverse S.L.U., Spain (chair) until 11 May 2015

External mandates:
Deutsche Bank AG, Stuttgart, Germany (Advisory Committee)
Unternehmerbeirat Baden-Württemberg International, Stuttgart, Germany (chair)

Dr Ing Andreas Bereczky

- Member of the Administrative Board
- Production Director Zweites Deutsches Fernsehen, Mainz, Germany

External mandates:
Software AG, Darmstadt, Germany (Chairman of the Supervisory Board)

Maria Dietz

- Member of the Administrative Board

Marika Lulay

- Member of the Administrative Board
- Managing Director, COO
- Responsible for the GFT division

Group mandates:
GFT Iberia Holding S.A.U., Spain (deputy chair) until 11 May 2015
GFT IT Consulting S.L.U., Spain (deputy chair) until 11 May 2015
GFT Brasil Consultoria Informática Ltda., Brazil (chair) until 11 May 2015
GFT Technologies (Switzerland) AG, Switzerland (chair) until 24 March 2015
GFT Financial Solutions AG, Switzerland (chair) until 24 March 2015

Dr Jochen Ruetz

- Member of the Administrative Board
- Managing Director, CFO
- Responsible for the corporate functions Finance, Controlling, Human Resources, Internal Audit, Legal Affairs, Procurement

Group mandates:
GFT Iberia Holding S.A.U., Spain until 11 May 2015
GFT IT Consulting S.L.U., Spain until 11 May 2015
GFT Appverse S.L.U, Spain until 11 May 2015
GFT Holding Italy S.r.l., Italy until 29 April 2015
GFT Italia S.r.l., Italy until 29 April 2015

External mandates:
G. Elsinghorst Handelsgesellschaft mbH, Bocholt, Germany

Prof Dr Andreas Wiedemann

- Member of the Administrative Board
- Partner of the law firm Hennerkes, Kirchdörfer & Lorz, Stuttgart, Germany

External mandates:
Jowat SE, Detmold, Germany (Chairman of the Supervisory Board)
Bree Collection GmbH, Isernhagen, Germany (Deputy Chairman of the Advisory Board)
C. Josef Lamy GmbH, Heidelberg, Germany (Deputy Chairman of the Advisory Board)
Franz Schneider Brakel GmbH & Co. KG, Brakel, Germany (Deputy Chairman of the Advisory Board)
equinet Bank AG, Frankfurt / Main, Germany (Chairman of the Supervisory Board)

Managing Directors

Ulrich Dietz

- Deputy Chairman of the Administrative Board
- Chairman of the Managing Directors, CEO
- Responsible for the corporate functions Strategy, Marketing, Communication, Investor Relations and Internal IT

Group mandates:
GFT Iberia Holding S.A.U., Spain (chair) until 11 May 2015
GFT IT Consulting S.L.U., Spain (chair) until 11 May 2015
GFT Appverse S.L.U., Spain (chair) until 11 May 2015

External mandates:
Deutsche Bank AG, Stuttgart, Germany (Advisory Committee)
Unternehmerbeirat Baden-Württemberg International, Stuttgart, Germany (chair)

Marika Lulay

- Member of the Administrative Board
- Managing Director, COO
- Responsible for the GFT division

Group mandates:
GFT Iberia Holding S.A.U., Spain (deputy chair) until 11 May 2015
GFT IT Consulting S.L.U., Spain (deputy chair) until 11 May 2015
GFT Brasil Consultoria Informática Ltda., Brazil (chair) until 11 May 2015
GFT Technologies (Switzerland) AG, Switzerland (chair) until 24 March 2015
GFT Financial Solutions AG, Switzerland (chair) until 24 March 2015

Dr Jochen Ruetz

- Member of the Administrative Board
- Managing Director, CFO
- Responsible for the corporate functions Finance, Controlling, Human Resources, Internal Audit, Legal Affairs, Procurement

Group mandates:
GFT Iberia Holding S.A.U., Spain until 11 May 2015
GFT IT Consulting S.L.U., Spain until 11 May 2015
GFT Appverse S.L.U, Spain until 11 May 2015
GFT Holding Italy S.r.l., Italy until 29 April 2015
GFT Italia S.r.l., Italy until 29 April 2015

External mandates:
G. Elsinghorst Handelsgesellschaft mbH, Bocholt, Germany

Former members of the Executive Board of GFT Technologies AG

Ulrich Dietz

- Deputy Chairman of the Administrative Board
- Chairman of the Managing Directors, CEO
- Responsible for the corporate functions Strategy, Marketing, Communication, Investor Relations and Internal IT

Group mandates:
GFT Iberia Holding S.A.U., Spain (chair) until 11 May 2015
GFT IT Consulting S.L.U., Spain (chair) until 11 May 2015
GFT Appverse S.L.U., Spain (chair) until 11 May 2015

External mandates:
Deutsche Bank AG, Stuttgart, Germany (Advisory Committee)
Unternehmerbeirat Baden-Württemberg International, Stuttgart, Germany (chair)

Marika Lulay

- Member of the Administrative Board
- Managing Director, COO
- Responsible for the GFT division

Group mandates:
GFT Iberia Holding S.A.U., Spain (deputy chair) until 11 May 2015
GFT IT Consulting S.L.U., Spain (deputy chair) until 11 May 2015
GFT Brasil Consultoria Informática Ltda., Brazil (chair) until 11 May 2015
GFT Technologies (Switzerland) AG, Switzerland (chair) until 24 March 2015
GFT Financial Solutions AG, Switzerland (chair) until 24 March 2015

Dr Jochen Ruetz

- Member of the Administrative Board
- Managing Director, CFO
- Responsible for the corporate functions Finance, Controlling, Human Resources, Internal Audit, Legal Affairs, Procurement

Group mandates:
GFT Iberia Holding S.A.U., Spain until 11 May 2015
GFT IT Consulting S.L.U., Spain until 11 May 2015
GFT Appverse S.L.U, Spain until 11 May 2015
GFT Holding Italy S.r.l., Italy until 29 April 2015
GFT Italia S.r.l., Italy until 29 April 2015

External mandates:
G. Elsinghorst Handelsgesellschaft mbH, Bocholt, Germany

Jean-François Bodin

- Member of the Executive Board until 18 August 2015
- Managing Director of emagine GmbH, Eschborn, Germany

Former members of the Supervisory Board of GFT Technologies AG

Dr Paul Lerbinger

- Chairman of the Supervisory Board until 18 August 2015
- Former CEO of HSH Nordbank AG, Hamburg, Germany

External mandates:
MainFirst Bank Aktiengesellschaft, Frankfurt / Main, Germany
(Member of the Supervisory Board)

Dr Peter Opitz

- Lawyer
- Deputy Chairman of the Supervisory Board until 18 August 2015

Dr Ing Andreas Bereczky

- Member of the Supervisory Board until 18 August 2015
- Production Director Zweites Deutsches Fernsehen, Mainz, Germany

External mandates:
Software AG, Darmstadt, Germany (Chairman of the Supervisory Board)

Andreas Bernhardt

- CEO of Executive Advice, Erdmannshausen, Germany,
- CEO of ND Satcom GmbH, Immenstaad, Germany
- Former member of the Supervisory Board until 18 August 2015

Prof Dr Hans-Peter Burghof

- Holder of the Chair of Banking and Financial Services,
  University of Hohenheim, Stuttgart, Germany
- Former member of the Supervisory Board until 18 August 2015

Dr Thorsten Demel

- Business consultant
- Former member of the Supervisory Board until 18 August 2015

35. Employees

In the 2015 financial year there were 3,737 employees on average, compared to 2,954 in 2014. The figures per region were as follows:

	31/12/2015	31/12/2014
Germany	274	**334**
Brazil	372	242
France	0	18
UK	223	145
Switzerland	42	35
Spain	1,698	1,232
Italy	464	453
USA	74	53
Canada	11	8
Costa Rica	45	34
Poland	450	400
Mexico	84	0
Average number of employees	**3,737**	**2,954**

The number of employees at year-end amounted to 4,050 (prev. year: 3,248).

36. Auditing fees

in € thsd.	31/12/2015	31/12/2014
Auditing of financial statements	237	215
thereof for previous years	36	42
Other certification services	44	26
Tax consulting services	228	17
Other services	10	468
Balance as of 31 December	**519**	**726**

37. Events after the balance sheet date

No significant events have occurred during the year up to 23 March 2016 with a direct effect on the Group's financial position and performance. We refer to the information in the Group Management Report.

38. Disclosures pursuant to Section 160 (1) No. 8 of the German Stock Corporation Act (AktG)

In accordance with the provisions of the German Stock Corporation Act (AktG), the following existing shareholdings were notified to GFT SE up to the time of preparing the annual financial statements (23 June 2016), whereby in each case only the last notification received from each notifier is listed:

24 June 2015 – GFT Technologies Aktiengesellschaft
Publication of a notification pursuant to Section 26(1) German Securities Trading Act
On 24 June 2015, GFT AG received the following notification from Dr Markus Kerber, as published below: *In accordance with section 21(1) German Securities Trading Act (WpHG), Dr Markus Kerber, Germany, notified us on 24 June 2015 that his share of voting rights in GFT Technologies Aktiengesellschaft, Schelmenwasenstr. 34, 70567 Stuttgart, Germany, fell below the 5% threshold on 22 June 2015 and reached 4.99998% (this corresponds to 1,316,293 of a total of 26,325,946 voting rights) on this day. Of this total, 0.00618% (1,629 voting rights) are attributable to Dr Markus Kerber according to section 22 (1) sentence 1 no. 6 WpHG.*

GFT Technologies Aktiengesellschaft received the following withdrawal of a voting rights notification: *In accordance with section 21(1) WpHG, Dr Markus Kerber, Germany, notified us on 24 June 2015 that the following voting rights notification was not necessary and he thus withdraws it: voting rights notification via fax on 16 December 2014 on falling below the 5% threshold to 4.999999% (this corresponds to 1,316,293 voting rights) on 11 December 2014.*

26 May 2015 – GFT Technologies Aktiengesellschaft.
Publication of a notification pursuant to Section 26(1) German Securities Trading Act
On 21 May 2015, GFT Technologies Aktiengesellschaft received the following notification, as published below: *In accordance with section 21(1) WpHG, FIL Limited, Hamilton, Bermuda, informed us on 21 May 2015, that its share of voting rights in GFT Technologies Aktiengesellschaft, Stuttgart, Germany, fell below the 3% threshold on 21 May 2015 and on this day amounted to 2.91% (this corresponds to 764,770 of a total of 26,325,946 voting rights). Of this total, 2.91% (764,770 voting rights) are attributable to FIL Limited according to section 22 (1) sentence 1 no. 6 WpHG.*

In accordance with section 21(1) WpHG, FIL Holdings (UK) Limited, Hildenborough, UK, informed us on 21 May 2015, that its share of voting rights in GFT Technologies Aktiengesellschaft, Stuttgart, Germany, fell below the 3% threshold on 21 May 2015 and on this day amounted to 2.91% (this corresponds to 764,770 of a total of 26,325,946 voting rights). Of this total, 2.91% (764,770 voting rights) are attributable to FIL Holdings (UK) Limited according to section 22 (1) sentence 1 no. 6 WpHG in conjunction with sentence 2 WpHG.

In accordance with section 21(1) WpHG, FIL Investments International, Hildenborough, UK, informed us on 21 May 2015, that its share of voting rights in GFT Technologies Aktiengesellschaft, Stuttgart, Germany, fell below the 3% threshold on 21 May 2015 and on this day amounted to 2.91% (this corresponds to 764,770 of a total of 26,325,946 voting rights). Of this total, 2.91% (764,770 voting rights) are attributable to FIL Investments International according to section 22 (1) sentence 1 no. 6 WpHG.

In accordance with section 21(1) WpHG, Fidelity Funds SICAV, Luxembourg, Luxembourg, informed us on 21 May 2015, that its share of voting rights in GFT Technologies Aktiengesellschaft, Stuttgart, Germany, fell below the 3% threshold on 21 May 2015 and on this day amounted to 2.91% (this corresponds to 764,770 of a total of 26,325,946 voting rights).

12 May 2015 – GFT Technologies Aktiengesellschaft.
Publication of a notification pursuant to Section 26(1) German Securities Trading Act
On 8 May 2015, GFT Technologies Aktiengesellschaft received the following notification, as published below: *In accordance with section 21(1) WpHG, Die JPMorgan Asset Management (UK) Limited, London, UK, informed us on 8 May 2015, that its share of voting rights in GFT Technologies Aktiengesellschaft, Stuttgart, Germany, fell below the 3% threshold on 5 May 2015 and on this day amounted to 2.99% (this corresponds to 787,621 of a total of 26,325,946 voting rights).*

Of this total, 2.99% (787,621 voting rights) are attributable to JPMorgan Asset Management (UK) Limited according to section 22 (1) sentence 1 no. 6 WpHG.

3 April 2002 – GFT Technologies Aktiengesellschaft
Publication of a notification pursuant to Section 26(1) German Securities Trading Act
On 3 April 2002, GFT AG was informed by Mr Ulrich Dietz and Ms Maria Dietz, of St Georgen, of the existence of equity interest, the content of which was made public as follows: *Mr Ulrich Dietz, domiciled in St Georgen, informed us on 3 April 2002, pursuant to Section 41 (2), No. 1 of the German Securities Trading Act, that 29.94% of the voting rights in GFT Technologies AG are imputable to him as of 1 April 2002. Ms Maria Dietz, domiciled in St Georgen, informed us on 3 April 2002, pursuant to section 41 (2), No. 1 of the German Securities Trading Act, that 9.67% of the voting rights in GFT Technologies AG are imputable to her as of 1 April 2002.*

39. Issuance of the Statement on the German Corporate Governance Code pursuant to Section 161 AktG

On 9 December 2015, the Administrative Board issued the updated Declaration of Conformity pursuant to Section 161 AktG. As of 9 December 2015, it has been permanently available on the company's website.
http://www.gft.com/int/en/index/company/investor-relations/corporate-governance/

Stuttgart, 23 March 2016

GFT Technologies SE
The Managing Directors

Ulrich Dietz
CEO

Marika Lulay
COO

Dr Jochen Ruetz
CFO

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Stuttgart, 23 March 2016

GFT Technologies SE
The Managing Directors



Ulrich Dietz
CEO

Marika Lulay
COO

Dr Jochen Ruetz
CFO

Auditor's Report

We have audited the consolidated financial statements prepared by the GFT Technologies SE, Stuttgart, comprising Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Cash Flow Statement, Consolidated Statement of Changes in Equity and Notes together with the group management report for the business year from January 1 to December 31, 2015. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to §315a (1) HGB (Handelsgesetzbuch »German Commercial Code«) are the responsibility of the parent company`s management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with §317 HGB (Handelsgesetzbuch »German Commercial Code«) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany (IDW)]. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and group management report. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs, as adopted by the EU, the additional requirements of German commercial law pursuant to §315a (1) HGB (and supplementary provisions of the shareholder agreement / articles of incorporation) and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Stuttgart, 23 March 2016

KPMG AG
Wirtschaftsprüfungsgesellschaft
Original German version signed by:

Schwebler	**Bauer**
Auditor	Auditor

Annual Financial Statements
of GFT Technologies SE acc. to HGB

Annual Financial Statements

Balance Sheet acc. to HGB

as at 31 December 2015, GFT Technologies SE, Stuttgart

Assets

in €	31/12/2015	31/12/2014
A. Non-current assets		
I. Intangible assets		
Licences, industrial property rights and similar rights and values	892,243.00	268,758.00
II. Tangible assets		
1. Other equipment, office and factory equipment	2,990,180.02	2,121,454.28
2. Prepaid expenses	458,709.05	42,016.81
	3,448,889.07	**2,163,471.09**
III. Financial assets		
1. Shares in affiliated companies	38,578,366.53	44,142,196.73
2. Loans to affiliated companies	66,174,059.40	65,404,398.87
3. Investments	86,697.86	86,697.86
4. Securities of non-current assets	123,059.81	121,180.18
	104,962,183.60	**109,754,473.64**
	109,303,315.67	**112,186,702.73**
B. Current assets		
I. Inventories		
Work in progress	13,837,425.08	9,184,934.31
II. Receivables and other current assets		
1. Trade receivables	5,842,766.21	5,043,750.94
2. Receivables from affiliated companies	30,208,883.82	19,818,246.17
3. Other assets	2,293,027.27	1,270,076.99
	38,344,677.30	**26,132,074.10**
III. Cash balance, cash at banks	7,766,050.26	11,156,474.97
	59,948,152.64	**46,473,483.38**
C. Deferred tax assets	1,833,557.45	587,666.26
	171,085,025.76	**159,247,852.37**

Shareholders' equity and liabilities

in €	31/12/2015	31/12/2014
A. Shareholders' Equity		
I. Share capital	26,325,946.00	26,325,946.00
Conditional capital €10,000,000.00 (prev. year €10,000,000.00)		
II. Capital reserve	2,745,042.36	2,745,042.36
III. Retained earnings		
Other retained earnings	22,149,591.97	22,149,591.97
IV. Net earnings	9,781,757.80	10,947,663.27
	61,002,338.13	**62,168,243.60**
B. Provisions		
1. Provisions for pensions	829,872.00	740,393.00
2. Other provisions	11,317,741.93	9,552,382.94
	12,147,613.93	**10,292,775.94**
C. Liabilities		
1. Bank liabilities	75,000,000.00	70,000,000.00
2. Advance payments on orders	13,033,131.94	9,982,850.88
3. Trade liabilities	2,739,455.52	1,792,619.52
4. Liabilities to affiliated companies	5,860,360.98	4,215,314.36
5. Liabilities to participations	3,000.00	3,000.00
6. Other liabilities	1,299,125.26	793,048.07
	97,935,073.70	**86,786,832.83**
	171,085,025.76	**159,247,852.37**

Income statement acc. to HGB

for the period from 1 January 2015 to 31 December 2015, GFT Technologies SE, Stuttgart

in €	31/12/2015	31/12/2014
1. Revenue	39,263,777.90	38,921,562.75
2. Change in inventories of work in progress	4,652,490.77	2,128,862.93
3. Other operating income		
income from currency conversion	622,184.05	164,529.19
other	23,811,282.75	15,652,083.50
	24,433,466.80	**15,816,612.69**
	68,349,735.47	**56,867,038.37**
4. Cost of materials		
a) Cost of purchased goods	21.37	24.89
b) Costs of purchased services	22,750,127.06	18,737,074.14
	22,750,148.43	**18,737,099.03**
5. Personnel expenses		
a) Salaries and wages	25,064,698.16	23,125,081.90
b) Social security and expenditures for retirement pensions	3,160,332.21	2,922,144.97
of which for retirement pensions € 27.392,51 (prev. year € 28.779,24)		
	28,225,030.37	**26,047,226.87**
6. Depreciation on intangible assets and tangible assets	875,195.64	677,208.72
7. Other operating expenses		
income from currency conversion	221,940.77	123,227.39
other	20,186,109.79	15,369,821.64
8. Income (PY: income) from profit and loss transfer agreements	192,322.49	125,316.32
9. Tax sharing payments from subsidiaries	87,548.30	89,032.79
10. Income from investments	8,295,991.58	12,305,861.04
of which from affiliated companies € 8.295.991,58 (prev. year € 12.305.861,04)		
11. Income from other securities of financial assets	2,552.97	1,855.12
12. Other interest and similar income	2,330,955.62	1,670,905.47
of which from affiliated companies € 2.329.449,73 (prev. year € 1.599.976,91)		

in €	31/12/2015	31/12/2014
13. Interest and similar expenses		
of which from affilated companies € 20.034,23 (prev. year € 15.220,86)		
Expenses from deduction of accrued interest	62,086.00	68,884.00
other	1,512,591.75	1,020,471.82
	1,574,677.75	**1,089,355.82**
14. Financial result	9,334,693.21	13,103,614.92
15. Result from ordinary business activities	5,426,003.68	9,016,069.64
16. Taxes on income	4,086.91	−102,442.15
17. Other taxes	6,335.74	8,381.19
18. Net income	5,415,581.03	9,110,130.60
19. Loss carried forward from previous year	4,366,176.77	4,837,532.67
20. Allocations to retained earnings		
to other retained earnings	0.00	−3,000,000.00
21. Net earnings	**9,781,757.80**	**10,947,663.27**

Financial calendar 2016

GFT Technologies SE, Stuttgart

12 May 2016	14 June 2016	11 August 2016	10 November 2016
Quarterly Statement Q1/2016	Annual General Meeting	Quarterly Statement as of 30 September 2016	Quarterly Statement Q3/2016

Further information

Write to us or call us if you have any questions. Our Investor Relations team will be happy to answer them for you. Or visit our website at *www.gft.com/ir*. There you can find further information on our company and the GFT AG share.

The Annual Report 2015 is also available in German. The online versions of the German and English Reports are available on *www.gft.com/ir*.

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www.ir-1.com

Image references
Plainpicture
Getty Images (p. 18, p. 26)

Key Figures according to IFRS

GFT Technologies SE, Stuttgart

In € m	2015	2014	2013	2012	2011
	Continued operations				
Income statement					
Revenue	373.51	279.24	264.29	230.69	272.38
Earnings before interest, tax, depreciation and amortisation (EBITDA)	44.56	32.82	20.49	13.35	11.84
Earnings before interest and taxes (EBIT)	34.23	26.42	17.65	11.79	10.49
Earnings before taxes (EBT)	32.52	25.41	17.52	12.11	11.05
Net income	26.55	18.59	13.63	8.34	8.29
Balance sheet					
Non-current assets	173.33	148.61	80.64	44.98	45.35
Cash, cash equivalents and securities	47.10	38.25	48.62	40.42	39.68
Other current assets	106.38	114.79	77.11	47.08	53.25
Assets	326.81	301.65	206.38	132.48	138.28
Non-current liabilities	111.73	60.63	48.46	7.22	8.59
Current liabilities	90.63	140.61	70.77	47.06	54.07
Stakeholders' equity and liabilities	124.45	100.41	87.15	78.21	75.62
Liabilities	326.81	301.65	206.38	132.48	138.28
Equity ratio	38%	33%	42%	59%	55%
Cash flow					
Cash flow from operating activities	42.60	15.21	7.44	5.61	12.35
Cash flow from investing activities	–31.73	–67.92	–16.84	1.75	2.28
Cash flow from financing activities	–3.37	42.77	20.86	–3.95	–3.95
Employees					
Employees (absolute figures as of 31 December)	4,050	3,131	2,111	1,386	1,337
Share					
Earnings per share according to IAS	€ 1.01	€ 0.71	€ 0.52	€ 0.32	€ 0.31

Quarterly overview

In € m	Q1/2015	Q2/2015	Q3/2015	Q4/2015	2015
Revenue	88.52	90.24	92.72	102.03	373.51
EBITDA	9.56	10.24	11.50	13.26	44.56
EBT	6.89	7.35	8.51	9.77	32.52
Net income*	4.67	4.18	6.59	11.11	26.55
IAS earnings per share*	€ 0.18	€ 0.16	€ 0.25	€ 0.42	€ 1.01
Permanent employees end of period	3,257	3,421	3,897	4,050	4,050

*From continued operations

www.gft.com