The terms "Nagarro", "company", "the group" and "we" in this report refer to "Nagarro SE and its subsidiaries".

Section A

# Combined Management Report

of Nagarro SE and the Nagarro Group

We believe a good company is one that does very well when the environment is supportive but also does well when the environment is challenging. After demonstrating in 2022 the ability to grow very fast in a positive demand environment, Nagarro followed it up with a robust growth performance in 2023 even in the face of difficult market conditions.

In 2023, demand slowed for the entire IT services sector, and particularly for pure-play digital engineering specialists. The deceleration of Nagarro's YoY revenue growth from 56.8% (2022 over 2021) to 6.5% (2023 over 2022) resulted in a temporary overcapacity and a pressure on margins. The company took several steps to readjust both capacity and spend to the new reality and was hence able to still deliver an Adjusted EBITDA margin of over 13%.

The company's initial guidance for 2023 was for revenue of €1,020 million, not including any subsequent acquisitions, gross margin of 28%, and an Adjusted EBITDA margin of 15%. Due to the deterioration of the demand environment, on May 12, the company revised its guidance for 2023 to revenue of €940 million, not including any subsequent acquisitions, gross margin of 28%, and an Adjusted EBITDA margin of 15%. On August 11, the company further reduced its guidance to revenue of €915 million, not including any subsequent acquisitions, gross margin of 26%, and an Adjusted EBITDA margin of 13%. The final achieved numbers were revenue of €912 million, gross margin of 25.8%, and an Adjusted EBITDA margin of 13.8%.

During 2023, Nagarro's share price came under pressure from short-sellers probing for structural weakness in a difficult macroeconomic context. Nagarro's performance in the year did not exhibit any such weakness. Revenue continued to grow, even though more moderately. The number of clients doing more than €1 million in annual revenue with Nagarro - an important internal indicator of growth potential - rose from 159 in 2022 to 181 in 2023. As growth became more moderate, cash flow improved significantly and, the company reduced its use of factoring. The net operating cash flow in 2023, when adjusted for decreases in factoring in the same period, was €97.9 million.

Also, in response to investor requests, Nagarro moved towards appointing a global audit firm at the group level. Although globally recognized audit firms were already auditing some key Nagarro legal entities, in 2023 the scope was increased to include several legal entities which in 2022 together accounted for approximately 60% of the consolidated revenue of the Nagarro group, and this move further demonstrated our commitment towards the highest levels of corporate governance and transparency. After a comprehensive public tender procedure in accordance with the relevant provisions of the EU Audit Regulation, Nagarro's Supervisory Board resolved to propose the election of KPMG AG Wirtschaftsprüfungsgesellschaft as the auditor for the annual financial statements and the consolidated financial statements of Nagarro SE for the financial year 2024, to the upcoming Annual Shareholders' Meeting in 2024.

The big technology topic of 2023 was Generative AI. It is expected that Generative AI will improve the productivity of software engineers to some extent. At the same time, Generative AI may lead our clients to invest more in data and digitalization solutions. We believe that the impact of Generative AI on Nagarro will be neutral in the short- and medium-term, given our focus on digital engineering and on working in agile ways with small teams. Software technology has been getting more powerful for decades, so smaller teams can do more, while the contexts will keep getting more time-sensitive, inter-disciplinary and global. We believe that a company like Nagarro that is agile, entrepreneurial, and global in both organizational design and culture, that scales out with lean and small teams, and has an easy fluidic collaboration across business units and regions, will be a company that can adapt quickly and creatively to changing environments. It will have the innate speed and responsiveness to help its clients deliver digital products and services with short times-to-market. It will carve a distinctive, defensible niche for itself among clients and the talented folks it seeks to attract.

# I. Structure and management

Nagarro's steering concept, systems and processes are carefully designed to deliver growth, operational efficiency, resource management, risk management and accountability. At the same time, these are set up to deliver a differentiated experience to clients and employees, and a distinctive agile, entrepreneurial and global posture to create strategic value for all stakeholders.

Nagarro is steered by its senior management team, including the Management Board with its special legal responsibility. The senior management team includes all colleagues at Level 6 seniority in our virtual organization, that is, Managing Directors (not to be confused with the managing directors of legal entities) and CTOs. It also includes colleagues in other important roles who may not yet be at Level 6, including GBU leaders, Service Region Custodians and people in key central roles. Further, it includes, as guests, the participants of our revolving Glass Window diversity program.

Nagarro aims to be a truly global company. True to our mission "to make distance and difference irrelevant between intelligent people", we have offices in 36 countries and roughly a dozen nationalities in senior management. This diversity stands in contrast with that of many peers.

Also, unlike many peers, Nagarro has a virtual global organizational model that deprecates country organizations. Our primary internal dimension is that of our global business units or GBUs. The GBU leadership may sit anywhere in the world. Similarly, the leadership for any account within the GBU or any project within the account may sit anywhere in the world. GBUs are created around verticals or horizontals or for other specific needs, and are re-organized frequently. Our GBU leaders act as ambitious entrepreneurs, but collaboration for the greater good is prized over personal ambition in our design and culture.

At the scale at which Nagarro now operates, selling has increasingly become more consultative and specialized by domain or technology. To gain new business through specialization and consulting, GBUs have created practices, which lie within the GBUs. GBUs are also supported in this effort by the global Centers of Excellence, which lie outside the GBUs, and by the dedicated sales teams.

Finally, the GBUs are also supported by central functions such as those for talent planning and allocation, talent enhancement, finance, legal and compliance, and by the region-wise administrative units called Service Regions.

We do not have traditionally strong CXO roles in the company in order to protect the primacy of GBU leaders. Hence, for example, the CFO role is replaced by a Finance Council, with each member of the council having a definite area of responsibility while still collaborating with each other and with the larger senior management team. The Finance Council intervenes in the working of a GBU when GBU margin falls outside the acceptable bands for an extended period.

Topics such as finance, enterprise data, legal, risk and compliance are centralized, given their nature. Notably, talent allocation and planning is also centralized and global. On the other hand, topics such as local administration are somewhat decentralized with the Service Region Custodians given a degree of flexibility to adapt to local rules and traditions.

The company's core values apply globally. The core values spell "CARING": Client-centric, Agile, Responsible, Intelligent, Non-hierarchical and Global. We design our processes to promote our core values. Let us take a few examples. Our selection and promotion criteria dissuade a stereotypical alpha approach to leadership. Our project leaders are incentivized for client satisfaction, not margins. We delegate much decision-making to projects so that we can be agile in the service of our clients. Our hiring standards are high and unbending. We mostly have no private offices for management, and no special travel or parking perks by seniority. Most company key functions operate globally, so that we act as a truly international company.

But all this design of the processes to reflect the core values still does not, by itself, add up to culture. Organizational design and processes are still possible to copy, but culture usually isn't. The culture is what is lived, and we Nagarrians live the flat, informal, and non-hierarchical culture from day to day, from country to country. This shared informal culture makes working in Nagarro like working with friends. It keeps the company agile, entrepreneurial and global, and propels us towards our goals and our mission.

Nagarro's organization design, systems and ways of working do take some getting used to. There is a small integration team that works to introduce each newly acquired company into our culture and way of working. Integrations usually proceed gradually. The foremost goal is to drive business synergies, by taking the capabilities of the newly acquired part to the rest of the Nagarro world, and bringing capabilities of the rest of the Nagarro world to the clients of the new part. Then there is the cultural integration, where we come together on Nagarro's common digital meeting places. We also look to identify exceptional people and new ways of working from the acquired companies early and leverage them globally.

Over time, the systems of acquired companies are also integrated. We believe common systems are an important driver of common culture. Our proprietary "business operating system", Ginger, is a friendly, conversational face of the company to each and every Nagarrian. It provides personalized answers and guidance, for both performance and cultural objectives. Our cloud ERP and other systems reflect our global virtual organizational design.

# II. Business model

Nagarro's primary business model is to provide IT services to its clients, either in a time plus expense mode, or in a fixed price mode.

The IT services industry is a people-intensive industry. Nagarro hires and deploys great professionals, most of whom are software experts. We provide them with computers and offices. We help them enhance their skills with training and hands-on experience. We also try to help them to live more satisfied and meaningful lives, so that they are happy working at Nagarro.

The bouquet of specialized services that we provide to our clients includes digital product engineering, digital commerce and customer experience, Big Data and AI services, new-gen ERP consulting and managed services. We typically invoice monthly for our time plus expenses or against time- or deliverable-based milestones in fixed price contracts. Aside from services, we may occasionally sell or re-sell software licenses, although that accounts for a very small fraction of our total revenue. Most of our revenue in any year comes from existing clients.

We work with a diverse blue-chip client base comprising more than 1,000 clients across 68 countries. In the majority of cases, we engage and maintain clients directly and not through any intermediaries.

To our clients, we bring strong technology talent, and institutional knowledge and transformational capability across many different industry domains. We maintain a number of partnerships with leading technology providers, but mostly aim to be technology-neutral when advising our clients so that we can suggest what we think is best for them.

We understand the need to maintain decent margins, but we prioritize growth with an eye on the long-term. Within existing accounts, we typically grow by adding more and more services to the engagement, and/or by spreading from one division to another. If a client is present in multiple countries, we may also engage with them in one country after another.

To win new clients, we rely on a large set of compelling testimonials, case studies and references. We can often match these well to the client's industry, to the client's current topics of interest, and to the client's region. When the client's topics are interdisciplinary, the smooth collaboration we have internally helps us leverage our combined knowledge and expertise.

Powerful though they are, the testimonials, case studies and references that give us credibility are ultimately historical. In contrast to these, another driver of growth is our investments in future capabilities. These investments take many forms; for example, researching the application of a new technology to a known industry problem, or subsidizing an ideation workshop with a client to test out some new concepts, or building a technology proof-of-concept with our own funds or subsidizing it for a client. We do not see such investments in future capabilities as necessarily driving our short-term growth, but we deem them valuable to secure our medium-term growth trajectory. However, in our financial statements, these costs are currently included under cost of revenues.

We also look to grow inorganically through M&A. We have an acquisitions team that is always on the lookout for excellent businesses that may be constrained by being subscale or regional. The most attractive targets have specialized capabilities or deliver access to great clients or to new regions for talent. We also assess each target for cultural fit – our cultures need not be identical at the outset, but there must be a good possibility of a healthy convergence from both directions.

The growth patterns described above – growing organically in existing clients, acquiring new clients with the flywheel of testimonials and case studies, investments in new engineering capabilities, and occasional investments in M&A – all help us towards our management goal of becoming a company of formidable reputation and scale. Size is, for us, a proxy for reputation and success in our client engagements. Size also means that the company is more likely to outlive us and more likely to be an exemplar for new ways of agile, entrepreneurial and global working.

# III. The business environment in 2023

In 2023, central banks kept interest rates high to combat inflation. This had an adverse impact on economic growth. Geopolitical tensions also affected the economic environment, mainly through the impact on energy prices and the impact on global supply chains.

The slower economic environment led to reduced IT spending, and particularly a postponement of discretionary spend on digital transformation. In January 2024, the research firm Gartner estimated that the spend on IT services, expressed in US dollars, was 5.8% higher in 2023 than in 2022.

Wage inflation in the IT services industry reduced in some of Nagarro's key locations for talent. In particular, wage inflation in the IT services sector was lower in India in 2023 as compared to 2022. Attrition levels were also moderate. Several companies in the industry tried to get employees to spend more time in their offices.

Generative AI's impact on business and society dominated the global conversation. Generative AI was expected to lead to some productivity improvements in the IT services industry. At the same time, it was expected to open new transformational opportunities, as enterprises move to use Generative AI to become more responsive, efficient and sustainable.

Climate change continued to be a big theme in the technology sector. Companies in the industry continued to set decarbonization goals and improve monitoring, reporting and control of their carbon footprint. Many clients increased their reporting requirements from IT services vendors.

# IV. Milestones crossed

Nagarro revenues for 2023, when converted from Euro to US dollars at year-end conversion rates, reached 1 billion US dollars for the first time. This had been a significant goal and milestone for Nagarro's management team.

Yet, the sudden slowing of growth from 2022 to 2023 saw Nagarro with considerable excess capacity. Through the year, we worked off excess capacity and postponed increment cycles in many countries. We also added an EBITDA-linked organization bonus in the compensation package of many Nagarrians to provide flexibility in such situations in the future.

To address investor concerns after a speculative article on Nagarro in the financial media, Nagarro held its very first Capital Markets Day as a listed company, on April 20, 2023, in Frankfurt. This was a chance for investors, analysts and financial media persons to interact with many members from Nagarro's senior management and with select Nagarro clients in both structured and informal settings.

We also attended a large number of virtual and in-person conferences through the year. These included the ODDO BHF TMT Forum, the JP Morgan Pan-European Small/Mid Cap CEO Conference, the Jefferies Pan-European Mid Cap Conference, the Berenberg Pan-European Discovery Conference, the Commerzbank/ODDO BHF Corporate Conference, and the Deutsches EigenKapitalForum. Despite increased investor engagement, Nagarro's share price development through the year did not adequately reflect management's view of the stability of the company and of its future potential.

Nagarro embraced the Science Based Targets initiative (SBTi) Net-Zero Standard to align our decarbonization efforts with the Paris Agreement. Nagarro committed to setting a near-term decarbonization target and achieving net zero no later than 2050.

EcoVadis awarded Nagarro a bronze medal and recognized it as 'advanced' based on data gathered from publicly available sources (360° Watch Findings). The agency rated Nagarro higher than the industry average on each of the four parameters. Meanwhile, Nagarro's Carbon Disclosure Project (CDP) score changed to C (Awareness band) from D- (Disclosure band). Nagarro GmbH Munich was awarded by Drive Sustainability's due diligence partner, Supplier Assurance, with a positive S rating.

The Nagarro family spread to 36 countries. During the year, we incorporated a legal entity in Taiwan. There was also inorganic growth in our geographical reach. In Q1, we acquired Infocore, a specialist in Industry 4.0 solutions, and a partner with Siemens Digital Industries Software for Product Lifecycle Management and Manufacturing Operations Management solutions. Infocore had approximately 100 people and operations mainly in Germany, the UAE and India. In the same quarter, we signed the share purchase agreement to acquire MBIS Bilgisayar Otomasyon Danışmanlık ve Eğitim Hizmetleri Sanayi ve Ticaret A.Ş., Türkiye ("MBIS"), a full-service provider in the Turkish SAP market with around 430 people. In Q2, we acquired Advanced Programming Solutions SL (APSL), a technology company in Spain, to enhance our offerings to key clients in Spain and international markets. With over 100 people, APSL was an established end-to-end services provider in application development, cloud systems, and data analytics. In Q4, we acquired Telesis7, LLC, a US-based company assisting cable and telecom majors with business and technology transformations. With around 70 people, Telesis7 brought to Nagarro a special expertise in launching wireless and MVNO (mobile virtual network operator) services and in telecom M&A integrations. Please consult the consolidated financial statements for more details.

Nagarro has launched an Employee Share Participation Program called MyN (for "My Nagarro"). For every multiple of 3 shares purchased and held by an employee for 3 years (while staying a Nagarrian), Nagarro will contribute 1 matching share for free. The first offering was made in the first half of 2023, and 1,716 employees participated. In the second offering, at the end of 2023, 659 employees participated. At the end of the year, approximately 10% of the existing employee base has participated in the program.

After a comprehensive public tender procedure in accordance with the relevant provisions of the EU Audit Regulation, Nagarro's Supervisory Board resolved to propose the election of KPMG AG Wirtschaftsprüfungsgesellschaft as the auditor for the annual financial statements and the consolidated financial statements of Nagarro SE for the financial year 2024, to the upcoming Annual Shareholders' Meeting in 2024.

As mentioned in note F.5 Segment information of Section B, the Chief Operating Decision Maker has now stopped looking at the additional layer of financial information based on the four segments of Client Regions while continuing to review the financial information at a company-wide level. Accordingly, Nagarro has determined that it operates as a single operating and reportable segment.

Similar to last year, Nagarro carried out a share buyback between second and third quarter and a total of 350,000 shares were bought at an average share price of EUR 84.84 per share with a total cost of EUR 30 million, corresponding to a portion of the current nominal share capital of approximately 2.54%.

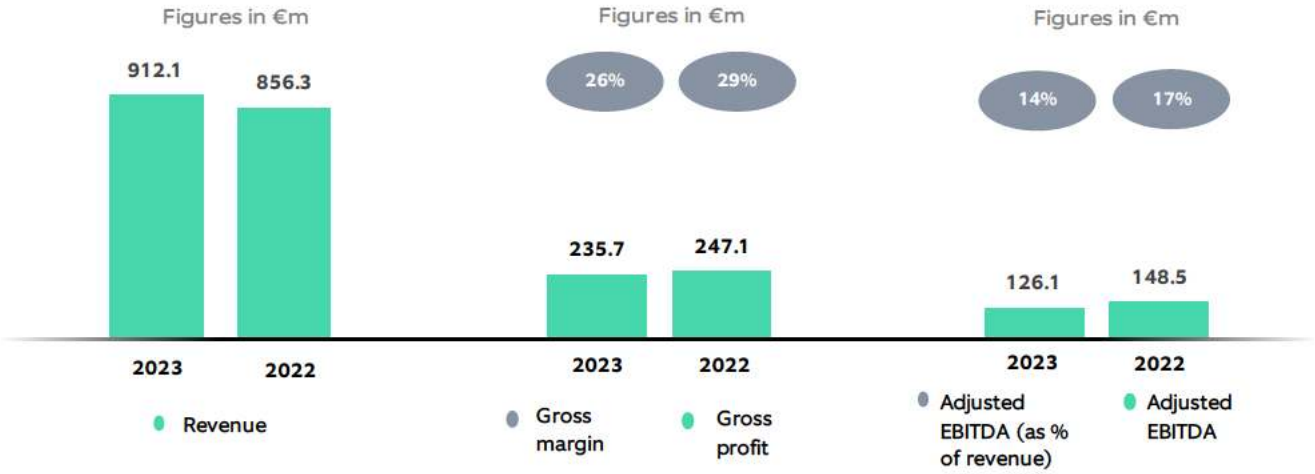
# V. Financial performance

Nagarro's performance in 2023 was good. We believe this performance compares very well with the performance of the broader industry. The pressure on gross margins continued but we were able to steer towards our 2023 target Adjusted EBITDA margin while keeping our foot on the accelerator in terms of growth.

Our primary financial KPIs are revenues, gross margin and Adjusted EBITDA. Gross Margin and Adjusted EBITDA are alternative performance measures, selected to provide supplemental information for a meaningful comparison of the company's financial performance with industry peers and across reporting period. Gross margin is the ratio of gross profit to revenue, where gross profit is calculated after reducing from the total performance all direct costs needed to service the revenue. The direct cost comprises personnel costs related to Nagarro's engineering function, as well as associated travel and other costs. We define Adjusted EBITDA as earnings before interest, taxes, depreciation and amortization (EBITDA) adjusted to exclude effects that we consider extraordinary, such as purchase price adjustments, badwill, foreign exchange effects on purchase price, sale of equity investments, share-based payment arrangements cost, the expenses related to the rollover of minorities and acquisition expense and from current year, the retention bonus and earnout expense as part of the share purchase agreement of the acquired entities. Adjusted EBITDA is calculated according to economic criteria and is independent from IFRS rules. Therefore, the Adjusted EBITDA is more suitable for comparing operating performance over several periods. A more detailed definition can be found in the consolidated financial statements.

Nagarro's revenues grew to €912.1 million in 2023 against guidance of €915 million and up from €856.3 million in 2022, a growth of 6.5%. In constant currency, 2023 YoY revenue growth was 9.4%. Revenues were lower than the forecast of €1,020 million, mainly due to low demand and scale-backs in a few projects. Gross profit was €235.7 million in 2023, down from €247.1 million in 2022. Gross margin was down to 25.8% in 2023 against the guidance of 26% and down from 28.9% in 2022. Adjusted EBITDA was €126.1 million (13.8% of revenue) in 2023 against the guidance of 15% of revenue and down from €148.5 million (17.3% of revenue) in 2022. Gross margin and Adjusted EBITDA were lower than the forecast of 28% and 15% respectively Gross profit, Adjusted EBITDA and EBITDA were affected by excess capacity throughout the year because of the moderation in growth in 2023. Our most significant adjustments to EBITDA in 2023 are the expense on stock options offered (€3.8 million), earnout expense (€2.3 million), acquisition expense (€1.0 million), retention bonus expense (€0.9 million), and income from purchase price adjustment (€3.1 million).

EBITDA was €121.3 million in 2023, down by €24.3 million from €145.6 million in 2022. The decrease in EBITDA was largely passed down to the EBIT. EBIT was €86.2 million in 2023, down by €26.2 million from €112.4 million in 2022. Net profit was €52.1 million in 2023, down by €25.2 million from €77.4 million in 2022. Compared to 2022, in 2023 there was an increase in depreciation and amortization expense ( €1.9 million) and interest expense (€6.9 million).




In the geographical revenue distribution, Nagarro generated 36.1% of its revenue from North America (2022: 40.2% ), 28.3% of its revenue from Central Europe (2022: 27.1%), 23.6% of its revenue from Rest of World (2022: 20.9%) and 12.0% of its revenue from Rest of Europe (2022: 11.9%) in 2023.

Revenues from Rest of World grew by 20.3% to €215.3 million in 2023 from €179.0 million in 2022. Revenues from North America were down by 4.3% to €329.2 million in 2023 from €344.1 million in 2022. Revenues from the Rest of Europe grew by 8.2% to €109.8 million in 2023 from €101.5 million in 2022. Revenues from Central Europe grew by 11.2% to €257.7 million in 2023 from €231.7 million in 2022.

Revenues from Germany grew 13.3% to €192.9 million in 2023 from €170.2 million in 2022, while those from the USA were down by 5.4% to €324.8 million in 2023 from €343.2 million in 2022.

Nagarro operates across a variety of industries. The focus on consumer experience underlies the digital transformation of almost every industry, while the technology used for this also cuts across industries. Innovation occurs increasingly often at the overlaps of the traditional industry definitions. Yet, each industry also requires specialized knowledge, and we have been investing in developing such specialized knowledge in industry after industry.

Industries with robust global growth in 2023 over 2022 included "Automotive, Manufacturing and Industrial" (21.8%), "Life Sciences and Healthcare" (17.6%), "Energy, Utilities and Building Automation" (17.7%), "Financial Services and Insurance" (8.7%), and "Retail and CPG" (6.5%).

Industries with the least growth in 2023 over 2022 included "Travel and Logistics" (3.2%) and "Telecom, Media and Entertainment" (1.9%).

Industries with negative growth in 2023 over 2022 included "Horizontal Tech" (18.0%), "Management Consulting and Business Information" (8.2%) and "Public, Non-profit, Education" (3.3%).

The revenue from our top 5 clients as a percentage of total revenue declined to 14.3% in 2023 from 15.4% in 2022. Revenue from the next 5 largest clients declined to 9.3% compared to 10.6% in 2022, while revenue from clients outside the top 10 increased to 76.4% from 74.0%.

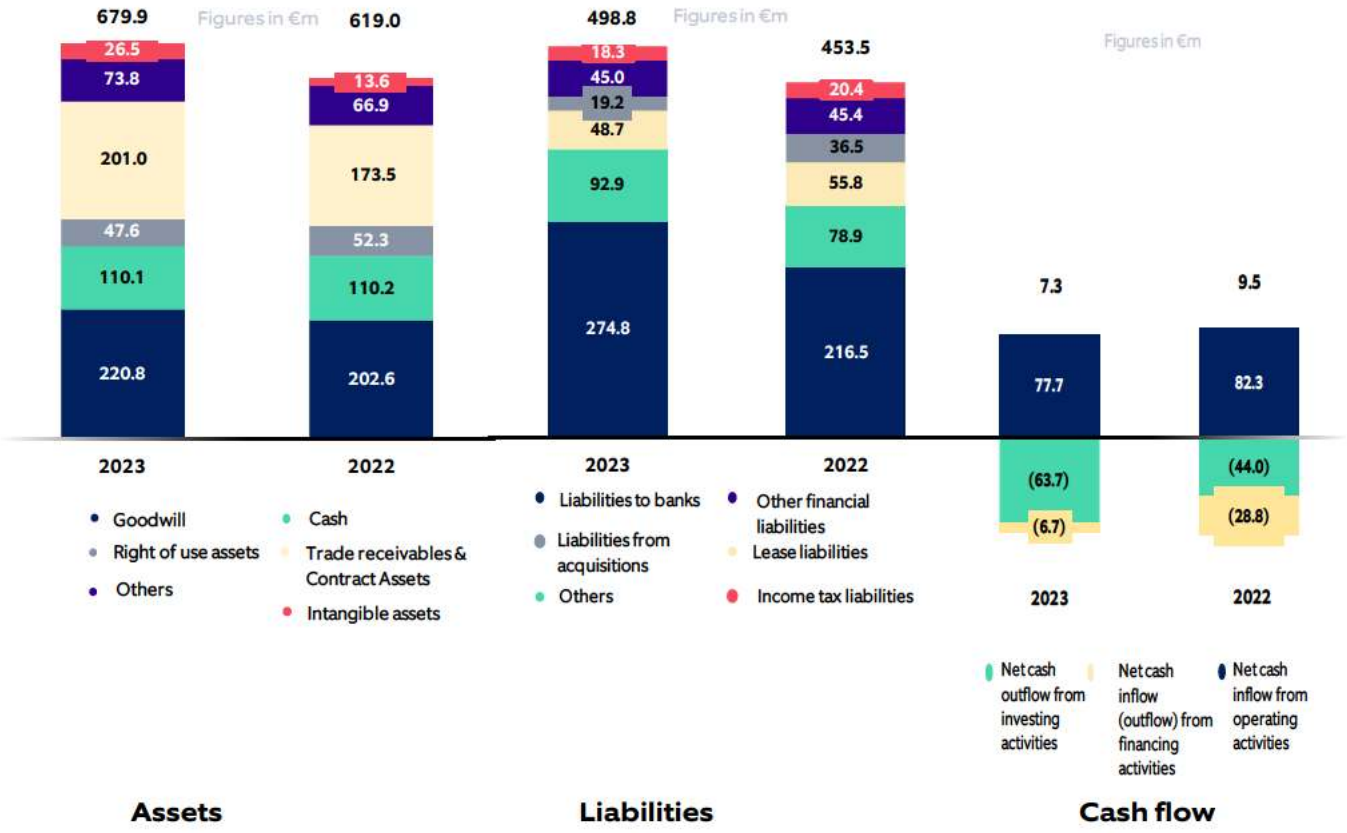
Our clients in 68 countries chose to pay us in various currencies. The top 5 currencies that contributed significantly to our revenues are listed below (in € million).

| Revenue currency | 2023 mEUR | 2022 mEUR |
|---|---|---|
| **USD** | 381.6 | 383.0 |
| **EUR** | 322.5 | 275.4 |
| **INR** | 98.7 | 101.5 |
| **AED** | 21.6 | 13.3 |
| **ZAR** | 19.8 | 17.0 |

Nagarro has operations in 36 countries in which it pays its colleagues and vendors in various currencies. The top 5 currencies that contributed significantly to our expenses (net of operating income) including taxes but excluding foreign currency income and expenses are listed below (in € million).

| Expenses currency | 2023 mEUR | 2022 mEUR |
|---|---|---|
| **INR** | 364.1 | 337.0 |
| **EUR** | 219.2 | 182.4 |
| **USD** | 115.7 | 106.7 |
| **RON** | 54.9 | 48.9 |
| **CNY** | 25.2 | 42.6 |

# VI. Financial position at the end of period




The basic principles of financial management at Nagarro are financial prudence and stability, ensuring a reasonable profitability and assuring adequate liquidity, even as the company grows via calculated entrepreneurial bets. The Finance Council works to ensure we have the right capital structure in place, that we are managing cash and liquidity carefully, and that we are managing financial risks such as currency risks with the appropriate instruments.

We target a balanced debt-to-equity ratio that preserves flexibility for the company, allowing it to react to business opportunities and to changes in macroeconomic conditions. Nagarro's syndicated loan also incorporates covenants on the ratio of net debt to Adjusted EBITDA, which the company monitors and complies with.

The company's liquidity position at the end of 2023 was comfortable. The current assets were €354.0 million, of which cash was €110.1 million. The current liabilities were €168.3 million, yielding a working capital of €185.7 million.

Total assets grew by €60.8 million to €679.9 million as of December 31, 2023, as against €619.0 million as of December 31, 2022. Of these, non-current assets increased by €30.0 million to €325.9 million as of December 31, 2023, as against €295.8 million as of December 31, 2022. Within non-current assets, goodwill grew by €18.2 million (mainly on account of the acquisitions of Infocore (€2.8 million), APSL (€4.3 million), MBIS (€10.8 million) and, Telesis7 (€5.8 million) and negative currency differences of €5.6 million), while right of use assets from leases reduced by €4.6 million (depreciation of €22.5 million offset by the addition of leased servers and laptops of €16.7 million). Intangible assets increased by €12.9 million to €26.5 million (mainly on account of increase in assets from business acquisitions of €16.9 million, hyperinflationary adjustment in Türkiye of €4.8 million, additions of €2.5 million offset by amortization of assets of €7.4 million and currency differences of €3.8 million). Current assets grew by €30.8 million to €354.0 million as of December 31, 2023, as against €323.2 million as of December 31, 2022, within which cash balance remained at similar level as last year (€110.1 million). Contract assets, trade receivables, other current financial assets and other current assets together increased by €33.5 million primarily due to an increase in trade receivables by €25.7 million (on account of decrease in factoring utilization of €18.6 million) and contract assets by €1.8 million.

Total liabilities grew by €45.3 million to €498.7 million as of December 31, 2023, as against €453.5 million as of December 31, 2022. Non-current liabilities increased by €56.4 million to €330.4 million as of December 31, 2023, as against €274.0 million as of December 31, 2022. This is primarily due to net additional loans of €62.3 million for payment of acquisition liabilities. Current liabilities decreased by €11.1 million to €168.3 million as of December 31, 2023, as against €179.5 million as of December 31, 2022. This is

primarily due to a decrease in acquisition liabilities by €6.2 million (payment to ATCS of €15.5 million offset by reclassification of ATCS non-current acquisition liabilities of €6.5 million to current liabilities) and reduction in factoring liabilities of €4.7 million.

As of December 31, 2023, the Income tax liabilities amount to €18.3 million as against €20.3 million as of December 31, 2022. The management has assessed a tax rate of 27% (based on weighted average tax rates of the significant tax jurisdictions of Nagarro group entities which are mainly India, Germany, USA, Austria, Romania, China and United Arab Emirates) which is similar to the tax rate of 2022.

Net assets represented by total equity grew by €15.5 million to €181.1 million as of December 31, 2023, as against €165.6 million as of December 31, 2022. The increase is primarily due to increase in total comprehensive income of €41.5 million and increase in capital reserve of €3.8 million (mainly from issuance of stock options under SOP 2020/II, SOP 2020/III and ESPP). This is offset by purchase of treasury shares of €29.7 million.

Our total cash inflow was €7.3 million in 2023 against €9.5 million in 2022.

Our operating cash flow was €77.7 million in 2023 as compared to €82.3 million in 2022. Further, we were able to reduce the utilization of funds under the factoring program by €23.2 million during 2023. Operating cash flow adjusted for changes in factoring (including interest on factored amounts) was €97.9 million in 2023 as compared to €57.5 million in 2022.

Days of sales outstanding, calculated based on quarterly revenue and including both contract assets and trade receivables, has increased from 69 days on December 31, 2022 to 84 days on December 31, 2023. This also reflects the reduction of factoring volume.

The cash outflow from investing activities in 2023 was €63.7 million, mainly due to the payment for acquisition obligations of €54.3 million after adjusting for cash acquired from these acquisitions (€17.9 million for acquisition of MBIS, €6.9 million for acquisition of APSL, €6.1 million for acquisition of Telesis7, €5.3 million for acquisition of Infocore, and contractual payment obligations from older acquisitions of €20.5 million), investment in fixed deposit of €5.0 million and capital expenditure of €6.9 million. The cash outflow from investing activities in 2022 was €44.0 million.

The cash outflow from financing activities in 2023 was €6.7 million as compared to cash flow of €28.8 million in 2022. Major outflows in 2023 were purchase of treasury shares of €29.7 million, lease payments of €25.1 million, and interest payments of €14.2 million. This was offset by increase in net bank loans of €62.3 million.

Countries with the top 5 bank balances are listed below:

| **Countries** | **December 31, 2023 mEUR** | **December 31, 2022 mEUR** |
|---|---|---|
| India | 38.1 | 26.1 |
| Germany | 16.9 | 22.5 |
| South Africa | 8.6 | 1.8 |
| United States of America | 8.2 | 23.4 |
| Romania | 7.3 | 6.2 |

# VII. Non-financial KPIs

Our single key non-financial KPI is our client satisfaction (CSAT) score, measured via a standardized client satisfaction (CSAT) survey. This survey is sent every quarter to the person responsible for project success on the client side. The CSAT does not cover very small engagements and at any point in time, may also not cover engagements via companies that recently became part of Nagarro. Despite these caveats, the CSAT results are very central to our management system and often form the most important basis for variable pay to project leadership. Each CSAT question asks the client's frequency of satisfaction with a particular aspect of our services. The responses collected are monitored carefully at the aggregate level, at the question level, and at the project level. While minor fluctuations are to be expected, any significant trends are discussed and addressed.

Our CSAT score was 92.0% in Q1 2023, 92.6% in Q2 2023, 93.5% in Q3 2023, and 92.8% in Q4 2023. Across the year, the CSAT score was 92.7%. The projection for 2023 for the CSAT score was the same as the score realized in 2022 under the new survey methodology adopted during that year, which had been approximately 92%. We expect this KPI to remain in the region of 92% in 2024.

In 2023, we also adopted the concept of Net Promoter Score (NPS) in our client satisfaction survey. The question posed in the survey was: "On a scale of 1-10, how likely are you to recommend Nagarro to a friend or colleague?" Promoters are those who gave a score of 9 or 10, Passives are those who gave a score of 7 or 8, and Detractors are those who responded with a score below 7. The NPS score is calculated as (number of Promoters – number of Detractors)*100/(total number of NPS responses). Nagarro's NPS score in the Q1 2023 survey was 60, then 63 in Q2, 67 in Q3, and 63 in Q4, resulting in a composite 2023 NPS score of 63. This is an excellent score, indicating a high level of client satisfaction with Nagarro's services.

The total number of clients with whom we do more than €10 million of business annually remained same at 16 in 2023 compared to 2022. The average length of our relationship with these clients was 12.3 years. The total number of clients at between €5 million and €10 million revenues declined to 16 in 2023 from 17 in 2022 with an average relationship of 9.5 years. The total number of clients at between €1 million and €5 million revenues rose to 149 in 2023 from 126 in 2022, with an average relationship of 5.5 years.

The total number of professionals employed by Nagarro grew to 18,413 at the end of 2023, up marginally from 18,250 at the end of 2022. The professionals in engineering dropped slightly to 16,934 in 2023 from 17,012 in 2022. Note that even non-engineers, such as designers, contributing to our engineering efforts are included in professionals in engineering. At year end, the top five countries in terms of professionals in engineering were India (12,551), Germany (834), Romania (812), Philippines (507) and China (422).

Nagarro has for long been involved in many topics connected to environmental and social issues. Our Combined Non-Financial Statement describes the development, performance, position and impact of our activity on environmental issues, employee matters, social issues, human rights, corruption and bribery, and can be found at Section D Joint Non-Financial Statement of Nagarro SE and the Nagarro group.

# VIII. Research and development

While we work with the latest technology, we do not spend significant sums on traditional R&D. Rather, as a services company, we work with the technology products created by companies such as Adobe, Amazon, Google, Microsoft, Salesforce, SAP, ServiceNow and OpenAI, as well as those created by smaller, more specialized, software vendors. In this, we are similar to most of our peer group. However, we do occasionally capitalize some smaller assets related to R&D. In 2023, we capitalized €0.2 million (2022 : €0.3 million) of intangible assets related to R&D, while amortizing €0.4 million (2022 : €0.4 million) of such assets. The closing value of intangible assets related to R&D on our balance sheet as of December 31, 2023, was €0.9 million (2022 : €1.1 million).

# IX. Developments after December 31, 2023

Please refer F 14 Events after the balance sheet date in Section B.

# X. Outlook for 2024

The OECD's Interim Economic Outlook published in February 2024, projects that economic growth will remain moderate in 2024 and 2025, with inflation declining gradually. Of course, it is still very uncertain how these macro-economic dynamics will play out in the context of geo-political and other uncertainties.

Research firm Gartner predicted, in a report released in January 2024, that IT services will continue to see an increase in growth in 2024. Gartner expects spending on IT services to grow 8.7% in 2024 in US dollar terms, up from Gartner's own estimate of 5.8% growth in 2023. Gartner also stated that it does not expect Generative AI to have a significant impact on the growth of IT spending in the near-term.

From a company perspective, Nagarro has resumed wage increment cycles that had been halted in 2023 as a cost-cutting measure. We expect wage inflation and attrition to be moderate and close to historical averages.

We expect those clients to be cautious about price increases whose own businesses have come under pressure, leading to potentially some pressure on Nagarro's own margins.

Taking all the above context into account, we are projecting Nagarro's revenue for 2024 to be in the region of €1 billion, as against €912 million in 2023. We expect the order situation with the customers to be stable in 2024. We target gross margin in the region of 27%, which is higher than the gross margin in 2023 (25.8%). We target Adjusted EBITDA margin to be in the region of 14%, as against 13.8% in 2023. Potential acquisitions in 2024 are not included in these projections.

Nagarro's management has set a target to raise the company's Adjusted EBITDA margin to 18% by 2026. This, however, assumes that economic growth in our largest markets will pick up significantly by early 2025.

Our key non-financial KPI is our client satisfaction (CSAT) score. Our CSAT score for 2023 was 92.7%. We expect the CSAT score for 2024 to continue to be in the region of 92%.

The alternative performance measures in these management projections have been consistently estimated with the accounting principles applied in the consolidated financial statements and described in the Section A.V. Financial performance. All of the above management projections are forecasts and may be proved wrong and are especially uncertain because of the multidimensional and unpredictable effects of the global economic situation.

Nagarro continues to evaluate potential acquisition targets. Acquisitions, if any, are more likely to be of a bolt-on nature than transformative. The primary strategy is to acquire for client access, so as to better leverage our existing capabilities and case studies. However, there is always the possibility of an opportunistic transaction that deviates from our current strategy.

We expect customer satisfaction in 2024 to be at approximately the same level as at the end of 2023, with a Net Promoter Score of around 60. We expect that the number of employees will continue to increase. Changes in customer numbers are difficult to predict but we expect an upward trend.

# XI. Risks and opportunities

The focus of this system is on preventive measures, which include an early risk identification process based on the bi-annual risk management cycle and risk assessments conducted by a dedicated team in all business units and operations worldwide. The early risk detection process includes risk identification, risk assessment, risk communication and continuous monitoring of the early detection system. In the event that significant risks are detected, both the Management Board and, if applicable, the Supervisory Board are informed immediately.

Following this strong foundation of the COSO Framework, training, processes and systems, sits the risk management function. This has a hub-and-spoke design. The central Risk and Compliance Team, led by a member of the Management Board, acts as a monitoring hub for the various individual risk management processes that sit in different operating functions, including the business units, the service regions, the legal entities and the central functions like finance. In this role, it examines and coordinates action plans on the key information related to risk identification, analysis, prioritization, ownership and mitigation from across the company. The Risk and Compliance Team interacts especially closely with functions that are primarily occupied with risk topics, such as the Security Council, the Global Privacy Council, and the Legal Team that manages client contracts.

Nagarro's business operating system, Ginger, now makes the hub-and-spoke design work by facilitating the data gathering from the different operating functions for the central Risk and Compliance Team. The risk register was developed on the principle of "low touch, lean and scalable" on the Ginger platform as a bidirectional process that connects multiple functions to the risk register, which contains defined risk attributes and allows the Risk and Compliance Team to monitor the risk mitigation process using the data on Ginger. Risk identification and reassessment is done twice a year. Risks are evaluated by financial impact and probability of occurrence. The risk owner defines risk mitigation activities and also assesses the effectiveness of these, in the event the risk would materialize. Where deemed appropriate, escalation levels and pathways are followed. The inputs are mapped to the risk register, which is monitored by the Risk and Compliance Team and reviewed by the auditors as part of the year-end audit. Forecasting activities span for the foreseeable future of at least one year ahead, as risk owners are seasoned professionals sensitized and in-tune to the potential early warnings of the risks they own.

The central Risk and Compliance Team has identified four risk categories for our future use: legal and regulatory risks, operational risks, financial risks, and bad actor risks. The existing catalogue of risks is aligned to these four risk categories. Where a risk may conceivably be placed in more than one category, we have used our discretion to choose the category that appears more appropriate.

Nagarro is also using the heat map process to identify and mitigate risks identified. The criteria applicable for this process are the probability of financial impact based on the risk attribute and associated mitigation plans. The Nagarro Operations Management Team makes the hub-and-spoke concept work by facilitating data collection and movement. It collects data from the various operational functions for the central Risk and Compliance Team to update information for risk identification, analysis, prioritization, ownership and mitigation and is monitoring certain processes directly. Risks are classified according to the financial impact, taking into account the probability of occurrence. The following ranges apply for the purpose of classifying the financial impact: low € 1-5 million, medium € 5-20 million and high > € 20 million. The identified risks are in the low category. In addition, the early warning risk management system and the associated processes are audited by the external auditor.

Management does not see any threat to the Nagarro group's status as a going concern. The current set of risks to the Nagarro group are considered manageable. Nagarro's financial resources are stable, with liquidity requirements currently covered by existing liquidity and available financing instruments.

Below, we shall highlight the major risks from the risk catalogue in each risk category, followed by a list of major opportunities. These lists are not exhaustive. The nature of "unknown unknowns" is such that other risks may arise that we had not anticipated at all. A period of two years was used as the basis for the non-existence of risks jeopardizing the company as a going concern. Should a risk materialize, the responding teams are appropriately trained and prepared to implement the mitigation strategies or contingency plans, as needed. There was no change in material risk and opportunities for the year 2023 compared to the previous year.

Please also note that all opportunities and risks expected to materialize have already been incorporated into the forecast presented in the previous section, "Outlook for 2024 ". The major risks listed below are those that may yet lead to deviations from the given outlook.

# Regulatory risks

As a company domiciled and listed in Germany, our top priority is to stay in compliance with Germany company law as well as the requirements of financial authorities, especially BaFin. Beyond this, we operate in many countries, each with different regulatory requirements. It is imperative for us to stay in every case in compliance with each country's laws, including company law, labor law, anti-bribery law, anti-corruption law, international sanctions, etc.

Since international travel and even international relocation occurs often in our business, immigration law also becomes an important source of risk. Being a politically charged topic in many countries, immigration is prone to sudden and substantial changes in regulations or in practice. Beyond the explicit rules about the type of work possible on each visa type and under what conditions, we also voluntarily apply more constrained guidelines to reduce our exposure.

Any violation of laws by our employees, independent contractors, clients, subcontractors and agents, including third parties we associate with or companies we acquire, could expose us to penalties, fines or business restrictions. We therefore require our employees to accept and act in accordance with the Nagarro Constitution, and our business partners to accept and act in accordance with our Code of Conduct for supplier-partners.

# Operational risks

For the high-quality talent we use, we not only compete with companies in our own industry but also with companies in other industries. When the job market heats up, salary expectations and attrition levels may rise.

In our line of work, we often use and enhance our clients' intellectual property. We have to protect it adequately. We are also subject to data security and privacy regulations such as the GDPR.

We have to perpetually guard against security breaches and their potential impact, for which we have a dedicated security team. We are also exposed to other types of disruptions, including those caused by natural disasters, geo-political upheavals and technology outages. To mitigate these, we prepare business continuity and disaster recovery plans.

Our performance is affected by macro-economic trends. It is also affected by the constant evolution in the technologies we use, in the different industries that we service, and in our competitor landscape. To mitigate some of these risks, we are fairly broad-based in terms of our technology portfolio and diversified in terms of the countries and industries that we service. We also invest forward to build new capabilities.

Our reputation is susceptible to damage by actions or statements made by current or former employees, clients, competitors, vendors, reporters and adversaries in legal proceedings.

Artificial Intelligence tools as well as low-code and no-code platforms will increase the productivity of software developers. While this creates remarkable opportunities for humankind to do more and more with technology, there is the risk that it may create unforeseen pressures for the IT services industry.

# Financial risks (and use of financial instruments for risk management)

Our use of financial instruments for risk management is limited to the hedging of currency risk.

Currency risk is the risk that currency exchange rates may change, affecting our results. Since we operate around the world, we often bill our clients or pay our colleagues in non-Euro currencies. Changes in currency exchange rates can impact both our revenue and profitability KPIs. The goal of our efforts to mitigate currency risk is on the profitability side. Now, given enough time, we can often renegotiate billing rates to tackle disadvantageous changes in currency exchange rates. However, there is a short-term risk of currency movements, which we mitigate partially through currency hedging for the largest service region, India.

This hedging is not at the individual transaction level but rather based on the aggregate receivables of the India entities and in 2022, Chinese entities also. In 2023, we primarily hedged five (2022: seven) currency pairs during the year: USD-INR [USD 165.8 million hedged] (2022: USD 127.4 million hedged), EUR-INR [€62.0 million hedged] (2022: €46.4 million hedged), SEK-INR [SEK 89.4 million hedged] (2022: SEK 108.2 million hedged), GBP-INR [GBP 11.5 million hedged] (2022: GBP 11.4 million hedged), AUD-INR [AUD 7.0 million hedged] (2022: AUD 6.9 million hedged), ZAR-INR [ZAR Nil million hedged] (2022: ZAR 108.3 million hedged) and USD-CNY [USD Nil million] (2022: USD 23.0 million hedged).

Further, we have a natural hedge available to us in our major revenue regions like US and Germany where a significant part of our revenues and expenses are in the same currency.

To ensure the intended effectiveness, the currency hedging follows a documented policy. The policy involves a monthly process to hedge a fixed fraction (typically 1/12) of the expected receivable for each month up to one year in the future if still unhedged, plus a mechanism allowing some room for opportunistic hedging beyond that, with adequate oversight and amount limits. The maximum tenure is one year.

In addition, we may also face currency risk when we acquire companies for a purchase price denominated in a non-Euro currency. In these cases, too, we consider hedging our currency risk.

Liquidity risk is the risk that the group may not have enough liquidity to meet obligations associated with its financial liabilities. Our goal is to have sufficient liquidity to run our business smoothly. We manage liquidity by monitoring it continuously by forecasting our inflows and outflows and taking commensurate steps in response. To ensure adequate liquidity at all times, we use bank credit facilities, leasing services (for procuring computers and equipment, and for buildings) and factoring facilities to finance our operations and our investment activities. As of December 31, 2023, the financial liabilities of the group amounted to €405.5 million (December 31, 2022: €369.5 million), of which €98.4 million are due within one year (December 31, 2022: €111.4 million). As of December 31, 2023, 100% of the current financial liabilities were covered by the current financial assets in the amount of €307.9 million (December 31, 2022: €274.6 million). The net current liquidity position of financial assets and liabilities has increased by €46.3 million from €163.2 million in December 31, 2022, to €209.5 million as of December 31, 2023. The group has sufficient factoring arrangements in the USA and Germany. Further, Nagarro has the syndicated loan facility of €350.0 million. As at the year-end, Nagarro has almost utilized 76% of the syndicated loan facility. These loans under the syndicated loan facility denominated in Euros totaled €267.0 million (December 31, 2022: €205.0 million). These loans have a floating interest rate based on three-month or six-month Euribor (depending upon the interest period) plus a margin of 1.75 (December 31, 2022: 1.55) percentage points as at December 31, 2023. The unutilized portion of the loan carries interest at 35% of the floating interest rate of the utilized loan. In financial year 2023, the loans had an average interest rate of 4.94% p.a. (2022: 2.30%). Further the unutilized portion of the loan carried an average interest rate of 0.57% p.a. (2022: 0.64%).

The covenant package for our syndicated loan facility includes customary restrictions on total net leverage, minimum equity thresholds for pre-agreed milestones, permitted disposal and acquisitions, permitted financial indebtedness, and guarantees, dividend payments and change of control. In general, a breach of the financial covenants, non-payment of interest amounts payable, any non-

compliance with the provisions of the loan agreement and insolvency of the company, carry the risk of an event of default, which if not cured within the remedy period, will lead to a default on the credit facility.

Credit risk is the risk that clients or contracting parties may not meet their obligations and that contract assets, receivables and other financial assets may default. Credit risks in the group arise from operations and from certain financing activities. Our goal is to keep the ratio of default to customer revenue within the acceptable limit of 1%. We manage our default risk by evaluating the financial health of a prospective customer at the beginning of the engagement and set up their credit terms accordingly. For existing customers, Nagarro's receivables are managed, and incoming payments tracked, on a partially decentralized basis. The theoretical maximum credit risk corresponds to the carrying amount, totaling €329.7 million (December 31, 2022: €295.3 million). The group recognized impairments of €6.3 million (December 31, 2022: €6.6 million) on the gross amount of total customer receivables and other financial assets as of December 31, 2023. The impairment ratio on the gross amount was 1.9 % (December 31, 2022: 2.2 %).

Interest rate risk is the risk that interest rates can change, thereby impacting our results. Our goal is to minimize the interest expense for the group. So, we leverage our relationship in lower interest rate regions for getting loan facilities on attractive terms. The interest rates we get are often subject to covenants, e.g., on our syndicated loan facility. We regularly track our covenants to ensure compliance and make financial decisions to ensure that our net debt to EBITDA ratio is within acceptable limits. No deterioration in interest costs due to these covenants is currently expected. Our floating-rate financial liabilities totaled €268.5 million (December 31, 2022: €210.9 million) which have increased due to term loans of €62.1 million (December 31, 2022: €11.5 million) taken during the year offset by reduction in factoring liabilities €4.7 million (December 31, 2022: €4.3 million) and repayment of €Nil million (December 31, 2022: €4.0 million) during the year. Nagarro monitors the interest rate situation and adjusts its strategy accordingly.

Part of our risk management is the internal control system, which covers financial statements accuracy, revenue forecast quality, cost forecast quality, cash flow forecast quality, bad debt forecasting and management, management of debt covenants, and insurance cover adequacy. In principle, the objective of the internal control system is to prevent or reduce the probability of occurrence of potential risks. Both the system itself and the methods used are subject to continuous improvement, with the effectiveness of the system being regularly assessed on the basis of analysis of data gathered from the financial systems and audit-related procedures by Nagarro's internal audit team. Any weaknesses identified in the internal control system are eliminated. In the event of significant changes to the internal control system, both the Management Board and, if applicable, the Supervisory Board are informed immediately.

## Bad actor risks

An agile and entrepreneurial approach can be no excuse for laxity in preventing ill-intentioned or otherwise illegitimate behavior by our colleagues or business partners. The risks we primarily monitor and control for in this category are those related to bribery and corruption (vis-à-vis authorities, clients or suppliers), conflicts of interest or self-dealing, illegitimate bank operations or payments, unsanctioned contracting, worker discrimination, and harassment including sexual harassment.

## Overall assessment of risk

In the description above, we have outlined all the substantial risks that we perceive. The most important long-term risk, we believe, is technology disruption, with software becoming increasingly easier to write. We address this with our focus on lean, small teams with high value-addition. The most important short- and medium-term risk stems from the macro-economic conditions, which we manage by spreading our revenue base both geographically and across industries.

The overall assessment of risk is that the risks are well-understood and appear to be manageable. At the moment, no risks have been identified that either individually or in combination could endanger Nagarro's ability to continue as a going concern. In our opinion, there have been no material failures in the past that can be realistically traced to a failure of our risk management policy or processes. There were also no significant changes in risks compared with the previous year.

It would be amiss to talk of risks without a word on opportunities. In the long-term, we see the opportunity for Nagarro to become one of the world's most reputable software services companies. We see the opportunity for Nagarro to be in consideration as a potential vendor when any major digital transformation project has to be commissioned.

With these as overall objectives, we see three major areas of short-term and medium-term opportunity.

## Sales and marketing opportunities

In a report released in January 2024, Gartner, an independent research firm, states that it expects the global spending on IT to keep growing in the foreseeable future.

Within IT services, Nagarro is positioned as a digital product engineering specialist with a special aptitude for handling the type of work generated by digital transformation initiatives. We see an opportunity to improve our sales and marketing engine to take full advantage, in a more robust fashion, of the continued expansion of our digital transformation market in the medium-term. Nagarro sees the opportunity to be recognized as a leader in this sub-sector.

While Nagarro's brand awareness has improved with the listing in 2020 and our subsequent efforts, we believe there is still the possibility to improve it even further and we continue to invest in that direction. We also see the opportunity to systematize and improve our new account sales and partner sales processes to drive reliably rapid growth in the future.

## Engineering and operations opportunities

We are always enhancing our technology and industry-related capabilities to support the digital transformation of our clients. Side by side, we are improving our global processes and systems to build a robust, scalable and differentiated company.

A significant opportunity is the increase in productivity that AI-assisted software development, and low-code and no-code software development will deliver.

With an eye on the war for talent, we continue to especially focus on processes and systems related to employer branding, candidate sourcing, recruitment, onboarding, and general employee experience. Related to employee experience is the opportunity to continue to institutionalize and strengthen the company's unique culture. We see the opportunity to be a leader in how a company culture can be propagated even in the context of globally dispersed project teams.

## Acquisition opportunities

Over the years, we have acquired companies and new colleagues to add capabilities or gain access to new clients in various industries and geographies. We see opportunities to continue to acquire companies that are excellent but subscale or limited by their geographical footprint. We also see the opportunity to continue to improve our integration processes.

## Overall assessment of opportunities

Our overall assessment of opportunities is that they are well understood, and the company can be managed to take advantage of them. We feel optimistic about the medium- and long-term potential of the business. This is also in line with the commentary of external analysts and experts regarding the opportunities in our industry.

In our view, in comparison with how things appeared a year ago, the short-term potential appears slightly improved, while the medium- and long-term potential remains mostly unchanged.

Please note that in Nagarro's current business context, we do not think it is useful to quantify opportunities in the same way as we quantify risks.

## Key features of the accounting-related internal control system

Nagarro's internal control system has the task to ensure that our accounting and financial reporting is both accurate and reliable.

The first building block for this is the mandatory accounting policies and guidelines that apply to every legal entity across the group. Changes in statutory regulations and accounting standards are incorporated into these policies and guidelines promptly. They are also reviewed and revised periodically.

The second building block is the organizational measures that incorporate the risk-oriented segregation of duties and establish clear individual responsibilities.

The third, and very important, building block is the integration of controls in the processes and major IT systems. Technological controls are, for example, embedded in the SAP S/4HANA system. It incorporates segregation of duties and other best practices to ensure correct recording and recognition of business transactions. We typically onboard acquired companies to the common IT systems in a timely manner, either before or just after the end of the earnout period for the entrepreneurs. Access restrictions in the IT systems protect our data against abuse.

The fourth and final building block is the process-independent monitoring and auditing in line with the Generally Accepted Auditing Standards. Different groups in the finance and accounting team check and audit the results at various levels. Nagarro's risk management system also tracks and manages several accounting-related risks. For mitigation of these risks, the accounting team is supported by the operations management team, which uses other enterprise data to independently review the plausibility of the main numbers emerging from the accounting processes.

To prepare the consolidated financial statements, data from the legal entities, including those not yet on the common systems, is brought together in the LucaNet consolidation tool. Reporting figures are checked and analyzed every month as part of monthly reporting.

The Management Board is responsible for the oversight and improvement of the internal control system. The Supervisory Board is periodically briefed on the subject.

# XII. Comments on the financial statements of Nagarro SE

Nagarro SE, based in Munich, Germany, is the parent company of the Nagarro Group. The comments on the Nagarro Group in earlier sections apply to Nagarro SE, unless presented differently in the following section. The Financial Statements of Nagarro SE are drawn up in accordance with the provisions of the German Commercial Code (HGB) and the relevant supplementary provisions contained in the German Stock Corporation Act (AktG).

Nagarro SE uses key financial performance indicators only at the group level as Nagarro SE acts only as a managing holding company of the Nagarro group. The key non-financial performance indicators are essentially identical and concurrent with those of the Nagarro Group. The key financial performance indicators are described in detail in the Section A.V. Financial performance of the combined management report. The non-financial performance indicators are described in detail in the Section A. VII. Non-financial KPIs of the combined management report.

Differences in accounting treatments based on HGB (used for the company financial statements) and IFRS (used for the group financial statements) are mainly related to the recognition and measurement of intangible assets, financial assets, treasury shares and provisions, as well as the recognition of deferred tax assets. Differences also arise in the presentation of assets and liabilities and of items in the income statement.

### Business environment and review of operations

The general and sector-specific environment of Nagarro SE is essentially the same as that of the Nagarro Group and is described in Section A.III. The business environment of the Combined Management Report.

The business activities of Nagarro SE in the 2023 financial year included the purchase of treasury shares. Nagarro SE has issued stock options under stock option plans and stocks under the employee share participation program (ESPP) to the members of the Management Board and members of the management of Nagarro SE and its group companies and employees of group companies. These stock options and ESPP were fair valued and the fair value of the options and ESPP were cross-charged to respective group companies resulting in other operating income for Nagarro SE. Further, profit-sharing agreements were entered between Nagarro SE and two German companies, where profits from these companies were transferred to Nagarro SE. One of the main activities of Nagarro SE is to finance the group companies. Against this background, only very low revenue, increased other operating income and income from investments were recognized in the 2023 financial year. These were offset by other expenses.

The Management Board of Nagarro SE considers the development in fiscal year 2023 to be satisfactory.

Nagarro SE`s results of operations, financial position and net assets for the financial year 2023 are indicative of its solid financial condition. The business developed in line with management expectations. This assessment also takes into account events after the end of the reporting period.

## Results of operations

| Profit or Loss | 2023 | 2022 |
|---|---|---|
| in mEUR | | |
| Revenue | - | - |
| Other operating income | 8.4 | 10.7 |
| Personnel expenses | (3.3) | (0.8) |
| Depreciation / amortization | - | - |
| Other operating expenses | (33.0) | (21.5) |
| Income from other investments and long-term loans | 3.9 | 2.2 |
| Interest and similar expenses | (13.9) | (7.3) |
| Income from investments | 1.0 | 2.6 |
| Income from profit and loss transfer agreements | 11.5 | 12.0 |
| **Result before taxes** | **(25.4)** | **(2.1)** |
| Tax income (expense) | (1.3) | (2.6) |
| **Net (loss) profit for the year** | **(26.7)** | **(4.7)** |
| Loss brought forward from previous year | (8.1) | (3.4) |
| **Accumulated deficit** | **(34.8)** | **(8.1)** |

Other operating income declined by €2.3 million from €10.7 million in 2022 to €8.4 million mainly due to decrease in foreign exchange gain of €3.1 million. This has been offset by an increase in income from group companies by €0.9 million from €2.8 million in 2022 to €3.7 million (fair value of stock options granted and stocks under ESPP cross-charged to group companies).

Personnel expenses increased by €2.5 million from €0.8 million in 2022 to €3.3 million mainly due to earnout provision of €1.9 million and retention bonus provision of €0.5 million on account of acquisition of three subsidiaries during the year. The balance €0.1 million increase is due to increments and full-year involvement of an employee who joined last year in the second half of the year.

Other operating expense increased by €11.5 million from €21.5 million in 2022 to €33.0 million mainly due to increase in the expense from the purchase of treasury shares by €19.5 million. This is offset by reduction in foreign currency expense of €7.3 million and legal and professional fees by €0.6 million.

Income from other investments and long-terms loans have increased by €1.7 million from €2.2 million in 2022 to €3.9 million due to the increased loans and interest rate on loans to group companies.

Interest and similar expenses have increased by €6.6 million mainly due to increase in interest rates on the term loan and increase in term loan from €205.0 million to €267.0 million.

Income from profit and loss transfer agreements decreased by€0.5 million from €12.0 million in 2022 to €11.5 million, due to a slight decrease in profits transferred by the two German group companies. Income from investments decreased by €1.6 million as in the last year there was dividend income of €2.6 million from one group company which is offset by gain on liquidation of one group company by €1.0 million.

Profit after tax has decreased by €22.0 million from a loss of €4.7 million in 2022 to a loss of €26.7 million mainly due to the above-mentioned effects. Income taxes of €1.3 million comprise the expense from the reversal of deferred taxes of € 1.1 million and the income tax expense of € 0.3 million.

## Statement of financial position

| Assets | 2023 | 2022 |
|---|---|---|
| in mEUR | | |
| Intangible assets | - | - |
| Shares in affiliated companies | 415.3 | 381.3 |
| Loans to affiliated companies | 65.7 | 68.4 |
| **Intangible and investment assets** | **481.0** | **449.7** |
| | | |
| Accounts receivables from affiliated companies | 16.3 | 14.1 |
| Other assets | 1.2 | 1.7 |
| Cash in hand, central bank balances, bank balances and cheques | 1.3 | 2.7 |
| **Current assets** | **18.8** | **18.5** |
| | | |
| **Prepaid expenses** | **1.0** | **1.1** |
| **Deferred tax assets** | **1.8** | **2.9** |
| | | |
| **Total assets** | **502.6** | **472.2** |

| Equity and liabilities | 2023 | 2022 |
|---|---|---|
| in mEUR | | |
| Share capital | 13.8 | 13.8 |
| Treasury shares | (0.5) | (0.1) |
| Capital reserve | 233.2 | 233.2 |
| Accumulated deficit | (34.8) | (8.1) |
| **Equity** | **211.7** | **238.7** |
| | | |
| **Provisions** | **2.1** | **2.0** |
| | | |
| Liabilities to banks | 267.1 | 205.0 |
| Trade payables | 0.4 | 0.3 |
| Liabilities to affiliated companies | 17.5 | 25.2 |
| Other liabilities | 3.9 | 1.0 |
| **Liabilities** | **288.8** | **231.5** |
| | | |
| **Total equity and liabilities** | **502.6** | **472.2** |

Shares in affiliated companies increased by €34.0 million to €415.3 million as of December 31, 2023, as against €381.3 million as of December 31, 2022 mainly due to investments of €34.7 million in three acquired entities, additional investment of €1.0 million in an existing affiliate company and €0.5 million in four newly incorporated affiliated companies. This was offset by €2.2 million on the merger of one affiliated company with another affiliated company.

Loans to affiliated companies decreased by €2.7 million to €65.7 million as of December 31, 2023, as against €68.4 million as of December 31, 2022 due to additional loans of €33.3 million and foreign exchange gain of €4.4 million on loan given to foreign affiliated company. This was offset by return of loans of €40.4 million.

Accounts receivables from affiliated companies have increased by €2.2 million to €16.3 million as of December 31, 2023 (December 31, 2022 : €14.1 million) mainly due to receivables relating to cross-charge of fair value of stock option and ESPP from affiliated companies.

Other assets decreased by €0.5 million to €1.2 million as of December 31, 2023, as against €1.7 million as of December 31, 2022 mainly due to decrease in VAT receivables by €1.2 million offset by increase in receivables of €0.7 million on account of ESPP.

Cash and bank balances decreased by €1.4 million to €1.3 million as of December 31, 2023, as against €2.7 million as of December 31, 2022 mainly due to increase in other expenses.

Deferred tax assets decreased by €1.1 million to €1.8 million as of December 31, 2023, as against €2.9 million as of December 31, 2022 due to utilization of carried forward losses.

Equity has decreased by €27.0 million to €211.7 million as of December 31, 2023, as against €238.7 million as of December 31, 2022 mainly on account of current year loss.

Liabilities to banks have increased by €62.1 million to €267.1 million as of December 31, 2023, as against €205.0 million as of December 31, 2022 due to net additional loan of €62.1 million taken during the year.

Liabilities to affiliated companies have decreased by €7.7 million to €17.5 million as of December 31, 2023, as against €25.2 million as of December 31, 2022 mainly due to settlement of loans with some affiliated companies.

Provisions have increased by €0.1 million to €2.1 million as of December 31, 2023, as against €2.0 million as of December 31, 2022 mainly on account of provision for retention bonus of €0.5 million offset by reduction in income tax provision of €0.4 million.

Other liabilities have increased by €2.9 million to €3.9 million as of December 31, 2023, as against €1.0 million as of December 31, 2022 mainly on account of increase in acquisition liabilities of €2.4 million relating to three new subsidiaries acquired in 2023.

## Risks and opportunities

Nagarro SE's performance is essentially dependent on the same set of risks and opportunities that affect the Nagarro Group, and which are described in detail in Section A.XI. Risk and opportunities of the Combined Management Report. As a general rule, Nagarro SE participates in the risks entered into by Group companies in proportion to the respective shareholding percentage. At the same time investments have a significant impact on the earnings of Nagarro SE.

Nagarro SE is integrated in the Group-wide risk management and internal control systems of the Nagarro Group. Further information is provided in the sub-section Key features of the accounting-related internal control system of the Combined Management Report.

## Outlook

Due to its significance in the Group and its close ties with Group companies, expectations for Nagarro SE related to key financial performance indicators and its non-financial performance indicators correspond largely to the Nagarro Group's outlook. This is described in detail in the Section A.X. Outlook section of the Combined Management Report. Further, the financial position of Nagarro SE will be stable in 2024, the main income will derive from profit-sharing agreements, interest income from loan given and other operating income with group companies.

LOHR + COMPANY GmbH Wirtschaftsprüfungsgesellschaft, Duesseldorf, has issued an unqualified audit opinion on the financial statements of Nagarro SE, of which the balance sheet and the income statement are presented here. The Nagarro SE financial statements for the financial year 2023 will be submitted to the operator of the electronic version of the German Federal Gazette and can be obtained via the Company's registered website.

# XIII. The way forward

We have been investing for several years in building a modern, agile, entrepreneurial, and humanistic company, with a distinctive organizational design and culture. Even in the face of a difficult demand environment, we have had a good operational year in 2023.

Our strategy for 2024 and 2025 is internally called "up and across": "up" into the client boardrooms, to truly be a trusted advisor to them at a strategic level, and "across" the Atlantic to put more emphasis on business in the United States than we have in the last few years. At the scale Nagarro is now, we believe this strategy is the best way to increase revenue, to increase the dependability of revenue, and to improve the quality of revenue.

Our long-term goal remains to scale Nagarro into one of the world's obviously great companies.

Best regards,

Nagarro's senior management team

Abu Malick, Ajay Goel, Alexandra Sumper, Amit Chawla, Amit Sharma, Ananda Sengupta, Anca Max, Andrei Doibani, Anjana Gambhir, Annette Mainka, Antoni Aloy, Anurag Sahay, Aronela Sofan, Ashish Agrawal, Ashwini Jadhav, Ashok Thomas, Bachar Kassar, Balkrishna Dubey, Bency Fernandes, Bhagwat Kanodia, Cecilia Young, Cenk Salihoğlu, Christian Haller, Claudiu Anghel, Corina Groza, Csaba Szabo, Daniela Klaffenböck, Deep Kaur, Deepak Gupta, Deepak Nohwal, Deepshikha, Dhwani Ojha, Divya Dar, Divya Jaitly, Ehsan Shariff, Eugen Rosenfeld, Gagan Bakshi, Ganesh Sahai, Gulshan Kumar, Hannes Färberböck, Heena Bhatia, Himani Agrawal, Hitesh Kathuria, James Holman, Jason Castellani, Joerg Dietmann, Jonas Olsson, Jon-Erik Trøften, Julija Palatin, Jyoti Juneja, Kanchan Ray, Kapil Nagpal, Katrina Nabong, Khimanand Upreti, Khushboo Gupta, Kunal Mathur, Larissa Künzel, Laszlo Nagy, Laudine Fauconet, Leo Kistner, Leslie James, Linda Mosbach, Luciana Dinu, Madalina Precup, Madhurima Yenibilli, Manas Human, Manish Krishnan, Manish Kumar, Manmohan Gupta, Maria Socorro, Marius Luca, Marius Patea, Marius Schmelcher, Martin Hack, Maura Aleardi, Megha Midha, Meghna Ruhal, Michael Prechtel, Michael Schmidt, Michel Rodriguez, Milagros Nepomuceno, Mohan Gote, Monika Gupta, Mustafa Kanawaty, Neeraj Chhibba, Nidhee Pathak, Nidhi Mehra, Nitin Arora, Noel Cunningham, Ojusvni Kapur, Parag Gupta, Paul Kurt Haberfellner, Paul Lyon, Peter Hammer, Pragathi Kanth, Priyanka Malhotra, Radhika Dehar, Rahul Mahajan, Ram Reddy, Rashi Kakkar, Renee Gan, Rishiraj Ranga, Rodrigo Cruz, Rosalinda Guerrero, Ruchi Agrawal, Ruchi Sharma, Sachin Vijan, Sajal Dubey, Sandeep Anand, Sandeep Mehta, Sanjul Vaish, Sankalpa Gamwarige, Saurabh Pandey, Shailendra Fuloria, Sharad Narayan, Sharath Gopinath, Sharon Shi, Shikha Mathur, Shivani Yadav, Shruti Tandon, Shubham Kohli, Stefan Bär, Stefan Freitag, Stefan Rother, Subbaram Potukuchi, Sunil Kanderi, Surya Vedula, Sven Sommerfeld, Tarun Madan, Thomas Aardal, Thomas Riedl, Thomas Steirer, Tushar Patil, Umang Garg, Vaibhav Gadodia, Varsha Singh, Vera Reichlin-Meldegg, Vikas Burman, Vikram Sehgal, Vikram Singh, Vishwanath Rajashekarappa, Viyom Jain, Wendy Xiao, Yiping Tan, Yusuf Çetin

Section B

# Standalone financial statements of Nagarro SE

(for the financial year 2023
in accordance with German GAAP)

# I. Balance sheet

| ASSETS | 2023 | 2023 | 2022 |
|---|---|---|---|
| in EUR | | | |
| **A. Fixed assets** | | | |
| I. Intangibles | | 8,000.00 | 8,666.67 |
| 1. Purchased rights | 8,000.00 | | |
| II. Financial assets | | | |
| 1. Shares in affiliated companies | | 415,306,454.97 | 381,276,583.75 |
| 2. Loans to affiliated companies | | 65,706,596.92 | 68,413,634.14 |
| | | 481,013,051.89 | 449,690,217.89 |
| | | 481,021,051.89 | 449,698,884.56 |
| **B. Current assets** | | | |
| I. Receivables and other assets | | | |
| 1. Accounts receivables from affiliated companies | | 16,319,682.25 | 14,129,438.33 |
| 2. Other assets | | 1,176,251.52 | 1,677,139.92 |
| | | 17,495,933.77 | 15,806,578.25 |
| II. Cash in hand, central bank balances, bank balances and cheques | | 1,268,309.80 | 2,719,103.59 |
| | | 18,764,243.57 | 18,525,681.84 |
| **C. Prepaid expenses** | | 999,788.53 | 1,096,207.06 |
| **D. Deferred tax assets** | | 1,808,720.96 | 2,872,369.99 |
| **Total assets** | | **502,593,804.95** | **472,193,143.45** |

| Equity and liabilities | 2023 | 2023 | 2022 |
|---|---|---|---|
| in EUR | | | |
| **A. Equity** | | | |
| I. Subscribed capital | | | |
| Share capital EUR 13,775,985.00 (December 31, 2022: EUR 13,775,985.00) | 13,775,985.00 | | 13,775,985.00 |
| Treasury shares | (453,867.00) | | (103,867.00) |
| | | 13,322,118.00 | 13,672,118.00 |
| II. Capital reserve | | 233,178,015.00 | 233,178,015.00 |
| III. Retained loss | | (34,832,291.40) | (8,109,021.71) |
| | | 211,667,841.60 | 238,741,111.29 |
| **B. Provisions** | | | |
| I. Income tax provisions | 644,704.58 | - | 1,067,024.00 |
| II. Other provisions | 1,432,027.66 | 2,076,732.24 | 932,766.89 |
| | | 2,076,732.24 | 1,999,790.89 |
| **C. Liabilities** | | | |
| I. Liabilities to banks | | 267,050,000.00 | 205,000,000.00 |
| II. Trade payables | | 381,098.97 | 294,291.35 |
| III. Liabilities to affiliated companies | | 17,544,643.50 | 25,155,735.69 |
| IV. Other liabilities | | 3,873,488.64 | 1,002,214.23 |
| - there of from taxes EUR 46,431.63 (December 31, 2022: EUR 22,746.33) | | | |
| - of which under social security EUR 0.00 (December 31, 2022: EUR 0.00) | | | |
| | | 288,849,231.11 | 231,452,241.27 |
| **Total equity and liabilities** | | **502,593,804.95** | **472,193,143.45** |

# II. Income statement

| Profit or Loss | 2023 | 2023 | 2022 |
|---|---|---|---|
| in EUR | | | |
| 1. Revenue | | 17,000.00 | 18,000.00 |
| - of which from affiliated companies EUR 17,000.00 (December 31, 2022: EUR 18,000.00) | | | |
| | | | |
| 2. Other operating income | | 8,425,293.16 | 10,674,987.90 |
| - of which from affiliated companies EUR 3,684,672.14 (December 31, 2022: EUR 2,846,833.00) | | | |
| - of which income from currency translation EUR 4,735,480.19 (December 31, 2022: EUR 7,808,667.89) | | | |
| | | | |
| 3. Personnel expenses | | (3,259,678.02) | (799,182.79) |
| a) Wages and salaries | (3,212,352.10) | | (760,216.32) |
| b) Social security and other pension costs | (47,325.92) | | (38,966.47) |
| | | | |
| 4. Depreciation / amortization | | | |
| a) of intangible assets and property, plant and equipment | | (666.67) | (1,333.33) |
| | | | |
| 5. Other operating expenses | | (33,045,114.41) | (21,473,462.20) |
| - of which from affiliated companies EUR 3,306.38 (December 31, 2022: EUR 19,030.00) | | | |
| - of which from expenses from currency translation EUR 422,380.67 (December 31, 2022: EUR 7,749,457.83) | | | |
| | | | |
| 6. Income from other investments and long term loans | | 3,894,514.66 | 2,189,537.42 |
| - of which from affiliated companies EUR 3,894,514.66 (December 31, 2022: EUR 2,189,537.42) | | | |
| | | | |
| 7. Interest and similar expenses | | (13,920,278.33) | (7,278,813.66) |
| - of which from affiliated companies EUR 1,362,283.66 (December 31, 2022: EUR 790,790.99) | | | |
| | | | |
| 8. Income from investments | | 997,827.96 | 2,582,621.21 |
| - of which from affiliated companies EUR 997,827.96 (December 31, 2022: EUR 2,582,621.21) | | | |
| | | | |
| 9. Income from profit transfer agreements | | 11,489,787.50 | 11,971,098.20 |
| | | | |
| 10. Result before taxes | | (25,401,314.15) | (2,116,547.25) |
| | | | |
| 11. Taxes | | (1,321,955.54) | (2,610,735.12) |
| | | | |
| **12. Result for the year** | | **(26,723,269.69)** | **(4,727,282.37)** |
| | | | |
| 13. Loss brought forward from previous year | | (8,109,021.71) | (3,381,739.34) |
| | | | |
| **14. Retained loss** | | **(34,832,291.40)** | **(8,109,021.71)** |

# III. Notes to the financial statements

## A. General Information

### 1. Corporate Information

Nagarro SE (the "Company") has its registered office in Munich and is entered in the commercial register at the local court of Munich under HRB 254410. Its registered office is Baierbrunner Str. 15, 81379 Munich, Germany. The Company is listed in Frankfurt Stock Exchange.

Since the beginning of its active business activities, the object of the Company has been the provision of software and technology consulting, development, execution of test procedures, implementation, maintenance, operating and innovation services in the field of software and technology. The Company may itself be active in the aforementioned areas of activity or may also carry out its business activities as a holding company through subsidiaries, associated companies, and joint ventures which it may establish, acquire, sell, hold, manage, advise, and restructure under its uniform management and for which it may assume other administrative tasks. It may manage companies in which it holds participations under uniform management or limit itself to their management. It may transfer their operation in whole or in part to newly established or existing subsidiaries.

As a capital market-oriented company pursuant to § 264d of the German Commercial Code (HGB), the Company has been classified as a large corporation since its listing on the stock exchange on December 16, 2020 pursuant to § 267 para. 3 sentence 2 of the German Commercial Code (HGB). The annual financial statements (individual financial statements) under commercial law as of December 31, 2023, have been prepared in compliance with the provisions of the HGB for large corporations, the Articles of Association and the AktG.

For clarity of presentation, the notes required by law for items in the balance sheet and the profit and loss statement, which may be made either in the balance sheet or the profit and loss account or in the notes, are included in the notes. The profit and loss statement is structured according to the nature of expense method.

# B. General Accounting principles

## 1. Accounting and valuation methods

### Fixed assets

**Intangibles**

Intangibles represent the "Nagarro" brand and carried at cost and are depreciated pro rata over the useful life of 15 years.

**Financial assets**

The shares in affiliated companies are recognised at acquisition cost or at the lower fair value in the case of an expected permanent impairment. Loans to affiliated companies are recognized at nominal value or at the lower fair value.

**Receivables from affiliated companies and other assets**

Receivables from affiliated companies and other assets are recognised at the lower of nominal value or fair value in accordance with section 253 (4) HGB. All items subject to risk are written off in full individually.

**Cash on hand/balances with credit institutions**

Cash and cash equivalents are reported at nominal value. Balances denominated in foreign currency are valued at the mean spot exchange rate on the balance sheet date.

**Prepaid expenses and deferred charges**

Prepaid expenses are expenses that represent expenditure for a certain time after the balance sheet date.

**Deferred taxes**

Deferred taxes are recognized for temporary or quasi-permanent differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income in the statutory accounts and their tax carrying amounts, or due to tax loss carry forwards, using the company-specific tax rates applicable at the time when such differences reverse. The amounts of any resulting tax charge or benefit are not discounted. Deferred tax assets and liabilities are offset. The option pursuant to section 274 (1) sentence 2 HGB to recognize net deferred tax assets in excess of deferred tax liabilities was applied.

**Provisions**

Provisions were recognised at the settlement amount required according to prudent business judgment. Provisions with a remaining term of more than one year are discounted at the average market interest rate (published by the Deutsche Bundesbank) corresponding to their remaining term.

**Liabilities**

Liabilities are recognised at their settlement amounts.

**Currency conversion**

Assets and liabilities denominated in foreign currencies are translated at the transaction rate or mean spot exchange rate on the balance sheet date.

# C. Notes to the balance sheet

## 1. Fixed assets

The breakdown and development of the individual fixed asset items can be found in the fixed asset movement schedule attached as Appendix 1 to the notes.

The information on the equity and annual results of the subsidiaries (at the same time list of shareholdings in accordance with § 285 No. 11 HGB) is provided in accordance with the individual financial statements prepared in accordance with the respective national regulations and is shown in Appendix 2 to the notes.

**Current assets**

Receivables and other assets

All receivables and other assets are due within one year.

Prepaid expenses and deferred charges

The prepaid expenses include premiums for a stock exchange prospectus insurance for the performance periods 2021 to 2032.

**Deferred tax**

Deferred tax assets

The deferred tax assets are calculated with an income tax rate of 30% on the temporary differences between the valuations of assets and liabilities according to commercial law and their tax valuations as well as on tax loss carryforwards.

The tax expense resulting from the tax balance sheet does not correspond to the result of the commercial balance sheet. Use has been made of the option to form a netted asset item for deferred tax amounts.

The differences between the commercial balance sheet and the tax balance sheet are due in particular to group companies that are in a fiscal unity relationship with Nagarro SE through a profit and loss transfer.

The deferred tax assets are based in particular on the following differences:

- Book value differences for intangible assets and property, plant and equipment,

- Pension provisions,

- Consideration of tax loss carryforwards.

Deferred tax liabilities of kEUR 56 (previous year: kEUR 112) were offset against deferred tax assets of kEUR 1,865 (previous year: kEUR 2,984).

The deferred tax assets of kEUR 1,809 (previous year: kEUR 2,872) are subject to a dividend payout block.

## 2. Equity

**Share capital**

As of December 31, 2023, Nagarro SE had share capital of EUR 13,775,985 (December 31, 2022: EUR 13,775,985), divided into 13,775,985 (December 31, 2022: 13,775,985) registered no-par value shares, each with a notional interest in the share capital of €1.00 per share.

All Nagarro SE's shares are of the same class. The shares are fully paid in.

In Xetra trading on the Frankfurt Stock Exchange, on December 29, 2023, the closing price of the Nagarro SE share was EUR 87.45 (December 30, 2022: EUR 110.60).

**Authorized capital**

The Management Board is authorized, subject to the consent of the Supervisory Board, to increase Nagarro SE's registered share capital during the period ending on September 23, 2025 in one or more tranches by up to EUR 5,456,000 in the aggregate by issuing up to 5,456,000 new no-par value registered shares against cash contribution and/or contributions in kind. The new shares are in principle to be offered to the shareholders for subscription. However, the Management Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders' statutory subscription right in the following cases specified in Section 6.2 of the Articles of Association of Nagarro SE:

a) In the case of a rights issue, for fractional amounts arising due to the subscription ratio.

b) For a capital increase against contributions in kind for the (also indirect) acquisition of companies, parts of companies, participations in companies or other assets eligible for contribution in connection with such an acquisition, if the acquisition is in the interest of the Company.

c) For a capital increase against cash contributions, provided that the issue price of the new shares is not significantly lower than the stock exchange price of the shares already listed at the time of the final determination of the issue price, which should be as close as possible to the placement of the shares. The arithmetical portion of the share capital attributable to the shares issued against cash contributions under exclusion of the subscription right pursuant to § 186 paragraph 3 sentence 4 of the German Stock Corporation Act (AktG) may not exceed a total of 10% of the share capital at the time this authorization takes effect - or, if this value is lower, at the time this authorization is exercised. Shares issued or sold during the term of this authorization until the time of its exercise in direct or analogous application of this provision as well as shares to be issued or granted on the basis of a convertible or warrant bond issued during the term of this authorization under exclusion of the subscription right pursuant to section 186, paragraph 3, sentence 4 of the German Stock Corporation Act (AktG) shall be counted towards this limit.

d) For the issue of new shares to the holders of option rights issued by the Company on the basis of the share option program resolved by the Annual General Meeting on October 30, 2020.

e) For the issue of new shares as part of a long-term incentive program to members of the Executive Board and employees of the Company as well as to members of the management bodies and employees of companies affiliated with the Company within the meaning of Sections 15 et seq. of the German Stock Corporation Act (AktG).

The subscription rights of shareholders may be excluded under the further conditions.

**Conditional capital**

The share capital of the Company is conditionally increased by EUR 800,000.00 by resolution of the Annual General Meeting of August 31, 2021 (Conditional Capital 2021/I).

The share capital of the Company is conditionally increased by EUR 45,000.00 by resolution of the Annual General Meeting of August 31, 2021 (Conditional Capital 2021/II).

The share capital of the Company is conditionally increased by EUR 4,943,256.00 by resolution of the Annual General Meeting of August 31, 2021 (Conditional Capital 2021/III).

**Treasury shares**

The Annual General Meeting of Nagarro SE authorized the Management Board by resolution dated October 30, 2020 pursuant to section 71 (1) no. 8 of the German Stock Corporatoin Act (AktG) to acquire treasury shares of the Company until September 23, 2025, provided that these shares, together with other treasury shares which the Company has already acquired and still holds or which are attributable to it pursuant to Sections 71a et seq. of the German Stock Corporation Act (AktG), do not at any time account for more than 10% of the share capital. The 10%-limit is determined based on the amount of share capital at the time when the authorization became effective. The acquisition may be made on the stock exchange or by means of a purchase offer directed to all shareholders. The consideration for the acquisition of the shares (excluding incidental acquisition costs) may not exceed or fall below the arithmetic mean of the closing prices on the Frankfurt Stock Exchange in XETRA trading (or a comparable successor system) by more than 10%..

The Management Board is authorised, with the consent of the Supervisory Board, to use these shares of the Company for all legally permissible purposes, in particular the following:

- Resale to third parties for cash also other than through the stock exchange or through an offer to all shareholders;

- Use as consideration for a direct or indirect contribution in kind to the Company by a third party, in particular in the case of a merger with companies or the acquisition of companies, parts of companies, participations or other assets;

• Use to fulfil conversion or option rights issued by the Company or its subordinated Group companies vis-à-vis the holders of these rights;

• Use for issuance as employee shares to employees or members of executive bodies of the Company or of companies affiliated with the Company within the meaning of §§ 15 et seq. of the German Stock Corporation Act (AktG).

• Withdrawal of shares with the consent of the supervisory board without a further resolution of the general meeting of shareholders.

If the sale is made for cash in a manner other than through the stock exchange or through an offer to all shareholders, the sale price may not be more than 5% below the stock exchange price of the shares of the Company at the time of the sale. The relevant market price is the arithmetic mean of the closing prices of the shares on the Frankfurt Stock Exchange in XETRA trading (or a comparable successor system) during the last three trading days prior to the sale of the shares. Shareholders' subscription rights are excluded in this respect in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG).

The authorization to sell treasury shares with the exclusion of subscription rights is limited to a maximum of 10% of the share capital existing at the time the authorization is exercised. Shares and rights that are issued or sold during the term of the authorization in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) with the exclusion of subscription rights until this point in time are counted towards this restriction. This also applies if the authorization is used to service share options.

The Management Board of Nagarro SE, decided to again make use of the authorization granted by the shareholders' meeting on October 30, 2020, to repurchase shares of the Company in accordance with Sec. 71 para. 1 no. 8 of the German Stock Corporation Act (AktG).

In aggregate, up to 350,000 shares of Nagarro SE were to be repurchased, subject to an overall purchase volume limit of EUR 30 million (excluding ancillary costs of purchase). The share buyback was announced on April 14, 2023. The terms of this share buyback program were announced on May 02, 2023, in accordance with Art. 5 para. 1 lit. a) of the Regulation (EU) no. 596/2014 and Art. 2 para. 1 of the Commission Delegated Regulation (EU) no. 2016/1052.

The share buyback was carried out between May 02, 2023 and August 15, 2023. In 2023, a total of 350,000 shares (2022: 103,867 shares) were bought at an average purchase price of EUR 84.84 (2022: EUR 96.27) per share with a total cost of EUR 30 million (2022: EUR 10 million), corresponding to a portion of the current nominal share capital of approximately 2.54% (2022: 0.75%).

Regarding the treasury shares which have been bought back, the residual amount between no-par value ordinary bearer shares and the purchase price in an amount of EUR 29.4 million (2022: EUR 9.9 million)is recognized as other operating expenses.

The transaction cost of kEUR 45 (2022: kEUR 18) on the buyback of treasury shares has been expensed out and included under other operating expenses.

Further information is available online under shares buyback 2023.

**Capital reserves**

There is no change in capital reserves.

**Retained loss**

The changes in retained loss are composed as follows:

| | Dec 31, 2023 | Dec 31, 2022 |
|---|---|---|
| | kEUR | kEUR |
| Result for the year | (26,723) | (4,727) |
| Loss brought forward from previous year | (8,109) | (3,382) |
| **Retained loss** | **(34,832)** | **(8,109)** |

## 3. Provisions

Other provisions mainly relate to costs for the Annual General Meeting as at December 31, 2023, of kEUR 140 (December 31, 2022: kEUR 100), outstanding purchase invoices of kEUR 141(December 31, 2022: kEUR 194) and the costs for the preparation and audit of the annual and consolidated financial statements of kEUR 603 (December 31, 2022: kEUR 491).

**Liabilities**

The maturities of the liabilities are shown in the following schedule of liabilities.

| | Dec 31, 2023 | Maturity within one year | Maturity between one and five years | Maturity later than five years |
|---|---|---|---|---|
| | Carrying amount | Repayment | Repayment | Repayment |
| | kEUR | kEUR | kEUR | kEUR |
| Liabilities towards credit institutions | 267,050 | - | 267,050 | - |
| Liabilities from deliveries and services | 381 | 381 | - | - |
| Amounts owed to affiliated companies | 17,545 | 17,545 | - | - |
| Other liabilities | 3,873 | 3,873 | - | - |
| | 288,849 | 21,799 | 267,050 | - |

| | Dec 31, 2022 | Maturity within one year | Maturity between one and five years | Maturity later than five years |
|---|---|---|---|---|
| | Carrying amount | Repayment | Repayment | Repayment |
| | kEUR | kEUR | kEUR | kEUR |
| Liabilities towards credit institutions | 205,000 | - | 205,000 | - |
| Liabilities from deliveries and services | 294 | 294 | - | - |
| Amounts owed to affiliated companies | 25,156 | 25,156 | - | - |
| Other liabilities | 1,002 | 1,002 | - | - |
| | 231,452 | 26,452 | 205,000 | - |

Liabilities to affiliated companies include trade payables in the amount of kEUR 1,053 (December 31, 2022: kEUR 139) and other liabilities in the amount of kEUR 16,492 (December 31, 2022: kEUR 25,017).

The liabilities to banks relate to kEUR 267,050 (December 31, 2022: kEUR 205,000) in loan liabilities.

The following affiliated companies are liable for Nagarro SE's liabilities to banks of kEUR 267,050 (December 31, 2022: kEUR 205,000) of Nagarro SE:

- Nagarro ES GmbH, Germany
- Nagarro ES France SAS, France
- Nagarro Denmark A/S, Denmark
- Nagarro SRL, Romania
- Nagarro Inc., USA
- Nagarro Software Inc., USA
- Nagarro GmbH, Germany
- Nagarro GmbH, Austria
- Advanced Technology Consulting Service Inc., USA
- Nagarro Software AB, Sweden
- Nagarro AS, Norway
- Nagarro Software Ltd., UK

A subsidiary of the company becomes a material company if its EBITDA is 5% or more of group EBITDA or has revenue of 5% or more of consolidated revenue of the group.

The Company may request that any of its Subsidiaries become an Additional Guarantor, other than Indian and Chinese group entities.

Furthermore, there is a negative clause on the unsecured part of the loan in which Nagarro assures the banks that it will not provide any credit collateral to other creditors apart from a group-wide pledge of participations or other assets of a maximum of € 20.0 million and, in addition, an assignment of receivables or bank balances customary for the factoring process.

# D. Notes to the income statement

## 1. Revenue

Revenue includes kEUR 3 (2022: kEUR 3) from domestic group companies and kEUR 14 (2022: kEUR 15) from international group companies.

## 2. Other operating income

Other operating income mainly includes kEUR 3,671 (2022: kEUR 2,846) received from group companies against stock option and employees share participation program, given to the employees of group companies. It also includes foreign exchange gain of kEUR 4,735 (2022: kEUR 7,809).

## 3. Personnel expenses

Personnel expenses mainly includes management board remuneration of kEUR 549 (2022: kEUR 549), earnout provision of kEUR 1,915 (2022: kEUR Nil) and retention bonus provision of kEUR 454 (2022: kEUR Nil) on account of acquisition of three subsidiaries during the year.

## 4. Other operating expenses

Other operating expenses mainly includes the expenses for the purchase of treasury shares kEUR 29,389 (2022: kEUR 9,896), foreign exchange loss of kEUR 422 (2022: kEUR 7,749), consulting charges of kEUR 864 (2022: kEUR 1,505); audit costs of kEUR 593 (2022: kEUR 724), Supervisory Board remuneration of kEUR 638 (2022: kEUR 547) and stock exchange expenses of kEUR 283 (2022: kEUR 274).

## 5. Income from other investments and long term loans

Income from other investments and long term loans includes kEUR 3,895 (2022: kEUR 2,190) received from group companies:

## 6. Interest and similar expenses

It mainly includes kEUR 12,512 (2022: kEUR 6,488) paid towards the interest and commitment fees of the term loan taken from the banks and kEUR 1,362 (2022: kEUR 791) interest paid to affiliated companies. Interest also includes amortized interest of kEUR 46 (2022: kEUR Nil) towards earnout liabilities.

## 7. Income from investments

It includes dividend of kEUR Nil (2022: kEUR 2,583) received from one group company and gain of kEUR 998 (2022: kEUR Nil) on liquidation of one of the group companies.

## 8. Income from profit transfer agreements

It mainly includes profit shares of kEUR 11,490 (2022: kEUR 11,971) received based on profit transfer agreement between Nagarro SE and two German group companies.

## 9. Taxes

It includes trade tax of kEUR 283 (2022: kEUR 377) and corporate tax of kEUR 50 (2022: kEUR 263).

Further deferred tax expense of kEUR 1,063 (2022: deferred tax income of kEUR 1, 966) has been recognized on recognition of deferred tax assets of kEUR1,809 (2022: kEUR2,872).

# E. Other disclosures

## 1. Capital and other commitment

On the balance sheet date, there were other commitments in the amount of kEUR 8 (2022: kEUR 0) from vehicle leasing and in the amount of kEUR 0 (2022: kEUR 11) from building rental agreement (net rent per year).

## 2. Disclosure pursuant to section 160 (1) no. 8 AktG

For the year 2023, Nagarro SE had received the following notifications of voting rights from persons subject to notification regarding reaching, exceeding, or falling below the relevant notification thresholds pursuant to Section 33 (1) WpHG.

| Shareholder | Threshold | Total voting rights at the time of notification | Voting rights (direct/ indirect) according to notification | Date of threshold contact according to notification | Date of publication of the notice |
|---|---|---|---|---|---|
| Goldman Sachs, Wilmington, USA | > 5 % | 5.05% | 695,419 | 17-Jan-23 | 19-Jan-23 |
| Goldman Sachs, Wilmington, USA | < 5 % | 4.99% | 687,499 | 18-Jan-23 | 20-Jan-23 |
| Morgan Stanley, Wilmington, USA | > 10 % | 11.62% | 1,600,250 | 20-Jan-23 | 25-Jan-23 |
| Morgan Stanley, Wilmington, USA | > 10 % | 10.15% | 1,398,297 | 27-Jan-23 | 1-Feb-23 |
| Morgan Stanley, Wilmington, USA | > 5 % | 9.95% | 1,371,194 | 31-Jan-23 | 6-Feb-23 |
| Morgan Stanley, Wilmington, USA | > 10 % | 10.16% | 1,399,051 | 1-Feb-23 | 6-Feb-23 |
| Morgan Stanley, Wilmington, USA | > 5 % | 9.70% | 1,335,898 | 2-Feb-23 | 7-Feb-23 |
| Morgan Stanley, Wilmington, USA | > 10 % | 10.15% | 1,398,887 | 3-Feb-23 | 9-Feb-23 |
| Morgan Stanley, Wilmington, USA | > 5 % | 9.74% | 1,341,129 | 9-Feb-23 | 14-Feb-23 |
| Morgan Stanley, Wilmington, USA | > 10 % | 12.71% | 1,750,674 | 24-Feb-23 | 2-Mar-23 |
| Morgan Stanley, Wilmington, USA | > 10 % | 10.32% | 1,422,322 | 15-Mar-23 | 20-Mar-23 |
| Morgan Stanley, Wilmington, USA | > 10 % | 12.33% | 1,698,966 | 20-Mar-23 | 24-Mar-23 |
| Morgan Stanley, Wilmington, USA | > 10 % | 13.85% | 1,908,174 | 25-Apr-23 | 28-Apr-23 |
| Morgan Stanley, Wilmington, USA | > 10 % | 13.52% | 1,862,313 | 3-May-23 | 8-May-23 |
| Morgan Stanley, Wilmington, USA | > 10 % | 13.70% | 1,887,684 | 5-May-23 | 11-May-23 |
| Morgan Stanley, Wilmington, USA | > 10 % | 13.45% | 1,852,420 | 10-May-23 | 15-May-23 |
| Morgan Stanley, Wilmington, USA | > 10 % | 12.27% | 1,690,576 | 16-May-23 | 19-May-23 |
| Morgan Stanley, Wilmington, USA | > 10 % | 12.17% | 1,676,024 | 17-May-23 | 22-May-23 |
| Morgan Stanley, Wilmington, USA | > 15 % | 15.04% | 2,072,331 | 24-May-23 | 29-May-23 |
| Morgan Stanley, Wilmington, USA | > 15 % | 15.07% | 2,076,143 | 25-May-23 | 31-May-23 |
| Morgan Stanley, Wilmington, USA | > 10 % | 12.21% | 1,681,823 | 26-May-23 | 1-Jun-23 |
| Bank of America Corporation, Wilmington, USA | > 5 % | 5.01% | 689,777 | 2-Jun-23 | 7-Jun-23 |
| Bank of America Corporation, Wilmington, USA | < 5 % | 4.96% | 682,748 | 5-Jun-23 | 8-Jun-23 |
| Morgan Stanley, Wilmington, USA | > 10 % | 12.88% | 1,774,741 | 2-Jun-23 | 8-Jun-23 |
| Bank of America Corporation, Wilmington, USA | > 5 % | 5.06% | 697,642 | 7-Jun-23 | 9-Jun-23 |
| Morgan Stanley, Wilmington, USA | > 10 % | 13.92% | 1,917,362 | 5-Jun-23 | 9-Jun-23 |
| Morgan Stanley, Wilmington, USA | > 15 % | 15.03% | 2,070,613 | 6-Jun-23 | 12-Jun-23 |
| Bank of America Corporation, Wilmington, USA | < 5 % | 4.99% | 687,636 | 9-Jun-23 | 13-Jun-23 |
| Morgan Stanley, Wilmington, USA | < 15 % | 14.98% | 2,063,446 | 13-Jun-23 | 19-Jun-23 |
| Morgan Stanley, Wilmington, USA | > 15 % | 15.00% | 2,066,661 | 16-Jun-23 | 22-Jun-23 |
| Morgan Stanley, Wilmington, USA | < 15 % | 14.99% | 2,065,027 | 19-Jun-23 | 23-Jun-23 |

| Shareholder | Threshold | Total voting rights at the time of notification | Voting rights (direct/ indirect) according to notification | Date of threshold contact according to notification | Date of publication of the notice |
|---|---|---|---|---|---|
| Bank of America Corporation, Wilmington, USA | > 5 % | 5.31% | 731,654 | 22-Jun-23 | 26-Jun-23 |
| Morgan Stanley, Wilmington, USA | > 15 % | 15.02% | 2,069,796 | 22-Jun-23 | 28-Jun-23 |
| Bank of America Corporation, Wilmington, USA | < 5 % | 4.54% | 625,420 | 26-Jun-23 | 28-Jun-23 |
| Morgan Stanley, Wilmington, USA | < 15 % | 14.94% | 2,058,407 | 23-Jun-23 | 28-Jun-23 |
| Morgan Stanley, Wilmington, USA | < 15 % | 12.22% | 1,683,586 | 27-Jun-23 | 3-Jul-23 |
| Morgan Stanley, Wilmington, USA | < 15 % | 13.27% | 1,827,894 | 12-Jul-23 | 18-Jul-23 |
| Morgan Stanley, Wilmington, USA | < 15 % | 13.29% | 1,830,886 | 13-Jul-23 | 18-Jul-23 |
| Morgan Stanley, Wilmington, USA | < 15 % | 12.48% | 1,718,964 | 21-Jul-23 | 26-Jul-23 |
| Morgan Stanley, Wilmington, USA | < 15 % | 13.41% | 1,846,946 | 25-Jul-23 | 28-Jul-23 |
| Morgan Stanley, Wilmington, USA | < 15 % | 12.42% | 1,710,607 | 26-Jul-23 | 31-Jul-23 |
| Morgan Stanley, Wilmington, USA | < 15 % | 12.46% | 1,716,879 | 1-Aug-23 | 7-Aug-23 |
| Morgan Stanley, Wilmington, USA | < 15 % | 13.60% | 1,873,070 | 2-Aug-23 | 8-Aug-23 |
| Morgan Stanley, Wilmington, USA | > 15 % | 15.57% | 2,145,523 | 3-Aug-23 | 8-Aug-23 |
| Morgan Stanley, Wilmington, USA | > 15 % | 15.23% | 2,097,910 | 16-Aug-23 | 22-Aug-23 |
| Morgan Stanley, Wilmington, USA | > 15 % | 15.43% | 2,125,794 | 24-Aug-23 | 30-Aug-23 |
| Morgan Stanley, Wilmington, USA | > 15 % | 15.45% | 2,128,888 | 29-Aug-23 | 1-Sep-23 |
| Morgan Stanley, Wilmington, USA | > 15 % | 16.77% | 2,310,332 | 4-Sep-23 | 8-Sep-23 |
| Morgan Stanley, Wilmington, USA | > 15 % | 16.71% | 2,301,405 | 8-Sep-23 | 13-Sep-23 |
| Bank of America Corporation, Wilmington, USA | > 5 % | 7.26% | 1,000,657 | 15-Sep-23 | 20-Sep-23 |
| Morgan Stanley, Wilmington, USA | > 15 % | 15.47% | 2,130,647 | 15-Sep-23 | 21-Sep-23 |
| Morgan Stanley, Wilmington, USA | < 15 % | 15.00% | 2,065,939 | 18-Sep-23 | 22-Sep-23 |
| Bank of America Corporation, Wilmington, USA | > 5 % | 6.85% | 943,025 | 20-Sep-23 | 22-Sep-23 |
| Bank of America Corporation, Wilmington, USA | > 5 % | 6.84% | 942,403 | 22-Sep-23 | 26-Sep-23 |
| Bank of America Corporation, Wilmington, USA | > 5 % | 6.89% | 948,552 | 25-Sep-23 | 27-Sep-23 |
| Bank of America Corporation, Wilmington, USA | > 5 % | 6.89% | 949,361 | 26-Sep-23 | 28-Sep-23 |
| Bank of America Corporation, Wilmington, USA | > 5 % | 6.89% | 949,351 | 27-Sep-23 | 29-Sep-23 |
| Bank of America Corporation, Wilmington, USA | > 5 % | 6.89% | 949,534 | 28-Sep-23 | 2-Oct-23 |
| Bank of America Corporation, Wilmington, USA | > 5 % | 6.93% | 954,261 | 29-Sep-23 | 2-Oct-23 |
| Bank of America Corporation, Wilmington, USA | > 5 % | 6.98% | 960,891 | 2-Oct-23 | 3-Oct-23 |
| Bank of America Corporation, Wilmington, USA | > 5 % | 6.89% | 949,414 | 9-Oct-23 | 10-Oct-23 |
| Bank of America Corporation, Wilmington, USA | > 5 % | 6.89% | 948,930 | 10-Oct-23 | 11-Oct-23 |
| Bank of America Corporation, Wilmington, USA | > 5 % | 7.19% | 990,745 | 11-Oct-23 | 12-Oct-23 |
| Morgan Stanley, Wilmington, USA | > 15 % | 15.16% | 2,088,574 | 10-Oct-23 | 16-Oct-23 |
| Bank of America Corporation, Wilmington, USA | > 5 % | 6.79% | 935,740 | 16-Oct-23 | 18-Oct-23 |
| Bank of America Corporation, Wilmington, USA | > 3 % | 3.98% | 548,706 | 17-Oct-23 | 19-Oct-23 |
| Morgan Stanley, Wilmington, USA | < 15 % | 14.92% | 2,054,860 | 18-Oct-23 | 24-Oct-23 |
| Morgan Stanley, Wilmington, USA | > 15 % | 15.05% | 2,073,660 | 24-Oct-23 | 30-Oct-23 |
| Morgan Stanley, Wilmington, USA | < 15 % | 14.96% | 2,060,629 | 26-Oct-23 | 1-Nov-23 |
| Morgan Stanley, Wilmington, USA | < 15 % | 14.36% | 1,978,209 | 6-Dec-23 | 12-Dec-23 |
| StarView Capital Partners, LLC, Delaware, USA | > 5 % | 6.25% | 861,589 | 18-Dec-23 | 19-Dec-23 |

Status: December 20, 2023: WpHG notifications from 1.1.2023.

## 3. Governing bodies of Nagarro SE

### Supervisory Board

The members of the Nagarro SE Supervisory Board during the year end 2023 were as follows:

| Member | Membership with Nagarro SE | Additional information |
|---|---|---|
| **Carl Georg Dürschmidt** | Chairperson since August 10, 2020<br>Member and Deputy Chairperson from February 19, 2020 to August 10, 2020 | Chairperson of the supervisory board of Allgeier SE (since September 30, 2022)<br>Diplom-Betriebswirt (Business Administration),<br>Resident of Bad Abbach, Germany |
| **Shalini Sarin** | Member since October 31, 2020 | Executive Director at Elektromobilitat India Private Limited and Telenergy Technologies Private Limited,<br>Resident of Delhi, India |
| **Christian Bacherl** | Member since November 8, 2022<br>Deputy Chairperson since November 16, 2022 | Managing Partner of ACCNITE Partners GmbH<br>Diplom-Betriebswirt (Business Administration), B.Sc. (Computer Sciences)<br>Resident of Vaterstetten-Baldham, Germany |
| **Vishal Gaur** | Member since June 26, 2023 | Professor of Operations, Information and Technology Management at the Samuel Curtis Johnson Graduate School of Management, Cornell SC Johnson College of Business, Cornell University<br>Resident of Ithaca, New York, USA |

Further memberships of the supervisory board members of Nagarro SE in other supervisory or management boards:

### Carl Georg Dürschmidt

- Member of the supervisory board at: Allgeier SE (since July 7, 2022), Chairperson of the supervisory board (since September 30, 2022)
- Chairperson of the supervisory board at: Allgeier Management AG, Allgeier Experts SE, and Allgeier Enterprise Services AG (until September 30, 2021)
- Chairperson of the management board at: Allgeier SE (until September 30, 2021)

### Shalini Sarin

- Member of the board at: Linde India; Meritor HVS (India) Ltd; Automotive Axles; and Kirloskar Oil Engines; ISMT Limited

### Christian Bacherl

- Managing Director of Halidon Ventures GmbH (until February 28, 2023)

### Vishal Gaur

- Member of the Advisory Board of DIBIZ Pte. Ltd, Singapore

Total remuneration of the members of the Supervisory Board in the 2023 financial year was kEUR 638 (previous year: kEUR 547) out of which kEUR 178 (previous year: kEUR 125) were outstanding as at the balance sheet date and subsequent to the year end fixed remuneration was paid. Refer Nagarro remuneration report 2023 for details.

As of December 31, 2023, the members of Supervisory Board directly or indirectly held 2,973,137 (December 31, 2022: 2,972,720) shares in Nagarro SE.

## Management Board

The members of the Nagarro SE Management Board during the year end 2023 were as follows:

| Member | Membership with Nagarro SE | Additional information |
|---|---|---|
| **Manas Human** | Member since July 15, 2020 (Chairperson) | PhD in Engineering<br>Resident of Gurugram, India |
| **Vikram Sehgal** | Member since July 15, 2020 | Bachelor of Engineering<br>Resident of Los Altos, USA |
| **Annette Mainka** | Member since July 15, 2020 | Diplom-Betriebswirtin (Business Administration)<br>Resident of Munich, Germany |

Further memberships of the management board members of Nagarro SE in other supervisory or management boards:

### Manas Human

- Board Member of Wrig Nanosystems, 2015-2022
- Founder and Trustee of Re-Imagining Higher Education Foundation, since 2018
- Member of the Governing Body of Plaksha University, since 2023
- Member of Residents Advisory Council of the Gurugram Municipal Development Authority, 2019-2021
- Managing Director of Halidon Ventures GmbH, since 2023
- Managing Director of All Nag Beteiligungs GmbH & Co.KG, since 2023

### Vikram Sehgal

- Board Member of Hundred Percentile Education Private Limited, since 2007
- Founder of Re-Imagining Higher Education Foundation, since 2019

**Disclosures in accordance with § 285 No. 9 HGB**

Total remuneration of the members of the Management Board in the 2023 financial year for their services in that capacity was kEUR 987 (previous year: kEUR 991) out of which kEUR 549 (previous year: kEUR 549) was from Nagarro SE and kEUR 438 (previous year: kEUR 442) was from other Nagarro companies. Each member of the Management Board was given Nil (December 31, 2022: Nil) stock options of Nagarro SE during 2023 and as the stock options are not yet exercisable, no expense has been recognized during the year. Refer Nagarro remuneration report 2023 for details.

As of December 31, 2023, the members of Management Board directly or indirectly held 1,654,832 (December 31, 2022: 1,654,832) shares in Nagarro SE.

## 4. Share-based payment arrangements

Nagarro SE has issued stock options under stock option plans and stocks under employee share participation program. The details of these plans are as follows:

**Description of the share-based payment arrangements**

**Stock option plan**

The details of the plans under which these options were issued are as follows:

| | | |
|---|---|---|
| **People addressed** | Members of the management of Nagarro SE and its group companies and employees of group companies | Members of the Management Board of Nagarro SE |
| **Number of options authorized** | 800,000 until October 22, 2025 | 45,000 until October 22, 2025 |
| **Authorization by** | General meeting on October 31, 2020 | General meeting on October 31, 2020 |
| **Plan name** | Stock Option Plan 2020/II | Stock Option Plan 2020/III |
| **Vesting period** | 4 years | 4 years |
| **Term** | 10 years | 10 years |
| **Exercise price valuation** | 110% of the average closing price of the last five trading days prior to the offer | 110% of the average closing price of the last five trading days prior to the offer |
| **Vesting condition** | 25% of the stock options granted to an option holder vest after 12, 24, 36 and 48 months following the issuance date | 25% of the stock options granted to an option holder vest after 12, 24, 36 and 48 months following the issuance date |
| **Settlement method** | Equity shares of Nagarro SE | Equity shares of Nagarro SE |
| **Exercising of option** | Exercisable after a vesting period of 4 years and limited to a period of two weeks after each Annual General Meeting and after the publication of annual, semi-annual and quarterly figures | Exercisable after a vesting period of 4 years and limited to a period of two weeks after each Annual General Meeting and after the publication of annual, semi-annual and quarterly figures |

| **Plan name** | **Stock Option Plan 2020/III** | **Stock Option Plan 2020/II (Tranche 1)** | **Stock Option Plan 2020/II (Tranche 2a)** | **Stock Option Plan 2020/II (Tranche 2b)** |
|---|---|---|---|---|
| **Number of options issued** | 45,000 | 410,000 | 141,500 | 8,750 |
| **Date of grant** | Jan 15, 2021 | Jan 15, 2021 | Apr 26, 2023 | May 23, 2023 |
| **Exercise price** | EUR 95.35 | EUR 95.35 | EUR 110.08 | EUR 91.55 |
| **Average closing price** | EUR 86.68 | EUR 86.68 | EUR 100.07 | EUR 83.23 |
| **Stock price on the grant date** | EUR 78.60 | EUR 78.60 | EUR 94.60 | EUR 83.40 |
| **Weighted average fair values at the measurement date** | EUR 27.19 | EUR 27.19 | EUR 46.42 | EUR 42.12 |
| **Dividend yield** | 0.00% | 0.00% | 0.00% | 0.00% |
| **Expected volatility** | 34.27% | 34.27% | 37.90% | 37.80% |
| **Risk–free interest rate** | -0.37% | -0.37% | 2.96% | 2.94% |
| **Term of share options** | 10 years | 10 years | 10 years | 10 years |
| **Expected life of share options** | 7 years | 7 years | 7 years | 7 years |
| **Model used** | Binomial | Binomial | Binomial | Binomial |
| **Expected leavers** | 0.00% | 0.00% | 15.00% | 15.00% |

The expected life of the stock options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur.

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Since no options of the company are traded on derivative exchanges, the expected volatility cannot be determined from the implied volatilities of traded options of Nagarro SE. Historical share prices for the newly listed Nagarro SE were not available at the time of valuation of Tranche 1 in 2021. Also, not sufficient time after listing has elapsed at the time of valuation of Tranche 2 (a) and Tranche 2(b) in 2023. Therefore, the historical volatility based on price movements of comparable listed companies (peer group) in the past is used as an estimate for the expected volatility. Based on this peer group and with an average exercise period of seven years, Nagarro SE has a historical volatility of 34.27% for Tranche 1; 37.90% for Tranche 2 (a) and 37.80% for Tranche 2 (b).

The movement of the stock options plans are as follows:

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Number of stock options | Weighted average exercise price (EUR) | Number of stock options | Weighted average exercise price (EUR) |
| Outstanding at 1 January | 425,000 | 95.35 | 440,000 | 95.35 |
| Options issued during the year | 150,250 | 109.00 | - | - |
| Forfeited during the year | (5,750) | 102.39 | (15,000) | 95.35 |
| Exercised during the year | - | - | - | - |
| Expired during the year | - | - | - | - |
| Outstanding at 31 December | 569,500 | 98.88 | 425,000 | 95.35 |
| **Exercisable at the end of the year** | - | - | - | - |

**Employee Share Participation Program**

On January 16, 2023, Nagarro rolled out the MyN (My Nagarro) program, an Employee Share Participation Program ("ESPP"), globally for every Nagarrian wherein for every multiple of 3 shares purchased and held by the employees ("investment shares") for 3 years (while staying a Nagarrian), 1 matching share will be given from Nagarro. The program has two offerings planned for this year with an annual maximum contribution of Eur 2,500 per employee, for all employees, and a higher contribution limit offered by exception in certain special cases.

Since matching shares are equity instruments of Nagarro SE, ESPP is accounted for as an equity-settled share-based payment scheme in line with IFRS 2. Once all eligible employees have decided upon their yearly participation, the fair value of the equity instrument granted is calculated and fixed for each tranche on the basis of proportional share price at the grant date taking into consideration the discounted estimated dividends.

The development of acquired investment and estimated matching shares, as well as the parameters used for the calculation of the fair value are as follows:

| | Tranche 1 (Feb 2023) | Tranche 1 (May 2023) | Tranche 2 (December 2023) |
|---|---|---|---|
| **Investment period** | February 8, 2023 - February 20, 2023 | May 8, 2023 - May 21, 2023 | November 20, 2023 - December 1, 2023 |
| **Matching date** | February 20, 2026 | May 26, 2026 | December 13, 2026 |
| **Acquired investment shares** | 12,834 | 447 | 6,837 |
| thereof forfeited investment shares | (522) | - | - |
| **Estimated matching shares** | 4,278 | 149 | 2,279 |
| thereof forfeited matching shares | (174) | - | - |
| **Share price at grant date** | € 126.16 | € 80.00 | € 88.00 |
| **Fair value : Discount per investment share** | € 124.40 | € 79.35 | € 87.60 |
| recognized estimated dividend | € 0.00 | € 0.00 | € 0.00 |
| **Estimated leavers** | 15% | 15% | 15% |
| **Fair value : matching shares on date of reporting** | € 124,609 | € 2,015 | € 2,939 |
| recognized discounted estimated dividend | € 0.00 | € 0.00 | € 0.00 |

The weighted average remaining contractual life for the stock options outstanding and ESPP as at December 31, 2023 was 1.6 years (2022: 2.05 years) and 2.4 years (2022: Nil) respectively.

The weighted average fair value of options and ESPP granted during the year was EUR 46.17 (2022: EUR Nil) and EUR 110.89 (2022: EUR Nil) respectively.

The Stock Option Plans exercise prices ranges from EUR 91.55 to EUR 110.08 per stock option.

## 5. Corporate Governance Code

The statement on the Corporate governance code prescribed by Section 161 of the German Stock Corporation Act (AktG) was submitted and made accessible to the shareholders on the website of Nagarro SE.

## 6. Proposal for the appropriation of the result

The Management Board proposes to carry forward the loss for the financial year 2023.

## 7. Employees

In addition to the Management Board, there is an average three (2022: three) salaried employees.

## 8. Disclosures according to § 285 No. 17 HGB

The services provided by LOHR+COMPANY GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, in 2023 are detailed in the notes to the consolidated financial statements.

## 9. Consolidated financial statements

As the parent company, the Company prepares consolidated financial statements in accordance with International Financial Reporting Standards, as applicable in the EU, and in accordance with the supplementary provisions of commercial law. The consolidated financial statements are published in the Federal Gazette.

## 10. Events after the balance sheet date

In the period between December 31, 2023, and the date when the financial statements were authorized for issuance by the Board of Directors of Nagarro SE, there have been no events of extraordinary importance. There has been no significant change in the demand and supply conditions in the global IT industry.

Munich, April 15, 2024

**Nagarro SE**

**The Management Board**

Manas Human Annette Mainka Vikram Sehgal

# Appendix 1 - Statement of changes in fixed assets

| | Gross carrying amount | | | | | Accumulated depreciation and amortization | | | | Net carrying amount | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | 1-Jan-23 | Additions | Disposal | Foreign exchange impact | 31-Dec-23 | 1-Jan-23 | Additions | Disposal | 31-Dec-23 | 1-Jan-23 | 31-Dec-23 |
| | in kEUR | in kEUR | in kEUR | in kEUR | in kEUR | in kEUR | in kEUR | in kEUR | in kEUR | in kEUR | in kEUR |
| I. Intangibles | | | | | | | | | | | |
| 1. Purchased rights | 9 | - | - | - | 9 | (1) | (1) | - | (1) | 9 | 8 |
| | **9** | **-** | **-** | **-** | **9** | **(1)** | **(1)** | **-** | **(1)** | **9** | **8** |
| | | | | | | | | | | | |
| II. Financial assets | | | | | | | | | | | |
| 1. Shares in affiliated companies | 381,277 | 36,223 | (2,193) | - | 415,306 | - | - | - | - | 381,277 | 415,306 |
| 2. Loans to affiliated companies | 68,414 | 33,348 | (40,408) | 4,353 | 65,707 | - | - | - | - | 68,414 | 65,707 |
| | **449,690** | **69,572** | **(42,602)** | **4,353** | **481,013** | **-** | **-** | **-** | **-** | **449,690** | **481,013** |
| | | | | | | | | | | | |
| Net carrying amount as at Dec 31, 2023 | **449,699** | **69,572** | **(42,602)** | **4,353** | **481,022** | **(1)** | **(1)** | **-** | **(1)** | **449,699** | **481,021** |

# Appendix 2 - List of subsidiaries pursuant to section 285 para 11 German Commercial Code

| No. | Company | Shareholding | Country of incorporation | Foreign currency (FC) | Equity 12/31/2023 | | Net profit/ (loss) for the year 2023 | | Note | Disclosure |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | kFC | kEUR | kFC | kEUR | | |
| 1 | Nagarro SE, Munich, Germany | 100.00% | Germany | EUR | 211,668 | 211,668 | (26,723) | (26,723) | | Separate and consolidated annual financial statements in the Federal Gazette (Bundesanzeiger) |
| | **Direct investments of Nagarro SE** | | | | | | | | | |
| 2 | Nagarro Inc., San Jose, USA | 100.00% | USA | USD | 50,849 | 43,237 | 3,714 | 3,434 | | |
| 3 | Nagarro Software Pvt. Ltd., Gurgaon, India | 100.00% | India | INR | 8,482,666 | 92,486 | 1,729,027 | 19,360 | | |
| 4 | Nagarro Software S.A. De C.V., Monterrey, Mexico | 100.00% | Mexico | MXN | (23,437) | (1,251) | (56,107) | (2,926) | | |
| 5 | Nagarro Software Inc., Fishers, USA | 100.00% | USA | USD | (11,029) | (9,974) | 5,723 | 5,291 | | |
| 6 | Nagarro Software Solutions (Beijing), Inc., Beijing, China | 100.00% | China | CNY | 262,874 | 33,641 | (12,108) | (1,582) | | |
| 7 | Nagarro Software Solutions (Xi'an), Inc., Xi'an, China | 100.00% | China | CNY | 3,927 | 503 | (825) | (108) | | |
| 8 | Advanced Technology Consulting Service Inc., New Jersey, USA | 100.00% | USA | USD | 63,007 | 56,455 | (3,580) | (3,310) | | |
| 9 | Advanced Technology Consulting Service Canada Inc., Toronto, Canada | 100.00% | Canada | CAD | 312 | 214 | (199) | (136) | | |
| 10 | ATCS (Beijing) Technology Consulting Company Limited, Beijing, China | 100.00% | China | CNY | 5,251 | 672 | (597) | (78) | | |
| 11 | Ace Outsource LC, Salt Lake City, USA | 100.00% | USA | USD | 23,530 | 21,122 | 553 | 511 | | |
| 12 | RipeConcepts Incorporated, Cebu, Philippines | 100.00% | Philippines | PHP | 76,771 | 1,256 | 10,344 | 172 | | |
| 13 | Nagarro GS Inc., San Jose, USA | 100.00% | USA | USD | 1,429 | 1,294 | 556 | 514 | | |

| No. | Company | Shareholding | Country of incorporation | Foreign currency (FC) | Equity 12/31/2023 | | Net profit/ (loss) for the year 2023 | | Note | Disclosure |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | kFC | kEUR | kFC | kEUR | | |
| 14 | Telesis7 LLC, Missouri, USA | 100.00% | USA | USD | 6,998 | 6,444 | 1,299 | 1,226 | | |
| 15 | Nagarro Global Services Asia Pte. Ltd., Singapore | 100.00% | Singapore | SGD | 5,931 | 3,583 | 3,697 | 2,546 | | |
| 16 | Nagarro Enterprise Services Pvt. Ltd., Jaipur, India | 100.00% | India | INR | 4,509,063 | 49,832 | 1,803,698 | 20,196 | | |
| 17 | Advanced Technology Consulting Service Private Limited, Jaipur, India | 100.00% | India | INR | 1,033,387 | 11,255 | 95,039 | 1,064 | | |
| 18 | Nagarro SDN. BHD., Kuala Lumpur, Malaysia | 100.00% | Malaysia | MYR | 3,891 | 767 | (124) | (25) | | |
| 19 | Nagarro K.K., Tokyo, Japan | 100.00% | Japan | JPY | 112,946 | 725 | (10,754) | (71) | | |
| 20 | Nagarro (Private) Limited, Colombo, Sri Lanka | 100.00% | Sri Lanka | LKR | (186,025) | (520) | (330,684) | (931) | | |
| 21 | Techmill Global Pte Ltd, Singapore | 100.00% | Singapore | SGD | 2,566 | 1,762 | 492 | 339 | | |
| 22 | Tech Mills (Australia) Pty Ltd, Sydney, Australia | 100.00% | Australia | AUD | 751 | 463 | (340) | (208) | | |
| 23 | Nagarro Software AB, Stockholm, Sweden | 100.00% | Sweden | SEK | 4,534 | 407 | 3,005 | 262 | | |
| 24 | Nagarro GmbH, Vienna, Austria | 100.00% | Austria | EUR | 5,719 | 5,719 | (87) | (87) | | |
| 25 | Nagarro ATCS GmbH, Stuttgart, Germany | 100.00% | Germany | EUR | 1,644 | 1,644 | 556 | 556 | | Exemption pursuant to Section 264 (3) HGB |
| 26 | Nagarro GmbH, Munich, Germany | 100.00% | Germany | EUR | 15,652 | 15,652 | - | - | (1) & (2) | Exemption pursuant to Section 264 (3) HGB |
| 27 | Nagarro SRL, Cluj-Napoca, Romania | 100.00% | Romania | RON | 67,015 | 13,465 | (10,290) | (2,080) | | |
| 28 | Nagarro iQuest Schweiz AG, Zurich, Switzerland | 100.00% | Switzerland | CHF | 2,199 | 2,266 | 490 | 497 | | |
| 29 | iQuest SPZOO, Warsaw, Poland | 100.00% | Poland | PLN | (343) | (79) | (2,005) | (441) | | |
| 30 | Livisi GmbH, Munich, Germany | 100.00% | Germany | EUR | 1,056 | 1,056 | 96 | 96 | (1) & (3) | Exemption pursuant to Section 264 (3) HGB |
| 31 | Nagarro Software Ltd., London, United Kingdom | 100.00% | UK | GBP | 3,654 | 4,213 | 903 | 1,039 | | |
| 32 | Nagarro AS, Oslo, Norway | 100.00% | Norway | NOK | 10,116 | 900 | (2,571) | (225) | | |
| 33 | Nagarro Pty. Ltd., Sydney, Australia | 100.00% | Australia | AUD | 805 | 497 | 16 | 10 | | |

| No. | Company | Shareholding | Country of incorporation | Foreign currency (FC) | Equity 12/31/2023 | | Net profit/ (loss) for the year 2023 | | Note | Disclosure |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | kFC | kEUR | kFC | kEUR | | |
| 34 | Nagarro Oy, Espoo, Finland | 100.00% | Finland | EUR | 764 | 764 | 38 | 38 | | |
| 35 | Nagarro Ltd., Valetta, Malta | 100.00% | Malta | EUR | 831 | 831 | 229 | 229 | | |
| 36 | Nagarro Pty. Ltd., Pretoria, South Africa | 100.00% | South Africa | ZAR | 33,428 | 1,655 | 12,370 | 620 | | |
| 37 | Nagarro Company Ltd., Bangkok, Thailand | 100.00% | Thailand | THB | 12,197 | 321 | (1,276) | (34) | | |
| 38 | Nagarro Ltd., Port Luis, Mauritius | 100.00% | Mauritius | MUR | 4,955 | 102 | 3,715 | 76 | | |
| 39 | Nagarro MENA LLC, Dubai, UAE | 100.00% | UAE | AED | 51,407 | 12,711 | 22,331 | 5,622 | | |
| 40 | Nagarro Software Co. W.L.L, Bahrain | 100.00% | Bahrain | BHD | (96) | (230) | (34) | (84) | | |
| 41 | Nagarro for Information Technology, Riyadh, Saudi Arabia | 100.00% | Kingdom of Saudi Arabia | SAR | (475) | (115) | (322) | (79) | | |
| 42 | Nagarro Software FZCO, UAE | 100.00% | UAE | AED | 1,266 | 312 | (43) | (11) | | |
| 43 | Nagarro ES GmbH, Kronberg im Taunus, Germany | 100.00% | Germany | EUR | 1,155 | 1,155 | - | - | (1) & (2) | Exemption pursuant to Section 264 (3) HGB |
| 44 | Nagarro ES France SAS, Entzheim, France | 100.00% | France | EUR | 4,419 | 4,419 | 1,548 | 1,548 | | |
| 45 | Nagarro ES Denmark A/S, Herlev, Denmark | 100.00% | Denmark | DKK | 19,102 | 2,562 | 14,331 | 1,923 | | |
| 46 | Nagarro S.A.S., Quito, Ecuador | 100.00% | Ecuador | USD | (867) | (786) | (542) | (501) | | |
| 47 | Nagarro Software S.A.S., Bogotá D.C, Colombia | 100.00% | Colombia | COP | 434,267 | 101 | 130,430 | 28 | | |
| 48 | Nagarro, UNIPESSOAL LDA, Funchal, Portugal | 100.00% | Portugal | EUR | (806) | (806) | (1,037) | (1,037) | | |
| 49 | Nagarro Software, S.L., Madrid, Spain | 100.00% | Spain | EUR | (471) | (471) | (571) | (571) | | |
| 50 | Nagarro Co., Ltd., Taipei,Taiwan | 100.00% | Taiwan | TWD | 4,647 | 137 | (353) | (10) | | |
| 51 | Infocore Engineering & IT Services GmbH, Frankfurt, a.M., Germany | 100.00% | Germany | EUR | 1,801 | 1,801 | 324 | 324 | | Exemption pursuant to Section 264 (3) HGB |
| 52 | Infocore Engineering & IT Services Inc,Frisco, USA | 100.00% | USA | USD | (207) | (187) | (66) | (61) | | |

| No. | Company | Shareholding | Country of incorporation | Foreign currency (FC) | Equity 12/31/2023 | | Net profit/ (loss) for the year 2023 | | Note | Disclosure |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | kFC | kEUR | kFC | kEUR | | |
| 53 | Advanced Programming Solutions, S.L., Palma de Mallorca,Spain | 100.00% | Spain | EUR | 5,538 | 5,538 | 1,893 | 1,893 | | |
| 54 | M.B.İ.S Bilgisayar Otomasyon Danışmanlık ve Eğitim Hizmetleri Sanayi ve Ticaret A.Ş. ,Istanbul, Türkiye | 100.00% | Turkey | TRY | 108,896 | 3,338 | 1,582 | 65 | | |
| 55 | Novaline Bilişim Teknolojileri Danışmanlığı A.Ş.,Istanbul, Türkiye | 100.00% | Turkey | TRY | 633 | 19 | 133 | 5 | | |
| 56 | Analytica Bilgi Teknolojileri A.Ş.,Istanbul, Türkiye | 100.00% | Turkey | TRY | 7,239 | 222 | 2,884 | 106 | | |
| 57 | Nagarro Korlátolt Felelősségű Társaság, Budapest, Hungary | 100.00% | Hungary | HUF | (7,191) | (19) | (10,191) | (27) | | |

(1) After profit transfer or loss assumption

(2) Profit and loss transfer agreement with Nagarro SE

(3) Profit and loss transfer agreement with Nagarro GmbH

# I. Responsibility statement

Statement pursuant to Section 264 [paragraph] 2 sentence 3 and Section 289 [paragraph] 1 sentence 5 of the German Commercial Code (HGB):

"To the best of our knowledge, and in accordance with the applicable reporting principles, the Annual Financial Statements give a true and fair view of the assets, liabilities, financial position and results of operations of the company, and the Management Report includes a fair review of the development and performance of business and position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company."

Munich, April 15, 2024

**Nagarro SE**

**The Management Board**

Manas Human  Annette Mainka  Vikram Sehgal