



GTY Technology Holdings Inc.

TJ Parass, CEO

John Curran, CFO

Q2 2020 Earnings Presentation

August 7, 2020

Forward Looking Statements

This presentation includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. The company’s actual results may differ from its expectations, estimates and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as “expect,” “estimate,” “project,” “budget,” “forecast,” “anticipate,” “intend,” “plan,” “may,” “will,” “could,” “should,” “believes,” “predicts,” “potential,” “continue,” and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, the company’s expectations with respect to future performance. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Most of these factors are outside of the company’s control and are difficult to predict. Factors that may cause such differences include, but are not limited to: (1) the impact of the coronavirus outbreak (“COVID-19), or similar global health concerns, on our operations and customer base; (2) our ability to consummate any proposed transaction with respect to the previously announced review of strategic alternatives; (3) the lack of actionable alternatives being identified in connection with the strategic alternative review; (4) our failure to generate sufficient cash flow from our business to make payments on our debt; (5) our ability to raise or borrow funds on acceptable terms; (6) changes in applicable laws or regulations; (7) the possibility that the company may be adversely affected by other economic, business, and/or competitive factors; (8) other risks and uncertainties included in our Annual Report on Form 10-K for the year ended December 31, 2019 and our subsequent filings with the Securities and Exchange Commission. We caution you that the foregoing list of factors is not exclusive, and readers should not place undue reliance upon any forward-looking statements, which speak only as of the date made. We do not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in our expectations or any change in events, conditions or circumstances on which any such statement is based.



Use Of Non-GAAP Financial Measures

To supplement its condensed consolidated financial statements, which are prepared in accordance with U.S. generally accepted accounting principles, or GAAP, GTY has provided in this release certain financial measures that have not been prepared in accordance with GAAP defined as “non-GAAP financial measures,” which include (i) non-GAAP revenues, (ii) non-GAAP gross profit and non-GAAP gross margin (iii) and non-GAAP loss from operations.

GTY’s management uses these non-GAAP financial measures internally in analyzing its financial results and believes they are useful to investors, as a supplement to the corresponding GAAP measures, in evaluating GTY’s ongoing operational performance and trends. However, it is important to note that particular items GTY excludes from, or includes in, its non-GAAP financial measures may differ from the items excluded from, or included in, similar non-GAAP financial measures used by other companies in the same industry. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures. A reconciliation of the non-GAAP financial measures to such GAAP financial measures has been provided in the tables included as part of this press release. In addition, as the business combination occurred on February 19, 2019, GTY believes reviewing the operating results on a pro forma basis is more useful in discussing the overall operating performance when compared to the same period in the prior year. Therefore, to compare the six months ended June 30, 2020 to the six months ended June 30, 2019, the company combined the GAAP and non-GAAP financial measures of the Predecessor period from January 1, 2019 through February 18, 2019 and the Successor period from February 19, 2019 through June 30, 2019 (“S/P Combined 2019”).

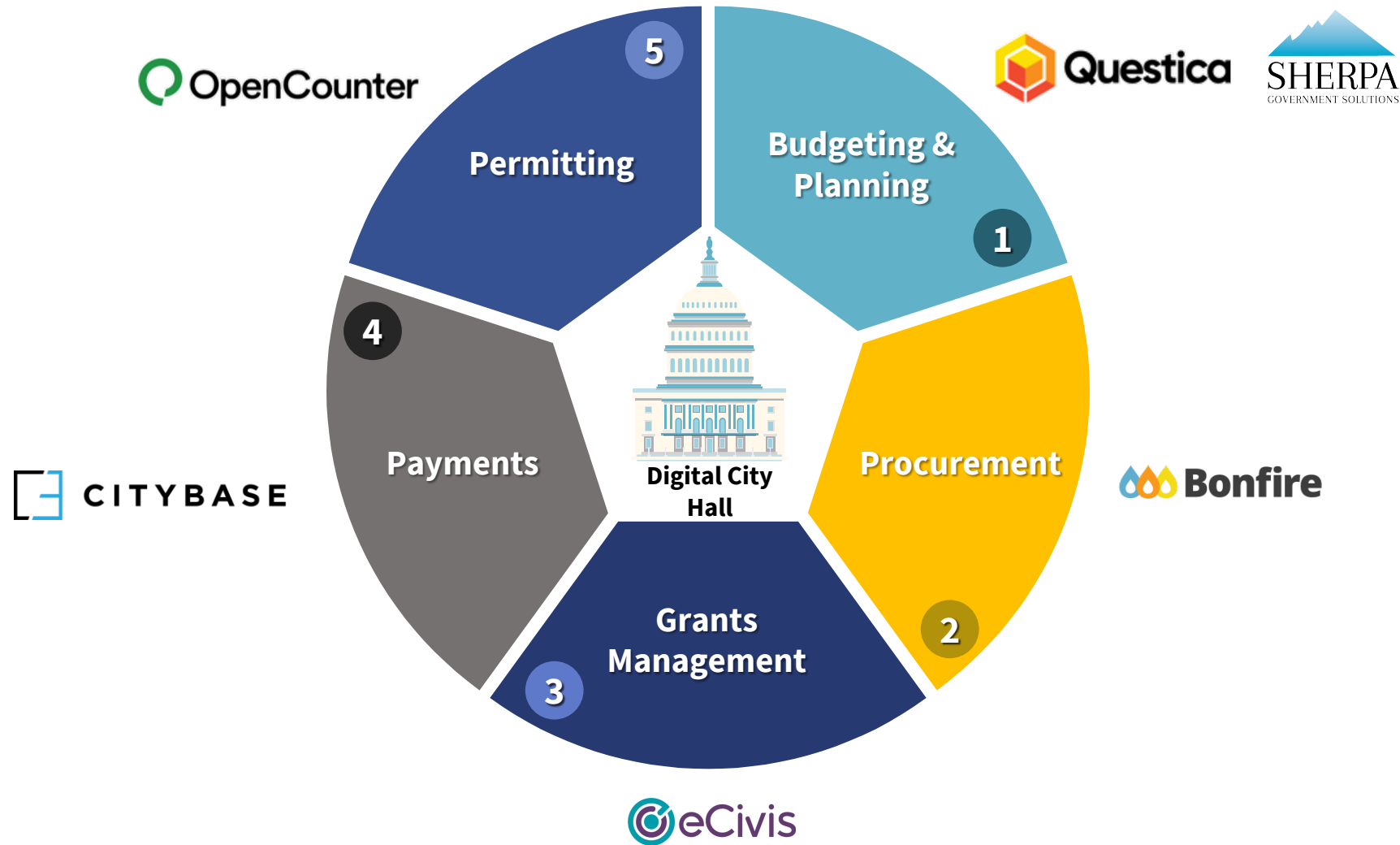
Non-GAAP Revenues. Non-GAAP revenues are defined as GAAP revenues adjusted for the impact of purchase accounting resulting from its business combination which reduced its acquired contract liabilities to fair value. The company believes that presenting non-GAAP revenues is useful to investors as it eliminates the impact of the purchase accounting adjustments to revenues to allow for a direct comparison between current and future periods.

Non-GAAP Gross profit and Non-GAAP Gross margin. Non-GAAP gross profit is defined as GAAP gross profit adjusted for the impact of purchase accounting resulting its business combination and share-based compensation included in cost of revenues. Non-GAAP gross margin is defined as non-GAAP gross profit divided by non-GAAP revenues. The Company believes that presenting non-GAAP gross profit and margin is useful to investors as it eliminates the impact of the purchase accounting adjustments to allow for a direct comparison between periods.

Non-GAAP Loss from operations. Non-GAAP loss from operations is defined as GAAP loss from operations adjusted for the impact of purchase accounting to revenues resulting from its business combination, the amortization of acquired intangible assets, share-based compensation, acquisition related costs, restructuring expenses and the change in fair value of contingent consideration. The company believes that presenting non-GAAP loss from operations is useful to investors as it eliminates the impact of certain non-cash and acquisition related expenses to allow a direct comparison of loss from operations between all periods presented.

GTY Technology

Our cloud-based platforms help organizations transform the way they engage stakeholders and manage their resources.



Financial Highlights and Indicators

- GAAP Revenues increased 35% from Q2 2019 and 38% YTD
- Reduced costs by \$3M per quarter starting in Q2
- Strong Quarter, second highest bookings in history
- Sales and Implementation teams have adapted to working remotely
- Historically high Customer Loyalty and Retention
- More than 375 COVID Program participants



Covid-19 Market Impacts

Why GTY

- Public Sector needs to modernize
- Citizens demanding private sector like experiences
- Government staff need contemporary tools

Current Headwinds

- Budgets shrinking up to 30%
- Deliver same services for less
- Remote decision makers
- Multiple demands on our customers/workload

Current Tailwinds

- Requirement to work remotely
- Need to rapidly iterate on budgets
- Obligation to protect employees and constituents
- Demand for new grants
- Focus on cost management



GTY Technology Holdings Inc.

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Income Statement Highlights

GAAP P&L Metrics

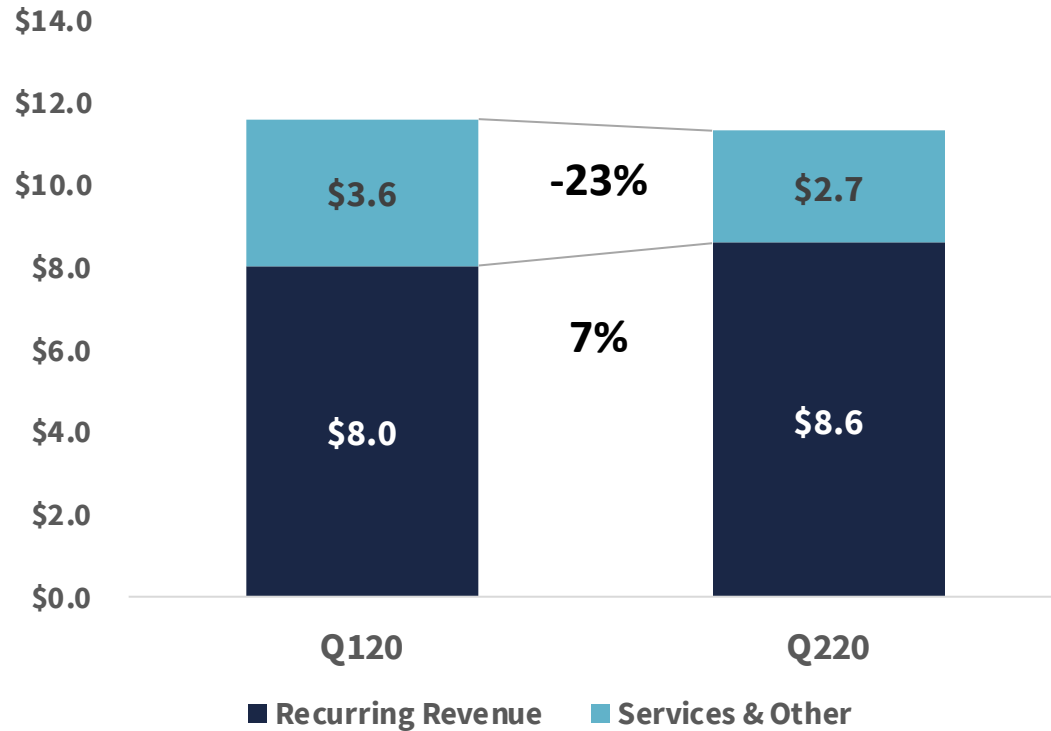
\$ in millions	Q220	Q120	Q219	Y/Y Change		Q/Q Change	
				\$	%	\$	%
Revenues	\$11.2	\$11.3	\$8.2	\$2.9	35%	(\$0.1)	-1%
Operating Exp	\$14.6	\$23.3	\$16.5	(\$2.0)	-12%	(\$8.7)	-37%
Operating Loss	(\$7.8)	(\$16.5)	(\$11.2)	\$3.4	-31%	\$8.7	-53%

Non-GAAP P&L Metrics

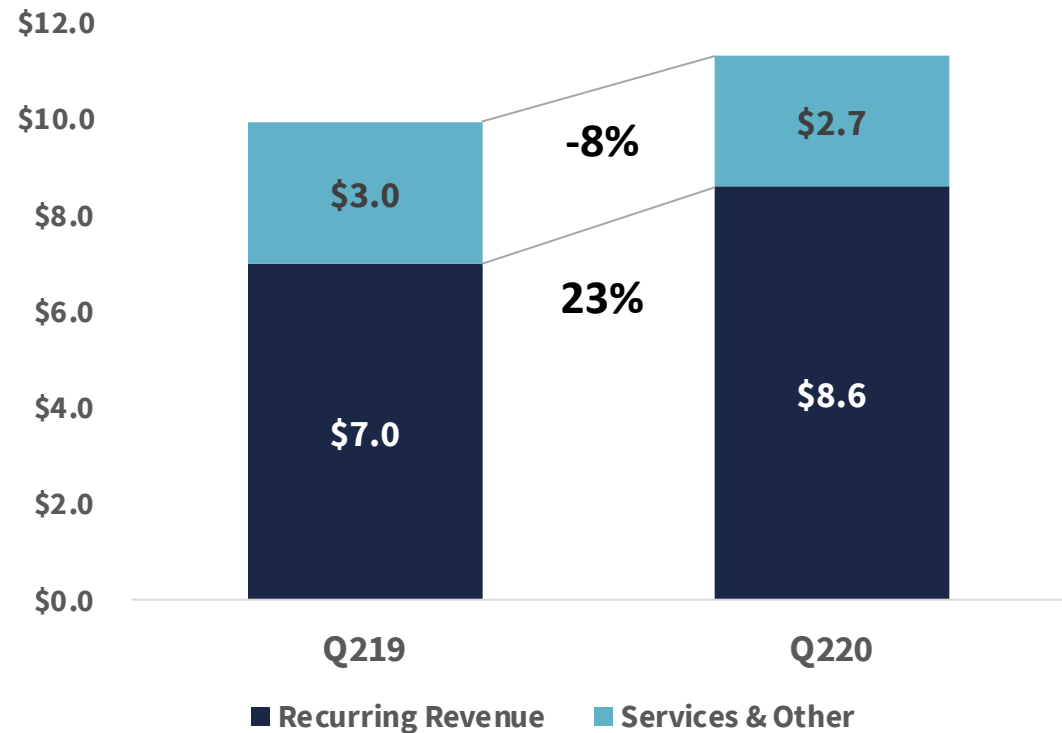
\$ in millions	Q220	Q120	Q219	Y/Y Change		Q/Q Change	
				\$	%	\$	%
Revenues	\$11.3	\$11.6	\$9.9	\$1.4	14%	(\$0.3)	-2%
Operating Exp	\$9.8	\$13.0	\$13.2	(\$3.4)	-25%	(\$3.2)	-24%
Operating Loss	(\$2.8)	(\$5.7)	(\$6.2)	\$3.4	-55%	\$2.9	-51%

Recurring Revenue Growth in line with Base Case

Q/Q Non-GAAP Revenue Growth *



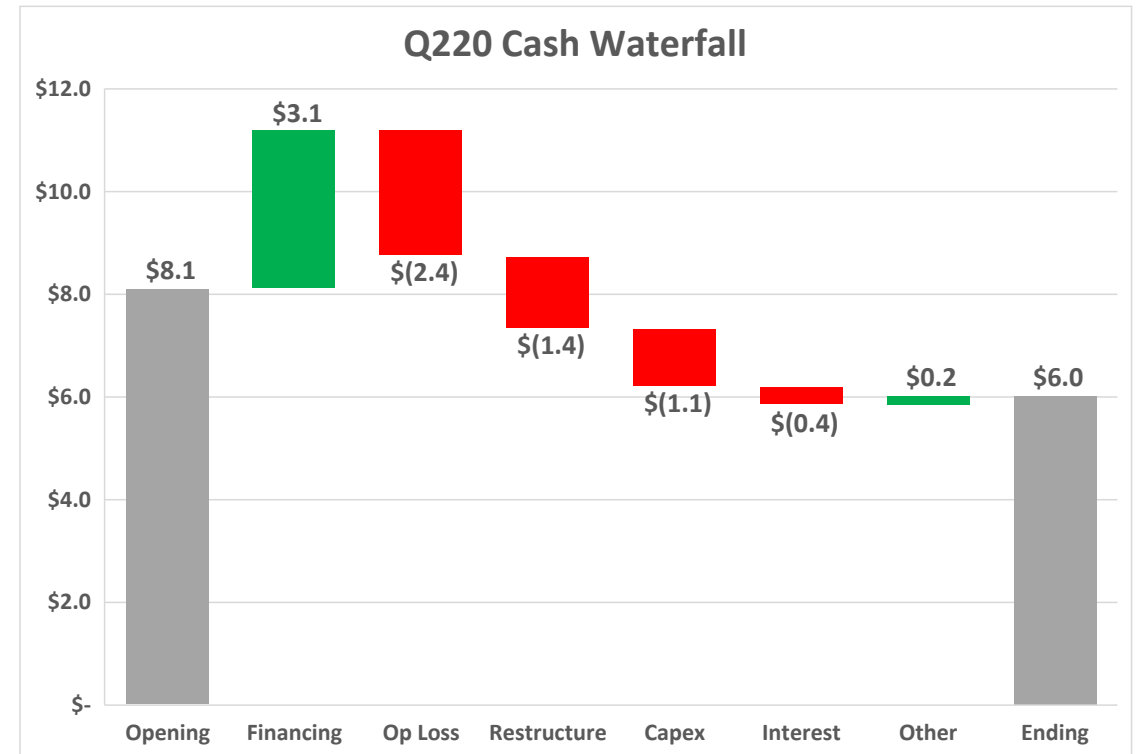
Y/Y Non-GAAP Revenue Growth *



* See Exhibit 2 to our earnings release for a reconciliation of these non-GAAP metrics to their most comparable GAAP metric.

Balance Sheet and Cash Flow Highlights

- Receivables are up \$2.6M due to higher renewal billings in Q2
 - No increased collection risk
- AP and Accruals decreased due to Restructuring payments
- Operating cash burn down over 60% from \$7.0M* to \$2.6M* excluding severance payments



* Excludes cash outflows for a legal settlement of \$3.3M in Q1 and severance payments of \$1.4M in Q2.

2020 Outlook

- Expect revenue growth north of 20% for the year.
- Budget reductions in the Public Sector have softened our bookings outlook in Q3 and Q4 resulting in our being close to cash flow break even in the fourth quarter (excluding severance costs).
- We remain focused on driving profitable growth.





GTY Technology Holdings Inc.

TJ Parass, CEO

Case Examples

- Bonfire, our procurement solution, added their largest customer in Q2, one of the largest DOT's in the US. Largest bookings month ever with more than 42 new customers.
- CityBase, payment solutions, demo requests up 27%; form entry product usage up more than 1000% for COVID related intake requests.
- eCivis Grant sales cycles time have been cut in half and Pipelines are 3x the size since last year. Welcomed CAL Fire as a new customer and expanded our relationship with City of Los Angeles. Arizona is now using eCivis to deploy COVID funding.
- Budgeting Team welcomed Metro Water District of Southern California and the City and County of San Francisco as new customers. Budgeting teams are busy helping customers recast their budgets.

Summary

- GAAP revenues up 35%.
- New leadership team making things happen.
- Focused on topline growth and cost management.
- Customer retention and loyalty at an all-time high.
- Expect growth of over 20% for 2020.
- Continued trend towards cash flow positive.



Q&A

