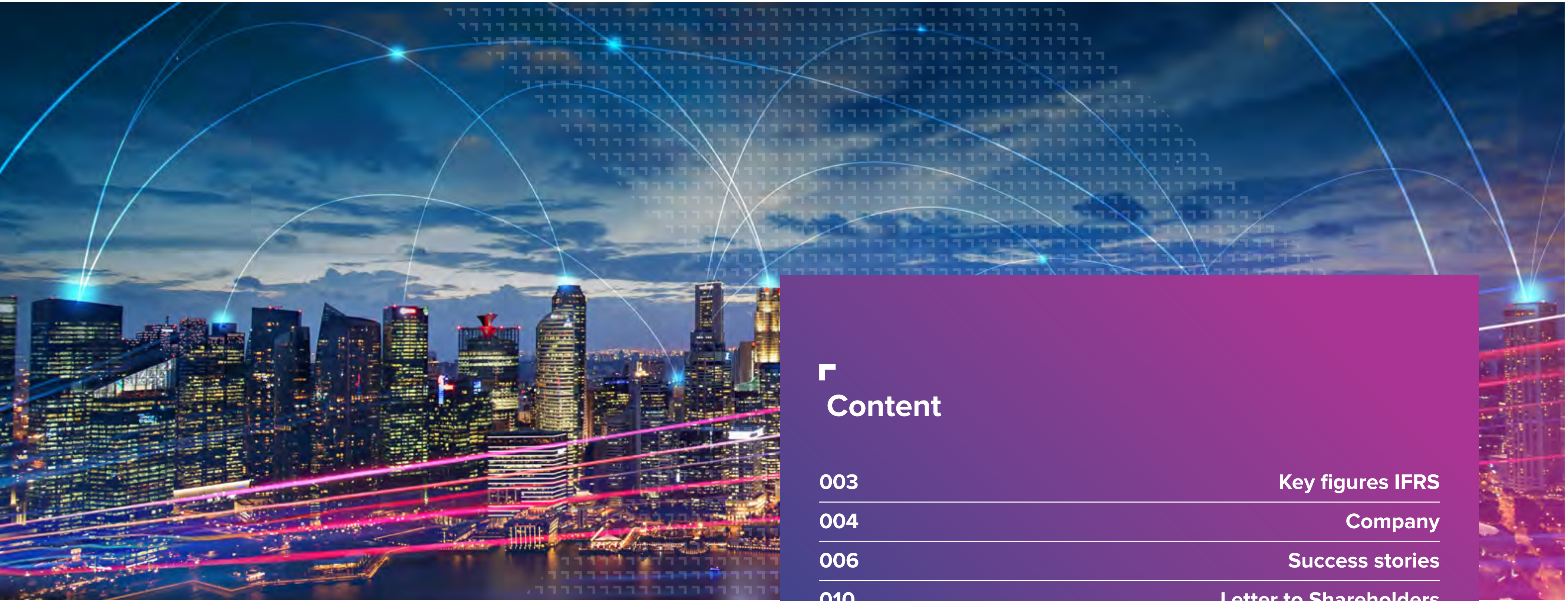
Let’s Go Beyond

Annual Report 2024



Content

003	Key figures IFRS
004	Company
006	Success stories
010	Letter to Shareholders
013	Administrative Board’s report
020	GFT in the capital market
022	Combined management report
069	Consolidated financial statements (IFRS)
128	Responsibility Statement
129	Independent auditor’s report
136	Financial calendar 2025, service and imprint

Navigation

Next page

Previous page

Contents

References to persons are to be understood as gender-neutral. For ease of reading, individual passages in the text do not contain multiple references or paraphrases – this does not imply any judgment.

Key figures IFRS

GFT Group

in € million	2024	2023	Δ	Δ %	Q4/2024	Q4/2023	Δ	Δ %
Income statement								
Revenue	870.92	788.87	82.05	10%	225.38	203.75	21.63	11%
EBITDA	93.95	89.76	4.19	5%	24.38	24.27	0.11	0%
EBIT adj.	77.44	73.33	4.11	6%	20.33	21.19	−0.86	−4%
EBIT adj.-Margin	8.9%	9.3%	0.00	−4%	9.0%	10.4%	−0.01	−13%
EBIT	70.99	68.40	2.59	4%	19.11	18.83	0.28	1%
EBT	65.01	68.00	−2.99	−4%	16.94	18.62		
EBT-Margin	7.5%	8.6%	−0.02	−13%	7.5%	9.1%		
Tax rate	28.5%	28.9%	0.00	−1%	25.5%	27.4%	−0.01	−7%
Net income	46.48	48.36	−1.88	−4%	12.62	13.52	−0.90	−7%
Segments								
Revenue *Americas, UK & APAC*	494.28	454.90	39.38	9%	130.57	113.12	17.45	15%
Revenue *Continental Europe*	375.73	333.05	42.68	13%	94.58	90.39	4.19	5%
Revenue *Others*	0.91	0.92	−0.01	−2%	0.23	0.24	−0.01	−6%
EBT *Americas, UK & APAC*	46.18	45.45	0.73	2%	15.46	14.84	0.62	4%
EBT *Continental Europe*	25.56	31.43	−5.87	−19%	6.91	7.10	−0.19	−3%
EBT *Others*	−6.73	−8.88	2.15	24%	−5.43	−3.32	−2.11	−64%
Share								
Basic earnings per share (in €)	1.77	1.84	−0.07	−4%	0.48	0.52	−0.04	−8%
Cashflow per share (in €)	2.75	1.54	1.21	79%	1.90	1.04	0.86	83%
Average number of shares outstanding	26,325,946	26,325,946	0	0%	26,325,946	26,325,946	0	0%
Cash flow statement								
Cash flow from operating activities	72.42	40.44	31.98	79%	49.99	27.27	22.72	83%
Cash flow from investing activities	−84.24	−50.31	−33.93	−67%	−1.82	−1.17	−0.65	−57%
Cash flow from financing activities	26.81	0.02	26.79	>100%	−20.26	−13.57	−6.69	−49%

in € million	31/12/2024	31/12/2023	Δ	Δ %
Balance sheet				
Non-current assets	339.83	261.22	78.61	30%
Cash and cash equivalents	80.20	70.34	9.86	14%
Other current assets	232.62	230.96	1.66	1%
Total assets	**652.65**	**562.52**	**90.13**	**16%**
Equity	271.18	241.06	30.12	12%
Non-current liabilities	121.98	68.37	53.61	78%
Current liabilities	259.49	253.09	6.40	3%
Total equity and liabilities	**652.65**	**562.52**	**90.13**	**16%**
Equity ratio	42%	43%		
Employees				
Number of employees (FTE)	11,506	9,134	2,372	26%
Weighted utilisation rate	90.7%	90.4%		

Interactive analysis tool ›

About GFT

LET'S GO BEYOND

GFT Technologies is a digital transformation pioneer. We design AI-centric business solutions, modernise IT infrastructures and develop next-generation core systems for industry leaders in Banking, Insurance and Manufacturing. Partnering closely with our clients, we push boundaries to unlock their full potential.

With deep industry expertise, cutting-edge technology, and a strong partner ecosystem, GFT delivers AI-centric solutions that combine engineering excellence, high-performance delivery and cost efficiency. This makes us a trusted partner for sustainable impact and client success.

Our team of 12,000+ technology experts operate in 20+ countries worldwide, offering career opportunities at the forefront of software innovation.

gft.com

"We drive innovation, efficiency, and sustainable growth by making advanced technologies accessible. Committed to responsible AI, we transform businesses and empower progress through excellence."

Marco Santos, Global CEO

€ 870.92 million

Revenue

2024	870.92
2023	788.87

2024	77.44
2023	73.33

€ 77.44 million

EBIT adjusted

2024	1.77
2023	1.84

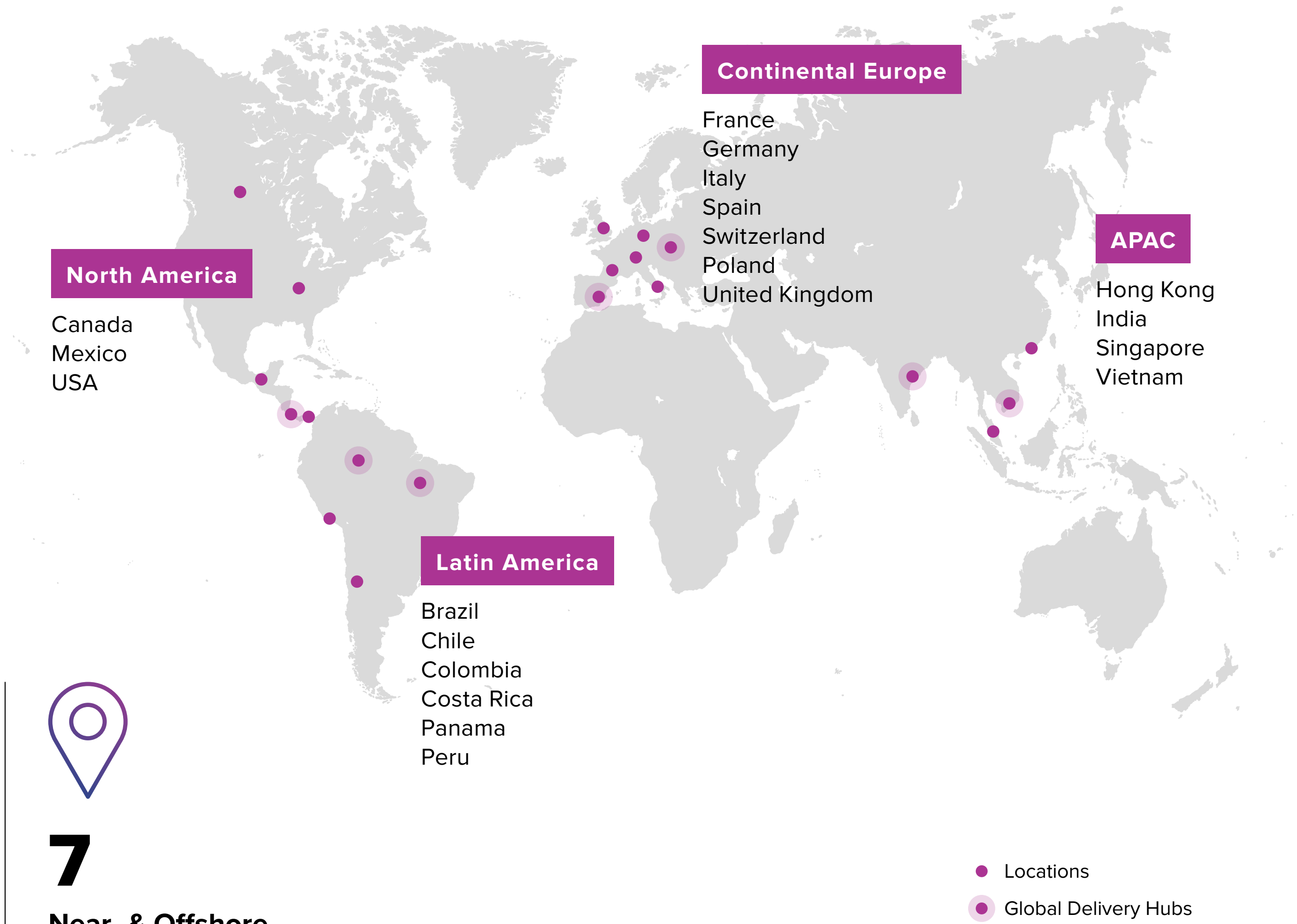
1.77 €

Earnings per share

Global Delivery Platform offers cost-efficient solutions for our clients

GFT's Global Delivery Platform supports the digital transformation of its clients around the world. Strategic consulting and project coordination are provided close to the client (onshore), while development services are rendered by our Global Delivery Hubs (nearshore/offshore). This ensures the perfect balance of client proximity, quality and cost efficiency.

The ratio of onshore to nearshore/offshore services can be flexibly adjusted to best suit our clients' immediate and long-term needs. Our nearshore hubs for the banking sector are located in Brazil, Colombia, Poland, Spain and Vietnam – with a new hub in India as of 2024. Nearshore services for the insurance sector are primarily delivered from Colombia, Costa Rica, Poland and Spain.



As of 31 December 2024

12,000+
Global Team

20+
Markets

7
Near- & Offshore Delivery Hubs

GFT AI Impact

We achieve significant efficiency gains

Our integrated generative AI solution orchestrates the Software Development Life Cycle (SDLC). It streamlines and accelerates the overall process by integrating leading software development products.

We provide end-to-end support for developers with a connected set of tools: assisted coding, automated documentation, vulnerability assessment and test case generation. GFT AI Impact automates prompt generation, enables easy developer onboarding, maintains history and knowledge, and prevents the accumulation of technical debt.

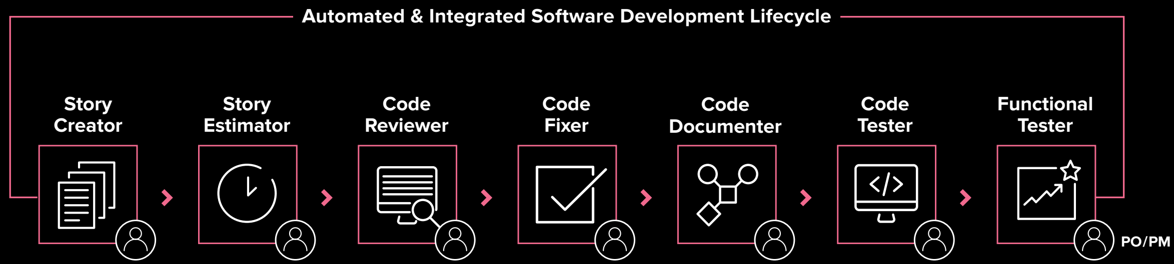
GFT AI Impact >

Up to

90%

proven efficiency gains in key sub-processes of SDLC

GFT AI Impact Tools



GFT AI Impact Track Record

> 4,000 trained GFT engineers driving technological evolution

Proven efficiency gains of 50% to 90%

Available on Microsoft and AWS Global Marketplaces

Salt Bank

We are building the banks of tomorrow

Together with Engine by Starling, we successfully brought Romania's first neobank, Salt Bank, to life.

Salt Bank, a subsidiary of Banca Transylvania, set out to transform Romania's banking sector by launching the country's first native digital neobank.

GFT led the development, creating a bespoke cloud-based platform and integrating Engine by Starling's core banking system. Built as a software-as-a-service (SaaS) solution using a private cloud with AWS tools, the platform ensures scalability, security and high performance.

Build a bank from scratch in under

12 months.

The mobile app developed by GFT reflects the Salt Bank brand and its promise to make digital banking intuitive, fast and engaging. Unlike many digital competitors, Salt Bank launched with a unique, fully functional, multi-currency feature. GFT harnessed its Global Delivery Model to ensure efficient management of the highly complex build and deployment process – demonstrating its deep expertise to create an integrated and innovative bank.

The results speak for themselves: Salt Bank acquired over 100,000 customers in just two weeks and exceeded 200,000 within a month. Thanks to a fully automated and secure onboarding process taking less than seven minutes, this rapid adoption far exceeded expectations. Salt Bank is now on track to reach its target of one million customers much sooner than anticipated.

This achievement has set a new benchmark in digital banking and was recognised by the 2024 Banking Tech Awards for Best Use of Technology in Retail Banking.

Why a neobank in Romania?

- Online banking is booming in Romania – almost 60% of the population uses contactless payments, driving demand for digital financial solutions.
- With the support of GFT and Engine by Starling, Salt Bank was built from scratch as Romania's first digital neobank.
- 'Salt' translates as 'Leap' and symbolises the next bold step towards redefining banking in Romania and the EU.

A bank in less than 12 months?
Watch the video to see how GFT's commitment and teamwork made it possible.

How is responsible AI beneficial?

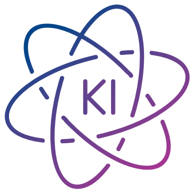
Responsible AI unlocks AI's full potential by ensuring that AI solutions are ethical, transparent and future-compatible.

- **Stay ahead of regulations** – fair and transparent AI builds trust among clients and partners.
- **Build trust & transparency** – fair and transparent AI builds trust among clients and partners.
- **Strengthen data security & privacy** – protect sensitive data with a privacy-first mindset.

Responsible AI

We drive AI innovation while protecting privacy

As AI and digital technologies evolve, so do the challenges of ensuring data privacy. We believe innovation and responsibility must go hand in hand. Privacy protection is therefore baked into GFT's AI solutions – from design to deployment.



1,600+
employees trained in Privacy Engineering

The regulatory landscape is evolving fast and companies need to keep pace. As one of the first signatories of the European Union's AI Pact, GFT has pledged to develop transparent, responsible and ethical AI solutions. Our GFT Group Data Protection Policy reinforces this commitment to robust data privacy and governance – enabling our clients to use AI with confidence, while meeting compliance requirements and driving innovation.

Beyond regulation, a privacy-first mindset is essential – not just for compliance, but also for operational efficiency. Secure and well-governed AI solutions streamline workflows, reduce the time spent managing privacy risks, and allow our clients to innovate with confidence. Our award-winning ESG Privacy Initiative (recognised with the prestigious PICCASO Award) highlights GFT's dedication to integrating robust data protection measures into AI solutions – ensuring privacy is an enabler rather than a barrier to digital progress.

Trust is at the heart of digital transformation. By designing AI solutions with embedded privacy, GFT enables businesses to harness the power of AI while safeguarding sensitive information. As AI continues to evolve, a responsible and ethical approach will be key to shaping a future where technology and privacy can coexist.

AWARDS

Dedication to excellence

Prestigious awards underline GFT's outstanding technological expertise and sustainability achievements.

aws

PARTNER OF THE YEAR

WINNER

2024

AWS Global Innovation Partner of the Year

AWS EMEA Financial Services Partner of the Year

WORLD'S BEST WORKPLACES

Great Place To Work.

2024

One of the

25 best places to work in the world

Transparent ESG performance

CDP	B	B
ISS ESG (Prime Status)	C+	C+
S&P CSA	51	49
MSCI	BB	BB
EcoVadis (bronze)	60	62

Sustainable commitment

Independent SBTi approves 2030 emissions reduction targets

Signed UN Global Compact in 2019

GFT among first to sign EU AI Pact

Sustainability ›

“GFT intends to become fully AI-centric by 2029 to both capture the operational advantages that AI offers and create a corporate culture of excellence.”

— Marco Santos, Global CEO of GFT Technologies SE

Dear shareholders,

Back in the 1990s, when I completed my bachelor’s degree in computer science, AI was largely a theoretical exercise in mathematics and statistics, constrained by limited computational resources. The world has come a long way since then. Today, AI is at the forefront of innovation, driving transformation across industries and unlocking possibilities. Taking on the role of Global CEO at GFT in these extraordinary times is both a privilege and a call to action. It is an opportunity to actively shape the world of tomorrow, using our expertise and ambition to lead responsibly in an era of rapid technological change.

I strongly believe that within just a few years, software development, IT engineering and consulting services as we know them today will be completely transformed. From ideation, design thinking, coding, implementation, testing and bug fixing, to support and maintenance, all aspects of these processes will have AI at their heart, achieving speeds and efficiencies exponentially greater than what we experience today. The resulting opportunities ahead are therefore immense. According to McKinsey’s 18 Arenas of Tomorrow research, industries shaping the future could generate trillions in revenue, with AI software and services alone expected to grow from $85 billion today to as much as to $4.6 trillion in 2040.

However, realising the resulting potential is not guaranteed. The rapid proliferation of AI will intensify competition and redefine industries across the board, including core banking, independent software vendors (ISVs), data and legacy modernisation, custom software development and AI applications themselves. As a result, trusted guidance and measurable impact will become more crucial than ever. The gap between the promise of AI and the realised outcomes for businesses – what I call the AI gap – remains a challenge we

The Administrative Board has proposed a dividend of

€0.50

per share for the financial year 2024.

In the 2024 financial year, we achieved an increase in revenue of

10%

to €871 million.

cannot overlook. According to a recent McKinsey study, over the next three years, 92 percent of companies plan to increase their AI investments, yet only one percent of leaders of the surveyed companies call their companies “mature” on the deployment spectrum. At GFT, we believe that impact and delivery are what truly matter. This is our call to action, this is where we have the right to win. And we are committed to bridging this gap through expertise and innovation, as well as a relentless focus on results – something which has been our hallmark since inception.

To seize those opportunities, however, we must do more than adapt – we must lead. Over the last few months, we have invested significant time and resources in developing a new 5-year strategy that will allow GFT to significantly benefit from the AI revolution. Our vision is to be the best responsible AI-centric digital transformation company in the world. Without doubt, this is an ambitious vision. But unless we set the bar high for ourselves, we cannot fulfil our mission: to bring the best responsible AI-centric digital solutions, software development and technology services to every company in the world.

As we embark on this exciting new chapter for GFT, we do so on a solid foundation. Despite facing macroeconomic challenges and headwinds, our 2024 results underscore our core strengths and our ability to consistently deliver value for our shareholders. GFT achieved stable growth and demonstrated both agility and resilience, driven by our offering differentiation, innovation across sectors, operational excellence and strategic acquisitions that have enhanced our market position.

We successfully met our 2024 guidance, with revenue growth of 10% to €871 million and a 6% increase in adjusted EBIT to €77 million. Our core business remains robust, with strong growth in Next Generation Core Banking, Digital Solutions, Data and Technology Modernisation, and a strong adoption of our new generative AI product for the Software Development Life Cycle – GFT AI Impact.

In Continental Europe, we delivered dynamic growth of 13% with robust performance in Spain, Italy, Germany, France and Poland. In the Americas, UK & APAC region, revenue grew by 9%, supported by the Sophos Solutions acquisition in Colombia and a 13% increase in Brazil – which offset weaker performance in the North American and UK markets earlier in the year.

The Banking business led our growth with a 12% increase in revenue, driven by ongoing digital transformation and cloud modernisation efforts. The Industry & Others segment also performed strongly, with 10% growth. The Insurance sector stabilised over the year with a 1% increase, supported by strategic project wins with leading players in the Americas and Europe.

Our acquisition of Sophos Solutions has been a major strategic success, continuing to deliver new wins that enhance our position in key markets. We secured a major deal in next generation core banking with Bancolombia, the largest bank in Colombia. And more recently in Q4, we won a strategic core banking modernisation project at Actinver Bank, a leading Wealth Management and Investment Bank in Mexico. All of these projects leverage the specialised offerings, expertise and capabilities gained through our acquisition of Sophos Solutions.

Our relentless drive for excellence was also recognised by two major prestigious awards we received from Amazon Web Services, the world’s largest cloud provider: AWS Global Innovation Partner of the Year and AWS EMEA Financial Services Partner of the Year. Multiple award-winning client references also highlighted the impact of our solutions, while leading analysts like SPARK Matrix, IDC and Everest reaffirmed our leadership in digital banking transformation.

Sustainability was also a key priority in the past year, with strong ratings from EcoVadis and CDP underscoring our commitment to achieving measurable progress in ESG initiatives.

GFT’s more than 12,000 talents are at the heart of everything we do. Our team grew significantly over the year, mainly driven by the successful integration of Sophos Solutions. We have also been named one of the Top 25 Fortune World’s Best Workplaces – a fantastic achievement and a proud milestone for the whole Group. This global honour places us among industry leaders like SAP, Salesforce, ServiceNow, Nvidia and Allianz, underscoring our outstanding workplace culture and reflecting our unwavering commitment to fostering an innovative, inclusive and diverse environment where our people can thrive and excel.

Despite GFT’s positive business performance and stable growth, the continued volatility of stock markets in 2024 impacted our share price. Demonstrating GFT’s commitment to stable dividends and shareholder participation, the Administrative Board has proposed a dividend of €0.50 per share for the financial year 2024.

Looking back on last year’s performance, we strongly believe that 2024 provides a solid launching pad for our new 5-year strategy. We are confident that within the next five years we will be able to achieve further significant growth in revenue and adjusted EBIT. Specifically, we have set ourselves the strategic targets of increasing revenue to around €1.5 billion in 2029 and significantly improving our adjusted EBIT margin to around 9.5% in the same period. We also defined strategic KPI objectives to improve the percentage of high value-added services to about 50% of our revenue architecture – including assets, products, ISV-related and consulting services – and to improve the percentage of our smartshore services (nearshore, offshore and offsite) versus client onsite activities to around 40% of our overall delivery. On top of these strategic KPI targets, we also designed qualitative strategic objectives to achieve a fast learning, adaptive and innovative organisation and to democratise AI to the communities we operate in.

In order to achieve our five-year targets and objectives, we are launching a set of strategic initiatives designed to structurally improve the culture of the company as a more agile and efficient global-local organisation, to position our brand as a global next-generation technology leader, and to transform our core business and operational model with AI at the centre of our delivery and value chain. Specifically, these strategic initiatives will directly impact both our revenue growth and profitability based on the following main pillars:

1. Improve our revenue architecture and targeted expansion of global accounts, as well as tier-1 and tier-2 clients, leveraging our AI-centric transformation offering, ISV-driven services, assets, products and technology consulting services.
2. An acquisition strategy based on global and local M&As, primarily focused on ISV-related specialisation.
3. Corporate innovation designed to accelerate the creation of new ISV business units and the development of new assets and products to retrofit our organic business with next-generation technology offerings. A striking example of our ability to innovate is GFT AI Impact, our generative AI product for the Software Development Life Cycle which we developed over the past two years and have successfully implemented at multiple clients. It has generated outstanding results, improving efficiency in real-world projects by up to 90%.
4. Create a completely new and modern Global Delivery Platform that efficiently orchestrates our specialised and scalable delivery hubs – creating agility, flexibility and a much more efficient price point to the market. Responding to the needs of our clients with a smartshore solution designed to offer an optimised and long-term nearshore/offshore/onsite ratio. In addition, we will simplify and optimise our global footprint of countries and offices, creating a streamlined and efficient structure that supports long-term success with our Gravity Programme.

Dear shareholders, we at GFT are determined to seize the AI revolution and the opportunities that arise from it. And we are investing accordingly to become the company that we envision. In the short term, this will affect our bottom line. Even though we plan to maintain our solid growth trajectory in 2025, targeting revenue growth of 7% to about €930 million, our adjusted EBIT will be impacted by higher investments to support our future growth and strategic initiatives in line with our new five-year strategy. As a result, adjusted EBIT is expected to reach approximately €68 million. Earnings will also be impacted by higher personnel expenses in 2025 due to efficiency measures, as well as significantly increased social security contributions and the removal of subsidies in certain countries.

Based on operating performance, our expected adjusted EBIT would be on a par with the previous year. This is primarily because the 2024 figure was positively influenced by a special item of around €10 million, related to a provision release for a fiscal court case in Brazil, while the acquisition effects to be adjusted in 2025 are expected to be lower.

With innovation cycles accelerating and technology advancing at varying speeds across the globe, this is our moment – and we are fully committed to seizing the opportunities that lie ahead.

AI is not merely a cornerstone of GFT's business model – it is central to our commitment to innovate, grow and lead the way. With the creativity, expertise and strength of our global team, we will pioneer transformative solutions, achieve extraordinary milestones and build a future defined by innovation and success.

GFT is in the vanguard of this major AI revolution. Together with our clients, partners and skilled workforce, we will set a new industry benchmark and become the best, responsible AI-centric powerhouse in the world.

I am excited about the journey ahead and confident that, together, we have what it takes to succeed. To our shareholders, thank you for your trust and continued support – it is the foundation of our journey forward. Let's go beyond, together!

Best regards,

Marco Santos

Marco Santos
Global CEO of GFT Technologies SE

GFT AI Impact has improved efficiency in real projects by up to

90%

"With a strong focus on AI and a revamped management team, we are accelerating the evolution of GFT into a global AI technology company."

— Ulrich Dietz, Chairman of the Administrative Board of GFT Technologies SE

In the financial year 2024, the Administrative Board of GFT Technologies SE fulfilled the duties assigned to it by law, the Articles of Association and its Rules of Procedure to the full extent. It managed the company, determined the parameters of its business activities and supervised their implementation by the Managing Directors.

The Administrative Board held a total of ten meetings, of which eight were plenary meetings. During two separate meetings, the topic of a successor to the Chief Executive Officer was discussed. Those members who had been appointed as Managing Directors did not attend these two separate meetings.

At the plenary meetings, the Managing Directors informed the Administrative Board in verbal form – on the basis of written reports provided well in advance – about the current state of business, the earnings trend, major projects and any deviations from planned developments. The Administrative Board discussed these reports in detail. Moreover, all transactions and measures requiring its approval were submitted to the Administrative Board for inspection. These were examined in detail on the basis of the documents and oral explanations provided. Following detailed discussion, the Administrative Board adopted the necessary resolutions. Between meetings, the Chairman of the Administrative Board was in regular contact with the Managing Directors. He reported these discussions to the Administrative Board no later than at the next meeting. The Administrative Board was thus kept fully informed at all times.

The following is a detailed report on the work of the Administrative Board during the financial year 2024:

After the Chief Executive Officer, Marika Lulay, announced on 5 December 2023 that she would not be extending her service agreement, which ran until the end of 2024, the Administrative Board immediately initiated the search for a successor. At additional meetings held on **5 and 16 February 2024**, in the absence of the those members of the Administrative Board appointed as Managing Directors, the Administrative Board discussed the succession issue in detail and also deliberated on the remuneration system for the Managing Directors and its further development.

At a meeting on **5 March 2024**, the full Administrative Board discussed the preliminary results and the proposal for the appropriation of the distributable profit for the financial year 2023. Moreover, the topic of a successor to Marika Lulay and the further development of the remuneration system for the Managing Directors were also discussed – in the absence of those members of the Administrative Board appointed as Managing Directors.

The **balance-sheet meeting** was held on **19 March 2024**. The Administrative Board conclusively examined in detail the annual financial statements of GFT Technologies SE, the consolidated financial statements of GFT Technologies SE and the combined management report for GFT Technologies SE and the GFT Group – which each contained an unqualified audit opinion – as well as the proposal for appropriating the distributable profit on the basis of the documents provided well in advance and in particular on the basis of the audit reports prepared by Deloitte Wirtschaftsprüfungsgesellschaft, Munich, (Deloitte). After the Managing Directors had explained the documents prepared by the company in detail, there was an in-depth discussion of the documents in the presence of the chief auditor. The chief auditor then presented the details of the audit results – especially those in connection with the key audit matters – and went on to explain the audit procedures and answer at length the many questions posed by members of the Administrative Board. As a result, the Administrative Board was able to satisfy itself that the audit process and audit report had been executed in an orderly and proper manner. The Administrative Board had no objections to make and concurred with the audit result on the basis of its own review. It adopted a resolution to approve the annual financial statements 2023 of GFT Technologies SE and the consolidated financial statements 2023 as prepared by the Managing Directors. The annual financial statements 2023 of GFT Technologies SE were thus formally adopted.

The Administrative Board also examined in detail the separate non-financial group report. There were no objections to the report.

In addition, the Administrative Board approved the Remuneration Report it had prepared for the financial year 2023.

At its meeting on **26 March 2024**, the Administrative Board discussed the convening of the Annual General Meeting and its proposal to the Annual General Meeting that Marco Santos be elected to the Administrative Board as the successor to Marika Lulay. In addition, the Administrative Board resolved to appoint Marco Santos as Chief Executive Officer (CEO) with effect from 1 January 2025 and to appoint Dr Jochen Ruetz as Deputy CEO in addition to his role as CFO. To ensure an orderly transition, Marco Santos was appointed Co-CEO with effect from 1 July 2024. Marika Lulay was also Co-CEO in the period from 1 July 2024 to 31 December 2024.

Without the participation of those members of the Administrative Board appointed as Managing Directors, the Administrative Board decided on the target achievement of the Managing Directors for the financial year 2023 with regard to their variable remuneration. Moreover, one member of the Administrative Board reported on his discussion with an investor regarding the latter's corporate governance recommendations.

On 27 April 2024, the Administrative Board adopted by written circulation a revised remuneration system for the Managing Directors and the convening of the Annual General Meeting.

The agenda for the meeting on **6 May 2024** included the results of the first quarter of 2024 and the development of business in those markets in which the GFT Group operates.

On **5 August 2024**, the Administrative Board meeting dealt with the GFT Group's results for the first six months of 2024 and the half-year financial report. In addition, it discussed the integration status of Sophos Solutions, acquired in spring.

At the meeting on **8 October 2024**, the Managing Directors informed the Administrative Board about the current business situation of the GFT Group. In addition, the Administrative Board approved the conclusion of promissory note loan agreements.

At its meeting on **12 November 2024**, the Administrative Board discussed the results for the first nine months of the financial year 2024.

At the two-day strategy meeting held on **12 and 13 December 2024**, the topics included the strategy of the GFT Group, the business performance of the GFT Group and its national subsidiaries, the sustainability strategy and the budget proposal for the financial year 2025, including financial, investment and personnel planning. The Administrative Board discussed the budget proposal in detail and, in view of the imminent CEO change, resolved to postpone adopting the Budget 2025 until March 2025. The Administrative Board also issued the Declaration of Compliance with the German Corporate Governance Code ('the Code') according to section 22 (6) SEAG in conjunction with section 161 AktG and set the sustainability targets for the Managing Directors for the financial year 2025. It also completed the scheduled self-assessment of the Administrative Board and its Audit Committee.

Work in the Audit Committee

In the financial year 2024, the Administrative Board once again set up an audit committee. The latter complies with the legal requirements as well as the recommendations of the Code. In the financial year 2024, it consisted of three members: Dr Annette Beller (Chairwoman), Maria Dietz and Prof Dr Andreas Wiedemann.

The Audit Committee held five meetings in the financial year 2024. At its meetings on **12 March 2024, 6 May 2024, 5 August 2024 and 12 November 2024,** it discussed the consolidated financial statements and annual financial statements, the half-year financial report and the quarterly statements. In the reporting period, it also dealt with the internal control system and the risk management system, including the compliance management system, as well as the internal audit system and the key audit matters for the auditing of the annual financial statements 2023. It monitored the independence, qualifications and rotation of the auditors, as well as the services they provided, and examined the quality of the audit.

At its meetings on 12 March 2024, 6 May 2024, 5 August 2024 and 12 November 2024, the Audit Committee also dealt in detail with the current sustainability reporting, the future regulatory requirements for this reporting, especially in connection with the Corporate Sustainability Reporting Directive (CSRD), and their implementation in the GFT Group.

At an additional meeting on **12 April 2024**, the Audit Committee discussed the reclassification of revenue-related taxes in the consolidated income statement.

Type of meeting and individualised disclosure of participation

The overall attendance rate of members for the meetings of the Administrative Board and its Audit Committee was 98.5%. Of the ten Administrative Board meetings in total, four were held in person and six were held via video conference. There were no telephone conferences. Of the five meetings of the Audit Committee, two were held in person and three were held via video conference.

The table below provides an individualised overview of the participation of Administrative Board members in meetings of the Administrative Board and its committees:

	Meetings of the full Administrative Board	Special meetings of the full Administrative Board without participation of those Administrative Board members appointed as Managing Directors	Meetings of the Audit Committee
Ulrich Dietz (Chairman)	8/8 (100%)	2/2 (100%)	
Dr Paul Lerbinger (Deputy Chairman)	8/8 (100%)	2/2 (100%)	
Dr Annette Beller	7/8 (87,5%)	2/2 (100%)	5/5 (100%)
Maria Dietz	7/8 (87,5%)	2/2 (100%)	5/5 (100%)
Marika Lulay[1] (member until 20 June 2024)	4/4 (100%)	n.a.	
Dr Jochen Ruetz[1]	8/8 (100%)	n.a.	
Marco Santos[1] (member since 20 June 2024)	4/4 (100%)	n.a.	
Prof Dr Andreas Wiedemann	8/8 (100%)	2/2 (100%)	5/5 (100%)

1 Marika Lulay and Dr Jochen Ruetz were appointed as Managing Directors of the company in the financial year 2024, Marco Santos as of 1 July 2024.

Corporate Governance and Declaration of Compliance

The Administrative Board regularly discusses the rules of good corporate governance and their application within the GFT Group. This was also the case in the financial year 2024. Detailed information on the corporate governance principles and their implementation within the GFT Group is presented in the Corporate Governance Statement for the GFT Group and GFT Technologies SE. This is contained in the Annual Report 2024 as part of the combined management report.

The Administrative Board believes that the company's dialogue with investors and shareholder representatives should not be limited to the Annual General Meeting. For this reason, members appointed by the Administrative Board held discussions on behalf of the Administrative Board with investors, shareholder representatives and proxy advisors on matters related to the Administrative Board and in particular on corporate governance.

Against this backdrop, a working group of the Administrative Board also dealt in detail with suggestions from investors and proxy advisors regarding the structure of our corporate governance in early 2025 and submitted proposals to the full Administrative Board for the further development of the company's corporate governance. The Administrative Board examined the proposals in detail. As a result, the Administrative Board intends to set up two additional committees in the financial year 2025: a Personnel and Remuneration Committee and a Nomination Committee.

The Administrative Board issued the scheduled Declaration of Compliance at its meeting on 12 December 2024. The document is published on the company's website at www.gft.com/governance.

More information
you will find at
www.gft.com/governance

Conflicts of interest and their treatment

The members of the Administrative Board and the Managing Directors are required by law and the Code to immediately disclose any conflicts of interest that may arise. In the past financial year, there were no conflicts of interest pertaining to members of the Administrative Board or the Managing Directors that would have needed to be immediately disclosed to the Administrative Board.

Moreover, Administrative Board members do not participate in discussions or the adoption of resolutions on transactions between themselves and GFT Technologies SE, or companies belonging to the GFT Group, in order to avoid any suspicion of a conflict of interest. The same procedure applies if the contractual partner is not a member of the Administrative Board but a company for which the Administrative Board member works or in which the member holds a controlling interest.

Members of the Administrative Board who are also appointed as Managing Directors do not participate in deliberations and resolutions in connection with all matters relating to the service agreements of Managing Directors.

Education and training activities

The members of the Administrative Board are fundamentally responsible themselves for the education and training measures required for the performance of their duties. The company provides appropriate support for the members in this respect, in particular by means of presentations on specialist topics during meetings of the Administrative Board. In the reporting period, for example, the company informed all Administrative Board members about strategically relevant technologies, in particular generative artificial intelligence, as well as the corresponding services which the company offers.

In early January 2025, the Administrative Board also provided training for those members of the Administrative Board not appointed as Managing Directors on current capital market topics and trends in the corporate governance of listed companies.

Support for new members (onboarding)

The company provides comprehensive support for new members of the Administrative Board. They receive an extensive information pack to familiarise themselves with the company, its business activities, key financial figures and organisational structure, as well as other relevant topics. In addition, the Chairman of the Administrative Board and the Managing Directors provide a detailed overview of relevant topics and are available to answer questions during a full-day meeting at the company.

After being elected to the Administrative Board by the Annual General Meeting on 20 June 2024, Marco Santos completed several onboarding sessions relating to the Administrative Board based on comprehensive written documentation during the reporting period.

Self-assessment

The Administrative Board and the Audit Committee carried out their biennial self-assessment on the basis of comprehensive company-specific questionnaires on all relevant topics in the financial year 2024. During the process, the respective members assessed, among other things, how effectively they fulfilled their tasks.

The results of the self-assessment confirm that the meetings are organised and conducted efficiently and that the quality of the discussions is very good and the provision of information is appropriate. This ensures professional cooperation both within the Administrative Board and Audit Committee and with the Managing Directors. Moreover, the results of the self-assessment confirm the appropriateness of the composition and structure of the Administrative Board. There is therefore no need for change.

Annual financial statements and consolidated financial statements 2024

The annual financial statements of GFT Technologies SE as at 31 December 2024, the consolidated financial statements as at 31 December 2024, and the combined management report for GFT Technologies SE and the GFT Group were audited by Deloitte, which awarded an unqualified audit opinion in each case. Moreover, as part of the audit remit, the auditors concluded that the Administrative Board had taken appropriate steps to fulfil its tasks pursuant to section 22 (3) sentence 2 SEAG, in particular to establish a monitoring system, and concluded that this monitoring system was suitable for the early detection of developments which might jeopardise the continued existence of the company.

Deloitte has been the auditing company elected for the auditing of GFT Technologies SE and the GFT Group since the financial year 2022. Marco Koch is primarily responsible for the audit. Anja Lustig is the second signatory. Both signed the independent auditor’s report for the annual financial statements and the consolidated financial statements for the third time.

The annual financial statements of GFT Technologies SE and the combined management report for GFT Technologies SE and the GFT Group were prepared in accordance with German legal requirements. The consolidated financial statements were drawn up in accordance with the International Financial Reporting Standards (IFRS), as they are to be applied in the European Union (EU), and the additional requirements of German commercial law pursuant to section 315e (1) of the German Commercial Code (HGB). The independent auditors conducted their audit in accordance with section 317 HGB and the EU Audit Regulation in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany (IDW) and additional observance of the International Standards on Auditing (ISA).

The annual financial statements, the consolidated financial statements and the combined management report, as well as the proposal for the appropriation of the distributable profit, were discussed in detail at the Audit Committee’s meeting on 17 March 2025, which was attended by representatives of the auditor. In particular, the Audit Committee dealt with the key audit matters described in the respective audit opinion, including the audit procedures performed. The Audit Committee’s review also included the separate non-financial report for the Group.

Each member of the Administrative Board received in good time: the annual financial statements, the consolidated financial statements and the combined management report as at 31 December 2024, the audit reports of the auditors, the other documents to be examined – including the separate non-financial group report – and the proposal of the Managing Directors for the allocation of net income. All of the aforementioned documents prepared by the company were explained in detail by the Managing Directors at the Administrative Board meeting of 27 March 2025. In particular, the Administrative Board discussed the key audit matters described in the audit certificates, as well as the audit procedures performed. The meeting was attended by representatives of the chief auditor. They reported on the priorities and the results of the audit and explained the audit reports. Moreover, they answered in detail all questions relating to the key audit matters and the audit procedures performed. The representatives of the chief auditor also stated that they were convinced that there had been no material weaknesses in the internal control system and risk management system in relation to the financial reporting process.

Both the Administrative Board and the Audit Committee examined all documents submitted on the annual and consolidated financial statements, including the audit reports of the auditors, and discussed any issues – especially with regard to the key audit matters – at length with the Managing Directors and the chief auditor. The chair of the Audit Committee reported in detail on the results of the preliminary audit at the Administrative Board meeting. It is the firm belief of the Administrative Board that the documents presented were prepared in an orderly manner and comply with statutory requirements. The Administrative Board has no objections and, on the basis of its own review, concurs with the findings of the audit. With a corresponding resolution at its meeting on 27 March 2025, the Administrative Board approved the annual financial statements for 2024 of GFT Technologies SE and the consolidated financial statements of the GFT Group for 2024, as prepared by the Managing

Directors. The annual financial statements of GFT Technologies SE for 2024 were thus adopted. On the basis of its own review of the company's economic situation, the Administrative Board believes that the proposal of the Managing Directors regarding the allocation of net income and the payment of a dividend of €0.50 per ordinary share entitled to dividends is reasonable and appropriate and therefore concurs with this proposal and the proposal for the appropriation of distributable profit as a whole.

The Group's separate non-financial sustainability statement 2024 was also on the agenda of the Administrative Board meeting. Deloitte performed a voluntary limited assurance engagement on the content of the report. Based on its audit, Deloitte issued an unqualified audit opinion. Representatives of the auditor attended the Administrative Board meeting and reported on the results of the audit. After a thorough discussion and its own examination, the Administrative Board raised no objections.

Change in the Administrative Board

With effect from the end of the Annual General Meeting on 20 June 2024, Marika Lulay stepped down from the Administrative Board at her own request. The Administrative Board would like to thank her for her many years of close cooperation as well as her professional dedication and major contribution to the company's success.

On 20 June 2024, the Annual General Meeting elected Marco Santos as a new member of the Administrative Board. for a term of three years. As the successor to Marika Lulay, he was elected for the remainder of the term of office of the departing member, i.e. for two years, in accordance with the Articles of Association.

Changes in the Managing Directors

From 1 July 2024 to 31 December 2024, Marco Santos served as Managing Director and Co-CEO. Since 1 January 2025, he has been the sole Chief Executive Officer. Marika Lulay, sole CEO until 30 June 2024, was Co-CEO from 1 July 2024. Marika Lulay and Jens-Thorsten Rauer stepped down as Managing Directors with effect from 31 December 2024. The Administrative Board would like to thank the former Managing Directors for their close collaboration, professional commitment and major contribution to the company's success.

In the reporting period, the Administrative Board concluded a new five-year service agreement with Dr Jochen Ruetz, effective from 1 January 2025. In addition, the Administrative Board appointed Dr Jochen Ruetz as Deputy CEO with effect from 1 January 2025.

Thank you

The Administrative Board would like to thank all shareholders for their trust, as well as the Managing Directors and all employees of the GFT Group for their commitment and constructive cooperation over the past financial year.

Stuttgart, 27 March 2025

For the Administrative Board

Ulrich Dietz
Chairman

Name	Profession	Year of birth	Member since	Appointed until[3]	Seats held on mandatory supervisory boards or comparable committees in Germany and abroad
Ulrich Dietz (Chairman)	Chairman of the Administrative Board of GFT Technologies SE	1958	18/08/2015	2027	Festo SE & Co.KG, Esslingen, Germany (Member of the Supervisory Board)
Dr Paul Lerbinger (Deputy Chairman)	Deputy Chairman of the Administrative Board of GFT Technologies SE, Former CEO of HSH Nordbank AG	1955	14/01/2011[2]	2027	Minimax GmbH, Bad Oldesloe, Germany (Chairman of the Supervisory Board)
Dr Annette Beller	Member of the Administrative Board of GFT Technologies SE, Former CFO of B. Braun SE	1960	22/06/2023	2027	Landesbank Hessen-Thüringen Girozentrale, Frankfurt am Main, Germany (Member of the Administrative Board)
Maria Dietz	Member of the Administrative Board of GFT Technologies SE, Former Head of Purchasing of the GFT Group	1962	18/08/2015	2027	Drägerwerk AG & Co. KGaA, Lübeck, Germany (Chairwoman of the Supervisory Board)[4] Drägerwerk Verwaltungs AG, Lübeck, Germany (Deputy Chairwoman of the Supervisory Board) Dräger Safety AG & Co. KGaA, Lübeck, Germany (Member of the Supervisory Board) Ernst Klett Aktiengesellschaft, Stuttgart, Germany (Member of the Supervisory Board) LBBW Asset Management Investmentgesellschaft mbh, Stuttgart, Germany (Member of the Supervisory Board)
Dr Jochen Ruetz	Deputy Chairman of the Managing Director of GFT Technologies SE, CFO & deputy CEO Responsible for finance, IT, human resources, legal, purchasing, audit, investor relations and mergers & acquisitions	1968	18/08/2015	2027	Progress-Werk Oberkirch AG, Oberkirch, Germany (Member of the Supervisory Board)[4]
Marco Santos	Chairman of the Managing Directors of GFT Technologies SE, CEO Responsible for the operating business, strategy, global business development, communications and marketing	1975	20/06/2024	2027	none
Prof Dr Andreas Wiedemann	Lawyer and managing partner of the law firm Hennerkes, Kirchdörfer & Lorz	1968	18/08/2015	2027	Georg Nordmann Holding AG, Hamburg, Germany (Chairman of the Supervisory Board) Jowat SE, Detmold, Germany (Chairman of the Supervisory Board) Mack & Schühle AG, Owen/Teck, Germany (Chairman of the Supervisory Board) Sennheiser Verwaltungs SE, Wedemark, Germany (Member of the Administrative Board)

1 As of 01/01/2025
2 Member of the Supervisory Board of GFT Technologies SE until 18/08/2015; Member of the Administrative Board of GFT Technologies SE since 18/08/2015.
3 The term of office ends on expiry of the Annual General Meeting of the year stated.
4 Publicly listed company

GFT in the capital market

The stock market year 2024

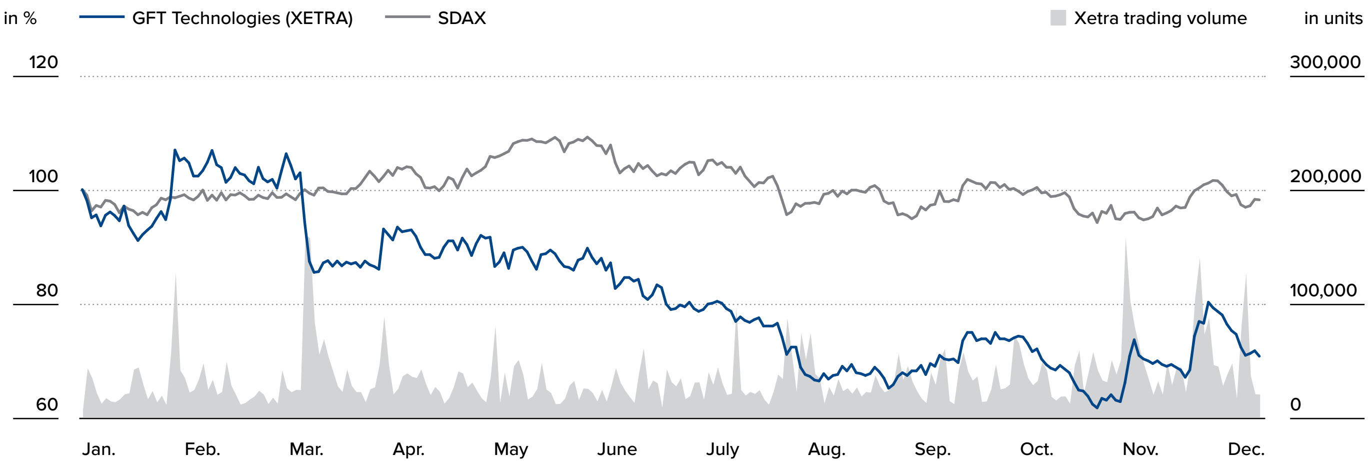
In 2024, the stock markets were dominated by strong price increases, thus continuing the positive trend from 2023. A key driver of this momentum were the central banks, which began to loosen their monetary policy following the sharp interest rate hikes of recent years. Inflation returned to more normal levels and was no longer the focus for investors. These developments provided a favourable tailwind and gave a particular boost to growth stocks.

Bond markets continued to be volatile as yields remained high despite interest rate cuts. This was due to ongoing inflation concerns, high government debt and economic uncertainties, particularly in the USA. By contrast, shares continued their upward trend, buoyed by the AI boom and strong corporate earnings. However, geopolitical conflicts such as the Ukraine war and the Middle East conflict created uncertainty, while rising tensions between the USA and China weighed on the markets. At the same time, the faltering Chinese economy dampened world trade, especially for commodities and Western exports.

In Germany, faltering economic growth led to uncertainty in the markets. Structural challenges, such as high energy costs and weak industrial production, had a particularly adverse effect. These factors put German small and mid-cap stocks in particular under pressure. Large, globally operating companies in the DAX, on the other hand, proved to be comparatively stable.

By the end of the year, the DAX had risen by 19% to close at 19,909 points. The S&P 500 performed even better, rising by more than 23% to 5,881 points. Whereas the SDAX fell by almost 2%, the TecDAX rose by a good 2%. The strongest performance was recorded by the Nasdaq Composite: buoyed by the strength of tech stocks, it was up by almost 29%.

Share performance and Xetra trading volume in 2024



Start: 2 January 2024 (GFT closing rate Xetra 30.60 €)

End: 30 December 2024 (GFT closing rate Xetra 22.10 €)

GFT share performance

All in all, the GFT share price was volatile in 2024. Following a stable start to the year, it reached its year-high of €33.36 in late January. After the publication of the preliminary results for the financial year 2023, a downward trend developed in March. The share price then reacted positively to the announcement of Marco Santos as the new CEO.

In the middle of the year, the downgraded full-year forecasts of competitors and our own slightly reduced expectations led to a downturn in the share price. It reached its year-low of €19.10 in early November. The markets continued to be highly volatile in the remaining weeks and the share ended the year at a closing price of €22.10. Driven by developments in the technology sector, the first two months of 2025 have remained highly volatile.

Shareholder structure

The free float portion (according to the Deutsche Börse definition) amounted to 64.2% at the end of 2024. With stakes of 26.3% and 9.5%, respectively, company founder Ulrich Dietz and Maria Dietz are long-standing shareholders of GFT Technologies SE. Within the free float portion, Smallcap World Fund Inc. (Capital Group Inc.) decreased its shareholding slightly to 4.9% in 2024. Norges Bank decreased its shareholding to 1.7% at present.

The Administrative Board has proposed a dividend of

€0.50

per share for the financial year 2024.

Dividend

As well as investing in future growth, GFT attaches great importance to enabling its shareholders to participate appropriately in the company's success. Sustainability and continuity are at the heart of GFT's dividend policy, which aims to distribute between 20% and 50% of annual net income.

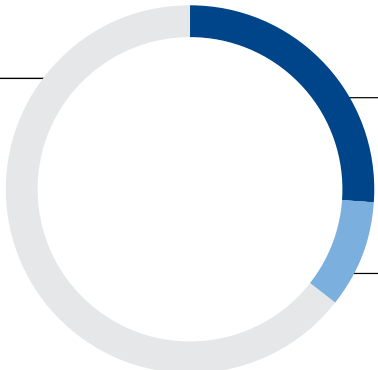
The dividend for the financial year 2023 amounted €0.50 per share. The Administrative Board intends to propose a dividend of €0,50 for the financial year 2024 at the Annual General Meeting. This corresponds to a dividend ratio of 28% (2023: 27%) and a total dividend payout of €13.16 million (2023: €13.16 million).

Annual General Meeting

The Annual General Meeting of GFT Technologies SE was held virtually on 20 June 2024. Shareholders were able to follow the Annual General Meeting live online and to address their comments and questions directly to the Administrative Board. A total of 72.99% of the share capital with voting rights was represented (2023: 67.22%).

Detailed information on the Annual General Meeting is available on the Investor Relations website.

Shareholder structure on 31 December 2024
in %



Capital market communication

The capital market communication of GFT Technologies SE is aimed at providing investors and analysts with timely and transparent information about the Group's strategy and current development. The CEO, CFO and Investor Relations team are in constant dialogue with national and international investors and analysts – holding over 400 conversations in 2024 alone.

We successfully continued our close cooperation with renowned banks and analysts, such as Berenberg, Hauck & Aufhäuser, Kepler Cheuvreux, Pareto Securities, Quirin Bank and Warburg Research. In addition, we expanded our presence at international roadshows and conferences – as well as Germany, also increasingly in France, England and Switzerland. We also held our first management roadshow in Canada and the USA. These measures helped us successfully expand our shareholder base.

One particular success was our first place in Investors' Darling. The significant improvement in the quality of our capital market communication and reporting helped GFT secure this top ranking among SDAX companies and 11th place in the overall ranking.

Detailed information, together with analytical tools, quarterly and annual reports, presentations and conference call recordings, are available on the Investor Relations website.

Information on the GFT share

	2024	2023
Year-closing quotation (Xetra closing price on the last trading day)	€22.10	€31.20
Percentage change at year-end	–29%	–8%
Year-high (daily closing prices Xetra)	€33.36 29/01/2024	€43.00 16/02/2023
Year-low (daily closing prices Xetra)	€19.28 06/11/2024	€23.48 21/09/2023
Number of shares on 31 December	26,325,946	26,325,946
Market capitalisation on 31 December	€582 million	€821 million
Average daily trading volume in shares (Xetra)	35,314	43,315
Earnings per share	€1.77	€1.84
Operative cash flow per share	€2.75	€1.54
Dividend per share	€0.50[1]	€0.50

1 Dividend proposed to the Annual General Meeting

„In 2024, we continued our solid growth trajectory, with an increase in revenue and adjusted EBIT. Through the acquisition of Sophos, we entered new markets and strengthened our global presence.“

— Dr Jochen Ruetz, CFO & deputy CEO of GFT Technologies SE

Combined management report

23	About this report
23	Basic principles of the Group
28	Economic report
38	Forecast report
40	Risk and opportunity report
51	Explanations on the annual financial statements of GFT Technologies SE (HGB)
54	Takeover-relevant information
58	Corporate Governance Statement (unaudited)

1 About this report

This combined management report for the GFT Group and GFT Technologies SE was prepared in accordance with section 315 (5) of the German Commercial Code (‘Handelsgesetzbuch’ – HGB), in conjunction with section 289 HGB, and in compliance with section 315a HGB. Unless stated otherwise, the following information applies to the GFT Group and to GFT Technologies SE. All amounts are rounded in accordance with standard commercial practice.

With regard to the structure of this report, we introduced a combined risk and opportunity report for the reporting period 2024. The aim is to provide a more holistic and balanced assessment of the GFT Group’s risk and opportunity situation in line with our integrated management approach.

The German Corporate Governance Code (‘the Code’) stipulates that companies provide information on the internal control and risk management system that goes beyond the statutory requirements for the management report and is therefore excluded from the audit of the management report by the external auditor (non-management report disclosures). These are thematically assigned to the corporate governance statement below and are labelled accordingly with a footnote.

2 Basic principles of the Group

2.1 Business model

Business operations

The GFT Group (GFT) is a global pioneer of digital transformation. GFT designs AI-centric business solutions for leading banks, insurers and industrial companies.

The company offers a comprehensive range of services that includes the modernisation of existing IT systems, the migration of core systems to open cloud platforms and the implementation of new core systems based on Next Generation Platforms. In doing so, GFT also uses energy-efficient programming (GreenCoding). Moreover, the company develops customised solutions based on artificial intelligence (AI) as well as powerful data platforms to boost the efficiency and innovative strength of its clients. GFT’s clients include, in particular, leading banks and insurance companies in Europe, the Americas and the Asia-Pacific region, as well as companies in the industrial and other sectors, especially in Germany, Spain and Brazil.

GFT has deep technological expertise, comprehensive market know-how and strong partnerships as an implementation partner for cloud solutions, e.g. with Amazon Web Services (AWS), Google Cloud, Microsoft Azure and Thought Machine.

The importance of disruptive AI technologies for IT services is growing significantly. In the reporting period, generative AI was still in an early phase of the technology cycle, during which GFT primarily helped its clients in all sectors deal with the challenge of efficiently integrating AI technologies into their existing IT landscape. GFT has already created a number of use cases via its dedicated platform – the AI.DA Marketplace. With the successful market launch of the AI tool AI.Impact, GFT can, for example, achieve significant efficiency gains in the software development lifecycle – both for its own programming activities and those of its clients.

In the field of banking, growth continues to be driven by the need to digitalise business processes, reduce operating costs and offer innovative client solutions in order to react to rising competitive pressure. Generative AI technologies already played an important role in these efforts in the reporting period. GFT supports the digitalisation process of banks with technologies and solutions, as well as extensive expertise along the entire value chain. This expertise comprises both the transformation of the application landscape for institutes with legacy IT infrastructures and the implementation of standardised solutions, such as the latest generation of cloud-based core banking systems and software solutions for compliance and regulation. Innovative client services include, for example, customised custody solutions for digital assets and tokenisation solutions. GFT is also a recognised implementation partner for the creation of digital banks, the so-called neobanks, which are positioning themselves as new players in the financial services market.

The digital transformation of value chains in the insurance sector is a further growth market for GFT. In the fields of property, accident, life and health insurance, the insurance companies we serve have a strong demand for flexible and efficient processes in order to improve their cost structures, client experience and ultimately their own competitive position. In addition to the development of bespoke IT solutions, GFT also offers the implementation of standard software, especially Guidewire in the field of composite insurance. The portfolio is rounded off by strategy development and consulting on all aspects of the digital transformation.

GFT's range of services for industrial clients includes digital transformation consulting, the implementation of bespoke IT solutions and proprietary software-based solutions such as a cloud-capable IoT platform and a real-time project management solution. With custom-fit consulting and its own solutions, for example for process and project management, GFT enables industrial companies to produce more sustainably and efficiently. In the financial year 2024, the customer focus was on clients in the automotive, fashion and retail sectors. AI solutions developed by GFT play a key role in boosting the efficiency of production processes. GFT helps companies integrate sustainability into their corporate strategy by adopting intelligent energy management and its Green-Coding approach. The cloud-capable IoT platform is being successfully used in the field of shop floor transparency, process integration and sustainable energy management.

Regional segmentation

Among other things, GFT's strategy includes regional growth targets. In accordance with its internal management system, operating activities are managed in the two segments *Americas, UK & APAC* and *Continental Europe*. Both segments serve clients in investment banking, retail banking, the insurance sector and other industrial sectors.

Global Delivery Model

The GFT Group supplies its range of solutions to the core markets of Europe, the Americas and the Asia-Pacific region in accordance with a Global Delivery Model. The company's consultants and sales staff are generally in direct contact with clients (onshore) to provide advice on the digital transformation and the coordination of complex projects. Development services are provided in cooperation with our development centres – Global Delivery Hubs – in other countries (nearshore and offshore). This long-standing delivery model combines customer proximity and quality with cost benefits and global access to IT experts – a huge benefit especially in markets with a lack of skilled workers. Depending on the preferences, cost sensitivity and experience of the client, GFT can flexibly adapt the proportion of its onshore/nearshore services.

In 2024, GFT began building an internal Global Delivery Platform (GDP) to promote the effective and efficient use of our Global Delivery Hubs and to strengthen our specialised and efficient Development Hubs.

The Global Delivery Hubs for the banking sector are located in Brazil, Colombia, Poland, Spain and Vietnam. A further hub has been under development in India since the financial year 2024. For the insurance sector, nearshore services are mainly provided from Costa Rica, Colombia, Poland and Spain. In Colombia, Poland, Spain and Vietnam, there are specialised centres of excellence for next-generation core banking systems that serve customers around the globe.

Market and competitive environment

Global demand for IT services continued to grow in 2024. According to the research institute Gartner, the market volume grew by 5.1% to US$921 billion. The need for digitalisation in the financial services sector, which includes both banks and insurers, also remained high. Market volume in this sector rose by 5.3% to US$261 billion in 2024.

The market for IT services is highly competitive and fragmented. According to Gartner, the 20 largest companies together only have a market share of 41%. Services are offered by both large multinational corporations and small specialised firms.

In this fiercely competitive environment, GFT is well placed to capitalise on growth opportunities. According to the research report '2024 SPARK Matrix™ for Digital Banking Services' published by global strategy consultancy Quadrant Knowledge Solutions, GFT holds a leading position. Moreover, GFT received the AWS Global Innovation Partner of the Year Award and the AWS EMEA Financial Services Partner of the Year Award. This recognition reflects performance in the areas of customer impact and service excellence.

Group structure and management

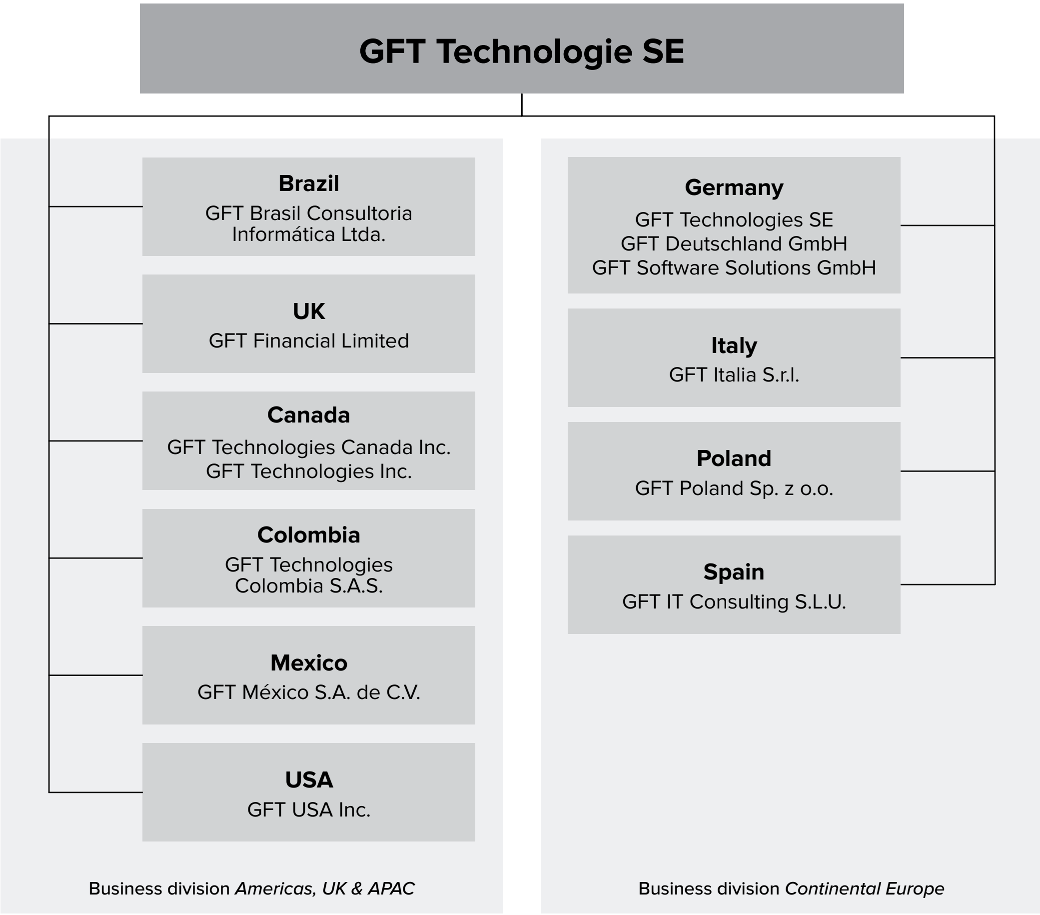
As the strategic management holding company, GFT Technologies SE, domiciled in Stuttgart, Germany, is responsible for the management and control of all legally independent companies of the GFT Group. In addition to defining the corporate targets and strategy, its key responsibilities include steering the Group's risk and financial management system. Moreover, GFT Technologies SE provides Group-wide administrative services and manages global corporate communications. In addition, GFT Technologies SE acts as a separate legal entity for operating business in Germany. In accordance with its one-tier management and supervision structure, the Administrative Board of GFT Technologies SE is responsible for the management and control of the Group: it sets the Group-wide strategic alignment and supervises its operational implementation by the Managing Directors.

In the reporting period, the Administrative Board comprised the following members: Ulrich Dietz (Chairman), Dr Paul Lerbinger (Deputy Chairman), Dr Annette Beller, Maria Dietz, Marika Lulay (CEO, member of the Administrative Board until the Annual General Meeting on 20 June 2024), Marco Santos (Co-CEO, member of the Administrative Board since the Annual General Meeting on 20 June 2024), Dr Jochen Ruetz (CFO), and Prof Dr Andreas Wiedemann.

Marika Lulay, Dr Jochen Ruetz and Jens-Thorsten Rauer were appointed as Managing Directors by the Administrative Board. On 1 July 2024, Marco Santos also began his term of office as Managing Director and headed GFT together with Marika Lulay as Co-CEO until the end of the year. Marika Lulay and Jens-Thorsten Rauer stepped down from the management team on 31 December 2024 and Marco Santos has been sole CEO since 1 January 2025. He leads the company together with Jochen Ruetz, who has served as CFO and Deputy CEO since the beginning of this year.

As of 31 December 2024, the GFT Group was represented in over 20 countries and controlled 33 companies either directly or indirectly via the parent company (31 December 2023: 28). With effect from 1 February 2024, Sophos Solutions S.A.S. (Sophos), based in Bogotá, Colombia, joined the GFT Group. The acquired company was renamed GFT Technologies Colombia S.A.S. following its entry in the Commercial Register on 25 July 2024. Please refer to section 3 of the notes to the consolidated financial statements for a full list of subsidiaries and other investments.

Main companies of the GFT Group



2.2 Management system

The primary strategic objective of the GFT Group is to achieve a sustainable increase in enterprise value by continuously expanding competitive advantages. As part of its strategic planning, measures to achieve this objective in the respective countries and market segments are defined and implemented. 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 Managing Directors are also supported by the other members of the Group Executive Board, whose tasks include providing advice and preparing decisions.

The country organisations provide the Group Executive Board with regular reports on the course of business and the implementation of management decisions, while analysing the opportunities and risks for future development. The development of key performance indicators compared to the respective budgets is monitored via monthly reports provided by the country organisations.

Key performance measures

The key performance indicators (KPIs) used to measure the success of strategy implementation in the GFT Group are revenue, adjusted EBIT (earnings before interest and taxes) and EBT (earnings before taxes). Adjusted EBIT presents the operating result without share price-related effects from the valuation of compensation agreements and the impact of M&A transactions. Other performance measures are also used for the internal management process: these include revenue by country, market segment and sector, as well as contribution margins and account collection targets. The success of the two segments is measured using the segment performance indicators revenue and EBT, amongst others. Segment revenue and segment earnings also include transactions between the business segments.

A non-financial performance indicator for the GFT Group is the productive utilisation rate. It is based solely on the use of staff in client projects and does not include any sales activities or involvement in internal projects. 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 is provided in chapters 2.4 and 2.5. These include measures for attracting and retaining skilled employees, as well as quality management during the processing of client projects.

A key component of the internal management process is the Group's systematic opportunity and risk management. This enables management to identify, assess and steer the opportunities and risks which may lead to positive or negative deviations from targets. For further information, please refer to chapter 5 'Risk and opportunity report'.

The segments are not managed separately according to segment-specific key performance measures.

Further information

Further explanations of the key performance measures used in the annual report (unaudited) can be found on the GFT website at www.gft.com/key-performance-measures.

More informationen
you will find at www.gft.com/key-performance-measures

2.3 Research and development

The GFT Group's research and development activities focus on the application possibilities of high-growth technologies, such as distributed ledger technology (DLT)/blockchain, Next Generation Platforms, cloud, data & analytics and artificial intelligence, with a particular emphasis on generative AI.

Research and development (R&D) expenses amounted to €15.95 million in the reporting year (2023: €18.19 million). This corresponds to 2% of revenue (2023: 2%). The main focus was on investments in the development of compliance and project management solutions (Smaragd and Engenion), investments in the area of core banking partnerships (ISV= Independent Software Vendors), for example Thought Machine and Mambu, and software development based on generative AI (AI.Impact).

At €15.14 million or 95%, personnel expenses accounted for the major share of R&D expenses (2023: €16.29 million or 90%). Expenses for external services totalled €0.62 million and accounted for 4% in the reporting period (2023: €0.98 million or 5%). The capitalisation requirements for development costs were not met in the reporting period.

2.4 Employees

The performance, skills and motivation of our employees are vital for the success of GFT as a technology partner for digital transformation. HR strategy and the HR division therefore focus on attracting, developing and retaining highly skilled and motivated experts.

In 2024, GFT was recognised as one of the world's top 25 employers by the international research and consulting institute 'Great Place to Work' – a testament to the company's successful focus on its employees and its compelling corporate culture.

The HR organisation is globally aligned. There are common Group-wide standards for HR activities and measures. These measures are implemented by the HR departments of the respective countries.

Workforce development

The figures displayed in this section are calculated on the basis of full-time employees; part-time staff are included on a prorated basis (FTE = full-time equivalents).

As of 31 December 2024, the GFT Group employed a total of 11,506 people, and thus 26% more than in the previous year (31 December 2023: 9,134 FTE). In the *Americas, UK & APAC* segment, headcount rose by 54% to 6,980 (31 December 2023: 4,528 FTE). This was mainly due to the acquisition of Sophos, which has since been fully integrated into the GFT Group as a wholly-owned subsidiary. GFT Technologies Colombia S.A.S. had 1,413 employees as of the reporting date. The increase in staff numbers in Brazil also contributed to the rise in headcount in the Americas region, whereas capacities in Costa Rica and Mexico were reduced. In Asia, there was an increase in headcount at the nearshore locations in Vietnam and India. By contrast, the number of employees in the UK decreased significantly due to slower business in this market.

In the *Continental Europe* segment, year-end headcount fell by 2% to 4,406 (31 December 2023: 4,492 FTE). This trend mainly reflects the significant reduction of staffing levels in Poland. In Italy, however, GFT strengthened its workforce in line with its positive business development.

Employees by segment

	31/12/2024	31/12/2023	Δ FTE	Δ %
Americas, UK & APAC	6,980	4,528	2,452	54%
Continental Europe	4,406	4,492	−86	−2%
Others	120	114	6	5%
GFT Group	**11,506**	**9,134**	**2,372**	**26%**

Employees by country

	31/12/2024	31/12/2023	Δ FTE	Δ %
Brazil	4,076	2,964	1,112	38%
Spain	2,137	2,136	1	0%
Colombia	1,413	0	1,413	n,a,
Italy	960	892	68	8%
Poland	758	882	−124	−14%
Germany	594	613	−19	−3%
Mexico	408	446	−38	−9%
Canada	402	401	1	0%
UK	204	295	−91	−31%
Vietnam	194	178	16	9%
Costa Rica	156	180	−24	−13%
France	51	52	−1	−3%
India	51	0	51	n,a,
USA	43	46	−3	−7%
Switzerland	24	29	−5	−18%
Chile	12	0	12	n,a,
Singapore	9	11	−2	−18%
Hong Kong (SEZ)	6	7	−1	−14%
Panama	4	0	4	n,a,
Belgium	2	2	0	0%
Peru	2	0	2	n,a,
GFT Group	**11,506**	**9,134**	**2,372**	**26%**

The holding company of the GFT Group employed 114 people at the end of the reporting period – a stable development compared to the previous year (31 December 2023: 114 FTE).

The productive utilisation rate of 90% for the reporting period – based on the use of staff in client projects – was unchanged from the previous year (2023: 91%).

2.5 Quality management

GFT continuously develops its quality management system and applies strict standards to the services it offers. The company has been using the CMMI® (Capability Maturity Model Integration) reference model since 2005. Following a scheduled audit, Level 3 certification was once again confirmed in 2023. This certification level is awarded as GFT projects are conducted according to an adapted standard process with constant Group-wide process optimisation in order to guarantee top-quality and efficient implementation.

2.6 Information security and data protection

The global Information Security Management System (ISMS) of the GFT Group complies with the ISO/IEC 27001 standard.

GFT's Chief Privacy Officer (CPO) heads a Group Data Protection Network, comprising contact persons for data privacy at local level, in relevant Group functions, and with privacy engineers for important projects. The aim of this data privacy organisation is to guarantee standard data privacy practices throughout the Group, as well as at the interfaces with clients, partners and suppliers. GFT has a Group-wide data privacy framework, based on a global data privacy policy, which also contains regulations for responsible AI. The local contact persons for data privacy are responsible for the implementation of the global data privacy policy in accordance with the country-specific conditions.

2.7 Group's separate non-financial sustainability statement

The Group's separate non-financial sustainability statement pursuant to section 315b (3) number 2b HGB will be available online as of the end of March 2025 at www.gft.com/sustainability.

More informationen
you will find at
www.gft.com/sustainability

3 Economic report

3.1 General conditions

Macroeconomic conditions
According to the International Monetary Fund (IMF), global growth remained stable in the past financial year, albeit with noticeable regional differences. Whereas the US economy maintained its robust momentum throughout 2024, growth in India and China slowed in the second half of the year. The IMF put global economic growth at 3.2% for 2024 as a whole, in line with its forecasts issued during the year. Global inflation averaged 5.7%.

Economic activity in the eurozone progressed at a moderate pace according to the European Central Bank (ECB), with growth of 0.7% in 2024. Increased GDP in real terms was mainly due to an upturn in domestic demand over the course of the year. The service sector performed well during the reporting period, while industrial output slowed somewhat. Inflation amounted to 2.4%.

The German economy suffered a further year of recession in 2024. According to Germany's central bank (Deutsche Bundesbank), economic output fell by 0.2%. Various factors contributed to this slowdown: the expected increase in private consumption failed to materialise; companies were forced by declining output and weak capacity utilisation to reduce capital spending; investments in residential construction fell more sharply than expected; and despite growing sales markets, exports declined. The rate of inflation in Germany was 2.5%.

Sector-specific conditions

According to the market research institute Gartner, the global IT market grew by 7.7% in the reporting period. Hardware upgrades for generative AI led to high growth rates for data centre systems (39.4%), devices (6.0%) and software (12.0%). Global revenue in the IT services segment rose by 5.6%.

Financial institutions increased their spending by 4.8% in 2024. IT budgets in the investment services and banking sectors rose by 4.3% and 5.2%, respectively. IT spending in the insurance sector increased by 6.6% in 2024 as digitalisation continued to gather pace. According to Gartner, spending in the industrial sector rose by 5.0%.

Demand for cloud solutions remained strong. According to Gartner, companies spent around US$596 billion on public cloud services in the reporting year. This corresponds to year-on-year growth of 19.2%. According to market researchers at IDC, the global market for AI was worth almost US$235 billion in 2024. IDC found that software and information services, banking and the retail sector were the leading spenders on AI. Together, these sectors invested around US$90 billion in 2024, accounting for 38% of the global AI market.

The German market for information and communication technology (ICT) performed well in 2024. According to the industry association Bitkom, ICT spending was around €223 billion, an increase of 3.3% over the previous year. The information technology market achieved growth of 4.4%. The growth drivers were the software and IT services segments, with revenue growth of 9.5% and 3.8%, respectively. The Bitkom-ifo Digital Index outperformed the ifo Business Climate Index for Germany throughout the year, but dipped slightly into negative figures towards the end of 2024. In December, ICT companies were less optimistic about their business prospects for the coming months than they had been in the previous month.

Impact on the GFT Group

In GFT's main target markets – the banking, insurance and industrial sectors – the digital transformation continues to gather pace. The technologies, partnerships and benchmark projects focused on by GFT play an important role in this trend and are proving to be growth drivers. As an industry specialist and technology partner, GFT integrates new technologies into the business models of its clients and has thus established itself as a cross-industry partner for the digital transformation.

3.2 Development of business

Overview of business development

The GFT Group maintained its growth trajectory in 2024 and once again improved on the good prior-year figures for revenue and earnings. Despite challenging conditions in certain markets, GFT achieved solid growth in both revenue and earnings. At 8.9%, the adjusted EBIT margin was slightly down year on year (2023: of 9.3%), mainly due to higher capacity adjustments than in the previous year. The earnings margin benefited during the reporting period from a positive one-off effect resulting from a financial court verdict in Brazil. There was also a positive impact from a virtual stock option programme.

The situation in our core markets has not changed structurally. It continues to be shaped by persistently high pressure to digitalise and the associated need for increased investment. Despite a challenging economic environment, business in our largest market, Brazil, recovered strongly from the start of 2024. At the same time, however, our clients in other regions – especially the UK, the USA and Canada – were much more reluctant to sign new project contracts. This caution continued throughout the year and led to falling revenue in these markets, which in turn forced us to make targeted adjustments to our capacities. Nevertheless, GFT was able to successfully expand its Tier-2 client base in these markets.

Against this backdrop, the GFT Group initially published a positive outlook for the financial year 2024 in early March 2024. However, macroeconomic developments, geopolitical tensions and more restrictive borrowing conditions increasingly affected the IT budgets of many companies as the year progressed. This dampened the investment behaviour of our clients and led to the postponement of certain projects, or a reassessment of their implementation priority.

In view of these changed conditions, we made slight adjustments to our revenue expectations on publication of the first-quarter results in May, as well as our revenue and earnings guidance on publication of our half-year results in August 2024. The general economic environment remained challenging as the year progressed, necessitating a further adjustment to our revenue and earnings guidance for the financial year 2024 in November 2024.

The GFT Group's revenue rose by 10% to €870.92 million in the financial year 2024 (2023: €788.87 million) and was thus in line with the guidance update of 14 November 2024 (see table 'Performance compared to guidance'). Revenue growth was mainly driven by the acquisition of Sophos, as well as by persistently high demand for complex digitalisation projects. With regard to its sectors, GFT achieved strong growth of 12% in its business with Banks, while the Industry & Other sector grew by 10%. In the Insurance sector, the decline in revenue experienced at the beginning of the year was halted, with a return to growth for GFT in the fourth quarter. Overall, GFT achieved a slight increase of 1% in its Insurance business, following a decline in the previous year. The proportion of total revenue generated with the largest client decreased slightly to 14% in 2024 (2023: 16%), reflecting a broader diversification of the client base.

The GFT Group achieved a further increase in its operating earnings in the reporting period. Adjusted EBIT rose by 6% to €77.44 million in the financial year 2024 (2023: €73.33 million) and was thus in line with our adjusted guidance – as was EBT, which decreased by 4% to €65.01 million (2023: €68.00 million) primarily as a result of acquisitions.

Cash flow from operating activities resulted in a cash inflow of €72.42 million in 2024 (2023: €40.44 million). The increase was mainly due to improved working capital effects, particularly as a result of payments from major clients at the end of the financial year. There was an opposing effect from significantly higher income tax and interest payments than in the previous year. In total, net liquidity decreased to €−42.53 million at year-end (31 December 2023: €4.39 million). In addition to the Sophos acquisition, the year-on-year increase in the dividend payment to shareholders also contributed to this development. The GFT Group continues to have a solid capital and balance sheet structure: the equity ratio remained almost unchanged at 42% as of 31 December 2024 (31 December 2023: 43%).

The acquisition of Sophos Solutions S.A.S., Bogotá, Colombia, from Advent International, a global private equity investor, as announced on 25 January 2024, was successfully completed on 1 February 2024 (acquisition date). As of this date, the GFT Group acquired 100% of shares in the company via GFT Technologies S.A.U., Madrid, Spain. According to a market share survey (Gartner 04/2023; based on revenue), the acquisition of Sophos has elevated the GFT Group to one of the top three providers of IT services for banks and insurers in Latin America, while also raising its global delivery capability. Moreover, GFT has gained a new foothold for core banking solutions, AI and cloud modernisation, as well as additional partners and clients – including Colombia's most important financial institutions.

Performance compared to guidance

	Guidance				Result	Δ %			
in € million	FY 2024 07/03/2024	FY 2024 08/05/2024	FY 2024 08/08/2024	FY 2024 14/11/2024	FY 2024	07/03/2024	08/05/2024	08/08/2024	14/11/2024
Revenue	920	905	885	865	870.92	−5%	−4%	−2%	1%
Adjusted EBIT	85	85	82	77	77.44	−9%	−9%	−6%	1%
EBT	72	72	70	65	65.01	−10%	−10%	−7%	0%

Key figures by quarter

in € million	Q1 2024[1]	Q2 2024[1]	Q3 2024[1]	Q4 2024[1]	FY 2024
Revenue	212.39	217.24	215.91	225.38	870.92
Adjusted EBIT	17.23	18.51	21.37	20.33	77.44
EBT	15.00	15.05	18.02	16.94	65.01

1 unaudited

3.3 Development of revenue

Significant growth in the banking and industrial sectors

The GFT Group continued its growth strategy during the reporting period and achieved significant revenue growth in its banking and industrial sectors. Business with banks was the main growth driver, with revenue growth of 12%. This sector benefited from continued strong demand for digitalisation and cloud solutions, especially in Europe, as well as from the acquisition of Sophos in Colombia. Business with industrial clients, summarised here under Industry & Others, also made strong progress in the reporting period with revenue growth of 10%. This trend was driven by broad diversification across various industrial groups. In the Insurance sector, business stabilised over the course of the year and ultimately generated revenue growth of 1%.

The order backlog as at 31 December 2024 increased by 33% to €503.12 million (2023: €378.74 million[2]) due to the Sophos acquisition and consistently high demand for digitalisation solutions.

Client diversification

In order to further reduce our dependence on individual clients, we continued to focus on client diversification in the past financial year. The ten largest clients accounted for around 40% of total revenue (2023: 43%). The share of total revenue attributable to the largest client reached 14% in the reporting period (2023: 16%). This development demonstrates the successful progress in diversifying the client base and strengthens the long-term stability of the business model.

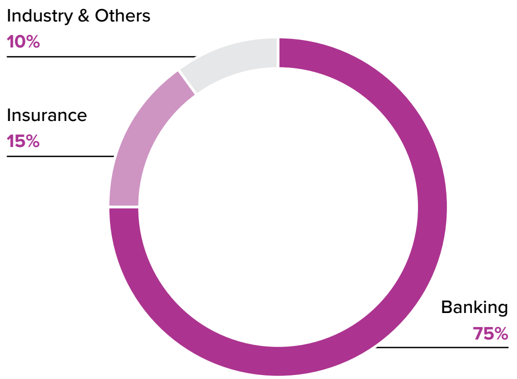
Revenue by segment

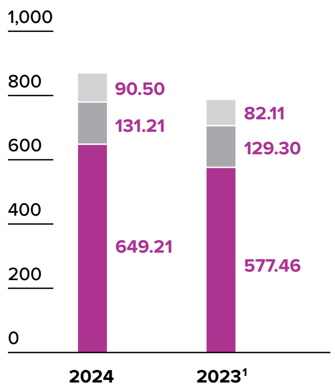
The strongest growth was once again achieved by the *Continental Europe* segment with an increase in revenue of 13% to €375.73 million in 2024 (2023: €333.05 million, +23%). The main drivers were the positive business developments in Spain, Italy, France, Poland and Germany. In Germany, revenue growth still benefited to a minor extent from the acquisition in the previous year of GFT Deutschland GmbH (formerly targens GmbH), which was fully included in GFT's consolidated results with effect from 3 April 2023 (acquisition date).

Revenue in the *Americas, UK & APAC* segment grew by 9% to €494.28 million (2023: €454.90 million, +2%). This growth was primarily supported by the acquisition of Sophos in Colombia and the dynamic development of business in the Brazilian banking and insurance sectors. Revenue growth in the innovative Asian-Pacific banking market was less dynamic, as the market environment for digital banks remained challenging in the reporting period.

Revenue by sector

in € million





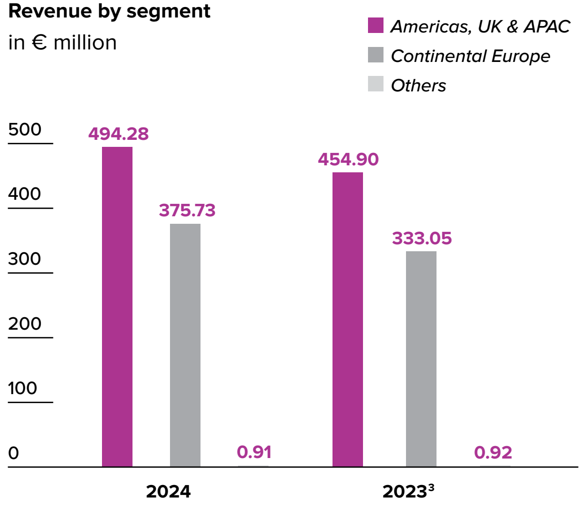
	2024 € million	2024 share in %	2023[1] € million	2023[1] share in %	Δ%
Banking	649.21	75%	577.46	73%	12%
Insurance	131.21	15%	129.30	16%	1%
Industry & Others	90.50	10%	82.11	11%	10%
GFT Group	**870.92**	**100%**	**788.87**	**100%**	**10%**

1 Adjusted due to the reclassification of revenue-related taxes of €–12.87 million from other operating expenses, of which €–9.45 million relating to Banking, €–0.43 million to Insurance and €–2.99 million to Industry & Others.

2 The prior-year order backlog figure was adjusted by €–7.33 million due to the reclassification of revenue-related taxes in Brazil and by €+17.83 million due to the order backlog of targens GmbH (now GFT Deutschland GmbH), which was acquired on 3 April 2023.

Revenue by segment

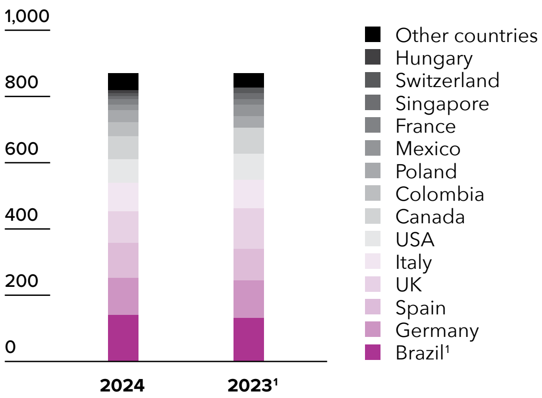
in € million



	2024 € million	2024 share in %	2023[1] € million	2023[1] share in %	Δ %
Americas, UK & APAC	494.28	57%	454.90	58%	9%
Continental Europe	375.73	43%	333.05	42%	13%
Others	0.91	0%	0.92	0%	−2%
GFT Group	**870.92**	**100%**	**788.87[1]**	**100%**	**10%**

3 *Americas, UK & APAC* segment adjusted due to reclassification of revenue-related taxes of €–12.87 million from other operating expenses.

Revenue by country
in € million



	2024		2023[1]		
	€ million	share in %	€ million	share in %	Δ%
Brazil[1]	142.58	16%	120.76	15%	18%
Germany	115.63	13%	103.38	13%	12%
Spain	101.71	12%	89.13	11%	14%
UK	94.05	11%	110.16	14%	−15%
Italy	86.37	10%	82.65	10%	4%
USA	68.20	8%	73.84	9%	−8%
Canada	67.82	8%	68.85	9%	−2%
Colombia	40.88	5%	0.00	0%	n,a
Poland	32.30	4%	28.37	4%	14%
Mexico	27.43	2%	27.98	4%	−2%
France	15.85	2%	14.82	2%	7%
Singapore	10.63	1%	14.44	2%	−26%
Switzerland	10.14	1%	13.41	2%	−24%
Hungary	9.32	1%	0.42	0%	>100%
Other countries	48.01	6%	40.66	5%	18%
GFT Group	**870.92**	**100%**	**788.87**	**100%**	**10%**

1 Adjusted due to the reclassification of revenue-related taxes of €−12.87 million from other operating expenses.

3.4 Earnings position

At €870.92 million, **revenue** was 10% above the prior-year figure of €788.87 million. Adjusted for acquisition and exchange rate effects, revenue growth amounted to 4%. This solid revenue trend was aided by persistently strong demand for digitalisation solutions, especially in the banking sector and in particular in the field of cloud or AI.

Other operating income amounted to €28.35 million and was thus well above the prior-year figure (2023: €16.27 million). In the reporting period, other operating income was mainly influenced by a special item from the reversal of provisions for wage tax obligations totalling €10.58 million as a result of a financial court verdict in Brazil. Other income mainly comprises government grants (especially for R&D activities) of €11.55 million (2023: €11.23 million) and currency gains of €3.95 million (2023: €3.44 million).

The **cost of purchased services** rose by €4.96 million to €111.17 million (2023: €106.21 million). This item includes the purchase of external services in connection with the core operating business. The ratio of cost of purchased services to revenue decreased from 13.5% to 12.8%.

Personnel expenses rose faster than revenue in the past year by 15% to €622.30 million (2023: €541.66 million). This development was primarily attributable to the increase in average headcount, especially in Colombia and Brazil. The rise in headcount in Colombia is due to the Sophos acquisition. In the reporting period, personnel expenses were significantly burdened by capacity adjustments of €10.36 million (2023: €5.01 million). However, there were positive effects from the valuation of the share-based component of management remuneration amounting to €1.47 million, compared to €0.69 million in the previous year. The ratio of personnel expenses to revenue (the personnel cost ratio) rose to 71.5% (2023: 68.7%). The personnel cost ratio without capacity adjustments and plus the purchase of external services deteriorated to 83.0% (2023: 81.5%).

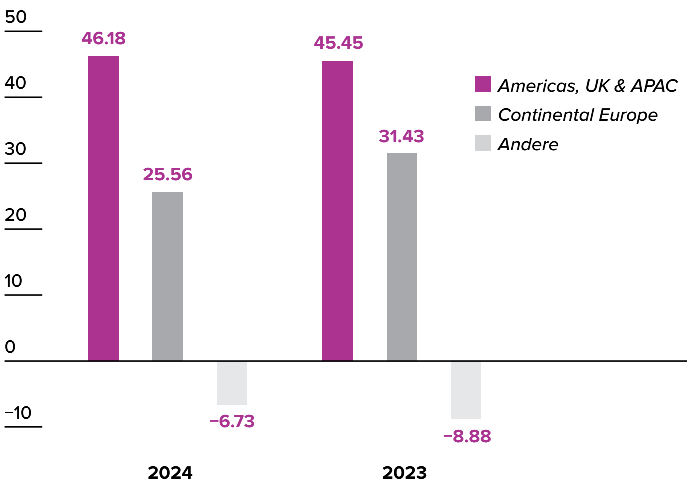
Other operating expenses rose more slowly than revenue by 6% and amounted to €71.86 million (2023: €67.51 million). The main cost elements were still operating, administrative and selling expenses, which totalled €63.80 million (2023: €60.95 million). The rise in other operating expenses in the financial year 2024 is mainly due to increased audit and consulting fees, as well as higher costs for IT licences. Meanwhile, personnel-related expenses in particular declined, especially for recruiting. At €4.68 million, currency losses included in other operating expenses were largely unchanged from the previous year (2023: €4.61 million).

As a consequence, the GFT Group's **EBITDA (results from operating activities before depreciation and amortisation)** amounted to €93.95 million and thus improved year on year by 5% (2023: €89.76 million).

Depreciation and amortisation of intangible assets and property, plant and equipment totalled €22.96 million (2023: €21.36 million). Right-of-use assets in connection with leases accounted for €10.90 million (2023: €10.62 million) of this amount. There were only minor impairment expenses of €0.10 million (2023: €0.00 million).

EBIT (results from operating activities) amounted to €70.99 million in 2024 and was thus 4% above the prior-year figure (2023: €68.40 million). There were special items affecting EBIT in connection with M&A transactions and share price-related effects from the valuation of compensation agreements amounting to €−6.45 million (2023: €−4.93 million). As a result, adjusted EBIT amounted to €77.44 million and was thus 6% above the prior-year figure (2023: €73.33 million).

Earnings (EBT) by segment
in € million



	2024		2023			
	€ million	Marge in %	€ million	Marge in %	Δ% € million	Δ%
Americas, UK & APAC	46.18	9.3%	45.45	10.0%	0.73	2%
Continental Europe	25.56	6.8%	31.43	9.4%	−5.87	−19%
Others	−6.73	n,a	−8.88	n,a	2.15	24%
GFT Group	**65.01**	**7.5%**	**68.00**	**8.6%**	**−2.99**	**−4%**

Effects from M&A transactions in the financial year 2024 include an amount of €4.38 million from the acquisition of Sophos (2023: €0.00 million) and €0.97 million from the acquisition of targens in the previous year (2023: €1.93 million). On the whole, the development of earnings was marked by stable – acquisition-related – revenue growth as well as extraordinary income in connection with a financial court verdict in Brazil amounting to €9.75 million. The operating result for 2024 was burdened in particular by personnel capacity adjustments of €10.36 million (2023: €5.01 million).

Due mainly to significantly higher interest expenses, the **financial result** worsened to €−5.98 million in the financial year 2024 (2023: €−0.39 million). The rise in interest expenses is primarily attributable to the debt financing of the Sophos acquisition and the global increase in interest rates. In addition, the financial result in the reporting period was burdened by negative valuation effects from financial investments amounting to €0.70 million (2023: €0.00 million).

EBT (earnings before taxes) amounted to €65.01 million, compared to €68.00 million in the previous year. The **EBT margin** decreased to 7.5% (2023: 8.6%).

At €18.53 million, the tax expense disclosed under **income taxes** was slightly below the prior-year level (2023: €19.64 million). The tax rate amounted to 28.5% in the financial year 2024 (2023: 28.9%). This decline in the tax rate is primarily due to lower non-deductible expenses in Germany and deferred tax income in connection with amortisation from purchase price allocations. Section 5.9 of the notes to the consolidated financial statements contains more detailed information on factors affecting the tax rate.

Net income for the financial year 2024 amounted to €46.48 million and was thus 4% below the corresponding prior-year figure (2023: €48.36 million).

Consequently, **earnings per share** decreased to €1.77 (2023: €1.84), based on an unchanged volume of 26,325,946 outstanding shares.

Further information on individual items of the consolidated income statement are contained in section 5 of the notes to the consolidated financial statements.

Earnings (EBT) by segment

In the *Americas, UK & APAC* segment, EBT amounted to €46.18 million and was thus slightly above the prior-year level (2023: €45.45 million). This development in earnings was significantly boosted by a special item from the reversal of provisions following a financial court verdict in Brazil amounting to €9.75 million. Earnings in the financial year 2024 were mainly burdened by capacity adjustments of €5.28 million (2023: €3.33 million), especially in the UK and Brazil. Moreover, EBT in the reporting period was negatively influenced by amortisation from purchase price allocations of €4.38 million in connection with the Sophos acquisition. The largest contributions to earnings were generated by the Group's subsidiaries in Brazil, Canada and the USA. The EBT margin, based on external revenue, decreased to 9.3% (2023: 10.0%).

In the financial year 2024, EBT in the *Continental Europe* segment amounted to €25.56 million and was thus €5.87 million below the prior-year figure (2023: €31.43 million). This significant decrease in segment earnings in 2024 is primarily attributable to increased personnel capacity adjustments of €3.43 million (2023: €1.68 million). In addition, earnings were burdened by amortisation from purchase price allocations of €1.63 million in connection with the targens acquisition in 2023 (2023: €1.93 million). The largest contributions to earnings were generated by the Group companies in Spain, Poland, Italy and Germany. The EBT margin, based on external revenue, decreased significantly from 9.4% to 6.8%.

Earnings of the *Others* category improved significantly year on year by €2.16 million to €−6.73 million (2023: €−8.88 million), mainly as a result of increased cost allocations to the operating segments, as well as lower currency losses in connection with the central clearing system. Earnings were burdened by personnel capacity adjustments of €1.65 million (2023: €0.0 million). The *Others* category – presented as a reconciliation column in segment reporting – comprises items which by definition are not included in the segments. It also includes costs of the Group headquarters which are not allocated, e.g. items relating to corporate activities, or revenue which is only generated occasionally for Group activities.

Dividend

The GFT Group's dividend policy aims to ensure a regular payout to shareholders so that they can participate directly in the company's success. The dividend amount is based on a payout ratio of between 20% and 50% of the Group's net income attributable to shareholders.

The Administrative Board will recommend to the Annual General Meeting on 5 June 2025 the distribution of a dividend of €0.50 per no-par share for the financial year 2024 (2023: €0.50). This corresponds to a payout of €13.16 million to shareholders (2023: €13.16 million) and a payout ratio of 28% (2023: 27%) based on net income.

3.5 Financial position

The GFT Group's central financial management aims to ensure the permanent liquidity of all Group companies. The Treasury division implements financial policy and risk management on the basis of the agreed guidelines and permanently monitors both existing and potential financial risks. The GFT Group uses derivative financial instruments to hedge against currency and interest rate risks as required. The GFT Group pursues a prudent financial policy with short-term investment horizons. A detailed presentation on the assessment of liquidity risks and risks from fluctuations in currencies and interest rates, including the countermeasures taken, is provided in chapter 5 'Risk and opportunity report'.

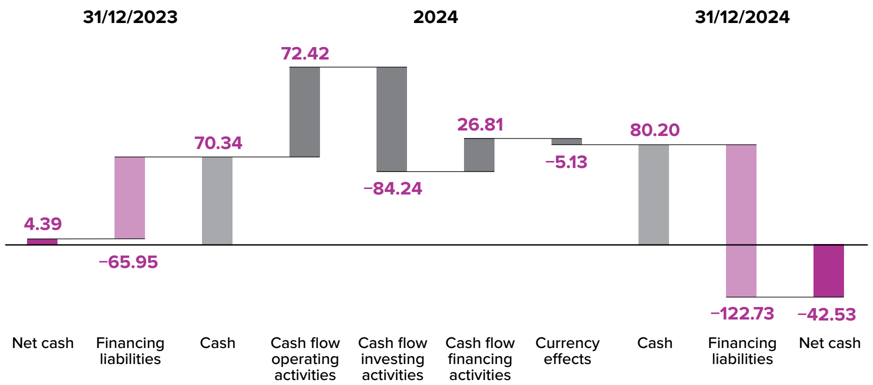
The GFT Group has concluded a syndicated loan agreement and promissory note agreements to secure its long-term funding. Originally concluded in the financial year 2015, the syndicated loan agreement was adjusted and extended in December 2021 and then modified on 26 January 2024 for the purpose of financing the Sophos acquisition. The loan now amounts to €100.00 million (31 December 2023: €60.00 million) and comprises three facilities: a Facility A credit line of up to €20.00 million (31 December 2023: €20.00 million), a Facility B revolving credit line of up to €40.00 million (31 December 2023: €40.00 million) and a Facility C as a dedicated acquisition tranche of €40.00 million (31 December 2023: €0.00 million). As of 31 December 2024, Facility A and Facility C had each been drawn in full (31 December 2023: €20.00 million), while €0.99 million of Facility B had been drawn (31 December 2023: €13.76 million). The interest rate of the syndicated loan is variable: for all facilities it is set depending on the GFT Group's level of debt with a fixed premium on the respective chosen Euribor rate – one, three or six months.

As of 31 December 2024, there were three promissory note agreements totalling €50.00 million (31 December 2023: €17.00 million). These were taken out in November 2024 to realign the medium-term financing structure and refinance the expiring promissory note agreements. The loans have a term of three to five years. Of this amount, €10.00 million are fixed-interest and the remaining €40.00 million variable-interest loans based on the six-month Euribor rate. The promissory note loans totalling €50.00 million had been fully drawn as of 31 December 2024 (31 December 2023: €17.00 million).

During the term of the loan agreements, the GFT Group is subject to specific financial covenants, mainly ancillary loans conditions. These mostly refer to specific financial covenants which must be met. Moreover, the assumption of financial liabilities and the provision of collateral is also restricted. If specific financial covenants and other rules of conduct are not met, this may lead to the immediate termination of the loan agreements.

In spite of the Sophos acquisition, the financial structure of the GFT Group remains robust and stands for economic solidity and financial independence. As of 31 December 2024, there were unused credit lines of €51.20 million (31 December 2023: €46.35 million). The **net liquidity** of the GFT Group – calculated as the stock of disclosed cash and cash equivalents less financing liabilities – decreased from €4.39 million at the end of the past year to €−42.53 million as at 31 December 2024.

Change in net liquidity
in € million



Cash flow from operating activities resulted in a net cash inflow of €72.42 million in the financial year 2024 (2023: €40.44 million). This significant increase in operating cash flow was mainly due to positive working capital effects in the last quarter. Moreover, operating cash flow in the previous year was influenced by a negative one-off effect from the transfer of grants amounting to €14.34 million. The development of working capital in the financial year 2024 was largely shaped by a decline in trade receivables of €8.14 million (2023: €−9.07 million), aided by payments from major clients at the end of the year, and in contract assets of €6.52 million (2023: €−2.74 million). Cash flow from operating activities was negatively impacted in particular by higher net payments for income taxes and interest, as well as by the decline in other provisions. Income taxes paid increased by €10.60 million to €27.06 million (2023: €16.46 million), mainly due to the dynamic development of earnings in the previous year. The increase in interest paid of €4.46 million to €4.14 million (2023: €−0.32 million) was primarily the result of higher financing costs in connection with the Sophos acquisition. The decline in other provisions resulted from lower personnel-related obligations for performance-related compensation.

With a cash outflow of €84.24 million (2023: €50.31 million), **cash flow from investing activities** in the financial year 2024 was mainly influenced by the payment of €79.45 million for the acquisition of Sophos. In the previous year, the targens acquisition resulted in cash outflows of €46.25 million. In the financial year 2024, payments for investment in property, plant and equipment amounted to €3.82 million and were thus slightly below the prior-year level (2023: €4.19 million). As in the previous year, capital expenditure mainly related to investments in business premises and IT equipment.

To provide a more transparent view of current business, free cash flow is reported on an adjusted basis. This is calculated by deducting investments in intangible and tangible assets (with the exception of investments in connection with business combinations) and payments for lease liabilities from operating cash flow. **Adjusted free cash flow** in the financial year 2024 amounted to €55.60 million and was thus well above the prior-year level (2023: €24.67 million).

Cash flow from financing activities in the reporting period led to a net cash inflow of €26.81 million (2023: €0.02 million). This year-on-year change is mainly due to a higher net assumption of bank loans amounting to €51.91 million (2023: €23.43 million), resulting primarily from the financing of the Sophos acquisition at the beginning of the reporting period. By contrast, the dividend payment to shareholders of €13.16 million (2023: €11.85 million) and the redemption of lease liabilities totalling €11.93 million (2023: €11.57 million) resulted in a year-on-year increase in cash outflow.

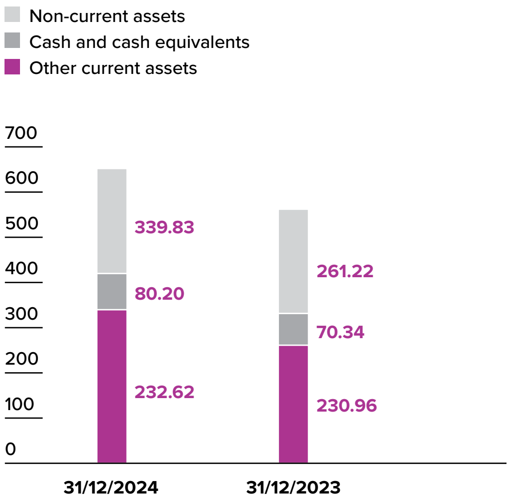
All in all, and including currency effects, these developments led to a rise in liquid funds as of 31 December 2024 of €9.86 million to €80.20 million (31 December 2023: €70.34 million).

3.6 Asset position

In the financial year 2024, the **balance sheet total** of the GFT Group rose by €90.13 million or 16% to €652.65 million (31 December 2023: €562.52 million), mainly as a result of the Sophos acquisition. The proportion of non-current assets rose to 52% (December 2023: 46%). The following paragraphs describe the main changes in the balance sheet items.

The **non-current assets** of the GFT Group increased significantly by €78.61 million to €339.83 million as of 31 December 2024 (31 December 2023: €261.22 million). Non-current assets mainly comprise **goodwill** of €230.35 million (31 December 2023: €162.79 million), other **intangible assets** of €34.32 million (31 December 2023: €19.50 million) and **property, plant and equipment** of €59.51 million (31 December 2023: €60.31 million). The increase in goodwill and intangible assets is mainly due to the acquisition of the Sophos Group and the purchase price allocation recognised in the course of first-time consolidation. Of the purchase price of €86.35 million for the Sophos shares, €63.66 million was attributable to goodwill and €20.55 million to customer relationships at the time of initial consolidation.

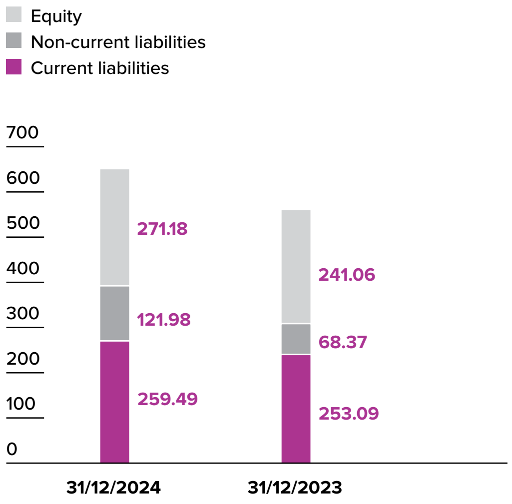
Structure of the consolidated balance sheet – assets
in € million



Assets in € million	31/12/2024	31/12/2023	Δ	Δ %
Non-current assets	339.83	261.22	78.61	30%
Cash and cash equiva-lents	80.20	70.34	9.86	14%
Other current assets	232.62	230.96	1.66	1%
	652.65	**562.52**	**90.13**	**16%**

In accordance with IFRS 16, right-of-use assets for land and buildings, as well as car parks and vehicles, amounting to €35.00 million as of 31 December 2024 (31 December 2023: €35.91 million) were disclosed in **property, plant and equipment**. The decrease in right-of-use assets is mainly due to the optimisation of business premises in Spain. Capital expenditure

Structure of the consolidated balance sheet – equity and liabilities
in € million



Equity and liabilities in € million	31/12/2024	31/12/2023	Δ	Δ %
Equity	271.18	241.06	30.12	12%
Non-current liabilities	121.98	68.37	53.61	78%
Current liabilities	259.49	253.09	6.40	3%
	652.65	**562.52**	**90.13**	**16%**

(without right-of-use assets) amounted to €3.82 million in the reporting period and was thus slightly below the prior-year level (2023: €4.19 million).

As of 31 December 2024, **cash and cash equivalents** were up €9.86 million year on year at €80.20 million (31 December 2023: €70.34 million). This increase is mainly due to the positive development of operating cash flow in the final quarter of the reporting period.

There was an opposing effect, in particular, from the higher dividend payment to shareholders of GFT Technologies SE.

At €232.62 million, **other current assets** were slightly above the prior-year level (31 December 2023: €230.96 million). This rise is primarily attributable to higher **current income tax** claims of €16.33 million (31 December 2023: €10.38 million) as well as higher **other assets** of €25.49 million (31 December 2023: €23.32 million). Other assets mainly comprise government grants and prepaid expenses. By contrast, there was a decline in receivables from client contracts as of the reporting date, mainly due to payments made by major clients. These receivables from client contracts comprise **trade receivables** as well as **contract assets** and totalled €185.81 million as of 31 December 2024 (31 December 2023: €191.56 million).

Mainly as a consequence of steady earnings growth, **shareholders' equity** of the GFT Group rose by €30.12 million from €241.06 million to €271.18 million. Adjusted for currency effects, the year-on-year increase amounted to €32.12 million or 13% (31 December 2023: €36.49 million or 18%). Net income of €46.48 million (2023: €48.36 million) was mainly opposed by the dividend paid to shareholders of €13.16 million (2023: €11.85 million). Other reserves from currency translation changed by €−2.01 million to €−3.48 million as of 31 December 2024 (31 December 2023: €−1.47 million). In the financial year 2024, negative currency translation effects resulted predominantly from the devaluation of the Brazilian real. There were opposing effects in particular from the development of the British pound and the Colombian peso.

As the rise in equity capital was proportionately less than that of the balance sheet total, the **equity ratio** of 42% was slightly below the prior-year figure (31 December 2023: 43%). The capital structure of the GFT Group continues to stand for economic solidity.

At €121.98 million, **non-current liabilities** were €53.61 million above the prior-year level (31 December 2023: €68.37 million). The increase mainly reflects the issue of promissory note loans totalling €50.00 million in connection with the realignment of the medium-term financial structure in November 2024. As a consequence, **financing liabilities** rose to €70.34 million (31 December 2023: €20.00 million). In addition, **deferred tax liabilities** increased by €5.62 million to €13.59 million (31 December 2023: €7.97 million), mainly due to effects from the Sophos purchase price allocation.

Current liabilities amounted to €259.49 million as of the reporting date and were thus €6.41 million above the prior-year figure (31 December 2023: €253.09 million). The increase in current liabilities of €6.41 million resulted primarily from the rise of €6.44 million in **financing liabilities** to €52.39 million (31 December 2023: €45.95 million) due to refinancing measures in November 2024. The remaining changes within current liabilities largely cancelled each other out. At €50.93 million, **other provisions** were below the prior-year level of €55.39 million. The decline is mainly due to the reversal of wage tax obligations in connection with a financial court verdict in Brazil. By contrast, **contract liabilities** increased by €4.18 million to €45.01 million (31 December 2023: €40.83 million) due to closing-date effects. They include unrealised revenue and advance payments received for fixed-price projects that fall within the scope of IFRS 15 *Revenue from Contracts with Customers*. **Other liabilities** of €67.72 million were above the prior-year figure (31 December 2023: €62.87 million). The item other liabilities mainly comprises other taxes, holiday obligations and social security, as well as deferred income. The increase in other liabilities as of 31 December 2024 was mainly due to increased liabilities for wage tax and social security as a result of the rise in headcount.

At 58%, the GFT Group's **debt ratio** was slightly above the prior-year figure (31 December 2023: 57%). During the financial year 2024, the ratio of net financial debt to equity (**gearing**) deteriorated to 16% as a result of investments (31 December 2023: −2%). Net financial debt comprises disclosed cash and cash equivalents less bank liabilities.

Further information on the GFT Group's assets, equity and liabilities is provided in the consolidated balance sheet, the consolidated statement of changes in equity and the respective notes to the consolidated financial statements.

3.7 Overall assessment of the financial year

On the whole, the GFT Group can look back on a solid financial year 2024. Despite the challenging conditions in certain markets and the resulting decrease in the propensity of our clients to invest, GFT was able to increase revenue and adjusted EBIT once again, aided by a positive one-off effect. GFT was able to penetrate new markets, particularly through the acquisition of Sophos, and consequently further improve its global positioning and expand its client base. Moreover, GFT successfully launched GFT AI Impact, developed on the basis of generative AI. At the same time, the fundamental need for digital transformation and the associated pressure on banks and insurers, as well as industrial clients, to digitalise their operations remained high.

The capital and financing structure of the GFT Group stands for economic solidity. At 42%, the equity ratio was virtually unchanged from the high prior-year level (31 December 2023: 43%). There are sufficient financial resources available to grow both organically and through acquisitions, also in the future.

3.8 Subsequent events

There have been no events since the end of the financial year 2024 that have a significant impact on the financial position and performance of the GFT Group.

4 Forecast report

4.1 Macroeconomic and sector development

Macroeconomic development

In its latest report, the IMF forecasts global economic growth of 3.3% for the current year. In addition to China and India, the USA is expected to remain a growth driver in 2025. The outlook for the US economy has improved due to persistently strong domestic demand. The risks for the global economy cited by the IMF include a re-emergence of inflationary pressures and the possibility of trade conflicts. It has therefore downgraded its estimates for global trade volumes. Growing protectionism might escalate trade tensions, reduce investment, distort trade flows and once again interrupt supply chains. The IMF expects an inflation rate of 4.2% in 2025.

In the eurozone, economic activity is expected to gradually improve over the course of the year. The ECB predicts moderate economic growth of 1.1%. The improvement will be driven by higher household income, a robust labour market and an easing of borrowing conditions. The continuing weakness in the manufacturing sector, the removal of fiscal stimuli, high energy prices, economic policy uncertainties and, in particular, risks to foreign trade will have a dampening effect. According to the ECB's projections, inflation will move towards the ECB's inflation target of 2% from the second quarter of 2025 and is expected to be 2.1% for the year as a whole.

The German economy is expected to grow by 0.2% in 2025, following two years of recession. The Bundesbank has thus downgraded its forecast – in June it had forecast growth of 1.1%. According to the Bundesbank, this weak performance is due to structural problems as well as economic challenges. These are weighing particularly heavily on industry and its export business and investments. Moreover, the labour market is noticeably weakening – with a resulting dampening effect on consumer spending. Against this backdrop, the German economy is expected to stagnate during the current winter half-year and only slowly recover during the course of 2025. The Bundesbank expects an inflation rate of 2.4%

Sector development

According to Gartner, global IT spending will reach US$5.61 trillion in the current financial year, corresponding to an increase of 9.8% over 2024. To a large extent, however, this growth is due to price increases. Consequently, Gartner sees a distortion of nominal spending compared to real IT spending.

The market researchers expect the strongest growth in 2025 to be in the area of data centre systems, at 23.2%. IT budgets for software and IT services are expected to increase by 14.2% and 9.0%, respectively. This double-digit growth for systems, devices and software used in data centres is mainly due to hardware upgrades to cope with generative AI. According to Gartner, spending on AI-optimised servers will be double that on conventional servers in 2025 and reach US$202 billion. IT service providers and hyperscalers will account for more than 70% of this spending.

The digital transformation of the finance industry is expected to continue in 2025. According to Gartner, financial institutions will increase their IT spending by 6.4% in the current financial year. The analysts predict a 6.3% increase in the investment services sector and a 6.5% increase in the banking sector. According to the market research institute Forrester, banks in 2025 will invest in product and service innovations to address declining profitability and improve customer experience.

According to Gartner, the insurance sector will increase its IT spending by 7.6%. Forrester expects insurers to increasingly rely on integrated and user-based products to boost revenue growth and improve the customer experience. Business in the field of 'embedded insurance' is expected to grow by at least 30%, particularly in the retail segment.

Gartner estimates that IT spending in the industrial sector will increase by 6.5%. The market research institute Forrester expects these investments to focus on automation, the digital integration of products, the electrification of industrial processes and the realignment of global supply chains.

Cloud growth will accelerate in the current year. Following a 19.2% increase in the previous year, Gartner expects a 21.5% increase for 2025. This means that companies will spend around US$723 billion on cloud services. The use of AI technologies is accelerating the role of cloud computing in supporting business processes. Overall, double-digit growth rates are predicted for all segments of the cloud market by 2025. Analysts expect that the strongest growth will be in the Infrastructure as a Service segment, which is expected to grow by 24.8%.

According to market researchers at IDC, global spending on artificial intelligence, including generative AI (GenAI), infrastructure and services, will grow by at least 29% annually to US$632 billion by 2028. The finance sector is expected to see the highest growth rates of over 20%, followed by software and IT service providers and retail.

IDC expects AI spending in Europe to increase to US$133 billion by 2028, growing at an annual rate of 30.3%. The main driver is expected to be generative AI. 40% of European companies are investing heavily in generative AI, including in the relevant software, but also in training and consulting services. According to IDC, banks are investing the heaviest in this field. IDC believes that the most important use cases will include security-related AI applications, such as fraud or threat analysis. It also sees a small but fast-growing application area in claims processing in the insurance sector.

The digital association Bitkom forecasts that the German ICT market will grow by 4.6% in the current financial year, reaching a market volume of almost €233 billion. Revenue from information technology is expected to increase by 5.9% to around €159 billion. At 9.8%, the strongest growth is forecast for software. According to the industry association, demand for AI platforms, collaboration tools and security software in particular is likely to increase significantly in 2025. Business with platforms on which AI applications can be developed, trained and operated is expected to grow by 43%. Bitkom also forecasts double-digit growth for cloud services (17%). The IT services sector is expected to grow by 5.0% in the current financial year.

4.2 Expected development of the GFT Group

Forecast 2025

According to the market assessments described above, the pressure on financial institutions to digitalise their operations is set to increase – also as a result of the expected disruptive developments in the field of AI. Banks and insurance companies are likely to push ahead with their digital transformation with renewed intensity. This increased demand for complex modernisation projects and cloud solutions will have a positive impact on GFT's business development. Market uncertainties and the resulting caution among clients continue to impact the first months of the current financial year. However, there are signs of a gradual improvement in the market environment.

GFT expects solid organic growth for the financial year 2025. The company anticipates an increase in revenue of 7% to around €930 million[1].

With regard to earnings, management expects a weaker development compared to the previous year. As part of adjusted strategic planning, GFT will increase its investments in new service offerings, global delivery capacities and AI-focused training for the employees in order to provide stronger support for future growth. Moreover, GFT expects that higher personnel expenses due to capacity adjustments, significantly rising social security contributions, and the discontinuation of subsidies in certain countries will have a negative impact on earnings in 2025. Specifically, adjusted EBIT of €68 million is expected. When comparing this figure with the previous year, it should be noted that in the financial year 2024, this key earnings figure benefited from a one-off positive special effect of around €10 million and that acquisition effects to be adjusted in 2025 will be lower.

EBT is expected to decrease by 8% to around €60 million. This includes further scheduled M&A effects of €–1.9 million (2024: €–9.5 million) in connection with the Sophos acquisition. Sophos was acquired by GFT on 1 February 2024.

GFT has targeted a productive utilisation rate of over 90% for 2025. This non-financial performance indicator refers solely to the use of staff in client projects.

1 Based on average exchange rates in January 2025.

The high stability of our business model continues to be underpinned by an extremely solid capital and balance sheet structure. In addition to increasing revenue, GFT aims to maintain the equity ratio at the high level of at least 40% in the financial year 2025. In addition, the net debt to EBITDA ratio is to remain at a self-imposed target value of maximum 2. Together with a persistently positive development of operating cash flow, GFT continues to have sufficient scope to finance growth targets and acquisitions if attractive market opportunities arise.

in € million	Financial year 2024	Guidance financial year 2025	Δ %
Revenue	870.92	930	6.8%
Adjusted EBIT	77.44	68	−12.2%
EBT	65.01	60	−7.7%

Medium-term planning
GFT is targeting further significant growth in revenue and adjusted EBIT in the medium term up to 2029. Based on its results for the financial year 2024, GFT has set itself the specific target of increasing revenue to approximately €1.5 billion within five years and to raise the adjusted EBIT margin to around 9.5% in the same period.

To achieve its revenue growth target, GFT will mainly focus on expanding its global delivery capacities, accelerating the development of its own assets and proactive acquisition activities at both the global and local level. As reusable elements, assets can be used multiple times and will enable swifter and more efficient provision of GFT services and solutions in client projects.

In order to increase its earnings and margins, GFT will focus on optimising its revenue structure and raising its smartshore proportion to achieve a more efficient offshore/onshore ratio. Moreover, the company aims to further strengthen profitability by simplifying and optimising its global market presence and providing more systematic support to its global and major regional clients. In doing so, GFT will also benefit from the megatrend AI, especially through investments in new service offerings, high-value assets and AI-focused employee training.

The overriding goal of GFT's medium-term growth strategy is still to provide its clients with future-compatible, AI-centred IT solutions to help them with their digital transformation.

Overall statement
The fundamental digitalisation trends in GFT's markets remain intact and the Group is excellently positioned to benefit from market opportunities due to its extensive sector and technology expertise – also in the field of AI. Against the backdrop of the macroeconomic outlook described above, and based on the current order position, GFT expects a continuation of its positive business trend in the financial year 2025. Provided that no unforeseeable exogenous events occur, GFT expects year-on-year growth in revenue with a slightly weaker earnings trend.

5 Risk and opportunity report

5.1 Principles of risk and opportunity management

Aims of the risk and opportunity management system
The main objective of the GFT Group's risk and opportunity management system is to identify opportunities and risks in the context of developments, trends or events at an early stage, in order to exploit opportunities for further business success and minimise risks.

Risks are defined as developments that may have a negative impact on the GFT Group's sustainable growth or a direct impact on its financial position and performance. Opportunities are defined as developments that may have a positive impact on the Group's financial position and performance. The focus is on avoidance of all risks that might endanger the company's continued existence. Insofar as risks cannot be avoided, the assessment of their impact on the GFT Group and the likelihood of occurrence is an integral part of the risk management system in order to evaluate risks and derive appropriate measures to minimise them – taking into account the associated opportunities.

Opportunities are identified on the basis of market and competition analyses, sector studies and regular customer contact. The risk and opportunity management system also includes sustainability aspects.

Risk management system

The risk management system of GFT Technologies SE is embedded in the risk management organisation of the GFT Group. 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 GFT Group employs suitable controlling instruments to monitor the risks.

The implemented 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 owners of the various departments are charged with updating and implementing the risk management guideline. At the same time, the risk inventory is regularly updated and risks assessed at least once a year. 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 owners.

All managers of the GFT Group are involved in the Group-wide risk policy and associated reporting processes. This includes the risk owners of the various departments at a global level, the Managing Directors and the legal representatives of Group subsidiaries, as well as those managers responsible for processes and projects.

The internal control system and the risk management system are dynamic systems that are continuously adapted to changes in the business model, the type and scope of business transactions, or responsibilities. As a result, internal and external audits may reveal potential for improvement in individual cases with regard to the appropriateness and effectiveness of controls. The Administrative Board is not aware of any findings with regard to the assessment of these management systems which indicate that the systems as a whole are inadequate or ineffective.[1]

Risk management organisation

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 and internal control system (ICS) is monitored by regular audits of the Corporate Audit division.

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.

The Group Risk Committee (GRC), comprising the global risk officers and the Chief Financial Officer (CFO) as chairman and representative of the Administrative Board, plays a key role for risk and opportunity management as it provides a forum for the exchange of information on existing and/or potential risks and opportunities. The GRC 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 GRC 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, the GFT Group's management bodies hold regular meetings in dedicated groups (mainly Group Management Board and GRC) in order to exchange risk-relevant information between the operative and central divisions across all levels, locations and countries.

1 Unaudited disclosure in this section (a so-called non-management report disclosure required by the German Corporate Governance Code with regard to the internal control system and risk management

Description of the accounting-related internal control and risk management system acc. to sections 289 (4) and 315 (4) HGB
The internal control and risk management system for the accounting of the GFT Group and the annual financial statements of GFT Technologies SE 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) in a compliant manner.

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 combined 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 Accounting 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 Technologies 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 Accounting department. External service providers with the corresponding expertise 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 Accounting department. Corporate Audit performs regular audits of the accounts prepared by the consolidated companies.

Risk analysis
The identification of risks takes place at different levels of the company. This is to ensure that risk tendencies are recognised at an early stage and consistent risk management is practised across all departments. Moreover, each employee is called upon to inform their superiors about foreseeable risks.

The identification and assessment of internal and external risks is carried out jointly by the risk category owners and the business units or national companies. Risks are assessed according to their estimated probability of occurrence and potential risk impact on business, as well as on financial position and performance.

Risks are validated from a risk-bearing capacity perspective, in particular to limit or completely avoid risks that could jeopardise the continuation of the business model.

Risks are monitored in close cooperation between the global risk owners 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 proactive countermeasures or consciously accepted. The department managers are responsible for continuously monitoring the risks and the effectiveness of countermeasures. Where possible, risks are hedged against by taking out insurance cover if this is considered useful with regard to the economic benefits.

The GRC receives regular reports on the status of the risk management system and its implementation in the Group's various divisions. Moreover, it is informed about the financial outlook, risk-relevant KPIs and the current risk status of operational projects during its regular meetings.

Risk assessment
As part of the risk management system, risks are classified as 'very high', '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
< 10%	unlikely
10 to 25%	rather unlikely
> 25 to 50%	rather likely
> 50%	likely

According to this classification, the risk owners define an 'unlikely' risk as one whose probability of occurrence is very low, and a 'likely' risk as one whose occurrence can be expected within a given period of time.

system).

The effects of these risks are classified in the groups ‘insignificant’, ‘moderate’, ‘significant’ or ‘substantial’. This is based on the risk owner’s assessment of the expected financial impact should the risk materialise. Risks are assessed taking into account both planned and already effective risk-reducing measures (net assessment) and, unless otherwise stated, are considered in relation to equity and liquidity.

Risk impact	Description
insignificant	limited negative impact on business, as well as on financial position and performance < €3,000k extent of individual risk’s impact on equity and liquidity
moderate	negative impact on business, as well as on financial position and performance ≥ €3,000k and < €5,000k extent of individual risk’s impact on equity and liquidity
significant	increased negative impact on business, as well as on financial position and performance ≥ €5,000k and < €10,000k extent of individual risk’s impact on equity and liquidity
substantial	considerable negative impact on business, as well as on financial position and performance ≥ €10,000k extent of individual risk’s impact on equity and liquidity

GFT risk rating

Risks are classified as ‘very high’, ‘high’, ‘medium’ or ‘low’ according to the estimated probability of occurrence and their impact based on business, company reputation, and the financial position and performance.

In addition to the individual assessment of risks, the aggregation of risks is of particular importance, as this is not merely the sum of the individual risks but must be considered separately due to the correlation of individual risks. Risks that are considered more likely to occur are also allocated a larger share in the aggregation of risks.

The risk significance of the risk categories results from the risk aggregation, in which the extent of the individual risk category is set in relation to the probability of occurrence.

GFT Risk Rating	Expected value
Low	< €3.0 million
Medium	≥ €3.0 million
High	≥ €5.0 million
very high	≥ €10.0 million

Risk-bearing capacity

The risk-bearing capacity concept ensures that there is sufficient risk coverage potential for the existing risks at all times. Both equity and liquidity are considered as part of the risk-bearing capacity concept.

At the time of preparing the Risk Report, there is sufficient coverage potential from both a liquidity and equity perspective to cover the risks presented. The risks do not pose a threat to the existence of the Group, neither individually nor in aggregate.

Risks

The risk positions listed below are those which the GFT Group identifies and monitors as part of its risk management system. The risk positions were maintained in the past financial year and are broken down into five risk categories: (1) economic, political and regulatory risks; (2) strategic risks; (3) personnel risks; (4) operating risks; and (5) financial risks. These are subdivided into further risk positions.

The common factor for all risks described in this report is that the occurence of a risk may have a critical impact on the GFT Group’s business, financial position and performance. 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, high or very high.

Risk positions and expected value

Risk position	GFT risk rating	Year-on-year change
Economic, political and regulatory environment		
Economic and political environment	medium	unchanged
Regulatory environment, legal requirements and behaviour	low	unchanged
Environment and diseases	low	unchanged
Information security and data privacy	high	unchanged
Strategy		
Sector and market environment	low	unchanged
Strategic business model	low	unchanged
Acquisitions and integrations	low	unchanged
Innovation and technological know-how	low	unchanged
Personnel		
International HR management	low	unchanged
Recruitment, retention and development of employees	medium	unchanged
Operating risks		
Sales	high	unchanged
Projects	medium	unchanged
Liability	medium	unchanged
IT and client compliance	low	unchanged
Financial risks		
Liquidity risks	low	unchanged
Exchange rate and interest rate fluctuation	medium	unchanged
Accounting risks	low	unchanged
Tax risks	medium	unchanged

5.2 Risks and opportunities from the economic, political and regulatory environment

Economic and political environment

The relevant macroeconomic risks and opportunities 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.

Macroeconomic opportunities arise when political and economic developments in national economies are better than expected and can influence the investment behaviour of clients as well as price developments in the core markets. These include events such as investment facilitation, public sector investment programmes or trade facilitation. Reduced uncertainty following political decisions taken over a longer period of time may also have a positive impact on client investment behaviour.

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

Regulatory environment, legal requirements and behaviour

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.

New regulations or amendments to existing legislation may require our clients to take measures to comply with legal requirements or to minimise the resulting risks. This may lead to increased demand for adequate IT solutions and thus create opportunities for GFT.

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 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 Group Legal 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 (Code of Ethics & Code of Conduct), the data protection rules and the regulations on information security.

Environment and diseases

The environmental risk for GFT arises from the possibility that services cannot be provided due to short-term or long-term environmental disruptions.

Catastrophes (such as earthquakes, floods, forest fires) can have a direct impact on GFT's ability to deliver; management of this risk is short-term and organised by a local Operational Emergency Risk Team (OERT) appointed by local country management. Long-term environmental changes (such as effects due to climate change, including rising sea levels and extreme weather events) are included in the GRC's risk assessment. GFT's obligations, responsibilities and tasks are described in the 'GFT Environmental Policy'.

The risk of disease or pandemic for GFT is reflected in the possibility that services cannot be provided due to illness of GFT employees and freelancers. Local disease risks are managed by a local OERT team. Global disease risks are managed by a cascade of OERTs appointed and headed at Group level by the GRC and at country level by the management of the respective country.

Information security and data privacy

As a result of the advancing digitalisation of business processes, risks in the field of information security and data privacy continue to increase significantly. Information security and data privacy are a key driver for the GFT Group and an integral part of its daily business operations.

The GFT Group has a global Information Security Management System (ISMS), headed by the Chief Information Security Officer (CISO). GFT's established global ISMS provides a framework for security policies and procedures and is binding for all business units.

Risk assessments are conducted on a regular basis and risks are evaluated and addressed at periodic meetings of the GFT Privacy and Security Steering Committee. The Committee is chaired by the Chief Financial Officer (CFO).

In addition to the ISMS, the GFT Group has established global privacy policies, which are represented by the Chief Privacy Officer (CPO). This maintains a comprehensive and consistent level of data privacy within the GFT Group and at the interfaces with clients, suppliers and partners. The GFT Group's privacy policy is particularly relevant for those countries where there is no data privacy legislation and/or acceptable levels of data privacy.

With the global increase in cyberattacks, there has been a further significant rise in security breaches, particularly ransomware, which can lead to operational or financial damage, as well as damage to the company's reputation.

The GFT Group has already taken measures to reduce the impact of ransomware by adopting a holistic approach. This approach includes ransomware prevention, response plans, damage detection and minimisation, early response, environment recovery and return to normal, and evaluating the use of cybersecurity insurance.

5.3 Strategic risks and opportunities

Sector and market environment

The GFT Group has a strong focus on the financial services sector. In the financial year 2024, 90% of revenue (2023: 89%) was generated with clients in this sector. The need to digitalise and the use of artificial intelligence in order to optimise business processes in all sectors has increased further in terms of urgency, especially with regard to securing or strengthening the competitive standing of our clients. This might result in a further increase in demand and offers further growth opportunities for GFT.

There are risks, for example, in the form of regional or global financial and economic crises, inadequate or excessive regulation of financial service providers and demand cycles in the markets of GFT. In addition, there are political risks, such as an increase in trade barriers around the world, which could impair economic activity in the Group's target markets. In order to minimise the dominant market risks, the GFT Group is continuously diversifying both its client base and service portfolio in the area of its core competencies. Further measures include the conclusion of long-term contracts, intensive customer support at the level of top management, the strengthening of strategic partnerships and collaborations with platform providers (such as Amazon – Amazon Web Services, Google – Google Cloud Platform, Microsoft – Azure) and tech companies and start-ups (such as Digital Assets – support for DAML Smart Contracts, Thought Machine and Mambu – cloud-based core banking solutions or One Creation – integrated data protection).

Strategic business model

Risks arising from the strategic business model or from grasping strategic opportunities are integrated into the strategic planning process. Strategic risks (including risks from the client portfolio) are given priority in their analysis by top management.

As the long-term impact of strategic risks and their impact on the financial position and performance is difficult to quantify, such qualitative factors as economic and technology trends, compliance requirements and competition are included in risk assessment as strategic factors.

The country managers and risk officers of the individual departments evaluate potential strategic risks in their areas of responsibility and regularly report identified risks at the highest management level (Managing Directors and GRC). There is a particular focus on strategic risks during the annual budget process: risks are evaluated and assessed, and corrective measures introduced if necessary in order to avoid or at least minimise the risk.

Acquisitions and integrations

Inorganic growth is a component of the GFT Group's strategy. Identifying and exploiting value-enhancing acquisition opportunities is part of the GFT Group's corporate strategy. With the aid of targeted company acquisitions, GFT can participate in growth and technology trends in selected sectors and regions. Acquisitions offer opportunities to increase revenue, profitability and diversification, as well as to minimise risks in various areas, expand the range of existing solutions, expand the customer portfolio and reduce dependence on markets. The risks in this field include false assessments regarding the integration concept, potential customers, staff qualifications, management skills, or legal and warranty risks.

The acquisition process is supported by the Mergers & Acquisitions team based on standardised structures, processes and templates. Experience gained from previous acquisitions is used to optimise standards.

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 of the target company 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.

Acquisitions help to minimise risks, for example by increasing sector diversification and reducing client dependence.

Various risks arise during integration into the GFT Group's existing structures and corporate philosophy. A post-merger integration (PMI) process has been established across the Group and is headed by the Group Chief Operating Officer (COO). It is based on a multi-level and standardised integration process that balances risk and effort and decides between various stages of integration. The COO is responsible for Group-wide compliance with standards and has a coordinating role in local PMIs.

Innovation and technological know-how

The demand for the IT solutions offered by GFT depends heavily on market and sector trends in the financial services sector and, in particular, on the strategic alignment of its main clients. 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 may have a negative impact on the development of business and revenue.

The risks that can arise from changing demand for GFT's solution offerings are difficult to quantify in terms of impact and probability of occurrence. In order to minimise the risk, GFT's strategic business model is based on a wide range of services and solutions.

GFT works with strategic technology partners to identify changes in demand trends as soon as possible. As one of the few IT service experts in the banking environment, GFT actively engages in strategic partnerships with Amazon, Google and Microsoft, three of the largest cloud providers world-wide during the past financial year. In the insurance sector, there is a partnership and close cooperation with Guidewire (software solution for damage and accident insurers). In addition, GFT's technology experts regularly take part in congresses and panel discussions, particularly in the fields of digitalisation, DLT/blockchain, cloud, DevOps, data analytics, artificial intelligence – especially the field of generative AI – or Industry 4.0 (IoT). Innovation enjoys a high priority at GFT, which is why we continuously invest in research and development.

New technologies are evaluated internally according to their maturity and relevance to GFT's core business. In the case of relevant technology trends, measures are taken to ensure that strategic partnerships are reviewed, adapted as necessary or expanded, and that investments are made in prototypes.

5.4 Personnel

International HR management
Highly skilled and motivated employees at our international development centres are a key success factor for the GFT Group. Opportunities arise from customer proximity and attractive cost benefits from the global utilisation of technological expertise. The global establishment of remote and hybrid working models offers the opportunity that client acceptance of nearshore development will rise even further. 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. The current changes in geopolitical conditions (for example protectionism), or restrictions caused by pandemics (for example COVID-19), may limit the global mobility of employees.

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 and overload the remaining employees, which may reduce quality and customer satisfaction.

The GFT Group counters these risks by positioning itself as an attractive and globally operating employer which seeks to retain its specialists and executives. The respective HR policy measures include attractive working conditions, flexible working time models to improve the work-life balance of employees, attractive remuneration systems, tailored career models and extensive training. With the aid of targeted marketing measures, the Group strives to attract new talent in order to enhance its positive image on the job market. There is an increasing focus on social media, which are being used more and more.

Insofar as customer requirements cannot be met by the own staff, mainly due to capacity bottlenecks or a lack of specialist skills on the part of our staff, targeted external resources are used.

Recruitment, retention and development of employees
In connection with the current shortage of specialist staff, particularly in the IT sector, the recruitment of skilled employees is hampered by the ongoing rise in demand. The same applies to the retention of existing employees. Unless the GFT Group is able to find suitable employees or to retain them, there is a risk that it will no longer be able to implement operating activities as effectively and successfully, or that it will not be able to develop the service portfolio and technological know-how as planned.

Since employees are at the heart of our business model and make an essential contribution to the company's success, GFT attaches great importance to the issue of employee retention. For this reason, trends in the world of work are observed and appropriate measures are taken to continuously develop and increase the attractiveness of the company for employees.

GFT attaches great importance to the work-life balance of its employees and has therefore established measures to support and promote its employees. These measures include a regular review of local working time and salary models, the further development of our career model, the performance assessment of employees, and the promotion of employees via internally initiated talent development programmes.

5.5 Operating risks and opportunities

Sales
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.

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.

As a further risk-reducing measure, the Company's own legal department provides master contracts for operating activities. The legal department or external law firms review contract proposals from clients and support the negotiation of sales contracts with the aim of clearly and transparently regulating the possible liability risks associated with contractual obligations (for example, warranties or industrial property rights) and limiting them to a reasonable amount. Contractual provisions that go beyond the specific fundamental specifications of the GFT Group (such as the assumption of unlimited liability or the agreement of excessive penalties) also require the express approval of local management or the Managing Directors.

Coordination between the sales organisation and the development departments is essential. The focus here is on what the sales organisation sells and what the development departments can deliver. This is a key element of performance as an IT service provider. If the dynamics of supply and demand are not properly assessed and managed, this can have a significant impact not only on GFT's costs, but also on its reputation among clients and employees.

Projects
The implementation of IT projects, especially at fixed prices, is associated with technological and economic risks. 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.

Risk management is 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 ensures that technical problems are significantly reduced and minimizes the danger of 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. The corporate division Risk & Quality Management 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 accordingly.

The relevant project risks of the GFT Group are made transparent for the manager responsible by means of standardised escalations of the respective departments (Risk & Quality Management, Controlling). In the course of standardised monthly reporting, the relevant 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.

Liability
The possible economic harm caused by the infringement of third-party property rights, and in particular rights to software, may lead to considerable damage. Due to the necessary use of open source software in many projects, the GFT Group has established mechanisms for the preparation of bids to customers which are designed to reduce legal risks and potential damages claims from the use of open-source components.

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 either possible, possible only to a limited extent, or not possible at all.

IT and client compliance
Handling sensitive information on a daily basis is an integral part of the GFT Group's daily operations. Confidential personal or company data may be accidentally deleted, damaged or altered by a person with extensive access rights (IT administrator or business power user).

The risk of data loss is mitigated by minimising permissions according to the least-privilege principle and by taking organisational security measures. Backups are performed wherever possible. In the case of certain cloud services and the data stored there, this may not be the case or only to a limited extent.

All business-critical data is backed up offline or the cloud provider's tamper-proof backup services are used to ensure its use even in the event of cyberattacks.

5.6 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 status reporting. The most important objective is to ensure sufficient liquidity for the Group. Outstanding receivables are analysed as part of the monthly consolidated reporting process so that countermeasures can be initiated at an early stage. In the case of new customers, credit checks are carried out during the bidding process. On the investment side, the GFT Group pursues a conservative investment policy with an exclusively short-term focus at present.

In addition to a syndicated loan agreement, GFT Technologies SE has taken out several promissory note loans to secure its long-term funding. There are certain rules of conduct for the GFT Group during the term of the loan agreement. 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 syndicated loan agreement. From the current perspective, there are no relevant risks relating to the non-achievement of financial covenants or non-compliance with the other rules of conduct which are known.

Risks and opportunities from exchange rate and interest rate fluctuations
As an internationally operating company which prepares its accounts in euro, the GFT Group is subject to various financial risks from fluctuations in interest and exchange rates which may have a negative impact on its financial position and performance. Conversely, transactions not settled in euro, the reporting currency, may also result in currency opportunities.

Periodic fluctuations in currencies entail considerable risks for the financial position and performance, in particular due to the mandatory currency translation into euros. As the GFT Group conducts its business around the globe, a significant proportion of its invoicing is in foreign currencies. In the financial year 2024, transactions in foreign currencies which were then translated into the Group's reporting currency, the euro, accounted for around 53% of consolidated revenue (2023: 53%). Exchange rate risks resulting from the appreciation or depreciation of currencies arise in the Group's operating business primarily when revenue is generated in a currency other than that used for the related costs.

The financing liabilities, investments and other balance sheet items of the GFT Group 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.

The Treasury department continuously monitors the existing and potential 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 British pound, the Canadian dollar, the Colombian peso, the US dollar 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. Interest rate changes may result in risks for the operating business as well as for financial transactions. Interest rate risks arise when fixed-interest periods on the asset and liability sides of the balance sheet are not matched. The risk of mismatched maturities is minimised from both an interest rate and liquidity perspective by means of refinancing aligned with the maturities of the financial contracts. Capital procurement measures are centrally coordinated within the GFT Group. Remaining interest rate risks are managed by using derivative financial instruments. There were no further significant financial instruments used for risk management purposes in the financial year 2024. For a more detailed presentation of financial instruments, see section 9.1 of the notes to the consolidated financial statements.

Accounting risks
The GFT Group's accounts are prepared according to the International Financial Reporting Standards (IFRS) as applicable in the European Union (EU). Current and future pronouncements on accounting policies and other accounting standards may have a negative impact on the published financial results. Risks arise in particular from delays in adjusting current methods to the new pronouncements on accounting methods and accounting standards as well as unforeseeable changes with regard to the interpretation of standards.

Accounting in accordance with IFRS requires management to make extensive assumptions, estimates and discretionary decisions which may have an impact on the financial figures of the GFT Group. Risks may arise in such a way that facts and assumptions on which the estimates and discretionary decisions of the management are based, as well as the assessment of these facts change over the course of time. This can lead to significant changes in estimates and judgments and consequently to changes in the financial figures and to negative reactions on the capital market.

The GFT Group regularly monitors compliance with the applicable and relevant accounting regulations and reviews new relevant pronouncements or drafts and their interpretation in order to identify and implement any necessary changes to the Group-wide accounting methods at an early stage.

Risks arising from the use of estimates and judgments are countered by established control mechanisms, for example by applying the dual control principle. In addition, forecasts based on assumptions and estimates, as well as their impact on financial figures, are regularly reviewed and analysed.

Tax risks
The GFT Group operates in many countries around the world and is therefore subject to numerous different tax regulations and tax audits. Any changes in legislation and jurisdiction or different legal interpretations by the tax authorities – in particular in the area of cross-border transactions – may involve considerable uncertainties. It is therefore possible that provisions formed may prove to be insufficient and thus lead to a negative impact on the Group's net income and cash flow.

Any changes, complaints or findings by the tax authorities are continuously monitored by the Group Tax department and the corresponding measures are taken where necessary.

5.7 Assessment of the overall risks and opportunities

The overall risk assessment is the result of a consolidated examination of the individual risks explained in this chapter and the aggregated risk exposure, which in relation to the risk-bearing capacity at the time of preparing this report do not indicate any threat to the GFT Group as a going concern. There have been no significant changes in the risks and opportunities described since preparing the Group Management Report 2023. No permanent or substantial impairment of the financial position and performance 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 the statutory requirements according to section 317 (4) HGB.

More informationen
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6 Explanations on the annual financial statements of GFT Technologies SE (HGB)

6.1 General

GFT Technologies SE, domiciled in Stuttgart, Germany, is the parent company of the GFT Group. In addition to the above reporting on the GFT Group, the following section presents the development of GFT Technologies SE in the financial year 2024.

As the parent company, GFT Technologies SE is responsible for managing the GFT Group. Its results thus also include expenses for the Group's headquarters with the central functions for Corporate Development, Finance, Communications, Public Affairs, Human Resources, Legal Affairs and Compliance, as well as Data Protection and Procurement. In addition, GFT Technologies SE has operating activities in Germany.

The annual financial statements of GFT Technologies SE were prepared in accordance with the regulations of the German Commercial Code (HGB), additionally taking into account the provisions of the German Stock Corporation Act (AktG). The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as applicable within the European Union (EU). This results in differences in accounting and measurement methods. These differences primarily concern the measurement of inventories and revenue, provisions, leases and deferred taxes.

The annual financial statements of GFT Technologies SE, which were awarded an unqualified audit opinion by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, are published electronically in the Company Register and are also available on the GFT Group's website at www.gft.com/financialreports.

The economic position of GFT Technologies SE is mainly shaped by the development of its subsidiaries. GFT Technologies SE participates in the operating results of its subsidiaries via dividends and profit transfers. Consequently, the economic position of GFT Technologies SE is fundamentally that of the GFT Group, which is explained in chapter 3.7 Overall assessment of the financial year.

The most important performance indicator for GFT Technologies SE is earnings before taxes (EBT). Due to regulations under German commercial law on revenue recognition and the associated estimation uncertainty regarding the timing of project completions, revenue is no longer used as a key performance indicator as of the financial year 2024.

6.2 Earnings position

Condensed income statement

in € million	**2024**	**2023**
Revenue	99.01	97.77
Changes in inventories of work in process	2.51	−1.22
Other operating income	17.27	8.57
Total performance	**118.79**	**105.12**
Cost of purchased services	46.63	37.40
Personnel expenses	39.88	36.01
Amortisation and depreciation	0.83	1.09
Other operating expenses	33.16	34.83
Result from operating activities	**−1.71**	**−4.21**
Financial result	**20.70**	**24.85**
Earnings before taxes (EBT)	**18.99**	**20.64**
Taxes	1.23	2.78
Net income for the year	**17.76**	**17.86**
Profit brought forward from the previous year	27.19	22.50
Distributable profit	**44.95**	**40.36**

In the financial year 2024, the **earnings position** of GFT Technologies SE was dominated by significantly higher income from the offsetting of intra-Group holding activities, which largely offset the decline in profitability in its operating business and a lower financial result. **Earnings before taxes (EBT)** amounted to €18.99 million (2023: €20.64 million). The decline in EBT of around 8% was below the expectation stated in the forecast report of the previous year, which had predicted a significant increase.

Revenue totalled €99.01 million in the financial year 2024 (2023: €97.77 million). This 1% increase in revenue was thus below the expectation stated in the previous year's forecast report, which projected a moderate increase in the single-digit percentage range. Revenue mainly comprises income from the provision of customer-specific IT services, rendered predominantly in Germany, and from Group-wide service functions for the subsidiaries. The latter involve sales-related license fees, management fees, central support services and other cost allocations. **Income from corporate services** for subsidiaries included in total revenue was up on the previous year at €33.78 million (2023: €31.46 million). By contrast, **revenue from operating activities** fell by 2% to €65.23 million in the financial year 2024 (2023: €66.31 million). This was mainly due to a decline in revenue in the industrial sector.

Taking into account the change in work in progress and other operating income, **total performance** was increased by 13% to €118.79 million (2023: €105.12 million). This significant improvement is primarily attributable to increased **other operating income** of €17.27 million (2023: €8.57 million) as a result of higher income from the offsetting of intra-Group holding activities. The **changes in inventories of work in process** amounted to €2.51 million, compared to €–1.22 million in the previous year, and resulted from closing-date effects from projects not yet completed or not yet accepted by the client.

The **cost of purchased services** rose much more strongly than revenue by €9.23 million to €46.63 million (2023: €37.40 million). This item mainly contains the purchase of external and intragroup services in connection with the core operating business. The ratio of cost of purchased services to revenue increased to 47% (2023: 38%), mainly due to increased costs for subcontractors.

Personnel expenses rose to €39.88 million and were thus 11% above the prior-year level (2023: €36.01 million). The year-on-year increase is mainly due to effects from capacity adjustments, also as a result of declining capacity utilisation in the operating business. The **productive utilisation rate** of operating business (without holding activities) of GFT Technologies SE fell by seven percentage points from 83% to 76%. The productive utilisation rate is a non-financial performance indicator. It refers solely to the use of production staff in client projects and does not include any sales activities or internal projects.

Other operating expenses amounted to €33.16 million (2003: €34.83 million). They mainly comprise IT licence costs, rent and maintenance expenses, selling expenses and legal and consulting costs.

The **financial result** decreased by €4.15 million to €20.70 million (2003: €24.85 million). The decline is largely due to lower profit transfers and higher expenses from the assumption of losses of subsidiaries. Moreover, higher interest expenses from the financing of the Sophos acquisition led to a reduction in the financial result. By contrast, investment income rose year on year to €26.40 million (2023: €24.85 million).

Income taxes amounted to €1.23 million (2023: €2.78 million). In addition to the decline in taxable income within the tax group, the decrease is mainly due to lower non-deductible expenses. After deducting taxes, **net income** for the financial year 2024 amounted to €17.76 million and was thus largely on a par with the previous year (2023: €17.86 million).

6.3 Financial position

Together with its subsidiary GFT Treasury Services GmbH (Treasury Services), GFT Technologies SE plays the central role in the Group's financial activities. Financial management includes the clearing of receivables and liabilities from intra-Group transactions and ensures the permanent liquidity of all Group companies. Please refer to chapter 3.5 Financial position for a more detailed description of the GFT Group's financial structure.

As of 31 December 2024, **cash and cash equivalents** of GFT Technologies SE amounted to €1.68 million and were thus above the prior-year figure (31 December 2023: €1.18 million). In general, the development of cash and cash equivalents is closely tied to cash inflows and outflows within the scope of the Group's centralised finance and liquidity management.

The **net liquidity** of GFT Technologies SE – a product of cash and cash equivalents disclosed in the balance sheet less bank borrowing – fell significantly from €–35.84 million in the previous year to €–108.35 million as of 31 December 2024. The reasons for the decline are, on the one hand, increased bank debt in connection with the financing of the Sophos acquisition and, on the other hand, newly issued promissory note loans at the end of the financial year.

6.4 Asset position

Condensed balance sheet

in € million	31/12/2024	31/12/2023
Assets		
Intangible assets	0.02	0.18
Property, plant and equipment	3.40	3.75
Financial assets	191.84	137.41
Non-current assets	**195.26**	**141.34**
Inventories	8.97	6.46
Receivables and other assets	30.56	17.78
Cash and cash equivalents	1.68	1.18
Current assets	**41.21**	**25.42**
Prepaid expenses	6.50	6.29
Total assets	**242.97**	**173.05**
Equity and liabilities		
Shareholders' equity	96.18	91.58
Provisions	14.76	18.10
Liabilities to banks	110.03	37.02
Other liabilities	21.49	25.93
Deferred income	0.51	0.42
Total equity and liabilities	**242.97**	**173.05**

At €242.97 million, the **balance sheet total** of GFT Technologies SE was significantly above the prior-year level (31 December 2023: €173.05 million). The main changes compared to the previous year are presented below.

Non-current assets increased by €53.92 million to €195.26 million as of 31 December 2024 (31 December 2023: €141.34 million) due to the increase in **financial assets**. The rise in financial assets of €54.43 million to €191.84 million (31 December 2023: €137.41 million) was primarily due to the intra-Group financing of the Sophos acquisition.

Current assets amounted to €41.21 million and were thus €15.79 million higher than in the previous year (31 December 2023: €25.42 million). The increase is mainly due to a higher level of **receivables and other assets** totalling €30.56 million (31 December 2023: €17.78 million), in particular due to increased receivables from affiliated companies. This was caused by the change in the balance of the Group clearing system during the course of the year. Whereas at the end of the previous year there was a liability of €9.46 million, there were financial receivables of €20.37 million from the transfer of surplus liquidity as of 31 December 2024. By contrast, trade receivables fell to €3.71 million (31 December 2023: €9.84 million). **Inventories** increased by €2.51 million to €8.97 million as of 31 December 2024 (31 December 2023: €6.46 million) due to the timing of project completion.

Shareholders' equity increased by €4.60 million to €96.18 million in the reporting period (31 December 2023: €91.58 million). This growth resulted from net income of €17.76 million (31 December 2023: €17.86 million). This was opposed by the dividend payment to shareholders of €13.16 million (31 December 2023: €11.85 million). Due to the disproportionately strong increase in the balance sheet total, the **equity ratio** at the end of the reporting period fell by 13 percentage points to 40% (31 December 2023: 53%).

Provisions declined by €3.34 million to €14.76 million (31 December 2023: €18.10 million), due in particular to lower **tax provisions** of €0.23 million (31 December 2023: €5.51 million). By contrast, **other provisions** increased slightly by €1.97 million to €13.93 million as of 31 December 2024 (31 December 2023: €11.96 million). The increase is due to severance payments.

Liabilities to banks amounted to €110.03 million as of 31 December 2024 (31 December 2023: €37.02 million). The increase of €73.01 million is due to the financing of the Sophos acquisition and the issuance of new promissory note loans in November 2024.

Other liabilities decreased by €4.44 million to €21.49 million (31 December 2023: €25.93 million). The decline resulted primarily from lower liabilities owing to affiliated companies, especially in connection with Group clearing, which resulted in financial receivables of €20.37 million as of 31 December 2024 (31 December 2023: €−9.46 million). Meanwhile, advance payments received on orders rose to €10.66 million (31 December 2023: €5.68 million), due mainly to closing-date effects.

6.5 Risk and opportunity report

The business development of GFT Technologies SE is mainly subject to the same risks and opportunities as the GFT Group. In principle, GFT Technologies SE participates in the risks of its investments and subsidiaries in proportion to its respective shareholding. The risks and opportunities are described in chapter 5 Risk and opportunity report. In addition, legal or contractual contingencies, in particular financing, charges and write-downs on shares in affiliated companies may result from relationships with the company's investments.

6.6 Forecast report

The future financial position and performance of GFT Technologies SE mainly depends on the performance and success of its subsidiaries. GFT Technologies SE participates in the development of its subsidiaries via profit transfer agreements and dividends.

Due to the close ties of GFT Technologies SE with the Group companies and its weight within the Group, the statements made in chapter 4 'Forecast report' also reflect expectations for the parent company.

For the financial year 2025, GFT Technologies SE anticipates a slight increase in EBT, mainly due to an improvement in the financial result. In its operating business, the company expects a solid development of earnings.

7 Takeover-relevant information

Disclosures pursuant to section 289a and section315a German Commercial Code (HGB) and explanatory report of the Administrative Board according to section 48 (2) sentence 2 SE-Implementation Act (SEAG) in conjunction with section 176 (1) sentence 1 German Stock Corporation Act (AktG)

Structure of the share capital

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 arising from the statutory provisions. Each share grants one vote at the Annual General Meeting.

Restrictions on voting rights or the transfer of shares

Legal regulations, in particular section 136 AktG and section 44 German Securities Trading Act (WpHG), exclude voting rights for the affected shares in the respective specified cases. The existence of such cases is not known. We are also not otherwise aware of any restrictions affecting voting rights or the transfer of shares.

Shareholdings exceeding 10 percent of the voting rights

GFT Technologies SE is aware of the following shareholding that exceed 10 percent of the voting rights: as at 31 December 2024, Ulrich Dietz (Chairman of the Administrative Board of GFT Technologies SE), Germany, held 26.3% of total voting rights.

Shares with special control rights

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

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

As a company with a one-tier management and control structure, GFT Technologies SE applies the disclosure obligations of section 289a (1) number 6 HGB and section 315a (1) number 6 HGB on the appointment and dismissal of executive board members to the Managing Directors. Their appointment and dismissal is governed by article 43 SE-VO (Council Regulation (EC) number 2157/2001 on the Statute for a European Company (SE)) and section 40 SEAG. Reference is made to these regulations. Pursuant to section 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, section 45 SEAG states that a court may appoint a Managing Director on application of one of the persons involved.

Legal regulations and provisions governing amendments to the articles of association

The requirements for amendments to the articles of association are regulated in particular in article 59 SE-VO and section 51 SEAG. Reference is made to these provisions. According to section 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 section 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 (section 51 sentence 2 SEAG). The Annual General Meeting can assign the authority to amend the Articles of Association to the Administrative Board insofar as such amendments merely relate to the wording. This is permitted for GFT Technologies SE by the provisions in section 21 (1) of the Articles of Association. Moreover, the Administrative Board is authorised by a resolution of the Annual General Meeting to amend the wording of section 4 (1) and (7) of the Articles of Association in accordance with the respective use of Authorised Capital 2022 and after expiry of the utilisation and authorisation period. Moreover, in the case of a cancellation of shares, the Administrative Board is authorised to amend the disclosure on the number of shares in the Articles of Association.

Executive board authorities, particularly the issuing and buy-back of shares

As a company with a one-tier management and control structure, GFT Technologies SE applies the disclosure obligations of section 289a sentence 1, number 7 HGB and section 315a sentence 1, number 7 HGB to the Administrative Board.

Authorised capital

The Administrative Board is authorised until 9 June 2026 to increase the Company's share capital by up to €10,000,000.00 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 sum of shares issued under Authorised Capital 2021 and the shares that may be issued or are to be issued to service conversion and/or option rights or to fulfil conversion or option obligations from bonds with option and/or conversion rights or obligations (or a combination of these instruments) issued during the term of this authorisation may not exceed a total amount of the share capital of €13,162,973.00 (corresponding to 50% of the share capital).

The new shares must generally be offered to the shareholders for subscription (directly or in whole or in part also by way of indirect subscription pursuant to section 186 (5) sentence 1 AktG). However, the Administrative Board is authorised to exclude the statutory subscription right of shareholders,

- insofar as it is necessary for fractional amounts resulting from the subscription ratio,

- in the event of capital increases in return for contributions in kind for the purpose of issuing shares for the (also indirect) acquisition of companies, parts of companies, investments in companies or other assets in connection with the aforementioned company acquisitions (even if a purchase price component is paid in cash in addition to the shares);

- in the event of a capital increase in return for contributions in cash, provided that the issue price of the new shares is not significantly lower than the stock market price and the total pro rata amount of the share capital attributable to the new shares for which the subscription right is excluded does not exceed 10% of the share capital, either at the time this authorisation comes into effect or at the time it is exercised. This limit shall include those shares which are issued during the term of this authorisation using an authorisation to sell repurchased treasury shares in accordance with section 186 (3) sentence 4 AktG under exclusion of subscription rights which is valid at the time this authorisation takes effect. Shares issued or to be issued to service convertible bonds or bonds with warrants shall also be included in the calculation to the extent that these bonds are issued during the validity of this authorisation in accordance with section 186 (3) sentence 4 AktG; and

- in order to grant the company's Managing Directors, members of the representative body of any of the company's affiliated companies or employees of the company and its affiliated companies new shares in connection with share participation programmes or other share-based programmes if the total pro rata amount of the share capital attributable to the new shares for which the subscription right is excluded does not exceed 5% of the share capital, either at the time this authorisation comes into effect or at the time it is exercised. To the extent permitted by law, the new shares may also be issued in such a manner that the contribution to be paid on such shares is covered by that part of the annual net income which the Managing Directors and the Administrative Board can allocate to other retained earnings under section 58 (2) AktG.

The sum of shares issued on the basis of Authorised Capital 2021 under exclusion of shareholders' subscription rights must not exceed a proportional amount of 20% of the share capital – taking into account other shares of the company which, during the term of Authorised Capital 2021, are sold or issued under exclusion of subscription rights or are to be issued under bonds issued after 10 June 2021 under exclusion of the subscription right – neither at the time this authorisation comes into effect nor at the time it is exercised.

The Administrative Board is authorised to determine the further details of a capital increase and its implementation.

Conditional capital

Conditional Capital 2022 (sections 192 et seq. AktG) is regulated in section 4 (7) of the Articles of Association of GFT Technologies SE:

A conditional increase in the company's share capital (Conditional Capital 2022) 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 the bearers of conversion or warrant rights from convertible or warrant bonds (or a combination of these instrument), which were issued by GFT Technologies SE or a domestic or foreign 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 1 June 2022 agenda item 7, exercise their conversion or warrant rights or fulfil their conversion or warrant obligations from such convertible or warrant bonds, and insofar as the conversion or warrant rights or conversion or warrant obligations are not settled via treasury shares, nor shares from authorised capital, nor by other consideration.

The new shares participate in the profit from the beginning of the financial year in which they are issued; by way of derogation, the Administrative Board may, to the extent legally permissible, stipulate that the new shares participate in the profit from the beginning of a previous financial year for which no resolution of the Annual General Meeting regarding appropriation of profit has been taken at the time of their issue. 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 24 June 2020, 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 or – if this amount is lower – at the time the authorisation is exercised. 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 which the company has already purchased and still holds, or which are attributed to it pursuant to sections 71d and 71e 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 GFT Technologies SE. If shares are bought via the stock exchange, the purchase price per share paid by GFT Technologies SE (exclusive of any ancillary costs) may not exceed, or fall below, the price determined by the opening auction in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange on the trading day by more than 10%. In the case of a public offer, the purchase price per share paid by the company (exclusive of any ancillary costs) may not exceed, or fall below, the non-weighted average closing price of the GFT Technologies SE share in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange on the last three trading days prior to the day of the final decision by the Administrative Board on the offer by more than 10%.

In the case of a public offer, the volume of the offer may be limited. If there are not insignificant deviations in the relevant stock exchange price after the publication of the public offer, the offer may be adjusted. In this case, the stock exchange price on the last stock exchange trading day prior to the final decision of the Administrative Board on the public announcement of any adjustment shall be used as a basis. The volume of the offer may be limited. If the total subscription of the offer exceeds the fixed volume, the acceptance must be made on a quota basis. Preferential acceptance of small numbers of up to 100 tendered shares per shareholder may be provided for. The public offer may provide for further conditions.

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;
- for use in the context of share-based remuneration or employee share programmes of GFT Technologies SE or its affiliated companies to persons who are or were employed by GFT Technologies SE or one of its affiliated companies, as well as to Managing Directors of GFT Technologies SE or members of executive bodies of affiliated companies of GFT Technologies SE. They may be offered, granted and transferred to the aforementioned persons, in particular for consideration or free of charge, whereby the employment or service relationship, or the relationship to the executive body, must exist at the time of the offer, the grant or the transfer;
- to sell the shares with the exclusion of shareholder subscription rights while meeting the requirements of section 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 interests of GFT Technologies SE, 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 GFT Technologies SE;
- for use in the context of share-based remuneration or employee share programmes of GFT Technologies SE or its affiliated companies to persons who are or were employed by GFT Technologies SE or one of its affiliated companies, as well as to Managing Directors of GFT Technologies SE or members of executive bodies of affiliated companies of GFT Technologies SE. They may be offered, granted and transferred to the aforementioned persons, in particular for consideration or free of charge, whereby the employment or service relationship, or the relationship to the executive body, must exist at the time of the offer, the grant or the transfer.

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 section 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, and the sale price is not significantly lower than the stock market price of the GFT Technologies SE shares at the time of the sale. Those shares issued during the term of this authorisation, utilising an authorisation to issue new shares from Authorised Capital pursuant to section 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 section 186 (3) sentence 4 AktG.

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 GFT Technologies SE 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 section 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 expiry of the virtual Annual General Meeting of 24 June 2020 and is valid until 23 June 2025. No use has been made of this authorisation to date. For further information, please refer to note 4.9 Shareholders' equity.

Material agreements of the parent company conditional to a change of control following a takeover bid
The material agreements of GFT Technologies SE, which contain a clause for the event of a change of control at GFT Technologies SE, concern loan agreements. In the event of a change of control, the respective lenders have the right to terminate the loan agreements and make them due.

A banking syndicate has provided GFT Technologies SE with a syndicated, partially revolving credit line for a total amount of up to €100 million, of which €61 million had been drawn at the end of the reporting period. The syndicate members were granted the right to terminate their portion if a person or a group of people who have coordinated their actions pursuant to section 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 has signed several promissory note agreements totalling €50 million which grant the respective lenders the right to demand the premature repayment of the loans in the event that a person or a number of people acting in unison as defined by section 2 (5) WpÜG (in each case with the exception of Ulrich Dietz and Maria Dietz, as well as their offspring or persons acting on behalf of one or more of the aforementioned persons) acquire the majority of voting rights of GFT Technologies SE.

Compensation agreements with executive board members and employees in the event of a change of control
As a company with a one-tier management and control structure, GFT Technologies SE exclusively applies the disclosure obligations of section 289a sentence 1, number 9 HGB and section 315a sentence 1, number 9 HGB, regarding compensation agreements made with executive board members for the case of a takeover offer, to its Managing Directors.

There are no corresponding severance pay agreements with Managing Directors and employees for the event of a change of control.

8 Corporate Governance Statement (unaudited)

In accordance with sections 289 f, 315 d HGB and as provided for in Principle 23 of the German Corporate Governance Code, the Administrative Board and the Managing Directors submit the following report on corporate governance in the financial year 2024.

Declaration of Compliance of GFT Technologies SE

'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 (German Stock Corporation Act)'
(as at: 12 December 2024)

GFT Technologies SE has complied with the recommendations of the 'Government Commission on the German Corporate Governance Code' as amended on 28 April 2022, announced in the German Federal Gazette (Bundesanzeiger) on 27 July 2022 (hereinafter referred to as the 'Code') subject to the special features of the monistic system of the GFT Technologies SE as outlined in its Declaration of Conformity of December 5, 2023, and with exception of the deviations explained there.

It complies and will comply with the recommendations of the Code with exception of the deviations explained in section III.

The principles for transferring the recommendations of the Code based on a dual management system to the one-tier management system of GFT Technologies SE are presented in section II.

I. Preliminary remark

As stated in paragraph 3 of its foreword, the objective of the Code is to make the dual German corporate governance system transparent and understandable.

Pursuant to section 5 (1) of its Articles of Incorporation, GFT Technologies SE has a one-tier management and control structure. According to article 43 to 45 Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute of the European Company (SE) in conjunction with sections 20 et seq. SE Implementation Act (hereinafter referred to as the 'SEAG'), the one-tier system is characterised by the fact that a single governance body, the Administrative Board, is responsible for the management of the company. 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.

The principles, recommendations and suggestions contained in the Code with regard to the dual German corporate governance system are only directly applicable to a one-tier SE to a limited extent. In particular, as is the case for listed credit institutions and insurance undertakings (see paragraph 8 sentence 2 of the foreword to the Code), the principles and recommendations of the Code can only be applied to the extent that they do not contradict any legal stipulations. The transfer of the principles, recommendations and suggestions of the Code to the one-tier structure of GFT Technologies SE is explained below in section II.

II. Transfer of the principles, recommendations and suggestions of the Code to the one-tier structure of GFT Technologies SE

GFT Technologies SE transfers the principles, recommendations and suggestions of the Code for the supervisory board to its Administrative Board and for the management board to its Managing Directors.

The following exceptions apply:

1. *The governance tasks of the management board set forth in Principles 1 to 5 are the responsibility of the Administrative Board pursuant to section 22 (1) of the SEAG, or section 22 (3) sentence 3 of the SEAG. These include managing and developing the company's strategic alignment, setting targets for the proportion of women in the two management levels below the Administrative Board, establishing an internal control system and risk management system and compliance.*

2. *The Recommendations A.1 and A.3 in connection with the ecological and social impacts of the enterprise's activities and sustainability-related objectives as well as the Recommendations A.2 (consideration of diversity when making appointments to executive positions), A.4 (establishment of a whistle-blower system) and A.5 (comment upon the appropriateness and effectiveness of the internal control system and risk management system) addressed to the management board are addressed to the Administrative Board in the one-tier structure based on section 22 (1) of the SEAG.*

3. *According to Principle 6 (paragraph 1), the supervisory board appoints and discharges the members of the management board, supervises and advises the management board in the management of the enterprise and has to be involved in decisions of fundamental importance to the enterprise. The Administrative Board of a one-tier SE combines the management and control.*

4. *In derogation from Suggestion A.8, the Administrative Board is responsible for convening the General Meeting.*

5. *According to Recommendation B.3, the first-time appointment of management board members of a stock corporation shall be for a period of no more than three years. Recommendation B.4 further states that any re-appointment prior to one year before the end of an appointment period at the same time as termination of the current appointment shall only happen if special circumstances apply. These recommendations should be viewed against the background that, pursuant to section 84 (4) AktG, members of the management board of a stock corporation may only be removed if there is good cause.*

   Pursuant to section 40 (5) SEAG, Managing Directors may be dismissed at any time even without good cause. Against this background, Recommendations B.3 and B.4 are not transferred to the one-tier SE.

6. *Recommendations C.6 to C.12 concerning the independence of supervisory board members refer only to those members of the Administrative Board who are not appointed as Managing Directors.*

III. Deviations from the recommendations of the Code

Recommendation C.7 sentence 1 'More than half of the shareholder representatives shall be independent from the company and the Management Board.'

Recommendation C.7, as well as recommendations C.6 and C.8 to C.12, only applies to those members of the Administrative Board who are not appointed as Managing Directors.

If the indicators mentioned in Recommendation C.7 are used as the basis, less than half of the relevant members of the Administrative Board are to be classified as independent, namely two out of five.

In contrast, the Administrative Board is of the opinion that four out of five of its relevant members, i.e. more than half, are independent. The indicators mentioned in recommendation C.7 were included in the overall assessment. In accordance with recommendation C.8 the opinion of the Administrative Board is explained in the Corporate Governance Statement.

Recommendation C.10 sentence 1 'The Chair of the Supervisory Board, the Chair of the Audit Committee, as well as the Chair of the committee that addresses Management Board remuneration, shall be independent from the company and the Management Board.'

The Chair of the Audit Committee is independent from the Company and from the Managing Directors. To this extent, this recommendation has been complied with.

The recommendation that also the Chair of the Administrative Board be independent from the Company and from the Managing Directors is not complied with. Immediately prior to taking office, the Chair of the Administrative Board was Chair of the Managing Directors and Deputy Chair of the Administrative Board. Pursuant to the criteria set forth in Recommendation C.7, he is not deemed to be independent from the company. Given the desire for personnel continuity in the management of the Company, the Administrative Board at that time resolved that the former Chair of the Managing Directors should become the Chair of the Administrative Board.

Recommendation D.4 'The Supervisory Board shall form a Nomination Committee, composed exclusively of shareholder representatives, which names suitable candidates to the Supervisory Board for its proposals to the General Meeting.'

The Administrative Board has waived the establishment of a Nomination Committee. The Administrative Board as a whole comprises seven members and thus has a manageable size. All members are representatives of the shareholders. In view of this fact, the Administrative Board considers it appropriate that the full Administrative Board does not transfer the task to a Nomination Committee.

Recommendation G.6 'The share of variable remuneration achieved as a result of reaching long-term targets shall exceed the share from short-term targets.'

The company does not comply with this recommendation. Its remuneration system is geared towards long-term and sustainable development. The Administrative Board does not believe that this requires variable remuneration from the achievement of long-term targets to exceed the portion from short-term targets.

The remuneration components with a one-year assessment basis are already designed to promote the long-term and sustainable development of the company. For example, one variable remuneration component is linked to the development of revenue in the respective financial year compared with the previous year. This means that two financial years are taken into account and not just one financial year. By defining the performance criteria at the beginning of the term of the respective employment contract without annual adjustments, this ensures that a permanent increase in revenue must be achieved in order to earn the respective variable compensation.

Moreover, the remuneration system stipulates that the total short-term variable remuneration should not be paid out immediately, but that a share of one third to one half should be converted to the respective long-term variable remuneration (LTI). The development of the respective LTI is determined by the performance of the GFT share price. Payment is made after three years. By linking to the weighted average price of GFT shares in the financial year prior to conversion and the weighted average price of GFT shares in the financial year prior to payment, a four-year assessment period was chosen. This also ensures that short-term developments, and in particular fluctuations in the share price, have no effect on long-term variable remuneration.

Recommendation G.7 sentence 1 'Referring to the forthcoming financial year, the Supervisory Board shall establish performance criteria for each Management Board member covering all variable remuneration components; besides operating targets, such performance criteria shall be geared mainly to strategic goals.'

Prior to the respective financial year, the Administrative Board sets the performance criteria for each Managing Director covering all variable remuneration components; besides operational targets, these performance criteria are geared mainly to strategic goals. However, not all performance criteria for variable remuneration components are set for the forthcoming financial year, but also for the conclusion of *the respective service agreement. Only one remuneration component is set for the forthcoming financial year.*

The Administrative Board is of the opinion that this procedure is appropriate within the framework of the existing remuneration system, which is geared to a long-term and consistent approach.

Recommendation G.10 'Taking the respective tax burden into consideration, Management Board members' variable remuneration shall be predominantly invested in company shares by the respective Management Board member or shall be granted predominantly as share-based remuneration. Granted long-term variable remuneration components shall be accessible to Management Board members only after a period of four years.'

The company does not comply with this recommendation. The variable remuneration granted is not predominantly invested in shares in the company or granted on a share-based basis. The company's remuneration system stipulates that one third to one half of the total short-term variable remuneration is converted to the respective long-term variable remuneration (LTI) after the end of the financial year in question. The development of the LTI is determined by the performance of the GFT share price.

Payment of the LTI is made after three years. By linking to the weighted average price of GFT shares in the financial year prior to conversion and the weighted average price of GFT shares in the financial year prior to payment, a four-year assessment period was chosen.

The Administrative Board believes that the overall stipulations made in the remuneration system encourage the Managing Directors to focus their efforts on the long-term promotion of the company's well-being and the ensuring of sustainable and long-term corporate success. This is all the more true as the variable remuneration components with a one-year assessment basis are already geared to sustainable and long-term corporate development (see also the explanation for the deviation from recommendation G.6).

Recommendation G.11 'The Supervisory Board shall have the possibility to account for extraordinary developments to an appropriate extent. It shall be permitted to retain or reclaim variable remuneration, if justified.'

No contractual agreement has been made with the Managing Directors to retain or reclaim variable remuneration in specific cases. The Administrative Board believes that the legal claims and rights, in particular the assertion of claims for enrichment and damages as well as rights of retention, are sufficient to protect the interests of the company.

Stuttgart, 12 December 2024

GFT Technologies SE
The Administrative Board'

Remuneration system and remuneration report
The current remuneration system according to section 87a (1) and (2) sentence 1 AktG and the last remuneration resolution according to section 113 (3) AktG are available online at www.gft.com/governance.

The remuneration report on the last financial year and the auditor's report according to section 162 AktG are also available at www.gft.com/governance.

Corporate governance practices
GFT Technologies SE is a European Company (SE) listed in Germany. It is primarily subject to the guidelines of Regulation (EC) number 2157/2001 of 8 October 2001 on the Statute for a European Company (SE Regulation) and the German Act Implementing Regulation (EC) number 2157/2001 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) also applies, among others. Further elements of corporate governance are the Articles of Association of GFT Technologies SE and the Rules of Procedure for the Administrative Board, the Audit Committee and the Managing Directors.

GFT Technologies SE has a one-tier management and control structure in which a single governance body, the Administrative Board, is responsible for managing and monitoring the company. The Managing Directors are responsible for the operating business. Information on the working practices of the Administrative Board and the Managing Directors is presented in the corresponding section.

The following corporate governance practices are applied:

Suggestions of the German Corporate Governance Code
GFT Technologies SE voluntarily fulfils the suggestions of the Code with the exception of suggestion A.8.

According to suggestion A.8 of the Code, in the event of a takeover offer, the Administrative Board should convene an Extraordinary General Meeting at which shareholders discuss the takeover offer and may decide on corporate actions. In view of the fact that convening a general meeting, even taking into account any applicable shorter deadlines under the German Securities Acquisition and Takeover Act, represents a significant organisational challenge, the Administrative Board reserves the right to decide on a case-by-case basis, taking due account of shareholder interests.

Code of Conduct
It is an overriding principle that all employees of the GFT Group, as well as subcontractors, comply with legally and ethically correct procedures in their daily business. The most important principles of the GFT Group on this matter are summarised and made binding by the 'Code of Ethics & Code of Conduct', which can be viewed online at www.gft.com/compliance. Subcontractors are obliged to comply with these principles of behaviour.

Description of the working practices of the Administrative Board, the composition and working practices of its committees, as well as the working practices of the Managing Directors
The company applies the disclosure obligations of section 289f (2) number 3 of the German Commercial Code (HGB) and section 315d in conjunction with section 289f (2) number 3 HGB to the Administrative Board, wherever the supervisory board is mentioned, and to the Managing Directors, wherever they apply to the management board.

Administrative Board
Pursuant to section 22 (1) SEAG, the Administrative Board manages the company, defines the principles of its activities 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. It also observes the recommendations of the German Corporate Governance Code (hereinafter referred to as the 'Code') taking into account the company's one-tier structure and the latest Declaration of Compliance it has issued.

The Articles of Association can be viewed at www.gft.com/governance and the Rules of Procedure for the Administrative Board can be viewed at www.gft.com/administrative-board.

The Administrative Board currently consists of seven members. They have the same rights and duties and are not bound by instructions. The Administrative Board comprises leading business figures with detailed knowledge and international experience of the IT sector, the banking, finance and industrial sectors, as well as law. The Administrative Board consists exclusively of shareholder representatives. The CVs of the Administrative Board members, which are updated annually, are available online at www.gft.com/administrative-board. For further information, please refer to the section 'Skills profile and targets for the composition of the Administrative Board'.

There is no worker co-determination on the Administrative Board. This is laid down in the Agreement on the Participation of Employees at GFT Technologies SE, which regulates the participation of European employees in the corporate governance of GFT Technologies SE.

The principles of cooperation and the decision processes within the Administrative Board are defined in the Articles of Association of GFT Technologies SE and the Rules of Procedure for the Administrative Board. The Administrative Board is regularly convened six times per financial year (meetings in person and videoconferences). In addition, meetings may be held if it is in the company's best interests or so requested by a member of the Administrative Board. The meetings are convened by the Chairman, who also sends notification of the agenda items. The Administrative Board constitutes a quorum if at least half of all members 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 accordance with legal regulations. In the case of instructions for the Managing Directors as a whole, or for individual Managing Directors, a qualified majority of two thirds of the votes cast by the Administrative Board is required. Resolutions are generally adopted during the meetings. Resolutions on urgent business transactions can also be adopted by written circulation. Minutes are taken of the meetings, of decisions in the meetings and of any resolutions adopted outside meetings.

The Administrative Board also regularly holds meetings in whole or in part without the presence of those members of the Administrative Board who have been appointed as Managing Directors. For example, contractual and compensation matters concerning those members appointed as Managing Directors are discussed without their presence. The same applies to the preparation of proposals by the Administrative Board for the Annual General Meeting for elections to the Administrative Board.

Moreover, members of the Administrative Board do not participate in discussions or the adoption of resolutions on transactions between themselves and GFT Technologies SE, or companies belonging to the GFT Group. This also applies if the contractual partner is not the member of the Administrative Board himself but a company for which the Administrative Board member works or in which he holds a controlling interest.

The procedures mentioned above are designed to avoid any suspicion of a conflict of interest.

The Administrative Board is directly involved in all fundamental decisions of the company and its affiliates. It receives swift, regular and comprehensive information from the Managing Directors – also on the basis of the information regulations contained in the Rules of Procedure for the Managing Directors (see also section 'Managing Directors') – on all significant decisions and all relevant questions concerning planning, business development, risks, the implementation of risk management and compliance. The Managing Directors also report on deviations in the course of business from the stated plans and targets, stating the reasons for such deviations. The Managing Directors inform the Administrative Board immediately about exceptional events of particular importance. As a result, the Administrative Board is able to evaluate current business progress, any deviations from plans and forecasts, individual significant transactions and the company's strategic alignment, and discuss the respective topics in detail with the Managing Directors. The Administrative Board also systematically identifies and discusses the risks and opportunities for the company and the Group associated with social and environmental factors, as well as the environmental and social impact of the company's activities. It takes the results into account in corporate strategy and planning.

The Administrative Board appoints the Managing Directors, regulates the service relationship by means of the service contract and ensures long-term succession planning. It determines the remuneration system for the Managing Directors, regularly reviews it, and sets the individual total remuneration of the individual Managing Directors. In doing so, it takes care that the remuneration contributes to the promotion of business strategy and the sustainable and long-term development of the company. It takes into account whether the remuneration of the Managing Directors is in line with the remuneration of senior managers and the workforce as a whole and how remuneration has developed over time. Details on the remuneration of the Managing Directors are provided in the remuneration report.

The Administrative Board and the Audit Committee it formed, conduct a self-assessment every two years. The last review was conducted in the financial year 2024. Among other things, the respective members assess how effectively they fulfil their tasks. The self-assessment is based on comprehensive company-specific questionnaires on all relevant topics. The results of the self-assessment confirm that meetings are organised and conducted efficiently, that the quality of discussions is very good and that information is provided in an appropriate manner. All of this leads to professional cooperation both within the Administrative Board and the Audit Committee and with the Managing Directors. In addition, the results of the self-assessment confirm that the composition and structure of the Administrative Board and its Audit Committee are appropriate. There is thus no need for change.

Audit Committee

The Administrative Board has set up an Audit Committee.

The Audit Committee consists of three members: Dr Annette Beller (Chairwoman), Maria Dietz and Prof Dr Andreas Wiedemann. The Chairman of the Administrative Board is thus not a member of the Audit Committee.

In the financial year 2024, the members in office as a whole had the necessary knowledge, skills and professional experience to properly perform the tasks of the Committee.

The Administrative Board and its Audit Committee include a member with expertise in the field of accounting, the Chairwoman of the Audit Committee, Dr Annette Beller, and at least one other member with expertise in the field of auditing, Prof Dr Andreas Wiedemann. According to the Code, the Chairwoman of the Audit Committee should be suitably expert and independent in at least one of the two fields. The Chairwoman of the Audit Committee, Dr Annette Beller, meets these requirements.

As a trained tax consultant and former auditor, Dr Annette Beller has extensive knowledge and experience in the application of accounting principles and internal control and risk management systems, as well as sustainability reporting. She has proven this in particular as an auditor at Deloitte GmbH Wirtschaftsprüfungsgesellschaft, as the long-standing Chief Financial Officer of the international B. Braun Group, as a member of the Administrative Board and Chairwoman of the Audit Committee of Landesbank Hessen-Thüringen Girozentrale, and as Chairwoman of the Audit Committee of Fraunhofer-Gesellschaft. At the same time, Dr Annette Beller also has particular knowledge and experience in the field of auditing financial statements due to the aforementioned activities. She is independent of the company and the Managing Directors.

Prof Dr Andreas Wiedemann has special knowledge and experience in auditing (including the auditing of sustainability reports). He is independent of the company and the Managing Directors and has been a member or chairman of the supervisory boards of several companies for many years. He has demonstrated his knowledge in these areas especially in the course of these activities.

Maria Dietz also has special knowledge and experience in the application of accounting principles and internal control and risk management systems, as well as auditing (in each case including those relating to sustainability reports and their auditing), which she gained during her many years of service at GFT Technologies SE and her supervisory board mandates, in particular at LBBW Asset Management Investmentgesellschaft mbh.

The tasks of the Audit Committee comprise:

- Preparation of the deliberations and resolutions of the Administrative Board for the approval of the annual financial statements and consolidated financial statements, as well as the combined management report including sustainability reporting;
- Discussion of the quarterly statements and the half-yearly financial report with the Managing Directors prior to their publication;
- Monitoring of the accounting process, the audit of the financial statements, the effectiveness and functionality of the internal control system, the risk management system, the internal audit system and the compliance management system, in each case including the processes and systems for collecting and processing sustainability-related data;
- Preparation of the Administrative Board's proposal to the Annual General Meeting for the election of the auditor;
- Monitoring the independence of the auditor;
- Agreeing the auditor's fee and determining the main focus areas of the audit together with the auditor;
- Assessing the quality of the audit;
- Resolution on the conditions for the provision of non-audit services by the auditor;
- Discussion with the auditor on the assessment of the audit risk, the audit strategy and audit planning as well as the audit results;
- Monitoring the internal procedure for recording related party transactions;
- Preparation of the Administrative Board Report to the Annual General Meeting.

The Audit Committee meets at least four times per financial year (in person and via videoconferencing). It is entitled to obtain any information it deems necessary from the auditors and the Managing Directors. The Audit Committee may also call upon consultants and experts appointed by them. In addition, each member of the Audit Committee may, through the Chairwoman of the Committee, obtain information directly from the heads of those corporate departments of the company responsible within the company for the tasks which concern the Audit Committee. The Chairwoman of the Committee shall communicate the information obtained to all members of the Audit Committee. If such information is obtained, the Managing Directors shall be informed thereof without delay.

The meetings of the Audit Committee shall be attended by the auditor and the Managing Directors unless otherwise determined by the Committee. In particular when the auditor is in attendance, the Audit Committee also meets regularly without the Managing Directors.

The Chairwoman of the Audit Committee regularly discusses the progress of the audit with the auditor and reports to the Committee.

Following the meetings of the Audit Committee, the latter reports in detail on its work to the Administrative Board. In the event of material occurrences and findings of the Audit Committee, the Chairwoman of the Committee informs the Chairman of the Administrative Board without delay.

Managing Directors

In the period from 1 January 2024 to 30 June 2024, GFT Technologies SE had three Managing Directors, with Marika Lulay as Chairwoman of the Managing Directors and CEO, Dr Jochen Ruetz as CFO and Jens-Thorsten Rauer. Marco Santos was appointed as an additional Managing Director and Co-CEO with effect from 1 July 2024. From that date, Marika Lulay was also Co-CEO.

On expiry of 31 December 2024, the terms of office of Marika Lulay and Jens-Thorsten Rauer as Managing Directors ended.

As of 1 January 2025, the company has two Managing Directors: Marco Santos as CEO and Dr Jochen Ruetz as CFO and Deputy CEO. Both Managing Directors are also members of the Administrative Board. GFT Technologies SE has thus made use of the authorisation in section 40 (1) sentence 2 SEAG to appoint members of the Administrative Board as

Managing Directors provided that the majority of the Administrative Board's members are non-executive members. Moreover, pursuant to section 16 (1) sentence 2 of the Articles of Association, the Administrative Board has appointed one Managing Director to be the Chief Executive Officer (CEO) and the other Managing Director to be the Deputy CEO.

Information on the individual Managing Directors and their areas of responsibility is available online at www.gft.com/management.

In accordance with section 10 (2) of the Articles of Association of GFT Technologies SE, the Administrative Board has issued Rules of Procedure for the Managing Directors, which are regularly reviewed and adapted wherever necessary, as in 2024 and 2025, in order to reflect the changing composition of the Managing Directors. The Rules of Procedure also include the information regulations, which specify the information and reporting obligations of the Managing Directors.

The Managing Directors act in accordance with legal regulations, the Articles of Association and the Rules of Procedure for the Managing Directors. In addition, they observe the Code within the framework of the Declaration of Compliance most recently issued by the Administrative Board. The Managing Directors are obliged to pursue the company's interests and its strategic principles. As described above, they report to the Administrative Board regularly. Moreover, the CEO is in regular contact with the Chairman of the Administrative Board.

The Managing Directors take joint responsibility for the company's business. The main tasks include the implementation of strategy, the operational management of the company, controlling, and the implementation of the risk management system adopted by the Administrative Board. In the case of certain transactions specified in the Articles of Association and the Rules of Procedure, they must obtain the prior consent of the Administrative Board.

The resolutions of the Managing Directors are always adopted at meetings (in person or via videoconferencing). These are generally held monthly. In urgent cases, resolutions are also adopted by written circulation, or by e-mail. The CEO 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 both of them participate in the adoption of a resolution. The two Managing Directors must adopt resolutions unanimously. Any matter on which they are unable to reach agreement must be brought to the attention of the Chairman of the Supervisory Board, who shall then mediate in the matter and, if mediation is unsuccessful, submit the matter to the Supervisory Board for a decision.

The Managing Directors have not formed any committees.

Targets for the share of women on the Administrative Board and on the two management levels below the Administrative Board

At its meeting on 9 May 2022, the Administrative Board of GFT Technologies SE resolved that by 30 April 2027 the proportion of women should amount to

1. 2/7 of the Administrative Board,
2. 1/4 of the first management level, comprising the Managing Directors of GFT Technologies SE, and
3. 1/6 of the second management level of GFT Technologies SE, comprising Executive Directors of GFT Technologies SE.

Skills profile and targets for the composition of the Administrative Board, diversity concept for the Administrative Board, implementation status

GFT Technologies SE applies the disclosure obligations pursuant to section 289f (2) number 6 HGB and section 315d in conjunction with section 289f (2) number 6 HGB relating to the executive body authorised to represent the company to the Managing Directors, and those relating to the supervisory board to the Administrative Board.

Skills profile, composition targets and diversity concept for the Administrative Board

The Administrative Board has adopted a skills profile with the aim of ensuring that its members as a whole have the skills and experience required for the management and supervision of the GFT Group. This is supported by ensuring appropriate diversity in terms of age, gender, education and international experience.

The members of the Administrative Board should have different professional experience and, as a whole, have the essential skills required in view of the GFT Group's activities. From the point of view of the Administrative Board, these include in-depth experience and knowledge in the following areas:

- Information technology, including digitalisation,
- Innovations and innovation management,
- Sectors in which clients of the GFT Group operate,
- Management and supervision of a capital market-oriented, internationally operating group, including corporate strategy and M&A,
- Finance, in particular general business administration, controlling, accounting and auditing
- Internal control and risk management systems,
- Legal and compliance issues and
- ESG and sustainability issues of importance to the company.

The Administrative Board of GFT Technologies SE should also be composed in such a way that – from the point of view of the Administrative Board – more than half the members not appointed as Managing Directors are independent from the company and its Managing Directors, as well as from any future controlling shareholder. The ownership structure is to be taken into account.

Moreover, an appropriate level of diversity on the Administrative Board is to be taken into account. The Administrative Board should aim to achieve a balanced age structure among its members. Both sexes should be represented, and the proportion of women should be at least two sevenths (see also the targets stated above for the share of women on the Administrative Board). Candidates for the Administrative Board shall not be younger than 30 years of age nor older than 75 years of age when they take up their duties. Taking into account the maximum term of office of six years, the age limit for members of the Administrative Board is therefore 81 years.

The Administrative Board believes that its current composition meets the defined objectives as well as the skills profile. The diversity concept is adequately taken into account.

More than half of its members not appointed as Managing Directors are independent (see section below 'Independence of the Administrative Board members') and the ownership structure is taken into account. The age profile is appropriate. The defined proportion of women has been observed. The requirements regarding a suitable skills profile are all met. The members of the Administrative Board offer different professional and international experience. As a whole, its members have skills and experience that are essential for the management and supervision of the GFT Group. Collectively, they are familiar with the information technology industry as well as with those sectors in which the company's clients operate. Several members have specialist knowledge and experience in the areas of accounting, auditing, internal control systems and risk management systems, including sustainability reporting and auditing. They also have in-depth experience and knowledge in the management and supervision of a capital market-oriented, internationally active group, in the area of corporate strategy and in the areas of law and compliance. For details, please refer to the skills matrix for the Administrative Board presented below.

A new member was elected to the Administrative Board in the financial year 2024: Marco Santos was elected to the Administrative Board by the Annual General Meeting as a replacement for Marika Lulay, who stepped down from her position as a member of the Administrative Board with effect from the end of the Annual General Meeting. In its election proposal to the Annual General Meeting, the Administrative Board ensured that the current targets for its composition, the diversity concept and the skills profile were considered in full. This was achieved with the election of Marco Santos (see also the qualification matrix for the Administrative Board below).

Independence of the Administrative Board members

The Administrative Board only applies the relevant recommendations of the Code with regard to the independence of supervisory board members, in accordance with the recommendation of the EU Commission of 15 February 2005 on the duties of non-executive directors/supervisory board members/listed companies as well as on committees of the administrative board/supervisory board (section 4), to those members of the Administrative Board who are not appointed as Managing Directors. The following statements do not therefore contain any information about those members of the Administrative Board appointed as Managing Directors.

The Administrative Board regards one of its members as independent if (1) he/she is independent from any controlling shareholder and (2) is independent from the company and the Managing Directors.

The Administrative Board believes that at all times during the financial year 2024 three of its members were independent, namely Dr Paul Lerbinger, Dr Annette Beller and Prof Dr Andreas Wiedemann.

No controlling shareholder
The company has no controlling shareholder. Ulrich Dietz holds approx. 26% of shares in the company and does therefore not have an absolute voting majority. There is no control agreement with Ulrich Dietz. He does not have a majority at shareholders' meetings. There is no allocation of voting rights of other persons to Ulrich Dietz as defined by section 34 German Securities Trading Act (WpHG).

Independence from the company and the Managing Directors
A member of the Administrative Board is considered independent from the company and the Managing Directors if he/she has no personal or business relationship with the company or its Managing Directors that may cause a substantial – and not merely temporary – conflict of interest.

When assessing the independence of its members from the company and the Managing Directors, the Administrative Board takes into consideration in particular the following aspects; whether the respective member – or a close family member

- was a Managing Director of the company in the two years up to his/her election to the Administrative Board, or before the change to a European Company was a member of the Executive Board in the two years up to his/her election to the Supervisory Board,
- has (or has had) a material business relationship with the company or one of the entities dependent upon the company at present or in the year up to his/her election to the Administrative Board, directly or as a shareholder, or in a leading position of a non-group entity,
- is a close family member of a Managing Director or
- has been a member of the Administrative Board (or Supervisory Board before the change to a European Company) for more than 12 years.

The members of the Administrative Board Dr Annette Beller and Prof Dr Andreas Wiedemann are independent according to the aforementioned indicators. Although Dr Paul Lerbinger fulfils one of the indicators, he is still considered independent of the Administrative Board:

Dr Paul Lerbinger has been a member of the Administrative Board (and of the Supervisory Board prior to the company's conversion to an SE) since January 2011. Despite being a board member for more than 12 years, the Administrative Board considers him to be independent. Dr Lerbinger is personally and financially independent in every respect. His numerous, often critical questions and comments at meetings clearly demonstrate that Dr Lerbinger has the necessary detachment from the company and the Managing Directors to perform his duties independently and conscientiously. The Administrative Board also considers Dr Paul Lerbinger's wealth of experience, particularly his knowledge and experience in the banking sector, to be of great value.

Diversity concept for the Managing Directors
In view of the fact that GFT Technologies SE currently has merely two Managing Directors, no diversity concept is being pursued. For the appointment of new Managing Directors, the Administrative Board will take into account the currently valid target share for women of one quarter.

The service agreements with all Managing Directors provide that they will end no later than at the end of the year in which the Managing Director reaches the age of 65.

Long-term succession planning for the Managing Directors
Together with the Managing Directors, the Administrative Board is responsible for the long-term succession planning of the Managing Directors. To this end, the members of the Administrative Board regularly exchange views with the Managing Directors, who also present suitable internal candidates to the Administrative Board. In addition, executives of the GFT Group regularly present topics at meetings of the Administrative Board. This enables the latter to form its own opinion of their personal and professional suitability as Managing Directors. Furthermore, the Administrative Board makes its own considerations regarding suitable internal candidates and, if necessary, also evaluates external candidates.

Stuttgart, 27 March 2025

GFT Technologies SE
The Managing Directors

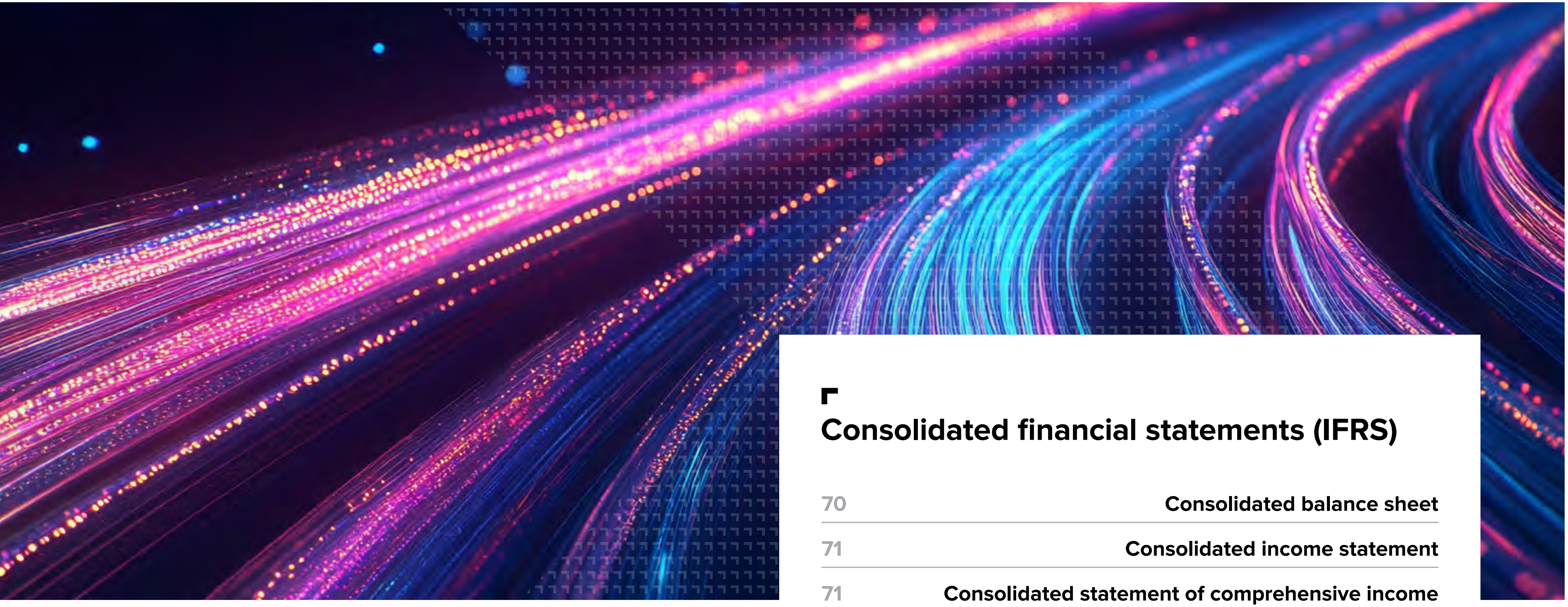
Marco Santos
Global Chief Executive Officer (CEO)

Dr. Jochen Ruetz
Chief Financial Officer (CFO) &
deputy Chief Executive Officer (dep. CEO)

Skills profile for the Administrative Board

	Ulrich Dietz (Chairman)	Dr Paul Lerbinger (Deputy Chairman)	Dr Annette Beller	Maria Dietz	Dr Jochen Ruetz[1]	Marco Santos[1]	Prof Dr Andreas Wiedemann
Member since-until	**18/08/2015**	**14/01/2011**	**22/06/2023**	**18/08/2015**	**18/08/2015**	**20/06/2024**	**18/08/2015**
Appointed as Managing Director (executive)					**X**	**X**	
Independence							
acc. to GCGC indicators			X		n.a.[2]	n.a.[2]	X
acc. to reasoned assessment of the Administrative Board		X	X	X	n.a.[2]	n.a.[2]	X
Diversity							
Year of birth	1958	1955	1960	1962	1968	1975	1968
Gender	male	male	female	female	male	male	male
Nationality	DE	DE	DE	DE	DE	BR	DE
International experience	yes	yes	yes	yes	yes	yes	yes
Profession	Chairman of the Administrative Board of GFT Technologies SE	Deputy Chairman of the Administrative Board of GFT Technologies SE and former Chairman of the Executive Board of HSH Nordbank AG	Member of the Administrative Board of GFT Technologies SE and former Chief Financial Officer of B. Braun SE	Member of the Administrative Board of GFT Technologies SE and former Head of Purchasing of the GFT Group	Managing Director of GFT Technologies SE (CFO & Dep. CEO) Responsible for IT Infrastructure, Human Resources, Finance, Investor Relations, Legal Affairs, Auditing and M&A	Chairman of the Managing Directors of GFT Technologies SE, (CEO) Responsible for Strategy and Business Development, Markets, Communication, Marketing, Technology and Innovation	Lawyer and general partner in the law firm Hennerkes, Kirchdörfer & Lorz
Educational background	Engineering	Business management	Business management	Business management	Business management	Computer science	Law
Skills							
Information technology, digitalisation	X	X	X	X	X	X	
Innovation management	X			X		X	
Banking and insurance sector		X	X			X	
Industry (plant and mechanical engineering, automotive industry)	X	X	X				
Corporate management and control, incl. strategy and M&A	X	X	X	X	X	X	X
Finance		X	X	X	X		X
Risk management and internal control systems		X	X	X	X		X
Financial expert		X	X		X		X
Law/compliance			X	X	X		X
Sustainability/ESG			X	X	X		X

1 Marco Santos and Dr Jochen Ruetz are also appointed as Managing Directors of the company.
2 In accordance with the EU Commission Recommendation of 15 February 2005 on the duties of non-executive directors/supervisory board members of listed companies and on the committees of the administrative/supervisory board (section 4), an assessment of independence is only made for those members of the Administrative Board who are not appointed as Managing Directors.



Consolidated financial statements (IFRS)

70	Consolidated balance sheet
71	Consolidated income statement
71	Consolidated statement of comprehensive income
72	Consolidated statement of changes in equity
73	Consolidated cash flow statement
74	Consolidated financial statements
128	Responsibility Statement
129	Independent auditor’s report
136	Financial calendar 2025, service and imprint

Our key figures

Consolidated balance sheet

as at 31 December 2024, GFT Technologies SE

Assets

in €	Note	31/12/2024	31/12/2023
Non-current assets			
Goodwill	4.1	230,351,781.92	162,791,888.17
Other intangible assets	4.2	34,316,812.18	19,502,531.44
Property, plant and equipment	4.3	59,506,542.56	60,308,581.14
Financial investments		0.00	696,217.60
Other financial assets	4.4	1,166,754.10	1,165,739.26
Deferred tax assets	4.5	10,193,453.97	12,406,726.52
Income tax assets	4.5	0.00	8,796.00
Other assets	4.4	4,298,671.90	4,336,665.82
		339,834,016.63	**261,217,145.95**
Current assets			
Inventories	4.6	263,629.62	93,867.50
Trade receivables	4.7	161,555,278.75	166,535,917.19
Contract assets	4.8	24,250,921.17	25,025,719.14
Cash and cash equivalents	7	80,196,229.64	70,340,638.75
Other financial assets	4.4	4,730,215.18	5,610,121.96
Income tax assets	4.5	16,327,430.24	10,373,312.21
Other assets	4.4	25,491,825.52	23,321,351.43
		312,815,530.12	**301,300,928.18**
		652,649,546.75	**562,518,074.13**

Equity and liabilities

in €	Note	31/12/2024	31/12/2023
Shareholders' equity			
Share capital	4.9	26,325,946.00	26,325,946.00
Capital reserve	4.9	42,147,782.15	42,147,782.15
Retained earnings	4.9	206,180,950.10	174,059,064.95
Other reserves	4.9	−3,477,664.47	−1,468,946.26
		271,177,013.78	**241,063,846.84**
Non-current liabilities			
Financing liabilities	4.12	70,344,619.14	20,000,000.00
Other financial liabilities	4.13	26,498,334.22	28,410,575.18
Provisions for pensions	4.10	6,697,343.53	5,652,464.73
Other provisions	4.11	3,960,147.67	5,516,208.26
Deferred tax liabilities	4.5	13,588,777.92	7,972,962.39
Other liabilities	4.13	891,916.49	821,346.68
		121,981,138.97	**68,373,557.24**
Current liabilities			
Trade payables	4.12	12,980,452.52	13,571,088.78
Financing liabilities	4.12	52,385,748.28	45,947,997.19
Other financial liabilities	4.13	22,707,177.71	20,245,544.44
Other provisions	4.11	50,930,946.86	55,389,804.85
Income tax liabilities	4.5	7,756,308.11	14,227,129.55
Contract liabilities	4.8	45,006,129.94	40,833,020.84
Other liabilities	4.13	67,724,630.58	62,866,084.40
		259,491,394.00	**253,080,670.05**
		652,649,546.75	**562,518,074.13**

Consolidated income statement

for the financial year 2024, GFT Technologies SE

in €	Note	2024	2023
Revenue	5.1	870,920,110.28	788,870,728.29[1]
Other operating income	5.2	28,349,087.56	16,266,122.00
Cost of purchased services	5.3	−111,165,519.69	−106,210,782.59
Personnel expenses	5.4	−622,295,136.31	−541,661,456.67
Other operating expenses	5.5	−71,856,310.97	−67,507,963.00[1]
Result from operating activities before depreciation and amortisation		**93,952,230.87**	**89,756,648.03**
Depreciation and amortisation of intangible assets and property, plant and equipment	5.7	−22,963,025.40	−21,359,405.34
Result from operating activities		**70,989,205.47**	**68,397,242.69**
Result from financial investments		−696,217.60	0.00
Interest income		2,586,374.71	3,105,841.77
Interest expenses		−7,866,076.52	−3,500,781.11
Financial result	5.8	**−5,975,919.41**	**−394,939.34**
Earnings before taxes		**65,013,286.06**	**68,002,303.35**
Income taxes	5.9	−18,533,781.55	−19,637,767.65
Net income for the year		**46,479,504.51**	**48,364,535.70**
Earnings per share – basic	5.10	1.77	1.84

Consolidated statement of comprehensive income

for the financial year 2024, GFT Technologies SE

in €	Note	2024	2023
Net income for the year		**46,479,504.51**	**48,364,535.70**
Items that will not be reclassified to the income statement			
Actuarial gains/losses from pensions (before taxes)[2]	4.10	−1,523,284.04	−32,861.20
Income taxes on actuarial gains/losses from pensions		328,637.68	1,567.35
Actuarial gains/losses from pensions (after taxes)		−1,194,646.36	−31,293.85
Items that may be reclassified to the income statement			
Currency translation	6	−2,008,718.21	3,495,642.52
Other comprehensive income		**−3,203,364.57**	**3,464,348.67**
Total comprehensive income		**43,276,139.94**	**51,828,884.37**

1 Adapted due to the reclassification of sales-related taxes in the amount of € −12,865,810.15 from other operating expenses
2 Actuarial gains/losses are generally recognised at year-end based on corresponding expert reports

Consolidated statement of changes in equity

for the financial year 2024, GFT Technologies SE

in €	Note	Share capital	Capital reserve	Retained earnings[1]	Other reserves	Total equity
					Currency translation	
Balance at 1 January 2023		**26,325,946.00**	**42,147,782.15**	**137,572,498.80**	**–4,964,588.78**	**201,081,638.17**
Net income for the year		–	–	48,364,535.70	–	48,364,535.70
Other comprehensive income		–	–	–31,293.85	3,495,642.52	3,464,348.67
Total comprehensive income		**–**	**–**	**48,333,241.85**	**3,495,642.52**	**51,828,884.37**
Dividends to shareholders		–	–	–11,846,675.70	–	–11,846,675.70
Balance at 31 December 2023		**26,325,946.00**	**42,147,782.15**	**174,059,064.95**	**–1,468,946.26**	**241,063,846.84**
Balance at 1 January 2024		**26,325,946.00**	**42,147,782.15**	**174,059,064.95**	**–1,468,946.26**	**241,063,846.84**
Net income for the year		–	–	46,479,504.51	–	46,479,504.51
Other comprehensive income		–	–	–1,194,646.36	–2,008,718.21	–3,203,364.57
Total comprehensive income		**–**	**–**	**45,284,858.15**	**–2,008,718.21**	**43,276,139.94**
Dividends to shareholders	4.9	–	–	–13,162,973.00	–	–13,162,973.00
Balance at 31 December 2024		**26,325,946.00**	**42,147,782.15**	**206,180,950.10**	**–3,477,664.47**	**271,177,013.78**

1 Retained earnings also include items that will not be reclassified to the consolidated income statement

Consolidated cash flow statement

for the financial year 2024, GFT Technologies SE

in €	Note	2024	2023
Net income for the year		46,479,504.51	48,364,535.70
Income taxes	5.9	18,533,781.55	19,637,767.65
Financial result	5.8	5,975,919.41	394,939.34
Income taxes paid		−29,677,614.30	−19,143,431.61
Income taxes received		2,619,427.41	2,683,578.86
Interest paid		−6,782,271.97	−2,733,037.18
Interest received		2,637,116.99	3,051,470.32
Depreciation and amortisation of intangible assets and property, plant and equipment	5.7	22,963,025.40	21,359,405.34
Net proceeds on disposal of intangible assets and property, plant and equipment		155,493.01	241,924.63
Other non-cash expenses and income		−3,616,920.39	−750,451.27
Change in trade receivables		8,140,988.70	−9,072,690.09
Change in contract assets		6,520,104.36	−2,736,004.80
Change in other assets		2,477,103.63	−4,395,737.25
Change in provisions		−6,794,672.16	1,952,779.14
Change in trade payables		−1,180,151.01	1,354,056.01
Change in contract liabilities		1,870,536.20	−2,819,412.66
Change in other liabilities		2,098,343.47	−16,946,708.22
Cash flow from operating activities		**72,419,714.81**	**40,442,983.91**

in €	Note	2024	2023
Proceeds from disposal of property, plant and equipment		85,786.39	147,715.39
Capital expenditure for intangible assets	4.2	−1,067,061.70	−11,049.60
Capital expenditure for property, plant and equipment	4.3	−3,816,445.91	−4,192,394.30
Cash outflows for acquisitions of consolidated companies net of cash and cash equivalents acquired	3.2	−79,447,225.72	−46,250,366.54
Cash flow from investing activities		**−84,244,946.94**	**−50,306,095.05**
Proceeds from borrowing	7	130,576,608.00	57,344,192.82
Cash outflows from loan repayments	7	−78,670,835.67	−33,914,636.92
Cash outflows from repayment of lease liabilities	4.3	−11,931,795.47	−11,567,765.76
Dividends to shareholders	4.9	−13,162,973.00	−11,846,675.70
Cash flow from financing activities		**26,811,003.86**	**15,114.44**
Effect of foreign exchange rate changes on cash and cash equivalents		−5,130,180.84	1,966,088.40
Net increase in cash and cash equivalents		**9,855,590.89**	**−7,881,908.30**
Cash and cash equivalents at beginning of period		70,340,638.75	78,222,547.05
Cash and cash equivalents at end of period	**7**	**80,196,229.64**	**70,340,638.75**

1 General information

The GFT Group is a global pioneer of digital transformation. GFT designs AI-centric business solutions for leading banks, insurers and industrial companies. Its main business activities are the modernisation of IT platforms and the development of solutions in the field of data and artificial intelligence (AI).

GFT Technologies SE is the parent company of the GFT Group.

GFT Technologies SE is a European 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. The GFT Technologies SE share is listed in the Prime Standard segment of the Frankfurt Stock Exchange and is publicly traded.

The consolidated financial statements of GFT Technologies SE are prepared in euros (€). Unless stated otherwise, figures are stated in thousands of euros (€ thousand). Amounts are rounded using standard commercial methods.

The consolidated financial statements were released for publication by the Administrative Board of GFT Technologies SE on 27 March 2025.

2 Accounting methods

2.1 Basis of preparation of the financial statementss

The consolidated financial statements of GFT Technologies SE and its subsidiaries for the financial year ending 31 December 2024 have been drawn up in accordance with the International Financial Reporting Standards (IFRS), as they are to be applied in the European Union (EU), and the additional requirements of German commercial law pursuant to section 315e (1) of the German Commercial Code (HGB).

The GFT Group has prepared its financial statements on the assumption that it will be able to continue as a going concern.

With the exception of certain items, such as financial assets at fair value through profit or loss, derivative financial instruments or hedged items, contingent consideration from business combinations, as well as pensions and similar obligations, the consolidated financial statements have been prepared in accordance with the principle of historical cost. The valuation methods applied for the exceptions are described below.

The presentation of the consolidated balance sheet distinguishes between current and non-current assets and liabilities. Assets and liabilities are classified as current if they fall due within one year or within a longer normal business cycle. Deferred tax assets and liabilities, as well as assets and provisions for pensions and similar obligations are presented as non-current items. The consolidated income statement has been prepared using the nature of expense method.

The GFT Group has consistently applied the following accounting methods to all periods presented in these consolidated financial statements unless otherwise stated. Changes in accounting methods in these consolidated financial statements are described in note 2.2.

The consolidated financial statements contain comparative information for the previous reporting period. In addition, the GFT Group reports an additional balance sheet at the beginning of the previous reporting period if an accounting method is applied retrospectively or items in the financial statements are adjusted or reclassified retroactively and this has a material effect on the information in the balance sheet.

2.2 Changes in accounting methods

New IFRS pronouncements

The IASB has published the following standards and interpretations, as well as amendments to standards and interpretations, which have been endorsed by the EU and whose application is mandatory for financial years beginning on 1 January 2024:

New IFRS pronouncements requiring mandatory application in the financial year

IFRS pronouncement	
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IFRS 16	Lease Liability in a Sale and Lease-back
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The new IFRS pronouncements had no or only an insignificant impact on the accounting methods or the financial position and performance of the GFT Group in the financial year 2024.

The GFT Group has not prematurely applied any new or amended IFRS standards or interpretations which have been published but not yet come into force (see note 2.7).

2.3 Consolidation principles

Subsidiaries

The consolidated financial statements comprise the financial statements of GFT Technologies SE and the financial statements of all subsidiaries over which GFT Technologies SE can exercise direct or indirect control. Control exists when the parent company has decision-making power over the subsidiary based on voting rights or other rights, participates in variable positive and negative returns of the subsidiary and can influence these returns through its decision-making power.

The consolidation of a subsidiary begins on the day on which the GFT Group gains control of the subsidiary. It ends when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the reporting period are recognised in the consolidated financial statements from the date on which the Group gains control of the subsidiary until the date on which control ceases.

Changes in shares in subsidiaries that decrease or increase the shareholding of the GFT Group without a change in control are shown as transactions between equity providers with no effect on income.

If the GFT Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and all related non-controlling interests and other equity components. Any resulting gain or loss is recognised in the income statement. Any retained interest in the former subsidiary is measured at fair value as of the date on which control is lost.

The financial statements of the consolidated subsidiaries included in the consolidated financial statements are prepared as of the balance sheet date of the consolidated financial statements. The financial statements of GFT Technologies SE and its subsidiaries included in the consolidated financial statements are prepared in accordance with uniform recognition and measurement principles. All intragroup assets and liabilities, equity, income and expenses and cash flows from transactions between the companies included in the consolidated financial statements are eliminated in full on consolidation. Income tax consequences during consolidation are taken into account by recognising deferred taxes.

Non-controlling interests in equity and total comprehensive income for the period are disclosed separately from the proportion attributable to shareholders of GFT Technologies SE.

Shares in associated companies

Shares in associated companies are accounted for using the equity method. Associated companies are companies in which the GFT Group has a significant influence but not control or joint control over the financial and operating policies. As a rule, significant influence is exerted when the company holds direct or indirect voting rights of between 20% and 50%.

Investments in financial assets accounted for using the equity method are initially recognised at cost, which includes transaction costs. After initial recognition, the consolidated financial statements include the Group's share of the comprehensive income of financial assets accounted for using the equity method until the date on which significant influence or joint control ceases.

The financial statements of associated companies are prepared as of the same reporting date as the consolidated financial statements. Where necessary, adjustments are made to uniform Group accounting methods. Unrealised profits and losses from transactions between the GFT Group and associated companies are eliminated according to the share in the associated company.

2.4 Currency translation

Business transactions in foreign currency
Foreign currency transactions in the separate financial statements of Group companies are translated into the functional currency – if different from the local currency in the country of domicile – at the relevant mean spot exchange rates at the time of the transaction. Exchange rate gains or losses from the measurement of monetary items in foreign currency at the closing rate in the period up to the balance sheet date are recognised in profit or loss under other operating income or other operating expenses.

Currency differences from foreign currency loans are excluded from recognition in profit or loss if they are designated as part of a net investment in a foreign operation, in other words if repayment is neither planned nor likely to occur in the foreseeable future. Such currency differences are recognised directly in equity under other comprehensive income and only reclassified to the income statement on a cumulative basis when the loan is redeemed or on disposal of the operating business.

Non-monetary items in a foreign currency are carried at historical exchange rates.

Group companies
The separate financial statements of foreign Group companies are translated into the reporting currency (euro) in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates* using the functional currency concept. The functional currency of the operating companies is generally the respective local currency, as the foreign companies operate their business independently in financial, economic and organisational terms. Assets and liabilities are translated at the closing rate on the balance sheet date, while equity is carried at historical exchange rates. The income statements are translated into euros at the corresponding average exchange rates for the period. The resulting translation differences are recognised in other comprehensive income and reported in other reserves in equity. On disposal of a foreign subsidiary, the corresponding amount accumulated in equity up to that date is reclassified to profit or loss as part of the gain or loss on disposal. A prorated reclassification to profit or loss is also made in the event of a capital repayment without reducing the stake. The share of equity in foreign associated companies is translated in accordance with the procedure described for subsidiaries.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation and translated at the spot rate on the reporting date.

The following table shows the most important foreign exchange rates used to translate the separate financial statements in foreign currencies.

Foreign exchange rates

		Rate on reporting date		Average rate	
in €		31/12/2024	31/12/2023	2024	2023
BRL	Brazil	6.4253	5.3618	5.8283	5.4010
CAD	Canada	1.4948	1.4642	1.4821	1.4595
COP	Colombia	4,561.2758	4,277.2128	4,373.8864	4,673.1264
GBP	UK	0.8292	0.8691	0.8466	0.8698
MXN	Mexico	21.5504	18.7231	19.8314	19.1830
PLN	Poland	4.2750	4.3395	4.3058	4.5420
USD	USA	1.0389	1.1050	1.0824	1.0813

2.5 Significant accounting and valuation methods

Business combinations
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Every contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration that is not classified as equity is measured at fair value through profit or loss at each subsequent reporting date.

Goodwill
The goodwill resulting from a business combination is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed (purchase price allocation). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. Goodwill at subsidiaries is carried in their functional currency.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not subject to scheduled amortisation, but is tested for impairment annually. A review is also performed when events or circumstances arise that indicate that the carrying amount may not be recoverable. Goodwill is tested for impairment at the level of a cash-generating unit, which is generally represented by a segment. The cash-generating unit is the lowest level at which goodwill is monitored for internal management purposes.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash-generating unit that is expected to benefit from the synergies of the business combination. If the carrying amount of the cash-generating unit to which the goodwill was allocated exceeds its recoverable amount, an impairment loss is recognised for the goodwill allocated to this cash-generating unit. The recoverable amount is the higher of the fair value less costs to sell and the value in use of the cash-generating unit. Fair value is the recoverable amount from the sale at market conditions. The value in use is determined by discounting future cash flows after taxes with a risk-adjusted discount rate (weighted average cost of capital – WACC) after taxes. Specific peer group information for beta factors, capital structure data and the cost of borrowing are used to determine the risk-adjusted interest rate for impairment test purposes. Periods not included in the planning calculations are considered by recognising a terminal value. Various sensitivity analyses are also conducted. These show that there is no need for impairment even if the assumptions for key influencing factors are less favourable than the original planning. If value in use is lower than the carrying amount, fair value less disposal costs is also to determine the recoverable amount.

The determination of the recoverable amount of a cash-generating unit to which goodwill has been allocated involves estimates by management. The earnings forecast on the basis of these estimates is influenced, for example, by the successful integration of acquired companies, volatility on the capital markets, interest rate developments, fluctuations in exchange rates or expected economic developments. The discounted cash flow valuations used to determine the recoverable amount are subject to five-year projections based on financial forecasts. The cash flow forecasts take past experience into account and are based on management's best estimate of future developments. Cash flows beyond the planning period are extrapolated using individual growth rates. The key assumptions on which the calculation of fair value less costs to sell and value in use is based include estimated growth rates and weighted average cost of capital. These estimates and the underlying methodology can have a significant impact on the respective values and ultimately on the amount of a possible impairment of goodwill.

There are no reversals of impairment losses on amortised goodwill.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Other intangible assets
Intangible assets are measured at cost less accumulated amortisation. If necessary, accumulated impairment losses are recognised.

Subsequent expenses are only capitalised if they increase the future economic benefit of the asset to which they relate.

Intangible assets with a finite useful life are amortised on a straight-line basis over their expected useful lives. The expected useful life for licenses and similar rights is generally three to five years, except for intangible assets with finite useful lives acquired in business combinations. These consist in particular of customer relationships with useful lives of between four-and-a-half and ten years for certain transactions.

Development costs for software are capitalised if the recognition criteria of IAS 38 *Intangible Assets* are met. After initial recognition, the asset is carried at cost less cumulative amortisation and cumulative impairment losses. Capitalised development costs include all directly attributable direct costs as well as prorated attributable overheads and are amortised on a straight-line basis over the planned product life (maximum five years).

The amortisation period for other intangible assets with finite useful lives is reviewed at least at the end of each financial year. Changes in the expected useful life are treated as a change in estimates.

The GFT Group reviews at each balance sheet date whether there are any indications of impairment or impairment reversal of other intangible assets. If such indications exist, the GFT Group makes an estimate of the recoverable amount of the asset. The recoverable amount is determined for each individual asset, unless the asset generates cash flows that are not largely independent of those of other assets or groups of assets (cash-generating units). Other intangible assets with indefinite useful lives are tested for impairment at least once a year at the level of the cash-generating units. If the carrying amount of an asset or cash-generating unit exceeds the recoverable amount, an impairment loss is recognised for the difference. For details on impairment testing, please see the comments in the above subsection on goodwill.

On each balance sheet date, an assessment is made as to whether an impairment loss recognised in prior periods no longer exists or may have decreased. If this is the case, the GFT Group reverses the impairment in part or in full, increasing the carrying amount to the recoverable amount. However, the increased carrying amount may not exceed the carrying amount that would have been determined (net of scheduled amortisation) had no impairment loss been recognised in prior years.

Research and non-capitalised development costs
Research and development expenses that do not have to be capitalised under IAS 38 *Intangible Assets* are recognised in the income statement at the time they are incurred.

Borrowing costs

Borrowing costs are expensed as incurred unless they are directly attributable to the acquisition or production of a qualifying asset and are therefore included in the cost of that asset.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses.

Subsequent expenditure incurred after the property, plant and equipment has been put into operation is only capitalised if it is probable that the future economic benefits associated with the expenditure will flow to the GFT Group. Maintenance and repair costs for property, plant and equipment are generally expensed in the period in which they are incurred.

The GFT Group applies the straight-line method of depreciation. Scheduled depreciation of property, plant and equipment is based on the following useful lives of assets.

Useful lives of property, plant and equipment

	Years
Buildings	40–50
Improvements in buildings/leasehold improvements	5–15
Operating and office equipment	3–25

The depreciation methods, useful lives and residual values of property, plant and equipment are reviewed at least at the end of each financial year and adjusted prospectively if necessary.

Property, plant and equipment are derecognised either on disposal (in other words at the time when the recipient obtains control) or when no further economic benefit is expected from the continued use or disposal of the recognised asset. The gains or losses resulting from the derecognition of the asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in profit or loss in the period in which the asset is derecognised.

Leases

Lease agreements include all arrangements that transfer the right to use or control a specific asset for a specified period in return for a payment, even if the right to use such asset is not explicitly described in the arrangement. In order to assess whether an agreement contains the right to control an identified asset, the GFT Group uses the definition of a lease as defined by IFRS 16.

The GFT Group is a lessee in particular of real estate and vehicles and a lessor – to an insignificant extent – of real estate.

GFT Group as lessee

The GFT Group applies the standard recognition and measurement approach of IFRS 16 for all leases (with the exception of short-term leases and leases of low-value assets). It recognises lease liabilities for lease payments and right-of-use assets for the right to use the underlying assets.

The GFT Group recognises right-of-use assets at the commencement date of the lease, in other words the date on which the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. The acquisition cost of the right-of-use asset is measured as the present value of all future lease payments plus any lease payments made at or before the inception of the lease, contract signing costs and the estimated cost of restoring the leased asset. All leasing incentives received are deducted. In determining the cost of the right-of-use asset, the GFT Group has elected to consider payments for non-lease components, such as service, as lease payments.

Right-of-use assets are depreciated on a straight-line basis over the lease term. If the lease payments to be taken into account also include the transfer of ownership of the underlying asset at the end of the lease term, including the exercise of a purchase option, the asset is depreciated over its useful economic life. Right-of-use assets are continuously adjusted for impairment, where necessary, and for certain revaluations of the lease liabilities.

Initial recognition of lease liabilities is determined as the present value of the lease payments to be made over the lease term less advance payments made. Lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives to be received from the lessor,
- variable lease payments linked to an index or (interest) rate,
- amounts expected to be paid under residual value guarantees,
- the exercise price of a purchase option reasonably certain to be exercised and
- penalties for terminating the lease if the assumed lease term reflects the Group exercising the option to terminate.

Lease payments are discounted at the interest rate implicit in the lease if this can be determined. Otherwise, they are discounted at the incremental borrowing rate.

The GFT Group generally applies the incremental borrowing rate. As a risk-adjusted interest rate, the incremental borrowing rate is derived on the basis of specific terms according to the contractual terms. The difference between the different payment patterns of the reference interest rates (bullet maturity) and the leases (annuity) is taken into account by adjusting the duration.

A number of lease agreements, especially concerning real estate, contain extension and termination options. These contractual conditions offer the GFT Group a high degree of flexibility. When determining the lease term, all facts and circumstances are taken into account that provide an economic incentive to exercise extension options or not to exercise termination options. When determining the term of the lease, such options are only taken into account if they are sufficiently certain.

Lease liabilities are measured at amortised cost using the effective interest method. Under this method, the amount of the lease liabilities is increased to reflect the higher interest expense and decreased to reflect the lease payments made. Moreover, the carrying amount of the lease liabilities is remeasured to fair value if there are changes in the lease, in the term of the lease, in lease payments (such as changes in future lease payments resulting from a change in the index or interest rate used to determine these payments) or a change in the assessment of whether a purchase, extension or termination option is exercised for the underlying asset.

If lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount of the right-of-use asset has decreased to zero.

In the case of short-term leases (in other words leases with a term of no more than twelve months from the inception date and with no purchase option) and leases where the underlying asset is of low value, the GFT Group exercises the option not to recognise right-of-use assets and lease liabilities. Instead, the lease payments associated with these leases are expensed on a straight-line basis over the lease term.

In the balance sheet, the GFT Group discloses right-of-use assets under property, plant and equipment and lease liabilities under other financial liabilities. Amortisation of right-of-use assets is recognised in the income statement under 'Depreciation and amortisation of intangible assets and property, plant and equipment'. Interest on lease liabilities is recognised in interest expenses.

Shares in associated companies

The Group's shares in associated companies are accounted for using the equity method. Under the equity method, investments in associates are initially recognised at cost. The carrying amount of the investment is adjusted to reflect changes in the Group's share of the associate's net assets since the acquisition date. The cumulative changes after the acquisition date increase or decrease the carrying amount of the investment in the associate. If the losses of an associate attributable to the GFT Group correspond to or exceed the value of the share in this company, no further share of losses is recognised unless the GFT Group has entered into obligations or made payments on behalf of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised or tested for impairment.

The income statement reflects the Group's share of the associate's profit or loss for the period. Changes in other comprehensive income of associated companies are presented as part of the Group's other comprehensive income. In addition, changes recognised directly in the equity of the associate are recognised by the Group to the extent of its interest and, where necessary, presented in the statement of changes in equity. The Group's total share of the profit or loss of an associate is shown on the face of the income statement operating profit and represents profit or loss after tax and after non-controlling interests in the subsidiaries of the associate.

After applying the equity method, the Group determines whether it is necessary to recognise an impairment loss for its investment in an associate. It determines at each balance sheet date whether there is objective evidence that the investment in an associate may be impaired. If such evidence exists, the amount of the impairment loss is determined as the difference between the recoverable amount of the investment in the associate and the carrying amount, and the loss is then recognised in profit or loss as 'Result from financial assets accounted for using the equity method'.

Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments recognised as financial assets or financial liabilities are generally reported separately. Financial instruments are recognised as soon as the GFT Group becomes a contracting party to the financial instrument. A normal market purchase or sale of financial assets is recognised on the trading date. With the exception of trade receivables and contract assets, financial instruments are initially recognised at fair value. Trade receivables and contract assets are initially measured at the transaction price. For subsequent measurement, financial instruments are allocated to one of the measurement categories listed in IFRS 9 *Financial Instruments* (financial assets at fair value through profit or loss, financial assets at amortised cost and financial assets at fair value through other comprehensive income). Transaction costs directly attributable to the acquisition or issue are taken into account in determining the carrying amount if the financial instruments are not measured at fair value through profit or loss.

Financial assets

Financial assets primarily comprise trade receivables, cash and cash equivalents, derivative financial assets and financial investments. The classification of financial instruments is based on the business model in which the instruments are held and the composition of their contractual cash flows.

The determination of the business model is based on management's intention and past transaction patterns. Cash flows are reviewed on the basis of the individual instruments.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise debt instruments that were neither allocated to the business model 'hold' nor to the business model 'hold and sell' or whose contractual cash flows do not consist exclusively of interest and principal payments on the nominal amount outstanding. This category also includes financial investments in equity instruments for which the option to recognise changes in fair value in other comprehensive income was not exercised. Also included here are derivatives held for trading (including embedded derivatives that have been separated from the host contract) that are not included in hedge accounting as hedging instruments, as well as shares or interest-bearing securities acquired with the intention of selling them in the short term. Gains or losses from these financial assets are recognised in the consolidated income statement.

Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with contractual cash flows that consist exclusively of interest and principal payments on the outstanding nominal amount and are held with the objective of receiving the contractually agreed cash flows, such as trade receivables or cash and cash equivalents.

Cash and cash equivalents comprise in particular cash in hand and bank balances. Cash and cash equivalents correspond to the cash fund in the consolidated cash flow statement.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method less impairment. Gains and losses are recognised in net income when the loans and receivables are impaired or derecognised. Interest effects from the application of the effective interest method and effects from currency translation are also recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are non-derivative financial assets with contractual cash flows that consist solely of interest and principal payments on the nominal amount outstanding and which are held both to collect the contractually agreed cash flows and to sell, for example to achieve a defined liquidity target ('hold to collect and sell' business model). This category also includes equity instruments not held for trading for which the option to recognise changes in fair value within other comprehensive income has been applied.

After initial measurement, financial assets in this category are measured at fair value through other comprehensive income, with unrealised gains or losses being recognised in other comprehensive income. Impairment losses are recognised in other comprehensive income and do not reduce the carrying amount of the financial asset in the balance sheet. Upon disposal of debt instruments in this category, the cumulative gains and losses from fair value measurement recognised in other comprehensive income are recognised in profit or loss. Interest received on financial assets at fair value through other comprehensive income is generally recognised as interest income using the effective interest method. Changes in the fair value of equity instruments measured at fair value through other comprehensive income are not recognised in profit or loss but reclassified to retained earnings upon disposal. Dividends are recognised in the income statement when the right to payment has been established.

The GFT Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the rights to receive the cash flows in a transaction in which all material risks and rewards incidental to ownership of the financial asset are transferred. Derecognition also takes place if the GFT Group neither transfers nor retains all material risks and rewards of ownership and does not retain control over the transferred asset.

Impairment of financial assets

At each balance sheet date, an impairment loss is recognised for financial assets that are not measured at fair value through profit or loss, which reflects the expected credit losses on these instruments. The same method is also used to determine the allowance for irrevocable loan commitments and financial guarantees. The expected credit-loss approach uses three levels for allocating impairment losses:

Level 1: expected credit losses within the next twelve months

Level 1 includes all contracts with no significant increase in credit risk since initial recognition and regularly new contracts as well as those whose payments are less than 31 days overdue. The portion of the expected credit losses over the lifetime of the instrument resulting from a default within the next 12 months is recognised as an expense.

Level 2: expected credit losses over the entire lifetime – not credit-impaired

If, after initial recognition, a financial asset experiences a significant increase in credit risk but is not yet credit-impaired, it is allocated to Level 2. The expected credit losses, which are measured over possible payment defaults over the entire term of the financial asset, are recorded as value adjustments.

Level 3: expected credit losses over the entire lifetime – credit-impaired

A financial asset which is credit-impaired or in default is allocated to Level 3. The expected credit losses over the entire lifetime of the financial asset are recognised as a value adjustment. Objective indications of a credit-impaired financial asset include – based on past experience – an external credit rating of C or higher for large customers and 181 days past due date for other customers, as well as other information about significant financial difficulties of the borrower.

The determination of whether a financial asset has experienced a significant increase in credit risk is based on an assessment of the probability of default, which is made at least half-yearly, incorporating external credit rating information as well as internal information on the credit quality of the financial asset. In the case of trade receivables and contract assets, a significant increase in credit risk is determined for major customers on the basis of external credit ratings and for other customers on the basis of overdue information.

A financial asset is transferred to Level 2 if the credit risk has increased significantly compared to its credit risk at initial recognition. The credit risk is assessed on the basis of the probability of default. For trade receivables and contract assets, the simplified approach is applied under which expected credit losses are recognised over the entire term of the asset when it is initially recognised.

Expected credit losses are measured on the basis of the following factors:

1. the unbiased and probability-weighted amount;
2. the time value of money;
3. and reasonable and supportable information as of the reporting date about past events, current conditions and forecasts of future economic conditions, insofar as this is available without undue cost or time effort.

The estimation of these risk parameters incorporates all available relevant information. In addition to historical and current loss data, reasonable and supportable forward-looking information about relevant factors is also included. The time value of money is neglected in the case of current assets without any significant underlying financing component.

The measurement of expected credit losses is of decisive significance for the GFT Group with regard to trade receivables and contract assets. The concept of lifelong default is applied, which takes into account all possible default events during the expected lifetime of the financial instruments. The GFT Group has decided to apply the concept of lifelong default for trade receivables and contract assets with a significant financing component.

When measuring expected credit losses, the GFT Group distinguishes between trade receivables and contract assets due from major clients and other clients. Major clients are determined on the basis of their share of total consolidated revenue. The measurement of expected losses relating to financial assets from business transactions with major clients is based on a probability-weighted default rate. The default rate uses an average external credit rating. In order to calculate impairment, the probability-weighted default rate as a percentage is multiplied with the nominal value of the financial assets. In the case of trade receivables and contract assets due from other clients, the expected loss over the lifetime is determined as a lump-sum percentage based on the overdue period. The default rate based on the overdue period is calculated using historical data and adjusted on the closing date according to current information and expectations.

A financial instrument is derecognised when there is no reasonable expectation of full or partial recovery, such as before or after insolvency proceedings or court decisions and legal recovery measures are judged to be unsuccessful.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated balance sheet if there is currently an enforceable legal right to offset the recognised amounts against each other and the intention is either to settle on a net basis or to settle the related liability simultaneously with the realisation of the asset in question.

Financial liabilities

Financial liabilities include in particular financing liabilities, other financial liabilities, trade payables and other liabilities.

Financing liabilities relate to liabilities to banks. Other financial liabilities mainly comprise liabilities from lease agreements, payroll liabilities due to employees and conditional purchase price liabilities from company acquisitions. Other financial liabilities also include derivative financial liabilities.

Financial liabilities measured at amortised cost

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method. Financial liabilities measured at amortised cost include liabilities to banks, liabilities from lease agreements and trade liabilities. Payroll liabilities due to employees are measured in accordance with IAS 19 *Employee Benefits*.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading as well as contingent purchase price liabilities from company acquisitions. Derivatives are classified as ‘held for trading’ (including embedded derivatives that have been separated from the host contract) if they are not included in hedge accounting as hedging instruments. Gains or losses on financial liabilities held for trading are included in consolidated net income.

The GFT Group derecognises a financial liability when the contractual obligations have been fulfilled, cancelled or expired. The GFT Group also derecognises a financial liability if its contractual terms are changed and the cash flows of the adjusted liability differ significantly. In this case, a new financial liability is recognised at fair value based on the revised terms. When a financial liability is derecognised, the difference between the carrying amount of the liability extinguished and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Derivative financial instruments and hedge accounting

The GFT Group uses derivative financial instruments exclusively to hedge financial risks resulting from its operating business or refinancing activities. These are primarily interest rate and currency risks.

Derivative financial instruments are measured at fair value upon initial recognition and at each subsequent reporting date. The fair value corresponds to their positive or negative market value. If a market value is not available, fair value is calculated using standard financial valuation models, such as discounted cash flow models or option pricing models.

If the requirements of IFRS 9 for hedge accounting are met, the GFT Group designates and documents the hedging relationship as a fair value hedge or cash flow hedge as of this date. In a fair value hedge, the fair value of a recognised asset or liability or an unrecognised firm commitment is hedged. In a cash flow hedge, highly probable future cash flows from expected transactions or fluctuating cash flows to be paid or received in connection with a recognised asset or liability are hedged. The documentation of the hedging relationship includes the objectives and strategy of risk management, the type of hedging relationship, the hedged risk, the designation of the hedging instrument and the hedged item, as well as an assessment of the effectiveness requirements comprising the risk-mitigating economic relationship, the effects of the credit risk and the appropriate hedge ratio. The effectiveness of the hedge is assessed at the beginning of and during the hedging relationship.

Changes in the fair value of derivatives are regularly recognised in consolidated net income or in other comprehensive income, depending on whether the hedging relationships are fair value hedges or cash flow hedges. Changes in the fair value of non-designated derivatives are recognised in profit or loss. In the case of fair value hedges, changes in the fair value of derivative financial instruments and the related hedged items are recognised in the consolidated income statement. Changes in the fair value of derivative financial instruments designated as cash flow hedges are initially recognised in other comprehensive income in the amount of the hedge-effective portion after taxes.

The recognition of an individual hedging relationship must be discontinued prospectively if it no longer meets the qualifying criteria under IFRS 9. Possible reasons for the termination of hedge accounting include the discontinuation of the economic relationship between the hedged item and the hedging instrument, the sale or termination of the hedging instrument, or a change in the documented risk management objective of an individual hedging relationship.

If derivative financial instruments are not or no longer included in hedge accounting because the conditions for hedge accounting are not or are no longer met, they are classified as held for trading and measured at fair value through profit or loss.

Provisions for pensions and similar obligations

Defined benefit pension plans and other similar post-employment benefits are measured using the projected unit credit method in accordance with IAS 19 *Employee Benefits*. The present value of the defined benefit obligations is calculated using significant actuarial assumptions, including discount rates, expected salary and pension trends and mortality rates. The discount rates applied are determined on the basis of the yields achieved at the end of the reporting period on high-grade corporate bonds with corresponding maturities and currencies. If such yields are not available, the discount rates are based on government bond yields. Due to changing market, economic and social conditions, the underlying assumptions may differ from actual developments.

Plan assets invested to cover pension commitments and other similar benefits are measured at fair value and offset against the corresponding obligations. The balance of pension commitments and other similar post-employment benefits and plan assets (net pension obligation or net pension assets) accrues interest at the discount rate used to measure the gross pension obligation. The resulting net interest expense or income is recognised in profit or loss as interest expense or interest income in the consolidated income statement. The other expenses resulting from the granting of pension commitments and other similar post-employment benefits, which mainly result from entitlements acquired in the financial year, are included in personnel expenses within the consolidated income statement.

The pension obligations and plan assets for all significant Group companies are valued annually by qualified independent actuaries.

Actuarial gains and losses arising from the regular adjustment of actuarial assumptions are recognised directly in equity or in the statement of comprehensive income in the period in which they arise, taking into account deferred taxes. Differences between the interest income from plan assets calculated at the beginning of the period on the basis of the interest rate used to discount the pension obligations and the actual return on plan assets at the end of the period are also recognised directly in equity.

Obligations for contributions to defined contribution plans are recognised as an expense in current income as soon as the related service is rendered.

Prepaid contributions are recognised as an asset to the extent that a right to reimbursement or reduction of future payments arises.

Other provisions

Provisions are recognised when there is an obligation to a third party, it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. The amount recognised as a provision represents the best estimate of the obligation at the reporting date. Provisions with an original term of more than one year are carried at their settlement amount discounted to the reporting date. If the recognition criteria for provisions are not met and the possibility of an outflow of resources is not unlikely, a contingent liability is disclosed (to the extent that it can be adequately measured). The amount disclosed as a contingent liability corresponds to the best estimate of the possible obligation at the reporting date. Provisions and contingent liabilities are reviewed regularly and adjusted in the event of new knowledge or changed circumstances.

Share-based payments

Share-based commitments of the GFT Group are exclusively cash-settled, in other words the settlement is made by means of cash payments. The liability-based remuneration plans are measured at fair value at each balance sheet date until they are settled, and the obligation is disclosed as other provisions. The result to be considered in the reporting period corresponds to the addition to or release of the provision between the balance sheet dates and is disclosed under personnel expenses.

The fair value of share-based payments is calculated 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 – if necessary – market and non-vesting conditions.

Contract assets

Contract assets are claims from performance obligations already fulfilled for which the customer's consideration has not yet been received and the company's claim to consideration is still linked to a condition other than maturity. In the GFT Group, contract assets result in particular from fixed-price contracts in connection with the development of customer-specific IT solutions and the implementation of sector-specific standard software. Contract assets are disclosed as current as they occur within the usual business cycle.

Contract liabilities

A contract liability is the obligation of an entity to transfer goods or services to a customer for which the entity has received (or will receive) consideration from that customer. In the case of the GFT Group, contract liabilities arise for unrealised revenues and advance payments received in particular in connection with fixed-price contracts for the creation of customer-specific IT solutions and the implementation of sector-specific standard software, as well as service contracts for the further development of business-critical IT solutions. Contract liabilities are disclosed as current as they occur within the usual business cycle.

Revenue recognition

The GFT Group recognises revenue when control of the identifiable goods or services passes to the client, i.e. when the client has the ability to control the use of the goods or services transferred and derives substantially all the remaining benefits from them. The prerequisite for this is that a contract with enforceable rights and obligations exists and that, among other things, it is probable that the consideration will be received – taking into account the creditworthiness of the customer. Revenue corresponds to the transaction price at which the GFT Group is expected to be entitled. Variable consideration is included in the transaction price when it is highly probable that there will be no significant reversal of revenue once the uncertainty surrounding the variable consideration no longer exists. If the period between the transfer of the goods or services and the payment date exceeds twelve months and a significant benefit results from the financing for the client or the GFT Group, the consideration is adjusted by the fair value of the money. If a contract comprises several identifiable goods or services, the transaction price is allocated to the performance obligations on the basis of the relative individual sale prices. If individual sale prices are not directly observable, the GFT Group estimates these at an appropriate level. For each performance obligation, revenue is recognised either at a specific point in time or over a specific period of time.

The GFT Group retroactively grants volume discounts to certain clients as soon as the quantity of products or services purchased in the period reaches or exceeds a contractually agreed minimum purchase quantity. Discounts are offset against the amounts payable by the customer. The estimation of the variable consideration for the expected future discounts is generally based on the most probable amount method. The GFT Group then applies the rules for limiting the estimate of variable consideration and recognises a reimbursement liability for the expected future discounts.

IFRS 15 requires additional costs to initiate a contract and certain contract performance costs to be recognised as an asset if certain criteria are met. All capitalised contract costs are to be depreciated systematically using a method that follows the transfer of control of the goods or services to the client. The GFT Group recognises the cost of initiating and fulfilling contracts under other assets. Imputed cost rates are used to calculate contract fulfilment costs. Depreciation is based on the stage of completion.

The GFT Group generates revenue primarily from the development of client-specific IT solutions, consulting on the development and implementation of innovative IT strategies, the implementation of sector-specific standard software and the maintenance and further development of business-critical IT solutions. The corresponding revenue streams are mainly based on service contracts, fixed-price contracts and maintenance contracts. In the case of the GFT Group, revenue recognition according to the type of contract for the underlying service follows the principles described below. In addition to the nature and timing of performance obligations from contracts with clients, the principles also comprise the main terms of payment.

Service contracts

Service contracts exist in particular for consulting on the development and implementation of innovative IT strategies as well as the implementation of sector-specific standard software and are based on the time spent (time & material).

In the case of service contracts, the client receives the benefit of the service directly or simultaneously with the provision of the service by the GFT Group. Revenue from service contracts is generally recognised in the amount of the consideration receivable based on the time spent and invoiced. The claim for consideration is based on contractually agreed hourly rates. Invoices are issued in accordance with the terms of the contract; payment terms usually provide for payment between 30 and 60 days after invoicing.

Fixed-price contracts

Fixed-price contracts are concluded primarily for the development of client-specific IT solutions, the implementation of sector-specific standard software and occasionally for the further development of business-critical IT solutions.

Revenue from fixed-price contracts is recognised over a specified period of time according to the stage of completion (ratio of costs already incurred to estimated total costs). An expected loss on a contract is recognised immediately as an expense. Invoices are issued in accordance with the contractual terms and conditions, sometimes based on defined payment plans including advance payments. Any excess of payments or services is recognised as a contract liability or contract asset. The terms of payment for fixed-price agreements usually provide for payment between 30 and 60 days after invoicing.

In the case of revenue recognition in connection with fixed-price contracts, the assessment of the stage of completion is of particular importance; it may include estimates of the scope of supplies and services required to fulfil the contractual obligations. These significant estimates include estimated total costs, estimated total revenues, order risks – including technical, political and regulatory risks – and other significant items. The estimate of the stage of completion may increase or decrease revenues due to changes in estimates. It must also be assessed whether the most likely scenario for a contract is that it will be continued or terminated. For the purposes of that assessment, all relevant facts and circumstances are taken into account individually for each contract.

As a rule, fixed-price contracts are based on a customer-specific performance promise. The power of disposal is gained directly or simultaneously with the provision of the service since this is generally provided on the customer's IT system. Performance obligations of the GFT Group in connection with fixed-price contracts can essentially only be considered as a whole; any partial performance does not enable the client to derive a corresponding benefit from the services provided. In the event of a premature project termination for which the GFT Group is not responsible, a claim against the client for appropriate remuneration for services already rendered is regularly contractually guaranteed.

Maintenance contracts

Services provided by the GFT Group for the maintenance and further development of business-critical IT solutions are mainly provided within the framework of maintenance contracts at fixed prices.

In the case of maintenance contracts, the client generally receives the benefit directly or simultaneously with the provision of the service by the GFT Group. Revenue from maintenance contracts is recognised on a straight-line basis over a specified period or – if the service is not provided on a straight-line basis – according to the rendering of the service, i.e. according to the stage of completion as described above. Invoices are issued in accordance with the terms of the contract; payment terms usually provide for payment between 30 and 60 days after invoicing.

Recognition of other income

Other income mainly relates to income from the sale of food and beverages, as well as from rental transactions that do not fall within the scope of IFRS 15, as well as interest.

Revenue from rental transactions that does not fall within the scope of IFRS 15 is recognised within revenue on a straight-line basis over the term of the contract.

Revenue from royalties, license fees and interest is recognised in other operating income on an accrual basis in accordance with the economic content of the underlying contract.

Government grants

Government grants are recognised as income at the point in time at which the entitlement to the grant has arisen with sufficient certainty or the conditions associated with the grant have been fulfilled.

Financial result

The financial result contains all expenses and income from financial transactions and comprises interest income and expenses, as well as income and expenses in connection with financial investments and company stakes accounted for using the equity method.

Interest income and expenses are recognised in profit or loss using the effective interest method. Interest income and interest expense includes interest income from securities investments and from cash and cash equivalents, as well as interest expenses from debt. These items also include interest and changes in market values in connection with interest rate hedges as well as income and expenses from the distribution of premiums and discounts. The interest components from pension commitments and other similar obligations, as well as from the plan assets available to cover these obligations, and interest from the discounting of other financial liabilities or other provisions are also included in this item.

Income taxes

Income taxes include both current income taxes and deferred taxes.

Current income taxes are calculated on the basis of the respective national tax results and regulations for the year. In addition, the current taxes reported in the financial year also include adjustment amounts for any tax payments or refunds for years not yet finally assessed, excluding interest on subsequent tax payments or tax refunds.

The tax items presented in the financial statements may be subject to different interpretations by taxpayers on the one hand and local tax authorities on the other. In cases where there is no clarity regarding the application of tax regulations, the GFT Group observes IFRIC 23 *Uncertainty over Income Tax Treatments*. The probability of the respective tax authority accepting an uncertain tax treatment is determined. In the event that amounts recognised in the tax returns are unlikely to be realised (uncertain tax items), tax provisions are recognised. The amount is determined on the basis of the best possible estimate of the expected tax payment (expected value or most probable value of tax uncertainty). Tax receivables from uncertain tax items are recognised if it is predominantly probable and therefore sufficiently certain that they can be realised. No tax provision or asset is recognised for such uncertain tax positions only in the case that there is a tax loss carryforward or unused tax credit. In such cases, the deferred tax asset is adjusted for the unused tax loss carryforward and unused tax credit.

Changes in deferred tax assets and liabilities are generally reflected in the income statement under deferred taxes. An exception to this are the changes to be made in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are determined for temporary differences between the tax base of an asset or liability and its carrying amount in the balance sheet, including consolidation differences, and for unused tax loss carryforwards and tax credits. Measurement is based on the tax rates expected to apply in the period in which an asset is realised or a liability settled. This is based on the tax rates and regulations valid on the reporting date or which have been adopted by law. The GFT Group assesses the recoverability of deferred tax assets on each reporting date on the basis of planned taxable income in future financial years. If the Group assumes that future tax benefits with a probability of more than 50% cannot be partially or completely realised, a valuation allowance is made on the deferred tax assets. Among other things, the planned results from operating activities, the effects on earnings of the reversal of taxable temporary differences and realisable tax strategies are taken into account. As future business developments are uncertain and in some cases cannot be controlled by the Group, the assumptions to be made in connection with the recognition of deferred tax assets are subject to considerable uncertainty.

Deferred tax liabilities on taxable temporary differences from investments in subsidiaries and associated companies are not recognised if the Group can determine the timing of the reversal and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are offset against deferred tax liabilities if they relate to income taxes levied by the same taxation authority and there is a right to set off an actual tax refund claim against an actual tax liability. No distinction is made between current and non-current deferred tax assets and liabilities in the consolidated balance sheet.

The global minimum tax payable under the national legislation of the Pillar 2 rules is classified as income tax within the scope of IAS 12 *Income Taxes*. The GFT Group has applied the temporary mandatory exemption with regard to the recognition of deferred taxes resulting from the introduction of the global minimum tax and recognises these as actual tax expenses/income at the respective time they arise. Consequently, no deferred taxes are recognised in relation to income taxes under the Pillar 2 rules and no related information is disclosed.

Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to shareholders of GFT Technologies SE by the weighted average number of shares outstanding. As there were no events in 2024 and 2023 that had a dilutive effect, diluted earnings per share in these years correspond to basic earnings per share.

Disclosure in the consolidated statement of cash flows

Interest paid and interest received is allocated to cash flow from operating activities.

2.6 Discretionary decisions, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions to a certain extent. These may affect the amount and presentation of assets and liabilities recognised in the balance sheet, disclosures of contingent assets and liabilities as of the balance sheet date, and disclosed income and expenses for the reporting period. Due to the increasingly complex and uncertain macroeconomic and geopolitical environment with rising volatility in commodity and financial markets – including equity and currency prices, due to fluctuating interest and inflation rates – and increasing concerns of a slowdown in the economic growth of certain markets, these discretionary decisions, estimates and assumptions are subject to increased uncertainty. Due to the uncertainty associated with these discretionary decisions, estimates and assumptions, actual results in future periods could lead to significant adjustments in the carrying amounts of the assets or liabilities concerned.

Discretionary decisions, estimates and assumptions are based on experience and are reviewed by management on an ongoing basis. Revisions to estimates are recognised prospectively. When updating the estimates, assumptions and discretionary decisions, available information on the expected economic development as well as country-specific government measures were taken into account.

Discretionary decisions

Discretionary decisions must be made when applying accounting methods. The following material items in the consolidated financial statements of GFT Technologies SE are affected by discretionary decisions:

- Revenue recognition: recognising revenue for fixed-price contracts in connection with the development of client-specific IT solutions and the implementation of sector-specific standard software over a period of time or on a specific date.
- Lease term: determining the term of leases with extension and termination options where the GFT Group is the lessee.

Information on discretionary decisions taken by the GFT Group with regard to the two items above can be found in note 2.5.

Estimates and assumptions

The most important future-related assumptions and other key sources of estimation uncertainty as of the balance sheet date with a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described in the accounting methods applied (see note 2.5) and in the notes to the consolidated balance sheet (see note 4) and to the consolidated income statement (see note 5).

The main application areas for estimates and assumptions when applying accounting methods in the financial statements of the GFT Group are:

- acquisition of subsidiaries: determination of the fair value of the consideration transferred (including contingent consideration) as well as the preliminary determination of the fair values of identifiable assets acquired and liabilities assumed;
- impairment test of goodwill and other intangible assets: significant underlying assumptions used to determine the recoverable amount.
- determination of the marginal borrowing rate for leases: estimating the incremental borrowing rate using observable input data (such as market interest rates), if available, and taking into account company-specific factors (such as individual credit rating of the subsidiary).
- allowance for expected credit losses on trade receivables and contract assets: key assumptions used to determine the weighted average loss rate;
- revenue recognition: estimate of the stage of completion of unfinished customer projects;
- recognition of deferred tax assets: availability of future taxable income against which deductible temporary differences and tax loss carryforwards can be utilised;
- valuation of defined benefit pension plans: key actuarial assumptions.
- measurement of the fair value of share-based payment transactions using an appropriate actuarial valuation method: determination of input factors (such as expected life, volatility and dividend yield)
- recognition and measurement of provisions and contingent assets and liabilities: significant assumptions about the probability and extent of an inflow or outflow of economic benefits

The Group's estimates and assumptions are based on parameters available at the time the consolidated financial statements were prepared. However, these parameters and assumptions about future developments may change as a result of market movements and conditions outside the sphere of influence of the GFT Group. Such changes are only reflected in the assumptions when they occur.

2.7 New accounting standards not yet applied

By the time of publication of these consolidated financial statements, new or amended standards and interpretations had been adopted that may have an impact on the GFT Group's financial position and performance, but which were not yet mandatory for the financial year 2024.

IFRS pronouncements to be applied in the future

	IFRS pronouncement	Mandatory for financial years beginning on or after	Endorsed by EU Commission
Amendments to IAS 21	Lack of Exchangeability	1 January 2025	Yes
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2025	Yes
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2025	Yes
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2025	No
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	indefinite	No

The GFT Group intends to apply these new and amended standards and interpretations once they come into force and have been endorsed by the EU Commission.

IFRS 18 *Presentation and Disclosures* in Financial Statements

In April 2024, the IASB published the standard IFRS 18 *Presentation and Disclosure in Financial Statements*. IFRS 18 requires additional, defined subtotals in the income statement, disclosures on key performance indicators defined by management. It also adds new principles for aggregating and allocating information and makes limited amendments to IAS 7 *Statement of Cash Flows*. IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. The new standard is to be applied for the first time for financial years beginning on or after 1 January 2027. Earlier application is permitted. The initial application must be made retrospectively. Earlier application is permitted, but not planned for the GFT Group. The quantitative and qualitative impact of the initial application of IFRS 18 on GFT's consolidated financial statements is currently being examined, but the result cannot yet be reliably estimated.

The other standards and interpretations listed above are not expected to have any material impact on the financial position and performance of the GFT Group.

2.8 Effects of climate change

In the financial year 2024, the GFT Group considered the effects of potential sustainability risks relating to climate change with the aim of reducing its operational greenhouse gas emissions as well as emissions along the value chain. IT and communication solutions can lead to an increase in global electricity consumption, which directly and indirectly affects the GFT Group. The risk is explained in more detail in the risk report of the combined management report. By reducing its own emissions, the GFT Group is making a contribution to global climate protection.

The GFT Group was unable to identify any significant risks resulting from climate change with regard to its business model, business development or financial position and performance.

3 Composition of the Group

3.1 Consolidated group

The following table shows the composition of the GFT Group as of 31 December 2024:

Composition of the Group

	31/12/2024	31/12/2023
Consolidated subsidiaries	**33**	**28**
domestic	6	6
foreign	27	22

A detailed composition of the companies included in the consolidated financial statements and the shareholdings of the GFT Group pursuant to section 313 (2) HGB is shown in the list of shareholdings (see page 94). In the case of the fully consolidated subsidiaries, disclosures on equity and earnings are based on the IFRS figures of the local annual financial statements.

Subsidiaries

The main subsidiaries of the GFT Group as of 31 December 2024 are listed below. The equity share of GFT Technologies SE as the parent company is 100% in each case.

Main subsidiaries

Name	Country of main activity
GFT Brasil Consultoria Informática Ltda., Barueri, Brazil	Brazil
GFT Deutschland GmbH, Stuttgart, Germany	Germany
GFT Software Solutions GmbH, Constance, Germany	Germany
GFT Financial Limited, London, UK	UK
GFT Italia S.r.l., Milan, Italy	Italy
GFT IT Consulting S.L.U., Sant Cugat del Vallès, Spain	Spain
GFT México S.A. de C.V., Mexico City, Mexico	Mexico
GFT Poland Sp. z o.o., Lodz, Poland	Poland
GFT Technologies Canada Inc., Québec, Canada	Canada
GFT Technologies Toronto Inc., Québec, Canada	Canada
GFT Technologies Colombia S.A.S., Bogotá, Colombia	Colombia
GFT USA Inc., New York, USA	USA

Changes to the consolidated group

With effect from 1 February 2024, the GFT Group acquired all shares in Sophos Solutions S.A.S., Bogotá, Colombia (Sophos) (since 25 July 2024: GFT Technologies Colombia S.A.S., Bogotá, Colombia). For further information and the effects of the company acquisition on the consolidated financial statements, please refer to section 3.2 below.

3.2 Business combinations

Company acquisition in the reporting period

With a share purchase and transfer agreement dated 25 January 2024, the GFT Group acquired 100% of the shares in the Colombian core banking expert Sophos via GFT Technologies S.A.U., Madrid, Spain. The transaction was closed on 1 February 2024 (acquisition date).

Sophos is a leading partner for the digital transformation of large financial institutions in North and South America, with a focus on Colombia. The company specialises in the modernisation of core banking systems and cloud computing. In addition to its domestic market, Colombia, Sophos has client relationships in over ten countries, including Panama, Chile, Mexico and the USA. With the acquisition of Sophos, GFT is further expanding its international presence with a new development centre, thereby gaining broader market and client access to financial institutions in Latin America.

In the period from 1 February to 31 December 2024, Sophos employed an average of 1,537 people and contributed €51,066 thousand to revenue and €1,792 thousand to pre-tax earnings (EBT) during this period. If the company had already been acquired as of 1 January 2024, the Managing Directors estimate that consolidated revenue for the year would have amounted to €875,563 thousand with consolidated pre-tax earnings of €65,176 thousand.

An amount of €86,348 thousand was paid in cash as consideration for the acquisition of the Sophos shares. In the course of final purchase price allocation, the intangible assets recognised mainly relate to client relationships and the existing order backlog. Non-tax-deductible goodwill amounts to €63,664 thousand and comprises non-separable intangible assets, such as employee expertise and expected synergies.

The GFT Group incurred costs of €641 thousand in connection with the business combination for legal advice, due diligence and purchase price allocations. These costs were recognised in income as other operating expenses.

The table below shows the fair values of assets and liabilities as of the acquisition date:

Fair values on the acquisition date

in € thousand	
Other intangible assets	21,713
Property, plant and equipment	2,801
Deferred tax assets	166
Inventories	3,216
Trade receivables	3,160
Contract assets	5,745
Cash and cash equivalents	6,901
Other financial assets	97
Income tax receivables	1,533
Other assets	587
Total assets	**45,919**
Other financial liabilities	7,400
Deferred tax liabilities	8,638
Other provisions	1,272
Trade payables	590
Income tax liabilities	64
Contract liabilities	2,303
Other liabilities	2,968
Total liabilities	**23,235**
Net assets	**22,684**

Trade receivables measured at fair value include gross amounts which were estimated to be recoverable in full as of the acquisition date.

Business combination in the previous year

With a share purchase and transfer agreement dated 22 February 2023, the GFT Group acquired 100% of shares in targens GmbH (now: GFT Deutschland GmbH) via GFT Technologies SE and thus gained control of the company. The transaction was closed on 3 April 2023 (= acquisition date). Based in Stuttgart, targens has expertise in the field of consulting, compliance solutions and digital innovation for banks, insurers and the finance departments of industrial companies and constitutes a business within the meaning of IFRS 3 *Business Combinations*. By acquiring targens, the GFT Group gained additional expertise in the areas of consulting and compliance solutions and expanded its product business with recurring revenues.

An amount of €54,478 thousand was paid in cash as consideration for the acquisition of the targens shares. The goodwill of €37,701 thousand is not tax-deductible and represents potential growth and synergies.

The table below shows the fair values of assets and liabilities as of the acquisition date:

Fair values on the acquisition date

in € thousand	
Other intangible assets	18,514
Property, plant and equipment	1,836
Inventories	851
Trade receivables	4,902
Contract assets	558
Cash and cash equivalents	8,223
Other financial assets	235
Other assets	555
Total assets	**35,674**
Other financial liabilities	1,824
Deferred tax liabilities	6,215
Other provisions	3,499
Trade payables	418
Income tax liabilities	649
Contract liabilities	4,056
Other liabilities	2,237
Total liabilities	**18,898**
Net assets	**16,776**

Equity holdings according to section 313 (2) HGB

in € thousand	Share of the capital (in %)	Company equity	Net income
I. Direct investments			
Domestic			
GFT Deutschland GmbH (formerly: targens GmbH), Stuttgart, Germany	100	11,244	241
GFT Invest GmbH, Stuttgart, Germany[1]	100	25	0
GFT Real Estate GmbH, Stuttgart, Germany[1]	100	425	–16
GFT Software Solutions GmbH (formerly: GFT Integrated Systems GmbH), Constance, Germany[1]	100	7,976	2,829
GFT Treasury Services GmbH, Stuttgart, Germany[1]	100	532	0
SW34 Gastro GmbH, Stuttgart, Germany[1]	100	533	0
incowia GmbH, Illmenau, Germany[2]	10	1,819	113
Foreign			
GFT France S.A.S., Niort, France	100	1,353	1,131
GFT Italia S.r.l., Milan, Italy	100	40,097	4,056
GFT Schweiz AG, Zurich, Switzerland	100	–725	–515
GFT Technologies Canada Inc., Quebec, Canada	100	2,943	5,758
GFT Technologies Hong Kong Ltd., Hong Kong, China	100	–2,992	–1,865
GFT Technologies Romania S.r.l., Iasi, Romania	100	–261	–52
GFT Technologies S.A.U., Madrid, Spain	100	46,994	26,618
GFT Technologies Singapore Pte. Ltd., Singapore, Singapore	100	241	452
GFT UK Limited, London, UK	100	58,961	12,110

1 There is a 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.
2 Values according to local financial statements 2023.

in € thousand	Share of the capital (in %)	Company equity	Net income
II. Indirect investments			
Foreign			
GFT Brasil Consultoria Informática Ltda., Barueri, Brazil	100	26,759	19,019
GFT Canada Inc., Toronto, Canada	100	742	37
GFT Costa Rica S.A., Heredia, Costa Rica	100	1,668	828
GFT Financial Limited, London, UK	100	24,999	11,122
GFT IT Consulting, S.L.U., Sant Cugat del Valles, Spain	100	23,104	13,404
GFT México S.A. de C.V., Mexico City, Mexico	100	4,214	–169
GFT Peru S.A.C., Lima, Peru	100	23	0
GFT Poland Sp. z o.o., Lodz, Poland	100	8,361	6,006
GFT Technologies Belgique S.A., Brussels, Belgium	100	306	47
GFT Technologies Chile S.A. (formerly: Sophos Technology Solutions S.A.), Santiago de Chile, Chile	100	607	–250
GFT Technologies Colombia S.A.S. (formerly: Sophos Solutions S.A.S.), Bogota, Colombia	100	21,078	1,706
GFT Technologies India Private Limited (formerly: SFT Solutions India Private Limited), Viman Nagar off Pune, India	100	233	31
GFT Technologies Panama Inc. (formerly: Sophos Technology Solutions Inc.), Panama City, Panama	100	322	93
GFT Technologies Peru S.A.C. (formerly: Sophos Technology Solutions S.A.C.), Lima, Peru	100	–68	–104
GFT Technologies Toronto Inc., Quebec, Canada	100	3,840	889
GFT Technologies Vietnam Limited, Ho Chi Minh City, Vietnam	100	–785	–307
GFT USA Inc., New York, USA	100	18,772	5,647
Sophos Financial Technology Solutions Inc., Wilmington, USA	100	119	–81

4 Explanations on items of the balance sheet

4.1 Goodwill

The mandatory annual impairment test pursuant to IAS 36 was performed on goodwill as of the reporting date. No event-driven impairment test was conducted during the financial year as there were no indications of impairment.

The impairment test was performed at the level of the smallest cash-generating unit (CGU) on the basis of the recoverable amount. The definition of the CGUs is based on the two business segments *Americas, UK & APAC* and *Continental Europe*. In the impairment test, the carrying amount of the CGU allocated to goodwill was compared with its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use.

The carrying amounts of goodwill are allocated to the two CGUs as follows:

Goodwill

in € thousand	31/12/2024	31/12/2023
CGU		
Americas, UK & APAC	110,588	44,170
Continental Europe	119,764	118,622
	230,352	**162,792**

Goodwill increased by €67,560 thousand to €230,352 thousand as at 31 December 2024. The increase was mainly due to the acquisition of the Sophos Group and other exchange rate effects. The goodwill resulting from initial consolidation of Sophos amounting to €63,664 thousand was allocated to the CGU *Americas, UK & APAC*. The currency-related effects are mainly due to the development of the US dollar and the UK pound.

In order to determine the value in use of the CGUs, cash flows were forecast for the next five years based on past experience, current operating results, management's best estimate of future developments and market assumptions. Revenue and EBT planning is based on the budget approved by the Administrative Board for the coming financial year, which was extrapolated for the following four years at defined growth rates. The figures for the fifth year were then further extrapolated for the future with a growth rate of 1%.

Value in use is mainly determined by the terminal value (present value of the perpetual annuity), which is particularly sensitive to changes in assumptions regarding the long-term growth rate and the discount rate. Both assumptions are determined individually for each CGU. The discount rates are based on the weighted average cost of capital (WACC) concept for the CGUs. The discount rates are determined on the basis of a risk-free interest rate and a market risk premium. In addition, the discount rates reflect the current market assessment of the specific risks of each individual CGU by taking into account beta factors, gearing and borrowing costs of the peer group to which GFT Technologies SE belongs. The parameters for determining the discount rates are based on external information sources. The peer group is subject to an annual review and is adjusted where necessary.

Growth rates take into account external macroeconomic data and sector-specific trends.

The impairment test of the two CGUs is based on the key assumptions described below to determine fair value less selling costs.

The future cash flows of the CGUs *Americas, UK & APAC* and *Continental Europe* were discounted at rates of 12.43% and 11.04% respectively (31 December 2023: 12.33% and 11.31%). The pre-tax interest rates for the CGUs *Americas, UK & APAC* and *Continental Europe* are 16.74% and 14.82% respectively (31 December 2023: 17.10% and 15.16%). For the cash flow forecasts of the CGUs *Americas, UK & APAC* and *Continental Europe*, management assumes that business with existing and new clients will increase by an average of 10% between 2026 and 2029, based on planning for the financial year 2025, and thereafter grow at a rate of 1%. The assumptions are based on order completions, past experience and market assessments.

The impairment test as of 31 December 2024 gave no indication of any impairment of goodwill. Based on the aforementioned assumptions of sustainable sales growth for the CGUs, the recoverable amounts are higher than the carrying amounts.

The sensitivity analysis for the CGUs *Americas, UK & APAC* and *Continental Europe* assumed a reduction in revenue of 5% or an increase in the WACC of one percentage point. On this basis, there would have been no impairment need for the two CGUs as of 31 December 2024.

4.2 Other intangible assets

The development of other intangible assets of the GFT Group is presented on page 97 and page 98.

As of 31 December 2024, other intangible assets totalled €34,317 thousand (31 December 2023: €19,503 thousand) of which an amount of €31,469 thousand mainly related to customer relationships (31 December 2023: €17,012 thousand). The development in 2024 is mainly due to purchase price allocation in the course of the initial consolidation of Sophos. The carrying amount of customer relationships has a remaining useful life of between 6 and 14 years.

Research and development costs of €15,954 thousand (2023: €18,189 thousand) were expensed as they do not meet the recognition criteria for intangible assets.

As in the previous year, there was no impairment of intangible assets.

There are no other intangible assets with indefinite useful lives in the GFT Group.

4.3 Property, plant and equipment

Property, plant and equipment in the balance sheet with a carrying amount of €59,507 thousand (31 December 2023: €60,309 thousand) also includes right-of-use assets which the GFT Group received as lessee. These right-of-use assets mainly relate to office premises and car parks, as well as vehicles. The development of property, plant and equipment, as well as the included right-of-use assets, is shown on page 97 and page 98.

The item ‘Land, land rights and buildings’ mainly refers to the administration building at the Group’s headquarters in Stuttgart as well as leasehold improvements in rented office space. The building at the Group’s headquarters is encumbered with a mortgage of €8,000 thousand.

In the financial year 2024, there was non-scheduled depreciation due to impairment of €99 thousand (2023: €0 thousand). This related to IT infrastructure due to the growing migration of significant systems and applications to the cloud.

The following table contains additional disclosures on expenses in connection with lessee accounting.

Expenses in connection with lessee accounting

in € thousand	2024	2023
Depreciation of right-of-use assets	10,901	10,621
Interest expense on lease liabilities	978	599
Expense for short-term leases and leases of low-value assets	962	1,037
Total amount recognised in profit or loss	**12,841**	**12,257**

The GFT Group’s total cash outflows for leases in the financial year 2024 amounted to €12,894 thousand (2023: €12,605 thousand). Of this amount, €11,932 thousand (2023: €11,568 thousand) is included in cash flow from financing activities and €962 thousand (2023: €1,037 thousand) is included in cash flow from operating activities. The interest expense from discounting lease liabilities is included in cash flow from operating activities.

As in the previous year, leases which the GFT Group has contractually entered into as lessee, but which have not yet commenced as of the end of the reporting period and which will result in a future lease liability did not exist as of 31 December 2024.

Further information on lessee accounting is provided in notes 4.12 and 9.1.

Development of intangible assets and property, plant and equipment for the financial year 2024

	Acquisition or manufacturing costs							Depreciation, amortisation and impairment							Carrying amount	
in € thousand	01/01/2024	Currency translation	Change in consolidation scope	Additions	Disposals	Reclassifica-tions	31/12/2024	01/01/2024	Currency translation	Change in consolidation scope	Additions	Impairment	Disposals	31/12/2024	31/12/2024	31/12/2023
Intangible assets																
Goodwill	164,792	3,896	63,664	0	0	0	232,352	2,000	0	0	0	0	0	2,000	230,352	162,792
Other intangible assets	76,400	−1,494	22,873	1,067	−1,562	0	97,284	56,897	101	1,160	6,365	0	−1,556	62,967	34,317	19,503
	241,192	**2,402**	**86,537**	**1,067**	**−1,562**	**0**	**329,636**	**58,897**	**101**	**1,160**	**6,365**	**0**	**−1,556**	**64,967**	**264,669**	**182,295**
Property, plant and equipment																
Land, leasehold rights and buildings	93,035	−106	3,187	9,852	−13,295	57	92,730	48,879	7	652	9,184	57	−9,195	49,584	43,146	44,156
thereof right-of-use assets from leases	71,173	201	526	9,170	−11,901	0	69,169	40,296	87	440	7,940	0	−7,937	40,826	28,343	30,877
Equipment, operating and office equipment	48,426	−1,162	711	7,893	−5,675	3	50,196	32,335	−824	445	7,315	42	−5,473	33,840	16,356	16,091
thereof right-of-use assets from leases	9,158	−220	224	4,763	−2,176	0	11,749	4,125	−76	112	2,961	0	−2,034	5,088	6,661	5,033
Prepayments and assets under construction	62	2	0	4	−3	−60	5	0	0	0	0	0	0	0	5	62
	141,523	**−1,266**	**3,898**	**17,749**	**−18,973**	**0**	**142,931**	**81,214**	**−817**	**1,097**	**16,499**	**99**	**−14,668**	**83,424**	**59,507**	**60,309**
Total	**382,715**	**1,136**	**90,435**	**18,816**	**−20,535**	**0**	**472,567**	**140,111**	**−716**	**2,257**	**22,864**	**99**	**−16,224**	**148,391**	**324,176**	**242,604**
thereof right-of-use assets from leases	**80,331**	**−19**	**750**	**13,933**	**−14,077**	**0**	**80,918**	**44,421**	**11**	**552**	**10,901**	**0**	**−9,971**	**45,914**	**35,004**	**35,910**

Development of intangible assets and property, plant and equipment for the financial year 2023

	Acquisition or manufacturing costs						Depreciation, amortisation and impairment						Carrying amount	
in € thousand	01/01/2023	Currency translation	Change in consolidation scope	Additions	Disposals	31/12/2023	01/01/2023	Currency translation	Change in consolidation scope	Additions	Disposals	31/12/2023	31/12/2023	31/12/2022
Intangible assets														
Goodwill	125,968	1,123	0	37,701	0	164,792	2,000	0	0	0	0	2,000	162,792	123,968
Other intangible assets	57,314	444	18,748	11	−117	76,400	51,399	435	235	4,930	−102	56,897	19,503	5,915
	183,282	**1,567**	**18,748**	**37,712**	**−117**	**241,192**	**53,399**	**435**	**235**	**4,930**	**−102**	**58,897**	**182,295**	**129,883**
Property, plant and equipment														
Land, leasehold rights and buildings	95,905	423	1,268	7,378	−11,939	93,035	48,343	291	0	9,453	−9,208	48,879	44,156	47,562
thereof right-of-use assets from leases	74,365	257	1,268	6,078	−10,795	71,173	40,007	227	0	8,260	−8,198	40,296	30,877	34,358
Equipment, operating and office equipment	47,929	1,043	1,355	6,941	−8,842	48,426	31,914	668	787	6,976	−8,010	32,335	16,091	16,015
thereof right-of-use assets from leases	7,505	235	371	4,111	−3,064	9,158	4,109	142	0	2,361	−2,487	4,125	5,033	3,396
Prepayments and assets under construction	0	0	0	62	0	62	0	0	0	0	0	0	62	0
	143,834	**1,466**	**2,623**	**14,381**	**−20,781**	**141,523**	**80,257**	**959**	**787**	**16,429**	**−17,218**	**81,214**	**60,309**	**63,577**
Total	**327,116**	**3,033**	**59,072**	**14,392**	**−20,898**	**382,715**	**133,656**	**1,394**	**1,022**	**21,359**	**−17,320**	**140,111**	**242,604**	**193,460**
thereof right-of-use assets from leases	**81,870**	**492**	**1,639**	**10,189**	**−13,859**	**80,331**	**44,116**	**369**	**0**	**10,621**	**−10,685**	**44,421**	**35,910**	**37,754**

4.4 Other assets

The composition of other financial assets and other assets disclosed in the consolidated balance sheet as of 31 December 2024 is shown in the following table:

Other assets

in € thousand	31/12/2024	31/12/2023
Non-current other financial assets		
Deposits	1,167	1,166
Non-current other assets		
Government grants	3,985	4,120
Other	314	217
Subtotal	**4,299**	**4,337**
Current other financial assets		
Government grants	3,398	4,357
Creditors with debit balance	854	621
Receivables from employees	280	398
Deposits	132	170
Other	66	64
Subtotal	**4,730**	**5,610**
Current other assets		
Government grants	11,263	8,413
Accruals	10,364	11,497
Claims for VAT and other tax refunds	3,802	3,200
Other	63	211
Subtotal	**25,492**	**23,321**
Total	**35,688**	**34,434**

Government grants mainly relate to tax subsidies for research and development and similar activities.

4.5 Income taxes

Income tax claims disclosed in the balance sheet are composed as follows.

Income tax claims

in € thousand	31/12/2024	31/12/2023
Deferred tax assets	10,193	12,407
Long-term current income tax claims	0	9
Short-term current income tax claims	16,327	10,373
Total	**26,520**	**22,789**

Income tax liabilities disclosed in the balance sheet are composed as follows:

Income tax liabilities

in € thousand	31/12/2024	31/12/2023
Deferred tax liabilities	13,589	7,973
Current income tax liabilities	7,756	14,227
Total	**21,345**	**22,200**

Within the Group, there are a number of years for which there are no final tax assessments. The GFT Group believes it has made sufficient provisions for these open assessment years.

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

Deferred tax assets

in € thousand	31/12/2024	31/12/2023
Intangible assets	660	493
Property, plant and equipment	184	27
Financial assets	21	21
Inventories	3,463	1,894
Receivables and other assets	929	433
Tax loss carry-forwards and tax credits	3,664	3,914
Provisions for pensions	1,117	1,286
Other provisions	5,568	4,151
Contract liabilities and other liabilities	8,166	6,057
Subtotal	**23,772**	**18,276**
Offsetting	−13,579	−5,869
Deferred tax assets	**10,193**	**12,407**

Deferred tax liabilities

in € thousand	31/12/2024	31/12/2023
Intangible assets	13,697	8,250
Property, plant and equipment	5,727	194
Financial assets	287	283
Inventories	87	25
Receivables and other assets	3,283	2,706
Provisions for pensions	386	678
Other provisions	2	4
Contract liabilities and other liabilities	3,699	1,702
Subtotal	**27,168**	**13,842**
Offsetting	−13,579	−5,869
Deferred tax liabilities	**13,589**	**7,973**

As at 31 December 2024, there are corporate tax loss carryforwards for GFT Group companies (gross amount) of €5,828 thousand (31 December 2023: €4,251 thousand), as well as local taxes (gross amount) of €901 thousand (31 December 2023: €971 thousand), which are fully attributable to foreign Group companies.

Deferred tax assets of €215 thousand (31 December 2023: €620 thousand) were recognised for corporate tax loss carryforwards of €977 thousand (31 December 2023: €3,116 thousand). However, no deferred tax assets were recognised on corporate income tax loss carryforwards (gross amount) of €4,851 thousand (31 December 2023: €1,135 thousand) and on loss carryforwards for local taxes (gross amount) of €901 thousand (31 December 2023: €971 thousand), as the tax claim is not considered sufficiently probable and the loss carryforwards expire within a time horizon of 4 and 20 years. As at 31 December 2024, GFT disclosed deferred tax assets for companies which suffered a loss in the current period or in the previous period, which exceeded deferred tax liabilities by €1,192 thousand (31 December 2023: €713 thousand). The basis for the recognition of deferred taxes is that it is probable on the basis of earnings planning that the respective companies will generate taxable income against which unused tax losses and deductible temporary differences can be offset.

Deferred tax assets of €2,352 thousand (31 December 2023: €2,370 thousand) have been capitalised on tax claims for research and development totalling €4,704 thousand (31 December 2023: €4,741 thousand).

GFT has not recognised deferred taxes on temporary differences in connection with shares in subsidiaries amounting to €7,505 thousand as of 31 December 2024 (31 December 2023: €8,244 thousand), as the Group is able to control the timing of the reversal of these temporary differences and a reversal is not considered probable in the foreseeable future.

4.6 Inventories

Inventories relate to order backlogs from purchase price allocations totalling €248 thousand (31 December 2023: €81 thousand) and otherwise to raw materials and supplies from ancillary business totalling €16 thousand (31 December 2023: €13 thousand).

4.7 Trade receivables

Trade receivables result from current business and refer to customer contracts within the scope of IFRS 15.

Trade receivables

in € thousand	31/12/2024	31/12/2023
Receivables from customer contracts (gross carrying amount)	168,599	170,643
Value adjustments	−7,044	−4,107
Carrying amount (net)	**161,555**	**166,536**

Trade receivables have a remaining term of up to one year.

The value adjustments include quantity discounts of €6,232 thousand (31 December 2023: €3,815 thousand) and expected credit losses of €812 thousand (31 December 2023: €292 thousand).

The development of valuation allowances on trade receivables on the basis of expected credit losses was as follows:

Development of valuation allowances on trade receivables on the basis of expected credit losses

in € thousand	2024	2023
Balance as of 1 January	**292**	**290**
Net additions	649	115
Drawings	−168	0
Reversals	−189	−146
Exchange rate effects and other changes	228	33
Balance as of 31 December	**812**	**292**

The exchange rate effects and other changes include an amount of €266 thousand relating to the Sophos Group business combination and in the previous year an amount of €32 thousand relating to the acquisition of GFT Deutschland GmbH (formerly: targens GmbH).

When estimating expected credit losses or the default risk, a distinction is made between trade receivables from major clients and other clients.

The expected credit losses for trade receivables from major clients are estimated using a probability-weighted default rate based on an average external credit rating which considers forward-looking information. To determine the expected credit losses, the probability-weighted default rate is multiplied as a percentage by the nominal value of trade receivables.

The following tables contain information on the default risk and expected credit losses for trade receivables from major clients.

Expected credit losses (major clients)

in € thousand	31/12/2024			
Credit rating	**Weighted average loss rate**	**Gross carrying amount**	**Value adjustment**	**Impaired creditworthiness**
A−	0.05%	8,714	−4	No
BBB+	0.09%	3,380	−3	No
BBB	0.14%	17,802	−25	No
		29,896	**−32**	

in € thousand	31/12/2023			
Credit rating	**Weighted average loss rate**	**Gross carrying amount**	**Value adjustment**	**Impaired creditworthiness**
A+	0.04%	3,932	−2	No
A-	0.05%	26,019	−13	No
BBB+	0.09%	4,424	−4	No
BBB	0.14%	21,152	−30	No
		55,527	**−49**	

The GFT Group uses a value adjustment matrix to measure the expected credit losses on trade receivables from other clients, which comprise a very large number of small balances. The loss ratios are calculated using the roll rate method, which is based on the probability that a receivable will progress through successive stages in payment delay.

The following tables provide information about the estimated default risk and expected credit losses on trade receivables from other clients:

Expected credit losses (other clients)

in € thousand	31/12/2024			
	Gross carrying amount	Value adjustment	Average loss rate	Impaired creditworthiness
not overdue	115,943	−584[1]	0.50%	No
1 to 30 days overdue	8,841	−5	0.06%	No
31 to 90 days overdue	4,219	−3	0.07%	No
91 to 180 days overdue	1,573	−17	1.08%	No
181 to 360 days overdue	1,699	−19	1.12%	Yes
more than 360 days overdue	196	−152	77.55%	Yes
	132,471	**−780**		

1 An amount of €566 thousand relates to gross carrying amounts whose creditworthiness is impaired, which are assigned to Level 2.

in € thousand	31/12/2023			
	Gross carrying amount	Value adjustment	Average loss rate	Impaired creditworthiness
not overdue	95,754	0	0.00%	No
1 to 30 days overdue	10,005	0	0.00%	No
31 to 90 days overdue	3,789	−54	1.43%	No
91 to 180 days overdue	1,109	−22	1.95%	No
181 to 360 days overdue	392	−41	10.36%	Yes
more than 360 days overdue	252	−126	50.08%	Yes
	111,301	**−243**		

Further information on financial risks and risk types is provided in section 9.1.

4.8 Contract balances

The following table provides information on receivables, contract assets and contract liabilities arising from contracts with clients:

Contract balances

in € thousand	31/12/2024	31/12/2023
Receivables included in trade receivables	161,555	166,536
Contract assets	24,251	25,026
Contract liabilities	45,006	40,833

Contract assets mainly refer to the GFT Group's claims for consideration resulting from services from fixed-price contracts in connection with the development of customer-specific IT solutions and the implementation of sector-specific standard software that have been rendered but not yet invoiced as of the reporting date. The amount of contract assets as of 31 December 2024 is affected by an impairment of €2 thousand (31 December 2023: €3 thousand). Contract assets are reclassified as receivables when the rights become unconditional. This usually happens at the time of invoicing, as soon as the GFT Group has fully performed the service and thereby acquired an unconditional entitlement to receive consideration. Contract assets are all current.

Contract liabilities mainly relate to advance payments received from clients for construction contracts for which revenue is recognised over a specified period. Contract liabilities have a remaining term of up to one year.

The amount of €40,833 thousand (1 January 2023: €39,597 thousand) disclosed under contract liabilities at the beginning of the period was recognised in full as revenue in 2024, as in the previous year.

4.9 Shareholders' equity

Please refer to the separately presented consolidated statement of changes in equity for the development of equity during the financial years 2024 and 2023.

Subscribed capital
As of 31 December 2024, the subscribed capital (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 programmes 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 2024, there was therefore unused authorised capital of €10.00 million (31 December 2023: €10.00 million).

Conditional capital
With a resolution adopted by the Annual General Meeting of 1 June 2022, the Administrative Board of GFT Technologies SE was authorised until 31 May 2027 to issue on a one-time-only or repeated basis convertible and/or warrant bonds or a combination of these instruments (bonds) with a total nominal amount of up to €400.00 million with or without a limited term and to grant the creditors of these bonds conversion or warrant rights to new no-par value bearer shares of GFT Technologies SE with a proportionate amount of share capital of up to €10.00 million in accordance with the respective terms and conditions of the bonds. The bonds can only be issued for 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. Among other things, the Administrative 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 1 June 2022 also resolved to conditionally increase the share capital by up to €10.00 million (Conditional Capital 2022).

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 – or at the time of exercising the authorisation if the amount is lower – 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 2024.

Capital reserve
The capital reserve of €42,148 thousand is unchanged from the previous year and comprises the amount generated by the issue of shares in excess of the arithmetical value.

Retained earnings
Retained earnings comprise the earnings generated in the past by those companies included in the consolidated financial statements, insofar as they have not been distributed. Actuarial gains/losses from pensions and deferred taxes on these pensions carried directly in equity are also included in retained earnings.

Dividend
According to the German Stock Corporation Act (Aktiengesetz – AktG), the dividend is distributed from the balance sheet profit reported in the annual financial statements of GFT Technologies SE (separate financial statements). In the financial year 2024, a dividend of €0.50 per share totalling €13,163 thousand (2023: €0.45 per share totalling €11,847 thousand) was distributed to the shareholders of the parent company from the balance sheet profit of the parent company for the 2023 financial year.

A proposal will be made to the Annual General Meeting to distribute €13,163 thousand (€0.50 per share) to shareholders from the balance sheet profit of GFT Technologies SE for the financial year 2024.

Other reserves
Other reserves comprise the accumulated differences from currency translations of the financial statements of consolidated foreign subsidiaries carried directly in equity.

Changes in other reserves are included in other comprehensive income and presented in the statement of comprehensive income.

Capital management
The GFT Group's capital management comprises the consolidated equity attributable to the shareholders of the parent company GFT Technologies SE, whose structure and possible uses are largely determined by the capital structure of GFT Technologies SE. As there are no shares of non-controlling interests, the equity attributable to the shareholders of GFT Technologies SE corresponds to total consolidated 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 covenants were met in full. 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.

4.10 Provisions for pensions

Provisions for pensions of the GFT Group comprise both defined benefit and defined contribution plans and include obligations from current pensions and entitlements to pensions payable in future. 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 2024 for defined contribution plans to public and private pensions regulatory authority of €47,109 thousand (2023: €42,554 thousand) are included in personnel expenses.

The main domestic and foreign pension plans of the GFT Group are described below.

Defined benefit plans in Germany exist due to direct individual commitments to retirement benefits, invalidity benefits, and provisions for dependents for 5 active employees (31 December 2023: 7), 25 employees who have left the company (31 December 2023: 23), one person drawing a pension (31 December 2023: 1), as well as for a former managing director of a former subsidiary (31 December 2023: 1).

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 2024 and in the previous year. '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 Technologies SE still comprises 40 active insured parties as of 31 December 2024 (31 December 2023: 45 active insured parties). As in the previous year, there are no pension recipients.

Severance payments under Italian law (Trattamento di Fine Rapporto, 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 (Istituto Nazionale della Previdenza Sociale, INPS) or an insurance provider nominated by the employee which is mandatory for companies with more than 50 employees. Below this threshold, transfers are voluntary and – insofar as relevant – are not made by the Italian company.

The obligations under Polish law also refer to severance payments which are required by law via the Polish Social Insurance Institution (Zakład Ubezpieczeń Społecznych, ZUS), 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 table shows the weighted average valuation factors used to calculate the pension obligations:

Parameters for determining the actuarial values

	Germany		Switzerland		Italy		Poland	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Probability of fluctuation	10.00%	10.00%	BVG 2020	BVG 2020	10.00%	10.00%	13.27%	13.43%
Pensionable age	63	63	65/65	65/64	67	67	65/60	65/60
Salary increases	2.00%	2.00%	2.00%	2.00%	3.00%	3.00%	3.10%	4.50%
Pension increases	2.00%	2.00%	0.00%	0.00%	2.95%	3.02%	0.00%	0.00%
Actuarial interest rate	3.40%	3.40%	1.00%	1.60%	3.38%	3.09%	5.80%	5.07%

In calculating pension obligations, life expectancy for the German pension plans as of 31 December 2024 was based on the ‘Heubeck Richttafeln 2018 G’ (2018 G mortality tables). The guideline tables take into account the latest statistics of the statutory pension insurance and the Federal Statistical Office. For the foreign pension plans, comparable valuation bases customary in the country are used.

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 2020).

The likelihood of withdrawals in Italy is assessed at 10.00%. The actuarial assumptions for mortality rates are prescribed by surveys of the Italian statistics office (Istituto Nazionale di Statistica, ISTAT 2016). The actuarial assumptions for disability incidence rates are based on the tables of the National Institute for Social Security (Istituto Nazionale della Previdenza Sociale, INPS).

For Poland, the likelihood of withdrawals is assessed at 13.27%. The actuarial assumptions for mortality rates are prescribed by the Main Statistical Office (Główny Urząd Statystyczny, GUS) (GUS 2023: multiplied by 60%). The disability incidence rate was assumed to be 0.6%.

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 reporting year and the preceding year can be taken from the following table:

Net liability of pension obligations

in € thousand	31/12/2024	31/12/2023
Present value of defined benefit obligations	16,522	13,915
Fair value of plan assets	−9,825	−8,262
Underfunding (net debt)	**6,697**	**5,652**

Of the present value of the entitlements, €12,096 thousand (31 December 2023: €9,394 thousand) relates to pension plans that are financed completely or partially by plan assets and €4,426 thousand (31 December 2023: 4,521 thousand) to pension plans that are not financed by plan assets.

The present value of the pension obligations is reconciled as follows:

Present value of pension obligations

in € thousand	2024	2023
Pension obligation as of 1 January	13,915	14,484
Current service cost	396	397
Past service cost	−484	0
Interest expense/income	250	296
Restatements	1,770	−472
Contributions to pension plan	166	315
Benefits paid	636	−1,707
Exchange rate changes and other changes	−127	602
Pension obligation as of 31 December	**16,522**	**13,915**

The fair value of the plan assets is reconciled as follows:

Fair value of plan assets

in € thousand	2024	2023
Fair value of plan assets as of 1 January	8,262	9,095
Income from plan assets (without interest)	288	−505
Interest on plan assets	125	161
Premiums paid less benefits received	821	−1,606
Contributions by employer	219	307
Contributions by entitled employees	219	315
Exchange rate changes	−109	495
Fair value of plan assets as of 31 December	**9,825**	**8,262**

Plan assets concern the BVG provisioning in Switzerland and an amount of €250 thousand in term deposits pledged to the pension recipient ('Plan Assets GFT Technologies SE'). In the following year (2025), employer and employee contributions to the plan assets of €284 thousand (2023: €292 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 2025 of the company. The expected income from plan assets of GFT Technologies SE results from interest and is insignificant. There are no plan assets in Italy and Poland.

Under IAS 19, companies must classify the fair value of plan assets according to the nature and risks of these assets. The breakdown of plan assets is as follows:

Fair value of plan assets

in € thousand	31/12/2024	31/12/2023
Bonds	4,960	4,271
Shares	2,949	2,356
Property	1,197	985
Alternative investments	345	514
Cash and cash equivalents	374	136
Fair value of plan assets as of the balance sheet date	**9,825**	**8,262**

The weighted average maturity of the defined benefit obligations is 9.02 years (31 December 2023: 9.34 years). A major part of plan assets is attributable to pension schemes in Switzerland.

In order to estimate the amount and uncertainty of future cash flows, a sensitivity analysis was conducted. An increase or decrease in the key actuarial assumptions would have the effects on the present value of the pension obligations shown in the following table.

In Switzerland, no pension increase was assumed as there is no mandatory adjustment for inflation. A reduction of 0.5 percentage points would imply a decrease in the pension, which is not legally possible.

As an insignificant proportion of the pension obligation in Germany is attributable to active candidates, no sensitivity analysis was conducted for the assumption of future salary increases (n/a = not applicable).

Sensitivity analysis of the present value of pension obligations as of 31 December 2024

	Obligation in € thousand				Change in %			
	Germany	Switzerland	Italy	Poland	Germany	Switzerland	Italy	Poland
Present value of obligation	713	12,808	2,833	168				
Discount rate	3.37%	1.00%	3.38%	5.80%				
Increase of 0.5%	676	11,777	2,629	156	−5.16%	−8.06%	−7.21%	−5.59%
Decrease of 0.5%	753	13,990	3,054	181	5.67%	9.22%	7.81%	6.13%
Salary increase	n/a	2.00%	n/a	3.10%				
Increase of 0.5%	n/a	12,858	n/a	158	n/a	0.38%	n/a	6.27%
Decrease of 0.5%	n/a	12,756	n/a	178	n/a	−0.41%	n/a	−5.75%
Pension increase	2.00%	0.00%	2.95%	n/a				
Increase of 0.5%	731	13,427	3,053	n/a	2.94%	4.82%	7.77%	n/a
Decrease of 0.5%	696	n/a	2,628	n/a	−2.73%	n/a	−7.24%	n/a

4.11 Other provisions

The development of other provisions is shown in the following table:

Other provisions

in € thousand	Personnel and social	Outstanding supplier invoices	Other	Total
Balance as of 1 January 2024	**49,627**	**7,168**	**4,111**	**60,906**
Consumption	−30,587	−6,687	−3,282	−40,556
Reversals	−14,534	−260	−129	−14,923
Additions	33,397	8,468	6,612	48,477
Other changes	658	142	187	987
Balance as of 31 December 2024	**38,561**	**8,831**	**7,499**	**54,891**

Provisions for personnel and social obligations mainly include expected expenses of the GFT Group for performance-based remuneration, redundancy and severance payments, as well as employee social benefits.

The provisions for outstanding supplier invoices mainly relate to freelancers and subcontractors commissioned within the framework of the operating business. The cash outflows for these provisions are mainly expected by the end of March in the following year.

Other changes relate to the Sophos business combination (€1,272 thousand) and otherwise currency effects.

Due to the maturity profile, in other words the expected settlement date for outflows of economic benefit, other provisions are shown in the balance sheet as follows:

Maturity profile of other provisions

in € thousand	31/12/2024	31/12/2023
Non-current provisions		
Performance-based remuneration	3,430	5,046
Employee social benefits	293	296
Guarantee obligations	237	174
Subtotal	**3,960**	**5,516**
Current provisions		
Performance-based remuneration	29,773	30,177
Outstanding supplier invoices	8,831	7,168
Severance pay	2,786	948
Wage tax obligations	1,371	11,505
Employee benefits	908	1,654
Other	7,262	3,938
Subtotal	**50,931**	**55,390**
Total	**54,891**	**60,906**

The provision for wage tax obligations of €11,505 thousand recognised in the previous year was largely reversed in April 2024 as a result of a financial court verdict in Brazil.

Share-based compensation

Other provisions contain obligations from share-based compensation agreements. The share-based commitments of the GFT Group are exclusively cash-settled.

As of the financial year 2020, the Managing Directors of GFT Technologies SE and the other members of the Group Executive Board (GEB) receive a long-term bonus as their variable compensation component with long-term incentive. The long-term bonus, or long-term incentive (LTI), is based on the total amount of annual variable compensation. Of this amount, two-thirds is paid out in cash. The remaining third of the total annual amount – taking into account any (prorated) discretionary bonus – is converted into the respective long-term variable compensation. For the annual conversion amount, the eligible persons receive virtual shares. The number of virtual shares is determined by dividing the conversion amount by the average GFT share price weighted by trading volume (Xetra) in the entire financial year prior to the conversion (initial financial year). On completion of three years, the virtual shares are converted back. For this purpose, the number of virtual shares is multiplied by the average share price (Xetra) weighted by trading volume in the entire third financial year after the initial financial year. The resulting amount is settled in cash, whereby an upper limit agreed individually with each beneficiary may not be exceeded.

In accordance with IFRS 2 *Share-based Payment*, the liability-based payment plans are measured at fair value at each balance sheet date until they are settled. The result to be considered in the reporting period corresponds to the addition to or release of other provisions between the balance sheet dates plus the compensation paid out in the reporting period and is disclosed in personnel expenses.

The fair value of the LTI due from the granting of virtual shares was determined using the Monte Carlo simulation model. Service and market-independent performance conditions associated with the business transactions were not taken into account in determining fair value.

The following parameters or input factors were used to determine the fair values of share-based payment plans as of 31 December 2024 and 31 December 2023 on the grant date, which corresponds to the measurement date:

Valuation parameters

	LTI 2024	LTI 2023	LTI 2022	LTI 2021
Fair value of a virtual share (in €)				
31 December 2024	20.59	21.06	21.54	n/a
31 December 2023	n/a	29.71	30.09	30.42
Weighted average share price (in €)				
31 December 2024	25.19	n/a	n/a	n/a
31 December 2023	n/a	30.29	n/a	n/a
Share price on the measurement date (in €)				
31 December 2024	22.10	22.10	22.10	n/a
31 December 2023	n/a	31.20	31.20	31.20
Expected dividend yield (in %)				
31 December 2024	2.26	2.26	2.26	n/a
31 December 2023	n/a	1.44	1.44	1.44
Expected volatility of the GFT share (in %)				
31 December 2024	43	43	37	n/a
31 December 2023	n/a	45	46	37
Expected term (in years)				
31 December 2024	3	2	1	n/a
31 December 2023	n/a	3	2	1
Risk-free interest rate based on government bonds (in %)				
31 December 2024	2.02	2.02	2.17	n/a
31 December 2023	n/a	2.04	2.35	2.97

The expected volatility is based on an assessment of the past volatility of the GFT share price, especially in the period corresponding to the expected term. The expected term of the instruments is based on the employment/service contract terms of the share-based payment agreements.

The number of virtual shares granted for the reporting period as of 31 December 2024 amounted to 58,270 (31 December 2023: 45,561). There are a total of 225,622 virtual shares granted and at the same time outstanding as of 31 December 2024.

The income recognised during the financial year 2024 for share-based payment transactions amounted to €1 thousand (2023: €–688 thousand). As of 31 December 2024, the carrying amount of other provisions from share-based payment arrangements amounted to €3,442 thousand (31 December 2023: €5,039 thousand).

4.12 Liabilities

The following table shows the composition of liabilities by remaining term and type of collateral (values in brackets relate to the previous year):

Remaining term and collateral

in € thousand	Remaining term: up to 1 year	Remaining term: more than 5 years	Total amount 31/12/2024	Thereof secured through liens and similar rights	Nature and form of the collateral
Financing liabilities	52,386	224	122,730	8,000	Mortgage[1]
	(45,948)	(0)	(65,948)		
Other financial liabilities	22,707	2,225	49,206		
	(20,246)	(5,602)	(48,656)		
Trade payables	12,980	0	12,980		
	(13,571)	(0)	(13,571)		
Current income tax liabilities	7,756	0	7,756		
	(14,227)	(0)	(14,227)		
Contract liabilities	45,006	0	45,006		
	(40,833)	(0)	(40,833)		
Other liabilities	67,725	0	68,617		
		(0)	(63,687)		
	208,560	**2,449**	**306,295**		
	(197,691)	**(5,602)**	**(246,922)**		

1 The mortgage served as collateral for a loan agreement which expired on 30 June 2024. The mortgage was deleted from the land registry on 17 February 2025.

Financing liabilities exclusively comprise bank liabilities.

4.13 Other liabilities

The following table shows the composition of other liabilities – divided into financial and non-financial liabilities:

Other liabilities

in € thousand	31/12/2024	31/12/2023
Non-current other financial liabilities		
Lease liabilities	26,485	28,398
Other	13	13
Subtotal	**26,498**	**28,411**
Non-current other liabilities		
Deferred income	**892**	**821**
Current other financial liabilities		
Payroll liabilities	12,002	10,576
Lease liabilities	10,491	9,627
Other	214	42
Subtotal	**22,707**	**20,245**
Current other liabilities		
Holiday obligations	22,332	21,074
Wage tax, VAT and other tax liabilities	19,321	18,752
Liabilities to social security institutions	12,354	11,494[1]
Deferred income	12,659	10,263
Other	1,059	1,283
Subtotal	**67,725**	**62,866**
Total	**117,822**	**112,343**

1 Reclassification of 3,031 thousand to deferred income in order to ensure true and fair presentation.

5 Explanations on items of the income statement

5.1 Revenue

The revenue presented in the consolidated income statement includes both revenue from contracts with customers and other revenue not within the scope of IFRS 15.

In the following table, revenue from contracts with customers (revenue acc. to IFRS 15) is divided into the two reporting segments and the categories: geographical region, type of contract for the provision of services or sale of goods, and the time of transfer of the goods or services.

Revenue

	Americas, UK & APAC		*Continental Europe*		Reconciliation		Total	
in € thousand	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Geographical regions								
Brazil	142,583	120,763[1]	0	0	0	0	142,583	120,763[1]
Germany	0	0	114,725	102,460	909	916	115,634	103,376
France	0	77	15,852	14,738	0	0	15,852	14,815
UK	93,868	110,133	185	24	0	0	94,053	110,157
Italy	0	0	86,366	82,647	0	0	86,366	82,647
Canada	67,816	68,853	0	0	0	0	67,816	68,853
Colombia	40,877	0	0	0	0	0	40,877	0
Mexico	27,430	27,978	0	0	0	0	27,430	27,978
Poland	5,534	6,215	26,766	22,155	0	0	32,300	28,370
Switzerland	0	0	10,138	13,407	0	0	10,138	13,407
Singapore	10,631	14,444	0	0	0	0	10,631	14,444
Spain	892	552	100,821	88,574	0	0	101,713	89,126
USA	67,792	72,585	406	1,250	0	0	68,198	73,835
Other countries	36,859	33,301	20,470	7,799	0	0	57,329	41,100
	494,282	**454,901[1]**	**375,729**	**333,054**	**909**	**916**	**870,920**	**788,871[1]**
Type of contract								
Service contract	320,924	280,183[1]	121,940	111,590	0	0	442,864	391,773[1]
Fixed-price contract	159,697	162,895	216,455	192,220	0	0	376,152	355,115
Maintenance contract	13,633	11,823	30,240	25,156	0	0	43,873	36,979
Other	28	0	7,094	4,088	909	916	8,031	5,004
	494,282	**454,901[1]**	**375,729**	**333,054**	**909**	**916**	**870,920**	**788,871[1]**
Time of transfer of goods or services								
Transfer at a certain time	0	0	0	0	909	916	909	916
Transfer over a certain period	494,282	454,901[1]	375,729	333,054	0	0	870,011	787,955[1]
	494,282	**454,901[1]**	**375,729**	**333,054**	**909**	**916**	**870,920**	**788,871[1]**

1 Adjusted due to the reclassification of revenue-related taxes of €–12,866 thousand from other operating expenses.

Other revenue includes revenue for activities in connection with the Group headquarters in Stuttgart, mainly from the sale of food and beverages and from rental transactions. Other revenue is shown in full in the reconciliation statement.

Revenue under IFRS 15 includes revenue of €40,833 thousand, which was included in contract liabilities as of 1 January 2024.

As of 31 December 2024, it is expected that revenue of €45,006 thousand (31 December 2023: €40,833 thousand) from unfulfilled or partially unfulfilled performance obligations at the end of the reporting period will be realised within the next two years. These are fixed-price contracts, in particular in connection with the development of sector-specific IT solutions and the implementation of bank-specific standard software. Not included are remaining performance obligations from customer contracts with an expected original term of no more than one year.

5.2 Other operating income

The following table shows the composition of other operating income:

Other operating income

in € thousand	2024	2023
Government grants	11,551	11,231
Reversal of provisions	10,665	382
Foreign exchange gains	3,953	3,440
Other income relating to other periods	425	198
Reversal of value adjustments for operating receivables	134	150
Income from the disposal of non-current assets	80	112
Other	1,541	753
Total	**28,349**	**16,266**

Government grants mainly relate to tax subsidies for research and development and similar activities.

The income from the release of provisions in the financial year 2024 amounting to €10,665 thousand results mainly from the release of provisions for wage tax obligations as a result of a financial court verdict in Brazil.

5.3 Cost of purchased services

The cost of services purchased by the GFT Group amounting to €111,166 thousand (2023: €106,211 thousand) relates to external services provided by freelancers and subcontractors in connection with the core operating business.

5.4 Personnel expenses

Personnel expenses are composed as follows:

Personnel expenses

in € thousand	2024	2023
Wages, salaries and social security contributions	574,313	504,252
Expenses for pensions	6,240	6,525
Other personnel expenses	41,742	30,884
Total	**622,295**	**541,661**

5.5 Other operating expenses

The composition of other operating expenses is as follows:

Other operating expenses

in € thousand	2024	2023
Personnel-related expenses	17,557	19,293
Rent and maintenance expenses	17,604	16,842
Audit and consulting fees	9,218	6,456
Sales and marketing	7,766	7,624
Foreign exchange losses	4,679	4,613
IT and telecommunication expenses	3,037	2,812
Energy and cleaning costs	2,340	2,044
Insurance expenses	1,826	1,656
Non-income taxes	1,513	853[1]
Expenses in connection with company acquisitions	842	469
Value adjustments for operating receivables	651	117
Losses from the disposal of property, plant and equipment	235	364
Other expenses relating to other periods	131	75
Other	4,457	4,290
Total	**71,856**	**67,508[1]**

1 Adjusted due to the reclassification of revenue-related taxes of €–12,866 thousand from other operating expenses.

5.6 Research and development expenses

Research and development expenses amounted to €15,954 thousand (2023: €18,189 thousand). The GFT Group's research and development activities continued to focus in particular on the possible applications of high-growth technologies, such as distributed ledger technology (DLT)/blockchain, Next Generation Platforms, cloud, data & analytics, and artificial intelligence, with a particular focus on generative AI.

Of the total costs for research and development expensed in profit or loss an amount of €15,141 thousand (2023: €16,291 thousand) was mainly attributable to personnel expenses and €813 thousand (2023: €1,898 thousand) to other operating expenses.

5.7 Depreciation and amortisation of intangible assets and property, plant and equipment

Scheduled depreciation and amortisation of intangible assets and property, plant and equipment for the financial year 2024 amounted to €22,963 thousand (2023: €21,359 thousand) and includes depreciation of right-of-use assets in accordance with IFRS 16 *Leases* amounting to €10,901 thousand (2023: €10,621 thousand). Further information on the depreciation of right-of-use assets can be found in note 4.3.

5.8 Financial result

The composition of the financial result is shown in the table below:

Financial result

in € thousand	2024	2023
Result from financial assets		
Impairment	–696	0
Interest on bank balances	2,459	2,930
Other interest income	127	176
Interest income	**2,586**	**3,106**
Interest on financing liabilities	–6,482	–2,625
Compounding of lease liabilities	–978	–599
Other interest expenses	–406	–277
Interest expense	**–7,866**	**–3,501**
Financial result	**–5,976**	**–395**

The result from financial assets relates to adjustments in the fair value of the investment in One Creation Corporation, New York, USA, a start-up in the field of data rights. The GFT Group acquired a nominal stake of around 4% in the financial year 2021.

5.9 Income taxes

The table below presents a breakdown of the income tax expense disclosed in the consolidated income statement:

Breakdown of income taxes

in € thousand	2024	2023
Current tax expense	18,629	19,934
Deferred tax income	–95	–297
Tax expense	**18,534**	**19,638**

The current tax expense for the financial year 2024 includes income relating to other periods of €439 thousand (2023: €2 thousand). The deferred tax expense includes adjustments for deferred taxes of €1,411 thousand (2023: €264 thousand) as well as expenses relating to other periods of €493 thousand (2023: €902 thousand).

The composition of deferred tax expense/income is shown in the following table:

Deferred income taxes

in € thousand	2024	2023
From temporary differences	155	–705
From tax loss carryforwards and tax credits	–250	408
Tax expense (+)/income (–)	**–95**	**–297**

Deferred taxes of €329 thousand (2023: €2 thousand), recognised directly in retained earnings related to actuarial losses for pension obligations pursuant to IAS 19.

In addition, there are deferred tax expenses from initial consolidation in connection with the acquisition of the Sophos Group amounting to €8,635 thousand, which were recognised directly in equity.

The disclosed income tax expense of €18,534 thousand (2023: €19,638 thousand) is derived as follows from the expected income tax expense that would have resulted from applying the overall domestic tax rate of 29.83% (2023: 29.83%) of GFT Technologies SE as the parent company to earnings before income taxes:

Reconciliation of effective tax rate

in € thousand	2024	2023
Earnings before income taxes	65,013	68,002
Expected tax expense	**19,390**	**20,281**
Tax rate differences	–3,420	–3,415
Non-deductible expenses and tax-free income	3,361	3,934
Effect from use of loss for tax claims not recognised in the previous year	–23	–8
Recognition adjustments for deferred taxes	1,411	264
Aperiodic effects	–55	900
Tax rebates	–2,373	–2,139
Effects from permanent differences	8	132
Other tax effects	235	–311
Effective tax expense	**18,534**	**19,638**
Effective tax rate	28.51%	28.88%

With regard to global minimum taxation, which was transformed into national law with effect from 1 January 2024, GFT Technologies SE in Germany is obliged to pay an additional tax on the profits of its subsidiaries that are taxed at an effective tax rate of less than 15%. Based on the data of the profits and tax expenses determined in the course of preparing the consolidated financial statements and taking into account the 'safe harbour' regulations, no additional minimum tax was paid for the financial year 2024. GFT continues to analyse the impact of the global minimum tax legislation on the Group's future profitability.

In accordance with the provisions of IAS 12, no account was taken of deferred taxes arising from the application of the minimum tax law.

5.10 Earnings per share

Earnings per share (basic) and earnings per share (diluted) are calculated on the basis of the earnings attributable to the shareholders of GFT Technologies SE. As there are no dilutive effects, basic earnings per share therefore correspond to diluted earnings per share.

The following calculation of earnings per share is based on profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding:

Earnings per share

in €	2024	2023
Basic earnings per share	1.77	1.84
net income considered	46,479,504.51	48,364,535.70
number of ordinary shares considered	26,325,946	26,325,946
Diluted earnings per share	1.77	1.84
net income considered	46,479,504.51	48,364,535.70
number of ordinary shares considered	26,325,946	26,325,946

6 Explanations on items of the statement of comprehensive income

The result from the classification and measurement of net investments in foreign operations recognised directly in equity amounted to €420 thousand in the reporting period (2023: €68 thousand) and relates entirely to currency translation effects. Net investments relate to long-term loans to the subsidiaries GFT UK Limited and GFT Technologies Canada Inc.

Due to the partial repayment of the loans to GFT UK Limited and GFT Technologies Canada Inc., cumulative currency gains totalling €863 thousand, which had previously been recognised directly in equity, were reclassified to the income statement in the reporting year. In the previous year, due to the partial repayment of the loans to GFT UK Limited and GFT Technologies Canada Inc., cumulative currency gains totalling €239 thousand were recognised in the income statement.

7 Explanations on items of the cash flow statement

Financing liabilities, or financing liabilities, and the hedging instruments used in this connection changed as follows in the financial year:

Financing liabilities

in € thousand	As of 01/01/2024	Changes affecting cash flow	Changes not affecting cash flow				As of 31/12/2024
			Other changes	Currency effects	Fair values	Reclassifications	
Non-current financing liabilities	20,000	50,345	1,287	−98	0	−1,189	70,345
Current financing liabilities	45,948	1,576	3,972	−299	0	1,189	52,386
Assets used to hedge non-current financing liabilities	0	0	0	0	0	0	0
Total	**65,948**	**51,921**	**5,259**	**−397**	**0**	**0**	**122,731**

Other changes relate entirely to the Sophos business combination.

Cash and cash equivalents disclosed in the cash flow statement break down as follows:

Cash and cash equivalents

in € thousand	31/12/2024	31/12/2023
Short-term bank balances	80,186	70,328
Cash	10	13
Total	**80,196**	**70,341**

8 Segment reporting

8.1 General information

The GFT Group has two reporting segments. As the chief operating decision-makers responsible for assessing the company's results of operations and allocating resources, the Managing Directors regularly assess the business activities of these two segments.

The *Americas, UK & APAC* segment comprises operating companies in the following countries:

- Brazil
- Chile
- Costa Rica
- UK
- Hong Kong
- India
- Canada
- Colombia
- Mexico
- Panama
- Peru
- Singapore
- USA
- Vietnam

The *Continental Europe* segment comprises operating companies in the following countries:

- Belgium
- Germany
- France
- Italy
- Poland
- Switzerland
- Spain

The internal controlling and reporting structures of the GFT Group are fundamentally based on the IFRS accounting principles described in section 1. The GFT Group measures the success of its segments on the basis of revenue and EBT. Segment revenue and earnings also include transactions between the business segments.

The types of services with which the reporting segments generate their income are all activities related to IT services.

The Managing Directors do not receive regular information on segment assets, segment liabilities or the capital expenditure of each segment.

Detailed information on the business segments for the financial years 2024 and 2023 is presented below.

Information on business segments

	Americas, UK & APAC		*Continental Europe*		Total segments		Reconciliation		GFT Group	
in € thousand	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
External revenue	494,282	454,901[1]	375,729	333,054	870,011	787,955[1]	909	916	870,920	788,871[1]
Intersegment revenue	5,926	4,817	80,455	92,749	86,381	97,566	−86,381	−97,566	0	0
Total revenue	**500,208**	**459,718[1]**	**456,184**	**425,803**	**956,392**	**885,521[1]**	**−85,472**	**−96,650**	**870,920**	**788,871[1]**
Segment result (EBT)	**46,179**	**45,456**	**25,563**	**31,429**	**71,742**	**76,885**	**−6,729**	**−8,883**	**65,013**	**68,002**
thereof personnel expenses	−301,254	−252,302	−304,038	−275,337	−605,292	−527,639	−17,003	−14,022	−622,295	−541,661
thereof depreciation and amortisation	−8,152	−6,999	−13,565	−12,972	−21,717	−19,971	−1,246	−1,388	−22,963	−21,359
thereof interest income	2,929	3,286	1,298	1,099	4,227	4,385	−1,641	−1,279	2,586	3,106
thereof interest expenses	−2,980	−2,343	−5,593	−1,133	−8,573	−3,476	707	−25	−7,866	−3,501

1 Adapted due to the reclassification of sales-related taxes in the amount of € −12,866 thousand from other operating expenses

8.2 Reconciliation

The reconciliation of the Group's revenue as well as the sum of the segment results (EBT) to the Group's earnings before taxes is presented in the table below.

The reconciliation discloses items which per definition are not components of the segments. It also includes non-allocated items of Group HQ, for example from centrally managed issues, or revenue which only occasionally occurs for company activities. Business transactions between the segments are also eliminated in the reconciliation. The reconciliation of segment figures is as follows:

Reconciliation of segment figures

in € thousand	**2024**	**2023**
Total segment revenue	**956,392**	**885,521[1]**
Elimination of inter-segment revenue	−86,381	−97,566
Occasionally occurring revenue	909	916
Group revenue	**870,920**	**788,871[1]**
Total segment earnings (EBT)	**71,742**	**76,885**
Non-allocated expensesof Group HQ	−5,281	−7,934
Other	−1,448	−949
Group net income before taxes	**65,013**	**68,002**

1 Adjusted due to the reclassification of revenue-related taxes of €−12,866 thousand from other operating expenses.

8.3 Geographical information

The following table shows the revenue of the GFT Group as well as non-current intangible assets and property, plant and equipment (including right-of-use assets), broken down by the company's country of domicile. This geographical information discloses segment revenue based on customer location and segment assets based on the locations of assets.

Revenue and non-current intangible and tangible assets by country

	Revenue from sales to external clients[1]		Non-current intangible and tangible assets	
in € thousand	2024	2023	31/12/2024	31/12/2023
Brazil	142,583	120,763[2]	4,232	5,542
Germany	115,634	103,376	105,700	109,190
France	15,852	14,815	40	62
UK	94,053	110,157	36,577	35,878
Italy	86,366	82,647	32,028	28,536
Canada	67,816	68,853	14,475	15,946
Colombia	40,877	0	87,532	0
Mexico	27,430	27,978	462	611
Poland	32,300	28,370	9,275	9,783
Switzerland	10,138	13,407	455	559
Singapore	10,631	14,444	2	7
Spain	101,713	89,126	24,900	27,963
USA	68,198	73,835	7,667	7,563
Other countries	57,329	41,100	830	963
Total	**870,920**	**788,871[2]**	**324,175**	**242,603**

1 By client location.
2 Adjusted due to the reclassification of revenue-related taxes of €–12,866 thousand from other operating expenses

Revenue from sales to external clients which account for more than 10% of consolidated revenue developed as follows in the financial year 2024:

Clients accounting for over 10% of revenue

	Revenue		Segments in which this revenue is generated	
in € thousand	2024	2023	2024	2023
Client 1	123,881	127,575	*Americas, UK & APAC, Continental Europe*	*Americas, UK & APAC, Continental Europe*

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

9 Other disclosures

9.1 Financial instruments

Carrying amounts and fair values of financial instruments

The table on page 119 and page 120 shows the carrying amounts and fair values for the respective classes of financial instruments of the GFT Group and reconciles these to the corresponding balance sheet items.

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In view of the varying influencing factors, the reported fair values can only be regarded as indicators of the prices that may actually be achieved on the market.

The fair values of financial instruments were determined on the basis of the market information available on the reporting date. The following methods and premises were applied.

Trade receivables as well as cash and cash equivalents

Due to the short terms and the generally low credit risk of these financial instruments, it was assumed that their fair values correspond to the carrying amounts.

Information on financial instruments according to measurement categorie and measurement hierarchy

		31/12/2024							31/12/2023						
		Not measured at fair value		Measured at fair value					Not measured at fair value		Measured at fair value				
					Fair value							Fair value			
in € thousand	Measurement category acc. to IFRS 9	Carrying amount	Fair value	Carrying amount	Level 1[1]	Level 2[2]	Level 3[3]	Total	Carrying amount	Fair value	Carrying amount	Level 1[1]	Level 2[2]	Level 3[3]	Total
Financial assets															
Not measured at fair value															
Trade receivables	AC	161,555	161,555	–	–	–	–	161,555	166,536	166,536	–	–	–	–	166,536
Cash and cash equivalents	AC	80,196	80,196	–	–	–	–	80,196	70,341	70,341	–	–	–	–	70,341
Other financial assets[4]	AC	5,897	5,897	–	–	–	–	5,897	6,776	6,776	–	–	–	–	6,776
Measured at fair value															
Financial investments	FVTPL	–	–	0	–	0	–	0	–	–	696	–	696	–	696
Total financial assets		**247,648**	**247,648**	**0**	**–**	**0**	**–**	**247,648**	**243,653**	**243,653**	**696**	–	**696**	**–**	**244,349**
Financial liabilities															
Not measured at fair value															
Financing liabilities	AC	122,730	133,991	–	–	–	–	122,730	65,948	69,300	–	–	–	–	65,948
Other financial liabilities[5]	AC	49,206	49,206	–	–	–	–	49,206	48,656	48,656	–	–	–	–	48,656
Trade payables	AC	12,980	12,980	–	–	–	–	12,980	13,571	13,571	–	–	–	–	13,571
Total financial liabilities		**184,916**	**196,177**	**–**	**–**	**–**	**–**	**184,916**	**128,175**	**131,527**	**–**	**–**	**–**	**–**	**128,175**

1 Fair values were measured on the basis of quoted prices (unadjusted) in active markets for these or identical assets or liabilities.
2 Fair values were measured on the basis of inputs that are observable on active markets either directly (i.e. as prices) or indirectly (i.e. derived from prices).
3 Fair values were measured on the basis of inputs for which no observable market data is available.
4 The financial instruments comprise the non-current and current other financial assets according to balance sheet disclosure.
5 The financial instruments comprise the non-current and current other financial liabilities according to balance sheet disclosure.

Continued on next page ›

Information on financial instruments according to measurement categorie and measurement hierarchy (continued)

	31/12/2024								31/12/2023						
		Not measured at fair value		Measured at fair value					Not measured at fair value		Measured at fair value				
					Fair value							Fair value			
in € thousand	Meas-urement category acc. to IFRS 9	Carrying amount	Fair value	Carrying amount	Level 1[1]	Level 2[2]	Level 3[3]	Total	Carrying amount	Fair value	Carrying amount	Level 1[1]	Level 2[2]	Level 3[3]	Total
Thereof aggregated acc. to the measurement categories IFRS 9															
Financial assets measured at amortised costs (AC)		247,648	247,648	–	–	–	–	**247,648**	243,653	243,653	–	–	–	–	**243,653**
Financial assets measured at fair value through profit or loss (FVTPL)		–	–	0	–	0	–	**0**	–	–	696	–	696	–	**696**
Financial liabilities measured at amortised cost (AC)		184,916	196,177	–	–	–	–	**184,916**	128,175	131,527	–	–	–	–	**128,175**

1 Fair values were measured on the basis of quoted prices (unadjusted) in active markets for these or identical assets or liabilities.
2 Fair values were measured on the basis of inputs that are observable on active markets either directly (i.e. as prices) or indirectly (i.e. derived from prices).
3 Fair values were measured on the basis of inputs for which no observable market data is available.

Other financial assets
Other financial assets relate to investments in equity instruments and other types of financial assets.

Investments in equity instruments are measured at fair value through profit or loss. As there were no public quotations for the equity shares, the market value was determined on the basis of parameters for which either directly or indirectly derived quoted prices were available on an active market. The market values were calculated using recognised financial mathematical models.

Other types of financial assets were measured at amortised cost. Amortised cost is determined on the basis of the present value of future cash inflows, discounted at an interest rate prevailing at the end of the reporting period, taking into account the respective maturities of the financial assets. Due to the predominantly short terms of these financial instruments, it was assumed that their fair values correspond to the carrying amounts.

Financing liabilities
Financing liabilities refer to liabilities owed to banks. The fair values of loans or other financing liabilities were determined as the present values of expected future cash flows. Market interest rates for the appropriate terms were used for discounting.

Trade payables
Due to their short maturities, it was assumed that the fair values correspond to the carrying amounts of these financial instruments.

Other financial liabilities
Other financial liabilities comprise liabilities from leases, payroll liabilities due to employees and other liabilities.

The fair values of liabilities from leases were determined as the present value of expected cash flows, discounted using an interest rate in line with the corresponding terms.

Payroll liabilities due to employees were measured in line with IAS 19 *Employee Benefits* and other financial liabilities at amortised cost. Due to the predominantly short maturities of these financial instruments, it was assumed that their fair values correspond to the carrying amounts.

Measurement categories
The GFT Group uses various types of financial instruments in the normal course of business. These are classified in accordance with IFRS 9 as follows: at amortised cost (AC) or at fair value through profit or loss (FVTPL). The carrying amounts of financial instruments, broken down into measurement categories, are presented on page 119 and page 120.

Measurement hierarchies
The table on page 119 and page 120 shows the measurement hierarchies (in accordance with IFRS13) in which financial assets and liabilities measured at fair value are classified.

Financial instruments measured at fair value in the balance sheet are classified into the following measurement hierarchies which reflect the extent to which fair value is observable:

Level 1: Fair value measurement is based on quoted, unadjusted prices in active markets for these or identical assets and liabilities.

Level 2: Fair value measurement is based on parameters for which either directly or indirectly derived prices are available on active markets.

Level 3: Fair value measurement is based on parameters for which no observable market data are available.

The fair values of Level 2 were determined by the participating financial institutions on the basis of market data on the measurement date and using generally accepted valuation models.

There were no reclassifications between assessment hierarchies as of 31 December 2024.

Net gains or losses

The net gains or losses on financial instruments (excluding derivative financial instruments that are included in hedge accounting) recognised in the consolidated income statement are shown in the following table:

Net gains (+) or losses (-) on financial instruments

in € thousand	2024	2023
Financial assets at fair value through profit or loss	**–696**	**0**
Impairments	–649	–115
Reversals of impairment losses	189	146
Exchange rate effects	38	–1
Financial assets measured at (amortised) cost	**–422**	**30**
Financial liabilities measured at (amortised) cost	**0**	**0**

The net gains and losses on financial assets at fair value through profit or loss include not only the results from changes in fair value but also interest expenses and income from these financial instruments. Results from changes in market value are included in the consolidated income statement under 'Other operating income'. Interest expenses and income from financial assets at fair value through profit or loss are recognised in the financial result.

The net gains and losses from financial assets measured at (amortised) cost are characterised by opposing effects from impairments, reversals of impairment losses and exchange rate effects and are disclosed in the consolidated income statement under other operating income and other operating expenses.

Total interest income and expenses

The following table shows the total interest income and expenses for financial assets and financial liabilities which are not measured at fair value through profit or loss.

Total interest income and expenses

in € thousand	2024	2023
Total interest income	2,459	2,930
Total interest expenses	–7,459	–3,223

Qualitative descriptions of the accounting treatment and disclosure of financial instruments (including derivative financial instruments) are contained in note 2.5.

Disclosures on derivative financial instruments

Derivative financial instruments are used by the GFT Group principally to hedge financial risks resulting from its operating business or refinancing activities. These mainly include currency and interest rate risks, which are defined as risk categories in accordance with IFRS 9.

General information on financial risks

Due to its business activities and global orientation, the GFT Group is exposed to various financial risks, in particular due to changes in exchange rates and interest rates. In addition, the GFT Group is exposed to a minor extent to credit and liquidity risks from its operating business. The individual risks are explained below and described in the risk report within the combined management report (see 5.6 Financial Risks).

The GFT Group has issued internal guidelines which concern risk controlling processes. They contain a clear separation of functions with regard to operational financial activities, their settlement, accounting and the controlling of the financial instruments. They are based on a Group-wide identification and analysis of risks. In addition, they are aimed at the appropriate limitation and control of risks and their supervision.

The GFT Group manages and monitors these risks primarily through its operational business and financing activities and uses derivative financial instruments where necessary. These are used by the GFT Group exclusively to hedge financial risks resulting from operating business or refinancing activities. Without their use, the Group would be exposed to higher financial risks. The GFT Group regularly assesses its financial risks and takes into consideration any changes in key economic indicators and current market information.

Exchange rate risk

The global orientation of the GFT Group means that cash flows and results are exposed to risks from exchange rate fluctuations. In its operating business, exchange rate risks mainly arise when revenue is denominated in a currency other than the related costs (transaction risk). In addition, exchange rate risks arise from currency translation in connection with the preparation of the consolidated financial statements (translation risk). Financial instruments in the functional currency of the GFT Group (euros) and non-monetary items do not bear any exchange rate risk.

The GFT Group's total currency exposure is reduced by natural hedges, which consist of the partial offsetting of foreign currency exposures from the operating business of individual national companies across the Group. No hedging measures are therefore required for the balanced position. In order to achieve a further, natural hedge against the remaining transaction risk, the GFT Group generally strives to make disbursements preferably in those currencies in which there are net cash surpluses.

In the financial year 2024, 89% (2023: 82%) of the GFT Group's revenue was generated in the functional currency of the company procuring. Purchases (mainly external services and personnel) are also predominantly made in the functional currency of the company procuring. The exchange rate risk from operating activities is therefore classified as moderate.

In order to reduce the impact of exchange rate fluctuations in its operating business (future transactions), the GFT Group continuously assesses the exchange rate risk and, if necessary, hedges a portion of this risk by using derivative financial instruments. No derivative financial instruments were used in the financial year 2024.

When preparing the consolidated financial statements, the income, expenses, assets and liabilities of subsidiaries located outside of the eurozone are translated into euros. This mainly affects subsidiaries with the currencies Brazilian real, British pound, Canadian dollar, Columbian peso, Mexican peso, Swiss franc, Polish zloty and US dollar. Changes in exchange rates from one reporting period to another can thus lead to significant translation effects, for example relating to revenue and the segment result (EBT), as well as the assets and liabilities of the Group. Unlike the transaction risk, however, the translation risk does not necessarily affect future cash flows. The Group's equity capital reflects changes in carrying amounts caused by exchange rate effects. The currency translation effects recognised directly in equity decreased by €2,009 thousand to €−3,478 thousand at 31 December 2024 (31 December 2023: €−1,469 thousand), taking into account the effects of the valuation of net investments in foreign operations, mainly due to the devaluation of the Brazilian real. The appreciation of the British pound and the Colombian peso had the opposite effect.

The GFT Group does not hedge against translation risks. In order to minimise translation risks, a central, Group-wide clearing system is used. Within the scope of clearing, receivables and payables from intra-Group deliveries and services are settled via clearing accounts held with GFT Treasury Services GmbH, thus minimising the time between invoicing and settlement. Invoices for services rendered are generally issued at the end of the month, with payment due immediately. The invoices are then settled at the beginning of the following month by crediting the clearing account of the providing company and debiting the clearing account of the receiving company. The clearing accounts are denominated in the respective functional currencies of the Group companies.

Interest risk

The interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The GFT Group sees only a low risk from changes in interest rates for trade receivables and other financial assets, most of which are short-term and non-interest-bearing. Variable-interest primary financing liabilities without hedging amount to €112,303 thousand. An increase in the interest rate by one percentage point, compared to the interest rate as of the balance sheet date, would lead to an increase in interest expense of €1,123 thousand. Derivative interest rate instruments to hedge the general risk from interest rate fluctuations have not yet been used due to their minor impact.

No financial instruments were used for the management of interest risks in the financial year 2024.

Credit risk

The credit risk describes the risk of an economic loss arising because a contracting party fails to meet its contractual payment obligations. The credit risk includes both the direct default risk and the risk of a deterioration in creditworthiness. The maximum risk positions from financial assets that are generally subject to credit risk correspond to their carrying amounts.

Liquid funds

The liquid funds of the GFT Group are mainly composed of cash and cash equivalents. The Group is exposed to losses from credit risks in connection with the investment of cash and cash equivalents if banks fail to meet their obligations. When investing cash and cash equivalents, the respective banks are selected with care. The GFT Group assumes that its cash and cash equivalents have a low credit risk based on the external ratings of banks and financial institutions. As cash and cash equivalents are not subject to any material credit risk, no valuation allowance was calculated or recognised on the basis of expected future losses.

Trade receivables and contract assets
Trade receivables and contract assets result from the Group's sales activities. The credit risk includes the default risk of clients. The GFT Group manages credit risks arising from these financial assets on the basis of internal guidelines. In order to reduce the credit risk, creditworthiness checks are carried out on clients. In addition, there are ongoing monitoring processes – especially for financial assets at risk of default.

As part of the impairment model (see note 2.5), the simplified approach is applied for the recognition of impairment losses on trade receivables and contract assets, whereby expected credit losses for these financial assets are recognised over their entire term when they are initially recognised. The maximum exposure to risk from trade receivables and contract assets corresponds to the carrying amount of these assets. Contract assets and trade receivables that are neither overdue nor impaired are due from clients with very good credit ratings. At the end of the reporting period, there were no significant credit risks for overdue trade receivables and contract assets still impaired.

The following table shows the concentration of credit risk in respect of trade receivables and contract assets broken down by customer and region:

Concentration of credit risk

in € thousand	31/12/2024	31/12/2023
Carrying amount	185,806	191,562
Concentration by customer		
Financial assets due from the five largest customers	26,233	62,377
Financial assets due from the remaining customers	159,574	129,185
Concentration according to region[1]		
Germany	14,223	21,702
Europe except Germany	96,388	112,587
Rest of the world	75,195	57,273

1 By customer location.

Further information on trade receivables and contract assets, including the status of valuation allowances, can be found in notes 4.7 and 4.8, respectively.

Other financial assets
With regard to the assets included in non-current and current other financial assets of 2024 and 2023, the GFT Group is exposed to only minor credit risks. The maximum exposure to credit risk of these financial assets corresponds to their carrying amounts.

Liquidity risk
Liquidity risk describes the risk that a company cannot adequately meet its financial obligations.

The GFT Group manages its liquidity by maintaining sufficient liquid funds and credit lines with banks in addition to its cash inflows from operating activities. Its liquid funds are cash and cash equivalents available to the Group at short notice.

All Group companies are included in the liquidity management by means of a central treasury system. Liquidity surpluses and demands can thus be controlled according to the requirements of the entire Group, as well as individual companies in the Group.

Liquid funds are primarily used to finance working capital, as well as corporate acquisitions and other investments. As of 31 December 2024, liquidity amounted to €80,196 thousand (31 December 2023: €70,341 thousand). In the financial year 2024, there were significant cash inflows from operating activities of €72,420 thousand (2023: €40,443 thousand), which were opposed in particular by cash outflows from investing activities of €84,245 thousand (2023: €50,306 thousand). In addition, there were cash inflows from financing activities of €26,811 thousand in the reporting period (2023: €15 thousand).

The maturity overview shown in the following tables illustrates how cash flows in connection with liabilities as of 31 December 2024 (including a comparison with the previous year) can influence the future liquidity situation of the GFT Group.

Maturity overview of financial liabilities

		Cash flows				
in € thousand	Carrying amount 31/12/2024	up to 1 month	from 1 to 3 months	from 3 months up to 1 year	from 1 to 5 years	more than 5 years
Liabilities due to banks	122,730	11,120	351	40,914	70,121	224
Liabilities from leases[1]	36,977	2,451	4,852	3,188	24,261	2,225
Trade payables	12,980	12,980	0	0	0	0
Other financial liabilities[1]	12,229	12,229	0	0	0	0
	184,916	**38,780**	**5,203**	**44,102**	**94,382**	**2,449**

		Cash flows				
in € thousand	Carrying amount 31/12/2023	up to 1 month	from 1 to 3 months	from 3 months up to 1 year	from 1 to 5 years	more than 5 years
Liabilities due to banks	65,948	23,761	85	22,102	20,000	0
Liabilities from leases[1]	38,035	817	1,635	7,357	22,614	5,602
Trade payables	13,571	13,571	0	0	0	0
Other financial liabilities[1]	10,631	10,631	0	0	0	0
	128,175	**48,780**	**1,720**	**29,459**	**42,614**	**5,602**

1 Liabilities from leases and other financial liabilities together constitute the non-current and current other financial liabilities disclosed in the balance sheet.

The liquidity available, the credit lines and current operating 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 of up to one month after the end of the reporting period and between three months and one year after the end of the reporting period. The cash outflow is mainly due to expiring bank loans. The total amount of outgoing liquidity during the stated periods amounts to €52,034 thousand. The amount is calculated on the basis of liquidity management. At the end of the reporting period, the GFT Group's loan portfolio contains a syndicated loan agreement modified in January 2024 totalling €100,000 thousand (31 December 2023: €60,000 thousand), promissory note loan agreements totalling €50, 000 thousand (31 December 2023: €17,000 thousand) as well as bilateral credit lines totalling €23,948 thousand (31 December 2023: €35,283 thousand).

All credit agreements 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. From the current perspective, there are no known significant risks with regard to the non-fulfilment of loan covenants.

9.2 Other financial obligations

Other financial obligations of the GFT Group as of 31 December 2024 are presented according to maturity below:

Other financial obligations

in € thousand	31/12/2024	31/12/2023
Obligations from fixed-term leases		
due within one year	5,326	2,719
due between one and five years	3,978	6,784
due after more than five years	51	0
Annual obligations from indefinite leases	**5,790**	**5,572**

Other financial obligations are stated at their nominal value and mainly comprise obligations from fixed-term IT licence agreements amounting to €7,741 thousand (31 December 2023: €8,347 thousand) as well as maintenance agreements amounting to €96 thousand (31 December 2023: €211 thousand). In addition, other financial obligations include future minimum lease payments for short-term leases and leases of low-value assets.

The annual obligations from indefinite leases amounting to €5,790 thousand (31 December 2023: €5,572 thousand) relate in particular to licence and maintenance agreements.

As at 31 December 2024, there are contractual obligations from the acquisition of intangible assets of €1 thousand (31 December 2023: €1 thousand) and property, plant and equipment of €122 thousand (31 December 2023: €38 thousand).

9.3 Related party disclosures

Related parties are all associated companies and non-consolidated subsidiaries, as well as persons exercising significant influence over the GFT Group's financial and business policy. The latter include all persons in key positions as well as their close family members. For the GFT Group, persons in key positions are the members of the Administrative Board and the Managing Directors of GFT Technologies SE.

Related parties also include companies which are controlled by one of the aforementioned persons or under joint management in which one of the aforementioned persons holds an interest.

Business transactions with related parties are generally conducted on an arm's length basis. Details on business transactions between the GFT Group and its related companies and persons are presented below.

Related parties

	Goods and services rendered and other income		Goods and services received and other expenses		Receivables		Payables	
in € thousand	**2024**	**2023**	**2024**	**2023**	**31/12/2024**	**31/12/2023**	**31/12/2024**	**31/12/2023**
Related companies	72	66	229	169	9	3	0	0
Related persons	20	15	0	1	13	0	0	0
Total	**92**	**81**	**229**	**197**	**22**	**3**	**0**	**0**

Related companies
With regard to the GFT Group's relationships with related companies, the majority of the goods and services rendered amounting to €52 thousand (2023: €42 thousand) are attributable to GLOBE Fuel Cell Systems GmbH, Stuttgart, which is controlled by Ulrich Dietz, Chairman of the Administrative Board. In the previous year, goods and services rendered amounting to €42 thousand were attributable to 1886Technologies GmbH (formerly: 1886 Ventures GmbH), Stuttgart, which is also controlled by Ulrich Dietz.

As in the previous year, goods and services received mainly relate to services provided by CODE_n GmbH, Stuttgart, controlled by Ulrich Dietz, in connection with the letting of office space to third parties amounting to €171 thousand (2023: €131 thousand).

Related persons
The members of the Administrative Board and the Managing Directors of GFT Technologies SE, as well as their close family members, may also be clients of GFT Technologies SE and its subsidiaries and purchase goods and services.

There are service agreements with the Managing Directors. Moreover, various services were rendered to members of the Administrative Board and the Managing Directors amounting to a total of €20 thousand (2023: €15 thousand).

In the years 2024 and 2023, no advances or loans to members of the Administrative Board or the Managing Directors were granted or waived.

The compensation expensed in the income statement for members of the Administrative Board and the remuneration of the Managing Directors, is as follows:

Remuneration of the Administrative Board and the Managing Directors

in € thousand	2024	2023
short-term employees benefits	4,288	3,389
termination benefits	1,584	0
Share-based payments	120	377
Total	**5,993**	**3,766**

Share-based payments for the financial year 2024 include income from the valuation of remuneration for previous years amounting to €711 thousand (2023: €411 thousand).

Total compensation for the Managing Directors in the financial year 2024 amounted to €5,488 thousand (2023: €3,273 thousand).

Total compensation for the Administrative Board without the remuneration of the Managing Directors amounted to €505 thousand in the financial year 2024 (2023: €493 thousand). Members of the Administrative Board appointed as Managing Directors, do not receive any remuneration for the services as members of the Administrative Board.

9.4 Employees

The average number of employees in the financial year 2024 was 11,119 (2023: 9,147). The average number of employees (headcount) by country is as follows:

Employees by country

	2024	2023
Belgium	2	2
Brazil	3,528	2,971
Canada	390	418
Chile	11	0
Colombia	1,413	0
Costa Rica	155	175
France	52	53
Germany	646	634
Hong Kong	7	8
India	47	0
Italy	935	877
Mexico	423	454
Panama	4	0
Peru	1	0
Poland	801	903
Singapore	9	11
Spain	2,196	2,076
Switzerland	29	34
UK	232	293
USA	49	49
Vietnam	189	189
Average number of employees	**11,119**	**9,147**

The number of employees (headcount) at the end of the reporting period was 11,575 (31 December 2023: 9,202).

9.5 Auditing fees

At the Annual General Meeting of 20 June 2024, the shareholders of GFT Technologies SE elected the accounting firm Deloitte GmbH Wirtschaftsprüfungsgesellschaft as auditors. The following table presents the fees of Deloitte GmbH Wirtschaftsprüfungsgesellschaft, as well as those of companies belonging to the global Deloitte network, for services rendered to GFT Technologies SE and its subsidiaries:

Auditing fees

in € thousand	2024	2023
Audit services	941	652
thereof Deloitte GmbH Wirtschaftsprüfungsgesellschaft	487	395
Non-audit services	160	0
thereof Deloitte GmbH Wirtschaftsprüfungsgesellschaft	160	0
Other services	29	0
thereof Deloitte GmbH Wirtschaftsprüfungsgesellschaft	29	0
Total auditing fee	**1,130**	**652**
thereof Deloitte GmbH Wirtschaftsprüfungsgesellschaft	**676**	**395**

The audit services relate to the auditing of the consolidated financial statements and annual financial statements, the review of the interim statements, and an audit review of the half-yearly financial report. Other services comprise the fee for the voluntary audit review of the non-financial report.

9.6 Use of simplified preparation and disclosure option

On inclusion in the consolidated financial statements of GFT Technologies SE, Stuttgart, the following fully consolidated affiliated German companies made use of the provisions of section 264 (3) HGB:

- GFT Real Estate GmbH, Stuttgart
- SW34 Gastro GmbH, Stuttgart
- GFT Treasury Services GmbH, Stuttgart
- GFT Invest GmbH, Stuttgart
- GFT Software Solutions GmbH, Constance (formerly: Integrated Systems GmbH, Constance)

9.7 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 has issued its Declaration of Compliance and made it permanently accessible to shareholders on the corporate website at www.gft.com/governance.

9.8 Subsequent events

There have been no events since the end of the financial year 2024 that have a significant impact on the financial position and performance of the GFT Group.

Stuttgart, 27 March 2025

GFT Technologies SE
The Managing Directors

Marco Santos
Global Chief Executive Officer (CEO)

Dr. Jochen Ruetz
Chief Financial Officer (CFO) &
deputy Chief Executive Officer (dep. CEO)

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 financial position, cash flows and profit or loss of the Group, and the Group management report, which has been combined with the management report for GFT Technologies SE, 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, 27 March 2025

GFT Technologies SE
The Managing Directors

Marco Santos
Global Chief Executive Officer (CEO)

Dr. Jochen Ruetz
Chief Financial Officer (CFO) &
deputy Chief Executive Officer (dep. CEO)

Independent auditor's report

To GFT Technologies SE, Stuttgart/Germany

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Audit Opinions
We have audited the consolidated financial statements of GFT Technologies SE, Stuttgart/Germany, and its subsidiaries (the Group) which comprise the consolidated balance sheet as at 31 December 2024, the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 January to 31 December 2024, and the notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the combined management report for the parent and the group of GFT Technologies SE, Stuttgart/Germany, for the financial year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the combined corporate governance statement included in section 8 of the combined management report and the Group's separate non-financial sustainability statement to which reference is made in section 2.7 of the combined management report. In addition, we have not audited the content of the table marked "unaudited" in section 3.2 "Development of Business" in the combined management report and of the last paragraph marked "unaudited" in the subsection "Risk Management System" of section 5.1 "Risk and Opportunity Management Policies" in the combined management report.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS® Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter "IFRS Accounting Standards") as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) German Commercial Code (HGB) and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2024 and of its financial performance for the financial year from 1 January to 31 December 2024, and

- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the combined corporate governance statement and of the Group's non-financial sustainability statement to which reference is made in the combined management report. Neither does our audit opinion on the combined management report cover the content of the table in section 3.2 "Development of Business" and the last paragraph in the subsection ""Risk Management System" of section 5.1 "Risk and Opportunity Management Policies" in the combined management report.

Pursuant to Section 322 (3) sentence 1 (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Audit Opinions
We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the 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 (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities 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) point (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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a

whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the key audit matters we have determined in the course of our audit:

1. Recoverability of goodwill

2. Recognition of the revenue of fixed-price contracts, using the cost-to-cost method

Our presentation of these key audit matters has been structured as follows:

a) description (including reference to corresponding information in the consolidated financial statements)

b) auditor's response

1. Recoverability of goodwill

a) Goodwill of mEUR 230.4 (35.3% of the consolidated balance sheet total) is recognized in the consolidated financial statements of GFT Technologies SE as of 31 December 2024.

Goodwill is tested for impairment by the managing directors at the level of the business segments *Americas, UK & APAC* and *Continental Europe* annually and/or when there is an indication of impairment. To assess the recoverability of goodwill, the Company primarily determines value in use, using a discounted cash flow method, and compares value in use to the relevant carrying amounts of the cash-generating units. The reference date of the impairment test is 31 December 2024.

As of 31 December 2024, the managing directors of GFT Technologies SE determined that performed impairments tests did not result in the need to recognize impairment losses.

Goodwill impairment testing is complex and based on a range of assumptions that require the exercise of judgment. They include, among other things, the development of the business segments' business and earnings expected for the detailed planning period of one year, and the expected development of the business segments' business and earnings that is rolled forward to the following four years and based on assumptions, as well as presumed long-term growth rates, and the discount rates used (perpetuity value). This is the context in which we have classified recoverability as a key audit matter.

Information provided by the managing directors about the recognition of goodwill and the related exercise of judgment has been included in Items 2.5, 2.6. and 4.1. of the notes to the consolidated financial statements.

b) During our audit, we obtained an in-depth understanding of the process of testing for impairment, and evaluated the extent to which an assessment could be influenced by subjectivity, complexity, or other inherent risk factors. In addition, we evaluated the design and establishment of selected internal controls over cash flow planning relevant to the audit.

We reperformed the impairment test performed by the managing directors, in which we involved our internal valuation specialists, and assessed whether the valuation procedure applied was methodologically and arithmetically appropriate. In relation to planning data included in the valuation, we performed reconciliations on corporate plans for 2025 that the managing directors of GFT Technologies SE had created, and the administrative board had approved. Regarding available estimates, we performed a critical assessment of the related assumptions and data. We also assured ourselves that high-quality forecasts were provided to date, by comparing previous financial years' planning to the results actually realized, and analyzing deviations. We evaluated the adequacy of future income used in the valuation by reconciling selected planning assumptions with general and industry-specific market expectations, taking into account expected changes in inflation. In addition, we examined whether planning was consistent with information about strategy and medium-term planning, and the reporting on outlook in the combined management report.

We also evaluated the determination of the cost of capital used.

For this purpose, we concerned ourselves with the parameters used in determining the cost of capital, and reconciled them to market expectations, in which we involved internal valuation specialists who we consulted.

2. Recognition of the revenue of fixed-price contracts, using the cost-to-cost method

as of the reference date, in the consolidated statement of profit and loss of the financial year 2024. The revenue of fixed-price contracts accounts for 43.2% of the total revenue of the GFT Group.

The revenue of the GFT Group's fixed-price contracts is recognized according to IFRS 15.35. Revenue and earnings are hence recognized by reference to the stage of completion of a contract over a certain time period. Progress towards the completion of a contract is measured using an input method generally based on the proportion that contract costs incurred for work performed to date bear to the estimated total costs to satisfy a performance obligation (cost-to-cost method). The managing directors of GFT Technologies SE believe that this method best depicts progress towards the completion of a contract and/or transfer of assets to customers.

Recognition of the revenue of fixed-price contracts over time, using the cost-to-cost method, is complex and requires the exercise of judgment. Estimation uncertainty arises primarily from the determination of the stage of completion of a contract, and the estimated total project costs, that mainly include internal employee costs in the GFT Group's case. There is a risk that the revenue and earnings of fixed-price contracts shown in the consolidated financial statements are incorrectly allocated to financial years. For this reason, we have considered the recognition of the revenue of fixed-price contracts, using the cost-to-cost method, to be a key audit matter.

Information provided by the managing directors about the recognition of revenue over time, and accounting and valuation bases used to recognize fixed-price contracts, has been included in Items 2.5, 2.6 and 5.1 of the notes to the consolidated financial statements.

b) During our audit, we obtained an in-depth understanding of the project management process from the proposal stage to the implementation stage of fixed-price contracts, and evaluated the extent to which processes and the related data could be influenced by subjectivity, complexity, or other inherent risk factors. We considered the design and establishment, as well as effectiveness, of selected accounting-related internal controls designed to ensure that fixed-price contracts are correctly recognized in the consolidated financial statements. These controls were particularly relevant to an assessment of the correct allocation of costs to the individual projects. A different audit strategy was selected for a significant subarea, and assurance was obtained through an audit of the design and establishment of selected accounting-related internal controls over revenue, and through substantive procedures.

On the basis of risk-based and representatively selected samples, we considered compliance with the requirements for recognition of revenue over time, and evaluated estimates and assumptions made, and data, by means of tests of details and reconciliation with the underlying contracts. In doing so, we made inquiries of project managers as to the development of projects, as to contract risk, as to a current assessment of the costs expected to be incurred to complete a contract, and as to the reasons for the deviation between the planned contract costs and actual costs.

In addition, we analyzed planned costs updated for the consolidated financial statement by evaluating the quality of cost planning based on plan vs. actual cost analyses, using historical accounting data. We also reperformed the appropriate and timely allocation of personnel-related costs attributed to the relevant projects by tracing hours worked underlying the costs, using timesheets and cost rates. Furthermore, we matched transaction prices to the relevant underlying contracts. We considered the correctness of the stage of completion that had been determined, and the resultant recognized amount of revenue.

Other Information

The managing directors and/or the administrative board are responsible for the other information. The other information comprises

- the report of the administrative board,
- the Group's separate non-financial sustainability statement pursuant to Section 315b HGB, to which reference is made in section 2.7 of the combined management report,
- the combined corporate governance statement pursuant to Sections 289f and 315d HGB included in section 8 of the combined management report,
- the table included in section 3.2 "Development of Business" of the combined management report and marked "unaudited",
- the last section marked "unaudited" in the subsection "Risk Management System" of section 5.1 "Risk and Opportunity Management Policies" in the combined management report,
- the managing directors' confirmations regarding the consolidated financial statements and the combined management report pursuant to Section 297 (2) sentence 4 and Section 315 (1) sentence 5 HGB, and
- all other parts of the annual report,
- but not the consolidated financial statements, not the audited content of the disclosures in the combined management report and not our auditor's report thereon.

The administrative board is responsible for the report of the administrative board, and for the statement according to Section 161 German Stock Corporation Act (AktG) concerning the German Corporate Governance Code, which is part of the combined corporate governance statement. The managing directors and the administrative board are responsible for the combined corporate governance statement. Otherwise the managing directors are responsible for the other information.

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

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

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

Responsibilities of the Managing Directors and the Administrative Board for the Consolidated Financial Statements and the Combined Management Report
The managing directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the managing directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the managing directors are responsible for assessing the Group'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 unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the managing directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the managing directors are 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 Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report
Our objectives are to obtain reasonable assurance about whether the consolidated 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 Group's position and, in all material respects, is consistent with the consolidated 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 audit opinions on the consolidated 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 consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated 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 audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement 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 consolidated financial statements and of arrangements and measures 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 audit opinion on the effectiveness of internal control and/or of these arrangements and measures of the Group.

- evaluate the appropriateness of accounting policies used by the managing directors and the reasonableness of estimates made by the managing directors and related disclosures.

- conclude on the appropriateness of the managing directors' 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 Group'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 consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit 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 Group to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

- plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, which serves as a basis for forming audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and inspection of the audit procedures performed for the purposes of the group audit. We remain solely responsible for our audit opinions.

- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- perform audit procedures on the prospective information presented by the managing directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the managing directors 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 audit 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 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 actions taken or safeguards applied to eliminate independence threats.

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

Other Legal and Regulatory Requirements

Report on the Audit of the Electronic Reproductions of the Consolidated Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Audit Opinion

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the consolidated financial statements and of the combined management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA256: 44162885abc96ba43fdf 0cc2a1b22c15e34e4afb35206f176c74b9ce17573dbd value, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the consolidated financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying combined management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Audit Opinion

We conducted our audit of the electronic reproductions of the consolidated financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the "Group Auditor's Responsibilities for the Audit of the ESEF Documents" section. Our audit firm has applied the IDW Standards on Quality Management.

Responsibilities of the Managing Directors and the Administrative Board for the ESEF Documents

The managing directors of the Company are responsible for the preparation of the ESEF documents based on the electronic files of the consolidated financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements according to Section 328 (1) sentence 4 no. 2 HGB.

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

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

Group Auditor's Responsibilities for the Audit of the ESEF Documents

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 judgment and maintain professional skepticism throughout the audit. 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 audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.

- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit 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 containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.

- evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited combined management report.

- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Further information pursuant to Article 10 of the EU Audit Regulation
We were elected as auditor of the consolidated financial statements by the general meeting on 20 June 2024. We were engaged by the administrative board on 13 August 2024. We have been the auditor of the consolidated financial statements of GFT Technologies SE, Stuttgart/Germany, since the financial year 2022.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee 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 consolidated financial statements and the audited combined management report as well as with the audited ESEF documents. The consolidated financial statements and the combined management report converted into the ESEF format – including the versions to be submitted to the Company Register – are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein is to be used solely together with the audited ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Marco Koch.

Stuttgart/Germany, 27 March 2025

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Marco Koch	Anja Lustig
Wirtschaftsprüfer	Wirtschaftsprüferin
(German Public Auditor)	(German Public Auditor)

Financial Calendar 2025

8 May 2025	Interim Statement as of 31 March 2025
5 June 2025	Annual General Meeting (virtual)
7 August 2025	Half-Year Report 2025
13 November 2025	Interim Statement as of 30 September 2025

Investor Relations Events

Further information

Our Investor Relations team will be happy to answer any questions you may have. Or visit our website at www.gft.com/ir. There you can find further information about our company and the GFT Technologies SE share.

The Annual Report 2024 is also available in German at www.gft.com/ir.

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