

GK Software - The Retail Innovators

The world's leading provider of
software for the retail industry

November 2022



**Very successful
nine months 2022
in a challenging
environment**



The First Nine Months in Figures



113.0

million euros in sales
(+18.7 percent)

22.2

million euros EBITDA
(+13.8 % | adjusted +29.0 %)

17.2

million euros EBIT
(+20.8 % | adjusted +49.7 %)

15.2

Percent EBIT margin (sales)

GK at a Glance

30+

Years of trading experience

>10%

Of all new systems rolled out annually worldwide

16

Locations in 10 countries

~1,400

Employees from 50+ nations

500+

Customers worldwide

>549,000

Store and payment installations on all continents

A Global Offer for Retail - Customer Selection by Region



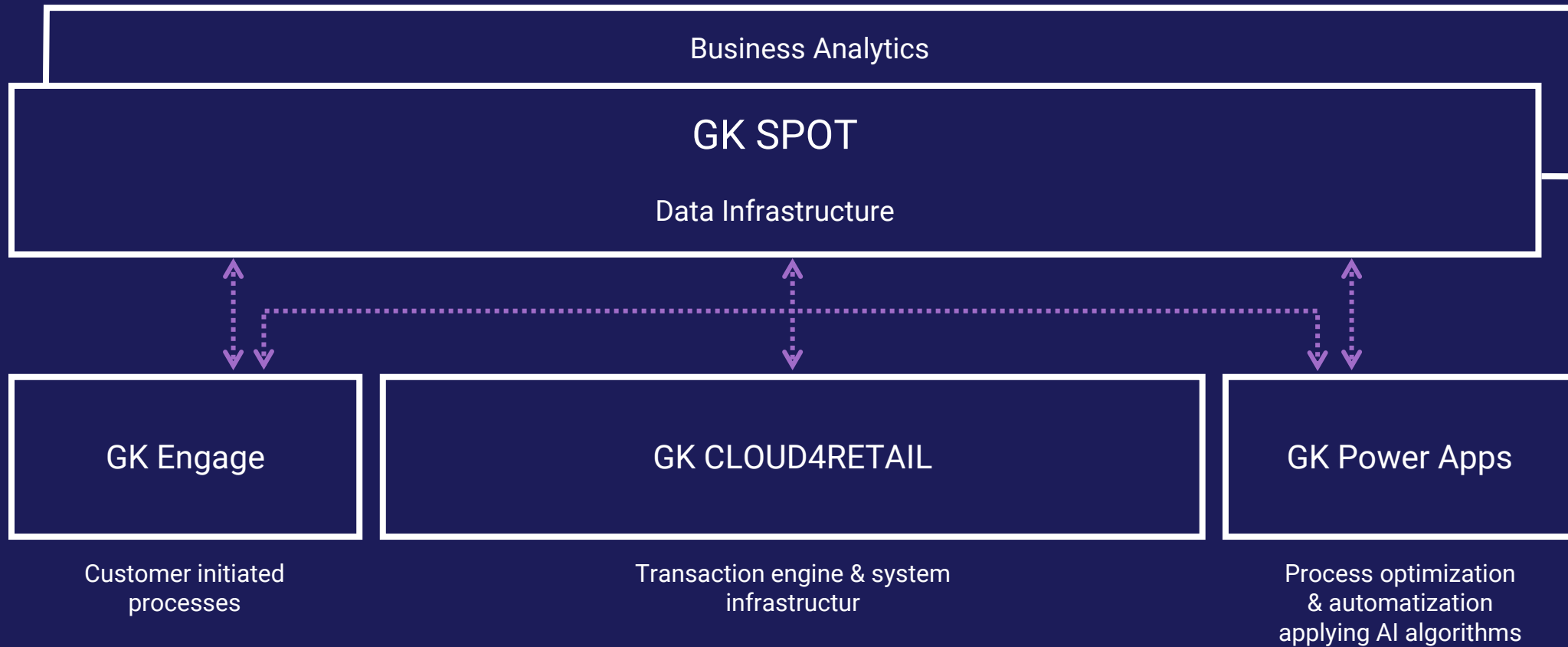
Live in 65 countries worldwide



Our Offering to the Retail Industry







Solution Portfolio Store



GK ENGAGE

- A GK Engage

GK CLOUD4RETAIL

- 1 Store Inventory Mgmt.
- 2 GK OMNIPOS
- 3 GK OMNISCALE
- 4 Label & Poster Print
- 5 Back office & infrastructure

PowerApps

- I GK AIR Personalization
- II GK AIR Dynamic Pricing
- Fiscalization

Industry Specific Extensions

GK HOSPITALITY

GK DRIVE



100k+

Stores worldwide with GK retail and payment solutions

>25bn

Transactions per year with GK

>10m

Self-service transactions (incl. self-scanning)

>20m

Contacts on mobile devices

Ongoing trends in 2022 –

Successful transition to the cloud and with profitable growth

Trend towards

Cloud
continues

Leading

Position
maintained

New

Solutions
on the way

Lebensmittel
Zeitung

Lidl geht mit Kassen in Cloud

Händler zieht weltweit in allen Filialen auf Plattform Cloud4Retail

Lidl will seine Kassen weltweit mit einer neuen Software ausrüsten, die auf einer Cloud-Lösung basiert. Die neue Plattform soll mobile Services und eine besser Verzahnung mit digitalen Angeboten ermöglichen.

Der Schwarz-Discounter Lidl rüstet in den kommenden Jahren die Kassen-Software all seiner Filialen auf eine neue Cloud-Lösung um. Dabei handelt es sich um die Plattform Cloud4Retail des deutschen POS-Software-Anbieters GK. Das neue System ermögliche die nahtlose Einbindung mobiler Services für die Kunden in den Filialen, eine enge Verzahnung mit digitalen Angeboten und den Einsatz moderner Cloud-Technologien, erklärte GK auf seiner Webseite.

„Die Schwarz Gruppe will auch in Zukunft den Maßstab bei der Digitalisierung des Einzelhandels setzen und ihren Kunden auf allen Kanälen innovative Services bieten“, lässt sich Rocco Gehring, Geschäftsleiter Kundensysteme bei der Schwarz IT, zitieren. Gepaart mit Eigenentwicklungen und den cloudbasierten IT-Plattformen sei man in der Lage, Innovationen schnell umzusetzen. Mit GK strebe man auch gemeinsame Aktivitäten für den Cloudbetrieb mit Stackit und die IT-Sicherheit mit XM

Cyber an, so Gehring weiter. Händler verlagern zunehmend Teile ihrer IT-Lösungen von eigenen Servern in die Cloud. Aldi Nord zieht im Zuge seiner IT-Modernisierung immer mehr Systeme in die Datenwolke um und setzt dabei auf Microsoft und dessen Lösung Azure. Die Schwarz-Gruppe verfolgt dagegen seit einigen Jahren einen Ansatz, der auf eigenen Systeme aufbaut.

Seit 2018 arbeitete der Handelskonzern an der Errichtung einer eigenen Cloud-Infrastruktur. Unter dem Namen Stackit ging die Lösung zuerst für firmeneigene Anwendungen live. Seit wenigen Monaten wirbt der Handelskonzern nun auch bei externen Kunden für seine Cloud-Dienstleistungen. Größtes Verkaufsargument in der Konkurrenz zu Amazon, Google und Microsoft ist, dass Stackit von Deutschland aus betrieben wird.

Der POS-Software-Anbieter GK liefert seit 1999 das Kassensystem für Lidl. Der Dienstleister aus dem Vogtland rüstet den Discounter in über 30 Ländern weltweit mit seinen Lösungen aus.

Schwarz setzt immer stärker auf die Cloud. Inzwischen betreibt die Gruppe mit Stackit eine eigene Cloud, die sich auch an externe Firmen wendet.

mgj/lz 31-22


The Retail Optimiser

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Lidl modernises POS software with GK

Björn Weber · 5. August 2022 · 2 minutes read



Lidl has once again chosen GK and will roll out the Cloud4Retail platform in all 30 countries over the coming years. (Photo: Lidl)

It is the largest POS software project in Europe to date: Lidl has once again chosen GK and will roll-out the Cloud4Retail platform of the Schöneck specialists in all 30 countries over the next few years. The largest banner operation of the European retail sector is thus enabling to operate the checkouts in the cloud and is simplifying the development of new digital processes such as self-scanning with the customers' smartphones.

Lidl's checkouts have been run with GK's software for 23 years. Now the Schöneck-based company has once again won the tender for the modernisation of the checkouts and has thus been able to win what is presumably the largest software deal in the European retail technology market. The discounter, which belongs to Schwarz Group, is by far the largest retail banner operation in Europe and is present in more European countries than any other company in the grocery retailing.

GK will closely accompany the migration of the POS software to the open Cloud4Retail platform at Lidl over the coming years. The new system enables the seamless

Continuation of the cooperation

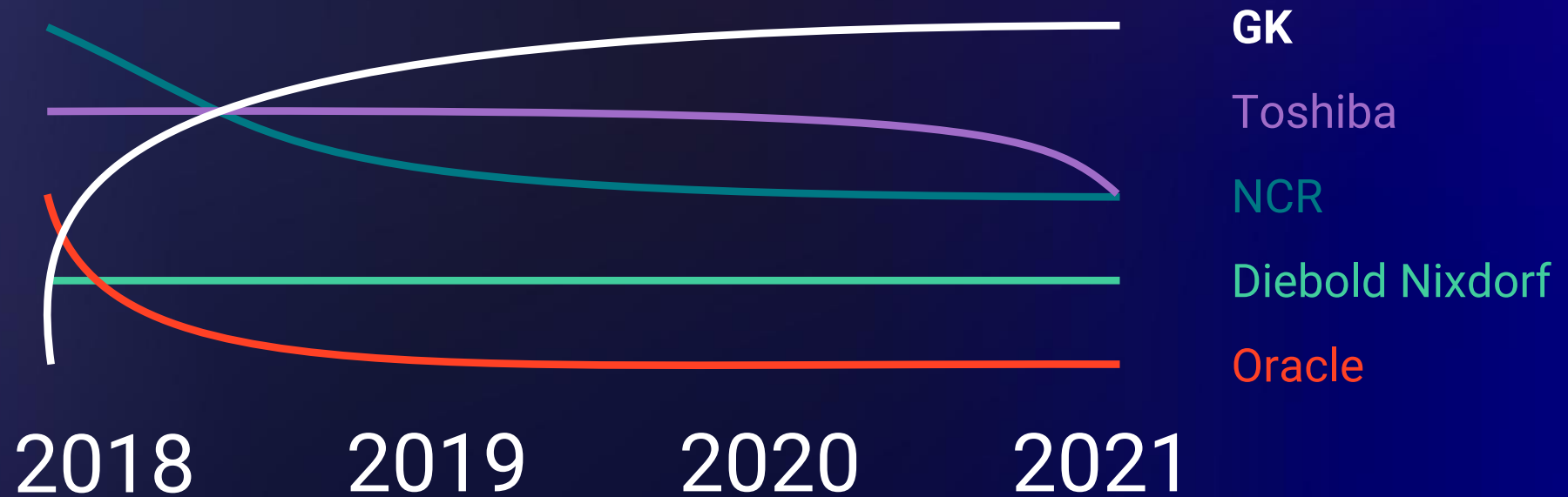
After winning a worldwide tender - successful relationship since 1999

Large scale project

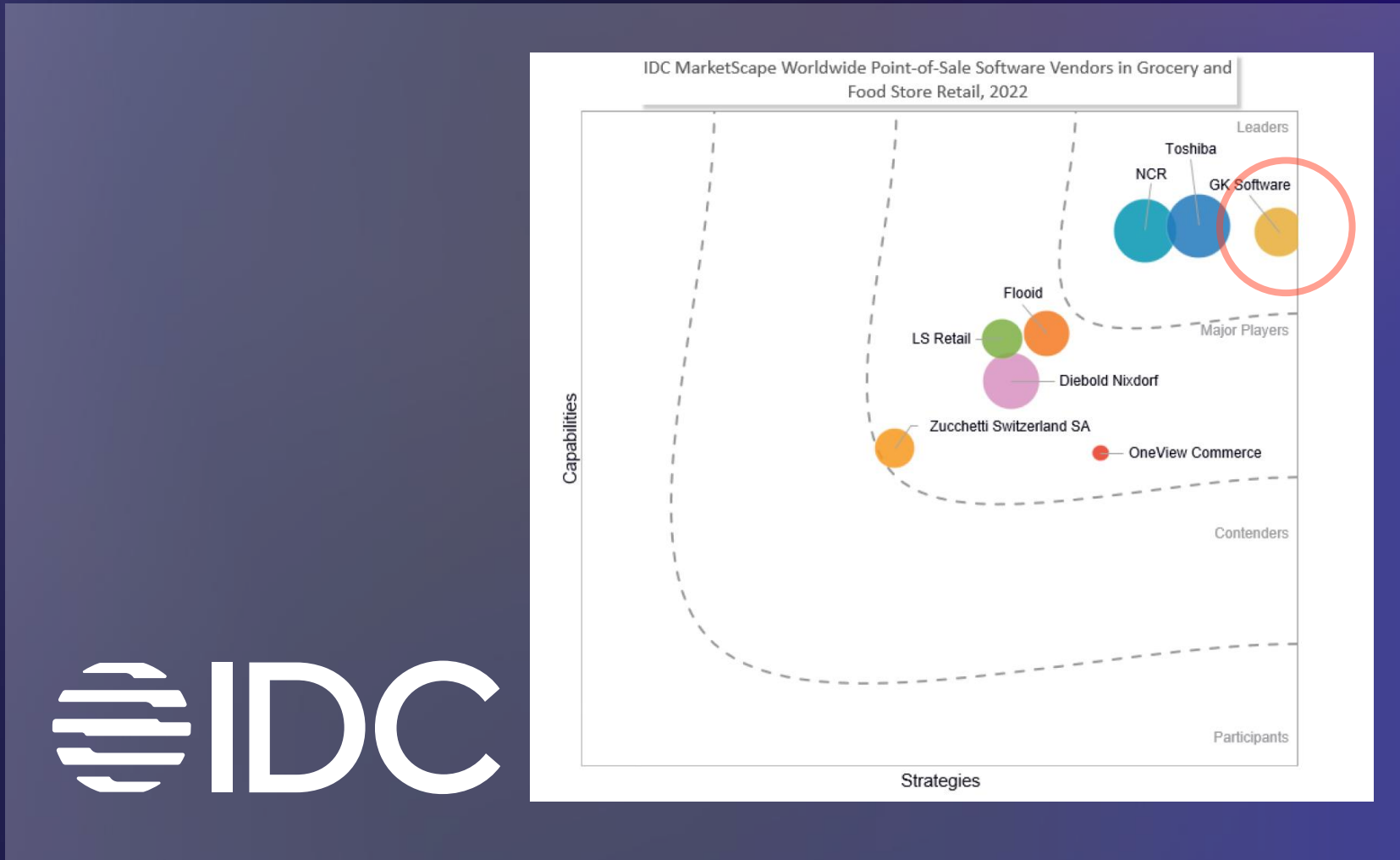
Implementation of one of the largest retail IT projects worldwide

Cloud on the rise

CLOUD4RETAIL is the platform of choice for leading retailers such as Lidl



Source: RBR Global POS Software | New POS installations in a 12-month period between July and June | Retailers with 1,000+ installations | All retail segments excluding gas stations & restaurants



Source: IDC MarketScape: Worldwide Point-of-Sale Software Vendors in Grocery and Food Store Retail 2022 Vendor Assessment, by Margot Juros & Dorothy Creamer, May 2022, IDC #US46743220

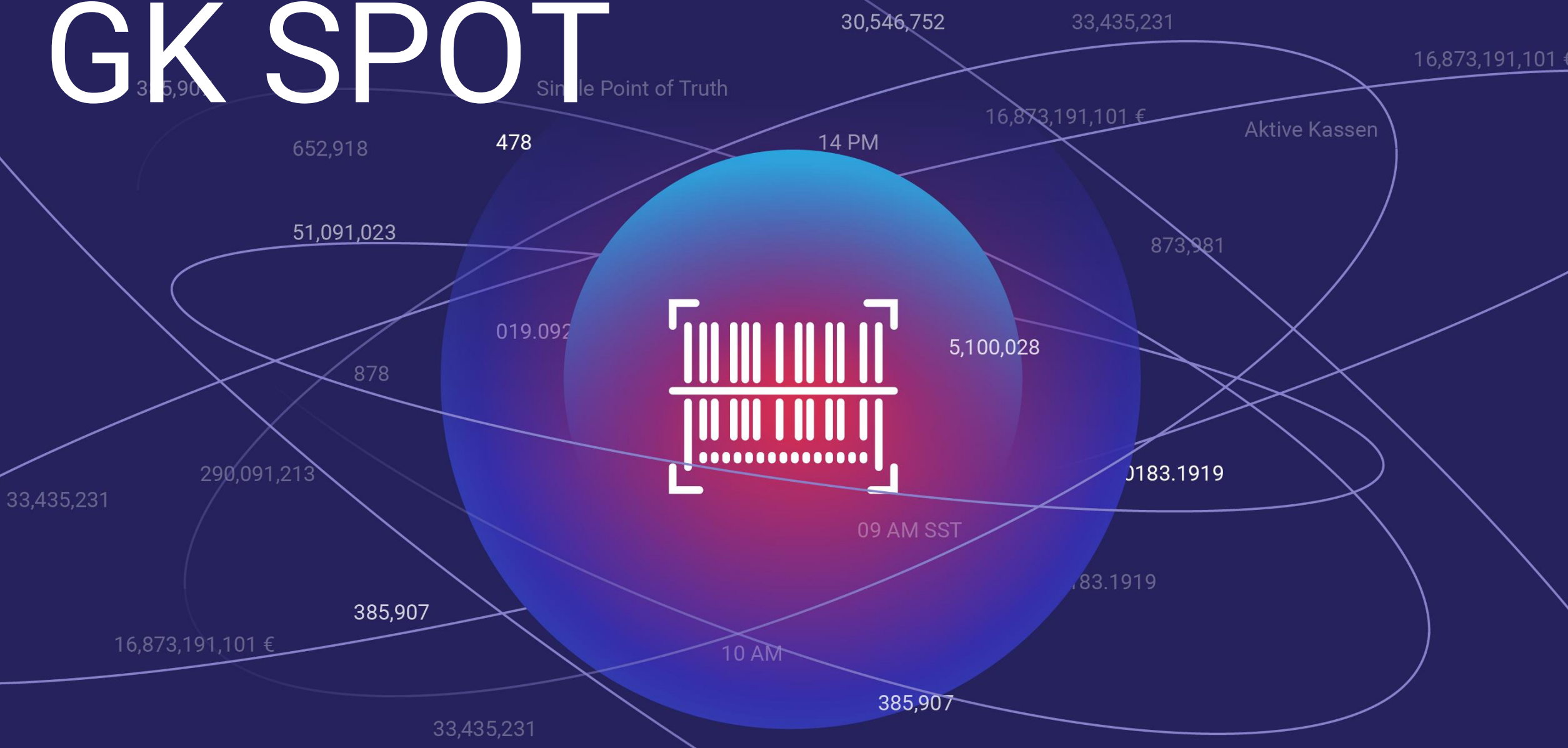
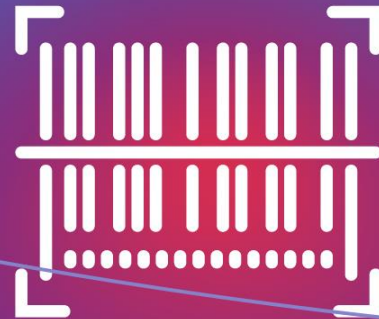
IDC MarketScape vendor analysis model is designed to provide an overview of the competitive fitness of ICT suppliers in a given market. The research methodology utilizes a rigorous scoring methodology based on both qualitative and quantitative criteria that results in a single graphical illustration of each vendor's position within a given market. The Capabilities score measures vendor product, go-to-market and business execution in the short-term. The Strategy score measures alignment of vendor strategies with customer requirements in a 3-5-year timeframe. Vendor market share is represented by the size of the circles.

Our new solutions

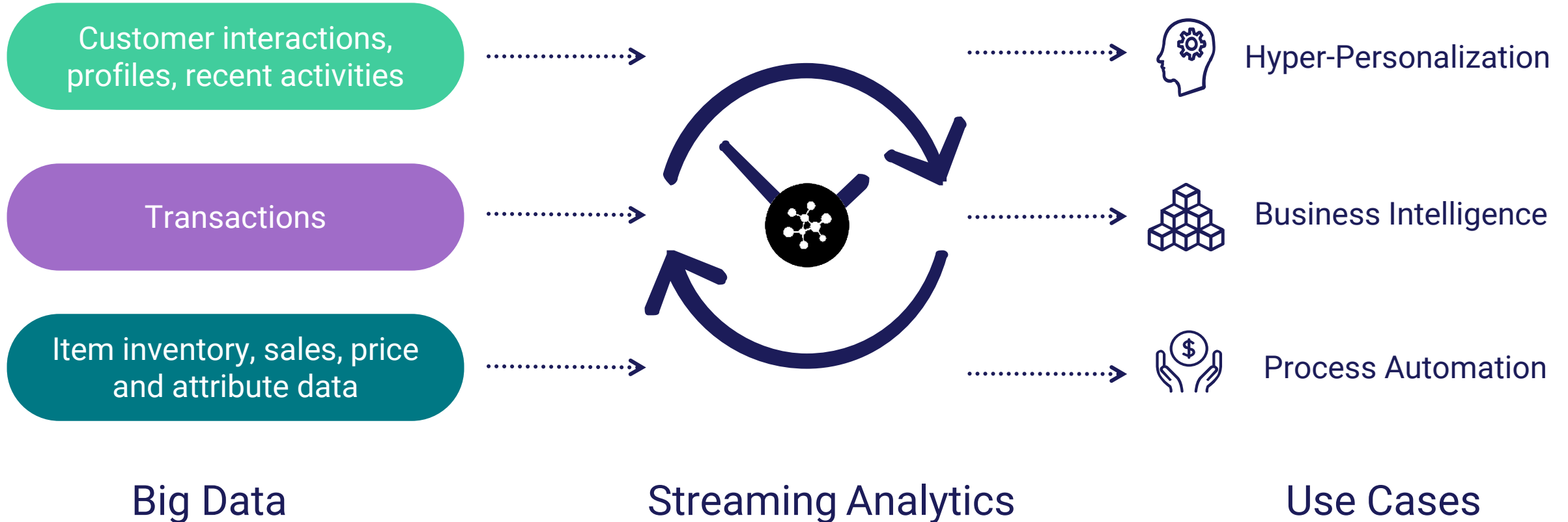


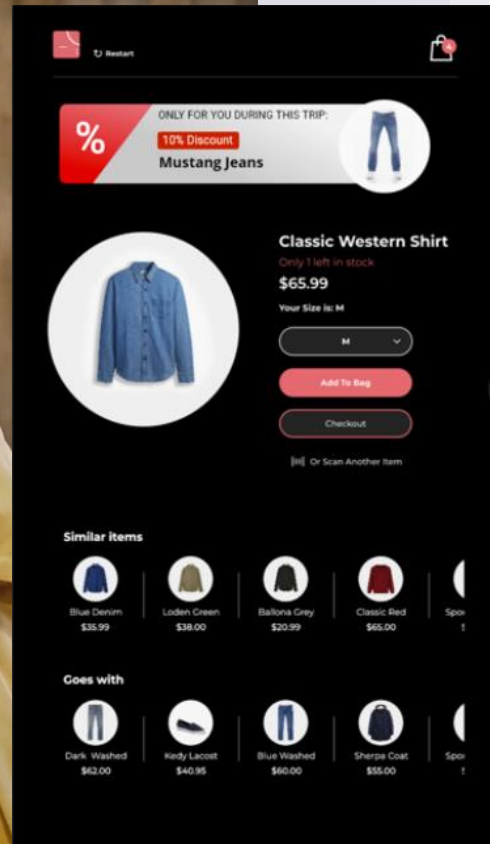
GK SPOT

Single Point of Truth



More success through relevant, real-time customer-focused interactions.





GK SPOT Hyper-Personalization in Action. MVP to be released later this year.

OmniPOS on a Smart Mirror with integrated **AI-based recommendations**

The consumer receives **relevant, automatically generated offers** and product recommendations, at the right time, in the right place and at the right touchpoint.

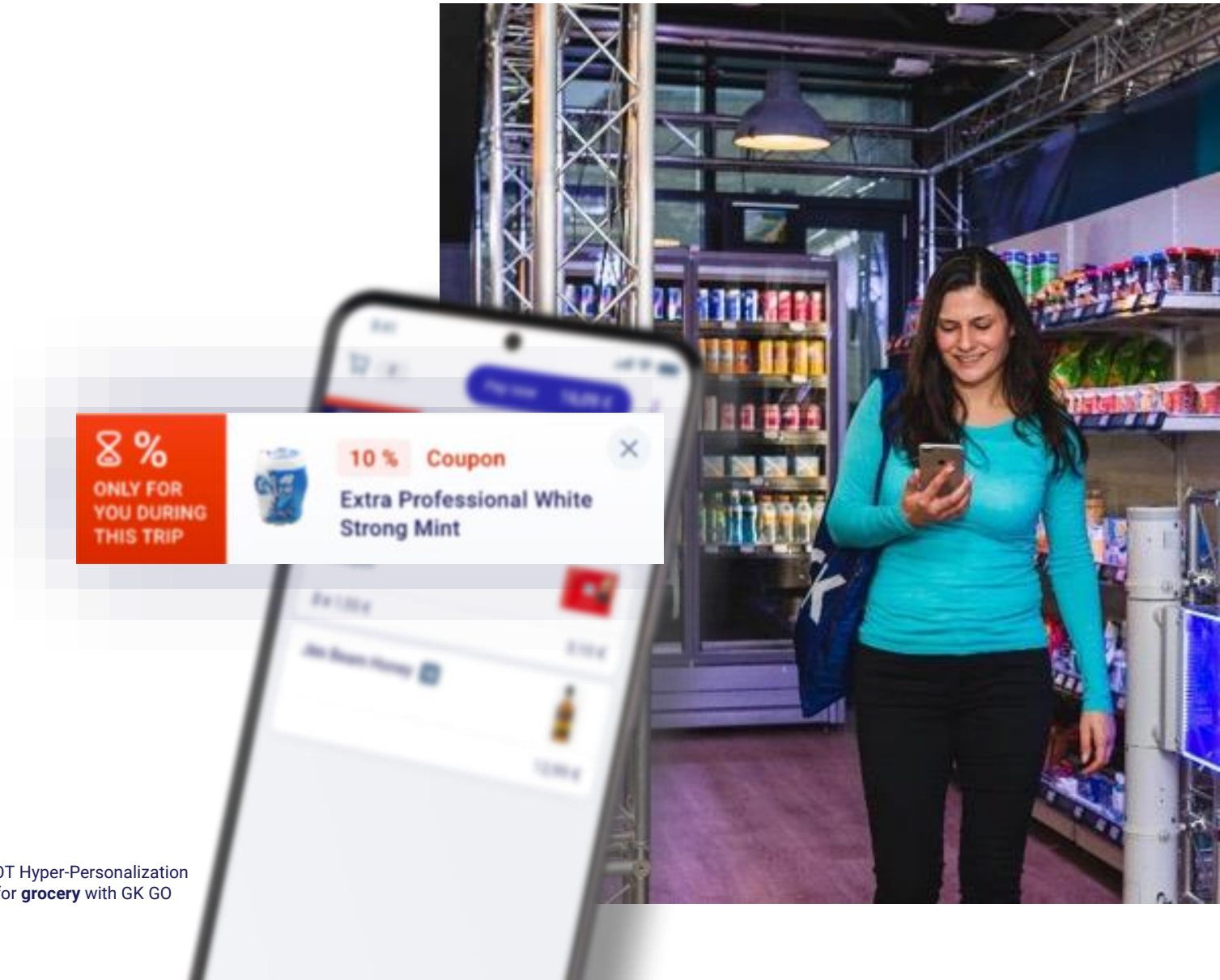
Use case 1: GK SPOT Hyper-Personalization use-case example for **fashion** with MySizeID Smart Mirror

GK SPOT – Hyper-Personalization II.



GK SPOT in interaction with **GK GO**. AI-based, individual recommendations in real-time on consumers' smartphones

Special offers for each **individual customer** with limited validity only for the current shopping trip



Use case 2: GK SPOT Hyper-Personalization use-case example for **grocery** with GK GO

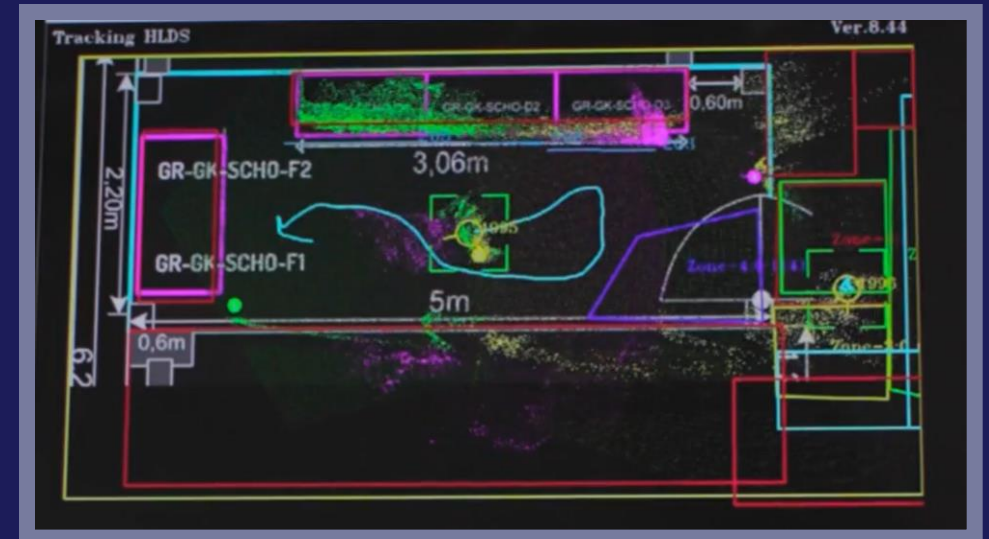
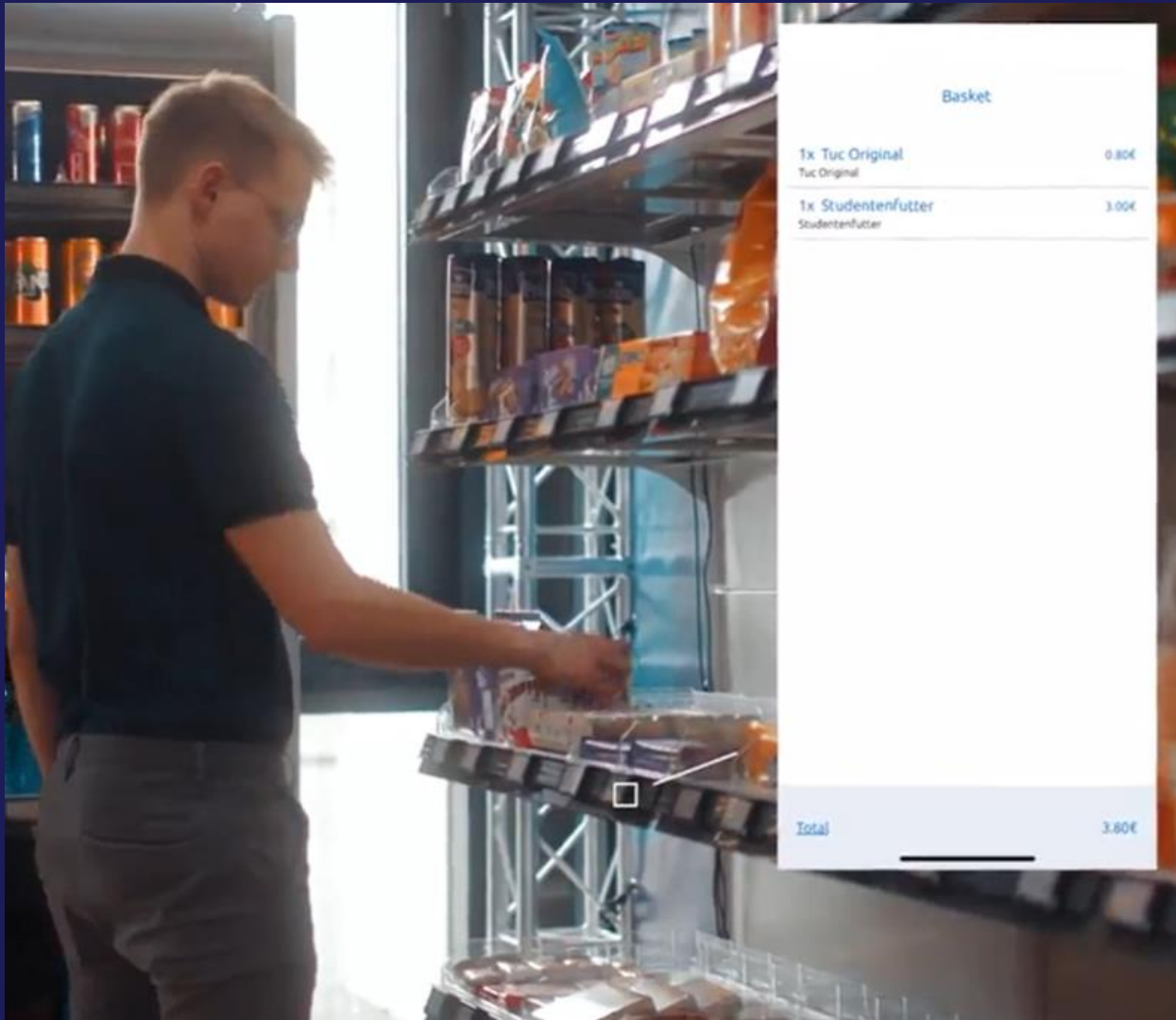
GK GO



GK GO at the EuroCIS 2022 in Düsseldorf



GK GO in action CLOUD4RETAIL in combination with intelligent scales and Lidar technology



A successful 2022 –
fully on track

GK SOFTWARE SE – KPIs (9M, group, IFRS)



		09/30/2022	09/30/2021 adj.*
Sales	TEUR	113,039	95,741
EBITDA	TEUR	22,236	17,240
EBITDA margin (on sales)	%	19.7	18.0
EBIT	TEUR	17,187	11,480
EBIT margin (on sales)	%	15.2	12.0

* results 9M 2021 incl. Sale of AWEK microdata:
EBITDA = 19,988 TEUR (margin = 20.9 %)
EBIT = 14,233 TEUR (margin = 14.9 %)

↑
Sales **+18.1%**

↑
EBIT **49.7%**

↑
EBITDA **22.2 Mio €**



+



+



New Customers

Winning or renewing contracts with important customers in Germany, USA and Scandinavia

SaaS-Business

Expansion of SaaS business and an increase in revenue from subscription-based contracts

Existing Customers

Expansion of business with existing customers and improvement of margins from this business

Guidance –
Targets for 2022
in sight –
medium-term forecast
unchanged



Forecast for fiscal year 2022 unchanged:

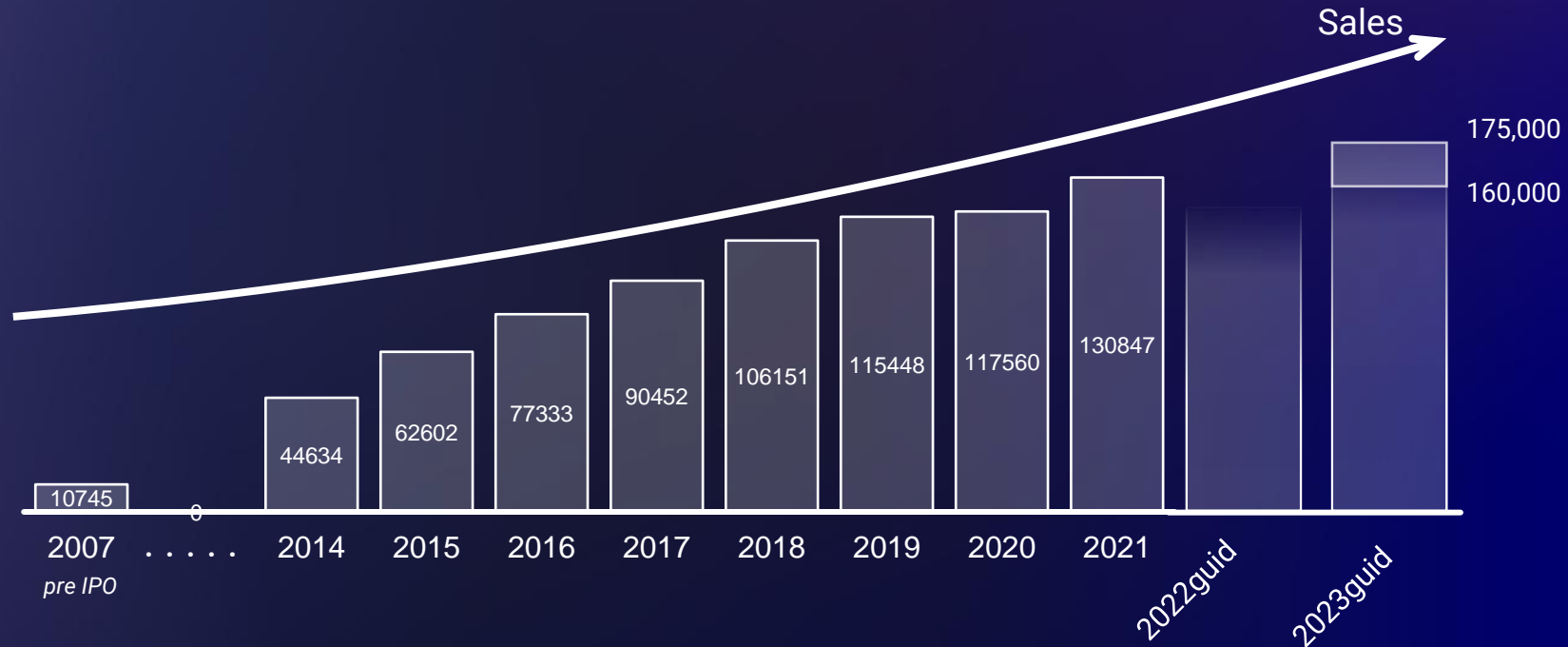
- Similar **increase in sales** revenue as in fiscal year 2021 and **additional slight improvement in EBIT margin** towards achieving the medium-term target for 2023.
- For the SaaS business for CLOUD4RETAIL, we expect annual growth at the level of 2021, so that the share of subscriptions will grow continuously, but not by leaps and bounds.



Medium-term forecast until the end of fiscal year 2023:

- **Significant growth in revenue** - corridor between EUR 160 and 175 million by 2023.
- **Based on the solutions and products currently available on the market.**
- **Additional potential** could result from new solutions or a geographical expansion of our sales territories.
- EBIT target remains at **15 percent, based on sales**

GK – A long-term growth story



~316mn €

Market capitalization

X6.5

Share price since IPO

Appendix

Securities Identification Number	757142
ISIN	DE0007571424
Ticker Symbol	GKS
IPO	June 19th 2008
Market Segment	Prime Standard
Designated Sponsor	ICF Bank AG
Number of shares	2,258,425
Capital stock	2,258,425 EUR
Free Float	58.15 %

9M 2022 | Group - Income Statement



Group, IFRS	30.9.2022*	30.9.2021	Veränderung
	in EUR k	in EUR k	in %
Sales	113,039	95,741	18.1
Other operating income	5,103	5,629	(9.3)
Total output	118,142	101,370	16.6
Cost of materials and purchased services	(9,530)	(10,177)	(6.4)
Gross profit	108,611	91,193	19.1
Personnel costs	(65,673)	(57,959)	13.3
Depreciation	(5,049)	(5,755)	(12.3)
Other operating expenses	(20,703)	(13,246)	56.3
Operating result (EBIT)	17,187	11,483	49.7
EBITDA	20,236	17,238	29.0
Financial result	(1,102)	(851)	29.4
Earnings before taxes (EBT)	16,085	13,382	20.2
Income taxes	(2,796)	(2,504)	11.6
Net income	13,289	10,877	22.2

* EBIT and EBITDA are **adjusted** for the sale of AWEK MD for Sept. 30, 2021.

9M 2022 | Group - Balance sheet structure (unaudited)



Group, IFRS	30.9.2022		31.12.2021	
	in EUR k	in %	in EUR k	in %
Non-current assets	56,557	34.6	53,176	36.9
Current assets	63,567	38.9	44,060	30.6
Cash and cash equivalents	63,289*	38.7	46,945	32.6
Total assets	163,427	100.0	144,181	100.0
Equity	98,775	60.4	83,628	58.0
Non-current liabilities	14,438	8.8	15,814	11.0
Current liabilities	50,214	30.7	44,739	31.0
Total liabilities and shareholders' equity	163,427	100.0	144,181	100.0

The Group's total assets amounted to EUR 163.4 million as of the reporting date, EUR 19.2 million higher than the figure of EUR 144.18 million at the last reporting date.

* Incl. securities with short maturities in the amount of 19.99 million euros

9M 2022 | Group - Cash flow development (unaudited)



Group, IFRS in EUR k	30.9.2022	30.9.2021
Cash flow in the narrower sense	22,058	18,388
<i>Changes in working capital</i>	3,938	(1,156)
<i>Taxes paid</i>	(624)	(255)
Operating cash flow	23,738	21,270
Cash flow from investing activities	(22,704)	2,477
Cash flow from financing activities	(4,756)	16,012
<i>Net increase in cash and cash equivalents</i>	3,722	39,758
Cash and cash equivalents at the end of the year	43,141	45,522
Net debt	(41,210)	(42,430)

* In addition to cash and cash equivalents, securities with short maturities amounting to EUR 19.99 million should also be noted, reflecting outflows of funds from investing activities.