Shaping
the future
of digital
business

GFT

HALF-YEAR FINANCIAL REPORT 2023

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References to persons are to be understood as gender neutral. For ease of readability, we refrain from using multiple mentions or paraphrases in certain passages – this does not imply any judgement.

Key figures (IFRS)

GFT Group

in € million	H1/2023	H1/2022	Δ	Δ %	Q2/2023	Q2/2022	Δ	Δ %
Income statement								
Revenue	391.58	357.25	34.33	10%	200.91	183.90	17.01	9%
EBITDA	40.55	39.38	1.17	3%	20.66	20.86	−0.20	−1%
EBIT adj.	31.17	30.10	1.07	4%	14.89	16.19	−1.30	−8%
EBIT	29.94	29.02	0.92	3%	15.11	15.57	−0.46	−3%
EBT	30.04	29.16	0.88	3%	15.00	15.74	−0.74	−5%
EBT-Margin	7,7%	8,2%			7,5%	8,6%		
Tax rate	30,2%	29,1%			30,5%	29,4%		
Net income	20.97	20.69	0.28	1%	10.43	11.11	−0.68	−6%
Segments								
Revenue *Americas, UK & APAC*	232.06	222.58	9.48	4%	115.50	115.99	−0.49	0%
Revenue *Continental Europe*	159.10	134.38	24.72	18%	85.17	67.69	17.48	26%
Revenue *Others*	0.42	0.29	0.13	45%	0.24	0.22	0.02	9%
Earnings before taxes (EBT) *Americas, UK & APAC*	18.37	17.94	0.43	2%	8.25	10.88	−2.63	−24%
Earnings before taxes (EBT) *Continental Europe*	15.69	13.29	2.40	18%	7.83	5.71	2.12	37%
Earnings before taxes (EBT) *Others*	−4.02	−2.07	−1.95	−94%	−1.08	−0.85	−0.23	−26%
Share								
Basic earnings per share (in €)	0.80	0.79	0.01	1%	0.40	0.43	−0.03	−8%
Cashflow per share (in €)	−0.38	−0.02	−0.36	< −100%	−0.26	−0.16	−0.10	−60%
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	−9.96	−0.44	−9.52	< −100%	−6.92	−4.06	−2.86	−70%
Cash flow from investing activities	−48.14	−3.86	−44.28	< −100%	−47.35	−2.16	−45.19	< −100%
Cash flow from financing activities	24.32	−17.98	42.30	>100%	−7.90	−5.05	−2.85	−56%

in € million	30/06/ 2023	31/12/ 2022	Δ	Δ %
Balance sheet				
Non-current assets	262,33	212,60	49,73	23%
Cash and cash equivalents	45,62	78,22	−32,60	−42%
Other current assets	222,72	206,95	15,77	8%
Total assets	530,67	**497,77**	**32,90**	**7%**
Equity	214,50	201,08	13,42	7%
Non-current liabilities	97,96	98,49	−0,53	−1%
Current liabilities	218,21	198,20	20,01	10%
Total equity and liabilities	530,67	**497,77**	**32,90**	**7%**
Equity ratio	40%	40%		
Employees				
Number of employees (FTE)	9.008	8.842	166	2%
Weighted utilisation rate	89,3%	90,1%		

Interactive analysis tool
Our current key financial figures can be found on our website.

Consolidated interim management report

1 Basic principles of the Group

A detailed overview of the business model, the Group structure as well as the objectives and key performance measures of the GFT Group is provided in the Annual Report 2022. With the exception of the changes explained below, the statements made there still apply.

Adjustment of key performance measures
As of 1 January 2023, the key performance indicators (KPIs) used to measure the success of strategy implementation in the GFT Group are revenue, adjusted EBIT (formerly adjusted EBITDA) and EBT (earnings before taxes). The change from adjusted EBITDA to adjusted EBIT, which is now the primary measure of earnings, is designed to provide a more accurate picture of the Group's operating performance and to enhance comparability with peer group companies. Adjusted EBIT presents the operating result without share price-related effects from the valuation of compensation agreements and the impact of M&A transactions. Further explanations of the key financial indicators used by the GFT Group are provided at Key Performance Measures (gft.com).

Changes in the Administrative Board
Ms Annette Beller, Chief Financial Officer of B. Braun SE, Melsungen, Germany, was elected as a new member of the Administrative Board by the Annual General Meeting on 22 June 2023. Dr-Ing Andreas Bereczky resigned from the Administrative Board with effect from the end of the Annual General Meeting. The Administrative Board therefore continues to consist of seven members.

2 Economic report

2.1. General economic and sector-specific conditions

Global economic development
There have been no significant changes with regard to the macroeconomic development since the publication of the Annual Report 2022.

The global economy got off to a good start in 2023, but continued to be exposed to risks during the reporting period. Whereas the Chinese economy showed a significant recovery, high inflation rates and a more restrictive monetary policy negatively impacted economic development in almost all industrialised countries. Moreover, tensions in the US and European banking sectors in the spring led to uncertainty on the global financial markets – with a further dampening effect on the economy. In the industrialised countries, inflation slowed in the course of the first six months; the underlying price pressure, however, remained high.

Economic activity in the eurozone decreased slightly at the beginning of the year and the recovery of the German economy remained sluggish in the first six months. The after-effects of the energy crisis in Germany, coupled with a shortage of labour and supply bottlenecks, continued to burden the economy.

Sector developments
According to the market research institute Gartner, the global IT market developed more favourably in the first half of 2023 than expected at the beginning of the year. Despite weak growth rates in many countries and persistently high inflation, demand for IT solutions for the implementation of digitalisation projects remained high. The main growth driver has been the software segment, which benefited from companies devoting more of their IT spending to software-based transformation solutions.

The digital association Bitkom reports that the German market for information technology and telecommunications (ICT) continued to make steady progress in the first half of 2023. The information technology segment maintained its upward trajectory, driven by increased sales of software and IT services. The Bitkom-Ifo Digital Index consistently outperformed the overall economy during the reporting period, although sentiment and expectations in the ICT sector began to deteriorate from May onwards.

2.2. Business development

Overview of business development
Despite the high degree of market uncertainty, the GFT Group successfully continued its growth trend in the first half of 2023 and increased revenue by 10% to €391.58 million. This positive development was driven by persistently high demand for long-term and complex digitalisation projects.

In the *Continental Europe* segment, revenue rose significantly by 18%, boosted by the acquisition of targens GmbH (targens) on 3 April 2023 and a shift in revenue previously assigned to the *Americas, UK&APAC* segment. In the *Americas, UK&APAC* segment, GFT achieved revenue growth of 4% (or 8% without the revenue shift). Business in the growth markets of the USA, Canada and Mexico in particular remained very positive across all sectors.

There was also an improvement in key earnings figures during the first six months. However, negative currency effects and capacity adjustments meant that this trend was less dynamic than revenue growth.

Adjusted EBIT improved to €31.17 million in the first half of 2023 (H1/2022: €30.10 million). This figure includes adjustments and effects from M&A transactions of €+2.79 million, as well as share price-related effects from the valuation of compensation agreements amounting to €-1.57 million. EBITDA rose to €40.55 million (H1/2022: €39.38 million), while EBT improved to €30.04 million (H1/2022: €29.16 million). Net income for the period reached €20.97 million (H1/2022: €20.69 million).

The acquisition of targens from Landesbank Baden-Württemberg (LBBW), as announced on 23 February 2023, was successfully completed on 3 April 2023 (acquisition date). With effect from this acquisition date, the GFT Group acquired 100% of shares in in the company via GFT Technologies SE. Based in Stuttgart, targens GmbH has expertise in the field of digital solutions for the banking sector with a focus on compliance applications. By acquiring targens, GFT has strengthened its customer base in Germany and gained additional expertise in the areas of consulting and compliance solutions. In the period from 3 April to 30 June 2023, targens employed an average of 262 people and contributed revenue during this period of €10.18 million and a profit of €0.28 million to consolidated pre-tax earnings (EBT). Due to write-downs on purchase price allocations, as well as integration costs, targens is not expected to make any significant contribution to consolidated earnings in the financial year 2023.

At the time of preparing this half-year financial report, the development of revenue and earnings is below the previously communicated expectations for the full year. Due to the persistently high level of market uncertainty, clients of the GFT Group were reluctant to make investment decisions during the reporting period, especially in its largest market, Brazil. Against this backdrop of weaker growth momentum and unexpected order postponements, guidance for the financial year 2023 has been downgraded slightly (see details in section 3.2).

Cash flow from operating activities amounted to €-9.96 million in the reporting period (H1/2022: €-0.44 million). The decline was mainly due to unfavourable working capital effects, especially in connection with fixed-price projects. Moreover, cash flow from operating activities in the first half of 2023 was significantly burdened by the transfer of subsidies amounting to €14.34 million. These subsidies were received at the end of the previous financial year in connection with EU projects in Italy for third-party account. Cash and cash equivalents fell year on year to €45.62 million (31 December 2022: €78.22 million). In addition to the targens acquisition, this was also a result of the higher dividend payment to shareholders compared to the previous year.

As of 30 June 2023, the GFT Group had a total of 9,008 employees (full-time equivalents, FTE). This corresponds to an increase of 2% compared to 8,842 employees on 31 December 2022. The moderate rise reflects the slowdown in the growth of business with a simultaneous increase in headcount due to the targens acquisition (see details in section 2.8).

2.3. Development of revenue

Development of revenue

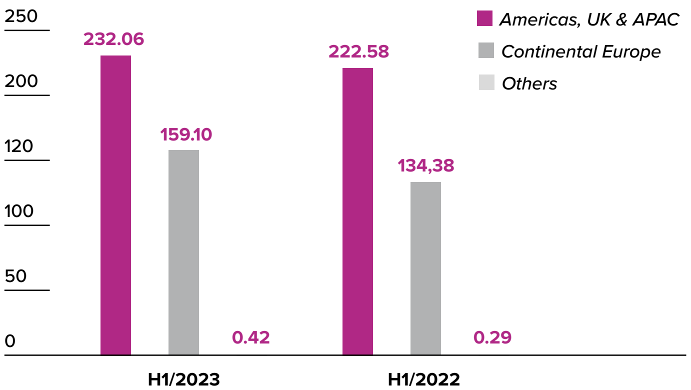
In the first half of 2023, revenue of the GFT Group rose by 10% to €391.58 million (H1/2022: €357.25 million). At €200.91 million, revenue in the second quarter was 9% up on the previous year (Q2/2022: €183.90 million).

The *Continental Europe* segment in particular contributed to slower but still significant year-on-year growth in the first half of 2023. Segment revenue grew by 18% to €159.10 million (H1/2022: €134.38 million). This growth was driven by the positive revenue contribution from targens of €10.18 million and a revenue shift from the UK to Poland of €8.56 million. The shift in revenue resulted from a change in project billing with a client. Excluding these effects, revenue growth amounted to 4%. Other key revenue drivers were the positive development of business with banks in Germany as well as with insurers and industrial clients in Italy. At €85.17 million, the second quarter was 26% up on the previous year (Q2/2022: €67.69 million).

In the *Americas, UK&APAC* segment, revenue increased by 4% to €232.06 million (H1/2022: €222.58 million). There was a positive impact from business with banks and insurers in the USA and Mexico, especially from demand for cloud-enabled solutions for financial institutions. The increase would have been higher without the aforementioned shift in revenue to the *Continental Europe* segment. Adjusted for this effect, the *Americas, UK&APAC* segment grew by 8%. A slowdown in business in Brazil, GFT's largest market, was offset by persistently strong growth in the USA, Mexico and Canada. In the second quarter of 2023, revenue in the *Americas, UK&APAC* segment was almost unchanged from the previous year at €115.50 million (Q2/2022: €115.99 million).

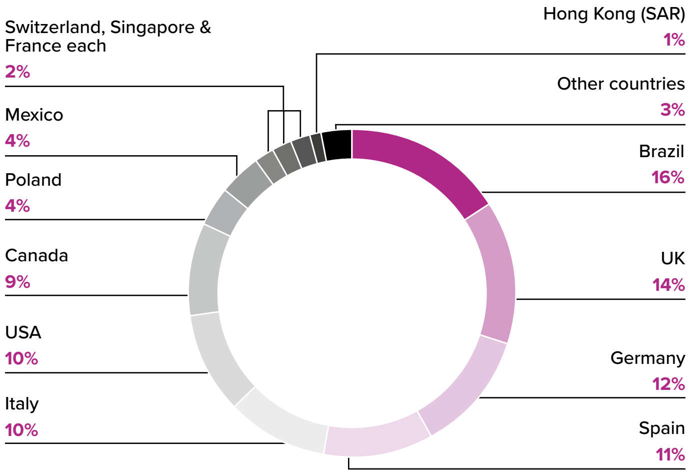
Consolidated interim management report

Revenue by segment
in € million



	H1/2023		H1/2022		
	€ million	share in %	€ million	share in %	Δ %
Americas, UK&APAC	232.06	59%	222.58	62%	4%
Continental Europe	159.10	41%	134.38	38%	18%
Others	0.42	0%	0.29	0%	45%
GFT Group	**391.58**	**100%**	**357.25**	**100%**	**10%**

Revenue by country



	H1/2023		H1/2022		
	€ million	share in %	€ million	share in %	Δ %
Brazil	62.44	16%	66.16	19%	-6%
UK	56.17	14%	60.91	17%	-8%
Germany	45.41	12%	31.81	9%	43%
Spain	44.88	11%	44.62	13%	1%
Italy	41.29	10%	38.03	11%	9%
USA	39.41	10%	29.18	8%	35%
Canada	35.03	9%	32.82	9%	7%
Mexico	13.88	4%	8.52	2%	63%
Poland	13.75	4%	5.30	1%	>100%
Singapore	8.02	2%	7.93	2%	1%
Switzerland	7.27	2%	8.83	2%	-18%
France	6.29	2%	5.90	2%	7%
Hong Kong (SAR)	3.65	1%	6.90	2%	-47%
Other countries	14.09	3%	10.34	3%	36%
GFT Group	**391.58**	**100%**	**357.25**	**100%**	**10%**

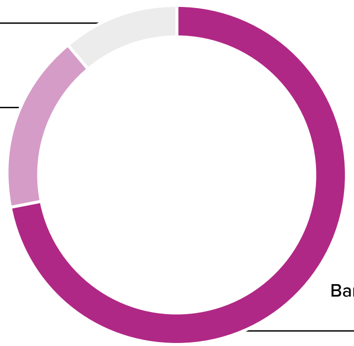
Consolidated interim management report

Development of revenue by sector

Revenue generated with banks grew by 11% to €285.42 million in the first six months (H1/2022: €256.16 million), while revenue generated with insurers was only slightly above the prior-year level at €66.30 million (H1/2022: €65.95 million). Revenue from clients in the Industry&Other segment increased significantly by 13% to €39.86 million (H1/2022: €35.14 million). This positive trend resulted primarily from successful digitalisation projects in Germany, Spain and Italy.

Banking accounted for 73% (H1/2022: 72%), Insurance for 17% (H1/2022: 18%) and Industry&Others for 10% (H1/2022: 10%) of total revenue. The breakdown across these sectors was thus virtually unchanged from the previous year.

Revenue by sector



	H1/2023		H1/2022[1]		
	€ million	share in %	€ million	share in %	Δ %
Banking	285.42	73%	256.16	72%	11%
Insurance	66.30	17%	65.95	18%	1%
Industry & Others	39.86	10%	35.14	10%	13%
GFT Group	**391.58**	**100%**	**357.25**	**100%**	**10%**

1 Prior-year figures adjusted to correctly reflect client allocation.

2.4. Earnings position

Earnings position of the GFT Group in the first half of 2023

In the first half of 2023, the GFT Group's revenue of €391.58 million was 10% up on the prior-year figure of €357.25 million. The increase is due in particular to improved price penetration and sales growth in the banking segment – boosted by the ongoing pressure on clients to digitalise their business. Compared to the previous year, revenue growth in the reporting period was dampened by more restrained client spending.

Other operating income of €7.06 million was slightly below the prior-year level (H1/2022: €7.20 million). This trend was heavily influenced by increased government grants (especially for R&D activities) of €4.44 million (H1/2022: €3.73 million) as well as lower currency gains of €2.17 million (H1/2022: €2.72 million).

The **cost of purchased services** amounted to €52.38 million and was thus 3% below the prior-year figure (H1/2022: €54.11 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 to 13% in the first half of 2023 (H1/2022: 15%).

Personnel expenses rose by 12% or €28.71 million to €264.49 million in the first half of 2023 (H1/2022: €235.78 million). This development was primarily attributable to the increase in average headcount, especially in Germany, Spain and Italy. The increase in Germany is predominantly a result of the targens acquisition. Personnel expenses in the reporting period were burdened by capacity adjustments of €2.59 million (H1/2022: €1.42 million). However, there were positive effects from the valuation of the share-based component of management remuneration amounting to €1.57 million (H1/2022: €1.27 million). The ratio of personnel expenses to revenue (the personnel cost ratio) rose to 68% (H1/2022: 66%). By contrast, the personnel cost ratio without capacity adjustments and plus the purchase of external services improved to 80% (H1/2022: 81%).

Other operating expenses were up by 17%, or €6.04 million, and amounted to €41.22 million in the first six months of 2023 (H1/2022: €35.18 million). The main cost elements were still operating, administrative and selling expenses, which totalled €30.92 million (H1/2022: €26.45 million). The rise in other operating expenses during the reporting period is mainly due to increased personnel-related expenses, above all for business trips, as well as currency losses and expenses for IT licences. Currency losses amounted to €3.28 million, compared to €1.60 million in the previous year.

The GFT Group's **EBITDA** amounted to €40.55 million – representing an improvement of 3% over the first half of the previous year (H1/2022: €39.38 million).

Depreciation and amortisation of intangible assets and property, plant and equipment totalled €10.61 million (H1/2022: €10.36 million). Right-of-use assets in connection with leases accounted for €5.18 million of this amount (H1/2022: €4.54 million). As in the previous year, there were no impairment expenses.

In the first half of 2023, **EBIT** amounted to €29.94 million and was thus 3% above the prior-year figure of €29.02 million. There were special items in connection with M&A transactions and share price-related effects from the valuation of compensation agreements amounting to €-1.23 million (H1/2022: €-1.08 million). As a result, **adjusted EBIT** in the first half of 2023 amounted to €31.17 million (H1/2022: €30.10 million). Effects from M&A transactions in the reporting period include an amount of €1.09 million from the acquisition of targens. On the whole, the development of earnings was bolstered by the expected solid growth of revenue. The operating result in the first half of 2023 was burdened in particular by personnel capacity adjustments of €2.59 million (H1/2022: €1.42 million) and currency effects of €-1.11 million (H1/2022: €1.12 million), resulting in slower growth than in the previous year.

Due mainly to increased interest expenses, the **financial result** of €0.10 million was slightly down on the previous year (H1/2022: €0.13 million). The rise in interest expenses is primarily related to the partial debt financing of the targens acquisition.

EBT improved slightly by 3% to €30.04 million in the reporting period (H1/2022: €29.16 million), primarily as a result of the positive effects described above. The **EBT margin** decreased to 7.7% compared to 8.2% in the previous year.

In the first half of 2023, an expense of €9.06 million was disclosed under **income taxes** (H1/2022: €8.47 million). The imputed tax rate amounted to 30% (H1/2022: 29%) and was thus approximately at the level of the expected Group tax rate.

Net income for the first half of 2023 amounted to €20.97 million and was thus 1% above the corresponding prior-year figure (H1/2022: €20.69 million). As a consequence of the slight increase in net income, **earnings per share** in the first half of 2023 rose to €0.80 (H1/2022: €0.79), based on an unchanged volume of 26,325,946 outstanding shares.

Earnings (EBT) by segment in the first half of 2023

In the *Americas, UK&APAC* segment, EBT amounted to €18.37 million and was thus 2% above the prior-year level (H1/2022: €17.94 million). This modest improvement in earnings was driven in particular by a significant increase in revenue generated with banks in the USA and Mexico. Earnings were mainly burdened by capacity adjustments of €2.14 million (H1/2022: €0.53 million) and currency translation effects of €-0.60 million (H1/2022: €0.93 million). The largest contributions to earnings were generated once again by the Group's subsidiaries in Brazil, the UK, the USA and Canada. The EBT margin, based on external revenue, decreased slightly to 7.9% (H1/2022: 8.1%).

EBT in the *Continental Europe* segment amounted to €15.69 million in the first half of 2023 and was thus 18% or €2.40 million up on the previous year (H1/2022: €13.29 million). The rise in segment earnings is primarily attributable to profitable revenue growth in connection with long-term and complex digitalisation projects. Earnings in the first half of 2023 were burdened by writedowns of €1.09 million on purchase price allocations in the course of the targens acquisition. Personnel capacity adjustments of €0.45 million (H1/2022: €0.88 million) also negatively impacted earnings. The largest contributions to earnings in the first half of 2023 were generated by the Group's subsidiaries in Spain, Italy and Poland. The EBT margin, based on external revenue, amounted to 9.9% and was thus unchanged from the prior-year figure.

Earnings of the *Others* category deteriorated year on year by €1.95 million to €-4.02 million (H1/2022: €-2.07 million), mainly as a result of increased costs for IT infrastructure, as well as currency losses in connection with the central clearing system introduced in the previous year. 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.

Consolidated interim management report

Earnings (EBT) by segment in the first half of 2023
in € million

	H1/2023		H1/2022			
	€ million	Margin in %	€ million	Margin in %	Δ % € million	Δ %
Americas, UK & APAC	18.37	7,9%	17.94	8,1%	0.43	2%
Continental Europe	15.69	9,9%	13.29	9,9%	2.40	18%
Others	–4.02	n.a	–2.07	n.a	–1.95	–94%
GFT Group	**30.04**	**7,7%**	**29.16**	**8,2%**	**0.88**	**3%**

2.5. Financial position

The GFT Group has concluded a syndicated loan agreement and two promissory note agreements to secure its long-term funding. The syndicated loan with an amount of €60.00 million (31 December 2022: €60.00 million) comprises two tranches, a Facility A credit line of up to €20.00 million and a Facility B revolving credit line of up to €40.00 million. As of 30 June 2023, Facility A had been drawn in full (31 December 2022: €20.00 million), while €22.00 million of Facility B had been drawn (31 December 2022: €0.00 million). The promissory note loans totalling €17.00 million were still drawn as of 30 June 2023 (31 December 2022: €17.00 million).

In spite of the targens acquisition, the financial structure of the GFT Group remains robust. As of 30 June 2023, there were unused credit lines of €28.14 million (31 December 2022: €51.31 million). The **net liquidity** of the GFT Group – calculated as the stock of disclosed cash and cash equivalents less financing liabilities – decreased from €35.70 million at the end of the past year to €-38.74 million as of 30 June 2023.

Including currency effects, **cash and cash equivalents** decreased to €45.62 million as of 30 June 2023 (31 December 2022: €78.22 million). The development of available funds in the first half of 2023 was predominantly shaped by the acquisition of targens and the related borrowing. Moreover, the dividend payment to shareholders in June 2023 was also largely responsible for the decrease in cash and cash equivalents.

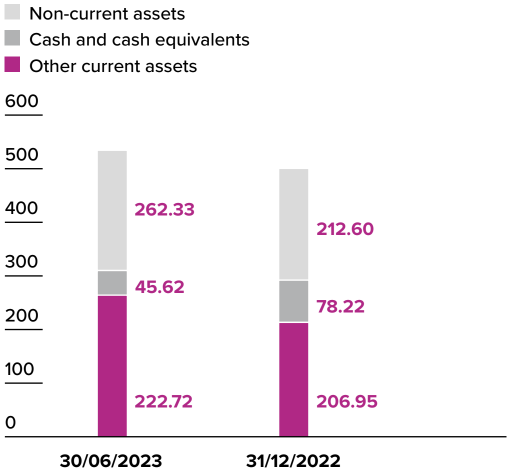
Cash flow from operating activities resulted in a net cash outflow of €9.97 million in the reporting period (H1/2022: €0.44 million). This decline in operating cash flow – despite a modest increase in net income – was due in particular to unfavourable working capital effects in connection with fixed-price projects. Within working capital, there was a particularly noticeable decline of €19.03 million in contract liabilities (H1/2022: €11.64 million). At the same time, trade receivables including contract assets rose in total by €5.23 million (H1/2022: €25.86 million). There was a further cash outflow from the cash-related change in other provisions of €17.60 million (H1/2022: cash inflow of €2.74 million). Moreover, cash flow from operating activities was significantly burdened in the first half of 2023 by the transfer of subsidies amounting to €14.34 million. The subsidies for third-party account in connection with EU projects in Italy were received at the end of the previous financial year.

With a cash outflow of €48.14 million in the first half of 2023 (H1/2022: €3.86 million), **cash flow from investing activities** was dominated by the payment of €46.05 million in connection with the targens acquisition. The cash outflow from investment in property, plant and equipment amounted to €2.16 million (H1/2022: €3.96 million).

Cash flow from financing activities in the reporting period led to a net cash inflow of €24.32 million (H1/2022: net cash outflow of €17.98 million). This year-on-year development is mainly due to a higher net assumption of bank loans amounting to €41.84 million (H1/2022: net redemption of €4.16 million) in connection with the debt-financed purchase payment for the acquisition of targens. By contrast, the dividend payment to shareholders of €11.85 million (H1/2022: €9.21 million) resulted in an increased cash outflow.

2.6. Asset position

Structure of the consolidated balance sheet – assets
in € million



Assets in € million	30/06/ 2023	31/12/ 2022	Δ	Δ %
Non-current assets	262.33	212.60	49.73	23%
Cash and cash equivalents	45.62	78.22	–32.60	–42%
Other current assets	222.72	206.95	15.77	8%
	530.67	**497.77**	**32.90**	**7%**

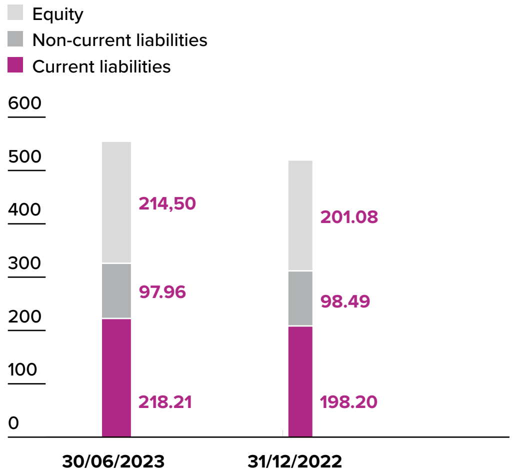
Predominantly as a result of the targens acquisition, the balance sheet total of the GFT Group rose by 7% to €530.67 million (31 December 2022: €497.77 million). The proportion of non-current assets rose to 49% of the **balance sheet total** as of 30 June 2023, compared to 43% at the end of last year.

At €262.33 million, **non-current assets** of the GFT Group were €49.73 million or 23% above the year-end figure (31 December 2022: €212.60 million). Non-current assets mainly comprise **goodwill** of €162.41 million (31 December 2022: €123.97 million), other **intangible assets** of €21.68 million (31 December 2022: €5.91 million) and **property, plant and equipment** of €63.39 million (31 December 2022: €63.58 million). The increase in goodwill and intangible assets is mainly due to the acquisition of targens and the preliminary purchase price allocation recognised in the course of initial consolidation. Of the purchase price of €54.28 million for the targens shares, €37.29 million was attributable to goodwill and €18.45 million to customer relationships, software and trademark rights at the time of initial consolidation.

In accordance with IFRS 16, right-of-use assets for land and buildings, as well as car parks and vehicles, amounting to €38.04 million as of 30 June 2023 (31 December 2022: €37.75 million) were disclosed in **property, plant and equipment**. Capital expenditure (without right-of-use assets) amounted to €2.16 million in the reporting period and was thus below the prior-year level (H1/2022: €3.96 million).

As of 30 June 2023, **other current assets** increased to €222.72 million (31 December 2022: €206.95 million), mainly as a result of the rise in receivables from client contracts. These receivables from client contracts comprise **trade receivables** as well as **contract assets** and totalled €184.98 million as of 30 June 2023 – an increase of €10.69 million over the year-end amount (31 December 2022: €174.29 million) due to closing-date effects. In addition, **other assets** (mainly comprising prepaid expenses and government grants) rose by €4.07 million to €21.63 million (31 December 2022: €17.56 million).

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



equity and liabilities in € million	30/06/ 2023	31/12/ 2022	Δ	Δ %
Equity	214.50	201.08	13.42	7%
Non-current liabilities	97.96	98.49	–0.53	–1%
Current liabilities	218.21	198.20	20.01	10%
	530.67	**497.77**	**32.90**	**7%**

Mainly as a consequence of solid earnings growth, **equity capital** of the GFT Group rose by 7% or €13.43 million to €214.51 million in the first half of 2023 (31 December 2022: €201.08 million); adjusted for currency effects, the increase amounted to €9.12 million. Net income of €20.97 million (H1/2022: €20.69 million) was mainly opposed by the dividend paid to shareholders of €11.86 million (H1/2022: €9.21 million). Positive currency translation effects of €4.30 million in the first half of 2023 (H1/2022: €5.51 million) resulted mainly from the revaluation of the Brazilian real, the British pound and the Mexican peso.

As the rise in equity capital was proportional to that of the balance sheet total, the **equity ratio** of 40% was unchanged from the year-end figure (31 December 2022: 40%).

As of 30 June 2023, **non-current liabilities** of €97.96 million were largely unchanged from the year-end level (31 December 2022: €98.49 million). The development was primarily shaped by two opposing effects. **Deferred tax liabilities** increased to €9.63 million (31 December 2022: €3.99 million), while **financing liabilities** decreased to €37.00 million (31 December 2022: €42.17 million). The decline in financing liabilities is due to the reclassification of a bank loan to current liabilities based on its remaining term.

Current liabilities amounted to €218.21 million as of the reporting date, compared to €198.20 million on 31 December 2022. The increase in current liabilities resulted mainly from the rise of €47.00 million in **financing liabilities** to €47.35 million (31 December 2022: €0.35 million), primarily as a consequence of bank loans totalling €35.00 million taken out to finance the targens acquisition. By contrast, **contract liabilities** decreased by €14.98 million to €24.62 million due to closing-date effects (31 December 2022: €39.60 million). There was also a decrease in other provisions of €10.99 million to €37.18 million (31 December 2022: €48.17 million), primarily as a result of lower obligations for performance-based remuneration.

At 60%, the GFT Group's **debt ratio** was unchanged from the year-end figure (31 December 2022: 60%). During the reporting period, the ratio of net financial debt to equity **(gearing)** deteriorated to 18% (31 December 2022: −18%). 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 condensed notes to the half-year consolidated financial statements.

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

The GFT Group made good progress in the first six months of 2023 – especially in view of the volatile market environment. Revenue growth slowed slightly more than originally expected for the year as a whole. As GFT continued to drive its diversification strategy, a healthy balance of clients was achieved in the Banking, Insurance and Industry&Other sectors. Key earnings figures improved in line with revenue growth. However, earnings margins in the second quarter were burdened by higher than expected expenses for personnel capacity adjustments and negative exchange rate effects.

The fundamental digitalisation trends in GFT's target markets remain intact and the Group continues to be very well placed to benefit from the current market opportunities and successfully meet the high demand for complex digitalisation solutions.

As of 30 June 2023, the GFT Group's equity ratio of 40% was at the same high level as in the previous year (31 December 2022: 40%). The capital and balance sheet structure of the GFT Group therefore remains solid.

2.8. Non-financial performance indicators

Employees

As of 30 June 2023, the GFT Group[1] employed a total of 9,008 people – an increase of 7% over the same date last year (30 June 2022: 8,451) and 2% above the year-end 2022 figure (31 December 2022: 8,842).

There were 4,522 full-time employees in the ***Americas, UK&APAC*** business division as of 30 June 2023. This corresponds to a slight increase of 1% over the previous year (30 June 2022: 4,484). Compared to year-end 2022, headcount in this segment fell by 4% (31 December 2022: 4,698), due mainly to a reduction in Brazil, Mexico and Vietnam caused by a slowdown in the growth of business.

In the ***Continental Europe*** business division, headcount rose year on year by 13% to 4,376 as of 30 June 2023 (30 June 2022: 3,865). Compared to year-end 2022, the increase amounted to 8% (31 December 2022: 4,041). This development is due in particular to the growth of business in this segment with corresponding headcount increases in Germany, Spain, Italy and France. There was year-on-year headcount growth of 82% to 609 in Germany (30 June 2022: 334) – 246 employees were added as a result of the targens acquisition.

As of 30 June 2023, 110 people were employed in holding functions of the GFT Group – 8% more than in the previous year (30 June 2022: 102) and 7% more than year-end 2022 (31 December 2022: 103).

The productive utilisation rate, based on the use of production staff in client projects, remained stable at 89% in the reporting period (2022: 90%).

1 Figures calculated on the basis of full-time employees (FTE); part-time employees are included pro rata.

Employees by segment

	30/06/2023	31/12/2022	Δ	Δ %
Americas, UK&APAC	4,522	4,698	−176	−4%
Continental Europe	4,376	4,041	335	8%
Others	110	103	7	7%
GFT Group	**9,008**	**8,842**	**166**	**2%**

Employees by Country

	30/06/2023	31/12/2022	Δ	Δ %
Brazil	2,925	3,068	−143	−5%
Spain	2,019	1,971	48	2%
Poland	903	949	−46	−5%
Italy	866	797	69	9%
Germany	609	341	268	79%
Mexico	451	480	−29	−6%
Canada	423	426	−3	−1%
UK	298	270	28	10%
Vietnam	187	215	−28	−13%
Costa Rica	167	172	−5	−3%
France	53	48	5	10%
USA	52	49	3	6%
Switzerland	34	36	−2	−6%
Singapore	10	10	0	0%
Hong Kong (SAR)	9	8	1	13%
Belgium	2	2	0	0%
GFT Group	**9,008**	**8,842**	**166**	**2%**

Research and development

Research and development activities continue to focus on the application possibilities of high-growth technologies such as artificial intelligence, DLT/blockchain, automation (RPA), data analytics and especially cloud. In the first half of 2023, research and development expenses fell slightly to €8.13 million (H1/2022: €8.54 million). Activities in Brazil, the UK and Germany in particular accounted for a larger share of these expenses. At €7.20 million, or 89%, personnel costs accounted for the main share of expenses (H1/2022: €6.65 million or 78%). Expenses for third-party services amounted to €0.46 million (H1/2022: €0.72 million). This corresponds to 6% (H1/2022: 8%) of total research and development expenses.

2.9. Subsequent events

There were no events with a significant impact on the financial position and performance of the GFT Group subsequent to 30 June 2023 (see section 7.3 of the condensed notes to the half-year consolidated financial statements).

3 Forecast report

3.1. Development of the general economy and the sector

Expected economic growth for 2023

Country/region	Forecast Half-Year Report 2023	Forecast Annual Report 2022
Global economy*	3.0%	2.9%
Eurozone**	0.9%	0.5%
Germany***	−0.3%	−0.5%

Sources: * IMF, ** ECB, *** Bundesbank

Although the outlook for the global economy has improved slightly, the risks for economic growth remain high. According to the International Monetary Fund (IMF), global economic output is expected to increase by 3.0% in the current year – still weak viewed historically. Positive effects are expected from lower energy costs, reduced burdens from supply bottlenecks and a growing Chinese economy – although growth in China may slow as a result of unresolved tensions in the real estate market. High inflation, more restrictive financing and credit conditions, as well as geopolitical tensions will continue to hamper growth in 2023. The IMF forecasts global inflation of 6.8% for the current year.

According to the European Central Bank (ECB), economic output in the eurozone is expected to recover slightly in 2023. Against the backdrop of rising foreign demand, flattening inflation and an increase in household income, growth is expected to pick up in the coming quarters – albeit at varying speeds. Whereas growth in the services sector is proving robust, economic activity in the manufacturing sector continues to weaken. At the same time, interest rate hikes are affecting borrowing terms and gradually impacting the economy as a whole. The ECB expects moderate growth of 0.9% for the current year. The inflation rate is expected to be around 5.4%.

The economic outlook for Germany remains gloomy for the time being. According to Bundesbank forecasts, economic output in Germany is expected to decline by 0.3% in 2023. This is mainly due to the weak first half of the year; moderate growth is anticipated for the rest of the year. The Bundesbank has lowered its inflation forecast for 2023 to 6.0%.

Sector-based conditions – market expectations for 2023

Sector*	Forecast Half-Year Report 2023	Forecast Annual Report 2022
Global IT spending (currency adjusted)	4.3%	2.4%
Software	13.5%	9.3%
IT services	8.8%	5.5%
Banks	7.6%	7.3%
Insurance	7.1%	7.8%
Industry	5.9%	5.8%
ICT market Germany**	2.1%	3.8%

Sources: * Gartner, ** Bitkom

According to the market research institute Gartner, global IT spending will grow by 4.3% in the current year –stronger than expected at the beginning of the year. The software segment is likely to grow the fastest at 13.5%. In the IT services sector, which also includes IT consulting, Gartner expects growth of 8.8%. Despite the tense economic situation, the pressure to digitalise remains high across all countries and sectors, resulting in sustained demand for IT solutions and services to implement the digital transformation.

With regard to individual sectors, the analysts' forecasts are essentially unchanged from those outlined in the Annual Report 2022. Although IT spending on the whole is growing, Gartner reports that companies are increasingly reallocating and prioritising their spending.

Financial institutions will increase their IT spending in the current year (by 7.6% adjusted for currency effects) and, in view of the current economic challenges, will invest primarily in agile IT infrastructures. Retail banks are expected to increase their IT spending by 7.4% in 2023, and investment banks by 8.0%. The market experts also predict a further rise in IT spending by insurers (7.1%) and industry (5.9%) in the current financial year.

IDC (International Data Corporation) analysts have identified a shift in corporate spending towards technologies that support growth – also in times of crisis – by optimising processes, reducing costs, enhancing performance and improving the customer experience. According to IDC, artificial intelligence (AI) will be one of the fastest growing areas of investment. Global AI sales in the application fields of hardware, software and IT services could reach $154 billion in the current year, according to IDC – an increase of 27% over the previous year. The ongoing integration of AI is expected to lead to an average annual growth rate of 27% (2022-2026). At the same time, spending on AI-centric systems is expected to exceed $300 billion in 2026.

Gartner continues to predict strong growth for cloud services and has slightly upgraded its forecast for 2023. Global spending is now expected to grow by 21.7% and reach a volume of almost $600 billion. The highest growth rates are anticipated in the Infrastructure-as-a-Service segment (30.9%). According to the experts, cloud technologies are driving the next phase of digital transformation, for example as a platform for generative AI.

For the ICT sector in Germany, the digital association Bitkom forecasts revenue growth of 2.1% (3.8%) in 2023, and has thus downgraded its forecast due to a sharp decline in hardware sales. In the information technology segment, spending is expected to increase by 3.0%. Sales of IT services are forecast to grow by 5.3% in the current year, while the software segment is likely to achieve the strongest growth (+9.6%). Within the software segment, Bitkom predicts that AI platforms will play an increasingly important role and record the highest growth in the current year (+41%). According to the sector association, German companies aim to significantly expand their use of the cloud and run the majority of their IT applications in the cloud in five years' time.

Despite further growth in the first six months of the financial year, the positive development of the GFT Group in the first half of 2023 has slowed compared to the previous year. Due to weaker market momentum and unplanned order postponements, GFT is downgrading its revenue forecast from €850 million to €810–820 million – an expected year-on-year increase of 11–12% (currency-adjusted[1]: +12–13%). A revenue contribution from targens of approx. €33 million has been included.

The forecast for adjusted EBIT has been reduced accordingly from €80 million to €74–76 million and for EBT from €72 million to €68–70 million. This updated guidance is based on average exchange rates for the first six months of 2023. For the second half of 2023, GFT expects its positive business trend to continue with accelerated growth based on the strong order position.

With the exception of the changes to guidance outlined above, the detailed assessment of the expected development of the GFT Group presented in section 3.2 of the combined management report 2022 remains valid.

Overall statement on guidance

Due to its in-depth and acclaimed sector and technology expertise and its attractive portfolio of digitalisation and cloud solutions, the GFT Group is still excellently positioned to benefit from growth trends. For this reason, GFT expects to continue its growth and raise its revenue and earnings in the financial year 2023.

These forecasts take account of all events known at the time of preparing this report that might have an impact on the performance of the GFT Group.

3.2. Expected development of the GFT Group

Adjustments to guidance

in € million	Financial year 2022	Guidance 2023 Annual Report 2022	Guidance 2023 Half-Year Report	Δ current guidance vs. FY 2022
Revenue	730	850	810–820	11–12%
Adjusted EBIT	67	80	74–76	10–13%
EBT	66	72	68–70	3–6%

1 Calculated by applying the average exchange rates of the comparative period instead of the current period.

4 Risk and opportunity report

The risks and opportunities which may have a material impact on the financial position and performance of the GFT Group were presented – together with detailed information on the risk and opportunity management system – in the combined management report 2022 (see sections 4 and 5 of the Annual Report 2022). There have been no significant changes with regard to the risks and opportunities described since the preparation date of the combined management report 2022.

Overall risk assessment

At the time of preparing this report, there are no recognisable risks that might jeopardise the existence of the GFT Group. No permanent or substantial impairment of the company's financial position and performance is expected. The early warning system for the detection of risks implemented by GFT is being permanently refined.

Stuttgart, 7. August 2023

GFT Technologies SE
The Managing Directors

Marika Lulay
Chief Executive Officer

Dr. Jochen Ruetz
Chief Financial Officer

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

Consolidated balance sheet

Consolidated balance sheet

as at 30 June 2023, GFT Technologies SE

Assets

in €	30/06/2023	31/12/2022
Non-current assets		
Goodwill	162,414,238.01	123,968,225.19
Other intangible assets	21,678,841.49	5,914,809.30
Property, plant and equipment	63,393,432.34	63,577,276.37
Financial investments	696,217.60	696,217.60
Other financial assets	2,283,981.39	1,907,834.26
Deferred tax assets	10,352,094.46	12,040,713.13
Income tax assets	344,772.21	385,190.60
Other assets	1,168,510.08	4,109,110.88
	262,332,087.58	**212,599,377.33**
Current assets		
Inventories	907,216.43	13,848.32
Trade receivables	145,781,905.32	152,560,851.68
Contract assets	39,198,346.78	21,731,617.03
Cash and cash equivalents	45,618,663.22	78,222,547.05
Other financial assets	5,582,796.17	4,902,675.35
Income tax assets	9,623,050.99	10,182,222.91
Other assets	21,626,451.84	17,557,484.81
	268,338,430.75	**285,171,247.15**
	530,670,518.33	**497,770,624.48**

Equity and liabilities

in €	30/06/2023	31/12/2022
Shareholders' equity		
Share capital	26,325,946.00	26,325,946.00
Capital reserve	42,147,782.15	42,147,782.15
Retained earnings	146,700,484.10	137,572,498.80
Other reserves	–669,377.60	–4,964,588.78
	214,504,834.65	**201,081,638.17**
Non-current liabilities		
Financing liabilities	37,000,000.00	42,168,443.39
Other financial liabilities	30,430,065.66	31,163,462.72
Provisions for pensions	5,628,865.47	5,388,399.91
Other provisions	4,304,328.68	7,553,890.33
Deferred tax liabilities	9,633,807.04	3,990,744.41
Other liabilities	10,958,031.34	8,225,973.37
	97,955,098.19	**98,490,914.13**
Current liabilities		
Trade payables	11,528,925.45	11,798,941.74
Financing liabilities	47,354,480.40	350,591.12
Other financial liabilities	20,795,398.12	18,387,520.68
Other provisions	37,177,795.51	48,173,128.91
Income tax liabilities	12,807,467.53	8,614,151.55
Contract liabilities	24,621,001.79	39,596,844.80
Other liabilities	63,925,516.69	71,276,893.38
	218,210,585.49	**198,198,072.18**
	530,670,518.33	**497,770,624.48**

Consolidated income statement

Consolidated income statement

for the period from 1 January to 30 June 2023, GFT Technologies SE

in €	H1/2023	H1/2022
Revenue	391,576,897.20	357,254,180.80
Other operating income	7,055,632.56	7,203,280.56
Cost of purchased services	52,376,585.60	54,110,952.14
Personnel expenses	264,487,130.11	235,781,149.30
Other operating expenses	41,218,053.07	35,184,050.32
Result from operating activities before depreciation and amortisation	**40,550,760.98**	**39,381,309.60**
Depreciation and amortisation of intangible assets and property, plant and equipment	10,611,439.32	10,359,309.89
Result from operating activities	**29,939,321.66**	**29,021,999.71**
Interest income	1,443,549.96	715,593.66
Interest expenses	1,344,016.18	580,889.88
Financial result	**99,533.78**	**134,703.78**
Earnings before taxes	**30,038,855.44**	**29,156,703.49**
Income taxes	9,064,194.44	8,470,586.87
Net income for the period	**20,974,661.00**	**20,686,116.62**
Earnings per share – basic	0.80	0.79

Consolidated statement of comprehensive income

for the period from 1 January to 30 June 2023, GFT Technologies SE

in €	H1/2023	H1/2022
Net income for the period	**20,974,661.00**	**20,686,116.62**
Items that will not be reclassified to the income statement		
Actuarial gains/losses from pensions (before taxes)[1]	0.00	−277,471.16
Income taxes on actuarial gains/losses from pensions	0.00	61,043.83
Actuarial gains/losses from pensions (after taxes)	0.00	−216,427.33
Items that may be reclassified to the income statement		
Currency translation	4,295,211.18	5,513,847.42
Other comprehensive income	**4,295,211.18**	**5,297,420.09**
Total comprehensive income	**25,269,872.18**	**25,983,536.71**

1 Actuarial gains/losses are generally recognised at year-end based on corresponding expert reports.

Consolidated statement of changes in equity

for the period from 1 January to 30 June 2023, GFT Technologies SE

in €	Share capital	Capital reserve	Retained earnings[1]	Other reserves	Total equity
				Currency translation	
Balance at 1 January 2022	**26,325,946.00**	**42,147,782.15**	**98,024,103.12**	**−5,833,109.53**	**160,664,721.74**
Net income for the period	–	–	20,686,116.62	–	20,686,116.62
Other comprehensive income	–	–	−216,427.33	5,513,847.42	5,297,420.09
Total comprehensive income	**–**	**–**	**20,469,689.29**	**5,513,847.42**	**25,983,536.71**
Dividends to shareholders	–	–	−9,214,081.10	–	−9,214,081.10
Balance at 30 June 2022	**26,325,946.00**	**42,147,782.15**	**109,279,711.31**	**−319,262.11**	**177,434,177.35**
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 period	–	–	20,974,661.00	–	20,974,661.00
Other comprehensive income	–	–	0.00	4,295,211.18	4,295,211.18
Total comprehensive income	**–**	**–**	**20,974,661.00**	**4,295,211.18**	**25,269,872.18**
Dividends to shareholders	–	–	−11,846,675.70	–	−11,846,675.70
Balance at 30 June 2023	**26,325,946.00**	**42,147,782.15**	**146,700,484.10**	**−669,377.60**	**214,504,834.65**

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

Consolidated cash flow statement

Consolidated cash flow statement

for the period from 1 January to 30 June 2023, GFT Technologies SE

in €	H1/2023	H1/2022
Net income for the period	20,974,661.00	20,686,116.62
Income taxes	9,064,194.44	8,470,586.87
Interest result	–99,533.78	–134,703.78
Income taxes paid	–5,074,562.53	–6,315,827.29
Income taxes received	1,958,142.07	805,978.84
Interest paid	–857,850.61	–308,947.52
Interest received	1,399,760.45	693,602.40
Depreciation and amortisation of intangible assets and property, plant and equipment	10,611,439.32	10,359,309.89
Net proceeds on disposal of intangible assets and property, plant and equipment	15,994.50	262,416.08
Net proceeds on disposal of financial assets	0.00	–59,957.07
Other non-cash expenses and income	1,158,856.77	–679,101.79
Change in trade receivables	11,681,321.78	3,506,292.86
Change in contract assets	–16,908,632.44	–29,362,849.03
Change in other assets	–1,093,898.85	–6,901,469.78
Change in provisions	–17,602,527.13	2,741,943.31[1]
Change in trade payables	–688,107.32	–2,928,278.55
Change in contract liabilities	–19,031,431.71	–11,638,274.13
Change in other liabilities	–5,469,895.84	10,360,477.96[1]
Cash flow from operating activities	**–9,962,069.88**	**–442,684.11**

in €	H1/2023	H1/2022
Proceeds from disposal of property, plant and equipment	80,604.07	42,639.90
Proceeds from disposal of financial assets	0.00	69,957.07
Capital expenditure for intangible assets	–4,508.60	–12,103.98
Capital expenditure for property, plant and equipment	–2,160,052.29	–3,960,820.06
Cash outflows for acquisitions of consolidated companies net of cash and cash equivalents acquired	–46,054,617.46	0.00
Cash flow from investing activities	**–48,138,574.28**	**–3,860,327.07**
Proceeds from borrowing	44,000,000.00	19,500,000.00
Cash outflows from loan repayments	–2,164,554.11	–23,660,424.01
Cash outflows from repayment of lease liabilities	–5,667,476.80	–4,609,239.34
Dividends to shareholders	–11,846,675.70	–9,214,081.10
Cash flow from financing activities	**24,321,293.39**	**–17,983,744.45**
Effect of foreign exchange rate changes on cash and cash equivalents	1,175,466.94	3,340,371.20
Net increase in cash and cash equivalents	**–32,603,883.83**	**–18,946,384.43**
Cash and cash equivalents at beginning of period	78,222,547.05	70,770,150.46
Cash and cash equivalents at end of period	**45,618,663.22**	**51,823,766.03**

1 Adjusted due to the balance sheet reclassification of holiday obligations in the amount of € 6,603 thousand from other provisions to other liabilities (with respect to the changed balance sheet disclosure refer to note 2.2 of the consolidated financial statements 2022).

Condensed notes to the half-year consolidated financial statements

1 General information

These condensed half-year consolidated financial statements of GFT Technologies SE and its subsidiaries were prepared in accordance with section 115 of the German Securities Trading Act (WpHG) and International Accounting Standard (IAS) 34 *Interim Financial Reporting*. The half-year consolidated financial statements comply with International Financial Reporting Standards (IFRS) as adopted by the European Union.

GFT Technologies SE is a European public limited company (Societas Europaea, SE) with headquarters in Stuttgart, Germany. The company is registered in the Commercial Register of the District Court of Stuttgart under number HRB 753709 with its registered offices at Schelmenwasenstrasse 34, 70567 Stuttgart. The GFT Technologies SE share is listed in the Prime Standard segment of the Frankfurt Stock Exchange and is publicly traded. GFT Technologies SE is the ultimate parent company of the GFT Group, an international technology partner for digital transformation in the banking, insurance and industrial sectors. Its range of services includes consulting for the development and implementation of innovative IT strategies, the development of customer-specific solutions, the implementation of industry-specific standard software and the maintenance and further development of business-critical IT solutions.

These condensed half-year consolidated financial statements are to be read in conjunction with the audited and published IFRS consolidated financial statements as of 31 December 2022 and the notes contained therein.

The half-year consolidated financial statements were prepared by the Managing Directors of GFT Technologies SE on 7 August 2023 and released for publication by the Administrative Board. The half-year consolidated financial statements were reviewed by the Group's auditors.

2 Accounting methods

2.1. Basis of preparation of the financial statements

The half-year consolidated financial statements of GFT Technologies SE have been prepared in euro (€). Unless noted otherwise, amounts are stated in thousands of euros (€ thousand). Amounts are rounded using standard commercial methods.

All intercompany accounts and transactions were eliminated.

In the opinion of the company's management, the half-year consolidated financial statements reflect all accounting entries (in other words, normal recurring entries) necessary for a fair presentation of the Group's financial position and performance. Results presented for interim periods are not necessarily indicative of results that may be expected in future periods or for the full financial year.

In preparing the half-year consolidated financial statements according to IFRS, management must make discretionary decisions, 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 reporting date, as well as disclosed income and expenses for the reporting period. In view of the increasingly complex and uncertain macroeconomic and geopolitical environment with growing volatility in the commodity and financial markets – including equity and currency prices, due to rising interest rates and inflation rates – as well as fears of a possible economic downturn, these discretionary decisions, estimates and assumptions are subject to increased uncertainty. Actual amounts may vary from these estimates and assumptions; changes can have a significant impact on the half-year consolidated financial statements.

These interim financial statements were prepared using the same accounting and valuation methods as those on which the consolidated financial statements as of 31 December 2022 were based and which are described in detail in the notes contained therein.

2.2. Changes in accounting methods

The standards and interpretations that became mandatory for the first time as of 1 January 2023 had no impact on the net assets, financial position and results of operations of the GFT Group. Further information on the IFRS pronouncements requiring mandatory application for the first time as of 1 January 2023 is presented in the notes to the consolidated financial statements 2022 under note 2.7.

3 Composition of the Group

3.1. Business combination

With a share purchase and transfer agreement dated 22 February 2023, the GFT Group acquired 100% of shares in targens GmbH, Stuttgart (targens) via GFT Technologies SE. 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. By acquiring targens, the GFT Group is gaining additional expertise in the areas of consulting and compliance solutions and can expand its product business with recurring revenues.

In the period from 3 April to 30 June 2023, targens employed an average of 262 people and contributed revenue during this period of €10,183 thousand and a profit of €283 thousand to consolidated pre-tax earnings (EBT). If the company had been acquired as of 1 January 2023, the Managing Directors estimate that consolidated revenue for the first six months of 2023 would have amounted to €402,760 thousand with consolidated pre-tax earnings of €30,387 thousand. Due to writedowns on purchase price allocations, as well as integration costs, targens is not expected to make any significant contribution to consolidated earnings in the financial year 2023.

An amount of €54,282 thousand was paid in cash as final consideration for the acquisition of the targens shares. In the course of preliminary purchase price allocation, the intangible assets recognised mainly relate to client relationships and software. Non-tax-deductible goodwill amounts to €37,285 thousand and comprises non-separable intangible assets, such as employee expertise and expected synergies.

The GFT Group incurred costs of €302 thousand in connection with the business combination for legal advice, due diligence and purchase price allocations. The costs were recognised in income as other operating expenses.

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

Fair values on the acquisition date

in € thousand	
Other intangible assets	18,069
Property, plant and equipment	1,836
Deferred tax assets	142
Inventories	1,269
Trade receivables	4,902
Contract assets	558
Cash and cash equivalents	8,223
Other financial assets	161
Income tax assets	406
Other assets	554
Total assets	**36,120**
Other financial liabilities	1,830
Deferred tax liabilities	5,936
Other provisions	3,499
Trade payables	418
Income tax liabilities	1,147
Contract liabilities	4,056
Other liabilities	2,237
Total liabilities	**19,123**
Net assets	**16,997**

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

3.2. Other changes in the consolidated group

There were no other changes in the consolidated group during the reporting period.

4 Notes on items of the consolidated balance sheet

4.1. Intangible assets

The carrying amounts of goodwill – as assigned to the cash generating units (CGUs) – developed as follows:

Goodwill

in € thousand	30/06/2023	31/12/2022
CGU		
Americas, UK & APAC	44,256	43,741
Continental Europe	118,158	80,227
	162,414	**123,968**

The increase in goodwill as of 30 June 2023 is mainly due to the initial consolidation of targens as of 3 April 2023 (see section 3.1) and otherwise to currency effects. The goodwill resulting from initial consolidation of targens amounting to €37,285 thousand was allocated to the CGU *Continental Europe*.

Other intangible assets as of 30 June 2023 amounted to €21,679 thousand (31 December 2022: €5,915 thousand) and continued to relate mainly to customer relationships €19,409 thousand (31 December 2022: €4,829 thousand). The increase is primarily attributable to purchase price allocations in connection with the acquisition of targens.

In the first six months of 2023, the GFT Group invested €5 thousand (H1/2022: €12 thousand) in other intangible assets.

4.2. Property, plant and equipment

Property, plant and equipment disclosed in the consolidated balance sheet with a carrying amount of €63,393 thousand (31 December 2022: €63,577 thousand) also includes right-of-use assets in connection with lessee accounting.

The following table presents the composition of property, plant and equipment without right-of-use assets:

Property, plant and equipment (without right-of-use assets)

in € thousand	30/06/2023	31/12/2022
Land, leasehold rights and buildings	13,323	13,204
Equipment, operating and office equipment	12,023	12,619
Advance payments and assets under construction	12	0
	25,358	**25,823**

In the first six months of the financial year 2023, the GFT Group invested €2,160 thousand (H1/2022: €3,961 thousand) in non-current property, plant and equipment (without right-of-use assets). The investments mainly relate to leasehold improvements in rented office space as well as to IT equipment and were made primarily in the countries Brazil, Spain and Italy during the reporting period.

The composition of right-of-use assets from leases is shown below:

Right-of-use assets

in € thousand	30/06/2023	31/12/2022
Land, leasehold rights and buildings	34,351	34,358
Equipment, operating and office equipment	3,684	3,396
	38,035	**37,754**

The rights to use land, leasehold rights and buildings relate to land and buildings, office premises and car parks. The rights to use equipment, operating and office equipment relate to vehicles.

4.3. Other assets

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

Other assets

in € thousand	30/06/2023	31/12/2022
Non-current other financial assets		
Deposits	2,284	1,908
Non-current other assets		
Government grants	2,834	3,989
Other	120	120
Subtotal	**2,954**	**4,109**
Current other financial assets		
Government grants	4,194	4,185
Creditors with debit balance	603	267
Receivables from employees	462	277
Deposits	187	138
Other	137	36
Subtotal	**5,583**	**4,903**
Current other assets		
Accruals	11,821	8,434
Government grants	5,071	6,275
Claims for VAT and other tax refunds	2,877	2,848
Other	72	0
Subtotal	**19,841**	**17,557**
Total	**30,662**	**28,477**

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

4.4. Trade receivables

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

Trade receivables

in € thousand	30/06/2023	31/12/2022
Receivables from customer contracts (gross carrying amount)	148,696	156,128
Value adjustments	−2,914	−3,567
Carrying amount (net)	**145,782**	**152,561**

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

4.5. Contract balances

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

Contract balances

in € thousand	30/06/2023	31/12/2022
Receivables included in trade receivables	145,782	152,561
Contract assets	39,198	21,732
Contract liabilities	24,621	39,597

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 30 June 2023 is affected by an impairment of €13 thousand (31 December 2022: €5 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.

4.6. Equity capital

Please refer to the separately presented consolidated statement of changes in equity for the development of equity during the first half of financial year 2023 (see annex 1.4). In the reporting period, there were no changes with regard to subscribed capital, authorised capital, conditional capital or capital reserves.

Dividend

The Annual General Meeting of 22 June 2023 resolved to distribute a dividend of €11,847 thousand to shareholders (€0.45 per no-par share with dividend rights) from the balance sheet profit of GFT Technologies SE (annual financial statements) for the financial year 2022 (H1/2022: €9,214 thousand and €0.35 per no-par share with dividend rights). The dividend was distributed on 26 June 2023.

4.7. Financing liabilities

Financing liabilities exclusively comprise bank liabilities.

4.8. Other liabilities

The following table shows the composition of other liabilities – divided into financial and non-financial liabilities:

Other liabilities

in € thousand	30/06/2023	31/12/2022
Non-current other financial liabilities		
Lease liabilities	30,417	31,151
Other	13	12
Subtotal	**30,430**	**31,163**
Non-current other liabilities		
Wage tax liabilities	9,935	7,110
Deferred income	1,023	1,116
Subtotal	**10,958**	**8,226**
Current other financial liabilities		
Payroll liabilities	10,702	9,321
Lease liabilities	9,891	9,062
Other	202	5
Subtotal	**20,795**	**18,388**
Current other liabilities		
Wage tax, VAT and other tax liabilities	16,997	16,560
Holiday obligations	24,509	17,381
Liabilities to social security institutions	15,071	12,917
Deferred income	6,228	23,109
Other	1,121	1,310
Subtotal	**63,926**	**71,277**
Total	**126,109**	**129,054**

4.9. Other provisions

Other provisions comprise the following:

Other provisions

in € thousand	30/06/2023	31/12/2022
Non-current		
Performance-based remuneration	3,879	7,181
Employee social benefits	299	247
Guarantee obligations	126	126
Subtotal	**4,304**	**7,554**
Current		
Performance-based remuneration	21,322	32,073
Outstanding supplier invoices	8,971	7,450
Employee social benefits	977	3,749
Severance pay	487	179
Other	5,436	4,722
Subtotal	**37,193**	**48,173**
Total	**41,497**	**55,727**

Income recognised in the first six months of 2023 for share-based compensation amounted to €778 thousand (H1/2022: €286 thousand). As of 30 June 2023, the carrying amount of other provisions from share-based compensation was €6,173 thousand (31 December 2022: €6,950 thousand), of which €2,540 thousand is disclosed as current liabilities (31 December 2022: €0 thousand).

5 Notes on items of the consolidated 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 reporting segments and the following categories: geographical region, type of contract for the provision of services or sale of goods, and time of transfer of the goods or services.

Condensed notes

Revenue

in € thousand	*Americas, UK & APAC* H1/2023	*Americas, UK & APAC* H1/2022	*Continental Europe* H1/2023	*Continental Europe* H1/2022	Reconciliation H1/2023	Reconciliation H1/2022	Total H1/2023	Total H1/2022
Geographical regions								
Brazil	62,444	66,165	0	0	0	0	62,444	66,165
Germany	0	0	44,991	31,518	418	289	45,409	31,807
France	53	0	6,240	5,899	0	0	6,293	5,899
UK	56,154	60,909	13	0	0	0	56,167	60,909
Hong Kong[1]	3,649	6,903	0	0	0	0	3,649	6,903
Italy	0	0	41,288	38,030	0	0	41,288	38,030
Canada	35,029	32,824	0	0	0	0	35,029	32,824
Mexico	13,884	8,525	0	0	0	0	13,884	8,525
Poland	3,269	3,323	10,482	1,975	0	0	13,751	5,298
Switzerland	0	138	7,270	8,696	0	0	7,270	8,834
Singapore	8,015	7,927	0	0	0	0	8,015	7,927
Spain	220	0	44,659	44,619	0	0	44,879	44,619
USA	38,491	28,416	918	760	0	0	39,409	29,176
Other countries	10,856	7,449	3,234	2,889	0	0	14,090	10,338
	232,064	**222,579**	**159,095**	**134,386**	**418**	**289**	**391,577**	**357,254**
Type of contract								
Service contract	143,800	127,846	50,871	36,028	0	0	194,671	163,874
Fixed-price contract	82,051	82,858	95,813	90,455	0	0	177,864	173,313
Maintenance contract	6,213	11,875	11,297	7,339	0	0	17,510	19,214
Other	0	0	1,114	564	418	289	1,532	853
	232,064	**222,579**	**159,095**	**134,386**	**418**	**289**	**391,577**	**357,254**
Time of transfer of goods or services								
Transfer at a certain time	0	0	0	0	418	289	418	289
Transfer over a certain period	232,064	222,579	159,095	134,386	0	0	391,159	365,965
	232,064	**222,579**	**159,095**	**134,386**	**418**	**289**	**391,577**	**357,254**

1 Hong Kong Special Administrative Region of the People's Republic of China (hereinafter: 'Hong Kong')

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.

5.2. Cost of purchased services

The cost of services purchased by the GFT Group in the first six months of 2023 amounted to €52,377 thousand (H1/2022: €54,111 thousand) and mainly relates to external services provided by freelancers and subcontractors in connection with the core operating business.

5.3. Personnel expenses

Personnel expenses are composed as follows:

Personnel expenses

in € thousand	H1/2023	H1/2022
Wages, salaries and social security contributions	247,775	219,966
Expenses for pensions	3,088	3,753
Other personnel expenses	13,624	12,062
	264,487	**235,781**

5.4. Income taxes

The income tax expense is recognised based on the estimate of the weighted average annual income tax rate for the full financial year, adjusted for effects realised in the reporting period. The effective tax ratein the first six months of 2023 was thus 30% (H1/2022: 29%).

6 Segment-related and geographical information

6.1. Information on business segments

Information on the business segments for the first half of 2023 and the first half of 2022 is presented on page 28.

The reconciliation of consolidated revenue and total segment earnings (EBT) with consolidated 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 presented below:

Reconciliation of segment figures

in € thousand	H1/2023	H1/2022
Total segment revenue	**441,344**	**407,142**
Elimination of inter-segment revenue	–50,185	–50,177
Occasionally occurring revenue	418	289
Group revenue	**391,577**	**357,254**
Total segment earnings (EBT)	**34,060**	**31,228**
Non-allocated expenses/income of Group HQ	–3,318	–1,952
Other	–703	–119
Group net income before taxes	**–30,039**	**29,157**

6.2. 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.

Condensed notes

Revenue and non-current intangible and tangible assets by country

in € thousand	Revenue from sales to external clients[1] H1/2023	Revenue from sales to external clients[1] H1/2022	Non-current intangible and tangible assets 30/06/2023	Non-current intangible and tangible assets 31/12/2022
Brazil	62,444	66,165	4,942	5,803
Germany	45,409	31,807	109,912	54,332
France	6,293	5,899	65	64
UK	56,167	60,909	37,219	38,279
Hong Kong	3,649	6,903	8	7
Italy	41,288	38,030	29,319	30,037
Canada	35,029	32,824	17,292	19,738
Mexico	13,884	8,525	815	902
Poland	13,751	5,298	9,318	8,810
Switzerland	7,270	8,834	176	250
Singapore	8,015	7,927	10	12
Spain	44,879	44,619	29,360	27,506
USA	39,409	29,176	7,881	8,202
Other countries	14,090	10,338	1,170	1,250
Total	**391,577**	**357,254**	**247,487**	**195,192**

1 By client location

Revenue from sales to external clients which account for more than 10% of consolidated revenue developed as follows in the first six months of 2023:

Clients accounting for over 10% of revenue

in € thousand	Revenue H1/2023	Revenue H1/2022	Segments in which this revenue is generated H1/2023	Segments in which this revenue is generated H1/2022
Client 1	63,541	46,555	*Americas, UK & APAC, Continental Europe*	*Americas, UK & APAC, Continental Europe*

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

Information on business segments

in € thsd.	*Americas, UK&APAC* H1/2023	*Americas, UK&APAC* H1/2022	*Continental Europe* H1/2023	*Continental Europe* H1/2022	Total segments H1/2023	Total segments H1/2022	Reconciliation H1/2023	Reconciliation H1/2022	GFT Group H1/2023	GFT Group H1/2022
External revenue	232,064	222,579	159,095	134,386	391,159	356,965	418	289	391,577	357,254
Intersegment revenue	2,233	3,344	47,952	46,833	50,185	50,177	−50,185	−50,177	0	0
Total revenue	**234,297**	**225,923**	**207,047**	**181,219**	**441,344**	**407,142**	**−49,767**	**−49,888**	**391,577**	**357,254**
Segment result (EBT)	**18,372**	**17,941**	**15,688**	**13,287**	**34,060**	**31,228**	**−4,021**	**−2,071**	**30,039**	**29,157**
thereof depreciation and amortisation	−3,714	−4,246	−6,179	−5,299	−9,893	−9,545	−718	−814	−10,611	−10,359
thereof interest income	1,501	738	409	179	1,910	917	−466	−201	1,444	716
thereof interest expenses	−905	−861	−420	−326	−1.325	−1.187	−19	606	−1.344	−581

7 Other disclosures

7.1. Financial instruments

Carrying amounts and fair values of financial instruments

The table on page 30 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.

Other financial assets

Other financial assets relate to investments in equity instruments and other 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 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 30.

Measurement hierarchies

The table on page 30 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 30 June 2023.

Condensed notes

Information on financial instruments according to measurement categorie and measurement hierarchy

		30/06/2023							31/12/2022						
		Not measured at fair value		Measured at fair value					Not measured at fair value		Measured at fair value				
					Fair value							Fair value			
in € thsd.	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	145,782	145,782	–	–	–	–	145,782	152,561	152,561	–	–	–	–	152,561
Cash and cash equivalents	AC	45,619	45,619	–	–	–	–	45,619	78,223	78,223	–	–	–	–	78,223
Other financial assets[4]	AC	7,867	7,867	–	–	–	–	7,867	6,811	6,811	–	–	–	–	6,811
Measured at fair value															
Financial investments	FVTPL	–	–	696	–	696	–	696	–	–	696	–	696	–	696
Total financial assets		**199,268**	**199,268**	**696**	**–**	**696**	**–**	**199,964**	**237,595**	**237,595**	**696**	–	**696**	**–**	**238,291**
Financial liabilities															
Not measured at fair value															
Financing liabilities	AC	84,354	86,644	–	–	–	–	84,354	42,519	44,527	–	–	–	–	42,519
Other financial liabilities[5]	AC	51,225	51,225	–	–	–	–	51,225	49,551	49,551	–	–	–	–	49,551
Trade payables	AC	11,529	11,529	–	–	–	–	11,529	11,799	11,799	–	–	–	–	11,799
Total financial liabilities		**147,108**	**149,398**	**–**	**–**	**–**	**–**	**147,108**	**103,869**	**105,877**	**–**	**–**	**–**	**–**	**103,869**
Thereof aggregated acc. to the measurement categories IFRS 9															
Financial assets measured at amortised costs (AC)		199,268	199,268	–	–	–	–	**199,268**	237,595	237,595	–	–	–	–	237,595
Financial assets measured at fair value through profit or loss (FVTPL)		–	–	696	–	696	–	**696**	–	–	696	–	696	–	696
Financial liabilities measured at amortised cost (AC)		147,108	149,398	–	–	–	–	**147,108**	103,869	105,877	–	–	–	–	103,869

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.

Condensed notes

7.2. 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.

Certain related parties conducted business with the GFT Group in the first half of 2023. Details on business transactions between the GFT Group and its related companies and persons are presented below.

Related companies

With regard to the GFT Group's relationships with related companies, the majority of the goods and services rendered are attributable to 1886 Ventures GmbH, Stuttgart, which is controlled by Ulrich Dietz, Chairman of the Administrative Board.

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 €86 thousand in total. In the comparative period, goods and services received mainly related to consulting services of RB Capital GmbH, Stuttgart, whose Managing Director is Ulrich Dietz.

Related persons

There are service agreements with the Managing Directors. There were no other material business relationships with members of the Administrative Board and the Managing Directors or with their close family members.

In the first six months of 2023 and the comparative period, no significant advances or loans to members of the Administrative Board or the Managing Directors were granted or waived.

7.3. Subsequent events

There were no events with a significant impact on the net assets, financial position and results of operations of the GFT Group subsequent to 30 June 2023.

Stuttgart, 7 August 2023

GFT Technologies SE
The Managing Directors

Marika Lulay
Chief Executive Officer

Dr. Jochen Ruetz
Chief Financial Officer

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

Related parties

	Goods and services rendered and other income		Goods and services received and other expenses		Receivables		Payables	
in € thousand	**H1/2023**	**H1/2022**	**H1/2023**	**H1/2022**	**30/06/2023**	**31/12/2022**	**30/06/2023**	**31/12/2022**
Related companies	36	17	110	65	0	0	0	9
Related persons	7	5	0	0	0	1	0	0
Total	**43**	**22**	**110**	**65**	**0**	**1**	**0**	**9**

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for half-yearly financial reporting, the half-year consolidated financial statements give a true and fair view of the financial position, cash flows and profit or loss of the Group, and the interim group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining financial year.

Stuttgart, 7 August 2023

GFT Technologies SE
The Managing Directors

Marika Lulay
Chief Executive Officer

Dr Jochen Ruetz
Chief Financial Officer

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

Review report

To GFT Technologies SE, Stuttgart/Germany

We have reviewed the condensed consolidated interim financial statements – comprising the consolidated statement of profit and loss and the consolidated statement of comprehensive income for the period from 1 January to 30 June 2023, the consolidated balance sheet as at 30 June 2023, the consolidated cash flow statement, the consolidated statement of changes in equity and selected explanatory disclosures regarding the notes to the consolidated financial statements – and the interim group management report of GFT Technologies SE, Stuttgart/Germany, for the period from 1 January to 30 June 2023, which are part of the half-year financial report pursuant to Sec. 115 WpHG (German Securities Trading Act). The Company's executive directors are responsible for the preparation of the consolidated interim financial statements in accordance with IFRS as applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports. Our responsibility is to express a conclusion on the consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the consolidated interim financial statements and of the interim group management report in compliance with the German Generally Accepted Standards for Reviews of Annual Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW) and under the supplementary consideration of the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Those standards require that we plan and perform the review to obtain a certain level of assurance to preclude that, based on a critical assessment, the consolidated interim financial statements have not been prepared, in material respects, in compliance with IFRS for interim financial reporting as adopted by the EU or that the interim group management report has not been prepared, in material respects, in compliance with the provisions of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and other persons responsible for accounting and analytical procedures applied to financial data and thus provides less assurance than an audit. Since, in accordance with our engagement, we have not performed an audit, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial statements of GFT Technologies SE, Stuttgart/Germany, are not prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or that the interim group management report has not with the provisions of the WpHG applicable to interim group management reports.

Without qualifying our opinion, we draw attention to the fact that the quarterly disclosures presented separately in the condensed consolidated interim financial statements and the interim group management report, as well as the related notes, were not subject to our review.

Stuttgart/Germany, 7 August 2023

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Marco Koch	**Anja Lustig**
Wirtschaftsprüfer	Wirtschaftsprüferin
(German Public Auditor)	(German Public Auditor)

Service

Financial calendar 2023

9 November 2023	Quarterly Statement as of 30 September 2023

Service

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 on our company and the GFT Technologies SE share.

The Half-year Financial Report 2023 is also available in German on www.gft.com/ir.

Published on 10/08/2023

Contact

GFT Technologies SE
Investor Relations
Andreas Herzog
Schelmenwasenstr. 34
70567 Stuttgart
Germany
T +49 711 62042-323
F +49 711 62042-101
ir@gft.com

Imprint

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www.gft.com

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