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# ANNUAL FINANCIAL STATEMENT

# 2021



## Annual financial statement 2021



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## Balance sheet

# Balance sheet

as of 31 December 2021, GFT Technologies SE

**Assets**

| in €   | 31/12/2021            | 31/12/2020            |
|--|-----------------------|-----------------------|
| <b>A. Assets</b>   |                       |                       |
| <b>I. Intangible assets</b>  |                       |                       |
| Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets | 1,181,361.64          | 1,696,147.90          |
| <b>II. Property, plant and equipment</b>   |                       |                       |
| Other equipment, furniture and fixtures  | 4,468,397.83          | 4,421,128.99          |
| <b>III. Financial assets</b>   |                       |                       |
| 1. Shares in affiliates  | 54,593,935.88         | 62,154,341.83         |
| 2. Loans to affiliates   | 70,071,310.52         | 84,506,418.22         |
| 3. Equity investments  | 789,932.17            | 168,714.57            |
|  | <b>125,455,178.57</b> | <b>146,829,474.62</b> |
|  | <b>131,104,938.04</b> | <b>152,946,751.51</b> |
| <b>B. Current assets</b>   |                       |                       |
| <b>I. Work in process</b>  | <b>7,746,015.65</b>   | <b>3,014,109.37</b>   |
| <b>II. Receivables and other assets</b>  |                       |                       |
| 1. Trade receivables   | 8,472,950.96          | 5,237,670.45          |
| 2. Receivables from affiliates   | 18,690,290.04         | 16,971,704.02         |
| 3. Other assets  | 595,245.58            | 852,424.36            |
|  | <b>27,758,486.58</b>  | <b>23,061,798.83</b>  |
| <b>III. Cash on hand and bank balances</b>   | <b>4,118,029.21</b>   | <b>11,278,079.42</b>  |
|  | <b>39,622,531.44</b>  | <b>37,353,987.62</b>  |
| <b>C. Prepaid expenses</b>   | <b>3,327,532.71</b>   | <b>2,810,339.94</b>   |
|  | <b>174,055,002.19</b> | <b>193,111,079.07</b> |

**Equity and liabilities**

| in €   | 31/12/2021            | 31/12/2020            |
|--|-----------------------|-----------------------|
| <b>A. Equity</b>                             |                       |                       |
| <b>I. Share capital</b>                      | <b>26,325,946.00</b>  | <b>26,325,946.00</b>  |
| <b>II. Capital reserve</b>                   | <b>2,745,042.36</b>   | <b>2,745,042.36</b>   |
| <b>III. Other retained earnings</b>          | <b>22,149,591.97</b>  | <b>22,149,591.97</b>  |
| <b>IV. Distributable profit</b>              | <b>27,097,583.95</b>  | <b>24,737,258.40</b>  |
|  | <b>78,318,164.28</b>  | <b>75,957,838.73</b>  |
| <b>B. Provisions</b>                         |                       |                       |
| 1. Provisions for pensions                   | 643,583.00            | 1,381,197.00          |
| 2. Tax provisions                            | 217,382.00            | 0.00                  |
| 3. Other provisions                          | 12,772,161.87         | 7,585,082.42          |
|  | <b>13,633,126.87</b>  | <b>8,966,279.42</b>   |
| <b>C. Liabilities</b>                        |                       |                       |
| 1. Liabilities to banks                      | 63,017,912.22         | 96,035,355.75         |
| 2. Prepayments received on account of orders | 9,019,177.03          | 3,114,373.95          |
| 3. Trade payables                            | 684,259.80            | 743,383.17            |
| 4. Liabilities to affiliates                 | 6,331,597.73          | 6,192,171.81          |
| 5. Other liabilities                         | 1,950,686.51          | 1,644,860.03          |
|  | <b>81,003,633.29</b>  | <b>107,730,144.71</b> |
| <b>D. Deferred income</b>                    | <b>1,100,077.75</b>   | <b>456,816.21</b>     |
|  | <b>174,055,002.19</b> | <b>193,111,079.07</b> |

## Income statement



# Income statement

for the financial year 2021, GFT Technologies SE

| in €  | 2021                  | 2020                 |
|---|-----------------------|----------------------|
| 1. Revenue  | 73,533,097.73         | 72,675,288.56        |
| 2. Increase (2020: Decrease) of work in process   | 4,731,906.28          | -766,534.98          |
| 3. Other operating income   | 9,337,234.08          | 6,592,074.07         |
| <b>4. Total performance</b>   | <b>87,602,238.09</b>  | <b>78,500,827.65</b> |
| 5. Cost of purchased services   | 25,540,760.68         | 24,807,089.15        |
| 6. Personnel expenses   |                       |                      |
| a) Salaries and wages   | 34,190,338.09         | 31,419,403.05        |
| b) Social security, pension and other benefit costs                                     | 4,355,324.28          | 4,356,399.92         |
| 7. Amortisation and depreciation of intangible assets and property, plant and equipment | 1,228,977.14          | 2,098,583.36         |
| 8. Other operating expenses   | 33,279,559.51         | 22,779,940.49        |
| <b>9. Result from operating activities</b>  | <b>-10,992,721.61</b> | <b>-6,960,588.32</b> |
| 10. Income from equity investments  | 18,100,000.00         | 14,533,976.00        |
| 11. Income from profit and loss transfer agreements                                     | 925,788.54            | 1,482,538.16         |
| 12. Income from loans classified as fixed financial assets                              | 1,218,562.96          | 1,729,592.43         |
| 13. Other interest and similar income   | 271,082.06            | 330,561.40           |
| 14. Write-downs of financial assets   | 115,000.00            | 435,041.65           |
| 15. Expenses from loss assumptions  | 391,507.05            | 417,182.10           |
| 16. Interest and similar expenses   | 886,700.52            | 1,527,078.99         |

| in €  | 2021                 | 2020                 |
|---|----------------------|----------------------|
| <b>17. Financial result</b>                   | <b>19,122,225.99</b> | <b>15,697,365.25</b> |
| <b>18. Earnings before taxes</b>              | <b>8,129,504.38</b>  | <b>8,736,776.93</b>  |
| 19. Income taxes                              | 499,208.65           | 26,818.23            |
| <b>20. Earnings after income taxes</b>        | <b>7,630,295.73</b>  | <b>8,709,958.70</b>  |
| 21. Other taxes                               | 4,780.98             | 6,205.18             |
| <b>22. Net income for the year</b>            | <b>7,625,514.75</b>  | <b>8,703,753.52</b>  |
| 23. Profit brought forward from previous year | 19,472,069.20        | 16,033,504.88        |
| <b>24. Distributable profit</b>               | <b>27,097,583.95</b> | <b>24,737,258.40</b> |

## Notes



## Notes to the annual financial statements

for the financial year 2021, GFT Technologies SE, Stuttgart

### 1 Accounting policies and methods

#### 1.1 General information

The annual financial statements of GFT Technologies SE were prepared in euro (€) in accordance with the regulations of the German Commercial Code (HGB) and the supplementary provisions of the German Stock Corporation Act (AktG). Unless stated otherwise, figures are stated in thousands of euros (€ thousand). Amounts are rounded using standard commercial methods.

GFT Technologies SE is a European public limited company (Societas Europaea, SE) with headquarters in Stuttgart, Germany. The company is registered in the Commercial Register of the District Court of Stuttgart under number HRB 753709 with its registered offices at Schelmenwasenstrasse 34, 70567 Stuttgart.

As the parent company of the GFT Group, and pursuant to section 315e (1) HGB, GFT Technologies SE prepares consolidated financial statements on the basis of the International Financial Reporting Standards (IFRS). As a consequence, it does not prepare consolidated financial statements according to German commercial law. The financial year is the calendar year.

The income statement has been prepared using the nature of expense method.

Compared to the statutory system of presentation according to section 275 (2) HGB, the income statement additionally includes the items 'total performance', 'result from operating activities', 'income from profit and loss transfer agreements', 'expenses from loss assumption', 'financial result', 'earnings before taxes', 'profit brought forward from previous year', and 'distributable profit'.

In order to enhance the clarity of presentation, disclosures on the composition of line items and 'thereof' references are included in the notes.

#### Comparability with the previous year

With a notarised merger agreement of 15 April 2021, GFT Smart Technology Solutions GmbH, Karlsruhe, was merged by absorption with retroactive effect as of 1 January 2021 with GFT Technologies SE, Stuttgart. The merger was entered in the Commercial Register on 31 August 2021.

In accordance with section 24 of the German Transformation Act ('Umwandlungsgesetz'), the carrying amounts from the closing balance sheet as of 31 December 2020 of the transferring legal entity were recognised as acquisition costs as follows:

| in € thousand                  | 31/12/2020 |
|--------------------------------|------------|
| Fixed assets                   | 167        |
| Receivables and other assets   | 160        |
| Cash on hand and bank balances | 971        |
| Prepaid expenses               | 24         |
| Provisions                     | 465        |
| Liabilities                    | 213        |

The prior-year figures in the balance sheet, income statement and the notes were not adjusted, as the comparability of the financial position and performance is not significantly affected by the merger.

The merger resulted in a loss of €6,135 thousand (see note 3.4).

#### 1.2 Accounting and valuation methods

The following accounting and valuation methods were essentially unchanged for the preparation of the annual financial statements.

Purchased intangible fixed assets are measured at acquisition cost less scheduled straight-line amortisation. The assets generally have a useful life of 3 or 5 years.

Property, plant and equipment are measured at acquisition cost less scheduled straight-line depreciation. A useful life of 3 to 13 years is assumed for scheduled straight-line depreciation.

Impairments are recognised if an asset needs to be measured at a lower value. If the reasons for impairment no longer exist, an impairment reversal is recognised.

In case of financial assets, share rights are recognised at acquisition cost and loans at nominal value or, in case of expected permanent as well as expected non-permanent impairments, at the lower fair value. Share rights are measured using a discounted cash flow approach. If the reasons for a permanent impairment no longer exist, the impairment is reversed.

Work in process is recognised at manufacturing cost. In addition to directly attributable costs, manufacturing costs also include pro rata production and material overheads, including depreciation, as well as

## Notes

appropriate portions of general administration costs. Profits are recognised for work in process upon acceptance of the project. Write-downs are made insofar as recognition at a lower value is necessary.

Receivables and other assets are measured at their nominal values, taking into account all identifiable risks, and – if interest-bearing – discounted to their present value on the balance sheet date if their remaining term is more than one year. A general allowance (1.0%) is recognised to reflect general credit risks.

Prepaid expenses include expenses before the balance sheet date that constitute expenses for a specific period thereafter. Any difference between the settlement amount and the lower issue amount of liabilities ('discount') is capitalised and amortised over the term of the liabilities.

Deferred taxes due to temporary or quasi-permanent differences in the measurement of assets, liabilities, accruals and deferrals between financial reporting according to commercial law (HGB) and the tax basis, or due to tax loss carryforwards, are measured at the company-specific tax rates at the time the differences are eliminated and the amounts of the resulting tax burden and relief are not discounted. However, loss carryforwards are only included to the extent that they can be offset against taxable income within the statutory period of five years. Deferred tax assets and liabilities are netted. Any resulting tax liability is recognised as a deferred tax liability in the balance sheet. Any resulting tax asset is not recognised, in line with the capitalisation option.

Provisions for pensions are recognised at the settlement amount required according to reasonable business judgement. Measurement is based on the actuarial projected unit credit method. Discounting is based on the average market interest rate of the last ten financial years as published by the German central bank ('Deutsche Bundesbank') on 31 December 2021 for an assumed remaining term of 15 years.

Tax provisions and other provisions take into account all uncertain liabilities and impending losses. They are measured at the settlement amount required according to reasonable business judgement. Expected future price and cost increases up to the time of fulfilment of the obligation are taken into account. Provisions for employee commissions and bonuses are estimated on the basis of expected target achievement. The individual targets are weighted differently and consist of economic and personal targets.

Provisions with a remaining term of more than one year are generally discounted at the average market interest rate of the last seven years as published by the German central bank ('Deutsche Bundesbank') on 31 December 2021 in accordance with their remaining term.

Liabilities are measured at their settlement amounts.

Deferred income includes payments received before the balance sheet date that constitute income for a specific period thereafter.

Assets and liabilities denominated in foreign currencies are generally translated at the mean spot exchange rate on the balance sheet date. In the case of remaining terms of more than one year, the realisation principle (section 252 (1) no. 4, half-sentence 2 HGB) and the acquisition cost principle (section 253 (1) sentence 1 HGB) are applied.

Insofar as accounting units pursuant to section 254 HGB are formed, the following accounting and valuation principles are applied. Economic hedging relationships are reflected in the balance sheet by forming measurement units. In those cases in which it is possible to apply both the 'freezing method' (in which the offsetting changes in value from the hedged risk are not recognised in the balance sheet) and the 'gross hedge presentation method' (in which the offsetting changes in value from the hedged risk of both the underlying transaction and the hedging instrument are recognised in the balance sheet), the 'freezing method' is used. The offsetting positive and negative changes in value have no effect on the income statement.

Revenue recognition depends on the contractual agreements. For consulting projects that are structured as a contract for work and services, revenue is recognised on the basis of the completed contract method at the time of final acceptance of the project by the client. Consultancy projects that are structured as service contracts are recognised after the service has been rendered. Revenue from maintenance contracts is recognised pro rata over the contractual maintenance period.

## Notes

## 2 Explanations on items of the balance sheet

### 2.1 Fixed assets

The development of the individual fixed asset items is presented in the following table with details of depreciation and amortisation for the financial year.

| in €   | Acquisition or manufacturing costs |                     |                       |                      |                       |
|--|------------------------------------|---------------------|-----------------------|----------------------|-----------------------|
|  | 01/01/2021                         | Additions           | Additions from merger | Disposals            | 31/12/2021            |
| <b>I. Intangible assets</b>  |                                    |                     |                       |                      |                       |
| Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets | 4,991,288.45                       | 27,078.61           | 129,358.07            | 7,253.33             | 5,140,471.80          |
| <b>II. Property, plant and equipment</b>   |                                    |                     |                       |                      |                       |
| Other equipment, furniture and fixtures  | 11,041,540.44                      | 576,684.06          | 685,120.19            | 10,486.55            | 12,292,858.14         |
| <b>I. Financial assets</b>   |                                    |                     |                       |                      |                       |
| 1. Shares in affiliates  | 62,692,695.18                      | 0.00                | 0.00                  | 7,560,405.95         | 55,132,289.23         |
| 2. Loans to affiliates   | 84,941,459.87                      | 2,127,190.75        | 0.00                  | 16,997,340.10        | 70,071,310.52         |
| 3. Equity in investments   | 168,714.57                         | 736,217.60          | 0.00                  | 115,000.00           | 789,932.17            |
|  | <b>147,802,869.62</b>              | <b>2,863,408.35</b> | <b>0.00</b>           | <b>24,672,746.05</b> | <b>125,993,531.92</b> |
|  | <b>163,835,698.51</b>              | <b>3,467,171.02</b> | <b>814,478.26</b>     | <b>24,690,485.93</b> | <b>143,426,861.86</b> |

| in €   | Depreciation, amortisation and write-ups |                     |                       |                   |                   |                      | Carrying amount       |                       |
|--|--|---------------------|-----------------------|-------------------|-------------------|----------------------|-----------------------|-----------------------|
|  | 01/01/2021                               | Additions           | Additions from merger | Write-ups         | Disposals         | 31/12/2021           | 31/12/2021            | 31/12/2020            |
| <b>I. Intangible assets</b>  |  |                     |                       |                   |                   |                      |                       |                       |
| Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets | 3,295,140.55                             | 553,744.76          | 117,478.18            | 0.00              | 7,253.33          | 3,959,110.16         | 1,181,361.64          | 1,696,147.90          |
| <b>II. Property, plant and equipment</b>   |  |                     |                       |                   |                   |                      |                       |                       |
| Other equipment, furniture and fixtures  | 6,620,411.45                             | 675,232.38          | 530,389.46            | 0.00              | 1,572.98          | 7,824,460.31         | 4,468,397.83          | 4,421,128.99          |
| <b>I. Financial assets</b>   |  |                     |                       |                   |                   |                      |                       |                       |
| 1. Shares in affiliates  | 538,353.35                               | 0.00                | 0.00                  | 0.00              | 0.00              | 538,353.35           | 54,593,935.88         | 62,154,341.83         |
| 2. Loans to affiliates   | 435,041.65                               | 0.00                | 0.00                  | 435,041.65        | 0.00              | 0.00                 | 70,071,310.52         | 84,506,418.22         |
| 3. Equity in investments   | 0.00                                     | 115,000.00          | 0.00                  | 0.00              | 115,000.00        | 0.00                 | 789,932.17            | 168,714.57            |
|  | <b>973,395.00</b>                        | <b>115,000.00</b>   | <b>0.00</b>           | <b>435,041.65</b> | <b>115,000.00</b> | <b>538,353.35</b>    | <b>125,455,178.57</b> | <b>146,829,474.62</b> |
|  | <b>10,888,947.00</b>                     | <b>1,343,977.14</b> | <b>647,867.64</b>     | <b>435,041.65</b> | <b>123,826.31</b> | <b>12,321,923.82</b> | <b>131,104,938.04</b> | <b>152,946,751.51</b> |

## Notes

**Intangible assets**

There was no impairment in the financial year 2021. In the previous year, software licences were written down by €535 thousand.

**Financial assets**

Financial assets decreased by €21,374 thousand to €125,455 thousand (31 December 2020: €146,829 thousand) in the financial year.

Loans to affiliated companies declined by €14,435 thousand, mainly due to the repayment of intercompany loans. In addition, the merger with GFT Smart Technology Solutions GmbH led to a disposal of shares held in affiliated companies of €7,560 thousand.

In the financial year, currency-related write-ups on loans to affiliated companies amounting to €435 thousand were made and relate to a long-term loan to 9380-6081 Québec Inc., Montreal, Canada. Currency-related write-ups are recognised in other operating income. In the previous year, there were write-downs on financial assets of €435 thousand due to negative exchange rate changes.

**2.2 Disclosures on equity holdings according to section 285 no. 11 HGB**

As of 31 December 2021, GFT Technologies SE directly and indirectly holds shares of at least 5% in the companies presented below. For the fully consolidated subsidiaries, equity and earnings disclosures are based on the IFRS amounts of the local financial statements.

**Equity holdings acc. to section 285 no. 11 HGB**

| in € thousand   | Share of the capital (in %) | Company equity 31/12/2021 | Net income 2021 |
|---|-----------------------------|---------------------------|-----------------|
| <b>I. Direct investments</b>  |                             |                           |                 |
| <i>Domestic</i>   |                             |                           |                 |
| GFT Real Estate GmbH, Stuttgart, Germany <sup>1</sup>   | 100                         | 567                       | -63             |
| SW34 Gastro GmbH, Stuttgart, Germany <sup>1</sup>   | 100                         | 533                       | 0               |
| GFT Treasury Services GmbH, Stuttgart, Germany <sup>1</sup><br>(formerly: GFT Experts GmbH, Stuttgart, Germany)                       | 100                         | 30                        | 0               |
| GFT Invest GmbH, Stuttgart, Germany <sup>1</sup>  | 100                         | 25                        | 0               |
| GFT Integrated Systems GmbH, Konstanz, Germany <sup>1</sup><br>(formerly: in-Integrierte Informationssysteme GmbH, Konstanz, Germany) | 100                         | 2,081                     | 795             |
| incowia GmbH, Illmenau, Germany   | 10                          | 1,825                     | 432             |
| 1886 Ventures GmbH, Stuttgart, Germany  | 7                           | 3,833                     | 665             |
| <i>Foreign</i>  |                             |                           |                 |
| GFT Schweiz AG, Zurich, Switzerland   | 100                         | -285                      | 478             |
| GFT UK Limited, London, UK  | 100                         | 35,074                    | 8,250           |
| GFT Technologies S.A.U., Madrid, Spain  | 100                         | 37,757                    | 10,693          |
| GFT Italia S.r.l., Milan, Italy   | 100                         | 29,200                    | 5,919           |
| 9380-6081 Québec Inc., Montreal, Canada   | 100                         | 286                       | -3,710          |
| GFT France S.A.S., Paris, France  | 100                         | 1,460                     | 1,074           |
| GFT Technologies Hong Kong Ltd., Hong Kong, China   | 100                         | 714                       | 314             |
| GFT Technologies Singapore Pte. Ltd., Singapore, Singapore  | 100                         | -999                      | -712            |
| One Creation Corporation, New York, USA   | 5                           | 17,968                    | 43              |

<sup>1</sup> There is an profit and loss transfer agreement between the company (profit and loss transferring company) and GFT Technologies SE. The values disclosed for equity and net income are after profit transfer or loss assumption according commercial law.

## Notes

## Equity holdings acc. to section 285 no. 11 HGB

| in € thousand   | Share of the capital (in %) | Company equity 31/12/2021 | Net income 2021 |
|---|-----------------------------|---------------------------|-----------------|
| <b>II. Indirect investments</b>                             |                             |                           |                 |
| <i>Foreign</i>  |                             |                           |                 |
| GFT IT Consulting, S.L.U., Sant Cugat del Vallès, Spain     | 100                         | 17,183                    | 5,683           |
| GFT Brasil Consultoria Informática Ltda., Barueri, Brazil   | 100                         | 9,434                     | 8,511           |
| GFT USA Inc., New York, USA                                 | 100                         | 12,097                    | 4,271           |
| Med-Use S.r.l., Milan, Italy                                | 100                         | 599                       | 35              |
| GFT Financial Limited, London, UK                           | 100                         | 15,027                    | 6,098           |
| GFT Canada Inc., Toronto, Canada                            | 100                         | 689                       | 20              |
| GFT Poland Sp. z o.o., Lodz, Poland                         | 100                         | 9,043                     | 3,368           |
| GFT Costa Rica S.A., Heredia, Costa Rica                    | 100                         | 728                       | 162             |
| GFT México S.A. de C.V., Mexico City, Mexico                | 100                         | 5,214                     | 171             |
| GFT Peru S.A.C., Lima, Peru                                 | 100                         | 20                        | 0               |
| GFT Technologies Canada Inc., Quebec, Canada                | 100                         | 15,986                    | 2,438           |
| GFT Technologies Toronto Inc., Quebec, Canada               | 100                         | 2,333                     | 1,131           |
| GFT Technologies Belgique S.A., Brussels, Belgium           | 100                         | 230                       | 23              |
| GFT Technologies Vietnam Limited, Ho Chi Minh City, Vietnam | 100                         | -438                      | -457            |

In the reporting period, GFT Smart Technology Solutions GmbH, Karlsruhe, Germany, was merged with GFT Technologies SE, Stuttgart, Germany, by way of universal succession with retroactive effect from 1 January 2021.

Moreover, in the financial year 2021, GFT Technologies (Ireland) Ltd., Dublin, Ireland, was liquidated as of 17 May 2021 and GFT Appverse S.L.U., Sant Cugat del Vallès, Spain, as of 3 November 2021.

**2.3 Receivables and other assets**

Receivables from affiliated companies amounting to €18,690 thousand (31 December 2020: €16,972 thousand) relate to trade receivables of €6,752 thousand (31 December 2020: €5,207 thousand) and otherwise mainly to loans and receivables from profit and loss transfer agreements.

Other assets include tax receivables of €416 thousand (31 December 2020: €790 thousand).

All receivables and other assets have remaining terms of up to one year.

**2.4 Deferred taxes**

Deferred taxes were calculated using the balance sheet-oriented concept on the basis of the combined income tax rate for the tax group of GFT Technologies SE, which is currently 28.97%. The combined income tax rate includes corporate income tax, trade tax and the solidarity surcharge.

## Notes

Deferred tax assets and liabilities result mainly from the following temporary differences between commercial and tax balance sheet measurement:

| in € thousand  | 31/12/2021 |
|--|------------|
| Provisions<br>(including provisions for pensions)    | 874        |
| Other assets   | 256        |
| Goodwill   | 1,968      |
| There are also the following tax loss carryforwards: |            |
| Corporate income tax, incl. solidarity surcharge     | 5,865      |
| Trade tax  | 628        |

Deferred tax assets and liabilities were netted. The resulting net tax asset was not recognised, in line with the capitalisation option.

## 2.5 Equity

The change in equity during the financial year 2021 is summarised below:

### Change in equity

| in €                          | Share capital        | Capital reserve     | Other retained earnings | Distributable profit |
|-------------------------------|----------------------|---------------------|-------------------------|----------------------|
| <b>As of 1 January 2021</b>   | <b>26,325,946.00</b> | <b>2,745,042.36</b> | <b>22,149,591.97</b>    | <b>24,737,258.40</b> |
| Dividend to shareholders      | –                    | –                   | –                       | –5,265,189.20        |
| Net income for the year       | –                    | –                   | –                       | 7,625,514.75         |
| <b>As of 31 December 2021</b> | <b>26,325,946.00</b> | <b>2,745,042.36</b> | <b>22,149,591.97</b>    | <b>27,097,583.95</b> |

## Share capital

As of 31 December 2021, share capital of €26,325,946.00 consisted of 26,325,946 no-par value shares (unchanged from the previous year). The shares are bearer shares and all grant the same rights.

## Authorised capital

With a resolution adopted by the Annual General Meeting of 10 June 2021, the previous Authorised Capital was cancelled and a new Authorised Capital (Authorised Capital 2021) was resolved in order to secure the long-term financial scope. Essentially, this scope was expanded with regard to the use of the Authorised Capital within the framework of share participation or other share-based programmes for Managing Directors of GFT Technologies SE and members of the representative body of a company affiliated with GFT Technologies SE. In detail, the Administrative Board was authorised until 9 June 2026 to increase the share capital of GFT Technologies SE by up to a total of €10.00 million through a one-time-only or repeated partial issuance of bearer shares (no-par shares) against cash contributions and/or contributions in kind (Authorised Capital 2021).

The new shares are to be offered to the shareholders for subscription (also by way of indirect subscription in accordance with section 186 (5) sentence 1 AktG). The Administrative Board was also authorised to exclude the legal subscription right of shareholders under certain conditions and within defined limits.

Authorised capital has not been utilised so far. As of 31 December 2021, there was therefore unused authorised capital of €10.00 million (31 December 2020: €10.00 million).

## Conditional capital

With a resolution adopted by the Annual General Meeting of 31 May 2017, the Administrative Board was authorised until 30 May 2022 (inclusive) to grant or issue on a one-time-only or repeated basis convertible and/or warrant bonds and/or profit participation rights with conversion and/or option rights and/or conversion or warrant obligations (or a combination of these instruments) made out to the bearer with a total nominal amount of up to €300.00 million with or without a limited term (bonds) and the creditors of bonds conversion or warrant rights and/or conversion or warrant obligations to subscribe to a total amount of up to 10,000,000 new no-par value bearer shares of the company with a proportionate amount of share capital of up to €10.00 million in accordance with the more detailed provisions of the terms and conditions of the bonds. The bonds may also have a variable interest rate, whereby the interest rate may depend in whole or in part on the amount of the annual net income, the balance sheet profit or the dividend of the company.

The bonds can be issued for cash or non-cash contributions. The respective conditions may also provide for a conversion or warrant obligation. The bonds may also be issued by domestic or foreign companies in which GFT Technologies SE directly or indirectly holds a majority of the votes and capital. The Administrative

## Notes

Board was also authorised to exclude the legal subscription right of shareholders to the bonds under certain conditions and within defined limits.

To service the bonds issued under the above authorisation, the Annual General Meeting of 31 May 2017 resolved to conditionally increase the share capital by up to €10.00 million (Conditional Capital 2017).

The authorisation to issue bonds has not yet been exercised.

### Treasury shares

With a resolution adopted by the Annual General Meeting of 24 June 2020, GFT Technologies SE was authorised to purchase treasury shares in the period until 23 June 2025 up to a total of 10% of share capital as at the time of the Annual General Meeting resolution and to use them for all legally permissible purposes. Among other things, the shares may be used, with the exclusion of shareholder subscription rights, in connection with (partial) company acquisitions, or for share-based compensation and employee share ownership plans, or may be sold to third parties for cash at a price that is not significantly lower than the stock market price at the time of the sale.

The authorisation to purchase treasury shares was not exercised in the reporting period. As in the previous year, GFT Technologies SE held no treasury shares as of 31 December 2021.

### Distributable profit

Distributable profit as of 31 December 2021 includes distributable profit brought forward of €19,472,069.20 (31 December 2020: €16,033,504.88); otherwise, we refer to the proposal for the appropriation of profit in section 4.8.

### 2.6 Provisions for pensions

The measurement of pension obligations using the projected unit credit method was based on the following assumptions:

|  | 31/12/2021              |
|--|-------------------------|
| Forecast interest rate (according to simplification rule section 253 (2) sentence 2 HGB) | 1.88%                   |
| Expected wage and salary increases   | n/a or 2.00%            |
| Expected pension increases   | 2.00% or 1.00% or 0.00% |
| Mortality tables according to  | Heubeck 2018 G          |

For disclosure in the balance sheet, the following offsets were made:

|  | 31/12/2021 |
|--|------------|
| Pension obligations at the settlement amount | 894        |
| Pledged time deposits as covering assets     | -250       |
| <b>Provisions for pensions</b>               | <b>644</b> |

The difference between recognition of provisions for pensions according to the average market interest rate of the past seven years (1.35%) and recognition of provisions according to the average market interest

rate of the past ten years (1.88%) amounts to €63 thousand. The difference is not subject to the distribution ban according to section 253 (6) sentence 2 HGB, as there are sufficient freely available reserves and a profit brought forward.

The disclosure in the income statement is as follows:

| in € thousand                              | 2021      |
|--|-----------|
| Interest expenses from pension obligations | 25        |
| <b>Interest and similar expenses</b>       | <b>25</b> |

There was no offsetting of expenses and income from the discounting of pension obligations and the plan assets to be offset, as no significant income is generated from the plan assets.

### 2.7 Other provisions

Other provisions of a not insignificant amount relate to:

| in € thousand                       | 31/12/2021 |
|-------------------------------------|------------|
| Employee commissions/bonuses        | 8,886      |
| Outstanding incoming invoices       | 2,384      |
| Holiday obligations                 | 625        |
| Annual accounts and tax declaration | 447        |

Employee commissions/bonuses include obligations from share-based remuneration agreements of the Managing Directors amounting to €4,354 thousand (31 December 2020: €682 thousand). The Managing Directors were granted 39,270 virtual shares with a fair value of €1,765 thousand during the reporting period.

## Notes

The fair value of the share-based remuneration instruments as of the balance sheet date was determined using a recognised actuarial method as the market price of the underlying shares, taking into account dividends to which there is no entitlement during the vesting period and – where necessary – market and non-exercise conditions.

### 2.8 Liabilities

Liabilities to affiliates relate to trade payables of €5,940 thousand (31 December 2020: €5,075 thousand) and otherwise mainly to obligations arising from profit and loss transfer agreements.

Trade payables are subject to customary retention of title.

The remaining terms of liabilities (including the previous year) are as follows:

#### Remaining terms of liabilities as of 31 December 2021

| in € thousand                             | Total  | Remaining term |             |           |
|---|--------|----------------|-------------|-----------|
|   |        | < 1 year       | 1 – 5 years | > 5 years |
| Liabilities to banks                      | 63,018 | 21,018         | 42,000      | 0         |
| Prepayments received on account of orders | 9,019  | 9,019          | 0           | 0         |
| Trade payables                            | 684    | 684            | 0           | 0         |
| Liabilities to affiliates                 | 6,332  | 6,332          | 0           | 0         |
| Other liabilities                         | 1,951  | 1,951          | 0           | 0         |

#### Remaining terms of liabilities as of 31 December 2020

| in € thousand                             | Total  | Remaining term |             |           |
|---|--------|----------------|-------------|-----------|
|   |        | < 1 year       | 1 – 5 years | > 5 years |
| Liabilities to banks                      | 96,035 | 34,035         | 62,000      | 0         |
| Prepayments received on account of orders | 3,114  | 3,114          | 0           | 0         |
| Trade payables                            | 743    | 743            | 0           | 0         |
| Liabilities to affiliates                 | 6,192  | 6,192          | 0           | 0         |
| Other liabilities                         | 1,645  | 1,645          | 0           | 0         |

Other liabilities include tax liabilities of €1,559 thousand (31 December 2020: €1,073 thousand) and social security liabilities of €20 thousand (31 December 2020: €8 thousand).

## Notes

### 3 Explanations on items of the income statement

#### 3.1 Revenue

Revenue is mainly generated in Germany and includes €27,697 thousand (2020: €26,382 thousand) in income from intercompany services.

The development of revenue by area of activity is shown in the following table (in € thousand).

| Area of activity                    | 2021          | 2020          |
|-------------------------------------|---------------|---------------|
| Consulting and software development | 32,946        | 34,690        |
| Maintenance revenue                 | 12,890        | 11,603        |
| Group cost allocations              | 27,697        | 26,382        |
| <b>Total</b>                        | <b>73,533</b> | <b>72,675</b> |

#### 3.2 Other operating income

Other operating income includes €493 thousand (2020: €116 thousand) in income from currency translation.

Other operating income of €2,571 thousand (2020: €672 thousand) is attributable to other periods. This is mainly income from the reversal of provisions amounting to €2,512 thousand (2020: €478 thousand).

#### 3.3 Social security, pension and other benefit costs

Expenses for pensions amount to €42 thousand (2020: €161 thousand).

#### 3.4 Other operating expenses

Other operating expenses include an amount of €123 thousand (2020: €138 thousand) from currency translation.

This item contains expenses attributable to other periods of €0 thousand (2020: €1 thousand).

In the financial year 2021, other operating expenses include the loss from merging with GFT Smart Technology Solutions GmbH of €6,135 thousand (2020: €0 thousand).

#### 3.5 Income from equity investments

Income from equity investments relates in full to affiliated companies.

#### 3.6 Income from profit and loss transfer agreements

This item contains income from the transfer of profits from affiliated companies amounting to €926 thousand (2020: €1,483 thousand).

#### 3.7 Income from loans classified as fixed financial assets

Income from loans classified as fixed financial assets of €1,219 thousand (2020: €1,730 thousand) relates to affiliated companies.

#### 3.8 Other interest and similar income

An amount of €163 thousand (2020: €329 thousand) of other interest and similar income relates to affiliated companies.

This item includes income of €108 thousand (2020: €0 thousand) from the discounting of provisions.

#### 3.9 Expenses from loss assumptions

This item comprises expenses from the assumption of losses from affiliated companies amounting to €392 thousand (2020: €417 thousand).

#### 3.10 Interest and similar expenses

This item includes expenses of €29 thousand (2020: €43 thousand) from the compounding of provisions.

### 4 Other disclosures

#### 4.1 Other financial obligations

Insofar as they are not recognised in the balance sheet, obligations from fixed-term rental, leasing and licence agreements amount to €17,522 thousand (31 December 2020: €13,433 thousand), of which €692 thousand (31 December 2020: €692 thousand) relates to affiliated companies. In addition, there are annual obligations from open-ended contracts amounting to €1,415 thousand (2020: €1,315 thousand). Further obligations due to affiliated companies from open-ended contracts total €102 thousand (2020: €87 thousand).

Other financial obligations amount to €19,038 thousand in total (2020: €14,835 thousand).

The remaining financial obligations, in particular the order commitment, are within the normal scope of business.

#### 4.2 Contingent liabilities

There is a contingent liability from the provision of collateral for a bank loan of a domestic subsidiary amounting to €8,000 thousand (31 December 2020: €8,000 thousand).

In addition, financial guarantees of up to €46,830 thousand (31 December 2020: €6,830 thousand) were issued in favour of subsidiaries as of 31 December 2021. Financial guarantees constitute contractual agreements; GFT Technologies SE, as the guarantor, generally guarantees that in the event of non-fulfilment of the payment obligation by the principal debtor, it will reimburse the guarantee holder for the loss incurred up to a contractually agreed amount.

## Notes

Contingent liabilities relate to potential future events whose occurrence would lead to an obligation. The existing contingent liabilities of GFT Technologies SE were reviewed with regard to the risk situation as of the balance sheet date, taking into account existing knowledge of the financial position and performance of the affiliated companies. GFT Technologies SE therefore estimates the risk of a possible claim for the obligations listed as unlikely.

#### 4.3 Executive bodies of the company

##### Administrative Board

###### Ulrich Dietz

- Chairman of the Administrative Board
- External mandates:
  - Drees&Sommer SE, Stuttgart, Germany (Member of the Supervisory Board), until 23 June 2021
  - Festo SE&Co KG, Esslingen, Germany (Member of the Supervisory Board), since 4 May 2021

###### Dr Paul Lerbinger

- Deputy Chairman of the Administrative Board
- Former CEO of HSH Nordbank AG, Hamburg, Germany
- External mandate:
  - Minimax GmbH, Bad Oldesloe, Germany (Chairman of the Supervisory Board)

###### Dr Ing Andreas Berezcky

- Member of the Administrative Board
- Former Production Director Zweites Deutsches Fernsehen, Mainz, Germany
- External mandate:
  - Eurovision Services S.A., Le Grand-Saconnex, Switzerland (Member of the Administrative Board)

###### Maria Dietz

- Member of the Administrative Board
- Former Head of Purchasing for the GFT Group
- External mandates:
  - Drägerwerk AG&Co. KGaA, Lübeck, Germany (Member of the Supervisory Board)
  - Dräger Safety AG&Co. KGaA, Lübeck, Germany (Member of the Supervisory Board)
  - Drägerwerk Verwaltungs AG, Lübeck, Germany (Member of the Supervisory Board)
  - Ernst Klett Aktiengesellschaft, Stuttgart, Germany (Member of the Supervisory Board)

###### Marika Lulay

- Member of the Administrative Board
- Chairwoman of the Managing Directors, CEO
- Responsible for Strategy and Business Development, Markets, Communication, Investor Relations, Marketing, Technology and Innovation
- External mandates:
  - Wüstenrot&Württembergische AG, Stuttgart, Germany (Member of the Supervisory Board)
  - EnBW Energie Baden-Württemberg AG, Karlsruhe, Germany (Member of the Supervisory Board)

###### Dr Jochen Ruetz

- Member of the Administrative Board
- Managing Director, CFO
- Responsible for IT Infrastructures, Human Resources, Finance, Legal Affairs, Internal Audit and Mergers&Acquisitions
- External mandates:
  - G. Elsinghorst Handelsgesellschaft mbH, Bocholt, Germany (Member of the Supervisory Board)
  - Progress-Werk Oberkirch AG, Oberkirch, Germany (Member of the Supervisory Board)

###### Prof Dr Andreas Wiedemann

- Member of the Administrative Board
- Lawyer and partner of the law firm Hennerkes, Kirchdörfer&Lorz, Stuttgart, Germany
- External mandates:
  - Brose Verwaltung SE, Coburg, Germany (Member of the Administrative Board), until 28 February 2021
  - Brose Verwaltung SE, Bamberg, Germany (Member of the Administrative Board), until 28 February 2021
  - Brose Verwaltung SE, Würzburg, Germany (Member of the Administrative Board), until 28 February 2021
  - Büchi Erbenholding AG, Flawil, Switzerland (President of the Administrative Board)
  - Büchi Holding AG, Flawil, Switzerland (President of the Administrative Board)
  - Georg Nordmann Holding AG, Hamburg, Germany (Chairman of the Supervisory Board)
  - Jowat SE, Detmold, Germany (Chairman of the Supervisory Board)

##### Managing Directors

###### Marika Lulay

- Chairwoman of the Managing Directors, CEO
- Member of the Administrative Board
- Responsible for Strategy and Business Development, Markets, Communication, Investor Relations, Marketing, Technology and Innovation
- External mandates:
  - Wüstenrot&Württembergische AG, Stuttgart, Germany (Member of the Supervisory Board)
  - EnBW Energie Baden-Württemberg AG, Karlsruhe, Germany (Member of the Supervisory Board)

## Notes

**Dr Jochen Ruetz**

- Managing Director, CFO
- Responsible for IT Infrastructures, Human Resources, Finance, Legal Affairs, Internal Audit and Mergers&Acquisitions
- External mandates:
  - G. Elsinghorst Handelsgesellschaft mbH, Bocholt, Germany (Member of the Supervisory Board)
  - Progress-Werk Oberkirch AG, Oberkirch, Germany (Member of the Supervisory Board)

**Jens-Thorsten Rauer**

- Managing Director
- Responsible for the operating business of the GFT Group in the region Central&Western Europe
- Internal mandates:
  - GFT Schweiz AG (President of the Administrative Board)
  - GFT Italia S.r.l., Milan, Italy (Managing Director), since 1 April 2021
  - Med-Use S.r.l., Milan, Italy (Managing Director), since 30 April 2021
  - GFT Technologies S.A.U., Madrid, Spain (Member of the Management Board), since 27 August 2021
  - GFT IT Consulting S.L.U., Sant Cugat del Vallès, Spain (Member of the Management Board), since 27 August 2021

Total compensation for the Managing Directors in the financial year 2021 amounted to €4,552 thousand (2020: €2,110 thousand). The long-term bonus component is included in total remuneration at the conversion amount.

Total compensation for the Administrative Board without the remuneration of the Managing Directors amounted to €448 thousand in the financial year 2021 (2020: €280 thousand).

**4.4 Employees**

The average number of employees in the financial year 2021 was 344 (2020: 346).

**Employees by headcount**

| Area of activity  | 2021       | 2020       |
|-------------------|------------|------------|
| Salaried staff    | 325        | 330        |
| Senior executives | 19         | 16         |
|                   | <b>344</b> | <b>346</b> |

**4.5 Auditing fees**

In accordance with section 285 no. 17 HGB, auditing fees for the reporting period are not disclosed as they are included in the disclosures of the consolidated financial statements of GFT Technologies SE.

**4.6 Disclosures according to section 160 (1) no. 8 AktG**

Pursuant to section 33 (1) of the German Securities Trading Act (WpHG), any shareholder who reaches, exceeds or falls below the thresholds of 3, 5, 10, 15, 20, 25, 30, 50 or 75% of the voting rights of a listed company must notify the company and the Federal Financial Supervisory Authority (BaFin) without delay, but no later than within four trading days. Pursuant to section 33 (2) WpHG, any person who holds 3% or more of the voting rights in the company at the time the shares are first admitted to trading on an organised market must make a corresponding notification.

GFT Technologies SE received notification of the following shareholdings in accordance with section 33 (1) and (2) WpHG. The corresponding percentage and share figures are taken from the last voting rights notifications to GFT Technologies SE pursuant to section 33 WpHG and may therefore no longer be up-to-date.

**J.P. Morgan Investment Management Inc., Wilmington, USA**, notified us on 7 December 2021 that it directly or indirectly held 3.33% of the voting rights in GFT Technologies SE as of 6 December 2021.

**J.P. Morgan Chase Bank, National Association, Columbus, USA**, notified us on 7 December 2021 that it directly or indirectly held 3.33% of the voting rights in GFT Technologies SE as of 6 December 2021.

**J.P. Morgan Asset Management (UK) Limited, London, United Kingdom**, notified us on 7 December 2021 that it directly or indirectly held 3.33% of the voting rights in GFT Technologies SE as of 6 December 2021.

**Dr Markus Kerber, Germany**, notified us on 24 June 2015 pursuant to section 21 (1) (since 3 January 2018: section 33 (1)) WpHG that his share of voting rights in GFT Technologies Aktiengesellschaft (now: GFT Technologies SE) fell below the threshold of 5% on 22 June 2015 and amounted to 4.99998% as of this date. Of this shareholding, 0.00618% is attributable to Dr Markus Kerber pursuant to section 22 (1) sentence 1 no. 6 (since 3 January 2018: section 34 (1) sentence 1 no. 6) WpHG.

**Ulrich Dietz, Germany**, notified us on 3 April 2002 pursuant to section 41 (2) sentence 1 (since 3 January 2018: section 33 (2)) WpHG that he held 29.94% of the voting rights in GFT Technologies Aktiengesellschaft (now: GFT Technologies SE) as of 1 April 2002.

**Maria Dietz, Germany**, notified us on 3 April 2002 pursuant to section 41 (2) sentence 1 (since 3 January 2018: section 33 (2)) WpHG that she held 9.67% of the voting rights in GFT Technologies Aktiengesellschaft (now: GFT Technologies SE) as of 1 April 2002.

## Notes



For further information  
please go to  
[www.gft.com/governance](http://www.gft.com/governance)



For further information  
please go to  
[www.gft.com](http://www.gft.com)

#### 4.7 Issuance of Declaration of Compliance with the German Corporate Governance Code pursuant to section 161 AktG

In accordance with section 161 of the German Stock Corporation Act (AktG), the Administrative Board of GFT Technologies SE issued its Declaration of Compliance on 7 December 2021 and made it permanently accessible on the corporate website at [www.gft.com/governance](http://www.gft.com/governance).

#### 4.8 Appropriation of profit

The financial year 2021 was closed with a distributable profit of €27,098 thousand. The Administrative Board will propose the following resolution at the Annual General Meeting for the financial year 2021:

##### Proposal for the appropriation of profit

| in €  | 2021          |
|---|---------------|
| Dividend per share                                | 0.35          |
| No-par value shares entitled to dividend (number) | 26,325,946    |
| Total dividend payout                             | 9,214,081.10  |
| Profit carried forward to the next year           | 17,883,502.85 |
| Distributable profit                              | 27,097,583.95 |

#### 4.9 Group relations

As the parent company of the GFT Group, GFT Technologies SE prepares consolidated financial statements for the largest and smallest group of companies in accordance with Section 315e HGB. The consolidated financial statements are published in the Federal Gazette ('Bundesanzeiger'), are available at the company's headquarters and can be accessed on the company's website at [www.gft.com](http://www.gft.com).

Stuttgart, 23 March 2022

GFT Technologies SE  
The Managing Directors

**Marika Lulay**  
Chief Executive Officer

**Dr Jochen Ruetz**  
Chief Financial Officer

**Jens-Thorsten Rauer**  
Group Chief Executive –  
Central & Western Europe

## Responsibility statement

## Responsibility statement

To the best of our knowledge, and in accordance with applicable reporting principles, the financial statements give a true and fair view of the financial position, cash flows and profit or loss of GFT Technologies SE, and the management report, which has been combined with the Group management report, includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of GFT Technologies SE.

Stuttgart, 23 March 2022

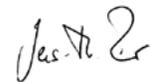
GFT Technologies SE  
The Managing Directors



**Marika Lulay**  
Chief Executive Officer



**Dr Jochen Ruetz**  
Chief Financial Officer



**Jens-Thorsten Rauer**  
Group Chief Executive –  
Central & Western Europe

## Independent Auditor's Report



# Independent Auditor's Report

To GFT Technologies SE, Stuttgart

## Report on the Audit of the Annual Financial Statements and of the Combined Management Report

### Opinions

We have audited the annual financial statements of GFT Technologies SE, Stuttgart, which comprise the balance sheet as at 31 December 2021 and the income statement for the financial year from 1 January to 31 December 2021, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the combined management report of GFT Technologies SE for the financial year from 1 January to 31 December 2021. In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report. The combined management report contains cross-references that are not provided for by law and which are marked as unaudited. In accordance with German legal requirements, we have not audited the cross-references and the information to which the cross-references refer.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2021, and of its financial performance for the financial year from 1 January to 31 December 2021, in accordance with German legally required accounting principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report. The combined management report contains cross-references that are not provided for by law and which are marked as unaudited. Our audit opinion does not extend to the cross-references and the information to which the cross-references refer.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

### Basis for the Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the combined management report.

### Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2021. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

## Independent Auditor's Report

**Impairment testing of shares in affiliated companies**

Please refer to note 1.2 in the notes to the financial statements for more information on the accounting policies applied.

**The financial statement risk**

In the financial statements of GFT Technologies SE as at 31 December 2021, shares in affiliated companies in the amount of EUR 54.6 million are recognised under financial assets. This amounts to 31% of total assets and thus has a material influence on the Company's assets and liabilities.

Shares in affiliated companies are recognised at cost or, if they are expected to be permanently impaired, at their lower fair value. GFT Technologies SE tests the shares in affiliated companies for impairment using a valuation model based on the discounted cash flow approach.

The cash flows used for this method are based on individual projections for each investment for the next five years which are extrapolated based on assumptions of long-term growth rates. The respective discount rate is derived from the return on a risk-appropriate alternative investment.

Impairment testing of the shares in affiliated companies is complex and, as regards the assumptions made, based largely on estimates and assessments of the Company. The most significant assumptions for impairment testing of shares in affiliated companies concern the expected business and earnings development for the next five years and the discount rates used.

GFT Technologies SE did not recognise any impairment losses on shares in affiliated companies in financial year 2021. There is a risk for the annual financial statements that shares in affiliated companies are impaired.

**Our audit approach**

In particular, we examined the forecasts for future business and earnings development of the individual entities including the reconciliation with cash flows. We initially discussed the forecast amounts with those responsible for planning. We also reconciled this information with other internally available forecasts, for example the budget prepared by the managing directors and approved by the Administrative Board.

We also confirmed the accuracy of the Company's previous forecasts by comparing the budgets of previous financial years with actual results and analysing deviations. We evaluated the assumptions and data used to determine the applied discount rate by comparing them with our own assumptions and publicly available data. We verified the calculations and method of the valuation model and assessed its appropriateness.

**Our observations**

The Company's most significant assumptions underlying the impairment testing of shares in affiliated companies are appropriate. The valuation method used is appropriate.

**Recognition of revenue from consulting and software development**

Please refer to note 2.5 in the notes to the consolidated financial statements for more information on the accounting policies applied.

**The financial statement risk**

GFT Technologies SE has recognised revenue from consulting and software development of EUR 32.9 million in the income statement. This revenue represents 44.8% of the Company's total revenue.

Recognition of revenue depends on complex contractual arrangements, resulting in different dates of recognition.

The Company provides consulting services which are invoiced and recognised based on the hours entered by staff or by sub-contracted service providers according to services rendered (time and material projects).

In addition, GFT Technologies SE provides software developments on the basis of work contracts. Revenue resulting from these contracts is recognised following the customer's acceptance of the project.

There is the risk for the financial statements that revenue is not recognised on an accrual basis.

**Our audit approach**

We first obtained an understanding of the process and assessed the setup, implementation and effectiveness of the internal controls established to ensure that contract-related staff and other expenses are recorded correctly in the internal contract accounts. The Company uses these controls to ensure that only project-related hours and expenses are recorded in and charged to the respective contract accounts.

## Independent Auditor's Report

For a risk-based selection of recognised revenue, we examined the underlying contractual arrangements to determine whether the projects were time and material projects that are recognised upon the service being rendered or if they were work contracts for which revenue is recognised only upon the customer's acceptance of the project.

For time and material projects within this selection, we subsequently evaluated the customer invoices for compliance with the contractual arrangements and the internal contract accounts and reconciled them with the time sheets signed by the customer.

For work contracts within this selection, we assessed the revenue recognition cut-off, which included an inspection of the acceptance protocols. In addition, we examined whether those projects with a high percentage of completion that were not yet invoiced as at the reporting date should have been invoiced.

### Our observations

GFT Technologies SE's approach to the recognition of revenue from consulting and software development is appropriate.

### Other Information

Management and/or the Administrative Board are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the separate non-financial report, expected to be provided to us after the date of this auditor's report, which is referred to in the combined management report,

- the corporate governance statement included in Section 8 of the combined management report, and
- information extraneous to the combined management report and marked as unaudited.

The other information also includes the remaining parts of the annual report.

The other information does not include the annual financial statements, the management report information audited for content and our auditor's report thereon.

Our opinions on the annual financial statements and on the combined management report do not cover the other information and, consequently, we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the obtained other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

### Responsibilities of Management and the Administrative Board for the Annual Financial Statements and the Combined Management Report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, management is responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the combined management report that as a whole provides an appropriate view of the

## Independent Auditor's Report

Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Administrative Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

**Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report**

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.
- Evaluate the consistency of the combined management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.

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- Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## Other Legal and Regulatory Requirements

### Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the annual financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "GFT Technologies SE\_JA & LB\_2021-12-31.zip" (SHA256-Hashwert: 8038FFB37-C09A32F77BC354E0C6429ECC38A1502BD2F15C7BD7892424E13F1B2) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the combined management report contained in the electronic file made available identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial

statements and the accompanying combined management report for the financial year from 1 January to 31 December 2021 contained in the "Report on the Audit of the Annual Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the annual financial statements and the management report, contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (10.2021)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

The Company's management is responsible for the preparation of the ESEF documents including the electronic renderings of the annual financial statements and the management report in accordance with Section 328 (1) sentence 4 item 1 HGB.

In addition, the Company's management is responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

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The Administrative Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and the audited combined management report.

#### Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor at the Annual General Meeting on 10 June 2021. We were engaged by the Administrative Board on 24 October 2021. We have been the auditor of GFT Technologies SE without interruption since the financial year 2012.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Administrative Board pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

#### Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the examined ESEF documents. The annual financial statements and the management report converted into XHTML format – including the versions to be published in the German Federal Gazette [Bundesanzeiger] – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents provided in electronic form.

### German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Jack Cheung.

Stuttgart, 23 March 2022

KPMG AG  
Wirtschaftsprüfungsgesellschaft

[signature] Cheung  
Wirtschaftsprüfer [German Public Auditor]

[signature] Wacker  
Wirtschaftsprüferin [German Public Auditor]

## Contact

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