

Fluidic Intelligence

Annual Report 2025

nagarro

Key share data

ISIN	DE000A3H2200
WKN	A3H220
Symbol	NA9
Stock market exchange	Frankfurt Stock Exchange
Stock market segment	Prime Standard
Specialist	Baader Bank AG
Designated sponsor	Oddo BHF
Number of shares	12,922,297
Class of shares	No-par value registered shares
Free float as of December 30, 2025	c. 55.3%
First day of trading	December 16, 2020
Opening price (Xetra) on January 2, 2025	€ 78.90
Closing price (Xetra) on December 30, 2025	€ 76.25
Market capitalization on December 30, 2025	€985.33 million
Highest price (Xetra)	€89.60 (February 18, 2025)
Lowest price (Xetra)	€43.22 (November 7, 2025)
Average daily volume (Xetra)	38,674 shares
Average daily volume (Xetra) in €	€ 2,537,942.00

Notes:

1. Free float is calculated by deducting the shareholdings notified to us by way of voting rights notifications pursuant to Section 40 (1) of the German Securities Trading Act (WpHG) from the total number of outstanding shares

2. Average daily volume in € is calculated by multiplying the average daily volume on the Xetra trading platform by the volume-weighted average price (VWAP) of €84.96 over this time period

3. Highest and lowest price are based on the daily closing rates for the year 2025

4. Market capitalization is based on the issued shares

Nagarro group

Key figures – annual

Twelve months period ended December 31	2025	2024	Change
	kEUR	kEUR	%
Revenue	999,296	971,987	2.8%
Cost of revenues	678,145	676,494	0.2%
Gross profit	321,278	295,752	8.6%
Adjusted EBITDA	138,204	147,464	-6.3%
Revenue by geography			
North America	346,827	347,665	-0.2%
Central Europe	298,034	278,774	6.9%
Rest of Europe	125,951	119,050	5.8%
Rest of World	228,484	226,498	0.9%
Revenue by country			
Germany	232,568	214,931	8.2%
US	344,257	342,309	0.6%
Revenue by industry			
Automotive, Manufacturing and Industrial	248,648	219,794	13.1%
Energy, Utilities and Building Automation	66,488	73,544	-9.6%
Financial Services and Insurance	123,573	124,757	-0.9%
Horizontal Tech	50,868	61,489	-17.3%
Life Sciences and Healthcare	71,399	70,893	0.7%
Management Consulting and Business Information	75,895	60,509	25.4%
Public, Non-profit and Education	90,184	88,876	1.5%
Retail and CPG	135,136	132,417	2.1%
Telecom, Media and Entertainment	44,679	54,180	-17.5%
Travel and Logistics	92,427	85,529	8.1%

Nagarro group

Key figures – quarterly

	Q4 2025	Q4 2024	YoY Change	Q3 2025	QoQ Change
	kEUR	kEUR	%	kEUR	%
Revenue	245,867	246,630	-0.3%	254,569	-3.4%
Cost of revenues	168,102	174,412	-3.6%	170,368	-1.3%
Gross profit	77,791	72,291	7.6%	84,208	-7.6%
Adjusted EBITDA	33,408	38,186	-12.5%	44,035	-24.1%
Revenue by geography					
North America	86,672	86,971	-0.3%	88,383	-1.9%
Central Europe	72,362	72,481	-0.2%	76,203	-5.0%
Rest of Europe	30,571	30,123	1.5%	31,750	-3.7%
Rest of World	56,262	57,055	-1.4%	58,232	-3.4%
Revenue by country					
Germany	55,405	56,816	-2.5%	59,716	-7.2%
US	85,735	85,429	0.4%	88,117	-2.7%
Revenue by industry					
Automotive, Manufacturing and Industrial	62,068	59,780	3.8%	65,038	-4.6%
Energy, Utilities and Building Automation	13,754	16,647	-17.4%	15,430	-10.9%
Financial Services and Insurance	29,962	30,170	-0.7%	32,424	-7.6%
Horizontal Tech	11,192	14,587	-23.3%	12,933	-13.5%
Life Sciences and Healthcare	18,068	18,181	-0.6%	18,105	-0.2%
Management Consulting and Business Information	19,056	16,494	15.5%	20,233	-5.8%
Public, Non-profit and Education	22,669	23,078	-1.8%	22,968	-1.3%
Retail and CPG	35,085	32,637	7.5%	33,784	3.8%
Telecom, Media and Entertainment	10,940	12,763	-14.3%	10,739	1.9%
Travel and Logistics	23,073	22,292	3.5%	22,914	0.7%

Twelve-month period ended December 31	2025	2024
	%	%
Revenue concentration (by customer)		
Top 5	15.5%	14.4%
Top 6-10	8.8%	9.1%
Outside of Top 10	75.7%	76.5%

Gross profit, gross margin and Adjusted EBITDA margin are neither required by, nor presented in accordance with IFRS. Non-IFRS measures should not be considered in isolation or as a substitute for results under IFRS.

Gross profit is calculated on the basis of total performance which is the sum of revenue and own work capitalized.

Rounding differences may arise when individual amounts or percentages are added together.

Dear fellow shareholders,

In our last annual report, we articulated Nagarro's strategy of "Up, Across, Together" to capitalize on the AI opportunity:

Up: To elevate our positioning, from our traditional foundation of engineering excellence, to advising client CXOs on the strategic interplay between technology and business value.

Across: To encourage and empower our industry teams to capture business across key regions, rather than focusing on one or the other region for legacy reasons.

Together: To enhance collaboration and cross-selling, while reducing duplication of effort, particularly in AI topics.

Since then, we have made steady progress on these three dimensions. We now complement our technical AI solutioning with AI advisory services at an enterprise, CXO-level. We have secured a few lighthouse examples where we are executing this model for major global enterprises. While advisory will not immediately contribute significantly to revenue (or to costs), it will expand our influence, footprint, pricing power and revenue opportunities at each client. We intend to scale advisory services significantly in 2026 and 2027.

We have also moved to support our global business units with centralized, growth-focused functions. Our global business units have historically been entrepreneurial and self-organizing, which is a major strength. Yet, we have decided that, in a tempered demand environment, we cannot afford to leave untapped the growth potential of standardized growth motions, such as structured partnerships and programmatic cross-selling. This shift represents a major strategic unlock once fully implemented.

To improve collaboration and efficiency, we are simplifying the organization by consolidating our global business units into just six "industry BUs" and four "capability BUs." These larger units provide better geographical coverage and capture improved economies of scale and scope. This leaner structure is also far easier to steer through the current transformation. Two of the capability BUs are completely focused on AI, namely, "AI in Change" (advisory, solutions, platforms) and "AI in Run" (testing and managed services). With these steps, we are keeping pace with the emerging opportunities and challenges of the AI era.

Our strong engineering DNA cements our "right to win" in the changed context, especially as story after story emerges of enterprise crises due to sloppy engineering with AI. Meanwhile, our carefully cultivated expertise in various industry and regional contexts, is coming together excellently with our lean, small-teams approach, to deliver advisory-led transformation to our clients. AI-transformation will not be so different from digital transformation, but this time around, we want a seat at the top table. These are early days, but the direction is clear, and we are executing with conviction.

Sincerely,

Manas Human
Co-Founder & Chairperson of the Management Board

Index

Section A 8

Combined Management Report 8

I. General information about this combined management report 9

II. Fundamental information about the Group 10

III. Economic report 14

IV. Corporate governance statement 26

V. Takeover-related disclosures 33

VI. Supplementary report 36

VII. Comments on the financial statements of Nagarro SE 36

VIII. Report on expected developments 41

IX. Risks and opportunities report 43

Section B 55

Consolidated Financial Statements of Nagarro SE 55

Consolidated statement of financial position 58

Consolidated statement of comprehensive income 60

Consolidated statement of changes in equity 62

Consolidated statement of cash flows 64

Notes to the consolidated financial statements 65

Section C 164

Important Information 164

I. Report of the Supervisory Board for the 2025 financial year 166

II. Responsibility statement of the legal representative 174

III. Financial calendar 175

IV. Legal notice 176

V. Independent auditor's report 177

Section D 182

Non-financial Group Statement of Nagarro SE 182



Section A

Combined Management Report

of Nagarro SE and the Nagarro Group

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

I. General information about this combined management report

Basis of preparation

This combined management report by Nagarro (collectively, "we," "us," "our," "Nagarro," "Group," or "Company") and the management report of Nagarro SE have been prepared in accordance with sections 289, 289a, 289b, 289f, 298, 315, 315a, 315b, and 315d of the German Commercial Code (HGB), the German Stock Corporation Act (AktG) and German Accounting Standard (GAS) No. 20.

The combined management report presents the Management Board's assessments and evaluation of Nagarro's business performance, including its results of operations and overall situation, and focuses on the material information for understanding Nagarro's net assets, financial position and results of operations and the expected development. A separate non-financial report is published as Section D in our 2025 annual report in the Company Register and on our website.

The figures presented throughout this report are rounded, which may result in minor discrepancies with the presented totals and percentages.

External audit

This combined management report has been subject to an annual independent audit by KPMG AG Wirtschaftsprüfungsgesellschaft, Munich ("KPMG" or "Auditor"). Cross-references to the non-financial report, the Nagarro Constitution and the whistleblower policy, and the information to which the cross-references refer, are not audited by the auditor. Further unaudited sections are marked accordingly.

Forward-looking statements

The combined management report contains forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of publication of this combined management report. This applies, in particular, to statements in this combined management report containing information on our future earnings capacity, plans and expectations regarding business growth and profitability, and the general economic conditions to which we are exposed. Statements using words such as "predicts", "assumes", "estimates", "forecasts", "plans", "intends", "endeavors", "expects" or "targets" may be an indication of forward-looking statements.

The forward-looking statements contained in this combined management report are subject to risks and uncertainties, as they relate to future events, and are based on estimates and assessments made to the best of our present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, including, but not limited to, those described in the sections on expected developments and associated material opportunities and risks in the Combined Management Report. The occurrence or non-occurrence of these assumptions, uncertainties and other factors could cause our actual results, including our financial condition and profitability, to differ materially from, or fail to meet, the expectations expressed or implied in the forward-looking statements.

II. Fundamental information about the Group

A. Organizational and legal structure

Nagarro SE, based in Munich, Germany, is the parent company of the Nagarro Group. To the extent that no separate disclosures are made, the information provided for the Nagarro Group shall be deemed applicable to Nagarro SE. The Financial Statements of Nagarro SE are drawn up in accordance with the provisions of the HGB and the relevant supplementary provisions contained in the AktG.

Nagarro SE oversees the operations of its global subsidiaries. These subsidiaries are spread across 38 countries, with a focus on delivering superior digital engineering services to clients around the world.

The Nagarro Group is organized into more than 20 Global Business Units (GBUs), which may be specific to an industry, a particular service expertise or business achieved through a sales channel. GBUs are periodically added or retired, reflecting changes in business priorities. Our organizational model fosters autonomy within business units, empowering them to remain responsive to client needs and evolving market conditions, which allows the Company to quickly adapt to changes and seize opportunities in various sectors. The GBUs leverage the Company's global talent pool and also frequently collaborate with each other to win and service clients.

The GBUs are supported by central functions such as finance, enterprise data, legal, risk and compliance, and by the region-wise administrative units called Service Regions. Notably, talent allocation and planning is also centralized and global.

At year-end, the total number of professionals employed by Nagarro was 18,003 in 2025 [2024: 17,825 (previously reported: 17,695*)], while the number of professionals in engineering was 16,429 in 2025 [2024: 16,453 (previously reported: 16,192*)]. This also includes non-engineers, such as designers, contributing to our engineering efforts and are therefore within professionals in engineering. At year-end, the top five countries in terms of professionals in engineering were India (12,264), Germany (916), Romania (723), United States of America (481) and Philippines (456).

*up to the year 2024, Nagarro had considered only on-roll employees under the category of "Professionals" for the purpose of headcount disclosure. The Company has certain so-called W-2 employees in USA who are employed on a contractual basis but their payroll is processed through same payroll cycle with social security and tax deductions similar to any other full time employee. Their cost is also charged to staff costs. Accordingly, effective 2025, Nagarro has included these W-2 employees within category of "Professionals", and the comparative figures for previous years have been restated accordingly.

B. Business model

Nagarro is a global provider of digital engineering services to other businesses.

We harness the power of digital engineering, data and AI to help our clients run their businesses more intelligently and efficiently. We use the term "fluidic intelligence" to denote what our services aim to deliver to our clients. This encompasses improved human-AI collaboration, connected enterprise data and grounded AI models, and the smooth flow of information, decisions and actions across process and organizational boundaries.

To deliver these results, we advise on, develop, test, integrate, deploy, secure, upgrade, maintain and manage digital products, digital commerce and customer experience solutions, Big Data and AI solutions, ERP, or other third-party applications. Our expertise extends across sectors, leveraging industry-specific insights to achieve strategic goals in complex, evolving and competitive digital and AI landscapes. The industries we serve include:

Automotive, Manufacturing and Industrial: Our technology services enable automotive clients to navigate market shifts and accelerate innovation in connected cars, autonomous driving, and customer experience. For manufacturing and industrial clients, we provide technology solutions that create connected, intelligent enterprises, and drive efficiency and innovation across operations.

Energy, Utilities and Building Automation: We enable the industry's vision of digital, decentralized, and sustainable energy by driving innovation. Our services help energy and utility companies optimize their operations, ensure sustainability, and embrace digital transformation in response to an evolving energy landscape. Our integrated experiences for smart buildings ensure operational efficiency, enhanced user comfort, and improved sustainability.

Financial Services and Insurance: Nagarro's services help banks, fintech companies and insurers enhance customer experience, security, regulatory compliance and operational efficiency.

Horizontal Tech: Nagarro partners with leading Independent Software Vendors (ISVs) to help them accelerate their product vision and roadmap, adopt new business models, and deliver innovative solutions. Our long experience in software product development and digital engineering makes us a reliable engineering partner for ISVs.

Life Sciences and Healthcare: Technology is transforming the healthcare industry—from wearables collecting health data to AI-powered diagnostics. We help clients drive innovation in patient care, research, and medical device development while ensuring compliance with regulatory standards. Our solutions contribute to improved patient outcomes and enhanced operational efficiency.

Management Consulting and Business Information: We help these companies build internal systems as well as data products for sale. Our strategic partnerships with management consulting firms can drive client referrals and position us as a preferred partner to execute digital transformation initiatives.

Public, Non-profit and Education: We enable public sector organizations to make smarter, data-driven decisions, enhance citizen engagement, and accelerate innovation. We support nonprofits and educational institutions in embracing digitization, leveraging data, and improving engagement with stakeholders.

Retail and CPG: We help retail and consumer goods companies address an ever-evolving consumer landscape by leveraging data and AI to personalize experiences, improve supply chain efficiency, and increase business agility.

Telecom, Media and Entertainment: In telecom, we help clients use AI and data to personalize services, boost loyalty, and improve operations. In the field of entertainment, we focus on data-driven engagement and smooth user experiences, especially in gaming. In media and publishing, we support digital innovation and new content platforms.

Travel and Logistics: Our services help airlines, airports, public transport operators, hotel chains, railroads, freight carriers and other travel and logistics companies stay safe, predictable, efficient and customer friendly.

Clients mostly engage us for provision of services on a time and expense basis, periodic basis or through fixed-price contracts. During the year 2025, Nagarro had revenues of €685.7 million (68.6% of total revenue) from time and expense projects, €199.6 million (20.0% of total revenue) from periodic services, €107.4 million (10.7% of total revenue) from milestone-based fixed-price projects, and €6.7 million (0.7% of total revenue) from license sale and other sources.

Revenue for time and expense contracts is recognized over the course of the project as services are performed.

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the input method. Efforts or costs expended are used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is determined based on the ratio of costs or efforts incurred to date relative to the estimated total costs or efforts. The transaction price and estimated costs are reviewed and updated regularly throughout the duration of the contract. Any revisions to estimates are recognized in the period in which they are identified. Provisions for expected losses, if any, are recognized immediately.

Contracts that establish a fixed monthly billing amount for continuous service delivery are recognized as revenue over time, reflecting the transfer of services to the customer as they are performed. These contracts typically involve recurring services, such as maintenance activities, where services are delivered through an indefinite number of repetitive acts over a specified period. In such cases, revenue is recognized on a straight-line basis as the pattern of service delivery and the customer's receipt of benefits are uniform over the contract term, and there is no significant judgment required in measuring progress.

Revenue from the rental of datacenter resources is recognized on periodic basis based on the monthly fixed or monthly usage basis. Further, Nagarro also sells its own and third-party licenses, which is currently not a significant part of Nagarro's business model.

Nagarro serves a diverse portfolio of over 1,000 clients across 72 countries, mostly engaging with them directly without reliance on intermediaries. While much of our revenue from any client comes from individual projects, our relationships with larger clients are typically long-term and include numerous individual projects. The total number of clients with whom we do more than €10 million of business annually in 2025 was 20 (2024: 18). The average length of our relationship with these clients was 13.2 years (2024: 12.8 years). The total number of clients at between €5 million and €10 million revenue in 2025 was 15 (2024: 18) with an average relationship of 11.3 years (2024: 8.6 years). The total number of clients at between €1 million and €5 million revenue in 2025 was 145 (2024: 150), with an average relationship of 6.8 years (2024: 6.1 years). Our strong technological expertise and extensive domain knowledge allow us to deliver customized solutions to our clients. While Nagarro maintains partnerships with leading technology providers, we remain technology-agnostic, focusing on recommending the most suitable solutions based on each client's needs. [Note: the data presented in this paragraph has not been audited.]

Our largest sales markets are Europe and North America, which together account for approximately three-quarters of our 2025 revenue. Germany is the largest contributor to European revenue, while nearly all of our North American revenue is derived from the US. We service each client using an appropriate mix of professionals from one or more of our locations, Rest of World being the largest contributor. Within the Rest of World region, India represents our primary delivery hub.

C. Strategy and objectives

This section describes Nagarro's medium (2 to 5 years) and long-term (>5 years) objectives and the strategies used to work towards these objectives.

Nagarro's growth strategy emphasizes a balance between driving revenue and Adjusted EBITDA growth. The Company has been successful with this strategy in the medium-term, driving revenue growth at a CAGR of 18.4% and Adjusted EBITDA growth at a CAGR of 12.6% from 2020 to 2025. Growth within existing accounts is typically driven by extending services across various divisions or geographic regions. New clients are often acquired through a strong foundation of testimonials, case studies, and referrals from existing clients. Nagarro seeks to use its collaborative structure to turn collective expertise into client success, especially when solving complex, interdisciplinary challenges.

Nagarro continuously works to enhance its future capabilities and its future standing at clients, by prototyping with new technologies, running ideation workshops with clients, and investing in proof-of-concept projects. While these efforts are not expected to drive short-term growth, they are crucial to supporting the Company's medium-term strategic objectives.

We also seek inorganic growth through mergers and acquisitions (M&A). Nagarro's acquisitions team actively identifies businesses that complement its operations, particularly those that provide specialized expertise or access to new clients and talent pools. The cultural fit of potential acquisitions is also considered to ensure successful integration and alignment with Nagarro's values. Through 2025, Nagarro has completed 4 M&A transactions.

Nagarro's Mission Statement is: "To make distance and difference irrelevant between intelligent people."

This mission reflects Nagarro's commitment to fostering seamless collaboration among talented individuals, regardless of their physical locations or diverse backgrounds. The IT industry today is a global industry, with talent, clients and partners distributed across the world. Many of our clients are also multinationals, and many have grown through M&A just like Nagarro has. Many of our projects are interdisciplinary. We drive client value by integrating diverse perspectives from our employees to ensure seamless execution of complex digital transformations. We expect to enhance the collaboration between our employees and teams, improving efficiencies and reducing frictions.

Central to Nagarro's culture are its core values, encapsulated in the acronym CARING:

- Client-centric: Prioritizing client success and building lasting partnerships.
- Agile: Embracing responsiveness and swift adaptation to change.
- Responsible: Taking ownership of actions and their outcomes.
- Intelligent: Valuing knowledge, results, and boldness over hierarchy.
- Non-hierarchical: Empowering individuals to be creative and entrepreneurial.
- Global: Embracing diversity and collective intelligence across geographies.

These values derive from the Mission Statement and Vision Statement. They collectively define Nagarro's organizational ethos and guide its interactions with clients, colleagues, and society.

As a people-driven industry, Nagarro focuses on deploying skilled professionals, most of whom are software experts. These professionals are equipped with the necessary tools, such as technology assets and ongoing training, to continually enhance their capabilities. Nagarro also prioritizes creating a fulfilling work environment, fostering long-term employee satisfaction and engagement.

We connect our diverse workforce of more than 18,000 professionals across 38 countries with culture. We cultivate a non-hierarchical, globally connected, informal work culture. 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. It also helps us attract and retain top talent in a competitive market for talent.

We emphasize the responsible use of technology, embedding sustainability into our operations and client projects to support a greener, more inclusive future.

D. Internal management system and performance indicators

Nagarro is steered by its Management Board pursuant to the AktG and supported by a senior management team responsible for the individual business units.

Effective management and decision-making are supported by a well-defined set of key performance indicators (KPIs) that align with our strategic objectives. These KPIs enable us to monitor performance, assess progress, and make data-driven decisions across all levels of the organization.

The Company's chosen key financial KPIs are revenue, gross margin and Adjusted EBITDA margin. Gross margin and Adjusted EBITDA margin are non-IFRS alternative performance measures, selected to provide supplemental information for a meaningful comparison of the Company's financial performance with industry peers and across reporting periods.

Our success depends on building long-term relationships with our clients. In any year, the majority of our revenue comes from existing clients. Referrals from existing clients are also a significant source of new client acquisitions. Therefore, our key non-financial KPIs are our client satisfaction (CSAT) score and our Net Promoter Score (NPS), both of which are measured via a standardized client satisfaction survey.

The Company's employees are financially incentivized on the Company's overall performance and not only on the performance of their individual area of responsibility. This is achieved through an "organization bonus," which is linked to Adjusted EBITDA, and stock options. Individual under-performance may lead to interventions such as performance improvement plans, a change of responsibilities, or even dismissals.

The Company's KPIs are described in greater detail in III.B. Business performance for 2025 of section A.

E. Market position and competitive landscape

Nagarro competes for client projects with global Tier-1 IT service providers, mid-sized digital engineering specialists, and niche software solution providers. Among these, we see ourselves as most similar to mid-size digital engineering specialists in terms of our value proposition.

Compared to the global Tier-1 IT services providers, Nagarro seeks to differentiate itself through greater responsiveness and client-centricity, which allows us to consistently deliver good project outcomes as reflected in our CSAT and NPS scores. We aim to surpass the service levels and match the global footprint that these larger service providers may offer.

Compared to the mid-sized digital engineering specialists, we seek to differentiate ourselves through robust engineering in complex products and intricate technology landscapes. Clients also appreciate that we can service their requirements locally as well as remotely from locations across the globe.

Compared to the niche software solution providers, we seek to differentiate ourselves by demonstrating a better understanding of the broader client context and bringing more tools to address their requirements in a holistic and bespoke way.

Overall, Nagarro has positioned itself as a trusted, strategic partner for digital transformation.

F. 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, Anthropic, Databricks, Google, Microsoft, OpenAI, Salesforce, SAP, ServiceNow, Siemens and Snowflake, as well as those created by niche 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 which are not material. In 2025, we amortized €0.2 million (2024: €0.4 million) of such assets. The closing value of intangible assets related to R&D on our balance sheet as of December 31, 2025, was €0.3 million (2024: €0.5 million).

III. Economic report

A. The business environment in 2025

Global economy

The global economy experienced moderate but steady growth, with OECD projecting that global GDP will increase by 3.2% in 2025 as higher tariffs and ongoing policy uncertainty slow down investment and trade. In the United States, growth is projected to fall from 2.8% in 2024 to 1.8% in 2025 due to higher tariff rates, moderating net immigration and reductions in the federal government workforce. In the Euro area, GDP growth is expected to be even more modest at 1.2% in 2025 with increased trade frictions and geopolitical uncertainty somewhat offset by stronger public investment and easier credit conditions.

IT services industry

Gartner forecasts worldwide IT services spending to grow 6.4% in 2025 in US dollar terms. Economic uncertainty and focus on delivering returns on companies' IT investments has led to a cautious approach towards discretionary digital projects. This landscape is complicated by AI and its unclear future role in enterprise IT. Chief Information Officers (CIOs) are facing scrutiny over the ROI and safety of projects built on this complex and nascent technology. We believe this uncertainty has caused a temporary slowdown in new IT services engagements as budget holders seek assurance of robust implementations and tangible outcomes.

Impact on Nagarro

Nagarro's geographic and industry diversification helped drive growth in a challenging business environment. Emerging markets, such as the Middle East, continued to offer promising opportunities for expansion, given their robust investments in technology infrastructure and AI development. Similarly, Nagarro was able to continue to grow significantly in 2025 in the "Automotive, Manufacturing and Industrial" industry. On the negative side, Independent Software Vendors (ISVs) in our "Horizontal Tech" industry appeared significantly affected by technology disruption and were more aggressive in reducing their spend on IT services with us. In many other industries in between, like "Management Consulting and Business Information" and "Travel and Logistics," we were able to use our expertise to continue to grow even in a challenging industry environment.

On the talent side, attrition and wage inflation remained moderate. The requirements for working remotely, in the office, or at client locations typically varied from team to team with many Nagarrians working remotely in 2025.

B. Business performance for 2025

In this section, we compare the achieved results for 2025 with the outlook presented in the Combined Management Report for 2024. A detailed analysis can be found in the section on the result of operations.

Revenue

In our Combined Management Report for 2024, we had projected Nagarro's revenue for 2025 to be between €1,020 million and €1,080 million, when calculated at the currency exchange rates then prevailing, as against €972 million in 2024. Our actual revenue in local currencies was approximately at the midpoint of our range of expectations, however, the strengthening of the Euro against the US dollar – from 1.039 on January 1, 2025 to a yearly average rate of 1.130 on December 31, 2025 – significantly reduced our Euro-denominated top line. Further, the demand was lower than expected due to some customers scaling back a few projects. It may also be noted that the rate of growth in global IT services spending in 2025 was lower than projected. Gartner's public estimates for the year-on-year growth in 2025 in the world-wide spend on IT services, denominated in US dollars, decreased from a forecast of 9.0% on January 21, 2025, to an estimate of 6.4% on February 3, 2026. Nagarro's final actual revenue for 2025 is €999 million.

Gross margin and Adjusted EBITDA

Gross margin is the ratio of gross profit to revenue, where gross profit is calculated as the difference between total performance and cost of revenues. Total performance includes customer revenue and own work capitalized. Cost of revenues comprises direct costs attributable to customer revenue delivery, including personnel costs for employees and freelancers, related travel expenses, software licenses, and further customer-related costs (reimbursable and non-reimbursable). Cost of revenues excludes Global Business Unit (GBU) management costs and expenses related to consultative sales and thought-leadership activities across Centers of Excellence and GBUs.

Personnel costs are classified between Cost of revenues and Selling, General & Administrative expenses (SG&A) in accordance with a structured, time-based allocation policy. Costs are allocated based on actual timesheet entries and the nature of work performed.

Costs directly attributable to customer delivery are classified under cost of revenues, while costs related to core support functions such as finance, HR, sales etc are classified under SG&A.

In our Combined Management Report for 2024, we had targeted gross margin in the region of 30% for 2025. Nagarro's enhanced execution drove a solid gross margin of 32.2% in 2025. The improvement in gross margin was primarily driven by focused operational efficiencies, including optimization of bench strength, disciplined wage management measures, and enhanced project utilization across the organization. These initiatives collectively contributed to stronger execution and improved overall cost efficiency. The table below shows the achieved gross margin for 2025 and 2024:

	2025	2024
	mEUR	mEUR
Revenue	999.3	972.0
Own work capitalized	0.1	0.3
Total performance	999.4	972.2
Cost of revenues	(678.1)	(676.5)
Gross profit	321.3	295.8
Gross margin (as % of revenue)	**32.2%**	**30.4%**

The items "Costs of revenues" and "Selling, General and Administrative expenses", both not including depreciation and amortization, reconcile to income and expense presented in consolidated statements of comprehensive income as follows:

	2025				
		thereof			
	Costs by nature	Cost of revenues	Selling, General and Administrative expenses	Special items*	Total
	mEUR	mEUR	mEUR	mEUR	mEUR
Cost of freelancers and other direct cost	82.9	82.9	-	-	82.9
Staff costs	706.2	573.2	116.6	16.5	706.2
Other operating expenses	101.1	22.1	74.9	4.1	101.1
Impairment of trade receivables and contract assets	(0.4)	-	(0.4)	-	(0.4)
Other operating income	(9.1)	-	(8.0)	(1.1)	(9.1)
Total	**880.7**	**678.1**	**183.1**	**19.5**	**880.7**

	2024				
		thereof			
	Costs by nature	Cost of revenues	Selling, General and Administrative expenses	Special items*	Total
	mEUR	mEUR	mEUR	mEUR	mEUR
Cost of freelancers and other direct cost	68.9	68.5	0.4	-	68.9
Staff costs	703.0	585.8	107.0	10.3	703.0
Other operating expenses	93.9	22.3	66.1	5.5	93.9
Impairment of trade receivables and contract assets	3.0	-	3.0	-	3.0
Other operating income	(30.6)	-	(28.3)	(2.3)	(30.6)
Total	**838.2**	**676.5**	**148.3**	**13.4**	**838.2**

*The details of special items can be found in the below table relating to reconciliation between Adjusted EBITDA and EBITDA.

Cost of revenues increased slightly by €1.6 million to €678.1 million (67.9% of revenue) in 2025 from €676.5 million (69.6% of revenue) in 2024. The increase in cost of revenues was significantly lower than the growth in revenues, resulting in a reduction in cost of revenues as a percentage of revenue. This development was primarily driven by focused operational efficiencies, including optimization of bench strength, disciplined wage management measures, and enhanced project utilization across the organization. These initiatives collectively contributed to stronger execution and improved overall cost efficiency.

Other operating expenses included within cost of revenues primarily comprise travel expenses incurred by delivery professionals, costs related to software licenses, and certain other reimbursable and non-reimbursable cost components from the customers. The remaining other operating expenses are recognized within selling, general and administrative expenses or special items, as appropriate.

Selling, general and administrative expenses increased by €34.8 million to €183.1 million in 2025 from €148.3 million in 2024. The increase was primarily driven by higher expenses from currency translation and foreign exchange forward transactions amounting to €26.6 million. In addition, expenses rose due to continued investments in building capabilities in artificial intelligence and other emerging technologies, including the development of internal expertise, platforms, and solutions to support future growth. These investments are in line with Nagarro's long-term strategic priorities and are expected to strengthen its innovation capabilities and competitive position.

We define Adjusted EBITDA as earnings before interest, taxes, depreciation and amortization (EBITDA) adjusted to exclude effects that we consider extraordinary, such as impairment of goodwill, purchase price adjustments, badwill, foreign exchange effects on purchase price, sale of equity investments, share based payment arrangements cost, transaction costs related to business combinations, retention bonus and non-capitalized earn-out expenses related to acquisitions, expenses relating to the strategic review of Company's listing and privatization choices and subsequent exploration of the take-private option and, from current year, additional employee benefits expense related to statutory impact of new Labour Codes in India, additional audit fees and independent investigation expenses following past external allegations. The Adjusted EBITDA is more suitable for comparing operating performance over several periods. It is calculated according to economic criteria and is independent from IFRS rules. A more detailed definition can be found in the consolidated financial statements.

In our Combined Management Report for 2024, we had targeted Adjusted EBITDA margin between 14.5% and 15.5%. Despite positive underlying operational performance of the Company, on account of revaluation loss of €15.5 million on intra-group loans within Nagarro Group because of the weakening of the US dollar against the Euro by 13% that we do not historically adjust for to arrive at Adjusted EBITDA, we revised the guidance for Adjusted EBITDA margin to be between 13.5% and 14.5% in August 2025. The table below shows calculations for achieved Adjusted EBITDA for the year 2025 of 13.8%. The reconciliation between Adjusted EBITDA and EBITDA is as follows:

	2025	2024
	mEUR	mEUR
EBITDA	**118.7**	**134.0**
Adjustment for special items		
Income from purchase price adjustments	(1.1)	(2.3)
Exchange (gain) / loss on purchase price components	(0.0)	0.0
Share based payment arrangements cost	0.1	3.8
Transaction costs related to business combinations	0.9	0.3
Retention bonus expense as part of share purchase agreement of the acquired entities	2.7	3.4
Non-capitalized earn-out expense relating to acquisitions	1.3	3.1
Independent investigation expenses following past external allegations	2.0	-
Expenses relating to strategic review of listing and privatization choices	-	1.2
Expenses relating to the exploration of the take-private option	-	3.9
Additional employee benefits expense related to statutory impact of new Labour Codes in India	12.4	-
Additional audit expenses	1.3	-
Total adjustment for special items	**19.5**	**13.4**
Adjusted EBITDA	**138.2**	**147.5**
Revenues	**999.3**	**972.0**
Adjusted EBITDA (as % of revenues)	**13.8%**	**15.2%**

The most significant adjustment to EBITDA for the year relates statutory impact of new Labour Codes in India amounting to €12.4 million which represents cumulative statutory impact of new Labour Codes implemented in India with effect from November 21, 2025. The impact is primarily on account of defined benefit obligations due to change in wage definition which has been clubbed in staff costs in the consolidated statement of comprehensive income. The previous year's figures included expenses relating to strategic review of listing and privatization choices of €3.9 million and expenses relating to the exploration of the take-private option of €1.2 million that were not incurred in 2025.

CSAT and NPS scores

Our key non-financial KPIs are our client satisfaction (CSAT) score and Net Promoter Score (NPS). Both the CSAT and the NPS are measured via a standardized client satisfaction survey. This survey is sent every quarter to the person responsible for project success on the client side – excluding very small engagements, defined since Q1 2025 as projects with no more than 3 FTEs of average monthly staffing in the quarter. Before Q1 2025, the projects excluded from the survey were defined as those with staffing in only one month, or in two months with no more than 1 FTE in each. The threshold for sending out the survey was changed based on client feedback and the low response levels for these small projects.

This survey also does not cover engagements via acquisitions in up to 5 quarterly cycles after the completion of their integration into Nagarro's systems and processes. Despite these caveats, the CSAT and NPS results are very central to our management system.

Each CSAT survey asks clients to indicate how frequently they are satisfied with specific aspects of our services. Each survey consists of six questions, and for each question clients can respond with "Always", "Mostly", "Sometimes", or "Never". The CSAT score represents the proportion of responses marked as "Always" or "Mostly" across all surveys conducted during the reporting period. Responses are monitored closely at multiple levels — in aggregate, by individual question, and at the project level. While minor fluctuations are expected, any significant trends are analyzed and corrective internal actions are then taken to address it accordingly. At the aggregate level, the CSAT score reflects the percentage of responses rated as "Always" or "Mostly". Our CSAT score for 2025 was 93.4% with the new exclusion policy for very small engagements (2024: with the new policy: 93.8%; with the old policy: 91.8%). In our Combined Management Report for 2024, we had targeted a CSAT in the region of 90% (with the new policy) for 2025, so the goal was achieved.

The NPS question posed in the survey is: "On a scale of 1-10, how likely are you to recommend Nagarro to a friend or colleague?" Promoters are those who give a score of 9 or 10, Passives are those who give a score of 7 or 8, and Detractors are those who respond with a score below 7. The NPS score is calculated as (number of Promoters – number of Detractors) * 100/ (total number of NPS responses) and rounded to the nearest whole number. Nagarro's NPS score for 2025 was 68 with the new exclusion policy for very small engagements (2024: with the new policy: 68; with the old policy: 62). In our Combined Management Report for 2024, we had targeted an NPS in the region of 60 (with the new policy) for 2025, so the goal was achieved.

C. Result of operations

Revenue

Nagarro's revenues grew to €999.3 million in 2025 from €972.0 million in 2024, up 6.1% in constant currency and up 2.8% in Euro terms. This was lower than our updated guidance on August 14, 2025. 2025 revenues were lower than the original forecast ranging between €1,020 million and €1,080 million provided on January 23, 2025, when calculated at the currency exchange rates then prevailing. Revenues were lower mainly due to strengthening of the Euro against the US dollar. Further, revenues were negatively impacted due to lower than expected demand and scale-backs in a few projects by the customers. Organic YoY revenue growth, which excludes revenue contribution from acquisitions happened during the reporting and comparative period, was 5.3% in constant currency, which translated to 2.0% organic YoY revenue growth in Euro terms. The difference between organic constant curreny growth of 5.3% and reported organic growth of 2.0% YoY growth was primarily dirven by adverse foreign exchange movements, primarily in USD/EUR and INR/EUR, which had modest negative impact on reported revenues.

Nagarro generated 68.6% of its revenue from services on time and expense basis (2024: 69.8%), 20.0% of its revenue from periodic services basis (2024: 16.2%), 10.7% of its revenue from services on fixed-price basis (2024: 13.4%), and 0.7% of its revenue from other services (2024: 0.6%) in 2025. Revenues across billing types in 2025 reflect both underlying business trends and a refinement in contract classification undertaken during the year to ensure consistent application of an organization-wide framework. As a result, certain engagements have been reclassified across billing categories, and changes in revenue mix should be viewed in this context.

Revenues from time and expense services have decreased by 1.1% to €685.7 million in 2025 from €678.4 million in 2024 mainly due to drop in Financial Services and Insurance (in Middle East countries) and Telecom, Media and Entertainment sector (primarily United States of America). The drop was offset with growth in Automotive, Manufacturing and Industrial sector (mainly Germany and United States of America) and Management Consulting and Business Information sector (primarily India). Revenues from fixed-price services decreased by 17.4% to €107.4 million in 2025 from €130.0 million in 2024 mainly due to decline in revenues from Retail and CPG sector (primarily United States of America). Revenues from periodic services increased by 26.6% to €199.6 million in 2025 from €157.6 million in 2024 mainly due to increase in revenues from the Financial Services and Insurance sector (in United Arab Emirates and

Austria), Retail and CPG sector (Germany and United States of America). Revenues from other services, mainly license sales, increased by 12.8% to €6.7 million in 2025 from €5.9 million in 2024.

Further, current year revenue includes the positive hyperinflationary impact in Türkiye of €1.9 million in 2025 compared to €2.7 million in 2024 because of a lower inflation in 2025 than 2024.

Industries with robust global growth in 2025 over 2024 included "Management Consulting and Business Information" (25.4%), "Automotive, Manufacturing and Industrial" (13.1%) and "Travel and Logistics" (8.1%). Robust growth in "Management Consulting and Business Information" is mainly due to growth from customers in Rest of World and North America regions. Growth in "Automotive, Manufacturing and Industrial" is mainly due to growth in customers from Central Europe and North America regions.

Industry with the least growth in 2025 over 2024 was in "Life Sciences and Healthcare" (0.7%).

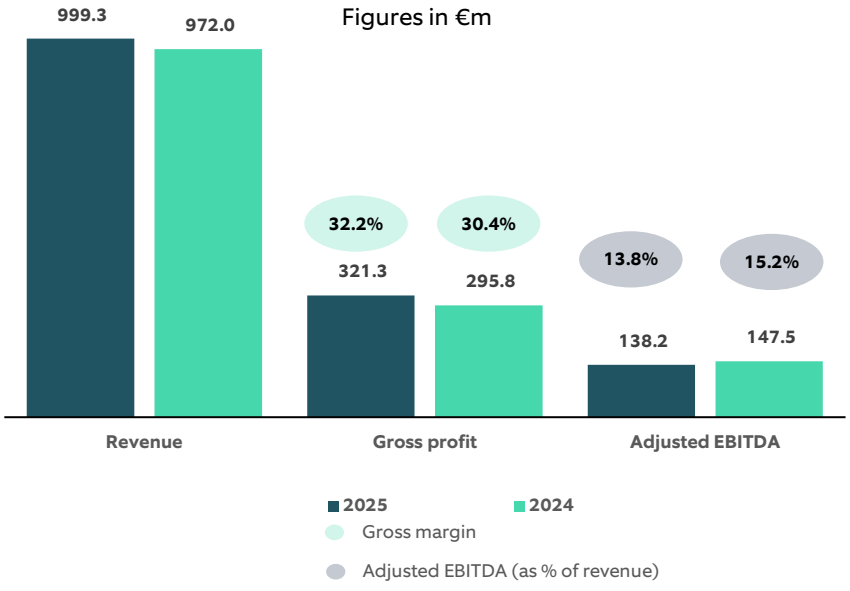
Industries with negative growth in 2025 over 2024 included "Telecom, Media and Entertainment" (-17.5%), "Horizontal Tech" (-17.3%), and "Energy, Utilities and Building Automation" (-9.6%). Negative growth in "Telecom, Media and Entertainment" is mainly due to decrease in customers in Central Europe and Rest of Europe. Revenue decrease in "Horizontal Tech" is mainly due to revenue drop from customers in Rest of World and North America regions.

In 2025, in the geographical revenue distribution based on client region, Nagarro generated 34.7% of its revenue from North America (2024: 35.8%), 29.8% of its revenue from Central Europe (2024: 28.7%), 22.9% of its revenue from Rest of World (2024: 23.3%) and 12.6% of its revenue from Rest of Europe (2024: 12.2%).

The revenue from our top 5 clients as a percentage of total revenue increased to 15.5% in 2025 from 14.4% in 2024. Revenue from the next 5 largest clients declined to 8.8% compared to 9.1% in 2024, while revenue from clients outside the top 10 decreased to 75.7% from 76.5%.

Our clients in 72 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	2025 mEUR	2024 mEUR
USD	364.4	373.7
EUR	388.1	356.8
INR	90.4	92.4
AED	33.2	30.5
GBP	25.0	21.2



Other operating income

Other operating income decreased by €21.5 million to €9.1 million in 2025 from €30.6 million mainly due to decrease in income from currency translation by €16.3 million and foreign exchange forward transactions by €4.0 million on account of net presentation of foreign exchange gains and loss in current year as explained in below note. Further, there has been a decrease in net monetary gain by €1.0 million, decrease in write back of earnout payable of €1.2 million (mainly due to Telesis and APSL which has been offset by write back of earnout payable relating to RipeConcepts).

Note:

Until December 31, 2024, Nagarro presented income and expenses from currency translation and foreign exchange forward transactions on a gross basis. Effective 2025, Nagarro presents these items on a net basis i.e., net income/(expense) from currency translation and net income/(expense) from foreign exchange forward transactions under other operating income or other operating expenses as the case may be. Management believes that this presentation better reflects the nature of these items as part of the Group's overall foreign currency risk management activities and provides more relevant information to users of the financial statements. The change represents a voluntary change in presentation in accordance with IAS 1. The change affects presentation only and has no impact on profit before tax, net profit or equity. Had the net presentation been applied in 2024, net income from currency translation would have been €6.0 million and net income from foreign exchange forward transactions would have been €0.3 million. Accordingly, total other operating income would have been reduced by €14.0 million with a corresponding reduction in other operating expenses.

Cost of freelancers and other direct costs

Cost of freelancers and other direct costs grew by €14.0 million to €82.9 million in 2025 from €68.9 million in 2024 mainly due to more involvement of third party contractors on the projects and increase in purchase of software and licences used to deliver the projects.

Staff costs

Staff costs have increased by €3.2 million to €706.2 million in 2025 from €703.0 million primarily due to statutory impact of new Labour Codes in India of €12.4 million. The same has been offset by net decrease in share based payment arrangements cost amounting to €3.6 million mainly on account of decrease in fair value of the underlying cash-settled employee stock options and lesser number of equity-settled employee stock options in 2025 as compared to 2024 as these were converted into cash-settled in November 2024. The decrease in employee stock options has been offset by increase in expense related to performance-based restricted stock units as these have been granted in 2025 to the members of management board. Further, there is a decrease in bonuses by €3.3 million, decrease in earn-out expense as part of share purchase price agreement (SPA) by €1.8 million, and decrease in payroll cost by €1.7 million (pay increments offsets by decline of around 576 average number of professionals in comparison to 2024). Current year staff costs also include the positive hyperinflationary impact in Türkiye of €1.4 million in 2025 compared to €1.7 million in 2024, resulting in a net decrease of €0.3 million.

Gross profit/Gross margin

Gross profit grew to €321.3 million in 2025 from €295.8 million in 2024. Gross margin was 32.2% in 2025 as compared to 30.4% in 2024 and expected gross margin of around 30.0% as per the guidance issued on January 23, 2025. Gross margin has improved by 1.7 percentage points compared to 2024 mainly due to improvement in project utilization.

Other operating expenses

Other operating expenses have increased by €7.2 million to €101.1 million in 2025 from €93.9 million in 2024 mainly due to expenses relating to the currency translation and foreign exchange forward transactions by €6.3 million. These mainly relate to unrealized foreign exchange losses arising from the remeasurement of intra-group loans within the Nagarro group. As explained above, starting in 2025 Nagarro presents income and expenses from currency translation and foreign exchange forward transactions on a net basis. Accordingly, the above-mentioned expenses are partially offset by corresponding income from currency translation. Further, legal, consulting and audit fees increased by €5.2 million, and independent investigation expenses following past external allegations by €2.0 million. The increase has been offset by decrease in expenses relating to the exploration of the take-private option by €3.9 million and expenses relating to strategic review of Company's business by €1.2 million as no such expenses have been incurred during the year.

Adjusted EBITDA

Adjusted EBITDA was €138.2 million (13.8% of revenue) in 2025, against €147.5 million (15.2% of revenue) in 2024 and is in line with our updated guidance issued on August 14, 2025. Our original targeted adjusted EBITDA margin as per the guidance issued on January 23, 2025 was between 14.5% and 15.5% of revenue. Despite positive underlying operational performance of the Company, on account of the revaluation loss on intra-group loans because of the weakening of the US dollar against the Euro, we modified our targeted adjusted EBITDA margin on August 14, 2025 to be between 13.5% - 14.5%.

Adjusted EBITDA and EBITDA were influenced by the cost impact of measures (such as reduction in people on the bench) taken to align capacity with demand during the year. Despite positive underlying operational performance of the company, due to the revaluation loss on intra-group loans within Nagarro Group because of the weakening of the US dollar against the Euro, Adjusted EBITDA, as a percentage of revenues, has declined by 1.3 percentage points compared to 2024.

Further, current year Adjusted EBITDA includes the positive hyperinflationary impact in Türkiye of €1.2 million for 2025 compared to €1.7 million in 2024, resulting in a net decrease of €0.5 million.

Our net adjustments to EBITDA, as explained in III.B. Business performance for 2025 of section A, in 2025 amount to €19.5 million (2024: €13.4 million) and the most significant adjustments were statutory impact of new Labour Codes in India amounting to €12.4 million (2024: Nil), retention bonus amounting to €2.7 million (2024: €3.4 million), independent investigation expenses following past external allegations amounting to €2.0 million (2024: Nil), earnout expense amounting to €1.3 million (2024: €3.1 million), additional audit fee of €1.3 million (2024: Nil), and share based payment arrangements cost amounting to €0.1 million (2024: €3.8 million). This has been offset by purchase price adjustments of €1.1 million (2024: €2.3 million) from past acquisitions.

EBITDA, depreciation, amortization and impairment and EBIT

EBITDA was €118.7 million in 2025, down by €15.4 million from €134.0 million in 2024 due to above-mentioned effects. Depreciation, amortization and impairment has decreased by €1.6 million to €35.7 million in 2025, as against €37.3 million in 2024, mainly due to decrease in amortization of right of use assets. The decrease in EBITDA was largely passed on to the EBIT. EBIT was €83.0 million (8.3% of revenue) in 2025, down by €13.7 million from €96.7 million (10.0% of revenue) in 2024.

Interest expense, net

Interest expense was €20.1 million in 2025, down by €1.1 million from €21.1 million in 2024 mainly due to decrease in interest expense on syndicated loan on account of repayments and decrease in interest rate during the year. This has been offset by increase in lease liabilities in 2025 primarily on account of new office space taken on lease in India.

Interest income was €2.5 million in 2025, down by €1.0 million from €3.5 million in 2024 mainly due to decrease in cash balances primarily on account of purchase of treasury shares and repayment of syndicated loan during the year.

Income taxes

Income tax expense was €26.0 million (39.7% of EBT) in 2025, down by €4.0 million from €29.9 million (37.9% of EBT) in 2024. Deferred tax income has increased by €10.5 million mainly on account of increase in deductible temporary differences arising from provision of post-retirement benefits due to the implementation of new Labour Codes in India, interest carryforwards and unrealized foreign exchange loss on intra-group loans within Nagarro Group. This has been offset by increase in current tax expense by €6.5 million mainly on account of non-creditable tax withholding on payment of intra-group transfer of dividend within the Nagarro Group amounting to €5.5 million.

Net profit

Net profit was €39.5 million in 2025, down by €9.7 million from €49.2 million in 2024.

Earnings per share

Basic earnings per share based on weighted average of shares outstanding decreased to €3.08 in 2025, compared to €3.69 in 2024. Basic earnings per share based on total shares outstanding decreased to €3.18 in 2025, compared to €3.69 in 2024. Diluted earnings per share based on weighted average of shares outstanding decreased to €3.08 in 2025, compared to €3.69 in 2024. Diluted earnings per share based on total shares outstanding decreased to €3.18 in 2025, compared to €3.69 in 2024. Dilution effect is mainly due to share-based payment arrangements, wherein the exercise price of equity-settled share options is higher than the average market price for the years 2025 and 2024.

Nagarro has operations in 38 countries in which it pays its colleagues and vendors in various currencies. The top 5 currencies based on the domicile of respective entities 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	2025 mEUR	2024 mEUR
INR	373.4	379.6
EUR	245.6	232.7
USD	112.1	123.0
RON	54.7	58.1
TRY	26.9	27.9

D. Financial position

Fundamentals of financial management

Financial management is designed to ensure financial stability, flexibility and, in particular, the Group's liquidity at all times. It includes the management of the financing structure, liquidity management and the monitoring and management of market price risks such as exchange rate and interest rate risks.

Capital structure

For the purpose of Nagarro's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of Nagarro. The primary objective of Nagarro's capital management is to maximize the shareholder value. Nagarro manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, Nagarro may adjust the dividend payment to shareholders or buy-back its own shares and redemption of treasury shares.

As such, Nagarro has retained flexibility to improve investors' participation in the Company's operational successes via opportunistic share buy-backs and the intention to pursue a sustainable dividend policy of distributing 10-20% of Nagarro's IFRS EBIT every year. Redemption of treasury shares does not have any impact on the capital structure. For further details on equity, refer C.11. Equity of section B.

Since September 23, 2022, Nagarro SE has had a Euro-denominated revolving syndicated credit facility agreement with five European credit institutions amounting to €350 million with an option to further increase the loan facility amount to €450 million. The term of the financing arrangement is five years, which can be extended twice by one year each (5+1+1). This loan carries a floating interest rate based on three-month or six-month Euribor (depending upon the interest period) plus an applicable margin based on total net leverage. The applicable margin as at December 31, 2025 was 1.75% (2024: 1.75%). The unutilized portion of the loan carries interest at 35% of the margin interest rate of the utilized loan.

Nagarro's syndicated loan has a covenant package which includes customary restrictions on total net leverage, minimum equity thresholds for pre-agreed milestones, permitted disposal and acquisitions, permitted financial indebtedness, guarantees, dividend payments, change of control and timely submission of the consolidated group financial statements to the banks together with a covenant statement by April 30 following the end of financial year. In general, a breach of 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 breaching the covenant package, which if not cured within the remedy period, will lead to a default on the credit facility. The covenant for net leverage i.e., the ratio of net debt to Adjusted EBITDA, as defined in the loan agreement, requires that net leverage should not exceed 3.5 and that a minimum equity of €100 million should be maintained, both of which the Company monitors to ensure its compliance. There is currently no breach of either of the two covenants.

Also, the facility has the possibility to issue *Schuldscheine* (promissory notes) or similar instruments for a volume of up to aggregate €125 million. Further, the non-recourse factoring is limited to 15% of the value of assets of the Group.

The unutilized credit from the revolving syndicated credit facility amounted to €45.5 million (December 31, 2024: €30.5 million). Further, there is an option to increase the loan by an additional €100 million. There are also bilateral credit lines related to non-recourse factoring, as mentioned above, amounting to €111.4 million (December 31, 2024: €119.4 million), of which €34.3 million (December 31, 2024: €25.3 million) had been drawn down as of December 31, 2025.

We target a balanced debt-to-equity ratio and equity-to-total assets ratio that preserves flexibility for the Company, allowing it to react to business opportunities and to changes in macroeconomic conditions.

Net debt is total liabilities to banks plus lease liabilities less cash. Net debt to adjusted EBITDA is net debt divided by adjusted EBITDA. The net debt increased by €66.0 million to €257.5 million (net debt to adjusted EBITDA ratio of 1.9x) as of December 31, 2025, as against €191.5 million (net debt to adjusted EBITDA ratio of 1.3x) as of December 31, 2024.

Debt-to-equity ratio is calculated as total liabilities divided by equity. The debt-to-equity ratio was 3.8 as of December 31, 2025, as against 2.6 as of December 31, 2024. Equity to total assets ratio is calculated as equity divided by total assets. The equity to total assets ratio has decreased by 7 percentage point to 21% as of December 31, 2025, as against 28% as of December 31, 2024. Equity decreased mainly due to purchase of treasury shares amounting to €67.8 million, dividend payment amounting to €12.6 million and negative other comprehensive income (OCI) amounting to €27.4 million (mainly due to negative impact of foreign currency related to translation of group entities' balance sheet items from their functional currency to the Group's presentation currency on the reporting date) which has been offset by positive current year's profits amounting to €39.5 million.

The details for net debt, debt ratio, debt-to-equity ratio and equity ratio are below:

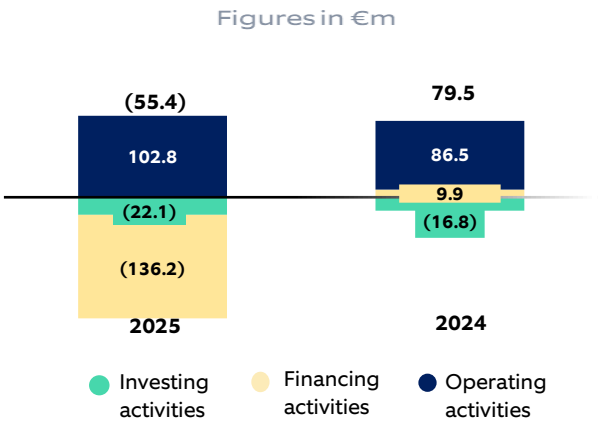
	Dec 31, 2025	**Dec 31, 2024**
	mEUR	mEUR
Liabilities to banks	310.1	329.6
Lease liabilities	72.1	54.5
Cash	(124.6)	(192.6)
Net debt	**257.5**	**191.5**
Adjusted EBITDA	138.2	147.5
Debt ratio (Net debt to Adjusted EBITDA)	**1.9**	**1.3**
Total liabilities	587.9	573.0
Equity	155.0	222.7
Debt-to-equity ratio (Debt to equity)	**3.8**	**2.6**
Total assets	743.0	795.7
Equity	155.0	222.7
Equity ratio (% of total assets)	**21%**	**28%**

Capital expenditure

We target a low capital expenditure as a ratio of revenues and take the benefit of leasing services for procuring computers and equipment, and for buildings. Our cash outflow on net capital expenditure was €7.7 million (0.8% of revenue) in 2025 against €7.2 million (0.7% of revenue) in 2024.

Liquidity

Net cash inflow/ (outflow) for the period:



Our total cash outflow was €55.4 million in 2025 against an inflow of €79.5 million in 2024.

Our operating cash flow increased by €16.3 million from €86.5 million in 2024 to €102.8 million in 2025. Main impact for this increase comes from other non-cash income and expenses amounting to €15.6 million (majorly due to unrealized foreign exchange loss on intra-group loans within Nagarro Group amounting to €13.6 million, expenses for foreign exchange forward transactions amounting to €2.8 million, offset by decrease in share based payment arrangements cost amounting to €3.6 million) and change in long-term employee benefits liabilities amounting to €9.9 million mainly due to the implementation of new Labour Codes in India. Further, better collections in 2025 increased operating cash flows from changes in net working capital by €7.5 million. The increase in operating cash flows has been offset by increase in payment of income taxes amounting to €10.2 million mainly due to withholding taxes paid on intra-group transfer of dividend within Nagarro Group.

Further, we increased the utilization of funds under the non-recourse factoring program by €8.8 million in 2025 compared to 2024 (increase in factoring utilization of €2.3 million in 2025 against reduction of €6.5 million in 2024). Operating cash flow adjusted for changes in factoring (including interest on factored amounts) was €100.5 million in 2025 as compared to €93.1 million in 2024.

Days of sales outstanding, calculated based on quarterly revenue and including both contract assets and trade receivables, has improved from 88 days on December 31, 2024 to 82 days on December 31, 2025. This also reflects the increase in factoring volume.

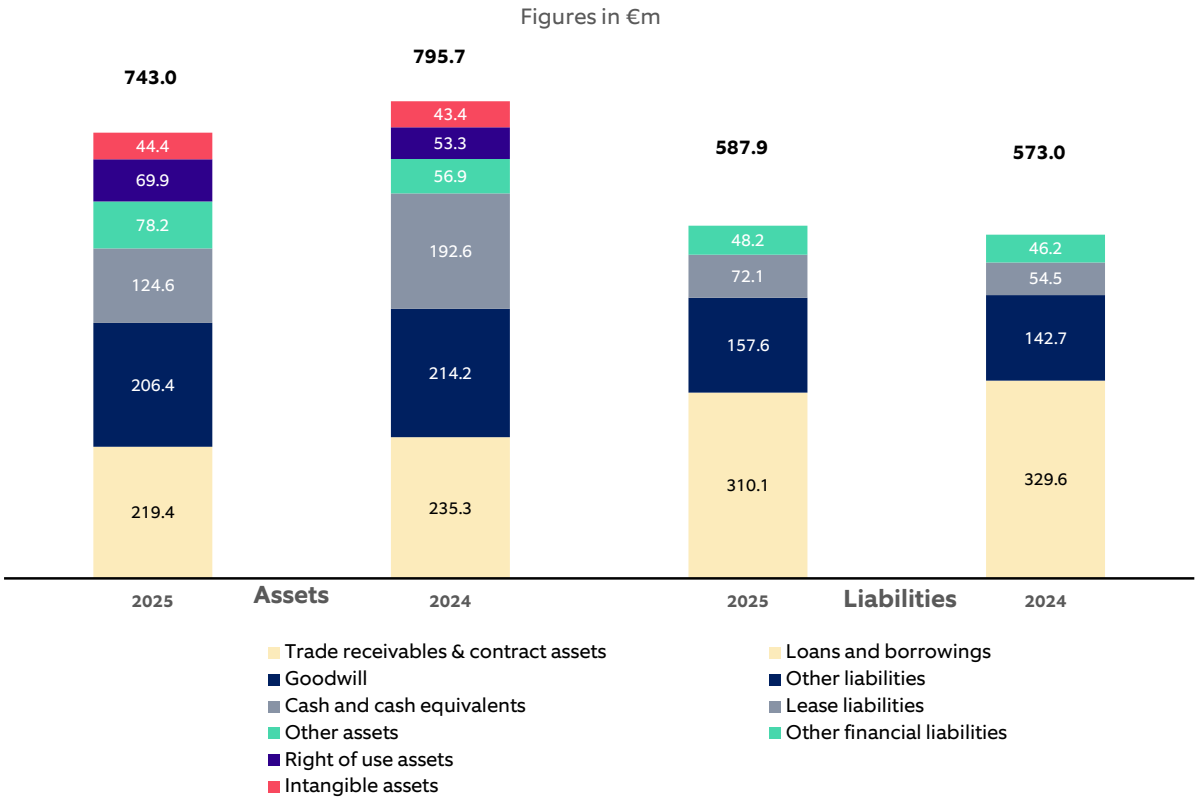
The cash outflow from investing activities in 2025 was €22.1 million as compared to an outflow of €16.8 million in 2024. Cash outflow increased mainly on account of decrease in cash inflow from fixed deposits amounting to €5.5 million. Cash outflow in 2025 is mainly due to the payment for acquisition obligations of €16.1 million after adjusting for cash acquired from the acquisitions (€10.8 million for acquisition of CHTS group, €1.0 million for acquisition of IDS group, €0.6 million for acquisition of Marlo, Australia, €0.3 million for Notion Edge, France and payment of acquisition obligations of €3.5 million from older acquisitions - Infocore: €1.8 million, RipeConcepts: €1.1 million and FWD View: €0.6 million), and purchase of intangible assets and property, plant and equipment of €7.8 million. This outflow has been offset by interest received on fixed deposits amounting to €2.5 million.

The cash outflow from financing activities in 2025 was €136.2 million as compared to an inflow of €9.9 million in 2024. Cash outflow increased in 2025 primarily on account of purchase of treasury shares amounting to €67.8 million, net repayment of bank loans by €67.2 million (as in 2025 there is a net repayment of bank loans amounting to €15.6 million against net inflow of €51.6 million in 2024) and dividend paid during the year amounting to €12.6 million.

Countries with the top 5 bank balances are listed below:

Countries	Dec 31, 2025	Dec 31, 2024
	mEUR	mEUR
Germany	53.4	93.5
United States of America	14.6	11.4
India	6.2	36.8
Austria	5.9	4.3
Romania	5.1	5.8

E. Net assets



Total assets declined by €52.7 million to €743.0 million as of December 31, 2025, as against €795.7 million as of December 31, 2024. Of these, non-current assets increased by €20.7 million to €361.3 million as of December 31, 2025, as against €340.7 million as of December 31, 2024. Within non-current assets, right of use assets from leases increased by €16.7 million (addition of €51.0 million, mainly leased properties of €37.8 million, servers and laptops of €8.5 million and leased vehicles of €4.7 million, hyperinflationary adjustment in Türkiye of €0.4 million, offset by depreciation of €22.7 million, net disposals of €8.9 million and currency translation loss of €4.7 million). Addition to leased properties primarily represents new office space taken on lease in India. Further, deferred tax assets increased by €10.4 million to €26.9 million as of December 31, 2025, as against €16.5 million as of December 31, 2024 mainly on account of increase in provision of post-retirement benefits due to the implementation of new Labour Codes in India, interest carryforwards and unrealized foreign exchange loss on intra-group loans within Nagarro Group. This increase has been offset by decrease in goodwill of €7.9 million (primarily on account of currency differences mainly because of weakening of the US dollar against the Euro, offset by goodwill recognized on acquisition of CHTS amounting to €9.6 million, IDS amounting to €0.9 million, Marlo amounting to €0.7 million, and Notion Edge amounting to €0.3 million). Further, intangible assets increased by €1.0 million to €44.4 million (mainly due to increase in assets from business acquisitions of €7.9 million, additions of €5.2 million of intangible assets and hyperinflationary adjustment in Türkiye of €1.7 million which has been offset by currency differences amounting to €6.0 million on

account of translation of assets because of strengthening of Euro against the currencies in which these assets are held and amortization of €7.8 million).

Current assets declined by €73.4 million to €381.6 million as of December 31, 2025, as against €455.0 million as of December 31, 2024, mainly on account of decrease in cash and cash equivalents by €68.0 million to €124.6 million as of December 31, 2025 as against €192.6 million as of December 31, 2024. Further, trade receivables also decreased by €21.1 million primarily due to decrease in receivables from certain public sector customers due to collection of aged receivables and on account of increase in net factoring utilization of €9.0 million. The same has been offset by increase in contract assets by €5.2 million (mainly related to public sector customers), increase in income tax receivables by €5.0 million to €11.5 million as of December 31, 2025 as against €6.4 million as of December 31, 2024 due to advance tax payments in 2025, and increase in other current financial assets by €3.8 million primarily on account of increase in receivable from factor.

Total liabilities grew by €14.9 million to €587.9 million as of December 31, 2025, as against €573.0 million as of December 31, 2024. Out of these, non-current liabilities increased by €16.1 million to €420.0 million as of December 31, 2025, as against €403.9 million as of December 31, 2024 mainly on account of increase in non-current lease liabilities by €17.7 million primarily on account of new office space taken on lease in India. Further, employee benefits liabilities increased by €11.2 million mainly on account of increase in provision of post-retirement benefits in India due to the implementation of new Labour Codes. This increase has been offset by net repayment of part of the bank loan amounting to €15.6 million.

Current liabilities decreased by €1.2 million to €167.9 million as of December 31, 2025, as against €169.1 million as of December 31, 2024 primarily due to decrease in factoring liabilities by €6.5 million, decrease in short term employee benefits liabilities by €1.8 million (mainly on account of reduction in fair values of cash-settled SOPs and earnout liabilities), and other current liabilities by €1.3 million. This has been offset by increase in liabilities from acquisitions by €2.5 million, trade payables by €2.0 million, other financial liabilities by €1.8 million and income tax liabilities by €0.8 million.

The Company's liquidity position at the end of 2025 was comfortable. The current assets were €381.6 million, of which cash was €124.6 million. The current liabilities were €167.9 million, yielding a working capital of €213.7 million.

Net assets represented by total equity declined by €67.6 million to €155.0 million as of December 31, 2025, as against €222.7 million as of December 31, 2024. Equity decreased mainly due to purchase of treasury shares amounting to €67.8 million, dividend payment amounting to €12.6 million and negative other comprehensive income (OCI) amounting to €27.4 million (mainly due to negative impact of foreign currency related to translation of group entities' balance sheet items from their functional currency to the Group's presentation currency on the reporting date) which has been offset by positive current year's profits amounting to €39.5 million.

F. Overall statement on the economic situation

Throughout the 2025 fiscal year and into the current reporting period, Nagarro demonstrated positive operational performance. While the macroeconomic environment remained relatively stable, the company performed well and leveraged its diversified portfolio and high talent retention rates to navigate market headwinds. Nagarro's performance was tempered by broader industry challenges, including sustained spending pressures and a continued slowdown in new project commissions.

IV. Corporate governance statement

(pursuant to Section 289f HGB for Nagarro SE and Section 315d HGB for the Group as part of the combined management report, unaudited)

A. Our approach to corporate governance

The prime objective of Nagarro's corporate governance is to facilitate the ethical, effective, agile and pragmatic management of the Company to deliver sustainable long-term success for all stakeholders.

As a global company, Nagarro places a strong emphasis on responsible corporate governance. Our core values, based on the acronym "CARING" are our guiding principles across the globe. CARING stands for a humanistic way of thinking and nurturing, with a strong emphasis on ethics.

The Nagarro Constitution is our code of conduct, which is designed to be easy to understand and easy to apply. It is written in the form of a declaration in the first-person, and includes sections on our core values, dealing with personal data and privacy, intellectual property, discrimination and harassment, conflicts of interest, unfair competition and corruption, and the special responsibility of management. The Nagarro Constitution is meant to circumscribe and guide the actions of every Nagarrian. The Company has its internal controls and internal compliance assessments, and encourages whistleblowers to speak up, whether openly or anonymously.

The Nagarro Constitution and the Whistleblower Policy can both be found on Nagarro's website under Corporate Governance.

Nagarro's management sees itself as a trustee of the shareholders and is committed to building value in the Company in a sustainable manner. It is also committed to keeping shareholders well-informed through frequent, reliable, and transparent communication. Nagarro has three formal bodies – the Management Board, the Supervisory Board and the Annual General Meeting. The responsibilities and powers of these governing bodies are determined by the law on the implementation of the European Council Regulation on the Statute for a European company (Societas Europaea or SE), the SE Implementation Act and the SE Participation Act, the AktG, the recommendations of the German Corporate Governance Code to the extent we comply with it, the Articles of Association, and the rules of procedure of the Management Board and Supervisory Board. While Nagarro is a European company, features of a German stock corporation have been retained, in particular, the dualistic management system consisting of a management board and a supervisory board.

The cooperation between the Management Board and the Supervisory Board is characterized by trust and dialogue.

B. Declaration of conformity with the German Corporate Governance Code

Declaration of Conformity pursuant to Sec. 161 of the German Stock Corporation Act (AktG):

The Management Board and Supervisory Board of Nagarro SE (hereinafter referred to as the "Com-pany") declare pursuant to Sec. 161 para. 1 sentence 1 of the German Stock Corporation Act (AktG) that the Company, since the issuance of the last declaration of conformity in April 2025 and since the update and supplementation of the declaration of conformity in July 2025, has complied with the recommendations of the German "Government Commission on the German Corporate Governance Code", as published by the Federal Ministry of Justice and Consumer Protection in the official section of the German Federal Gazette, as amended on April 28, 2022 and published in the German Federal Gazette on June 27, 2022 ("GCGC"), with the following deviations:

1. B.5, C.2 (Age limit for Management Board and Supervisory Board)

Decisions on the selection of suitable candidates for appointment as members of the Management Board or Supervisory Board are made exclusively on the basis of professional qualification in accordance with the principle of equal treatment. There are no age limits for the members of the Management Board (recommendation B.5 GCGC) and the Supervisory Board (recommendation C.2 GCGC) and, accordingly, these are not specified in the Corporate Governance Statement. The Management Board and Supervisory Board consider it appropriate for the corporate body responsible for appointments to consider the age of the candidates at the time of their initial appointment or reappointment and to have the option of drawing on the particular professional and life experience of older candidates, without being bound by strict age limits.

2. F.2 (Publication of consolidated financial statements and group management report)

The consolidated financial statements and the group management report are not yet publicly availa-ble within 90 days of the end of the financial year. This is not yet possible due to the necessary con-solidation of a large number of subsidiaries in Germany and abroad. For this reason, this was also not yet possible for the consolidated financial statements and the group management report for the 2025 financial year. However, the Management Board and Supervisory Board aim to publish the consoli-dated financial statements and group management reports in the future within the recommended period of 90 days after the end of the financial year.

3. G.9 sentence 1 (Determination of the amount of variable remuneration)

Given the structure of the remuneration system, the amount of the remuneration components to be granted individually is not determined for all remuneration components after the end of each financial year. Short-term variable remuneration in the form of the organizational bonus is granted on a quarterly basis, using exclusively objectively measurable criteria. This ensures a corresponding synchronization of the remuneration of the Management Board with the quarterly organizational bonus program, which has been introduced for the majority of employees throughout the Nagarro Group. For the long-term variable remuneration in the form of Performance Based Restricted Stock Units (PB RSUs), target achievement is only determined after the end of the four-year performance period. This serves to focus on a long-term and sustainable development of the Company and aligns the targets for Management Board remuneration with the interests of the shareholders.

4. G.11 sentence 2 (Retention and reclamation of variable remuneration)

The existing Management Board service contracts do not contain provisions regarding the retention or reclamation of variable remuneration components that go beyond the statutory requirements. The Supervisory Board is of the opinion that the statutory provisions, in particular the statutory provisions according to which members of the Management Board are obliged to pay damages in the event of breaches of duty and to surrender any unjustified payments, are sufficient and that additional interventions are therefore currently not necessary.

The Management Board and Supervisory Board of the Company further declare pursuant to Sec. 161 para. 1 sentence 1 AktG that the Company will continue to comply in the future with the recommendations of the GCGC, with the exception of the deviations from recommendations B.5, C.2, F.2, G.9 sentence 1 and G.11 sentence 2, as described above.

Munich, April 2026

For the Management Board:

Annette Mainka
Member of the Management Board of
Nagarro SE

For the Supervisory Board:

Christian Bacherl
Chairperson of the Supervisory Board of
Nagarro SE

C. Shareholders and Annual General Meeting

The shareholders of Nagarro exercise their rights at the Annual General Meeting ("AGM").

The Annual General Meeting of Nagarro SE's shareholders will ordinarily be held within the first six months of each financial year and can be convened by the Management Board or the Supervisory Board.

Per the Articles of Association, all shareholders who have registered prior to the general shareholders' meeting and are registered in the share register are entitled to participate in the general shareholders' meeting and exercise their voting rights. Each share confers one vote at the general shareholders' meeting of Nagarro SE. Voting rights may be exercised by proxy.

The chairperson of the Supervisory Board or another person appointed by him or her, who is not a member of the Management Board, chairs the general shareholders' meeting.

The resolutions of the Annual General Meeting are generally passed by a simple majority vote. This also applies to resolutions on amendments to the Articles of Association if at least half of the capital stock is represented at the Annual General Meeting, otherwise a majority of two thirds is required. Certain resolutions of fundamental importance mandatorily require a majority of at least 75% of the share capital represented at the vote. Such resolutions include but are not limited to, creation of authorized capital, reduction of capital, and liquidation, etc. Neither German or European law nor the Articles of Association limit the right of foreign shareholders or shareholders not domiciled in Germany to hold shares or exercise the associated voting rights.

Notice of the meeting along with relevant documents are published in the German Federal Gazette and are available on the Company's website.

The AGM was held in Munich on June 30, 2025.

In accordance with the Exchange Rules of the Frankfurt Stock Exchange, the Company is obliged to prepare, continuously update, publish and transmit a Financial Calendar with information on the AGM, analyst meetings, participation in conferences and roadshows, and various other publications. The Financial Calendar can be accessed on Nagarro's website.

D. Composition and working of the Management Board

Nagarro follows a dualistic system in its corporate governance structure, whereby the Management Board manages the Company independently and the Supervisory Board focuses on its fundamental role as a supervisory body for the activities of the Management Board. The members of the Management Board are appointed by the Supervisory Board, which in turn is appointed by the Annual General Meeting. The Management Board is obliged to report regularly to the Supervisory Board about the Company's business, and at least once a year on key topics such as business activities, corporate planning, and budgeting. The Management Board is obliged to take into consideration the shareholders' rights to equal treatment and equal access to information

Composition and Diversity

Under the Articles of Association, the Management Board consists of one or more persons. The Supervisory Board determines the specific number of members of the Management Board. The Supervisory Board may appoint members of the Management Board for a maximum term of up to six years. Reappointments or extensions, each for a maximum term of up to six years, are permissible. The Supervisory Board may revoke for good cause the appointment of a member of the Management Board prior to the expiration of the relevant member's term.

The members of the Management Board must possess all qualifications and competencies required to properly fulfil its legal and statutory obligations. Therefore, personal qualifications, professional suitability and expertise are the decisive factors for the appointment of members of the Management Board. In addition, Nagarro believes that a focus on diversity and inclusion is required for the continued successful development of the Company and of the society. The composition of the Management Board is meant to reflect to some extent the Company's underlying diversity. As its target for the proportion of women on the Management Board by December 31, 2027, the Supervisory Board has stipulated that the Management Board should continue to include at least one female member. During the year 2025, the Management Board at all times had at least one female member and at least one male member. When selecting new members for the Management Board, the Company is committed to considering qualified female candidates – a continuation of its existing practice of promoting women to senior positions.

On this basis, the Supervisory Board works together with the Management Board to ensure long-term succession planning. In the event that candidates for the position of member of the Management Board are sought, the abovementioned factors are the decisive selection criteria, in addition to the legal requirements and the recommendations of the German Corporate Governance Code. The succession planning process particularly includes the Supervisory Board's consideration of the composition of the Management Board, the definition of position-specific requirement profiles, and the structured identification and assessment of potential candidates. Both internal development opportunities and external search processes are taken into account. The Management Board is responsible for the operational execution of search processes, particularly with regard to external candidates, and is supported by external advisors where appropriate. The Supervisory Board closely oversees the process and makes the final decision on appointments.

Women form 28% of the total organization, 26% among engineers, and our leadership is comprised of 20% women as of the end of the reporting year 2025 (2024 year-end: 21%). We target women making up 25% of our leadership by December 31, 2026, where leadership is defined as the management level below the Management Board. Nagarro's organizational structure provides for only one leadership and management level below the Management Board.

Rules of procedure

The rules of procedure of the Management Board define, among other things, the principles of management to be followed, the overall responsibility of the Management Board, the allocation of responsibilities of the various members, and the Management Board's internal organization.

The members of the Management Board are jointly responsible to the shareholders and to the Supervisory Board for the Company's overall management and for working towards its long-term success. Beyond this joint responsibility, each member of the Management Board independently assumes personal responsibility for specific areas. Notwithstanding the allocation of responsibilities, the principle of joint responsibility of the Management Board continues to apply.

Nomenclature is used to reinforce culture for the Management Board roles. The Chairperson of the Management Board is the Custodian of Entrepreneurship in the Organization and will be usually referred to as such externally. The Custodian of Entrepreneurship in the Organization is responsible for the coordination of all executive functions in line with the objectives of the Company and with the Nagarro Constitution. The Custodian of Entrepreneurship in the Organization also coordinates with the Chair of the Supervisory Board,

represents the Company to the public, and decides on the roles, remuneration, hiring and relieving of senior management personnel outside the Management Board.

The member of the Management Board designated as the Custodian of Operational Excellence in the Organization decides on topics related to the preparation of the annual budgets, where required by the Supervisory Board or by law, and the financial statements.

The member of the Management Board designated as the Custodian of Regulatory Compliance in the Organization decides on topics related to compliance with regulations.

Since the Management Board currently consists of only three members, it was decided not to establish separate committees. The relevant committee topics were managed by the members of the Management Board. The Management Board is obliged to carry on the business of the Company in compliance with the respective applicable legal regulations, the German Corporate Governance Code in its most current version (except with deviations disclosed in the declaration of conformity in accordance with section 161 of the AktG), the Articles of Association of the Company, the Nagarro Constitution (our internal code of conduct) in its most current version, the management contracts, and the resolutions of the Supervisory Board and the Annual General Meeting. In doing so, the Management Board is bound by the Company's interests and obligated to work towards increasing the Company's lasting value.

The Management Board coordinates with the other senior management members to define the Company's strategic direction, coordinates it with the Supervisory Board and again coordinates with the other senior management members to ensure its implementation.

Service agreement and remuneration

Each of the three members of the Management Board entered into a service agreement with the Company in 2020 governed by German law and based on substantially similar terms. These agreements were extended in 2023 for three more years, beginning on November 1, 2023 and expiring on October 31, 2026.

The Management Board members have undertaken to not work for or participate in any business for their own or third-party account with any competitor in the Company's line of business in accordance with Section 88 of the AktG. They shall dedicate their working capacity and their best efforts to promote achievement of the Company's objectives. Any other occupation, including assumption of any office of supervisory boards or advisory bodies, with or without remuneration, will require approval by the Supervisory Board.

For further details on the remuneration of the Management Board - in particular the individual payments made in and for the financial year 2025 please refer to the detailed Nagarro remuneration report 2025. The remuneration report was subject to a formal audit by the auditor. The Nagarro remuneration report 2025 and the auditor's report are available on Nagarro's website under https://www.nagarro.com/en/investor-relations/financial-reports-and-publications.

Shareholdings in Nagarro SE

As of December 31, 2025, no member of the Management Board held, directly and indirectly, more than 10.00% of the shares in the Company.

Information regarding any reportable securities transactions, pursuant to Article 19 of the EU Market Abuse Regulation, by any Management Board member is made public promptly and disclosed on the Company's website.

E. Composition and working of the Supervisory Board

Composition

The Supervisory Board consisted of seven members on 31 December 2025 following the expansion of the Supervisory Board and appointment of three new members by the AGM on June 30, 2025. They represent the shareholders and are appointed by the shareholders for staggered terms until the Annual General Meeting in 2026, 2027 and 2028. Members may be re-elected. A substitute member may be appointed to replace any Supervisory Board member who leaves prior to the end of his/her term. It may be noted that Nagarro is not required to establish a co-determined Supervisory Board (i.e., with worker participation).

The Company targets that the Supervisory Board includes at least one female member in the period until December 31, 2027. This target was met in 2025.

Proposals by the Supervisory Board to the Annual General Meeting take the specific objectives determined by the Supervisory Board for its composition into account and simultaneously aim at fulfilling the overall profile of required skills and expertise for the entire Supervisory Board. The implementation status is hereinafter disclosed in the form of a qualification matrix:

		Dr. Martin Enderle	Christian Bacherl	Vishal Gaur	Dr. Shalini Sarin	Dr. Hans-Paul Bürkner	Jack Clemons	Carl Georg Dürschmidt
Period of affiliation	Member since	Jul-2025[1]	Nov-2022	Jun-2023	Oct-2020	Jul-2025	Jul-2025	Feb-2020 until Apr-2025 and again since Jul-2025
Personal suitability	Independence[2]	✓	✓	✓	✓	✓	✓	
	No overboarding[2]	✓	✓	✓	✓	✓	✓	✓
Diversity	Year of birth	1965	1973	1972	1965	1952	1966	1958
	Gender	Male	Male	Male	Female	Male	Male	Male
	Nationality	German	German	US-American	Indian	German	Swiss, British	German
International experience	Europe	✓	✓		✓	✓	✓	✓
	North/South/Central America	✓		✓			✓	
	India			✓	✓	✓	✓	✓
	Asia/Pacific	✓				✓	✓	
Professional suitability	Financial expert[3]		✓				✓	
	Management experience	✓	✓	✓	✓	✓	✓	✓
	Technology	✓	✓	✓		✓	✓	✓
	Digitalization/IT	✓	✓	✓		✓	✓	✓
	Transformation	✓			✓	✓	✓	✓
	Innovation/R&D	✓		✓		✓	✓	
	Finance	✓	✓				✓	✓
	Legal/Compliance	✓	✓		✓			
	Risk management	✓	✓				✓	
	Personnel/ Employee commitment	✓		✓	✓	✓	✓	✓
	Business area/ Sector familiarity	✓	✓	✓	✓	✓	✓	✓
	M&A	✓	✓			✓	✓	✓
	ESG/ Sustainability reporting		✓		✓		✓	

[1]Dr. Martin Enderle has resigned from his office as member and Chairperson of the Supervisory Board with effect as of the expiry of 31 December 2025.
[2]Within the meaning of the GCGC.
[3]Within the meaning of Section 100 (5) AktG and Recommendation D.3 of the GCGC.
✓ = Criterion fulfilled; based on a self-assessment by the Supervisory Board and taking into account the respective individual assessment of the proposed candidates, a tick means at least "good knowledge" and therefore the ability to understand the relevant issues well and make informed decisions on the basis of existing qualifications, the knowledge and experience acquired as part of their work as a Supervisory Board member (e.g. many years of work on the audit committee) or the training measures regularly attended by all Supervisory Board members.

The Supervisory Board consists exclusively of shareholder representatives. In the Supervisory Board's opinion, it includes an appropriate number of independent members as defined by the GCGC. The ownership structure of the company was taken into account.

Out of seven members by 31 December 2025, six members are considered independent by the company and the Management Board. Independence was assessed in accordance with recommendations C.6 and C.7 of the GCGC.

Dr. Shalini Sarin, Christian Bacherl, Dr. Hans-Paul Bürkner, Jack Clemons, Dr. Martin Enderle, and Vishal Gaur are considered independent. Carl Georg Dürschmidt is not considered independent due to his position as a major shareholder.

The Supervisory Board shall elect a chairperson and a deputy chairperson from among its members to serve for the duration of those members' terms.

The Supervisory Board has formed an audit committee, a strategy committee and a nomination & remuneration committee.

The audit committee is assisting the Supervisory Board in its monitoring of various financial aspects of Nagarro, in particular the accounting process, the effectiveness of the internal control system, the risk management system, internal audit as well as the audit of the financial statements and the selection and independence of the auditor. The audit committee is constituted by three Supervisory Board members and Jack Clemons serves as its Chairperson. In accordance with the applicable legal requirements and further in line with the recommendations of the GCGC, the committee members have the required expertise in accounting, auditing, and sustainability reporting, including the audit thereof. The members of the Audit Committee, Jack Clemons and Christian Bacherl, are each considered experts in accounting and auditing within the meaning of Section 100 (5) AktG. Jack Clemons is a Chartered Accountant (ICAEW) and holds an M.A. and an MBA. He works as an independent advisor with extensive international experience in finance, strategy and corporate governance. He previously served as CEO and CFO and began his career as an auditor at an international consulting and audit firm. Christian. Bacherl, Deputy Chairperson, has a degree in business administration. He is a former banker specializing in equity capital markets and board member of a German banking institution, where he gained expertise in financial topics including accounting and auditing, including sustainability reporting and its audit. Vishal Gaur is the audit committee's third member and brings expertise in the areas of technology and digitalization/IT as well as extensive business area and sector familiarity, particularly in supply chain and e-commerce.

The audit committee maintains a regular dialogue with the auditor. The auditor reports on significant findings arising from the audit. In particular, the audit committee discusses the audit strategy, audit planning and key audit matters as well as the results of the audit with the auditor. The Chairperson of the audit committee also maintains regular contact with the auditor between meetings and reports to the audit committee on the progress of the audit. In addition, the audit committee regularly meets with the auditor without the Management Board.

The strategy committee supports the Supervisory Board in overseeing Nagarro's long-term strategic direction and evaluating key initiatives that shape the Company's future positioning. Its responsibilities include reviewing and advising on corporate strategy, market positioning, mergers and acquisitions (M&A) and emerging industry trends, particularly in areas such as AI, digital transformation, and global service delivery. The strategy committee acts as a sounding board for the Management Board, providing guidance and challenge on strategic proposals while ensuring alignment with shareholder interests. Dr. Hans-Paul Bürkner serves as Chairperson of the strategy committee, bringing decades of international experience in strategic consulting for global companies, particularly in the financial services sector. He studied economics, holds an M.A., and previously served as CEO and Global Chair of a top-tier strategy consulting firm. His expertise includes global transformation, governance, corporate strategy, and organizational scaling, which he now contributes in his leadership role within the committee. Christian Bacherl serves as Deputy Chairperson of the strategy committee, bringing entrepreneurial and board-level experience with a strong focus on capital markets and corporate development. Also Dr. Martin Enderle was a member of the strategy committee until 31 December 2025.

The nomination & remuneration committee assists the Supervisory Board in matters related to board composition, succession planning, and the design and oversight of executive remuneration systems. Its responsibilities include identifying and recommending candidates for appointments to the Management Board and Supervisory Board, evaluating board diversity and skills matrices, and ensuring that compensation structures are aligned with long-term Company performance and shareholder value. The committee also oversees the implementation and ongoing evaluation of the remuneration system, including fixed and variable components, long-term incentives, and compliance with the GCGC. Dr. Martin Enderle chaired the nomination & remuneration committee. Dr. Shalini Sarin serves as Deputy Chairperson of the committee. She holds a doctorate in Organization Behavior and double Masters in Sociology and Human Resource Management, along with certifications in Advanced Human Resources, Executive Coaching, and Psychometrics. With over three decades of corporate experience — including roles as global chief people officer, head of global foundation, and business leader — she brings deep expertise in organizational behavior, human resources, and corporate social responsibility, which are central to the committee's mandate. Also Jack Clemons is a member of the nomination & remuneration committee.

No further committees were in place and relevant committee topics were covered by the Supervisory Board members directly. The Supervisory Board also regularly reviews its working methods and the cooperation within the committees. In the reporting year, the Supervisory Board conducted a structured self-assessment and, based on its results, resolved to propose to the Annual General Meeting an expansion of the Board to include additional competencies.

On January 7, 2026, the Supervisory Board of Nagarro SE appointed Christian Bacherl as Chairperson and Jack Clemons as Deputy Chairperson after Dr. Martin Enderle resigned as Chairperson and member of the Supervisory Board with effect from December 31, 2025 due to health reasons. The Supervisory Board also initiated the process of searching for a candidate to fill the vacant seat on the Supervisory Board.

The nomination & remuneration committee and the strategy committee of the Supervisory Board were also reappointed. Dr. Shalini Sarin is the new Chairperson of the nomination & remuneration committee, Christian Bacherl is the new Deputy Chairperson, and Jack Clemons remains a member. The strategy committee will continue to be chaired by Dr. Hans-Paul Bürkner, with Jack Clemons as the new Deputy Chairperson and Vishal Gaur. The audit committee remains unchanged, with Jack Clemons as Chairperson, Christian Bacherl as Deputy Chairperson, and Vishal Gaur.

Remuneration

Information on the Supervisory Board's remuneration can be found in the Nagarro remuneration report 2025. The remuneration report was subject to a formal audit by the auditor. The remuneration report 2025 and the auditor's report are available on Nagarro's website under https://www.nagarro.com/en/investor-relations/financial-reports-and-publications.

Shareholding in Nagarro SE

As of December 31, 2025, Carl Georg Dürschmidt indirectly holds a stake of 18.9% of the total number of outstanding shares of Nagarro SE. Information regarding any reportable securities transactions, pursuant to Article 19 of the EU Market Abuse Regulation, by any Supervisory Board members is made public promptly and disclosed on the Company's website.

F. Remuneration report

The remuneration report, the auditor's report in accordance with Section 162 of the AktG, the applicable remuneration system in accordance with Section 87a (1) and (2) sentence 1 of the AktG and the last remuneration resolution in accordance with Section 113 (3) of the AktG are shown on the Nagarro remuneration report 2025.

V. Takeover-related disclosures

(pursuant to Section 289a and Section 315a HGB) and explanatory report (part of the Combined Management Report)

Composition of subscribed capital

On the reporting date of December 31, 2025, the subscribed capital of Nagarro SE of € 12,922,297.00 was divided into 12,922,297 no-par value registered shares with a notional nominal amount of EUR 1.00 per share. All the shares are of the same class and confer the same rights and obligations. The shares are fully paid in.

Rights and obligations associated with Nagarro SE's shares are defined in its Articles of Association, supplemented by the Regulation (EC) No 2157/2001 on the Statute for a European company (SE), the German SE Implementation Act (SEAG) and the AktG as well as other laws applicable to stock corporations.

Shareholdings exceeding 10 percent of the voting rights

As of December 31, 2025, Lantano Beteiligungen GmbH, Munich, Germany, directly holds a stake of 18.9% and hence 18.9% of the voting rights in Nagarro SE. The voting rights of Lantano Beteiligungen GmbH are attributable to Carl Georg Dürschmidt (member of the Supervisory Board), Germany (indirectly 18.9%); to Laura Maximiliane Pirkl-Dürschmidt, Germany (indirectly 18.9%); to Linda Viktoria Müller-Dürschmidt, Germany (directly and indirectly 18.9%); and to Dr. Christa Kleine-Dürschmidt, Germany (directly and indirectly 20.6%). No other direct or indirect stakes that exceed 10 percent of the voting rights were reported to the Company nor are otherwise known.

Statutory regulations and provisions of the articles of association on appointing and dismissing Management Board members and amending the articles of association

The requirements for appointing and removal of members of the Management Board and amending the Articles of Association are defined in the provisions of the Articles of Association, the Council Regulation on the Statute for a European company, the SEAG and the AktG. Pursuant to article 9.1 of the Articles of Association, the Management Board can be comprised of one or more members. The number of members of the Management Board is determined by the Supervisory Board according to article 9.1 of the Articles of Association and section 84 of the AktG.

According to article 9.3 of the Articles of Association and section 84 of the AktG, the Supervisory Board can appoint a chairperson of the Management Board. If a required member is not present, pursuant to section 85 of the AktG, the court shall appoint the member in urgent matters on application of a party involved.

Pursuant to article 39 of the Council Regulation on the Statute for a European company and section 84 of the AktG, the Supervisory Board can revoke the appointment of members of the Management Board and the chairperson for cause. According to article 9.2 of the Articles of Association, members of the Management Board are appointed for a maximum duration of six years. Reappointments, each for a maximum of six years, are permitted.

Unless the Articles of Association or the law provide otherwise, resolutions of the Annual General Meeting shall be adopted by a simple majority of the votes cast, pursuant to article 23.1 of the Articles of Association.

Resolutions on amendments to the Articles of Association require a majority of two thirds of the votes cast or, if at least half of the capital stock is represented, a simple majority of the votes cast, unless mandatory statutory provisions provide otherwise.

Authorization of the Management Board to issue or repurchase shares

Authorized Capital

The general shareholders' meeting held on June 30, 2025, authorized the Management Board to, subject to the consent of the Supervisory Board, in the period ending on June 29, 2030, increase the registered share capital in one or more tranches by up to €4,132,795 in the aggregate by issuing up to 4,132,795 new no-par value registered shares against cash contribution and/ or contributions in kind.

In principle, new shares must be offered to shareholders for subscription; they may also be acquired by banks and other issuing entities with the obligation to offer them to shareholders for subscription (indirect subscription right) [pursuant to section 186 (5) AktG]. However, the Management Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in whole or in part, in particular:

a) insofar as this is necessary for fractional amounts resulting from the subscription ratio,

b) in the event of capital increases in return for contributions in kind, in particular as part of business combinations or for the (also indirect) acquisition of companies, operations, parts of companies, equity interests or other assets or claims to the acquisition of assets including claims against the Company or its group companies - including claims by members of the Company's Management Board under existing or future regulations on Management Board remuneration or existing or future remuneration programs,

c) to grant subscription rights to the holders or creditors of conversion or option rights to shares in the Company or corresponding conversion or option obligations under bonds issued or guaranteed by Nagarro SE or its group companies to compensate for dilution to the extent to which they would be entitled after already exercising these conversion or option rights or fulfilling these conversion or option obligations, and

d) if the issue price of the new shares in a capital increase against cash contributions is not significantly lower than the market price of the Company's shares already listed on the stock exchange. The arithmetical proportion of the share capital attributable to shares issued against cash contributions with the exclusion of subscription rights in accordance with Section 186 (3) sentence 4 AktG may not exceed 10% of the share capital. The share capital at the time this authorization becomes effective or - if this value is lower - at the time this authorization is exercised is decisive. Shares that are issued or sold during the term of this authorization up to the time it is exercised in direct or analogous application of this provision are to be counted towards this limit. Shares issued or granted or to be issued or granted on the basis of a convertible bond or bond with warrants issued during the term of this authorization with the exclusion of subscription rights in accordance with Section 186 para. 3 sentence 4 AktG are also to be counted towards this limit.

The proportion of the share capital represented by the shares issued against cash and/or non-cash contributions in accordance with this authorization with the exclusion of subscription rights may not exceed a total of 20% of the share capital at the time this authorization comes into effect. This limit shall include shares that were (i) issued from conditional capital or (ii) are to be issued or granted on the basis of a convertible bond or bond with warrants issued during the term of this authorization with the exclusion of subscription rights.

Treasury shares

The shareholders' meeting held on June 30, 2025 authorized the Management Board to purchase treasury shares until June 29, 2030, up to a total of 10% of the share capital existing at the time of the resolution or - if this value is lower - at the time the authorization is exercised. The shares acquired in accordance with this authorization, together with other treasury shares previously acquired and still held or that are attributable in accordance with Sections 71d and 71e AktG, may at no time account for more than 10% of the respective share capital.

The purchase of shares is carried out at the discretion of the Management Board as a purchase on the stock exchange, by means of a public purchase offer or by means of a public exchange offer for shares in a listed company within the meaning of Section 3 (2) AktG. Public offers or public exchange offers may also be made by means of an invitation to submit offers.

If the purchase of the shares is effected on the stock exchange, the purchase price per Nagarro share (excluding ancillary purchasing costs) may not exceed the price of a Nagarro share determined by the opening auction in Xetra trading (or a comparable successor system) on the relevant stock exchange trading day by more than 10% or fall below it by more than 20%.

If a purchase is effected via a public purchase offer, the purchase price per Nagarro share (excluding ancillary purchasing costs) may not exceed the average closing price of a Nagarro share in Xetra trading (or in a comparable successor system) on the fourth, third and second stock exchange trading day prior to the decision of the Management Board on the offer or the acceptance of offers from shareholders by more than 10% and may not fall be-low it by more than 20%.

If the acquisition is made via a public exchange offer for shares in a listed company within the meaning of Section 3 (2) AktG, the exchange price per Nagarro share in the form of exchange shares (excluding ancillary purchasing costs) may not exceed the relevant value of a Nagarro share by more than 10% or fall below it by more than 20%. The average closing price in Xetra trading (or in a comparable successor system) on the fourth, third and second trading day prior to the decision of the Management Board on the offer or the acceptance of offers from shareholders is to be used as the basis for calculating the relevant value for the Nagarro shares and for the exchange shares. If the exchange shares are not traded in Xetra trading, the closing price of the stock exchange on which the exchange shares achieved the highest trading volume in the previous calendar year is decisive.

The acquisition for the purpose of trading in own shares is excluded. In all other respects, the Management Board shall be responsible for determining the purpose of the acquisition.

As of December 31, 2025, Nagarro SE held 519,600 (2024: 453,867) treasury shares. See note C.11. Equity of Section B of the consolidated financial statements.

The Management Board is authorized to use the treasury shares purchased on the basis of the current or a previous authorization pursuant to section 71 (1) no. 8 AktG. In accordance with the resolution of the Annual General Meeting on June 30, 2025,

the Management Board is authorized to use the shares purchased on the basis of the authorization for any legally permissible purpose, in particular the following:

a) they can be redeemed without further resolution by the Annual General Meeting. In principle, the redemption results in a capital reduction. In accordance with Section 237 para. 3 no. 3 AktG the Management Board may also decide that the registered share capital remain unchanged and that instead the proportion of the remaining shares in the registered share capital be increased as a result of the cancellation pursuant to section 8 (3) AktG. In this case the Management Board is authorized to adjust the corresponding number in the Articles of Association;

b) they may be used in connection with share-based remuneration or employee share programs of the Company and issued to persons who are or were in an employment relationship with the Company, as well as to members of executive bodies of Nagarro group companies;

c) with the approval of the Supervisory Board, they may be offered and transferred in return for contributions in kind, in particular as part of business combinations or for the (also indirect) acquisition of companies, operations, parts of companies, equity interests or other assets or claims to the acquisition of assets, including receivables from the Company;

d) they may be sold for cash with the approval of the Supervisory Board if the selling price is not significantly lower than the market price of a Nagarro share, provided that the notional interest in the share capital attributable to the shares used in this way may not exceed 10% of the share capital and the limit of 20% of the share capital set out in Section 186 para. 3 sentence 4 AktG is observed;

e) they can be used to service or secure acquisition obligations or acquisition rights to Nagarro shares, in particular from and in connection with convertible bonds or bonds with warrants issued by the Company. In addition, the Management Board is authorized to exclude subscription rights in order to grant subscription rights to the holders or creditors of conversion or option rights to shares in the Company or corresponding conversion or option obligations to compensate for dilution to the extent to which they would be entitled after already exercising these rights or fulfilling these obligations, and to use treasury shares to service such subscription rights.

The Supervisory Board is authorized to use the treasury shares acquired on the basis of this or previous authorizations pursuant to Section 71 (1) No. 8 AktG or pursuant to Section 71d sentence 5 AktG or otherwise to service purchase obligations or purchase rights to Nagarro shares that have been or will be agreed with members of the Management Board of Nagarro SE under existing or future regulations on Management Board remuneration or existing or future remuneration programs.

Significant agreements of the Company subject to a change of control resulting from a takeover bid

Certain financing agreements of Nagarro contain customary change-of-control clauses. A change of control generally occurs if a person or group acting in concert acquires, directly or indirectly, more than 30% of the Company's voting rights or share capital, or if all or substantially all assets of the Group are sold outside the Group.

In such event, the Company must notify the lenders. Lenders may refuse further utilizations (other than roll-over loans) and may, within a specified period, cancel their commitments and require early repayment of their share of all outstanding loans, including accrued interest and other amounts due.

Potential economic effects

The exercise of these rights could result in early repayment of financial liabilities and withdrawal of committed but undrawn facilities, which may adversely affect liquidity and financial flexibility and could require refinancing under less favorable conditions.

As of the reporting date, outstanding financial liabilities subject to such clauses amounted to €304.5 million (December 31, 2024: €319.5 million), with undrawn committed facilities of €45.5 million (December 31, 2024: €30.5 million). Accordingly, the maximum potential liquidity impact would amount to €350.0 million (December 31, 2024: €350.0 million), plus accrued interest and fees.

Company's compensation agreements with Management Board members or employees in the event of a takeover bid

Nagarro SE has not entered into any compensation agreements with members of the Management Board or employees that especially apply in case of a takeover bid.

VI. Supplementary report

Please refer F.13. Events after the balance sheet date in Section B- Consolidated Financial Statements of Nagarro SE.

VII. 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 HGB and the relevant supplementary provisions contained in the AktG.

Nagarro SE acts as the listed managing holding company of the Nagarro Group. Cash position at year-end and retained earnings at year-end are considered as the financial KPIs of Nagarro SE.

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 III.A. The business environment in 2025 of section A of the Combined Management Report.

Nagarro SE serves as the holding company for the global digital engineering group in the IT and software services sector. The business activities of Nagarro SE are to provide strategic direction and centralized services to its subsidiaries like financial management, compliance, and risk management. Nagarro SE, being listed on the Frankfurt stock exchange, manages the stock exchange related compliance and manages the stock options' plans (equity-settled and cash-settled) and stocks under the employee share participation program (ESPP) for all Nagarro subsidiaries. The subsidiaries align their operations with the Group's overall strategy and operating model.

In our Combined Management Report for 2024, we had projected Nagarro SE's cash position and retained earnings at the end of 2025 to be in the region of €20 million - €40 million and €90 million - €110 million respectively. The Management Board of Nagarro SE considers that the overall performance of Nagarro SE (excluding the acquisition of treasury shares) against its 2025 KPIs was in line with the planning. At the reporting date, Nagarro SE's cash position amounted to €27.3 million and retained earnings to €49.7 million. The cash position was therefore within the projected range. Retained earnings, however, were below the guidance, primarily due to expenses of €66.8 million incurred in connection with the acquisition of treasury shares. Excluding this effect, retained earnings would have amounted to €117.4 million and thus slightly exceeded the projected range.

Capital structure

The basic principles of financial management at Nagarro SE are financial prudence and stability, ensuring a reasonable profitability and assuring adequate liquidity. The Management Board 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.

Since September 23, 2022, Nagarro SE had a Euro-denominated revolving syndicated credit facility agreement with five European credit institutions amounting to €350 million with an option to further increase the loan facility amount to €450 million. The terms of this syndicated credit facility and its status as of December 31, 2025, are described in detail in Section III.D. Financial position at the end of the year.

We target a balanced debt-to-equity ratio and equity-to-total assets ratio that preserves flexibility for the Company, allowing it to react to business opportunities and to changes in macroeconomic conditions.

Equity has increased by €27.6 million to €296.2 million as of December 31, 2025, as against €268.6 million as of December 31, 2024. Equity increased by current year's profits amounting to €108.0 million which has been offset by purchase of treasury shares amounting to €67.7 million and dividend payment amounting to €12.6 million.

Net debt is total liabilities to banks less cash. The net debt increased by €33.4 million to €277.2 million as of December 31, 2025, as against €243.8 million as of December 31, 2024. Net debt increased on account of decrease of €48.4 million in cash balances to €27.3 million as of December 31, 2025, as against €75.7 million as of December 31, 2024 which has been offset by decrease in liabilities to bank by €15.0 million to €304.5 million as of December 31, 2025, as against €319.5 million as of December 31, 2024.

Debt-to-equity ratio is calculated as total liabilities divided by equity. The debt-to-equity ratio has improved to 1.1 as of December 31, 2025, compared to 1.5 as of December 31, 2024 due to decrease in total liabilities by €79.6 million and increase in equity by €27.6 million. Total liabilities decreased mainly on account of decrease in amounts payable to affiliated enterprises by €60.9 million to €2.7 million as of December 31, 2025, as against €63.6 million as of December 31, 2024. Further, provisions have also decreased by €1.8 million to €17.7 million as of December 31, 2025, as against €19.5 million as of December 31, 2024.

Equity to total assets ratio is calculated as equity divided by total assets. The equity to total assets ratio has increased by 8 percentage points to 48% as of December 31, 2025, as against 40% as of December 31, 2024 due to decrease in total assets by €52.0 million and increase in equity by €27.6 million. Total assets decreased mainly on account of decrease in loans receivables from affiliated enterprises by €28.0 million to €137.9 million as of December 31, 2025, as against €165.9 million as of December 31, 2024. Further, cash balances have also decreased by €48.4 million to €27.3 million as of December 31, 2025, as against €75.7 million as of

December 31, 2024. The decrease has been offset by increase in accounts receivables from affiliated enterprises by €17.3 million mainly on account of receivables from profit transfer agreements.

The details for net debt, debt-to-equity ratio and equity ratio are below:

	Dec 31, 2025	Dec 31, 2024
	mEUR	mEUR
Liabilities to banks	304.5	319.5
Cash	(27.3)	(75.7)
Net debt	**277.2**	**243.8**
Total liabilities	326.7	406.2
Equity	296.2	268.6
Debt-to-equity ratio (Debt to equity)	**1.1**	**1.5**
Total assets	622.8	674.8
Equity	296.2	268.6
Equity ratio (% of total assets)	**48%**	**40%**

Capital expenditure

There is no capital expenditure incurred by Nagarro SE in the current year. In previous year, Nagarro SE's capital expenditure represented an investment in a newly incorporated company in Ireland amounting to €0.1 million.

Liquidity

The Company's liquidity position at the end of 2025 was comfortable. The current assets were €62.5 million, of which cash was €27.3 million. The current liabilities were €21.1 million, yielding a working capital of €41.4 million.

Results of operations

Profit or Loss	2025	2024
in mEUR		
Revenue	0	0
Other operating income	0.2	6.2
Personnel expenses	(1.4)	(1.3)
Other operating expenses	(15.4)	(26.8)
Income from investments	103.6	79.6
Income from profit transfer agreements	32.2	13.0
Income from long-term loans	7.5	4.4
Other interest and similar income	1.2	0.2
Depreciation of financial assets	(10.3)	-
Interest and similar expenses	(12.7)	(17.0)
Result before taxes	**105.1**	**58.3**
Taxes on income	2.9	(1.4)
Result after taxes = Net income for the year	**108.0**	**56.9**
Loss carryforward	-	(34.8)
Release of retained earnings due to the acquisition of treasury shares*	9.5	-
Set-off from retained earnings on acquisition of treasury shares**	(66.8)	-
Income from capital reduction	0.9	-
Allocation to capital reserves pursuant to Section 237 (5) AktG	(0.9)	-
Expense from the elimination of treasury shares	(0.9)	-
Accumulated profits	**49.7**	**22.1**

*In accordance with the resolution passed at the Annual General Meeting on June 30, 2025, an initial amount of €9.5 million was transferred to retained earnings for the planned repurchase of treasury shares in fiscal year 2025. These reserves were used in connection with the share buyback, resulting in retained earnings of zero as of December 31, 2025.

**The amount set off is attributable to the difference between the acquisition cost of the treasury shares and the nominal value of the treasury shares, which, pursuant to § 272 (1a) sentence 2 HGB, must be offset against freely available reserves.

Other operating income declined by €6.0 million from €6.2 million in 2024 to €0.2 million in 2025 mainly due to decrease in realized foreign exchange gain by €3.6 million and decrease in reversal of earnout liabilities by €1.7 million.

Personnel expenses has increased marginally by €0.1 million from €1.3 million in 2024 to €1.4 million in 2025.

Other operating expense decreased by €11.4 million from €26.8 million in 2024 to €15.4 million in 2025 primarily due to decrease in prior period expenses by €12.1 million, expenses relating to the exploration of take-private option by €3.9 million and expenses relating to strategic review of listing and privatization choices by €1.2 million, as these were one-off expenses incurred in 2024. The decrease in other operating expenses has been offset by increase in audit fee by €2.0 million, and increase in consulting charges by €2.1 million.

Income from investments increased by €24.0 million from €79.6 million in 2024 to €103.6 million in 2025 due to increase in dividend income from affiliated enterprises.

Income from profit and loss transfer agreements increased by €19.2 million from €13.0 million in 2024 to €32.2 million in 2025, due to increase in profits transferred by the two German group companies.

Income from other investments and long-term loans increased by €3.1 million from €4.4 million in 2024 to €7.5 million in 2025 due to the increase in interest income on the loans to affiliated enterprises.

Other interest receivables and similar income increased by €1.0 million mainly due to interest received from banks in 2025.

Depreciation of financial assets increased by €10.3 million due to the recognition of impairment loss on loans to affiliated enterprises in accordance with the lower-of-cost-or-market principle (Niederstwertprinzip), reflecting unrealized foreign exchange losses.

Interest and similar expenses have decreased by €4.3 million mainly due to decrease in interest rates on the term loan and decrease in term loan from €319.5 million in 2024 to €304.5 million in 2025.

Profit after tax has increased by €51.1 million from €56.9 million in 2024 to €108.0 million in 2025 mainly due to the above-mentioned effects. Income tax income of €2.9 million comprises deferred tax income of €5.2 million, trade tax expense of €1.8 million, corporate tax expense of €0.3 million and withholding tax expense of €0.1 million on dividend income received from one of its subsidiaries.

Statement of financial position

Assets	**2025**	**2024**
in mEUR		
Shares in affiliated enterprises	415.4	415.4
Loans to affiliated enterprises	137.9	165.9
Non-current assets	**553.3**	**581.2**
Amounts owed by affiliated enterprises	32.8	15.5
Other assets	2.4	0.5
Cash in hand, deposits with Deutsche Bundesbank, bank balances, and cheques	27.3	75.7
Current assets	**62.5**	**91.7**
Prepayments	**0.9**	**0.9**
Deferred tax assets	**6.1**	**0.9**
Total assets	**622.8**	**674.8**

Equity and liabilities	**2025**	**2024**
in mEUR		
Share capital	12.9	13.8
Treasury shares	(0.5)	(0.5)
Capital reserve	234.0	233.2
Accumulated profit	49.7	22.1
Equity capital	**296.1**	**268.6**
Provisions	**17.7**	**19.5**
Liabilities to banks	304.5	319.5
Trade payables	0.8	2.3
Payables owed to affiliated enterprises	2.7	63.6
Other payables	1.0	1.4
Liabilities	**309.0**	**386.7**
Total equity and liabilities	**622.8**	**674.8**

Shares in affiliated enterprises remained steady at €415.4 million as no new entity has been incorporated/acquired during the year. No impairment has been recognized during the current year and previous year.

Loans to affiliated enterprises decreased by €28.0 million to €137.9 million as of December 31, 2025, as against €165.9 million as of December 31, 2024 due to repayment of loans of €93.6 million and provision for impairment thereof amounting to €10.3 million. Since these loans are primarily denominated in US Dollar (USD) and the fact that USD has weakened against the Eur during the year, this has resulted in a provision for impairment amounting to €10.3 million that has been recognized during the year. This has been offset by additional loans of €75.9 million provided during the year.

Accounts owed by affiliated enterprises have increased by €17.3 million to €32.8 million as of December 31, 2025, as against €15.5 million as of December 31, 2024 primarily on account of increase in receivables pertaining to income from profit transfer agreements.

Other assets increased by €1.9 million to €2.4 million as of December 31, 2025, as against €0.5 million as of December 31, 2024 mainly due to increase in VAT, withholding, trade and corporate taxes recoverable.

Cash and bank balances decreased by €48.4 million to €27.3 million as of December 31, 2025, as against €75.7 million as of December 31, 2024 mainly due to purchase of treasury shares of €67.7 million, net repayment of liabilities to bank of €15.0 million, net repayment of liabilities to affiliate enterprises of €60.9 million, payment of dividend of €12.6 million, interest paid of €12.7 million and cash used in operating activities amounting to €19.0 million. The same has been offset mainly by cash inflow from income from investments in affiliated enterprises (dividend income) of €103.6 million, receipt on account of net repayment of loans to affiliated enterprises of €28.0 million and interest income from long-term loans to affiliated enterprises of €7.5 million.

Deferred tax assets and liabilities have been presented on a net basis. Deferred tax assets increased by €5.2 million to €8.1 million as of December 31, 2025, as against €2.9 million as of December 31, 2024. Deferred tax liabilities remained constant at €2.0 million as of December 31, 2025 and 2024 resulting in a net deferred tax asset of €6.1 million as of December 31, 2025 against €0.9 million as of December 31, 2024.

The increase in deferred tax assets is primarily on account of increase in deductible temporary differences arising from interest carryforwards and unrealized foreign exchange losses on the loans to affiliated enterprises. This has been offset by partial utilization of brought forward corporate tax losses against current year taxable profits. Further, deferred tax assets and liabilities have been remeasured at revised expected future tax rates due to the enacted gradual reduction in the German corporate income tax rate effective January 1, 2028, from the current 15% declining by 1% annually to 10% by 2032.

Equity has increased by €27.6 million to €296.2 million as of December 31, 2025, as against €268.6 million as of December 31, 2024. Equity increased by current year's profits amounting to €108.0 million which has been offset by purchase of treasury shares amounting to €67.7 million and dividend payment amounting to €12.6 million.

Provisions have decreased by €1.8 million to €17.7 million as of December 31, 2025, as against €19.5 million as of December 31, 2024 mainly on account of reduction in provision for expenses relating to strategic review of listing and privatization and expenses relating to the exploration of the take-private option by €2.5 million and reduction in fair value of cash-settled share based arrangement by €1.5 million. The same has been offset by increase in provision for the preparation and audit of the annual and consolidated financial statements by €1.2 million and PB RSUs by €0.9 million.

Liabilities to banks have decreased by €15.0 million to €304.5 million as of December 31, 2025, as against €319.5 million as of December 31, 2024 due to net repayment of loan of €15.0 million during the year.

Payables owed to affiliated enterprises have decreased by €60.9 million to €2.7 million as of December 31, 2025, as against €63.6 million as of December 31, 2024 mainly due to repayment of loans given by the affiliated enterprises.

Other payables have decreased by €0.4 million to €1.0 million as of December 31, 2025, as against €1.4 million as of December 31, 2024 mainly because of decrease in accrued interest.

Nagarro SE's expected developments, opportunities and risks

As the listed parent entity performing central financing, governance and capital allocation functions, Nagarro SE's financial position and expectations regarding its key financial performance indicators are largely dependent on the business performance and outlook of the Nagarro Group. This is described in detail in the Section A.VIII. Report on expected developments of the Combined Management Report. Further, the financial position of Nagarro SE is expected to be stable in 2026. Its main income will be derived from dividend income from affiliated enterprises, profit-sharing agreements, interest income from loans given and other operating income with group companies. For Nagarro SE, the cash position at the end of 2026 is expected to be in the region of €20 million - €40 million. The retained earnings at the end of 2026 is expected to be in the region of €80 million - €100 million (excluding impact of any potential share buyback in 2026).

The Nagarro SE's financial statements for the financial year 2025 will be submitted to the operator of the electronic version of the German Company Register and can be obtained via the Company's registered website.

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.IX. Report on the accounting-related internal control system and risk management system and on risks 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 which could impact its ability to pay down debt, and participate in M&A. There is also a potential risk of impairment of subsidiaries, which might affect Nagarro SE's net income for the year and consequentially, its retained earnings, and could impact its ability to pay out dividends and share buyback.

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 of Internal control system of Section A.IX. Report on the accounting-related internal control system and risk management system and on risks and opportunities. of the Combined Management Report.

VIII. Report on expected developments

Overall economic expectation

The OECD Economic Outlook published in December 2025 cites that Global GDP growth is projected to slow from 3.2% in 2025 to 2.9% in 2026, as higher tariffs and ongoing policy uncertainty slow down investment and trade.

In the United States, growth is projected to slow from 1.8% in 2025 to 1.5% in 2026 owing to higher tariff rates, moderating net immigration and reductions in the federal government workforce. In the Euro area, GDP growth is expected to experience a smaller but steady slowdown, from 1.2% in 2025 to 1.0% in 2026 with increased trade frictions and geopolitical uncertainty somewhat offset by stronger public investment and easier credit conditions.

Expectations for the IT sector

Global Information Technology spending is on track to surpass $6 trillion for the first time in 2026, according to projections by Gartner in February, 2026. Total worldwide spending is expected to hit approximately $6.16 trillion, representing 10.8% growth over 2025.

Despite the overall spending increase, growth is expected to be uneven across different segments. Gartner anticipates that Data Center Systems will see the strongest growth, while it expects IT Services spending to increase 8.7% in US dollar terms in 2026, up from 6.4% in 2025.

Geopolitical re-assessment Middle East war

Nagarro's future business development continues to be influenced by geopolitical uncertainties, in particular the ongoing Middle East war and its potential impact on economic conditions in certain regions.

Based on the information currently available, management does not expect any material adverse impact on the Nagarro's business development and key performance indicators within the next 12 months. This assessment is primarily supported by the Nagarro's diversified business model.

Nevertheless, it cannot be ruled out that temporary demand fluctuations, project delays, or changes in client investment decisions may occur in certain regions, particularly in the Middle East and the United Arab Emirates (UAE).

At the same time, Nagarro expects selective positive effects in certain areas, particularly due to additional demand from the public sector, defense-related projects, and technology-driven solutions, especially in the field of artificial intelligence.

Management will continue to closely monitor developments and adjust its planning assumptions as necessary.

Expectations of Nagarro

Taking the above context into account, we expect FY2026 revenue, based on 2026 average foreign exchange rates available until the date of forecast (including for currencies that contribute significantly to our revenues: USD/EUR - 1.172; INR/EUR - 106.886 and GBP/EUR - 0.869) and not including future acquisitions, to be between €1,000 million and €1,060 million. At the mid-point, this corresponds to an increase of approximately 5% over 2025 local revenues translated to Euro at current foreign exchange rates. We target gross margin in the region of approximately 32%, which roughly corresponds to the gross margin for 2025 (32.2%). Our target adjusted EBITDA margin is between 14.5% and 15.5%, compared to 13.8% in 2025. Potential acquisitions in 2026 are not included in these forecasts. These projections are subject to risk and uncertainties as described in the Risk section below risks and opportunities.

The key assumptions underlying our estimate of 2026 performance are:

1) Improved spending on IT services: In line with the predictions by Gartner, we expect the global spending on IT services to grow between 5% and 10%.

2) Availability of reasonably priced talent, especially in our most important talent hubs: We expect wage inflation and attrition to be close to historical averages and expect Nagarro's ability to hire strong talent to continue as before.

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

Our most important non-financial KPIs are our client satisfaction (CSAT) score and our Net Promoter Score (NPS). Our CSAT score for 2025 was 93.4% and our NPS was 68 (refer III.B. Business performance for 2025) of section A. Since we do not expect any major changes in 2026 to the way we provide services to our clients, we expect the CSAT score and NPS for 2026 to be at approximately the same levels as in 2025, with the CSAT score in the region of 92% and the NPS in the region of 65. There is a possibility that clients joining us through the integration of acquired entities may have higher or lower levels of satisfaction than the existing client base, which may result in some movements in the CSAT and NPS.

Overall, we expect 2026 to be a good year for the Company as the long-term market drivers remain intact and we have positioned the Company to take advantage of them. Nagarro intends to continue its sustainable dividend policy of distributing between 10% and 20% of the IFRS EBIT of the group every year.

All of the above management forecasts are expectations and may be proved wrong and are especially uncertain because of the multidimensional and unpredictable effects of the global economic situation. The actual development of Nagarro and its business units may be better or worse than the expected figures due to the opportunities and risks listed below or in the event that our expectations and assumptions do not materialise.

IX. Risks and opportunities report

A. Key features of the Risk Management System and Internal Control System

Corporate Governance and Organization

Nagarro's governance structure integrates the Risk Management System (RMS), the Internal Control System (ICS) and the Compliance Management System (CMS) into a cohesive framework. In alignment with the legal requirements, the Management Board bears overall accountability for design, implementation, continuous improvement, and effectiveness of these governance systems with the support of the Risk & Compliance team and the ICS team. The systems are designed to meet the requirements of sections 91(2), (3) and 93 (1) AktG to ensure early identification and monitoring of developments that could endanger the Company's continued existence. Within the RMS, in accordance with Nagarro's organizational structure and the defined responsibilities, senior management members as risk owners are required to identify risks in their areas and regularly review the risks assigned to them, to monitor related developments within their business units and internal functions, to implement appropriate mitigation measures, and to report these to the Risk & Compliance team.

The Risk & Compliance team is responsible for preparing the enterprise risk reports on a bi-annual basis. It also assists the Management Board in reporting to the Supervisory Board.

Nagarro's Internal Control System (ICS) focuses on the effectiveness and transparency in key business processes and is aimed at identifying and prioritizing risks along with the achievement of business objectives. The ICS at Nagarro is based on the internationally recognized COSO standards for corporate governance and is aligned with the principles set out in the German Corporate Governance Code (Deutscher Corporate Governance Kodex – DCGK).

The CMS is a core element of Nagarro's governance, steering and control framework and complements the RMS and the ICS. It establishes a framework for compliant conduct and supports the systematic identification and management of compliance risks, through clearly defined rules, responsibilities and standards of behavior.

Nagarro's governance envisions an independent monitoring through internal audit. The internal audit framework is currently being designed to enable independent evaluations of the design and effectiveness of the RMS, ICS, and CMS. Its implementation will further enhance objective assurance and strengthen overall risk oversight.

Key characteristics of the accounting related Internal Controls and Risk Management System for the Group

Nagarro's accounting related Internal Control and Risk Management System is embedded within the Company's broader corporate governance framework. It is designed with the objective to provide reasonable assurance on the reliability of external financial reporting and to ensure consistent compliance with International Financial Reporting Standards (IFRS) and the requirements of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

The Management Board holds overall responsibility for establishing and continuously monitoring an appropriate Internal Control and Risk Management System for the consolidated financial statements and the disclosures in the combined management report. This system is designed to identify, assess, mitigate, and report risks that may arise during the process of preparing the annual and consolidated financial statements. A clear segregation of duties is defined and implemented across all relevant functions to ensure accuracy, transparency, and integrity in financial reporting.

Additionally, the Audit Committee of the Supervisory Board meets regularly with the Management Board, the Risk & Compliance team, and the ICS team to review updates related to the Internal Control and Risk Management System.

The Internal Control and Risk Management System and the Compliance Management System serve the purpose of preventing or detecting errors and manipulations in accounting, identifying risks that threaten the Company's going concern at an early stage, evaluating them appropriately and controlling them by means of appropriate measures, and avoiding financial losses to the detriment of the Company. However, the systems cannot guarantee absolute certainty that all material risks are effectively addressed and controlled. Nevertheless, they ensure a high degree of transparency and controllability of the risks relevant to the Company.

Risk Management System

Nagarro's RMS is designed to ensure a structured approach to identify, assess, manage, and monitor risks, i.e. potential future developments or events that could impact the Group's forecasts or objectives. The aim is to effectively address the diverse risks associated with global business operations as well as the early identification of opportunities, i.e. potential future developments or

events that could lead to a positive deviation from the Group's forecasts or objectives, arising from market, technological or strategical developments that can strengthen Nagarro's market position and drive long term value creation. Its risk management practices adhere to internationally recognized standards and accepted frameworks, including the COSO Enterprise Risk Management Framework (2017) and ISO 31000:2018. The risk strategy is anchored on three core pillars: Risk Principles, Risk Management Process and Organization and Strategic Risk Metrics.

During the reporting year, Nagarro has significantly enhanced its risk identification and assessment methodology to ensure greater accuracy and consistency in evaluating identified risks. It also includes the redefinition of risk categories such as strategy, operations, financial, and compliance in alignment with the COSO framework, enabling a more structured approach in accordance with international standards. This refinement ensures a focus on risks that are most relevant to the organization's strategic objectives. Additionally, the enterprise risk reporting cycle is initiated on a bi-annual basis, aligning with common industry practices and improving the timeliness of risk communication. All these changes have been implemented with the overarching goal of making risk management more targeted and effective, thereby strengthening governance and supporting proactive decision-making.

Internal Control System

Nagarro also has an integrated Internal Control System based on the internationally recognized COSO standards and the German Corporate Governance Code (Deutscher Corporate Governance Kodex – DCGK). It intends to ensure the effectiveness and efficiency of business processes, the reliability and accuracy of financial reporting, and compliance with applicable laws, regulations and internal policies. The ICS comprises clear roles and responsibilities, standardized control matrices, risk assessments, control activities, information and communication, and monitoring across all relevant areas and processes of the Company. The ICS team defines the methodological standards and the design for internal controls, supports and advises the process owners with the implementation of controls, and performs independent monitoring and reporting to the Management Board on a quarterly basis. The Management Board, in turn, reports directly to the Audit Committee of the Supervisory Board. The ICS has a preventive and detective function to prevent both errors within the operational processes and fraudulent acts. For each business area, essential controls are defined based on risk factors which can arise in a business process. Controls are tested for design or operating effectiveness to safeguard assets and information from loss, theft or misuse.

Accounting related Internal Control System

Nagarro's accounting-related Internal Control System is designed to provide a proper, accurate, and reliable base for the Group's consolidated assets, its financial position and its results of operations. Group-wide binding guidelines and regulations serve as the foundation for a uniform, orderly, and continuous financial reporting process. This process aims to ensure the accurate recognition, processing and assessment of all business transactions, ensuring their complete and seamless integration into financial reporting and management processes, free from errors. For an accurate and reliable group financial reporting, specific control activities are carried out at group level. In addition, various control mechanisms are implemented which are designed to be process-integrated and process-independent. The process-integrated measures are specifically designed to address operational risks related to the preparation of financial reports to help in checking that the financial data is accurate, complete, and consistent across all levels of the organization.

The Group's ICS is largely centrally coordinated. The Group has a standardized approach to identify risks. The ICS is a blend of entity-level controls and process-level controls. Entity-level controls are high level controls that help the organization to address errors and fraud risk which may arise from an overall governance and a weak control environment. Process-level controls are more granular and focus on specific operational processes that are vulnerable to fraud and errors in the consolidated and annual financial statements. In FY25, Nagarro adopted a risk control-based ICS approach with operating effectiveness testing across in-scope entities for the Nagarro Group. This approach enhances reliability and the control environment. This includes the testing of controls at regular intervals and the provision of continuous improvement suggestions to designated process owners and teams which helps in improving the effectiveness of the ICS. A group-wide ICS handbook governing the responsibilities and processes related to the approach, execution, and monitoring of the ICS has been developed and is in the final stages of completion.

Compliance Management System

Nagarro has a group-wide Code of Conduct that serves as a framework for compliant behavior, as well as a confidential whistleblowing system with defined review and escalation procedures. In addition, group-wide policies covering key compliance topics and targeted training programs support the consistent application of these requirements across the organization.

During the past reporting year, Nagarro initiated the targeted enhancement of its existing CMS structures. The starting point is a structured relevance and risk analysis based on recognized topic clusters (DICO "honeycomb" model designed by the German Institute of Compliance), considering the specific characteristics of Nagarro's decentralized group structure. On this basis, existing elements are consolidated, priority compliance risk areas are identified, and corresponding measures are further developed. The CMS is designed in accordance with IDW PS 980 and reflects the core elements of a compliance management system as defined therein.

The objective is to further develop an overarching compliance framework that connects existing structures across the Group and is progressively enhanced by clearer responsibilities, consistent documentation and transparent reporting mechanisms. In this way, the interaction between CMS, RMS and ICS is further integrated. The ongoing development aims to sustainably strengthen the effectiveness, traceability and group-wide consistency of the CMS in line with the applicable statutory framework.

B. Risk management Framework - Policy, Strategy, Principles and Process

Risk Management Policy, Strategy & Principles

The Risk Management Policy, issued by the Risk & Compliance team and approved by the Management Board, governs how risks are managed in alignment with the Company's risk appetite. It establishes a uniform methodology to be applied consistently across all regions of the organization. The policy underscores that risk management at Nagarro is a shared responsibility - without exception. Every Nagarrian is expected to actively participate in the risk management process and to continuously identify risks within their day-to-day operations.

Nagarro's RMS is designed to fulfill the core objectives of ensuring compliance with regulatory and internal requirements, enabling early risk warnings, and fostering accountability and responsible decision making across the organization. It embeds risk considerations into strategic and operational planning and supports the proactive management of potential disruptions through controls. Aligned with Nagarro's corporate strategy and guided by the CARING values, the risk strategy is built on three key pillars - Risk Principles, Risk Management Process and Organization, and Strategic Risk Metrics, that assess risk bearing capacity and tolerance to ensure overall risk exposure remains within acceptable limits.

Our risk principles are established based on Nagarro's fundamental approach to risk management, as defined by the TRUST framework, ensuring a consistent and open risk culture across all levels of the organization. The TRUST framework – Transparency, Responsibility, Uniformity, Sustainability, and Timeliness – forms the foundation of our risk management approach. It encourages that all risks are reported and establishes accountability with every Nagarro team member responsible for adhering to consistent risk management practices. The framework is continuously enhanced to maintain its effectiveness. Risks are identified, assessed, and communicated openly to support an informed decision-making.

Risk Management Process

Risk management is an integral part of the strategic planning and implementation of Nagarro's business model and is embedded across the organization through a risk-oriented management approach. Our RMS covers all entities and provides a comprehensive view of risks across the areas of strategy, operations, financial, and compliance in accordance with the COSO framework.

Our RMS comprises various components such as risk strategy and planning, risk identification, risk assessment, risk aggregation, risk steering, risk reporting and risk monitoring and improvement. These structures established by the Management Board are intended to enable an early identification, a thorough analysis, an assessment and an appropriate treatment of potential risks.

Risk Identification

Risks are identified in a structured way through a combination of both top-down and bottom-up approaches to ensure that potential new risks are discussed at management level and included in the enterprise risk reporting process. The risk identification process also covers extreme risks, defined as risks with a very low likelihood of occurrence, combined with a potentially significant or critical impact in the event they materialize.

The Risk & Compliance team regularly works with Business Unit heads and supports function heads that primarily deal with risk topics, such as the Security Council, the Global Privacy Council, Finance and the legal team, which manages customer contracts. The team collaborates with risk owners to assess risks associated with business operations and internal processes, and it monitors the implementation and effectiveness of measures to mitigate these risks. All identified risks are tracked and monitored. Furthermore, the Risk & Compliance team is responsible for the regular maintenance and implementation of our Risk Management System, as well as the standardized internal and external risk reporting.

Risk Assessment

Risks are evaluated using quantitative risk assessments individually on both a gross basis (before the consideration of mitigation measures) as well as a net basis (remaining risk after risk response measures), providing a comprehensive view of Nagarro's risk landscape. The assessment process ensures that management attention and resources are directed toward significant risks and their mitigation plans. All existing and emerging risks are reassessed on a bi-annual basis by evaluating likelihood and impact and considering the most probable expected loss across different time horizons, defined as short term (one year), medium term (two to three years), and long term (four or more years).

Risk Aggregation & Risk Bearing Capacity Analysis

Building on these inputs, Nagarro applies a risk aggregation approach to assess whether identified risks individually or in combination could pose a threat to the Company's continued existence. The aggregated risk profile is derived from net risks, reflecting

the impact after implementing mitigation measures. Additionally, interdependencies (incl. correlations) among risks are also included, as these may trigger and/or amplify the occurrence of other risks. The resulting aggregate risk exposure is compared with the available risk-bearing capacity derived from equity and liquidity using a Monte Carlo simulation in order to assess the company's risk-bearing capacity. This assessment covers both, the overall risk position and the individual risk categories, with forecasting activities spanning a one-year horizon. The approach provides a forward-looking risk profile, highlighting the urgency and scale of additional mitigation measures that are required to keep risks within acceptable thresholds.

Risk Steering

Nagarro applies a structured approach to address identified and assessed risks. It encompasses four established risk response strategies: avoidance, mitigation, transfer, and acceptance, designed to reduce the expected impact, the likelihood, or both, for material risks to a tolerable level for Nagarro, or to accept certain risks where appropriate. In addition, continuous risk monitoring is conducted by risk owners to track changes in the risk landscape, to evaluate the effectiveness of implemented measures, and to ensure that emerging risks or shifts in likelihood and impact are promptly identified and addressed. This ongoing monitoring helps maintaining transparency, supports timely decision making, and ensures that risk responses remain aligned with Nagarro's risk appetite and overall strategic direction. Risk responses are documented and reviewed, monitored, and updated bi-annually by the Risk Owners in coordination with the Risk & Compliance Team. To ensure continuous improvement, those responsible for implementing and overseeing the measures assess their adequacy and effectiveness.

Risk Reporting

The Risk Management process at Nagarro is structured to provide the Management Board and the Supervisory Board with timely and comprehensive insights into significant risks that could impact the organization. The Enterprise Risk Report ensures focused visibility into all significant risks across Nagarro. It covers significant changes to the RMS process, newly identified risks, updates to existing risks, and the distribution of risks across various categories. Additionally, the report includes a detailed risk-bearing capacity analysis, supporting informed decision-making on risk mitigation and strategic planning. While risk reporting follows a bi-annual cycle, it is reinforced by an ad-hoc reporting mechanism designed to escalate critical issues promptly, ensuring that emerging risks or urgent developments are communicated without delay. This integrated approach strengthens governance and supports proactive risk management across the enterprise.

RMS Monitoring and Improvement

The primary objective of monitoring is to verify that the risk management framework remains robust, consistent, and aligned with both internal and external developments. Our RMS is evaluated on a periodic basis to ensure its adequacy and effectiveness. Identified gaps are addressed in a timely manner, and lessons learned are incorporated on an ongoing basis.

Risk Matrix

Our risk management approach involves evaluating risk factors to determine their classification and net expected loss on business objectives. Risks are categorized into four profiles: very High, high, moderate, and low, based on two key dimensions: likelihood (i.e., probability of occurrence within the assessment period) and potential impact (deviation from strategic and operational objectives relative to EBIT as reference value). The guidelines for these indicators are detailed in the following tables, which serve as the basis for a consistent and transparent risk evaluation across the organization.

Category Probability of Occurrence	Probability of Occurrence from
Very Unlikely	up to 5 %
Unlikely	> 5 % to 25 %
Likely	> 25 % to 50 %
Very Likely	> 50 % to 75 %
Almost Certain	> 75 %

Category Impact	Impact from / to
Insignificant	up to €1 million
Minor	> €1 million to €5 million
Moderate	> €5 million to €10 million
Significant	> €10 million to €30 million
Critical	> €30 million

Based on the assessment of likelihood and impact, risks are classified within a risk matrix. This matrix enables comparison of relative risk priorities and illustrates the effect of mitigation measures on a risk's likelihood and/or impact.

Impact	Very Unlikely up to 5 %	Unlikely > 5 % to 25 %	Likely > 25 % to 50 %	Very Likely > 50 % to 75 %	Almost Certain > 75 %
Critical > €30 million	Moderate	High	High	Very High	Very High
Significant > €10 million to €30 million	Moderate	Moderate	High	High	Very High
Moderate > €5 million to €10 million	Low	Moderate	Moderate	High	High
Minor > €1 million to €5 million	Low	Low	Moderate	Moderate	Moderate
Insignificant up to €1 million	Low	Low	Low	Moderate	Moderate

Likelihood

C. Risks

This section outlines the identified risks that could adversely affect our business operations, financial position, earnings capacity, and reputation based on the recent risk assessment conducted during the reporting period. No significant changes have been identified up to the date on which the annual and consolidated financial statements were prepared. In addition, risks and opportunities that are not yet known or are currently considered less significant can also have a negative impact and jeopardize our business objectives, future earnings, financial and asset position. Newly identified significant risk areas include Socioeconomic Trends, Operational Environmental Risks, and AI risks. Risks are categorized into four main groups: Strategic, Compliance, Operational, and Financial. These categories are further subdivided into areas such as Market Dynamics & Competition, Planning & Resource Allocation, Socioeconomic Trends, Mergers & Acquisitions, Financial Crime, Legal, Business Partner & Third Parties, Operational Personnel & Human Resources, Operational Environmental Risks, Project, Information technology, AI Risks, Financial markets, and Capital Structure.

Overview of Risks by Category

The following table provides a structured overview of our risk landscape for the twelve-months period beginning on the balance sheet date. Individual risks are grouped into defined categories and ranked in accordance with the risk classification. None of the identified risks were classified as 'very high'. Risks assessed as 'low' are not presented. If individual risks within a subcategory fall into different risk classes, the risk with the highest classification determines the classification of the entire subcategory.

The following section presents all significant risks, taking into account the measures implemented, categorized and, within each category, ordered by their currently assessed potential impact on Nagarro, starting with the highest risk classification.

Categories	Trend compared to 2024*	Risk Class
Strategic Risks		
Market Dynamics & Competition	↗	High
Planning & Resource Allocation	↗	Moderate
Socioeconomic Trends	New	Moderate
Mergers & Acquisitions	↗	Moderate
Compliance Risks		
Financial Crime	↗	Moderate
Legal	↗	Moderate
Business Partner & Third Parties	↗	Moderate
Operational Risks		
Operational Personnel & Human Resources	↗	Moderate
Operational Environmental Risks	New	Moderate
Project	↗	Moderate
Information Technology	↗	Moderate
AI Risks	New	Moderate
Financial Risks		
Financial Markets	↗	Moderate
Capital Structure	↗	Moderate

* as per new assessment methodology.

Strategic Risks

Market Dynamics & Competition

With respect to market dynamics and competition, Nagarro is exposed to risks arising **from political instability, global crises and geopolitical conflicts and potential changes in the geopolitical situation** which can lead to revenue loss and reduced business opportunities in affected regions. To mitigate these risks, the Company has implemented a robust business continuity plan and geographic diversification across services and product portfolios. In addition, it has conducted multiple crisis simulations and established long-term strategic workforce planning. The Company has also invested in developing emerging markets to create recurring opportunities and ensure a steady pipeline of work, even the event of global or regional fragmentation.

The war in the Middle East represents a geopolitical risk factor that may affect economic conditions as well as business activities in certain regions. Potential impacts may arise from increased client uncertainty, potential project delays, and weaker demand development in affected markets. This also applies to the Company's business activities in the United Arab Emirates (UAE), which are generally characterized by project-based revenues. Given the Company's diversified business model across regions, industries, and clients, management currently does not expect any material adverse impact on the Group's net assets, financial position, and results of operations within the next 12 months. Management continuously monitors the development and regularly assesses the resulting risks and opportunities.

Certain market risks exist due to factors such as **dependence on key industries** which may restrict marketing and talent acquisition opportunities. These challenges could adversely impact the demand for services and jeopardize Nagarro's market position. To address these risks, Nagarro has enhanced adaptability through targeted hiring in response to changing business priorities, diversifying its offerings, and strengthening learning and development initiatives, including new programs such as AI Dominance. In addition, Nagarro ensures the fungibility of talent across industries to maintain competitiveness.

The AI hype may lead to **market overvaluation**, potentially affecting customer satisfaction and financial performance if expectations are not met, resulting in potential financial losses. To mitigate this risk, Nagarro monitors market developments and trends, provides targeted training, and aims to increase productivity by 20% through effective AI adoption.

Planning and Resource Allocation

Nagarro has identified risks where **cost estimates, cash flow estimates and revenue estimates** could be incorrect. Such mis judgments may lead to incorrect strategic decisions and jeopardize the financial stability of the Company. To mitigate the impact of this risk, there is a yearly cost planning process as well as continuous forecast updates done by Business Units (BUs) in line with revenue movements and the Finance team conducts periodic reviews and tracking across all business units, and Sales & Marketing. Additionally, revenue forecasting is supported by key drivers such as FTE, working days, billing rates, utilization, and annual cost planning.

Socioeconomic Trends

In the area of socioeconomic trends, Nagarro has identified **geo-localized risks arising from publicly funded R&D programs** as most governments offer subsidies to stimulate R&D activity. However, if Nagarro does not actively pursue such programs, its R&D investments may become comparatively more costly, potentially affecting its competitiveness. To mitigate these risks, Nagarro monitors local requirements and market developments, and assesses the feasibility and availability of public R&D funding opportunities.

Mergers & Acquisitions

To support our growth strategy, Nagarro actively pursues acquisitions of businesses and technologies and expects to continue doing so in the future. These activities expose Nagarro to integration-related risks which include **difficulties in integrating new acquisitions or prolonged integration delays that** could lead to compliance issues and missed opportunities, ultimately disrupting operations and reducing anticipated synergies. To address these risks, Nagarro has implemented measures including cultural fit evaluation during M&A, structuring deals with earn out components over several years and designating contact persons for seller relationships. In addition, Nagarro is establishing time-bound integration framework with maximum allowed deferment periods for critical functions and is introducing interim risk controls to ensure immediate compliance coverage

Compliance risks

As a listed company with registered office in Germany and a global presence, Nagarro is subject to a wide range of regulatory requirements. Our top priority is strict compliance with German company and capital markets law and regulations, including requirements relating to ad-hoc disclosures, regular reporting on quarterly results, and notifications of proprietary transactions and changes in voting rights. Nagarro must also comply with the provisions of the European Market Abuse Regulation (MAR), which prohibits insider trading and market manipulation. Nagarro monitors compliance with these regulatory requirements through its legal team, supported by external legal counsel.

Financial Crime

A potential risk within this subcategory relates to **bribery, corruption involving authorities or clients**, which may lead to violations of anti-corruption laws and result in significant penalties. This includes the possibility of unauthorized or illegitimate payments, such as disbursements to ghost employees or fake contractors from Nagarro bank accounts, which could result in financial loss and reputational harm. To mitigate these risks, Nagarro has implemented financial control mechanisms, including the requirement of two signatures for payments, which was improved and standardized across the group to prevent and eliminate process gaps, the four-eyes principle ("two-person principle") for key business decisions, the monitoring and auditing of expenditures, and clearly defined approval and workflow processes.

Legal

As a global software provider, Nagarro is required to comply with local data privacy laws. One of the relevant European data protection regulations is the General Data Protection Regulation. These regulations require Nagarro to treat its customers' personal data and sensitive information with the utmost care and to protect them from unauthorized access or misuse. However, **differences in local understanding, awareness, and enforcement – particularly with respect to data retention, deletion, and handling** – may result in privacy breaches, regulatory issues, and reputational damage. To mitigate these risks, Nagarro has established a global privacy governance framework and conducts regular awareness and training programs. In addition, employees are required, through the Nagarro Constitution, to recognize and act in accordance with this framework. At the same time, Nagarro requires its suppliers and business partners to comply with its Code of Conduct for Suppliers and Business Partners. These measures are intended to ensure that all parties involved act in accordance with Nagarro's ethical principles and the applicable legal requirements.

Business Partners and Third Parties

The **unauthorized conclusion of contracts, or customer contracts misaligned with our risk posture**, could result in legal claims and reputational damage. These risks are mitigated through strict contractual safeguards, including predefined liability caps under Nagarro's legal standards, mandatory legal reviews, execution via the contract management tool by authorized signatories, and CEO pre-approval for any exceptions involving unlimited liability. The process is further reinforced by the four-eyes principle, role-based access controls, and full audit-trail functionality. Additionally, periodic awareness campaigns and training, third party due-diligence,

and periodic reviews and enhancements of authorization processes are conducted to minimize risk. Digital signing is implemented through access-restricted tools with clear authorization protocols, supported by comprehensive tracing and logging mechanisms.

Operational Risks

Operational Personnel and Human Resources

A central element of Nagarro's business is the delivery of software and service solutions. Nagarro faces risks related to the **loss of key personnel, high employee turnover, and dependency on highly specialized talent**, particularly in the areas of technology and management, which could adversely affect operations and service delivery. To mitigate these risks, Nagarro's business model is not dependent on individual personnel but is based on a broad portfolio of expertise across the organization. Attracting and retaining top talent is critical, and the Company supports this through competitive remuneration models, retention initiatives such as ESOP appreciation, flexible working arrangements, and comprehensive learning and development programs via Nagarro University (NagarroU). Also, Nagarro fosters employee satisfaction through its CARING culture and the promotion of a positive corporate environment. The Company continues to strengthen its employer branding to support sustainable growth as well as talent attraction and retention. Nagarro also faces risks related **to senior talent misalignment, inefficient utilization of bench resources, and a shortage of future senior talent**, which could impact the effective deployment of its skilled workforce and overall business performance. To mitigate these risks, Nagarro is implementing measures such as prioritizing redeployment of bench resources over external hiring and investing in training and upskilling programs to develop junior talent into future senior roles. Furthermore, the Company actively manages its skills and capabilities to generate new business opportunities and develop tooling and accelerators. These initiatives support optimal resource utilization and strengthen Nagarro's future leadership.

Operational Environmental Risks

Compliance with environmental, social, and governance (ESG) laws and regulations, as well as sustainability and human rights requirements, presents increasing complexity and risk. Certain risks include **environmental factors such as extreme weather conditions**, which may lead to health issues among the workforce, including heat stress or sudden changes in weather patterns. These factors may result in increased sick days and reduced productivity. To mitigate these impacts, Nagarro has implemented flexible working hour arrangements that allow colleagues to adjust their working hours to more suitable periods of the day. In addition, the Company has enhanced workplace environments and implemented awareness programs on health management to support employee well-being and sustain productivity.

In addition to the above, there is a risk associated with **high energy consumption during the deployment of digital solutions**, which may shift customer preferences toward companies offering low-carbon alternatives. This trend could create pressure to invest in sustainable digital solutions. To address this, Nagarro engages with clients to gain timely insights into their expectations and ensures that delivered solutions meet the required sustainability performance standards.

Risks may also cascade to Nagarro through supply-chain partners, such as cloud service providers. To mitigate these risks, the Company engages early with cloud providers to anticipate potential disruptions and develop contingency plans. Additionally, Nagarro has rolled out programs to raise awareness of sustainability and resilience criteria in the selection of cloud solutions to ensure long-term stability and alignment with its ESG objectives.

Project

There is a risk that **client dissatisfaction** could lead to refusal of payment or claims for damages, potentially impacting Nagarro's reputation and projected revenue. To mitigate this, the Company establishes clear role expectations and responsibilities before initiating any engagement, maintains multiple communication platforms and escalation pathways, and conducts regular weekly and monthly meetings with clients to address concerns promptly. Early warning signals of dissatisfaction are managed through a defined escalation process and a structured feedback loop to close expectation gaps. In addition, Nagarro performs client satisfaction (CSAT) surveys and milestone-based check-ins to ensure quality and alignment, enabling the continuous monitoring and improvement of client satisfaction.

Information Technology

As a technology-driven organization, Nagarro is exposed to risks related to **data security and data loss resulting from technology outage or security breaches**. Nagarro's mitigation measures include a comprehensive Business Continuity plan designed to minimize the impact on client services and ensure employees' safety. In addition, the Company has a redundant power infrastructure for critical systems, redundant power supply on the data centers, and uninterrupted power supply (UPS) for servers. Further measures include enterprise storage solutions, strict separation of development, testing, production environments with no cross-account sharing, least-privilege access controls for delivery teams, and advanced technical security controls such as multi-factor authentication, encryption, firewall and network segmentation, data loss prevention, vulnerability scanning and 24/7 monitoring of critical systems.

AI risks

The rapid advancement of AI technologies presents significant opportunities for Nagarro but also entails risk. **Short innovation cycles, unclear industry standards, differing approaches to regulation and varying legal requirements** increase the challenges for business operations and risks of non-compliance. To address these risks, Nagarro has introduced a dedicated AI task force, Responsible AI principles and training programs.

Financial Risks

The financial instruments of Nagarro are subject to various risks, such as liquidity risks, credit risks and market risks from changes in market prices and exchange rates. For the identification, evaluation and limitation of these risks, tiered risk management and control systems are used. Nagarro also implements safeguards and concludes hedges for the avoidance, early identification and mitigation of risks arising from financial instruments. With regard to financial instruments, only liquidity risks and market risks from changes in exchange rates have been identified as material.

Financial markets

Nagarro is exposed to foreign currency risk arising from its international operations. Key examples include **exchange-rate risks**, as currency fluctuations may affect the Company's results. Currency risk arises when transactions are denominated in currencies other than the respective functional currencies of the Nagarro group entities. Since Nagarro operates globally, it frequently invoices customers in non-euro currencies and incurs personnel costs in other currencies. As a result, currency movements can impact Nagarro's revenue, expenses and profitability. The primary currencies to which Nagarro is exposed include, among others, the Euro, US Dollar, and Indian Rupee. Nagarro's objective is to manage foreign currency risk in a prudent manner and to minimize adverse effects on profitability. Exposures are monitored on an ongoing basis. To this end, the Company can often renegotiate billing rates to offset for unfavorable exchange-rate movements. In addition, measures to reduce the impact of intercompany loans on profit and loss are currently under evaluation. Nevertheless, short-term currency risks remain. These are partially mitigated through hedging activities, particularly with respect to Nagarro's currency exposures in its largest service region, India, across five other currencies.

A natural hedge is achieved to some extent through the alignment of revenues and costs in the same currencies. We have a natural hedge in high-turnover regions such as the USA and Germany. A significant proportion of our revenue and expenses are denominated in the respective local currency. Hence there is minimal currency risk in these geographies.

In addition, Nagarro selectively uses derivative financial instruments to hedge foreign currency risk. To ensure the intended effectiveness, the currency hedging follows a documented policy. Hedging activities are primarily focused on exposures in India, which represents Nagarro's primary delivery hub and where a significant portion of foreign currency-risk arises. 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. There is also a mechanism allowing some room for hedging beyond that, with adequate oversight and amount limits. The maximum term is one year.

This hedging is not carried out at the level of individual transactions, but on the basis of the aggregate receivables of the Indian entities. In 2025, we mainly hedged five (2024: five) currency pairs over the course of the year: USD-INR [USD 194.6 million hedged] (2024: USD 160.5 million hedged), EUR-INR [EUR 59.5 million hedged] (2024: EUR 48.4 million hedged), SEK-INR [SEK 43.4 million hedged] (2024: SEK 51.6 million hedged), AUD-INR [AUD 10.2 million hedged] (2024: AUD 8.3 million hedged) and GBP-INR [GBP 9.8 million hedged] (2024: GBP 11.2 million hedged).

Nagarro concludes foreign exchange forward transactions to hedge foreign currency risks of future cash flows.

In the Nagarro Indian companies, the Euro (EUR), US dollar (USD), the Swedish krone (SEK), the British pound (GBP), and the Australian dollar (AUD) are the currencies that were hedged with respect to the Indian rupee (INR), since the customer receivables are mainly in these currencies while purchasing costs (staff costs and the purchase of third-party services) are incurred in Indian rupees (INR).

In each case, the maturity of the foreign exchange forward contract is less than one year.

Capital Structure

Financial risks exist in connection with potential **breaches of loan covenants and the adequacy of insurance coverage**, which Nagarro continuously monitors. Non-compliance with loan covenants may cause a termination and the cancellation of credit facilities and the repayment of amounts drawn under the loan. These risks are mitigated through ongoing monitoring and regular communication with financial stakeholders regarding compliance with the covenants. The agreed leverage, EBITDA and equity ratios are continuously reviewed based on financial performance and key performance indicators. In the event of inadequate insurance coverage, there is a risk that potential liabilities or other damages may not be sufficiently covered. Nagarro therefore reviews regularly whether existing coverage levels are appropriate in relation to its business activities in order to mitigate this risk.

Liquidity risk is the risk that Nagarro may not be able to meet obligations associated with its financial liabilities. Nagarro's aim is to have sufficient liquidity to conduct our business smoothly. Liquidity is managed by continuously monitoring it, forecasting and monitoring cash inflows and outflows and taking appropriate measures as required. In order to ensure sufficient liquidity at all times, bank loans, leasing and rental agreements (for the procurement of computers and equipment as well as for buildings) and factoring options are utilized to finance business operations and investment activities. On December 31, 2025, the financial liabilities of Nagarro amounted to €458.6 million (December 31, 2024: €453.3 million), of which €86.4 million (December 31, 2024: €86.1 million) are due within one year.

As of December 31, 2025, 100% of the current financial liabilities (December 31, 2024: 100%) were covered by current financial assets in the amount of €334.6 million (December 31, 2024: €419.7 million).

Current net liquidity from financial assets and liabilities decreased by €85.5 million, from €333.6 million as at December 31, 2024 to €248.1 million as at December 31, 2025. Nagarro has sufficient factoring agreements in the USA and Germany. Nagarro also has a syndicated revolving credit facility totaling €350.0 million. These euro-denominated loans under the syndicated loan facility amounted to a total of €304.5 million (December 31, 2024: €319.5 million). These revolving loans have a variable interest rate based on the three-month or six-month Euribor (depending on the interest period) plus a margin of 1.75 (December 31, 2024: 1.75) percentage points as at December 31, 2025. The unutilized portion of the loan carries interest at 35% of the margin rate of the utilized loan. In the financial year 2025, the loans had an average interest rate of 4.02% p.a. (2024: 5.54% p.a.). The unutilized portion of the loan was subject to an average interest rate of 0.61% p.a. (2024: 0.61% p.a.). At the end of 2025, Nagarro had unutilized balance of syndicated loan facility amounting to €45.5 million (December 31, 2024: €30.5 million).

D. Opportunities

As Nagarro navigates an evolving digital landscape, it has identified opportunities that could position it for sustained growth and continued market leadership. The Company believes that strategic investments in emerging technologies, geographic expansion, penetration of key industries, partnerships, and M&A could help accelerate its growth trajectory. The following opportunities outlined below, presented in descending order of significance, are expected to support Nagarro's next phase of growth, building on its core strengths in digital engineering, its CARING culture, and its Fluidic Intelligence vision

1. Digital transformation & Agentic AI

For years, Nagarro has served as a trusted digital transformation partner to its clients, guiding them through complex architectural shifts. Nagarro anticipates continued enterprise investment in cloud migration, legacy modernization, ERP transformation, and platform consolidation across the industries it serves. Nagarro also expects its role to deepen as the technological landscape evolves from basic automation towards autonomous intelligence. Agentic AI is expected emerge as an additional growth driver over the coming years, representing a fundamental shift in how clients operate. These agents will be able to reason, plan, and execute multi-step workflows independently. By integrating these capabilities into its service offerings, Nagarro is enhancing efficiency and enabling a new generation of proactive, self-optimizing enterprises that can contribute to its long-term ambitions. Nagarro's designation as an OpenAI Services Partner marks a significant milestone in its AI journey. This partnership, combined with the Company's proprietary Fluidic Intelligence framework, positions Nagarro well to benefit from accelerating enterprise AI adoption. The market opportunity is substantial, as organizations worldwide transition from AI experimentation to production-scale deployment and increasingly seek partners capable of delivering this transformation.

Nagarro's proprietary platforms, including NIA for intelligent agents, Forcastra for sales and operations planning, and Ginger for employee support, are ready-to-deploy accelerators that can compress implementation timelines from years to months. These platforms provide Nagarro with the opportunity to establish market-leading positions through vertical-specific agentic solutions across the industries it serves.

2. Geographic expansion

Nagarro's global expansion strategy has been, and will continue to be, focused on high-margin, high-growth corridors where digital transformation is a cornerstone of national economic policy. Nagarro is positioning itself to capture increased market share by aligning its localized delivery capabilities with the sovereign and enterprise needs of the world's most resilient economies. Combined with strategic local partnerships, this approach creates a diversified revenue base designed for long-term value creation.

• Middle East: Nagarro is capitalizing on the Middle East's multi-billion-dollar shift toward digital diversification. Beyond expanding its footprint in the UAE, its forward-looking roadmap includes the establishment of dedicated Centers of Excellence in Saudi Arabia and Qatar. This infrastructure can position Nagarro to capture high-value sovereign cloud and government digitalization contracts that require deep, onsite expertise.

• Asia Pacific: In the Asia Pacific region, Nagarro is prioritizing deep-market penetration over broad-market presence. Its strategic alliance with Marubeni provides a high-barrier-to-entry gateway into the Japanese manufacturing and financial sectors, while its expanded operations in Australia and Singapore position it to lead the region's public sector modernization. The Company also continues to evaluate strategic M&A opportunities for systems integrators to further accelerate its regional velocity.

• North America: Nagarro's recent acquisitions, including Charles Hudson Technology Solutions, demonstrate its commitment to strengthening its US capabilities. To drive growth in its largest revenue market, Nagarro is embracing a high-touch, innovation-led delivery model. By leveraging U.S.-based AI and data-engineering teams, Nagarro is moving up the value chain to serve key government and enterprise clients in resilient sectors such as retail, CPG, fintech and healthcare. This targeted approach allows Nagarro to act as a transformational partner for mid-market leaders, ensuring stable, long-term recurring revenue streams.

3. Vertical market penetration

Nagarro's performance in 2025 underscores the resilience of its diversified portfolio, with strategic vertical penetration serving as a significant opportunity to drive long-term shareholder value. By aligning our deep digital engineering expertise with industry-specific imperatives, Nagarro is transitioning from a broad provider to a specialized transformational partner in several growth sectors including:

• Automotive, Manufacturing & Industrial: Our roadmap centers focus on the evolution of software-defined vehicles and sustainable manufacturing. Nagarro is moving beyond individual features to build enterprise-grade connected vehicle platforms and autonomous systems. In parallel, its Edge-AI partnerships enable predictive, circular-economy solutions for the global industrial base.

• Public, Non-Profit and Education: The public sector represents a significant opportunity for high-governance digital services. Leveraging our GDPR expertise, Nagarro is capturing demand for sovereign cloud migrations and digital citizen identity platforms in markets that prioritize data security over traditional offshore models. For the Non-Profit sector, it is enabling mission-driven organizations to scale its impact through intelligent automation and CRM modernization, as demonstrated by its partnership with UNICEF and major healthcare foundations. In Education, Nagarro is transforming learning ecosystems through AI-powered interactive platforms, like conversational AI tools and smart campus management systems.

• Retail and CPG: In a challenging consumer landscape, Nagarro focuses on operational efficiency and unified commerce. Its future opportunities lie in composable commerce architectures and Agentic AI-driven personalization, helping retailers eliminate data silos and optimize last-mile fulfillment through intelligent, autonomous systems.

• Financial Services & Insurance: The fundamental shift toward embedded finance and core banking modernization remains a core priority for clients. Nagarro is deploying Agentic AI to automate complex regulatory compliance (RegTech) and legacy mainframe transformations, ensuring our financial partners remain agile in an increasingly decentralized market.

4. Strategic partnerships

Nagarro believes that its growth trajectory can be significantly amplified through a robust ecosystem of strategic partnerships, which act as force multipliers for its Fluidic Intelligence vision. The Company is moving beyond traditional implementation roles to position itself as a co-innovation partners to world's leading technology platforms. By deepening its AWS Advanced Consulting practice, it is capturing the shift toward industry-specific cloud architectures and GenAI integration through Amazon Bedrock. Simultaneously, Nagarro's position as an OpenAI Services Partner allows it to offer AI transformation consulting and responsible deployment frameworks across global markets.

Nagarro's legacy of excellence that spans over a decade with Salesforce and a premier Oracle NetSuite alliance is now pivoting toward Agentic AI solutions. By integrating these best-of-breed technologies into vertical-specific solutions for industries it serves, Nagarro expects to enable its clients to scale at the speed of innovation while securing long-term, high-margin revenue streams.

5. M&A

Nagarro's approach to M&A remains a cornerstone of our long-term value creation strategy, serving as a high-velocity engine for geographic expansion, technical leadership, and client access. Nagarro's proven integration framework allows it to onboard specialized firms and rapidly scale its capabilities across its global delivery network. Nagarro continues to focus on geographic expansion by acquiring firms like Infocore to anchor its Middle Eastern footprint and Inaho Digital Solutions to unlock the high-barrier Japanese market. Looking ahead, its pipeline remains active, targeting capability enhancement through the acquisition of niche firms in high-demand sectors. Furthermore, it continues to prioritize client access acquisitions that bring established relationships with Fortune 500 leaders and a localized presence in key economies around the world.

These opportunities mentioned have been identified across multiple dimensions including technology leadership, geographic expansion, vertical penetration, ecosystem partnerships, and M&A. Nagarro enters 2026 with confidence in its strategy, excitement about its prospects, and commitment to creating value for all stakeholders including its employees, its clients, its shareholders, and the local communities it serves.

E. Overall Assessment of Group's Risks and Opportunities

In overall assessment of our risk situation, Nagarro considers the measures and provisions to be appropriate for addressing the identified risks. The Company's financial resources are stable, and its liquidity requirements are covered through existing liquidity and available financing instruments. Based on the assessed financial impact and likelihood of occurrence, together with current business outlook and financial position and at the time of preparing the consolidated financial statements, no risks have been identified that, individually or collectively, could jeopardize Nagarro's continued existence. At the same time, Nagarro has sufficient resources available to take advantage of opportunities that may arise from changes in market environment.

F. Appropriateness and effectiveness of ICS,RMS and CMS (not audited by the auditor)

Nagarro is continuously working on enhancing its Risk Management System (RMS), its Internal Control System (ICS) and its Compliance Management System (CMS) in order to identify and eliminate any weaknesses and to optimize the systems and their processes. As part of this ongoing review process, we identified the need for further adjustments and improvement opportunities in the existing systems during the reporting year. We have initiated target measures to enhance the system, supported by external advisors and partially improved in financial year 2025. At the time of reporting, there is no evidence in any material respect to suggest that the RMS, ICS and CMS are generally inadequate or ineffective. The Management Board intends to continue driving these measures forward in financial year 2026, with the aim of further strengthening the effectiveness and efficiency of corporate governance structure as well as the Risk Management System, the Internal Control System and the Compliance Management System.

Munich, April 27, 2026

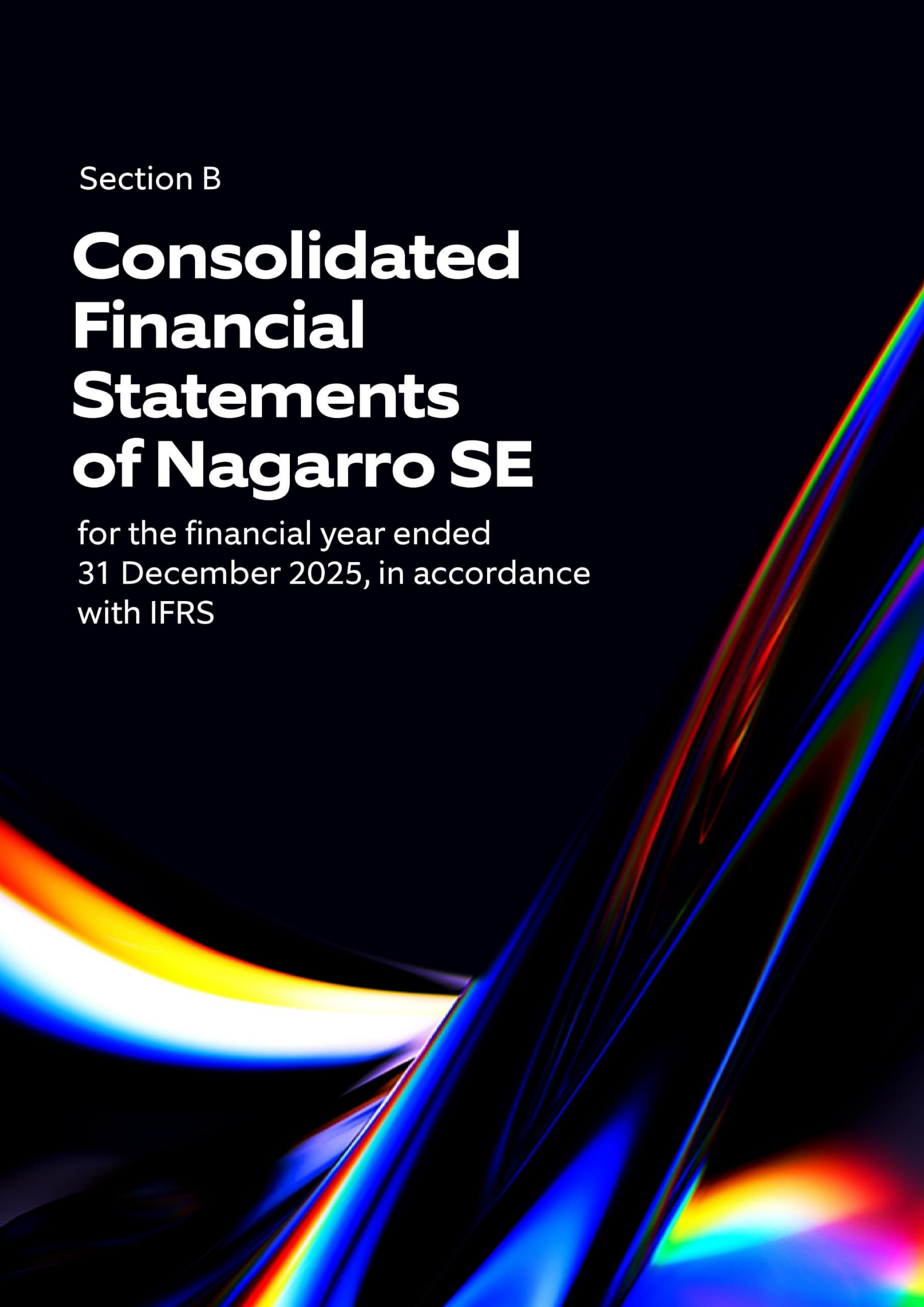
For the Management Board of Nagarro SE:

Manas Human	**Annette Mainka**	**Vikram Sehgal**
Chairperson	Member	Member

Section B

Consolidated Financial Statements of Nagarro SE

for the financial year ended 31 December 2025, in accordance with IFRS



Index

Consolidated statement of financial position **58**

Consolidated statement of comprehensive income **60**

Consolidated statement of changes in equity **62**

Consolidated statement of cash flows **64**

Notes to the consolidated financial statements **65**

A. General information **65**

1. Corporate information 65
2. Basis of accounting 65

B. Material accounting policies **66**

1. New and amended standards adopted 66
2. Standards and interpretations not yet applied 66
3. Basis of consolidation 68
4. Currency translation 70
5. Notes to the consolidated statement of financial position 73
6. Notes to the consolidated statement of comprehensive income 83
7. Estimates and assumptions 85
8. Measurement of fair values 86

C. Notes to the consolidated statement of financial position **87**

1. Intangible assets 87
2. Goodwill 89
3. Property, plant and equipment 90
4. Right-of-use assets and lease liabilities 91
5. Other financial assets 95
6. Other assets 95
7. Income taxes 96
8. Contract assets and liabilities 99
9. Trade receivables 101
10. Cash and cash equivalents 102
11. Equity 103
12. Loans and borrowings 107
13. Employee benefits liabilities 109
14. Liabilities from acquisitions 113
15. Other financial liabilities 114
16. Other provisions 114
17. Other liabilities 116
18. Financial instruments 116

D. Notes to the consolidated statement of comprehensive income **125**

1. Revenue 125
2. Other operating income 126
3. Cost of freelancers and other direct cost 127
4. Staff costs 127
5. Other operating expenses 128
6. Depreciation, amortization and impairment 129
7. Finance income 129
8. Finance costs 130

9. Earnings per share (EPS) ... 130

E. Notes to the consolidated statement of cash flows ... 132

1. Reconciliation of cash flows from changes in net working capital ... 132
2. Reconciliation of net cash flows from non-recourse factoring ... 132
3. Reconciliation of financial liabilities ... 133
4. Net cash flows from business combinations ... 134

F. Other disclosures ... 136

1. Business combinations ... 136
2. Related party transactions ... 140
3. Adjusted EBITDA ... 142
4. Gross profit and gross margin ... 143
5. Segment information ... 144
6. Contingent liabilities and guarantees ... 145
7. Capital management ... 145
8. Share-based payment arrangements ... 146
9. Financial risk management ... 152
10. Governing bodies of Nagarro SE ... 159
11. Publication ... 162
12. Corporate governance code ... 162
13. Events after the balance sheet date ... 162

Consolidated statement of financial position

Assets	Note	December 31, 2025	December 31, 2024
in kEUR			
Intangible assets	C.1.	44,434	43,396
Goodwill	C.2.	206,362	214,242
Property, plant and equipment	C.3.	8,312	10,029
Right-of-use assets	C.4.	69,942	53,274
Non-current contract assets	C.8.	399	432
Other non-current financial assets	C.5.	3,902	2,133
Other non-current assets	C.6.	1,133	663
Deferred tax assets	C.7.	26,864	16,491
Non-current assets		**361,349**	**340,660**
Current contract assets	C.8.	20,725	15,529
Trade receivables	C.9.	198,263	219,332
Other current financial assets	C.5.	11,686	7,850
Other current assets	C.6.	14,866	13,324
Income tax receivables		11,456	6,440
Cash and cash equivalents	C.10.	124,617	192,567
Current assets		**381,614**	**455,041**
Total assets		**742,963**	**795,701**

Equity and liabilities	Note	December 31, 2025	December 31, 2024
in kEUR			
Share capital	C.11.	12,922	13,776
Treasury shares, at cost	C.11.	(40,213)	(39,757)
Capital reserve	C.11.	241,794	241,030
Profit carried forward	C.11.	185,624	215,631
Net profit for the period	C.11.	39,492	49,156
Changes in equity recognized directly in equity	C.11.	(260,612)	(260,612)
Other comprehensive income	C.11.	(23,984)	3,436
Total equity		**155,024**	**222,660**
Non-current loans and borrowings	C.12.	307,112	320,835
Non-current lease liabilities	C.4.	53,818	36,086
Long-term employee benefits liabilities	C.13.	33,827	22,581
Other long-term provisions	C.16.	212	434
Other non-current financial liabilities	C.15.	5,861	5,743
Non-current liabilities from acquisitions	C.14.	5,349	4,468
Deferred tax liabilities	C.7.	13,869	13,785
Non-current liabilities		**420,048**	**403,932**
Current loans and borrowings	C.12.	2,948	8,777
Current lease liabilities	C.4.	18,269	18,396
Short-term employee benefits liabilities	C.13.	14,315	16,085
Other short-term provisions	C.16.	26,989	26,365
Current contract liabilities	C.8.	14,285	14,105
Trade payables		19,036	17,076
Current liabilities from acquisitions	C.14.	3,871	1,405
Other current financial liabilities	C.15.	42,305	40,478
Other current liabilities	C.17.	15,711	17,022
Income tax liabilities		10,163	9,399
Current liabilities		**167,891**	**169,108**
Total liabilities		**587,939**	**573,041**
Equity and liabilities		**742,963**	**795,701**

Consolidated statement of comprehensive income

Profit or loss	Note	2025	2024
in kEUR			
Revenue	D.1.	999,296	971,987
Own work capitalized		127	259
Other operating income	D.2.	9,085	30,597
Cost of freelancers and other direct costs	D.3.	(82,869)	(68,879)
Staff costs	D.4.	(706,247)	(703,022)
Reversal of impairment/(impairment) of trade receivables, contract assets and other financial assets	F.9.	380	(3,015)
Other operating expenses	D.5.	(101,076)	(93,878)
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**118,694**	**134,049**
Depreciation, amortization and impairment	D.6.	(35,688)	(37,317)
Earnings before interest and taxes (EBIT)		**83,007**	**96,732**
Finance income	D.7.	2,503	3,500
Finance costs	D.8.	(20,062)	(21,133)
Earnings before taxes (EBT)		**65,448**	**79,099**
Income taxes	C.7.	(25,955)	(29,943)
Profit for the period		**39,492**	**49,156**

Other comprehensive income	Note	2025	2024
in kEUR			
Items that will not be reclassified to profit or loss			
Actuarial gains (losses)	C.13.	1,701	559
Tax effects		(329)	(336)
		1,373	**223**
Items that may be reclassified to profit or loss			
Foreign exchange differences		(29,205)	14,223
Tax effects		412	(720)
		(28,793)	**13,503**
Other comprehensive income for the period		**(27,420)**	**13,726**
Total comprehensive income for the period		**12,072**	**62,882**

Basic earnings per share ('Basic EPS') in EUR:	D.9.		
- based on weighted average		3.08	3.69
- based on outstanding shares		3.18	3.69

Diluted earnings per share ('Diluted EPS') in EUR:	D.9.		
- based on weighted average		3.08	3.69
- based on outstanding shares		3.18	3.69

Consolidated statement of changes in equity

in kEUR	Share capital	Treasury shares	Capital reserves	Profit carried forward	Net profit for the period	Changes in equity recognized directly in equity	Other comprehensive income		Total equity
							Foreign exchange differences	Actuarial gain or loss on pension provisions	
Balance at January 1, 2025	**13,776**	**(39,757)**	**241,030**	**215,631**	**49,156**	**(260,612)**	**6,539**	**(3,102)**	**222,660**
Profit for the year	–	–	–	–	39,492	–	–	–	39,492
Other comprehensive income for the year	–	–	–	–	–	–	(28,793)	1,373	(27,420)
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**39,492**	**–**	**(28,793)**	**1,373**	**12,072**
Transfer of profit or loss for the previous year to profit carried forward	–	–	–	49,156	(49,156)	–	–	–	–
Purchase of treasury shares	–	(67,835)	–	–	–	–	–	–	(67,835)
Dividends	–	–	–	(12,638)	–	–	–	–	(12,638)
Redemption of treasury shares	(854)	67,379	–	(66,525)	–	–	–	–	–
Share capital issued	–	–	–	–	–	–	–	–	–
Stock option (SOP) and employee share participation program expense	–	–	765	–	–	–	–	–	765
Balance at December 31, 2025	**12,922**	**(40,213)**	**241,794**	**185,624**	**39,492**	**(260,612)**	**(22,255)**	**(1,729)**	**155,024**

in kEUR	Share capital	Treasury shares	Capital reserves	Profit carried forward	Net profit for the period	Changes in equity recognized directly in equity	Other comprehensive income		Total equity
							Foreign exchange differences	Actuarial gain or loss on pension provisions	
Balance at January 1, 2024	**13,776**	**(39,757)**	**251,717**	**166,476**	**49,155**	**(260,612)**	**(6,964)**	**(3,325)**	**170,466**
Profit for the year	–	–	–	–	49,156	–	–	–	49,156
Other comprehensive income for the year	–	–	–	–	–	–	13,503	223	13,726
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**49,156**	**–**	**13,503**	**223**	**62,882**
Transfer of profit or loss for the previous year to profit carried forward	–	–	–	49,155	(49,155)	–	–	–	–
Purchase of treasury shares	–	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–
Share capital issued	–	–	–	–	–	–	–	–	–
Transfer of capital reserves to provisions on modification of equity-settled SOP to cash-settled SOP	–	–	(13,893)	–	–	–	–	–	(13,893)
Stock option and employee share participation program expense	–	–	3,206	–	–	–	–	–	3,206
Balance at December 31, 2024	**13,776**	**(39,757)**	**241,030**	**215,631**	**49,156**	**(260,612)**	**6,539**	**(3,102)**	**222,660**

Consolidated statement of cash flows

Cash flows	Note	2025	2024
in kEUR			
Cash flows from operating activities			
EBIT		83,007	96,732
Depreciation, amortization and impairments of non-current assets		35,688	37,317
Change in long-term employee benefits liabilities		13,237	3,346
Other non-cash income and expenses		20,834	5,263
Income taxes paid		(43,045)	(32,885)
Cash flows from changes in net working capital	E.1.	(9,221)	(16,723)
Net cash (outflows) / inflows from non-recourse factoring	E.2.	2,310	(6,530)
Net cash inflow from operating activities		**102,809**	**86,520**
Cash flows from investing activities			
Payments for property, plant and equipment and intangible assets		(7,765)	(7,372)
Proceeds from sale of property, plant and equipment		34	141
Investment in fixed deposits		(728)	4,761
Interest received		2,526	3,843
Acquisition of subsidiaries, net of cash acquired	E.4.	(16,126)	(18,216)
Net cash outflow from investing activities		**(22,059)**	**(16,842)**
Cash flows from financing activities			
Dividend paid		(12,637)	-
Purchase of treasury shares	C.11.	(67,835)	-
Proceeds from bank loans	E.3.	19,758	56,229
Repayment of bank loans	E.3.	(35,339)	(4,587)
Payment of principal portion of lease liabilities	E.3.	(22,600)	(23,895)
Interest paid		(17,528)	(17,885)
Net cash (outflow)/ inflow from financing activities		**(136,182)**	**9,862**
Total cash flow		**(55,431)**	**79,540**
Effects of exchange rate changes on cash and cash equivalents		(8,464)	(438)
Total changes in cash and cash equivalents		**(63,896)**	**79,102**
Cash and cash equivalents at the beginning of the period	C.10.	186,879	107,777
Cash and cash equivalents at the end of the period	C.10.	122,984	186,879

Notes to the consolidated financial statements

A. General information

1. Corporate information

The consolidated financial statements comprise Nagarro SE (the "parent company") and its subsidiaries (together referred to as "Nagarro") and are prepared in compliance with International Financial Reporting Standards (IFRS), as endorsed by the European Union (EU) and the additional requirements pursuant to Section 315e (1) of the German Commercial Code (Handelsgesetzbuch – HGB). Nagarro SE's registered office is Baierbrunner Str. 15, 81379 Munich, Germany. It is registered with the commercial register of the District Court of Munich under commercial register sheet number HRB 254410. Nagarro's bouquet of specialized services includes digital product engineering, digital commerce and customer experience, Big Data and AI services, new-gen ERP consulting and managed services. The shares of Nagarro SE are traded under ISIN DE000A3H2200 in the Prime Standard (Regulated Market) in Frankfurt a. M. (Xetra) and in the over-the-counter markets in Berlin, Düsseldorf, Hamburg, Munich, Stuttgart and Tradegate Exchange.

2. Basis of accounting

Nagarro SE, Munich, is the company that prepares the consolidated financial statements for the largest and smallest group of companies. The consolidated financial statements are published in the company register and are available online at https://www.nagarro.com/en/investor-relations/financial-reports-and-publications.

The consolidated financial statements of Nagarro SE were prepared in compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU) and according to the commercial law regulations pursuant to Section 315e of the German Commercial Code (HGB).

These consolidated financial statements of Nagarro SE, prepared in accordance with IFRS, consist of the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements. The consolidated financial statements of Nagarro SE are based on the going concern assumption.

The consolidated financial statements are presented in euros, which is Nagarro SE's functional currency. Amounts are stated in thousands of euros (kEUR), except where otherwise indicated. Decimal values of 0.5 or greater are rounded upward and decimal values below 0.5 are rounded downward. Rounding differences may arise when individual amounts or percentages are added together. The figures reported in the consolidated financial statements for the financial year are presented with comparative figures from the previous year.

The consolidated financial statements were prepared on April 27, 2026 by the Management Board of Nagarro SE and approved for publication.

Details of Nagarro's accounting policies, including changes thereto, are included in Note B. Material accounting policies.

B. Material accounting policies

Nagarro has consistently applied the following material accounting policies to the whole period presented in these consolidated financial statements.

1. New and amended standards adopted

The group applied for the first time the below amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after January 1, 2025:

Standard / interpretation	Title of the standard, interpretation or amendment
Amendments to IAS 21	Lack of exchangeability

Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have an impact on Nagarro's consolidated financial statements.

2. Standards and interpretations not yet applied

The IASB and IFRIC have issued the standards as detailed in the table below, the application of which was not yet mandatory for the periods presented in the consolidated financial statements according to the EU regulations.

Nagarro has not applied for early adoption of any of the standards/interpretations that were allowed.

Standard / interpretation	Title of the standard, interpretation or amendment	First time application
Endorsed by the EU		
Amendments to IFRS 9 and IFRS 7	Classification and measurement of financial instruments and Contracts referencing nature-dependent electricity	January 1, 2026
Annual Improvements - Volume 11	Amendments to: IFRS 1 First-time adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated financial statements; and IAS 7 Statement of cash flows	January 1, 2026
IFRS 18	Presentation and disclosure in financial statements	January 1, 2027
Not yet endorsed by the EU		
IFRS 19	Subsidiaries without public accountability: Disclosures	January 1, 2027
Amendments to IAS 21	IAS 21 The effects of changes in foreign exchange rates: Translation to a hyperinflationary presentation currency	January 1, 2027

Amendments to IFRS 9 and IFRS 7

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The amendments are not expected to have a significant impact on Nagarro's consolidated financial statements.

Annual improvements – Volume 11

Annual improvements contain amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. The amendments are intended to improve the consistency of the standards by clarifying wording, correcting errors, and simplifying the standards. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. The annual improvements are not expected to have a significant impact on Nagarro's consolidated financial statements.

IFRS 18

IFRS 18 will replace IAS 1 Presentation of Financial Statements and the new standard introduces the following key new requirements.

• Nagarro will be required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Nagarro will also be required to present a newly-defined operating profit subtotal. Nagarro's net profit will not change.

• Management-defined performance measures (MPMs) will be disclosed in a single note in the financial statements.

• Enhanced guidance will be provided on how to group information in the financial statements.

In addition, Nagarro will be required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

Nagarro is still in the process of assessing the impact of the new standard, particularly with respect to the structure of Nagarro's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. Nagarro is also assessing the impact on how information is grouped in the financial statements.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted.

IFRS 19

IFRS 19 will allow eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As Nagarro's equity is publicly traded, it is not eligible to elect to apply IFRS 19.

Amendments to IAS 21

The amendments clarify the translation requirements when an entity presents its financial statements in a hyperinflationary presentation currency. As Nagarro's presentation currency is the Euro (EUR), which is not a hyperinflationary currency, the amendments are not expected to be applicable. Accordingly, Nagarro does not expect the amendments to have a material impact on its consolidated financial statements.

The amendments will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

3. Basis of consolidation

Consolidation

The consolidated financial statements of Nagarro group include Nagarro SE and its subsidiaries (together "Nagarro"). Subsidiaries are entities which are controlled by Nagarro. Nagarro controls an entity, in particular, if and only if it possesses all of the following characteristics:

- the power of disposal over the investee company (i.e., Nagarro has the possibility to control those activities of the investee company that have a significant influence on its return on the basis of currently existing rights),

- a risk burden due to or entitlement to fluctuating returns from its involvement in the investee company, and

- the ability to use its power of disposal over the investee company in such a way that the return of the investee company is thereby influenced.

If Nagarro does not hold a majority of the voting rights or comparable rights in an investee company, it takes all facts and circumstances into account when assessing whether it has the power of disposal of this investee company. These include:

- a contractual agreement with the other voters,

- rights resulting from other contractual agreements,

- voting rights and potential voting rights of the Group.

The financial statements of the subsidiaries are prepared in accordance with uniform accounting policies, on the same reporting date as the financial statements of Nagarro SE and the financial statements of Nagarro group. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. In the event of loss of control, deconsolidation takes place at that time. Intra-group balances and business transactions and the resulting unrealized intra-group gains and losses as well as dividends are eliminated in full. The tax deferrals required by IAS 12 are applied to temporary differences from consolidation.

The same consolidation methods were used for the 2025 and 2024 consolidated financial statements.

Business combinations

Business combinations are accounted for using the acquisition method when the acquired set of activities and assets meet the definition of a business and control is transferred to Nagarro. In determining whether a particular set of activities and assets is a business, Nagarro assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

Nagarro has an option to apply the 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition, for the identifiable net assets acquired, is measured at fair value. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase price is recognized in the consolidated statement of profit or loss. Transaction costs are expensed as incurred and included in other operating expenses.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in fair value of the contingent consideration are recognized in the consolidated statement of profit or loss. If the obligation to pay contingent consideration to the selling shareholders, who become employees of Nagarro, is forfeited upon termination of employment subject to the assessment of the likelihood of this happening, the contingent consideration, whether earnout or retention payments, is remuneration for post-combination services and not part of the consideration for the acquisition and accordingly not capitalized. These post-combination services are accounted for as an expense as staff costs, based on best estimates to meet the agreed targets for the reporting period and satisfy the earnout and retention criteria.

Subsidiaries

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The following table presents an overview of the legal entities that are in scope of consolidation for the reporting periods presented in the consolidated financial statement.

	December 31,	
	2025	2024
Nagarro SE, Munich, Germany	100.00%	100.00%
Nagarro Inc., San Jose, USA	100.00%	100.00%
Nagarro Software Pvt. Ltd., Gurugram, India	100.00%	100.00%
Nagarro Software S.A. De C.V., Monterrey, Mexico	100.00%	100.00%
Nagarro Software Inc., Fishers, USA	100.00%	100.00%
Nagarro Software Solutions (Beijing), Inc. (China)	100.00%	100.00%
Advanced Technology Consulting Service Inc., San Jose, USA	100.00%	100.00%
Advanced Technology Consulting Service Canada Inc., Toronto, Canada	100.00%	100.00%
Ace Outsource LC, Salt Lake City, USA	100.00%	100.00%
RipeConcepts Incorporated, Cebu, Philippines	100.00%	100.00%
Nagarro GS Inc., San Jose, USA	100.00%	100.00%
Telesis7 LLC, Missouri, USA	100.00%	100.00%
Charles Hudson Technology Solutions Inc., Cambridge, USA [1)]	100.00%	-
CH Technology Solutions India Private Limited, Karnataka, India [1)]	100.00%	-
Nagarro Global Services Asia Pte. Ltd., Singapore	100.00%	100.00%
Nagarro Enterprise Services Pvt. Ltd., Gurugram, India	100.00%	100.00%
Advanced Technology Consulting Service Private Limited, Jaipur, India	100.00%	100.00%
Nagarro SDN. BHD., Kuala Lumpur, Malaysia	100.00%	100.00%
Nagarro K.K., Tokyo, Japan	100.00%	100.00%
Inaho Digital Solutions Co. Ltd., Tokyo, Japan [1)]	100.00%	-
Nagarro (Private) Limited, Colombo, Sri Lanka	100.00%	100.00%
Techmill Global Pte Ltd, Singapore [2)]	-	100.00%
Tech Mills (Australia) Pty Ltd, Sydney, Australia [3)]	-	100.00%
Nagarro LLC, Almaty, Kazakhstan [4)]	100.00%	-
Nagarro Software AB, Stockholm, Sweden	100.00%	100.00%
Nagarro GmbH, Vienna, Austria	100.00%	100.00%
Nagarro ATCS GmbH, Stuttgart, Germany [5)]	-	100.00%
Nagarro GmbH, Munich, Germany	100.00%	100.00%
Nagarro SRL, Cluj-Napoca, Romania	100.00%	100.00%
Nagarro iQuest Schweiz AG, Zurich, Switzerland	100.00%	100.00%
iQuest SPZOO, Warsaw, Poland	100.00%	100.00%
Nagarro Software Ltd., London, United Kingdom	100.00%	100.00%
FWD View Ltd., London, United Kingdom	100.00%	100.00%
Nagarro AS, Oslo, Norway	100.00%	100.00%
Nagarro Pty. Ltd., Sydney, Australia	100.00%	100.00%
Nagarro Oy, Espoo, Finland [3)]	-	100.00%
Nagarro Ltd., Valetta, Malta	100.00%	100.00%
Nagarro Pty. Ltd., Pretoria, South Africa	100.00%	100.00%
Nagarro Company Ltd., Bangkok, Thailand	100.00%	100.00%
Nagarro Ltd., Port Louis, Mauritius	100.00%	100.00%
Nagarro MENA LLC, Dubai, UAE	100.00%	100.00%
Nagarro Software Co. W.L.L, Manama, Bahrain	100.00%	100.00%
Nagarro for Information Technology, Riyadh, Saudi Arabia	100.00%	100.00%
Nagarro Software FZCO, Dubai, UAE [3)]	-	100.00%

Nagarro Software Co. W.L.L, New Cairo, Egypt	100.00%	100.00%
Nagarro AI Limited, Dubai, United Arab Emirates [4]	100.00%	-
Nagarro ES GmbH, Kronberg im Taunus, Germany	100.00%	100.00%
Nagarro ES France SAS, Entzheim, France	100.00%	100.00%
Nagarro Denmark A/S, Herlev, Denmark	100.00%	100.00%
Nagarro S.A.S., Quito, Ecuador	100.00%	100.00%
Nagarro Software S.A.S., Bogotá D.C., Colombia	100.00%	100.00%
Nagarro, UNIPESSOAL LDA, Funchal, Portugal	100.00%	100.00%
Nagarro Software, S.L., Madrid, Spain [6]	-	100.00%
Nagarro Co., Ltd., Taipei, Taiwan	100.00%	100.00%
Infocore Engineering & IT Services GmbH, Kronberg im Taunus, Germany	100.00%	100.00%
Advanced Programming Solutions, S.L., Palma de Mallorca, Spain	100.00%	100.00%
M.B.İ.S Bilgisayar Otomasyon Danışmanlık ve Eğitim Hizmetleri Sanayi ve Ticaret A.Ş., Istanbul, Türkiye	100.00%	100.00%
Novaline Bilişim Teknolojileri Danışmanlığı A.Ş., Istanbul, Türkiye	100.00%	100.00%
Analytica Bilgi Teknolojileri A.Ş., Istanbul, Türkiye	100.00%	100.00%
Nagarro Korlátolt Felelősségű Társaság, Budapest, Hungary	100.00%	100.00%
Nagarro Software Limited, Dublin, Ireland	100.00%	100.00%

1) These companies were acquired in 2025
2) This company was merged with Nagarro Global Services Asia Pte. Ltd., Singapore in 2025
3) These companies were closed in 2025
4) These companies were incorporated in 2025
5) This company was merged with Nagarro GmbH, Germany in 2025
6) This company was merged with Advanced Programming Solutions, S.L., Spain in 2025

Nagarro has merged the following legal entities during the year:

(i) Nagarro Software, S.L., Spain has been merged with Advanced Programming Solutions, S.L., Spain with an effective merger date of January 1, 2025.

(ii) Nagarro ATCS GmbH, Germany, merged with Nagarro GmbH, Germany. The merger became legally effective on August 7, 2025 and applies retroactively to January 2, 2025 for internal and accounting purposes.

(iii) Techmill Global Pte Ltd, Singapore has been merged with Nagarro Global Services Asia Pte. Ltd., Singapore with an effective merger date of December 24, 2025.

4. Currency translation

The functional currency of the entities located in the Eurozone is the Euro. The functional currency of all other entities is the respective local currency. As part of the preparation of the consolidated financial statements, the annual financial statements of the entities prepared in a foreign currency were translated into Euro, the reporting currency of Nagarro.

Transactions and balances

Transactions in foreign currencies different from the functional currency of the respective Nagarro company are translated at the exchange rate on the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date. If it results in exchange rate gains or losses due to payments or measurements of monetary assets and liabilities at later points in time, these are recognized in profit or loss of the respective Nagarro company. These incomes and expenses from currency translation are shown on a net basis in these consolidated financial statements.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions of the respective Nagarro company. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined by the respective Nagarro company. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other

Comprehensive Income ("OCI") or profit or loss are also recognized in OCI or profit or loss, respectively) of the respective Nagarro company.

Non-Eurozone Nagarro entities

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) At the consolidation level, items of the statement of comprehensive income are translated at the yearly average rate (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions) from the respective functional currency of the subsidiaries to Euro.

(ii) The closing rates at the period end were used for the translation of assets and liabilities.

(iii) Differences arising from translation to Nagarro's reporting currency are reported directly in other comprehensive income not impacting profit or loss.

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

When a foreign operation is disposed of in its entirety or partially such that the control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to consolidated statement of profit or loss as part of the gain or loss on disposal. If Nagarro disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative interest is reattributed to non-controlling interests.

The following exchange rates are applied for the translation of annual financial statements prepared in foreign currencies:

		Average rate		Period-end rate	
		per 1 EUR		per 1 EUR	
	Currency	**2025**	**2024**	**Dec 31, 2025**	**Dec 31, 2024**
Australian Dollar	AUD	1.752	1.640	1.757	1.674
Bahraini Dinar	BHD	0.426	0.408	0.443	0.392
Canadian Dollar	CAD	1.579	1.482	1.609	1.493
Chinese Yuan Renminbi	CNY	8.121	7.777	8.213	7.581
Colombian Peso	COP	4573.092	4405.814	4418.540	4578.940
Danish Krone	DKK	7.463	7.459	7.469	7.458
Egyptian Pound	EGP	55.624	52.807	55.991	52.807
Indian Rupee	INR	98.534	90.531	105.518	88.906
Japanese Yen	JPY	169.076	163.822	183.926	162.897
Malaysian Ringgit	MYR	4.836	4.949	4.764	4.642
Mauritian Rupee	MUR	51.741	49.980	54.248	48.817
Mexican Peso	MXN	21.674	19.813	21.128	21.553
Norwegian Krone	NOK	11.724	11.632	11.823	11.788
Philippine Peso	PHP	64.975	61.974	69.162	60.320
Polish Zloty	PLN	4.241	4.306	4.229	4.274
Romanian Leu	RON	5.041	4.975	5.096	4.976
Saudi Riyal	SAR	4.240	4.060	4.403	3.902
Singapore Dollar	SGD	1.476	1.446	1.509	1.415
South African Rand	ZAR	20.192	19.827	19.469	19.559
Sri Lankan Rupee	LKR	340.079	326.680	363.953	304.454
Swedish Krona	SEK	11.067	11.437	10.814	11.460
Swiss Franc	CHF	0.947	0.964	0.937	0.947
Thai Baht	THB	37.125	38.163	37.027	35.620
UAE Dirham	AED	4.151	3.974	4.312	3.815
United Kingdom Pound	GBP	0.857	0.847	0.872	0.829
US Dollar	USD	1.130	1.082	1.174	1.039
Hungarian Forint	HUF	397.831	395.327	385.084	411.275
Turkish Lira	TRY	50.544	36.802	50.544	36.802
New Taiwan Dollar	TWD	35.177	34.738	36.839	34.036
Kazakhstani Tenge	KZT	598.802	0.000	595.238	0.000

5. Notes to the consolidated statement of financial position

The consolidated statements of financial position are prepared in accordance with IAS 1 Presentation of Financial Statements. Assets that are realized within the next twelve months and liabilities that are due within one year are generally reported as current.

a. Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is aligned to the single cash-generating unit.

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

b. Intangible assets

Orders on hand, customer lists, websites, and products acquired in business combinations are initially recognized at fair value and subsequently measured at its cost less accumulated amortization and any accumulated impairment. Orders on hand are amortized on a straight-line basis over one to four years. Acquired products are amortized on a straight-line basis over four years. Customer lists are amortized on a straight-line basis over four to fifteen years.

In-house developments are recognized as intangible assets, if the development costs can be measured reliably, and from which an economic benefit from a sale of the services anticipated in the future is probable. Capitalized costs for in-house developments are measured at cost less accumulated amortization and impairment. In-house developments are amortized for the first time from the month of completion on a straight-line basis with a term of four years. Interest on borrowings is not included in the cost of production.

Purchased software, licenses and rights are measured at cost less any accumulated amortization and any accumulated impairment losses. Brands and domains are amortized on a straight-line basis over a term of 15 years. Otherwise, software, licenses and rights are subject to amortization on a straight-line basis over three to six years.

Goodwill arising from business combinations is recognized as an intangible asset with an indefinite useful life. Goodwill, and other intangible assets with indefinite useful lives or intangible assets that are not yet available for use are subject to impairment tests at least once a year. For the aforementioned assets impairment tests are also performed whenever there is an indication or specific event ("triggering event") that an asset may be impaired. If the recoverability is no longer given as the carrying amount exceeds the recoverable amount of capitalized goodwill, an impairment loss must be recognized. This is also applicable for other intangible assets with indefinite useful lives or intangible assets that are not yet available for use. Assets in use and other intangible assets with finite useful lives are tested for impairment only if there are specific indications that they may be impaired.

c. Property, plant and equipment

Property, plant and equipment are recognized at cost of acquisition or production, less accumulated depreciation and any accumulated impairment losses. For internally generated assets, cost of production includes costs that can be directly allocated, proportionate overhead costs and depreciation. Interest on borrowings directly attributable to the acquisition, construction or production of a 'qualifying asset' (one that necessarily takes a substantial period of time to get ready for its intended use or sale) are included in the cost of the asset. Repair and maintenance costs are recognized as an expense directly in the consolidated statement of profit or loss. Straight-line depreciation is applied over the expected, estimated useful life of the assets. The carrying amounts of property and equipment are subject to an impairment test as soon as an impairment is indicated. Land, land rights and buildings, including constructions on third party property, are measured using the cost model. Straight-line depreciation on buildings is recognized over a maximum useful life of 58 years. Other plant, operating and office equipment is subject to straight-line depreciation over a period of three to 15 years.

d. Leases

Nagarro applies IFRS 16 for lease accounting and assesses each individual lease contract as to whether it contains a lease in accordance with IFRS 16. At the time of inception of the lease, Nagarro recognizes an asset for the right-of-use in this contract and a lease liability for the present value of future lease payments. The right-of-use asset corresponds to the present value at lease inception, adjusted for the payments made before the commencement date, plus initial direct costs incurred and estimated costs to dismantle or restore the underlying asset.

The right-of-use asset is depreciated on a straight-line basis from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to Nagarro by the end of the lease term or the cost of the right-of-use asset reflects that Nagarro will exercise purchase option. In that case, the right-of-use asset will be depreciated over the useful life of that underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at the present value of the lease payments that have not yet been paid. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Assets are not recognized for leases with a useful life of less than twelve months (short-term leases) and for leases where the respective acquisition cost does not exceed kEUR 5 (leases of low-value assets). These leases are recognized in other operating expenses in the consolidated statement of comprehensive income.

For leases acquired in the course of a business combination, Nagarro recognizes a lease liability at the present value of the remaining lease payments as if the acquired lease was a new lease at the acquisition date and recognizes the right-of-use asset at the same amount as the lease liability, adjusted to reflect favorable or unfavorable terms of the lease when compared with market terms.

The Nagarro group leases land and buildings as well as equipment and vehicles. Lease contracts for equipment and vehicles are typically made for fixed periods of three to five years, for buildings up to 18 years, but several contracts have extension or termination options. These are used to maximize operational flexibility in terms of managing the assets used in the group's operations. Where the extension options are exercisable only by Nagarro and not the lessor, Nagarro assesses at the commencement date whether it is reasonably certain to exercise the extension option. Nagarro reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control.

e. Deferred taxes

Deferred tax assets and liabilities are recognized for temporary differences between the carrying amount of an asset or liability and its tax base as well as for tax loss carryforwards.

Deferred tax is not recognized for:

(i) temporary differences on the initial recognition of an asset or a liability in a transaction that

- is not a business combination; and
- at the time of the transaction (a) affects neither accounting nor taxable profit or loss and (b) does not give rise to equal taxable and deductible temporary differences;

(ii) temporary differences related to investment in subsidiaries to the extent that Nagarro is able to control the timing of the reversal of the temporary differences and it is probable that they will not be reversed in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then the future taxable profits, adjusted for reversal of existing temporary differences, are considered, based on the business plans for individual subsidiaries in Nagarro. Deferred tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the future taxable profits improve.

Deferred taxes are calculated at the applicable or expected tax rates at the time of realization according to the current legal situation in the respective countries. Deferred tax assets and liabilities are calculated using country-specific tax rates. The country-specific tax rates, which are material and used for deferred taxes, are as follows:

Tax rates	2025	2024
Germany*	28.1% - 31.0%	29.8% - 31.0%
Austria	23.0%	23.0%
USA	25.7% - 27.0%	25.5% - 28.1%
India	25.2% - 29.1%	25.2% - 29.1%
France	25.0%	25.0%
Romania	16.0%	16.0%
Japan	34.7%	34.7%
Singapore	17.0%	17.0%
South Africa	27.0%	27.0%
United Arab Emirates	15.0%	9.0%
United Kingdom	25.0%	25.0%
Spain	25.0%	25.0%
Türkiye	25.0%	25.0%

*On 18 July 2025, the law for an immediate tax investment program was promulgated to strengthen Germany as a business location. Accordingly, the corporate tax rate is to be gradually reduced by one percentage point annually from 15% to 10% starting from 2028 and ending in 2032. Consequentially, deferred taxes for the German entities have been calculated using the lower future tax rates based on when the temporary differences between book and tax values reverse over time. However, it doesn't have any material effect on the Group's financial position.

Deferred tax assets and liabilities are set off if the entity has a legally enforceable right to set off current tax positions and if the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same tax authority. Deferred tax assets and liabilities are reported under non-current assets and non-current liabilities.

f. Contract costs

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if Nagarro expects to recover them.

Costs that are incurred regardless of whether the contract is obtained – including costs that are incremental to trying to obtain a contract – are expensed as they are incurred unless they meet the criteria to be capitalized as fulfilment costs.

As a practical expedient, Nagarro does not capitalize the incremental costs to obtain a contract if the amortization period of the resulting asset would not exceed one year. The assessment of whether the practical expedient applies is made at the contract level.

Certain eligible, non-recurring costs (e.g., set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of Nagarro that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered.

Capitalized contract costs are amortized to expenses over the respective contract life on a systematic basis consistent with the transfer of goods or services to the customer to which the asset relates. Capitalized costs are monitored regularly for impairment. Impairment losses are recorded when the present value of projected remaining operating cash flows is not sufficient to recover the carrying amount of the capitalized costs.

No contract costs were incurred during the reporting period.

g. Contract assets and liabilities

The timing of revenue recognition may differ from the timing of invoicing to customers. If payment is received in respect of services prior to the delivery of services, the payment is recognized as an advance from customers and classified as contract liabilities.

With the fulfillment of contractual obligations of one of the contractual parties, either Nagarro or a customer, a contract asset or a contract liability is recognized, depending on the net balance of the performed contract work and the customer's advanced payment. Contract assets are recognized when there is an excess of revenues earned over billings on contracts. Contract liabilities are recognized when there are billings in excess of revenues. The billing schedules agreed with customers include periodic performance-based payments and /or milestone-based progress payments. Invoices are payable within a contractually agreed credit period. Contract assets and contract liabilities relating to the same customer contract have been offset and presented on a net basis in the consolidated financial statements.

Contract assets and contract liabilities are generally reported as current, as they generally arise within the normal operating cycle of less than one year.

A contract asset is Nagarro's right to consideration in exchange for goods or services that Nagarro has transferred to the customer. A contract asset becomes receivable when Nagarro's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due.

h. Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and in bank including short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Other bank deposits which are not in the nature of cash and cash equivalents with a maturity period of more than three months are classified as bank deposits under other financial assets.

i. Dividend

Nagarro recognizes a liability to pay a dividend when the distribution is authorized, and the distribution is no longer at the discretion of Nagarro. As per the corporate laws of Germany, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

j. Employee benefits

Employee benefits liabilities in the consolidated statement of financial position comprise only defined benefit obligations (net of fair value of plan assets), shared-based payment arrangements and liabilities from acquisitions (remuneration-linked) because of the estimation uncertainty inherent in these positions.

i. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided by the employee. A liability is recognized for the amount expected to be paid if Nagarro has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Share-based payment arrangements

Key colleagues (including senior executives) of Nagarro receive remuneration in the form of share-based payments, whereby these colleagues render services in exchange for granting of equity instruments (equity-settled transactions) or cash award (cash-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost of cash-settled transactions is determined by the fair value at the date when the grant is made, at the modification date and at each reporting date using an appropriate valuation model, further details of which are given in D.4. Staff costs.

The cost of equity-settled transactions is recognized in staff costs together with a corresponding increase in equity (capital reserves) and the cost of cash-settled transactions is recognized in staff costs together with a corresponding increase in liability, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions and cash-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and Nagarro's best estimate of the number of equity instruments that will ultimately vest or get cash-settled. The expense or credit in the consolidated statement of profit or loss for a period represents the movement in cumulative expense recognized at the beginning and end of that period.

A change from equity-settled to cash-settled arising from a modification occurs if a cash alternative at the employee's discretion is subsequently added to an equity-settled share-based payment that results in a reclassification as a financial liability. Such a modification leads to a reclassification, at the date of modification, of an amount equal to the fair value of the liability from equity to liabilities.

If the amount of the liability recognized on the date of modification is less than the amount previously recognized as an increase in equity, then no gain is recognized for the difference between the amount recognized to date in equity and the amount reclassified for the fair value of the liability; that difference remains in equity. If the amount of the liability recognized on the date of modification is greater than the amount previously recognized as an increase in equity, then the excess is recognized as an expense in consolidated statement of profit or loss at the date of modification. Subsequent to the modification, the entity continues to recognize the grant-date fair value of equity instruments granted as the cost of the share-based payment. However, any subsequent remeasurement of the liability (from the date of modification until the settlement date) is also recognized in the consolidated statement of profit or loss. In effect, the cumulative amount recognized in the consolidated statement of profit or loss over the life of the award is the grant-date fair value plus or minus any subsequent changes in fair value after the change in classification. Therefore, the cumulative amount may be less than the original grant-date fair value.

At each reporting date, and ultimately at the settlement date, the fair value of the recognized liability is remeasured for the cash-settled transactions.

The dilutive effect of outstanding equity settled options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in D.9. Earnings per share).

iii. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related services are provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

iv. Defined benefit plans

Nagarro's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current year and prior year periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit plan obligations is performed annually by a qualified actuary under the projected unit credit method. When the calculation results in a potential asset for Nagarro, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains or losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. Nagarro determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in the consolidated statement of profit or loss.

When the benefits of a plan are changed or when the plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized in the consolidated statement of profit or loss. Nagarro recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

v. Other long-term employee benefits

Nagarro's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in the consolidated statement of profit or loss in the period in which they arise.

vi. Termination benefits

Termination benefits are expensed at the earlier of when Nagarro can no longer withdraw the offer to those benefits and when Nagarro recognizes costs for restructuring. If benefits are not expected to be settled wholly within next 12 months of the reporting date, then they are discounted.

k. Other provisions

Other provisions are recognized when a legal or constructive obligation to a third party exists due to a past event, which is expected to result in a future outflow of resources to settle the obligation, and this future outflow of resources can be estimated reliably. The provisions are recognized for all identifiable risks as well as contingent liabilities acquired in a business combination at the expected amounts. The provisions are not offset against recourse claims. Warranty provisions are recognized based on past and/or estimated future claims experience. Non-current portions of the provisions are discounted.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, Nagarro recognizes any impairment loss on the assets associated with that contract.

l. Financial instruments

i. Recognition and initial measurement

Financial assets and financial liabilities are initially recognized when Nagarro becomes a party at the trade date.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as subsequent measured at:

- amortized cost; or
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their initial recognition unless Nagarro changes its business model for managing financial assets, in which all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of the principal and interest (SPPI) on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, Nagarro may irrevocably designate a financial asset at FVTPL, that otherwise meets the requirements to be measured at amortized cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – business model assessment

Nagarro makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfer of financial assets to third parties in transactions that do not qualify for derecognition are not considered sale for this purpose, consistent with Nagarro's continuing recognition of the assets.

The business models available to Nagarro are as follows:

Held to collect	Nagarro has two portfolios of financial assets that have held to collect business model. The objective of the business model for these financial instruments is to collect the amount due from Nagarro's receivables including recourse factoring receivables and to earn contractual interest income on the amount collected.
Held for trading	Nagarro has separate portfolio of customers / receivables which will be factored. Nagarro has only one portfolio of financial assets that are held for trading business model. Nagarro enters in factoring arrangement with the factor which has both recourse factoring and non-recourse factoring. Nagarro's receivables from recourse factoring are held to collect whereas Nagarro's receivables from non-recourse factoring are held for trading.

Financial assets – assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

In assessing whether the contractual cash flows are SPPI, Nagarro considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it will not meet this condition. In making this assessment, Nagarro considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit Nagarro's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation of early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant on initial recognition.

Financial assets – subsequent measurement and gains or losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains or losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost under effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities – classification, subsequent measurement and gains or losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains or losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost under effective interest method. Interest expense and foreign exchange gains or losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

iii. Derecognition

Nagarro derecognizes a financial asset when, and only when a) the contractual rights to the cash flows from the financial asset expire, or b) it transfers the financial asset and the transfer qualifies for derecognition.

Nagarro transfers a financial asset if, and only if, it either:

(a) transfers the contractual rights to receive the cash flows of the financial asset, or

(b) retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets all the following three conditions:

(i) it has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset.

(ii) it is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.

(iii) it has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, Nagarro is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents.

iv. Offsetting

Nagarro offsets a financial asset and a financial liability and thus presents the net amount in the consolidated statement of financial position if it has a legally enforceable right to set off, and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

v. Derivatives

Nagarro holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposure. The counterparty for these contracts is generally a bank. This category has derivative financial assets or liabilities which are not designated as hedges. Accordingly, hedge accounting has not been applied.

Forward exchange contracts are taken to hedge foreign currency risk exposure relating to foreign currency assets. Nagarro provides for net loss/net gain in respect of such outstanding derivative forward contracts at the reporting date by marking them to market. The contracts are aggregated category-wise to determine the net gain/loss based on the fair value which is either positive or negative market value. Positive market values result in the recognition of a financial asset and negative market values in the recognition of a financial liability. Gains and losses due to changes in fair value are recognized through consolidated statement of profit or loss and presented on a net basis in these consolidated financial statements.

m. Impairment

i. Non-derivative financial assets

General approach of expected credit losses (ECLs)

Nagarro uses the general approach for impairment of financial assets measured at amortized cost (cash and cash equivalents and other financial assets) wherein the impairment is measured as either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of an instrument has occurred since initial recognition, then impairment is measured as lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, Nagarro considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on Nagarro's historical experience and informed credit assessment, that includes forward-looking information.

Nagarro assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Nagarro considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to Nagarro in full, without recourse by Nagarro to actions such as realizing security (if any is held); or

- the financial asset is more than 360 days past due except for public sector customers if these are more than 1,080 days.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECL that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which Nagarro is exposed to the credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., difference between the cash flows due to Nagarro in accordance with the contract and cash flows that Nagarro expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Simplified approach of expected credit losses (ECLs)

Nagarro recognizes loss allowances for expected credit losses (ECLs) on the (i) financial assets measured at amortized cost for trade receivables and (ii) contract assets for which it uses the practical expedients while measuring ECLs under the simplified approach.

In simplified approach, the lifetime ECLs are considered, using a provision matrix for trade receivables and contract assets as Nagarro does not have trade receivables and contract assets with significant financing component.

While using provision matrix, Nagarro segments its trade receivables based on their industry and geographic region as the historical credit loss experience will have different loss patterns for different customer segments.

Nagarro also considers whether the changes in economic circumstances of any previous segmentation of the portfolio, based on historical data, continues to be appropriate at the reporting date and uses historical loss experience on its trade receivables and contract assets and adjusts historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions.

Credit-impaired financial assets

At each reporting date, Nagarro assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets has occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;

- a breach of contract such as a default or being more than 360 days past due except for public sector customers if these are more than 1,080 days past due;

- the restructuring of a loan or advance by Nagarro on terms that Nagarro would not consider otherwise;

- it is probable that the debtor will enter bankruptcy or other financial reorganization; or

- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from gross carrying amounts of the assets.

The gross carrying amount of a financial asset is written off when Nagarro has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For customers, Nagarro individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. Nagarro expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Nagarro's procedure of recovery of amount due.

ii. Non-financial assets

At each reporting date, Nagarro reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested for impairment at least once a year. Impairment testing is also conducted if events or circumstances occur that indicate that it may no longer be possible to recover the carrying amount.

An impairment loss is recognized if the recoverable amount is lower than the cash-generating unit's carrying amount. If a need for impairment has been ascertained, the goodwill is impaired first. Any need for impairment over and above this is spread in proportion to the carrying amount over the remaining non-financial assets.

If, at some later date, following an impairment recognized in previous years a higher recoverable amount is applicable for the asset or for the cash-generating unit, a reversal of the impairment to no higher than the amortized cost is carried out. Reversals of impairment of goodwill are not permitted.

The recoverable amount is the higher of the fair value less costs of disposal and the value in use of the cash-generating unit or the individual asset. If one of these amounts is greater than the carrying amount, it is not necessary to calculate both values.

The fair value is the price that independent market participants would pay at the reporting date under normal market conditions if the asset or cash-generating unit were sold. The value in use is ascertained by discounting the cash flows anticipated from future operational use.

n. Share capital

i. Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

ii. Repurchase and reissue of ordinary shares (treasury shares)

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity. The sale or reissue of treasury shares does not affect profit or loss for the period.

iii. Redemption of treasury shares

Upon redemption of treasury shares, the nominal value of the cancelled shares is deducted from share capital. Any excess of the carrying amount of the treasury shares over the nominal value is recognized against retained earnings. Carrying amount of the treasury shares disposed of or cancelled is determined using a weighted average cost method. The redemption of treasury shares does not affect profit or loss for the period.

o. IAS 29 financial reporting in hyperinflationary economies

With the acquisition of the MBIS group in Türkiye in 2023, Nagarro implemented IAS 29, financial reporting in hyperinflationary economies, as the management has considered Türkiye a hyperinflationary environment country due to Türkiye's cumulative three-year inflation rate exceeding the threshold of 100%. The financial statements of MBIS Türkiye were restated for inflation to reflect the purchasing power at the reporting date using the consumer price index and then the reported amounts were translated to Nagarro SE's presentation currency, Euro, applying the exchange rate at the reporting date. Since Nagarro's presentation currency, Euro, is a non-hyperinflationary currency, Nagarro does not restate the comparative figures which is in line with IAS 29.

i. Inflation restatement

Non-monetary items, which are carried at historical cost, are restated for the effect of inflation based on changes in the price index for the period from initial recognition to the date of reporting or to the date of disposal, where relevant.

Management assesses whether the restatement of non-monetary items represents an indication of impairment to ensure that the restated amounts do not exceed the recoverable amounts of the assets.

Monetary items are not subject to restatement for the effects of inflation as these items already reflect the purchasing power at the reporting date.

Nagarro also concluded that the combination of restatement and translation effects meets the definition of exchange difference as per IAS 21 and hence both the effects are recognized in OCI.

Profit or loss transactions in the period are restated to reflect changes in the price index from the time of transaction to the end of the reporting period, with the exception of depreciation and amortisation. The latter are recalculated based on the inflation-adjusted costs of intangible assets and right-of-use assets and property, plant and equipment. The recalculations are based on the useful lives of the relevant assets based on Nagarro's accounting policies.

Cash flow statement – Earnings before income tax includes a non-cash effect from the inflation restatement, which has been eliminated in the line "other non-cash income and expenses".

ii. Price index

Restatement for hyperinflation of the financial statements of the Turkish subsidiaries is based on the development in the consumer price index provided by the Turkish Statistical Institute. On December 31, 2025, the one-year inflation rate was 30.9% (December 31, 2024: 44.4%).

iii. Retranslation from TRY to EUR

The financial statements of the Turkish subsidiaries, including effects of inflation restatement, have been translated into Euro applying the EUR/TRY exchange rate at the reporting date as opposed to Nagarro's normal practice of translating the profit or loss using the exchange rate at the transaction date or an average exchange rate for the period. The closing EUR / TRY exchange rate increased from 36.8 at the beginning of January 2025 to 50.5 at December 31, 2025.

The average EUR/TRY exchange rate for the reporting period was 44.7 (December 31, 2024: 35.6).

6. Notes to the consolidated statement of comprehensive income

The consolidated statement of comprehensive income was prepared by applying the cost by nature method.

a. Revenue

Nagarro primarily generates revenue through consulting services, digital engineering, and other IT services in the areas of digital product engineering, digital commerce and customer experience, big data and AI services, new-gen ERP consulting and managed services and hosting. Revenue from these services is primarily generated through time and expense contracts, fixed price contracts (both milestone-based and periodic) and a small amount of license sales.

The following table summarizes Nagarro's contract clusters currently as they may map to our reported contract types and Invoicing method.

Contract type/Services	Description	Invoicing method / reported contract type
Time and Material (T&M)	These are the contracts where services are billed based on the actual person hours/days/months worked. Common in agile development or projects with evolving scope. In some cases, there is a capping on total spending under the contract for the defined duration. e.g., Agile development services	Time and expenses
Fixed Price	These are the contracts where a fixed scope and a fixed total price Is defined for the work to be delivered. The contracts have defined milestones and invoices can be tied to achievement of them. e.g., Defined scope projects	Fixed price
Periodic services (incl multiple elements)	These are the contracts which cover the support services for existing applications under a defined scope of activities for a fixed monthly price.	
	- Hosting services	Periodic service
	- Application support and maintenance services	Periodic service
	- Additional services	Time and expenses
Licenses	These are sales/services where Nagarro earns revenue either through selling/reselling third party licenses or our own IP which may be followed by maintenance services. The selling services may involve implementation wherever required.	
	- Sale of license	Other revenues
	- Maintenance services	Periodic service

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved in writing by the parties to the contract, the parties to contract are committed to performing their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon the transfer of control of promised services ("performance obligations") to customers in an amount that reflects the consideration Nagarro has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty regarding collectability, revenue recognition is postponed until such uncertainty is resolved.

Nagarro assesses the services promised in a contract and identifies distinct performance obligations within the contract. Nagarro allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate the standalone selling price is the expected cost plus a margin, under which Nagarro estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

Nagarro's contracts may include variable consideration including rebates, volume discounts and penalties. Nagarro includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Variable considerations are netted off against the revenues. Value added taxes or goods and services tax or taxes of similar nature which are recovered from customers on behalf of the Government, are deducted from revenues. Reimbursements of out-of-pocket expenses received from clients are included as part of revenues.

Revenues in time-and-material contracts are recognized over time as the related services are performed, consistent with the transfer of control to the customer. Revenue is measured by the units of service delivered and the corresponding bill rates agreed upon in the contract. This approach aligns revenue recognition directly with the delivery of services, ensuring that revenue is recognized in proportion to the level of effort expended.

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the input method. Efforts or costs expended are used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is determined based on the ratio of costs or efforts incurred to date relative to the estimated total costs or efforts. The transaction price and estimated costs are reviewed and updated regularly throughout the duration of the contract. Any revisions to estimates are recognized in the period in which they are identified. Provisions for estimated losses, if any, are recognized immediately. Change requests that amend the scope or pricing of the original contract are evaluated as contract modifications in accordance with IFRS 15 and are accounted for either as adjustments to the existing contract (and accounted on a cumulative catch-up basis), or where applicable, as separate contracts (and accounted as a distinct performance obligation with standalone selling price).

Contracts that establish a fixed monthly billing amount for continuous service delivery are recognized as revenue over time, reflecting the transfer of services to the customer as they are performed. These contracts typically involve recurring services, such as maintenance activities, where services are delivered through an indefinite number of repetitive acts over a specified period. In such cases, revenue is recognized on a straight-line basis as the pattern of service delivery and the customer's receipt of benefits are uniform over the contract term, and there is no significant judgment required in measuring progress.

Licensing contracts entered by Nagarro generally fall into two broad categories based on the principal-agent assessment under IFRS 15. When reselling third-party software licenses, Nagarro typically acts as an agent, arranging for the transfer of licenses to customers without obtaining control, and therefore recognizes revenue on a net basis. These third-party licenses may involve either right-to-use or right-to-access models depending on the underlying agreement with the customer. In contrast, when Nagarro sells its proprietary intellectual property (IP), whether under a perpetual (right-to-use) model or a subscription (right-to-access) model, Nagarro acts as a principal, controlling the IP before transfer and recognizing revenue on a gross basis. Maintenance services (if any) are recognized over time, typically on a straight-line basis, reflecting the ongoing delivery of support services over the maintenance term.

The billing schedules agreed with customers include periodic performance-based billing and / or milestone-based progress billings. Revenue recognized in excess of amounts billed is presented as a contract asset, reflecting the Company's right to consideration for services provided. Conversely, amounts paid by the customers in advance of revenue recognition are presented as a contract liability, representing the Company's obligation to transfer goods or services in the future. The payment terms generally ranges from 14 days to 120 days from the date of invoicing.

Contracts with customers can include subcontractor services or third-party vendor software in certain integrated services arrangements. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when Nagarro is acting as an agent between the customer and the vendor, and gross when Nagarro is the principal for the transaction.

A contract modification is a change in the scope or price or both of a contract that is approved by the parties to the contract. A contract modification that results in the addition of distinct performance obligations is accounted for either as a separate contract if the additional services are priced at the standalone selling price or as a termination of the existing contract and creation of a new contract if they are not priced at the standalone selling price. If the modification does not result in a distinct performance obligation, it is accounted for as part of the existing contract on a cumulative catch-up basis.

b. Staff costs

Staff costs are recognized when incurred. Obligations for defined contribution plans are recognized directly as an expense after the related employee service. For further details please refer B.5.j. Employee benefits under Notes to the consolidated statement of financial position.

c. Operating expenses

Operating expenses are recognized when incurred.

d. Financial result

Interest income or expense is recognized under the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial assets or the amortized cost of the financial liability.

In calculating interest income or expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs are interest expenses incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

e. Taxes

Income tax expense comprises current and deferred tax. It is recognized in the consolidated statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in consolidated statement of equity or consolidated statement of comprehensive income.

Nagarro has determined that interest and penalties related to income taxes, including uncertain treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, contingent liabilities and contingent assets.

Nagarro has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. Nagarro has applied a temporary mandatory exception from deferred tax accounting for the impact of the top-up tax and accounts for it as a current tax when it is incurred.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous year. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or subsequently enacted at the reporting date.

Current tax assets or liabilities are offset only if certain conditions are met.

Income taxes are determined according to the tax law provisions of the countries where the respective Nagarro company is based.

Tax risks

Income tax items are regularly assessed, particularly in light of the numerous changes in tax laws, tax regulations, legal decisions, ongoing tax audits, and the possibility that local tax authorities may review transfer prices, which could in some cases result in additional tax liabilities; Nagarro responds to this circumstance by applying IFRIC 23 and continuously identifying and assessing the tax environment and the resulting effects.

7. Estimates and assumptions

When preparing the consolidated financial statements, management has made judgements and estimates about future, including climate-related risks and opportunities, that affect the application of Nagarro's accounting policies and amount and recognition of the reported assets and liabilities, as well as the recognition of revenue and expenses. Even though these estimates and assumptions were made based on our best understanding of the situation, actual amounts can deviate.

The estimates and assumptions are reviewed on an ongoing basis and are consistent with Nagarro's risk management and client-related commitments where appropriate. Necessary adjustments are recognized prospectively.

Judgements

There are no significant judgements which are made in applying accounting policies that have significant effects on the amount recognized in the consolidated financial statements.

Assumptions and estimation uncertainty

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

i. Note C.13. Employee benefits liabilities: measurement of defined benefits obligations: key actuarial assumptions

Information about other assumptions and estimation uncertainties at the reporting date that do not have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

i. Note C.7. Income taxes: recognition of deferred tax assets; availability of future taxable profit against which temporary differences and tax losses carried forward can be utilized
ii. Note F.1. Business combinations: fair value of consideration transferred (including contingent consideration) and fair value of the acquired assets and liabilities assumed
iii. Note F.8. Share-based payment arrangements: key assumptions underlying valuation of fair values; and
iv. Note F.9. b. Credit risk: measurement of ECL allowances for trade receivables and contract assets -key assumption in determining the weighted average loss rate

8. Measurement of fair values

A number of Nagarro's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Nagarro has an established control framework with respect to the measurement of fair values. Nagarro regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then Nagarro assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1	Prices for identical assets and liabilities are used that are available in active markets.
Level 2	Other measurement factors are used for an asset or a liability that can be observed directly or indirectly, or that can be derived from market prices.
Level 3	Measurement factors are used that are not based on observable market data.

When measuring the fair value of an asset or a liability, Nagarro uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Nagarro recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e., the fair value of the consideration given or received.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note C.18. Financial instruments

Note F.1. Business combinations

Note F.8. Share-based payment arrangements including liabilities for cash-settled share-based arrangement.

C. Notes to the consolidated statement of financial position

1. Intangible assets

Intangible assets developed as follows:

in kEUR	Orders on hand	Customer lists	Products	Software, licenses, rights	In-house developments	Total
Gross carrying amount as at Jan 1, 2025	1,785	53,760	16,774	4,272	3,381	79,971
Acquisitions through business combinations	1,449	6,230	193	-	-	7,872
Hyperinflation restatement	3	1,254	2,221	-	-	3,478
Additions	-	-	2,448	2,794	-	5,242
Disposals	-	-	(1,341)	(17)	(277)	(1,635)
Currency differences	(226)	(5,620)	(2,935)	(203)	(2)	(8,986)
Gross carrying amount as at Dec 31, 2025	**3,010**	**55,623**	**17,361**	**6,846**	**3,102**	**85,941**
Accumulated amortization and impairment as at Jan 1, 2025	(1,018)	(22,230)	(8,394)	(2,010)	(2,923)	(36,575)
Hyperinflation restatement	(4)	(618)	(1,150)	-	-	(1,771)
Amortization for the year	(262)	(4,569)	(1,162)	(1,569)	(205)	(7,766)
Impairment	-	-	-	-	-	-
Disposals	-	-	1,341	17	277	1,635
Currency differences	191	1,969	657	152	1	2,970
Accumulated amortization and impairment as at Dec 31, 2025	**(1,093)**	**(25,447)**	**(8,709)**	**(3,410)**	**(2,849)**	**(41,508)**
Net carrying amount as at Dec 31, 2025	**1,917**	**30,176**	**8,652**	**3,436**	**253**	**44,434**

in kEUR	Orders on hand	Customer lists	Products	Software, licenses, rights	In-house developments	Total
Gross carrying amount as at Jan 1, 2024	1,120	47,256	11,953	4,783	3,375	68,486
Acquisitions through business combinations	738	3,222	-	132	-	4,091
Hyperinflation restatement	5	2,029	2,780	-	-	4,815
Additions	-	-	2,651	1,265	-	3,916
Disposals	(16)	-	-	(1,978)	-	(1,993)
Currency differences	(63)	1,253	(610)	69	6	655
Gross carrying amount as at Dec 31, 2024	**1,785**	**53,760**	**16,774**	**4,272**	**3,381**	**79,971**
Accumulated amortization and impairment as at Jan 1, 2024	(1,024)	(15,867)	(6,100)	(2,958)	(2,486)	(28,435)
Hyperinflation restatement	1	(846)	(964)	-	-	(1,810)
Amortization for the year	(82)	(4,827)	(1,393)	(970)	(431)	(7,703)
Impairment	-	-	-	-	-	-
Disposals	16	-	-	1,977	-	1,993
Currency differences	71	(690)	63	(58)	(6)	(620)
Accumulated amortization and impairment as at Dec 31, 2024	**(1,018)**	**(22,230)**	**(8,394)**	**(2,010)**	**(2,923)**	**(36,575)**
Net carrying amount as at Dec 31, 2024	**766**	**31,530**	**8,380**	**2,262**	**458**	**43,395**

The intangible assets include software, licenses and rights acquired for business operations, order backlog, customer lists, products (for e.g., security products, e-documents, e-invoicing, attribute-based access control etc.) and websites for companies acquired.

With the exception of in-house developments, all intangible assets were acquired.

In the 2025 financial year, orders on hand of kEUR 1,449 (December 31, 2024: kEUR 738) were acquired as part of business combinations. The orders on hand were measured at their expected net amount determined as the order value for the orders less full costs.

In the 2025 financial year, customer lists of kEUR 6,230 (December 31, 2024: kEUR 3,222) were acquired as part of business combinations. To measure customer lists, historical revenues were analyzed for regular and other customers, in order to determine what revenue with regular customers can be expected within the next four to fifteen years. Customer lists were recognized at the amount of expected revenues less full costs, risk discounts due to aging and technical obsolescence, and amounts already recognized as orders on hand.

In the 2025 financial year, products of kEUR 193 (December 31, 2024: kEUR 0) were acquired as part of business combinations.

2. Goodwill

Goodwill developed as follows:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Gross carrying amount as at Jan 1	214,242	194,836
Acquisitions through business combinations	11,435	10,025
Hyperinflation restatement	-	-
Additions	-	-
Disposals	-	-
Currency differences	(19,315)	9,381
Gross carrying amount as at Dec 31	**206,362**	**214,242**
Accumulated amortization and impairment as at Jan 1	-	-
Hyperinflation restatement	-	-
Amortization for the year	-	-
Impairment	-	-
Disposals	-	-
Currency differences	-	-
Accumulated amortization and impairment as at Dec 31	-	-
Net carrying amount as at Dec 31	**206,362**	**214,242**

Goodwill results from the difference between the purchase costs of interest in business combinations and the fair value of the assets, liabilities, and contingent liabilities of shares in the acquired companies on the acquisition date. Goodwill of kEUR 11,435 was recognized on account of business acquisitions during the year, details of which are as follows:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Notion Edge	300	-
The Marlo Group	655	-
Inaho Digital Solutions (IDS)	863	-
Charles Hudson Technology Solutions (CHTS)	9,617	-
FWD View	-	10,025
	11,435	**10,025**

The translation of goodwill related to companies not acquired in euros resulted in negative currency differences of kEUR 19,315 (December 31, 2024: positive impact of kEUR 9,381). The currency differences are mainly on account of weakening of the US dollar against the Euro and were recognized in the consolidated statement of comprehensive income under other comprehensive income.

Nagarro has a single reportable segment which aligns to how Nagarro's Chief Operating Decision Maker (CODM) manages the Company. Accordingly, for the purpose of goodwill impairment testing, the Nagarro group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets in Nagarro and thus Goodwill is aligned to a single reportable segment.

At the end of the 2025 financial year, an impairment test of goodwill was carried out for the single cash-generating unit. The recoverable amount was calculated based on the fair value less costs of disposal. Measurement of fair value was based on the quoted share price of Nagarro SE. The assessment indicated that the recoverable amount exceeded the carrying amount by a significant margin. Accordingly, no impairment loss was recognized in the reporting period.

3. Property, plant and equipment

The changes in property, plant and equipment were as follows:

	Land and buildings	Other plant, vehicles and office equipment	Total
	kEUR	kEUR	kEUR
Gross carrying amount as at Jan 1, 2025	**5,520**	**17,987**	**23,507**
Acquisitions through business combinations	-	15	15
Hyperinflation restatement	-	71	71
Additions	47	2,164	2,211
Disposals	(2)	(1,233)	(1,235)
Currency differences	(850)	(1,272)	(2,121)
Gross carrying amount as at Dec 31, 2025	**4,716**	**17,733**	**22,448**
Accumulated depreciation and impairment as at Jan 1, 2025	**(882)**	**(12,596)**	**(13,478)**
Hyperinflation restatement	-	(50)	(50)
Depreciation for the year	(121)	(2,776)	(2,896)
Impairment	-	-	-
Disposals	2	1,212	1,214
Currency differences	137	936	1,074
Accumulated depreciation and impairment as at Dec 31, 2025	**(863)**	**(13,273)**	**(14,136)**
Net carrying amount as at Dec 31, 2025	**3,853**	**4,459**	**8,312**

	Land and buildings	Other plant, vehicles & office equipment	Total
	kEUR	kEUR	kEUR
Gross carrying amount as at Jan 1, 2024	**5,549**	**20,081**	**25,630**
Acquisitions through business combinations	-	8	8
Hyperinflation restatement	-	(106)	(106)
Additions	123	2,340	2,462
Disposals	(328)	(4,526)	(4,854)
Currency differences	177	191	367
Gross carrying amount as at Dec 31, 2024	**5,520**	**17,987**	**23,507**
Accumulated depreciation and impairment as at Jan 1, 2024	**(1,041)**	**(12,963)**	**(14,004)**
Hyperinflation restatement	-	(150)	(150)
Depreciation for the year	(128)	(3,510)	(3,638)
Impairment	-	-	-
Disposals	318	4,190	4,509
Currency differences	(31)	(163)	(194)
Accumulated depreciation and impairment as at Dec 31, 2024	**(882)**	**(12,596)**	**(13,478)**
Net carrying amount as at Dec 31, 2024	**4,638**	**5,391**	**10,029**

4. Right-of-use assets and lease liabilities

According to IFRS 16, assets used under lease agreements were determined and respective right-of-use assets were recognized, unless relating to leases of low-value assets or short-term leases. The right-of-use assets developed as follows:

	Land use rights and buildings	Vehicles	Office equipment	Total
	kEUR	kEUR	kEUR	kEUR
Gross carrying amount as at Jan 1, 2025	**65,426**	**13,278**	**46,636**	**125,340**
Acquisitions through business combinations	261	-	-	261
Hyperinflation restatement	211	234	-	444
Additions	37,795	4,716	8,519	51,030
Disposals	(16,587)	(2,761)	(6,124)	(25,473)
Lease modification	1,786	(2)	5	1,788
Currency differences	(5,433)	(651)	(2,082)	(8,166)
Gross carrying amount as at Dec 31, 2025	**83,459**	**14,812**	**46,954**	**145,225**
Accumulated depreciation and impairment as at Jan 1, 2025	**(37,448)**	**(7,327)**	**(27,291)**	**(72,066)**
Hyperinflation restatement	(211)	(331)	-	(541)
Depreciation for the year	(10,045)	(3,090)	(9,528)	(22,663)
Impairment	-	-	-	-
Disposals	7,689	2,761	6,117	16,568
Currency differences	2,033	344	1,043	3,420
Accumulated depreciation and impairment as at Dec 31, 2025	**(37,981)**	**(7,643)**	**(29,659)**	**(75,283)**
Net carrying amount as at Dec 31, 2025	**45,477**	**7,170**	**17,295**	**69,942**

	Land use rights and buildings	Vehicles	Office equipment	Total
	kEUR	kEUR	kEUR	kEUR
Gross carrying amount as at Jan 1, 2024	**63,315**	**10,754**	**43,011**	**117,080**
Acquisitions through business combinations	59	-	-	59
Hyperinflation restatement	364	562	-	926
Additions	14,829	3,378	8,172	26,378
Disposals	(15,728)	(1,503)	(4,984)	(22,215)
Lease modification	1,446	225	13	1,684
Currency differences	1,141	(137)	424	1,428
Gross carrying amount as at Dec 31, 2024	**65,426**	**13,278**	**46,636**	**125,340**
Accumulated depreciation and impairment as at Jan 1, 2024	**(42,071)**	**(5,570)**	**(21,807)**	**(69,448)**
Hyperinflation restatement	(223)	(399)	-	(622)
Depreciation for the year	(10,296)	(2,898)	(10,200)	(23,394)
Impairment	-	-	-	-
Disposals	15,728	1,503	4,969	22,200
Currency differences	(586)	37	(253)	(802)
Accumulated depreciation and impairment as at Dec 31, 2024	**(37,448)**	**(7,327)**	**(27,291)**	**(72,066)**
Net carrying amount as at Dec 31, 2024	**27,978**	**5,951**	**19,346**	**53,274**

The lease liabilities are as follows:

	Dec 31, 2025			Dec 31, 2024		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Land use rights and buildings	46,546	39,190	7,356	28,544	21,215	7,329
Vehicles	7,362	4,289	3,073	5,900	3,303	2,596
Office equipment	18,179	10,340	7,840	20,039	11,568	8,471
	72,087	**53,818**	**18,269**	**54,483**	**36,086**	**18,396**

The classification of lease liabilities is as follows:

	Dec 31, 2025			Dec 31, 2024		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Lease liabilities (secured)	7,341	4,207	3,134	6,151	3,183	2,968
Lease liabilities (unsecured)	64,746	49,611	15,135	48,331	32,904	15,428
	72,087	**53,818**	**18,269**	**54,483**	**36,086**	**18,396**

Certain lease liabilities in Nagarro Software Pvt. Ltd., India are secured by hypothecation of assets received under the lease.

The maturity profile of the lease liabilities is as follows:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Maturity within a year	18,269	18,396
Maturity between one and five years	34,081	29,792
Maturity later than five years	19,737	6,294
	72,087	54,483

Undiscounted lease liabilities are as follows:

	Dec 31, 2025			
		of which:		
	Total	Within 1 year	Within 1-5 years	More than 5 years
	kEUR	kEUR	kEUR	kEUR
Land use rights and buildings	67,346	10,939	30,463	25,944
Vehicles	8,312	3,656	4,656	-
Office equipment	19,529	8,471	11,058	-
	95,187	23,065	46,178	25,944

	Dec 31, 2024			
		of which:		
	Total	**Within 1 year**	**Within 1-5 years**	**More than 5 years**
	kEUR	**kEUR**	**kEUR**	**kEUR**
Land use rights and buildings	33,010	8,629	17,212	7,169
Vehicles	6,607	3,025	3,582	-
Office equipment	21,557	9,137	12,420	-
	61,174	**20,791**	**33,214**	**7,169**

Amount recognized in consolidated statement of comprehensive income

	2025	**2024**
	kEUR	**kEUR**
Interest on lease liabilities	4,854	2,125
Depreciation on right-of-use assets (including hyperinflation restatement)	23,204	24,016
Gain on lease modification	(617)	(71)
Loss on lease modification	0	35
Expenses for short-term leases	960	151
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	474	292
	28,875	**26,548**

Amount recognized in consolidated statement of cash flows

	2025	**2024**
	kEUR	**kEUR**
Total cash outflow for leases	28,888	26,463

Extension options

Some lease properties contain extension options exercisable by Nagarro before the renewal of contract period. When practicable, Nagarro seeks to include extension options in new leases to provide operational flexibility. Where the extension options are exercisable only by Nagarro and not the lessor, Nagarro assesses at the commencement date whether it is reasonably certain to exercise the extension option. Nagarro reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control.

5. Other financial assets

Other financial assets break down as follows:

	Dec 31, 2025			Dec 31, 2024		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Security deposits	3,029	2,618	411	2,566	1,894	672
Factoring reserve	3,477	-	3,477	2,594	-	2,594
Receivables from factor	4,364	-	4,364	460	-	460
Receivables from employees	947	-	947	934	-	934
Derivative financial instruments	72	-	72	890	-	890
Bank deposits	1,331	1,191	140	711	235	476
Deposits for performance bond	983	-	983	333	-	333
Interest accrued on deposits	24	-	24	53	-	53
Other	1,589	242	1,347	1,680	152	1,528
	15,817	**4,051**	**11,766**	**10,220**	**2,281**	**7,939**
Less: Impairment of other financial assets	(229)	(150)	(80)	(238)	(149)	(89)
	15,588	**3,902**	**11,686**	**9,982**	**2,133**	**7,850**

Factoring reserve is the security retention by the factor to secure the risk that the receivables purchased by the factor are not legally valid (verity risk) and any other claims of the factor arising from the business relationship with the customer but not for a del-credere case.

In 2024, receivables from factor related to money-in-transit which has been paid by the factor for the factored receivables but not received by Nagarro. In 2025, it represents amount not drawn by Nagarro net of liabilities from factoring as explained in C.9. Trade receivables.

6. Other assets

The other assets are composed as follows:

	Dec 31, 2025			Dec 31, 2024		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Prepayments	12,848	1,133	11,715	11,417	663	10,753
VAT receivables	3,152	-	3,152	2,570	-	2,570
	16,000	**1,133**	**14,866**	**13,987**	**663**	**13,324**

Prepayments mainly include advance payments towards software licenses and insurances.

7. Income taxes

Amount recognized in consolidated statement of profit or loss

The income tax expense recognized in consolidated statement of profit or loss is composed as follows:

	2025	2024
	kEUR	kEUR
Current tax expense	38,532	31,524
Global minimum top-up tax	-	500
Deferred tax expense (income)	(12,577)	(2,081)
	25,955	**29,943**

Amount recognized in consolidated statement of comprehensive income

The income tax expense recognized in consolidated statement of comprehensive income is composed as follows:

	Dec 31, 2025			Dec 31, 2024		
	Before tax	Tax impact	After tax	Before tax	Tax impact	After tax
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Items that will not be reclassified to profit or loss						
Actuarial gains (losses)	1,701	(329)	1,373	559	(336)	223
Items that may be reclassified to profit or loss						
Foreign exchange differences (including effects of Türkiye hyperinflation)	(29,205)	412	(28,793)	14,223	(720)	13,503
	(27,504)	**83**	**(27,420)**	**14,782**	**(1,056)**	**13,726**

Reconciliation of effective tax rate

Income taxes are calculated based on the applicable or expected tax rates of the countries and municipalities in which the Nagarro companies are domiciled.

On 18 July 2025, the law for an immediate tax investment program was promulgated to strengthen Germany as a business location. Accordingly, the corporate tax rate is to be gradually reduced by one percentage point annually from 15% to 10% starting from 2028 and ending in 2032. Consequentially, deferred taxes for the German entities have been calculated using the lower future tax rates based on when the temporary differences between book and tax values reverse over time. However, it doesn't have any material effect on the Group's financial position.

In the following tax reconciliation, the expected income tax result is reconciled to the actual tax result. The expected tax result is based on a group tax rate of 27%.

The management has assessed the tax rate of 27% (based on weighted average tax rates of the significant tax jurisdictions of Nagarro group entities which are mainly India, Germany, US, Austria, Romania, China and United Arab Emirates) for the Nagarro Group.

	2025	2024
	kEUR	kEUR
Earnings before income taxes	65,448	79,099
Tax rate	27.0%	27.0%
Expected income taxes	17,671	21,357
Changes in tax rates	(40)	-
Tax rate differences	(1,387)	(2,178)
Effect of intragroup dividends	1,807	2,435
Non-deductible expenses	2,189	1,290
Income tax free companies / branches (Bahrain, Sri Lanka, ATCS India)	(304)	(108)
Other tax-free income	(758)	(1,433)
Tax loss carryforwards, for which no deferred tax assets were recognized	997	1,989
Temporary differences, for which no deferred tax assets were accrued	6	62
Use of tax loss carry forwards, for which no deferred tax assets were recognized	(1,382)	(48)
Reversal of valuation allowance on deferred tax assets	(4,627)	(59)
Additions to valuation allowance on deferred tax assets	2,401	465
Withholding Taxes on Dividends	10,949	5,402
Adjustment of earn-out liabilities	90	(376)
Expenses relating to IFRS 2 (SOP, ESPP)	9	(3,855)
Interest barrier	-	3,788
Pillar Two - Minimum Income Taxes	-	500
Acquisition costs IFRS 3	-	83
Tax effects relating to prior periods	(2,238)	484
Others	572	145
Effective income taxes	**25,955**	**29,943**

The line “Income tax free companies” refers to countries that are completely income tax free, having income tax free trade zones (Bahrain, Sri Lanka) or income tax free branches (ATCS India).

Movement in deferred tax balances

Deferred tax assets and liabilities are recognized in respect of the following types of temporary differences and unused tax losses:

	Dec 31, 2025			Dec 31, 2024		
	Deferred tax assets	Deferred tax liabilities	Deferred tax income (expense)	Deferred tax assets	Deferred tax liabilities	Deferred tax income (expense)
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Intangible assets	63	8,538	1,845	82	9,736	474
Goodwill	-	5,503	(1,977)	52	4,125	(1,753)
Property, plant and equipment	156	525	(57)	241	615	152
Right-of-use assets	-	16,419	(3,875)	-	13,782	(1,748)
Contract assets and liabilities	518	739	448	91	748	(778)
Other financial assets	756	627	(464)	1,106	392	(759)
Other assets	149	-	55	130	-	149
Employment benefits liabilities	7,783	6	3,800	4,983	59	1,413
Other provisions	3,259	179	1,027	2,430	-	(2,529)
Liabilities to banks	-	387	(179)	-	208	76
Lease liabilities	17,045	-	4,170	13,988	5	1,495
Other financial liabilities	10,320	61	5,882	5,316	182	4,617
Other liabilities	9	-	10	-	-	-
Temporary differences	40,058	32,984	10,685	28,419	29,852	809
Loss carryforwards	1,368	-	(2,661)	4,139	-	1,272
Interest carryforwards	4,553	-	4,553	-	-	-
Offsetting	(19,115)	(19,115)	-	(16,067)	(16,067)	-
	26,864	**13,869**	**12,577**	**16,491**	**13,785**	**2,081**

The recoverability of previously unrecognized interest carryforwards was reassessed in the financial year 2025, taking into account the current financing structure. Based on this reassessment, it is considered probable that these carryforwards will be utilized within a five-year period. Accordingly, a deferred tax asset amounting to kEUR 4,553 in respect of interest carryforwards has been recognized for the first time in the financial year 2025, in accordance with IAS 12 Income Taxes.

Unrecognized deferred tax liabilities

Deferred tax liabilities on temporary differences associated with investments in subsidiaries have not been recognized as it is not likely that these temporary differences will be reversed in the foreseeable future. They amount to kEUR 4,992 (December 31, 2024: kEUR 9,380).

Tax losses carried forward

As of December 31, 2025, Nagarro had corporate income tax loss carryforwards of kEUR 28,121 (December 31, 2024: kEUR 44,876) and trade tax loss carryforwards of kEUR 196 (December 31, 2024: kEUR 5,352). Deferred tax assets of kEUR 1,368 (December 31, 2024: kEUR 4,139) on tax loss carry-forwards of kEUR 5,410 (December 31, 2024: kEUR 18,122) were recognized.

Deferred tax assets exceeding deferred tax liabilities in the amount of kEUR 597 (December 31, 2024: kEUR 2,848) for companies that generated a loss in the current or previous period were recognized as it is probable that future taxable profits will be available against which such losses can be used. In the companies with deferred tax assets, based on management's assessment, investments in generating new business and cost optimization measures will make the respective companies profitable in the near future. Hence, it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and unused tax losses can be offset.

The expiry dates of the tax losses carried forward and unrecognized deferred taxes are as follows:

	Dec 31, 2025	Dec 31, 2025	Dec 31, 2024	Dec 31, 2024
	Tax losses	Deferred tax thereon	Tax losses	Deferred tax thereon
	kEUR	kEUR	kEUR	kEUR
Forfeiture less than 4 years	12,279	1,842	9,180	1,344
Forfeiture between 4 and 7 years	4,016	656	2,876	638
Forfeiture more than 7 years	1,498	448	3,102	921
Non-forfeitable	4,741	1,059	11,419	2,368
	22,535	**4,005**	**26,577**	**5,271**

Unrecognized deferred tax assets

An amount of kEUR 4,005 (December 31, 2024: kEUR 5,271) on tax loss carryforwards of kEUR 22,535 (December 31, 2024: kEUR 26,577) was not recognized as it is not considered probable that sufficient taxable profits will be available against which these tax losses can be utilized.

The amount of deductible temporary differences, that are impaired at year-end for which no deferred tax asset was recognized in the consolidated statement of financial position is kEUR 387 (December 31, 2024: kEUR 2,752).

Global minimum top-up tax

Nagarro is within the scope of the OECD Pillar Two model rules (Global Minimum Tax), and it applies the IAS 12 exception to recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes.

Pillar Two legislation continues to apply to the Group for 2025. It is estimated that the global minimum taxation (Pillar Two) does not result in any material charges for the Group in 2025. The Group applies IAS 12 exception to the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes. In 2024 an amount of kEUR 500 was recognized as global minimum top-up tax on account of entities in the United Arab Emirates.

8. Contract assets and liabilities

Contract assets and liabilities as of the reporting dates were as follows:

	Dec 31, 2025			Dec 31, 2024		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Customer projects measured according to the percentage-of completion method	21,124	399	20,725	15,961	432	15,529
Contract assets	**21,124**	**399**	**20,725**	**15,961**	**432**	**15,529**
Accruals and deferred income	14,285	-	14,285	14,105	-	14,105
Contract liabilities	**14,285**	**-**	**14,285**	**14,105**	**-**	**14,105**

The timing of revenue recognition, billings and cash collections results in receivables, contract assets, and contract liabilities in Nagarro's consolidated statement of financial position. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones.

Invoicing to the clients for other fixed-price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the time of invoicing to the customers. Contract assets for other fixed-price contracts are therefore recognized as such, as the right to consideration is dependent on completion of contractual milestones.

Contract liabilities are recognized for payments received that exceed the level of performance achieved.

Trade receivables and contract assets are presented net of impairment on the consolidated statement of financial position.

The following table provides information about the receivables, contract assets and contract liabilities from contracts with customers:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Trade receivables	198,263	219,332
Current contract assets	20,725	15,529
Non-current contract assets	399	432
Current contract liabilities	(14,285)	(14,105)

The acquisition of subsidiaries resulted in increase in trade receivables of kEUR 2,341 in 2025 (2024: kEUR 414), contract assets of kEUR 0 in 2025 (2024: kEUR 0) and contract liabilities of kEUR 0 in 2025 (2024: kEUR 28) (Refer F.1. Business combination).

As at December 31, 2025, kEUR 5,055 (2024: kEUR 7,552) has been recognized as provision for expected credit losses on trade receivables and contract assets.

Contract assets and liabilities developed as follows in the financial years 2025 and 2024:

	Contract assets	Contract liabilities
	kEUR	kEUR
Balance on January 1, 2025	**15,961**	**14,105**
Revenue recognition	26,743	(13,491)
Currency effect	(1,175)	(547)
Reclassification to trade receivables	(20,405)	-
Advance payments received from customers	-	14,218
Balance on December 31, 2025	**21,124**	**14,285**

	Contract assets	Contract liabilities
	kEUR	kEUR
Balance on January 1, 2024	**18,470**	**15,002**
Addition due to business combinations	-	28
Revenue recognition	15,383	(14,714)
Currency effect	887	(208)
Reclassification to trade receivables	(18,778)	-
Advance payments received from customers	-	13,998
Balance on December 31, 2024	**15,961**	**14,105**

Revenue recognized in financial year 2025 includes kEUR 13,491 (2024: kEUR 14,714) which was reported under contract liabilities at the beginning of the financial year 2025.

The aggregate value of performance obligations that are completely or partially unsatisfied and presented as contract liability as of December 31, 2025 is kEUR 14,285 (December 31, 2024: kEUR 14,105). Nagarro expects to recognize this as revenue amounting to kEUR 14,285 (December 31, 2024: kEUR 13,910) within next year and balance kEUR 0 (December 31, 2024: kEUR 195) within next 2-3 years. This also includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

9. Trade receivables

Trade receivables are composed as follows:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Customer receivables	203,318	226,884
Allowance for expected credit losses	(5,055)	(7,552)
	198,263	**219,332**

Trade receivables comprising revenues in excess of billings from time and material contracts and fixed-price maintenance contracts are classified as financial assets when the right to consideration is unconditional and is due only after a passage of time. Nagarro's receivables are rights to consideration that are unconditional.

Factoring arrangements

As of December 31, 2025, Nagarro has factoring arrangements in two geographies:

(a) Germany: recourse and non-recourse factoring (2024: recourse factoring)

As of December 31, 2025, Nagarro maintained a factoring facility in Germany with a total limit of kEUR 20,000 (December 31, 2024: kEUR 20,000). Up to 2024, this amount was classified as recourse factoring. In 2025, the factoring partner assumed the del-credere risk up to a certain amount per customer and thus, this portion has now been classified as non-recourse while the remaining portion continues to be classified as recourse. Accordingly, under this arrangement, the facility comprises both non-recourse and recourse factoring components. During 2025, Nagarro did not utilize any of the available recourse factoring limit. Interest on the factored receivables in Germany was calculated at one-month Euribor plus a margin of up to 1.75% (December 31, 2024: 1.65%) during the year. During the year 2025, an interest rate of 3.87% (December 31, 2024: 5.15%) was applied.

(b) United States of America: non-recourse factoring

Nagarro has a non-recourse factoring facility with a limit of kEUR 29,812 [kUSD 35,000] (December 31, 2024: kEUR 33,695 [kUSD 35,000]) in the United States of America. Interest on the factored receivables in the United States of America is calculated at three-month SOFR plus a margin of up to 2.20% (December 31, 2024: 2.20%). During the year 2025, an interest rate of 6.37% was applied (December 31, 2024: 7.29%) and as at the year end, an interest rate of 5.92% (December 31, 2024: 6.56%) was applied.

Nagarro has sold its trade receivables under aforesaid factoring arrangements to respective factoring partners for cash proceeds. The factors make the payment against submitted receivables' lists on a weekly basis. The arrangement with the banks is such that the customers remit cash directly to Nagarro and Nagarro transfers the due amount to the factoring partners.

Derecognition of trade receivables – non-recourse factoring

For the non-recourse factoring arrangement, trade receivables have been derecognized from the consolidated statement of financial position, as Nagarro has transferred substantially all of the risks and rewards – primary being the credit risk irrespective of the extent to which proceeds have been drawn. To the extent that consideration for the transferred receivables has not yet been drawn by Nagarro, the corresponding amount is recognized as "Receivables from factor" within C.5. Other financial assets. The amount collected by Nagarro on behalf of the factor is shown as "Liabilities from factoring" under C.12. Loans and Borrowings. Receivables from factor and liabilities from factoring are presented on a net basis in the consolidated financial statements where a legally enforceable right of set-off exists and there is an intention to settle on a net basis, in accordance with the applicable presentation requirements under IFRS.

Nagarro has derecognized trade receivables amounting to kEUR 34,302 (December 31, 2024: kEUR 25,274) out of which kEUR 20,278 (December 31, 2024: Nil) relates to Germany and kEUR 14,024 (December 31, 2024: kEUR 25,274) relates to United States of America (USA) under the non-recourse factoring facility. Nagarro has drawn the entire amount in respect of its non-recourse factoring arrangement with its USA partner, a partial amount of kEUR 7,019 (December 31, 2024: Nil) has been drawn in respect of German non-recourse factoring arrangement. Balance undrawn amount which is receivable from factor of kEUR 11,174 (December 31, 2024: Nil) has been offset with the liabilities from factoring amounting to kEUR 6,810 (December 31, 2024: Nil). The net receivable of kEUR 4,364 (December 31, 2024: Nil) has been disclosed as a receivable from factor.

The carrying amounts mentioned above represent the maximum exposure to the loss and approximate the fair value of the assets and liabilities.

Transfer of trade receivables – recourse factoring

For the recourse factoring arrangement, trade receivables have not been derecognized from the consolidated statement of financial position, as Nagarro retains substantially all of the risks and rewards – primary being the credit risk. These "due to factor" payments are shown as "Loan from factor of Nagarro GmbH, Germany" under C.12. Loans and Borrowings and are in the nature of short-term loan. The trade receivables are held within a held-to collect model consistent with Nagarro's continuing recognition of the receivables.

The following table shows the carrying amount of trade receivables that has been transferred but not been derecognized and the associated liabilities:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Carrying amount of trade receivables transferred to a factor	-	2,441
Carrying amount of associated liabilities	-	(2,441)

The carrying amounts mentioned above represent the maximum exposure to the loss and approximate the fair value of the assets and liabilities.

Credit and market risk, and impairment losses

Information about Nagarro's exposure to credit risk and impairment losses for trade receivables is included in note F.9. Financial risk management.

10. Cash and cash equivalents

Cash and cash equivalents are composed as follows:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Bank balances	101,096	94,782
Cash on hand	23	21
Cash	**101,119**	**94,803**
3-months deposit (cash equivalent)	23,490	94,231
Investment in T-bills for less than 3-months (cash equivalent)	8	3,533
Cash and cash equivalents in the consolidated statement of financial position	**124,617**	**192,567**
Liabilities from factoring	(1,633)	(5,688)
Cash and cash equivalents in the consolidated statement of cash flows	**122,984**	**186,879**

Deposits with banks and investment in T-bills are subject to insignificant risk of changes in value.

Term deposits of original maturity of more than 3 months amounting to kEUR 140 (2024: kEUR 476) are included in other current financial assets (note C.5. Other financial assets).

Term deposits with remaining maturity of more than 12 months amounting to kEUR 1,191 (2024: kEUR 235) are included in other non-current financial assets (note C.5. Other financial assets).

11. Equity

Equity is composed as follows:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Share capital	12,922	13,776
Treasury shares, at cost	(40,213)	(39,757)
Capital reserve	241,794	241,030
Profit carried forward	185,624	215,631
Net profit for the year	39,492	49,156
Changes in equity recognized directly in equity	(260,612)	(260,612)
Other comprehensive income		
Foreign currency reserve (including effect of Türkiye hyperinflation)	(22,255)	6,539
Actuarial gain or loss on pension provisions	(1,729)	(3,102)
Total Equity	**155,024**	**222,660**

Share capital

As of December 31, 2025, Nagarro SE had a share capital of EUR 12,992,297 (December 31, 2024: EUR 13,775,985), divided into 12,992,297 (December 31, 2024: 13,775,985) registered no-par value shares, each with a notional interest in the share capital of €1.00 per share.

Each share has a calculated share in the share capital of €1.00. All the Nagarro SE shares are of the same class. The shares are fully paid in.

The changes in share capital are as follows:

	2025	2025	2024	2024
	Numbers	kEUR	Numbers	kEUR
Opening balance	13,775,985	13,776	13,775,985	13,776
Redemption of treasury shares	(853,688)	(854)	-	-
Closing balance	**12,922,297**	**12,922**	**13,775,985**	**13,776**

Please refer below note: 'Treasury shares' for details regarding redemption of treasury shares.

In Xetra trading on the Frankfurt Stock Exchange, on December 30, 2025, the closing price of the Nagarro SE share was EUR 76.25 (December 30, 2024: EUR 79.15).

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 29, 2029 in one or more tranches by up to EUR 4,132,795.00 in the aggregate by issuing up to 4,132,795 new no-par value registered shares against cash and/or non-cash contribution. The subscription rights of existing shareholders may be excluded under the conditions specified in Section 6 of the Articles of Association of Nagarro SE.

Treasury shares

On February 5, 2025, the Management Board of Nagarro SE resolved to make use of the authorization, which was granted by the shareholders' meeting of October 30, 2020, pursuant to Sec. 71 para. 1 no. 8 of the German Stock Corporation Act (Aktiengesetz, AktG) to repurchase 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.

On November 14, 2025, the Management Board of Nagarro SE resolved on reduction of nominal share capital through redemption of treasury shares and on new share buyback program with a volume of up to EUR 20 million. Accordingly, the Management Board of Nagarro SE, resolved, on the basis of the authorization granted by the shareholders' meeting on June 30, 2025, for the acquisition and use of treasury shares, to redeem 853,688 treasury shares which represents 75% of the 1,138,251 treasury shares held by the Company as on the date of resolution and to consequentially reduce the Company's nominal share capital.

Further, the Management Board of Nagarro SE resolved to make use of the authorization, which was granted by the shareholders' meeting of June 30, 2025, pursuant to Sec. 71 para. 1 no. 8 of the German Stock Corporation Act (Aktiengesetz, AktG) to repurchase shares of the Company until February 28, 2026. In aggregate, up to 450,000 shares of Nagarro SE were to be repurchased subject to an overall purchase volume limit of EUR 20 million (excluding ancillary costs of purchase).

Accordingly, the 2025 share buyback program was carried out in two tranches. First tranche being carried out between February 06, 2025 and May 22, 2025 (hereinafter to be referred as 'Tranche 1') and the second tranche was carried out between November 24, 2025 to December 30, 2025 (hereinafter to be referred as 'Tranche 2').

Tranche 1 - A total of 684,384 shares were bought at an average share price of EUR 73.2 per share with a total cost of kEUR 50,082, corresponding to a portion of then nominal share capital of 5.0%. The total cost of treasury share's buyback includes transaction cost of kEUR 63.

Tranche 2 - A total of 235,037 shares were bought at an average share price of EUR 75.5 per share with a total cost of kEUR 17,754, corresponding to a portion of the current nominal share capital of 1.8%. The total cost of treasury share's buyback includes transaction cost of kEUR 22.

Accordingly, Nagarro SE has purchased 919,421 treasury shares amounting to kEUR 67,835 during the year.

As mentioned above, the Company has redeemed 853,688 shares at an average share price of EUR 78.9 per share amounting to kEUR 67,379. The nominal value of these redeemed shares amounting to kEUR 854 has been reduced from the Company's share capital and the excess of the carrying amount of the treasury shares over the nominal value amounting to kEUR 66,525 is adjusted against retained earnings.

The changes in treasury shares are composed as follows:

	2025	2025	2024	2024
	Numbers	kEUR	Numbers	kEUR
Opening balance	453,867	39,757	453,867	39,757
Acquired during the year				
Tranche 1	684,384	50,082	-	-
Tranche 2	235,037	17,754	-	-
Total treasury shares acquired during the year	919,421	67,835	-	-
Redemption during the year	(853,688)	(67,379)	-	-
Sale during the year	-	-	-	-
Closing balance	**519,600**	**40,213**	**453,867**	**39,757**

Capital reserves

The changes in capital reserves are composed as follows:

	2025	2024
	kEUR	kEUR
Opening balance as at Jan 1	241,030	251,717
Share based payment expense		
Equity-settled stock options - SOP		
Stock option expense of SOP 2020/II - Tranche 1	2	504
Stock option expense of SOP 2020/III	-	71
Stock option expense of SOP 2020/II - Tranche 2a	112	2,281
Stock option expense of SOP 2020/II - Tranche 2b	2	142
Stock option expense of SOP 2020/II - Tranche 3	317	-
	432	**2,999**
Employee share participation program - ESPP		
Employee share participation program expense - ESPP 2023 - Tranche 1a	171	127
Employee share participation program expense - ESPP 2023 - Tranche 1b	4	3
Employee share participation program expense - ESPP 2023 - Tranche 2	64	54
Employee share participation program expense - ESPP 2024 - Tranche 1	44	22
Employee share participation program expense - ESPP 2025 - Tranche 1	47	-
Employee share participation program expense - ESPP 2025 - Tranche 2	2	-
	332	**207**
Reclassification to financial liabilities on modification		
Equity-settled stock options - SOP		
Stock option expense of SOP 2020/II - Tranche 1	-	(8,879)
Stock option expense of SOP 2020/III	-	(1,211)
Stock option expense of SOP 2020/II - Tranche 2a	-	(3,583)
Stock option expense of SOP 2020/II - Tranche 2b	-	(219)
	-	**(13,893)**
Closing balance as at Dec 31	**241,794**	**241,030**

Nagarro has recognized a reversal of expense of kEUR 1,525 (2024: expense of kEUR 550) from cash-settled options for both SOP 2020/II and SOP 2020/III program.

Profit carried forward

The changes in profit carried forward are as follows:

	2025	2024
	kEUR	kEUR
Opening balance	215,631	166,476
Transfer of profit or loss for the previous year to profit carried forward	49,156	49,155
Dividend paid	(12,638)	-
Redemption of treasury shares	(66,525)	-
Closing balance	**185,624**	**215,631**

Dividend paid

For the 2024 financial year, Nagarro paid a dividend of EUR 1.00 per no par value share amounting to kEUR 12,638 (December 31, 2024: Nil) in July 2025.

Proposed dividend

Subsequent to the year-end, the Management Board and Supervisory Board of Nagarro SE propose to the Annual General Meeting that a dividend of EUR 1.00 per no-par value share carrying dividend rights be paid to shareholders from the unappropriated net income amounting to kEUR 49,714 and that the remaining amount be carried forward. The dividend has not been recognized as liability and there are no tax consequences.

The final amount of the total dividend payment depends on the number of no-par value shares carrying dividend rights as of the date of the resolution on the appropriation of net income as adopted on the day of the Annual General Meeting.

- Redemption of treasury shares

Please refer above note 'Treasury shares' for details regarding redemption of treasury shares.

Changes in equity recognized directly in equity

Nagarro spun off from Allgeier SE (the erstwhile shareholder of Nagarro) in the year 2020 for which a total purchase consideration of kEUR 339,051 (including minority shareholders share of purchase consideration of kEUR 23,519) was paid. The spin-off transaction was preceded by business combinations under common control of Allgeier SE. As such, Nagarro applied the predecessor value approach by carrying forward the historical carrying amounts recorded by Allgeier Group without stepping up to fair value. Accordingly, Nagarro's share of the purchase consideration, namely, of kEUR 315,533, was reduced from equity under changes in equity recognized directly in equity. This was adjusted for the capital reserve and other transactions in total of kEUR 54,921 due to re-organization resulting in a net negative amount of kEUR 260,612 under changes in equity recognized directly in equity.

There has been no change in the amounts under changes in equity recognized directly in equity since the year 2020.

Changes in other comprehensive income

The changes in other comprehensive income are composed as follows:

	2025	2024
	kEUR	kEUR
Opening balance	3,437	(10,289)
Foreign exchange differences (including effect of Türkiye hyperinflation of kEUR 1,062 [2024: kEUR 831])	(28,793)	13,503
Actuarial gain or loss on pension provisions	1,373	223
Closing balance	**(23,984)**	**3,437**

12. Loans and borrowings

Outstanding balance of loans and borrowings is as follows:

	Dec 31, 2025			Dec 31, 2024		
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Loans and borrowings from banks						
Syndicated loan of Nagarro SE, Germany (unsecured)	303,207	303,950	(743)	318,273	318,721	(448)
Liabilities from factoring (unsecured)	1,633	-	1,633	5,688	-	5,688
Loan from factor of Nagarro GmbH, Germany (partly secured by factored receivables)	-	-	-	2,441	-	2,441
Bank loan of Nagarro GmbH, Austria (unsecured)	347	347	-	492	240	252
Bank loan of Advanced Programming Solutions, S.L., Spain (unsecured)	51	-	51	153	52	102
Bank loan of FWD View Limited, United Kingdom (unsecured)	80	38	41	131	84	47
Bank loan of Inaho Digital Solutions Co. Ltd., Japan (unsecured)	153	113	41	-	-	-
Loans and borrowings from other financial institutions						
Loan of Nagarro ES GmbH, Germany (unsecured)	4,589	2,664	1,925	2,433	1,737	695
	310,060	**307,112**	**2,948**	**329,612**	**320,835**	**8,777**

The classification between secured and unsecured loans and borrowings is as follows:

	Dec 31, 2025			Dec 31, 2024		
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Partly secured loans	-	-	-	2,441	-	2,441
Unsecured loans	310,060	307,112	2,948	327,171	320,835	6,336
	310,060	**307,112**	**2,948**	**329,612**	**320,835**	**8,777**

On September 23, 2022, Nagarro SE, as original borrower along with certain subsidiaries, as mentioned below, as guarantors, entered into a revolving syndicated credit facility agreement with five European credit institutions amounting to €350 million with an option to further increase the loan facility amount to €450 million. The term of the financing arrangement is five years, which can be extended twice by one year each (5+1+1). Also, it has the possibility to issue Schuldscheine (promissory notes) or similar instruments for a volume of up to in aggregate €125 million. Further, the non-recourse factoring is limited to 15% of the value of assets of the group.

The following subsidiaries, who are guarantors for the syndicated loan facility, are liable for Nagarro SE's liabilities to banks:

- 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
- Nagarro GS Inc., USA
- Infocore Engineering & IT Services GmbH, Germany

- Nagarro for Information Technology, Kingdom of Saudi Arabia
- Nagarro MENA LLC, UAE
- Ace Outsource LC, USA
- FWD View Ltd., UK
- Nagarro Global Services Asia Pte. Ltd., Singapore
- Nagarro Pty. Ltd., Australia
- Nagarro Unipessoal Lda., Portugal

As per the syndicated loan facility agreement, a material affiliate, other than Indian and Chinese group entities, is required to become additional guarantor after 60 days of publishing the annual results. To be eligible as additional guarantor, the affiliate of the company should be a material affiliate and the EBITDA of the affiliate should be 5% or more of group EBITDA or the revenue should be 5% or more of consolidated revenue of the group.

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.

Nagarro's syndicated loan has a covenant package which 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 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. The loan contains a covenant stating that at the end of each quarter the total net leverage (the ratio of net debt to Adjusted EBITDA, as defined per the loan agreement) has not exceeded 3.5 and that a minimum equity of €100 million is maintained, otherwise the loan will be repayable on demand. Nagarro monitors all the covenants to ensure its compliance. The covenants are well within the acceptable range and Nagarro expects to comply with the quarterly covenants within 12 months after the reporting date. As per the terms of the loan agreement, Nagarro needs to provide the consolidated group financial statement to the banks together with a covenant statement by April 30 following the end of financial year. Nagarro is not in default of this covenant.

Further, as per the terms of the loan agreement, Nagarro should comply with the Guarantor Threshold Test ('GTT') wherein downstream subsidiaries of Nagarro contributing to a certain threshold of revenue and EBITDA are required to be the guarantors in this loan agreement. To ensure continuing compliance with GTT, Nagarro has added certain additional guarantors as per the provisions of syndicate loan agreement. Nagarro is not in default of this covenant.

As of December 31, 2025, these loans under the syndicated credit facility denominated in euros totaled kEUR 304,500 (December 31, 2024: kEUR 319,500). 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, 2024: 1.75) percentage points as at December 31, 2025. The unutilized portion of the loan carries interest at 35% of the margin interest rate of the utilized loan. In financial year 2025, the loans had an average interest rate of 4.02% p.a. (2024: 5.54% p.a.). Further the unutilized portion of the loan carried an average interest rate of 0.61% p.a. (2024: 0.61% p.a.).

Nagarro has a non-recourse factoring facility in United States of America for its American entities and the liabilities from factoring represents cash collected from customers on behalf of the factor.

Nagarro has a recourse and non-recourse factoring facility in Germany for its two German entities (Nagarro ES GmbH and Nagarro GmbH, Munich), with a limit of kEUR 20,000 (December 31, 2024: recourse factoring: kEUR 20,000). Interest on the factored receivables in Germany was calculated at one-month Euribor plus a margin of up to 1.75 (December 31, 2024: 1.65) percentage points during the year. During the year 2025, an interest rate of 3.87% p.a. was applied (December 31, 2024: 5.15% p.a.). In 2024, since it was a recourse factoring arrangement, it was disclosed as loan from factor and was partly secured by the underlying factored receivables. For further details, please refer C.9. Trade receivables.

Nagarro Austria has been granted unsecured loans for certain government related project amounting to kEUR 347 (2024: kEUR 492) and carries fixed interest rate. In the financial year 2025, the loans had an average interest rate of 1.21% (2024: 1.05%) p.a.

Advanced Programming Solutions, S. L., Spain, had taken an unsecured loan amounting to kEUR 400 in 2022 for 48 months and carries fixed interest rate of 1.75% p.a. In the financial year 2025, the loan had an average interest rate of 1.75% (2024: 1.75%) p.a.

FWD View Limited, United Kingdom, had taken two unsecured loans denominated in GBP amounting to kGBP 50 (kEUR 60) in 2020 for 72 months and kGBP 154 (kEUR 186) in 2022 for 72 months and carries fixed interest rate of 2.50% p.a. and 8.3% p.a. respectively. In the financial year 2025, these loans had an average interest rate of 6.88% (2024: 6.88%) p.a.

As of December 31, 2025 Nagarro ES GmbH, Germany, has taken unsecured loans amounting to kEUR 4,589 (2024: kEUR 2,433) ranging from 12 months to 60 months and carrying a fixed interest rate of 0.39% p.a. to 10.32% p.a. (2024: 2.11% p.a. to 13.43% p.a.). In the financial year 2025, the loan had an average interest rate of 3.59% (2024: 3.96%) p.a.

Inaho Digital Solutions Co. Ltd. had taken two unsecured loans denominated in JPY amounting to kJPY 11,479 (kEUR 62) in 2021 for 61 months and kJPY 40,000 (kEUR 217) in 2021 for 114 months and carries fixed interest rate of 2.92% p.a. and 2.00% p.a. respectively.

13. Employee benefits liabilities

Employee benefits liabilities comprise only defined benefit obligations (net of fair value of plan assets), shared-based payment arrangements and liabilities from acquisitions (remuneration-linked) because of the estimation uncertainty inherent in these positions.

Employee benefits liabilities are composed as follows:

	Dec 31, 2025			Dec 31, 2024		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Defined benefit obligations	33,940	29,685	4,255	22,184	19,610	2,574
Fair value of plan asset	(307)	-	(307)	(420)	-	(420)
	33,633	**29,685**	**3,948**	**21,764**	**19,610**	**2,154**
Liabilities for cash-settled stock-based arrangements	12,918	3,251	9,667	14,443	2,971	11,471
Liabilities for performance based restricted stock units	890	890	-	-	-	-
Liabilities from acquisitions - remuneration linked	700	-	700	2,460	(0)	2,460
	14,508	**4,142**	**10,367**	**16,902**	**2,971**	**13,931**
Total employee benefits liabilities	**48,142**	**33,827**	**14,315**	**38,666**	**22,581**	**16,085**

For more details on liabilities for cash-settled stock-based arrangements and performance based restricted stock units, see note F.8. Share based payment arrangement.

Defined benefit obligations

Defined benefits obligations, net of fair value of plan assets is detailed above.

The Sri Lankan company and Indian companies have obligations for future gratuity payments to employees (gratuity obligations) who have worked with the company for a minimum period of five years that become payable when employees depart, regardless of termination by the employer or employee.

On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020—consolidating 29 existing labour laws. Up to the reporting date, the Ministry of Labour & Employment had published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. Nagarro has assessed and disclosed the incremental impact of these changes on the basis of best information available. Considering the materiality and regulatory-driven, non-recurring nature of this impact, Nagarro has adjusted such incremental impact in Adjusted EBITDA (refer F.3. Adjusted EBITDA) as "Statutory impact of new Labour Codes in India". The incremental one-time impact in 2025 is kEUR 12,415 primarily on account of defined benefit obligations due to change in wage definition which has been clubbed in staff costs in the consolidated statement of comprehensive income. Nagarro continues to monitor the finalization of Indian Central/State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

The UAE companies have obligations for future end of service benefits payment to employees (end of service benefits obligation) who have worked with the company and are paid lumpsum amount calculated as follows: for first 5 years of employment at 21 days' salary for each completed year of service or part thereof and after first 5 years of employment at 30 days' salary for each completed year of service or part thereof with maximum end of service benefit payable being equal to 24 months' salary. This amount is payable when an employee departs from the company.

The company in Philippines does not have an established retirement plan and provides the minimum regulatory benefit under the Retirement Pay Law (Republic Act No. 7641) which provides a retirement benefit equal to 22.5 days' pay for every year of credited

service for employees who attain the retirement age of sixty (60) with at least five (5) years of service. The regulatory benefit is paid in a lump sum upon retirement.

The company in Türkiye, in accordance with the Turkish Labor Law, is obliged to pay severance pay to every employee who retires after 25 years of working (58 years for women and 60 years for men), whose employment relationship is terminated, who is called up for military service or who dies.

The company in Saudi Arabia has an obligation for future end of service benefits payment to employees (end of service benefits obligation) who have worked with the company for at-least two years and are paid lumpsum amount calculated as follows: calculated as half a month's wage for the first five years and a full month's wage for subsequent years, if terminated by the employer or the employee resigns for a valid reason. If an employee resigns, the benefit is reduced to one-third for 2-5 years of service, two-thirds for 5-10 years, and the full amount after 10 years.

These severance payouts represent a defined benefits plan in accordance with IAS 19. To cover these post–employment benefits obligations, provisions of kEUR 33,940 were recognized as of December 31, 2025 (December 31, 2024: kEUR 22,184). The amounts can be reconciled as follows:

	2025	2024
	kEUR	kEUR
Present value of the defined benefit obligation on January 1	22,184	17,252
Acquisitions through business combinations	248	-
Current service cost	4,695	4,722
Past service cost	12,413	-
Interest cost	1,263	1,176
Currency translation - relating to income statement	(3,938)	539
Currency translation - relating to OCI	(488)	169
Actuarial gains or losses - relating to OCI	(1,224)	(728)
Benefits paid	(1,213)	(946)
Present value of the defined benefit obligation on December 31	**33,940**	**22,184**

The fair value of plan assets relates to ATCS India having 400 (December 31, 2024: 485) employees at the year end. The plan assets are invested in investment funds managed by a life insurance company. The fair value of plan assets is based on the latest fund statement provided by the life insurance company.

	2025	2024
	kEUR	kEUR
Fair value of plan assets on January 1	420	448
Acquisitions through business combinations	-	-
Interest income	26	33
Currency translation - relating to income statement	(63)	14
Currency translation - relating to OCI	-	-
Actuarial gains or losses on plan assets - relating to OCI	(11)	(2)
Contributions from the employer	-	-
Benefits paid	(66)	(72)
Fair value of plan assets on December 31	**307**	**420**

The change in defined benefits obligations affected the consolidated statement of comprehensive income as follows:

	2025	2024
	kEUR	kEUR
Staff costs		
Current service cost	4,695	4,722
Past service cost	12,413	-
	17,108	4,722
Finance expenses		
Interest cost	1,263	1,176
Interest income on plan assets	(26)	(33)
Net interest expense	1,238	1,143
Foreign exchange (loss) gain		
Currency translation	(3,938)	539
	(3,938)	539
Recognized in consolidated statement of comprehensive income	**14,407**	**6,404**
Losses (Gains) from remeasurement of defined benefit obligations and plan assets		
due to experience adjustments	907	324
due to changes in financial assumptions	(3,230)	(2,950)
due to changes in demographic assumptions	1,100	1,899
Actuarial gains or losses on plan assets	11	-
Currency translation - relating to OCI	(488)	169
Included in other comprehensive income	**(1,701)**	**(559)**

These end of service benefits/gratuity payments constitute a defined benefits plan according to IAS 19 and are measured using actuarial methods. Calculating the present value of defined benefits obligations is based on country-specific mortality tables for India, UAE, Sri-Lanka, Philippines and Türkiye and the following general assumptions on weighted average basis:

	Dec 31, 2025	Dec 31, 2024
Weighted average		
Calculated interest rate	6.9%	7.5%
Salary increase p.a.	8.4%	9.9%
Rate of staff turnover p.a.	13.4%	18.4%
Remaining term of service to retirement in years	27	28

As of December 31, 2025, the average expected length of service of a colleague with the Indian companies is assumed to be 7.3 years (December 31, 2024: 6.1 years), for UAE companies is assumed to be 6.0 years (December 31, 2024: 6.3 years), for the Sri Lankan company is assumed to be 3.5 years (December 31, 2024: 3.2 years), for the Philippines company is assumed to be 5.2 years (December 31, 2024: 4.3 years), for the Turkish company is assumed to be 10.9 years (December 31, 2024: 11.9 years) and for the Saudi company is assumed to be 5.9 years (December 31, 2024: 5.9 years) respectively.

The following are the expected payments or contributions to the defined benefits plan in future years:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Within the next 12 months	3,614	2,289
Between 2 and 5 years	15,813	11,388
Between 6 and 10 years	16,820	12,585
Beyond 10 years	26,769	14,768
Total expected payments	**63,017**	**41,030**

Sensitivity analysis

As a result of the existing benefits commitments, Nagarro is exposed to the following actuarial risks:

Longevity risk	The life expectancy is higher than the best possible estimate according to the mortality tables. This increases actual pension obligations at a later date.
Interest rate risk	The calculated interest rate to determine the present value of the defined benefit obligations is derived from the yield on high-quality corporate bonds. A decrease in interest on corporate bonds leads to an increase in benefit obligations.
Salary risk	Subsequent, unexpected salary increases lead to an increase in benefit obligations linked to remuneration.

The actuarial parameters used for calculating the present value of defined benefits obligations are the calculated interest rate, the expected annual salary increases for commitments linked to remuneration (salary trend), and the annual increase in current pensions (pension trend). On the assumption that the remaining parameters are constant, the present value of the defined benefits obligations as of December 31, 2025 and 2024 increases or decreases by changing one assumption at a time according to the following sensitivity analysis:

	Increase	Decrease
	kEUR	kEUR
Dec 31, 2025		
Calculated interest rate (1.00% change)	(2,150)	2,432
Salary trend (1.00% change)	1,968	(1,900)

	Increase	Decrease
	kEUR	kEUR
Dec 31, 2024		
Calculated interest rate (1.00% change)	(1,357)	1,524
Salary trend (1.00% change)	1,316	(1,247)

The above sensitivity analyses were performed by extrapolating the effects of realistic changes in key assumptions at the end of the reporting period on the defined benefits obligation.

Defined contribution plans

Nagarro also supports private contribution through deferred compensation schemes.

Employer contributions of kEUR 2,061 (2024: kEUR 2,239) for defined contribution plans were recognized as an expense in the financial year under review.

Liabilities from acquisitions - remuneration linked

The amounts can be reconciled as follows:

	Liabilities from acquisitions - remuneration linked
	kEUR
Balance as at Jan 1, 2024	**268**
Additions - through statement of comprehensive income	2,361
Reduction due to payments	(274)
Currency differences	104
Balance as at Dec 31, 2024	**2,460**
Additions - through statement of comprehensive income	960
Reduction due to payments	(1,796)
Reduction due to reversal of provision	(724)
Currency differences	(199)
Balance as at Dec 31, 2025	**700**

Reversal of earnout payable of kEUR 724 (December 31, 2024: Nil) is related to RipeConcepts. For more details on liabilities from acquisitions - remuneration linked, see note F.1. Business combinations.

14. Liabilities from acquisitions

The liabilities from acquisitions are composed as follows:

	Dec 31, 2025			Dec 31, 2024		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Liabilities from acquisitions	9,220	5,349	3,871	5,873	4,468	1,405
	9,220	**5,349**	**3,871**	**5,873**	**4,468**	**1,405**

For details on liabilities from acquisitions refer to notes C.18. Financial instruments and F.1. Business combinations.

15. Other financial liabilities

Other financial liabilities are composed as follows:

	Dec 31, 2025			Dec 31, 2024		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Wages and salaries	11,178	-	11,178	12,828	-	12,828
Leave obligations	21,048	5,688	15,360	19,918	5,662	14,256
Outstanding incoming invoices	7,279	-	7,279	8,177	-	8,177
Derivative financial instruments	3,030	-	3,030	1,631	-	1,631
Audit fees	2,016	-	2,016	1,015	-	1,015
Working time accounts	379	-	379	350	-	350
Accrued interest on bank loans	436	-	436	776	-	776
Others	2,798	172	2,626	1,527	81	1,445
	48,166	**5,861**	**42,305**	**46,222**	**5,743**	**40,478**

Obligations arising from vacation days not yet taken and granted to employees of Nagarro companies as of the reporting date are recognized as leave obligations. Expenditure per vacation day is calculated according to the individual average salary (excluding one-time payments) of the employees in the financial year under review, including social security contributions.

Others include credit card and other payables.

16. Other provisions

Other provisions are composed as follows:

	Dec 31, 2025			Dec 31, 2024		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Bonuses	22,504	-	22,504	22,135	-	22,135
Employers' liability insurance association	91	-	91	101	-	101
Restructuring, severance pay	614	212	402	914	434	480
Warranties to customers	1,296	-	1,296	1,452	-	1,452
Miscellaneous	2,696	-	2,696	2,196	-	2,196
	27,201	**212**	**26,989**	**26,799**	**434**	**26,365**

Provision for bonuses relate to performance-based remuneration of management and employees of Nagarro companies.

Non-current portion of restructuring, severance pay are expected to be paid within 2-5 years from the end of the reporting period.

Other provisions developed as follows:

	Jan 1, 2025	Additions through business combination	Use	Release	Disposals	Additions	Foreign currency fluctuation	Dec 31, 2025
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Bonuses	22,135	1	(21,642)	(572)	-	24,184	(1,603)	22,504
Employers' liability insurance association	101	-	(101)	-	-	91	-	91
Restructuring, severance pay	914	-	(846)	(70)	-	616	-	614
Warranties to customers	1,452	-	(550)	(908)	-	1,344	(42)	1,296
Miscellaneous	2,196	-	(1,530)	(22)	-	2,228	(176)	2,696
	26,799	**1**	**(24,670)**	**(1,572)**	**-**	**28,464**	**(1,821)**	**27,201**

	Jan 1, 2024	Additions through business combination	Use	Release	Disposals	Additions	Foreign currency fluctuation	Dec 31, 2024
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Bonuses	20,149	-	(19,252)	(776)	-	21,524	490	22,135
Employers' liability insurance association	162	-	(160)	(2)	-	101	-	101
Restructuring, severance pay	454	-	(60)	-	-	520	-	914
Warranties to customers	1,719	-	(487)	(1,155)	-	1,349	27	1,452
Miscellaneous	1,974	-	(1,921)	(36)	-	2,139	40	2,196
	24,458	**-**	**(21,880)**	**(1,969)**	**-**	**25,632**	**557**	**26,799**

17. Other liabilities

Other liabilities are composed as follows:

	Dec 31, 2025		Dec 31, 2024	
	of which:		of which:	
	Total	Current	Total	Current
	kEUR	kEUR	kEUR	kEUR
Liabilities from VAT	10,121	10,121	11,868	11,868
Social security liabilities	5,558	5,558	5,037	5,037
Other	31	31	117	117
	15,711	**15,711**	**17,022**	**17,022**

18. Financial instruments

a. Accounting classifications and carrying values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount				Fair value			
Dec 31, 2025	**at FVTPL**	**at amortized cost**	**at FVOCI**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
kEUR								
Financial assets measured at fair value - current								
Other financial assets - foreign exchange forward transactions	72	-	-	72	-	72	-	72
	72	-	-	72	-	72	-	72
Financial assets not measured at fair value - non-current								
Other financial assets	-	3,902	-	3,902	-	-	-	-
	-	3,902	-	3,902	-	-	-	-
Financial assets not measured at fair value - current								
Trade receivables	-	198,263	-	198,263	-	-	-	-
Other financial assets - others	-	11,614	-	11,614	-	-	-	-
Cash and cash equivalents	-	124,617	-	124,617	-	-	-	-
	-	334,495	-	334,495	-	-	-	-
	72	**338,396**	**-**	**338,468**	**-**	**72**	**-**	**72**

	Carrying amount				Fair value			
Dec 31, 2025	**at FVTPL**	**at amortized cost**	**at FVOCI**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
kEUR								
Financial liabilities measured at fair value - non-current								
Liabilities from acquisitions	5,349	-	-	5,349	-	-	5,349	5,349
	5,349	-	-	5,349	-	-	5,349	5,349
Financial liabilities measured at fair value - current								
Liabilities from acquisitions	3,871	-	-	3,871	-	-	3,871	3,871
Other financial liabilities - foreign exchange forward transactions	3,030	-	-	3,030	-	3,030	-	3,030
	6,901	-	-	6,901	-	3,030	3,871	6,901
Financial liabilities not measured at fair value - non-current								
Loans and borrowings - syndicated loan (unsecured)	-	303,950	-	303,950	-	311,797	-	311,797
Loans and borrowings - others (unsecured)	-	3,162	-	3,162	-	3,162	-	3,162
	-	307,112	-	307,112	-	314,959	-	314,959
Financial liabilities not measured at fair value - current								
Loans and borrowings - syndicated loan (unsecured)	-	(743)	-	(743)	-	-	-	-
Loans and borrowings (unsecured)	-	3,692	-	3,692	-	3,692	-	3,692
Trade payables	-	19,036	-	19,036	-	-	-	-
Other financial liabilities - outstanding incoming invoices	-	7,279	-	7,279	-	-	-	-
Other financial liabilities - audit fees	-	2,016	-	2,016	-	-	-	-
Other financial liabilities - accrued interest on bank loans	-	436	-	436	-	-	-	-
Other financial liabilities - others	-	2,798	-	2,798	-	-	-	-
	-	34,514	-	34,514	-	3,692	-	3,692
	12,249	**341,626**	**-**	**353,875**	**-**	**321,680**	**9,220**	**330,900**

	Carrying amount				Fair value			
Dec 31, 2024	**at FVTPL**	**at amortized cost**	**at FVOCI**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
kEUR								
Financial assets measured at fair value - current								
Other financial assets - foreign exchange forward transactions	890	-	-	890	-	890	-	890
	890	-	-	890	-	890	-	890
Financial assets not measured at fair value - non-current								
Other financial assets	-	2,133	-	2,133	-	-	-	-
	-	2,133	-	2,133	-	-	-	-
Financial assets not measured at fair value - current								
Trade receivables	-	216,890	-	216,890	-	-	-	-
Trade receivables - factored	-	2,441	-	2,441	-	-	-	-
Other financial assets - others	-	6,960	-	6,960	-	-	-	-
Cash and cash equivalents	-	192,567	-	192,567	-	-	-	-
	-	418,859	-	418,859	-	-	-	-
	890	**420,991**	**-**	**421,881**	**-**	**890**	**-**	**890**

	Carrying amount				Fair value			
Dec 31, 2024	**at FVTPL**	**at amortized cost**	**at FVOCI**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
kEUR								
Financial liabilities measured at fair value - non-current								
Liabilities from acquisitions	4,468	-	-	4,468	-	-	4,468	4,468
	4,468	-	-	4,468	-	-	4,468	4,468
Financial liabilities measured at fair value - current								
Liabilities from acquisitions	1,405	-	-	1,405	-	-	1,405	1,405
Other financial liabilities - foreign exchange forward transactions	1,631	-	-	1,631	-	1,631	-	1,631
	3,036	-	-	3,036	-	1,631	1,405	3,036
Financial liabilities not measured at fair value - non-current								
Loans and borrowings - syndicated loan (unsecured)	-	318,721	-	318,721	-	325,006	-	325,006
Loans and borrowings - others (unsecured)	-	2,113	-	2,113	-	2,113	-	2,113
	-	320,835	-	320,835	-	327,119	-	327,119
Financial liabilities not measured at fair value - current								
Loans and borrowings - syndicated loan (unsecured)	-	(448)	-	(448)	-	-	-	-
Loans and borrowings (unsecured)	-	6,784	-	6,784	-	6,784	-	6,784
Loans and borrowings (partly secured)	-	2,441	-	2,441	-	-	-	-
Trade payables	-	17,076	-	17,076	-	-	-	-
Other financial liabilities - outstanding incoming invoices	-	8,177	-	8,177	-	-	-	-
Other financial liabilities - audit fees	-	1,015	-	1,015	-	-	-	-
Other financial liabilities - accrued interest on bank loans	-	776	-	776	-	-	-	-
Other financial liabilities - others	-	1,527	-	1,527	-	-	-	-
	-	37,348	-	37,348	-	6,784	-	6,784
	7,504	**358,183**	**-**	**365,686**	**-**	**335,534**	**5,873**	**341,407**

Contract assets (December 31, 2025: kEUR 21,124; December 31, 2024: kEUR 15,961) and lease liabilities (December 31, 2025: kEUR 72,087; December 31, 2024: kEUR 54,483) are not allocated to any of the measurement categories under IFRS 9 and are therefore not included in the tables above.

b. Measurement of fair value

i. Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in Level 2 and Level 3 fair value for financial instruments in the consolidated statement of financial position, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement
Forward foreign exchange contracts	Marked to market values of derivative instruments based on forward rates at the reporting date using present value calculations based on high credit quality yield curves in the respective currencies	Not applicable	Not applicable
Liabilities from acquisitions	Monte-carlo valuation model - The valuation model considers the probability and present value of expected payments using risk-adjusted discount rate	(i) Expected contribution margin / EBITDA relevant to earn-out (ii) Risk-adjusted discount rate of 3.5% -5.9% p.a. (31 December 2024: 5.6% -7.1% p.a.)	The estimated fair value would increase (decrease) if: (i) the expected contribution margin / EBITDA relevant to earn-out were higher (lower) (ii) the risk-adjusted discount rate was higher (lower)

ii. Transfers between the hierarchy levels

In the periods under consideration there were no reclassifications between hierarchy levels.

iii. Level 3 recurring fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

	Contingent purchase price liabilities measured at fair value
	kEUR
Balance as at Jan 1, 2024	**11,504**
Additions	4,577
Additions - through statement of comprehensive income	755
Interest effect	407
Reduction due to payments	(9,290)
Currency differences	219
Purchase price adjustment	(2,299)
Balance as at Dec 31, 2024	**5,873**
Additions	5,358
Additions - through statement of comprehensive income	326
Interest effect	186
Reduction due to payments	(1,695)
Currency differences	(481)
Purchase price adjustment	(347)
Balance as at Dec 31, 2025	**9,220**

Additions represent fair value of contingent consideration using Monte carlo simulations. Breakdown as follows:

Entity acquired	Year of acquisition	2025	2024
		kEUR	kEUR
Additions i.e., initial measurement at the time of business combination			
Charles Hudson Technology Solutions	2025	5,280	-
Inaho Digital Solutions	2025	79	-
FWD View	2024	-	4,577
		5,358	**4,577**
Additions - through statement of comprehensive income i.e., subsequent measurement			
FWD View	2024	170	-
Infocore Germany	2023	155	755
		326	**755**

Purchase price adjustment represents reversal of earnout payable of kEUR 347 (December 31, 2024: kEUR 2,299) mainly on account of acquisition of APSL and Telesis (December 31, 2024: Techmill, Infocore, APSL and Telesis) as the acquired entities were not able to achieve the earnout targets. Further, there is a reversal of earnout payable of kEUR 724 (December 31, 2024: Nil) related to RipeConcepts which has been considered as remuneration linked liability from acquisitions. The same has been recognized as income (refer D.2. Other operating income).

c. Sensitivity analysis

For the fair values of the contingent consideration, a change (increase or decrease) of input factors while keeping the remaining input factors constant has the following effects:

	Profit for the period			
	2025		2024	
	Increase	Decrease	Increase	Decrease
	kEUR	kEUR	kEUR	kEUR
Contingent consideration				
Change in the earn-out relevant EBITDA by 5% relative to plan	1,846	(1,883)	352	(369)
Risk-adjusted discount rate (5% movement (500bps))	(556)	626	(743)	843

d. Derivative financial instruments

Nagarro concludes foreign exchange forward transactions to hedge foreign currency risks of future cash flows.

In the Nagarro Indian companies, the Euro (EUR), US dollar (USD), the Swedish krone (SEK), the British pound (GBP), and the Australian dollar (AUD) are the currencies that were hedged with respect to the Indian rupee (INR), since the customer receivables are mainly in these currencies while purchasing costs (staff costs and the purchase of third-party services) are incurred in Indian rupees (INR).

In each case, the maturity of the foreign exchange forward contract is less than one year.

The foreign exchange forward contracts were concluded as follows:

	Dec 31, 2025			Dec 31, 2024		
Foreign exchange forward contracts	**Nominal amount**	**Assets**	**Liabilities**	**Nominal amount**	**Assets**	**Liabilities**
	thousands	kEUR	kEUR	thousands	kEUR	kEUR
USD-INR	122,193	72	1,675	92,625	-	1,552
EUR-INR	35,800	-	939	31,350	636	43
SEK-INR	23,945	-	130	34,295	92	9
GBP-INR	5,910	-	162	5,720	70	24
AUD-INR	6,185	-	124	4,675	92	3
		72	3,030		890	1,631

There are no derivative master netting agreements for the year 2025 and 2024.

The gain or loss from the foreign exchange forward transactions is as below:

	2025	2024
	kEUR	kEUR
Net gain (loss) from foreign exchange forward transactions		
Income from foreign exchange forward transactions	-	4,023
Expense from foreign exchange forward transactions	(2,499)	(3,685)
	(2,499)	**338**

As described in D.2. Other operating income, in 2025, Nagarro has presented income and expenses from foreign exchange forward transactions on a net basis.

e. Net gains and losses from financial instruments

Net gains and losses from financial instruments are comprised as follows:

		2025					
in kEUR	**Category in accordance with IFRS 9**	**Other operating income**	**Staff costs**	**Other operating expenses**	**Finance income**	**Finance costs**	**Total net gains (losses)**
Financial assets measured at fair value							
Trade receivables - factored-non-recourse	FVTPL	-	-	-	-	(1,423)	(1,423)
		-	**-**	**-**	**-**	**(1,423)**	**(1,423)**
Financial assets not measured at fair value							
Trade and other receivables - others	AC	-	-	380	-	-	380
Other financial assets	AC	-	-	-	462	-	462
Cash and cash equivalents	AC	-	-	-	2,041	-	2,041
		-	**-**	**380**	**2,503**	**-**	**2,883**
Financial liabilities measured at fair value							
Liabilities from acquisitions	FVTPL	347	(326)	-	-	(186)	(164)
Liabilities from acquisitions - employment linked	n/a	724	(960)	-	-	-	(236)
Derivative financial instruments	FVTPL	-	-	(2,499)	-	-	(2,499)
		1,071	**(1,285)**	**(2,499)**	**-**	**(186)**	**(2,899)**
Financial liabilities not measured at fair value							
Other financial liabilities	AC	-	(2,674)	-	-	(12,219)	(14,893)
Employee benefits liabilities (under IAS 19)	n/a	-	-	-	-	(1,263)	(1,263)
Leases (under IFRS 16)	n/a	-	-	-	-	(4,854)	(4,854)
		-	**(2,674)**	**-**	**-**	**(18,336)**	**(21,011)**
		1,071	**(3,960)**	**(2,120)**	**2,503**	**(19,946)**	**(22,451)**

in kEUR	Category in accordance with IFRS 9	Other operating income	Staff costs	Other operating expenses	Finance income	Finance costs	Total net gains (losses)
				2024			
Financial assets measured at fair value							
Trade receivables - factored-non-recourse	FVTPL	-	-	-	-	(1,403)	(1,403)
Derivative financial instruments	FVTPL	4,023	-	-	-	-	4,023
		4,023	**-**	**-**	**-**	**(1,403)**	**2,619**
Financial assets not measured at fair value							
Trade and other receivables - others	AC	-	-	(3,015)	-	-	(3,015)
Trade receivables - factored - recourse	AC	-	-	-	-	(113)	(113)
Other financial assets	AC	-	-	-	640	-	640
Cash and cash equivalents	AC	-	-	-	2,860	-	2,860
		-	**-**	**(3,015)**	**3,500**	**(113)**	**372**
Financial liabilities measured at fair value							
Liabilities from acquisitions	FVTPL	2,299	(755)	-	-	(407)	1,136
Liabilities from acquisitions - employment linked	n/a	-	(2,361)	-	-	-	(2,361)
Derivative financial instruments	FVTPL	-	-	(3,685)	-	-	(3,685)
		2,299	**(3,117)**	**(3,685)**	**-**	**(407)**	**(4,910)**
Financial liabilities not measured at fair value							
Other financial liabilities	AC	-	(3,382)	-	-	(15,816)	(19,197)
Employee benefits liabilities (under IAS 19)	n/a	-	-	-	-	(1,176)	(1,176)
Leases (under IFRS 16)	n/a	-	-	-	-	(2,125)	(2,125)
		-	**(3,382)**	**-**	**-**	**(19,117)**	**(22,498)**
		6,321	**(6,498)**	**(6,700)**	**3,500**	**(21,041)**	**(24,417)**

D. Notes to the consolidated statement of comprehensive income

1. Revenue

Disaggregated revenue information

The revenue by industry is as follows:

	2025	2024
	kEUR	kEUR
Automotive, manufacturing and industrial	248,648	219,794
Energy, utilities and building automation	66,488	73,544
Financial services and insurance	123,573	124,757
Horizontal tech	50,868	61,489
Life sciences and healthcare	71,399	70,893
Management consulting and business information	75,895	60,509
Public, non-profit, education	90,184	88,876
Retail and CPG	135,136	132,417
Telecom, media and entertainment	44,679	54,180
Travel and logistics	92,427	85,529
	999,296	**971,987**

The revenue by contract type is as follows:

	2025	2024
	kEUR	kEUR
Time and expenses	685,662	678,389
Fixed price	107,408	130,048
Periodic services	199,556	157,639
Other revenues	6,670	5,911
	999,296	**971,987**

Performance obligations and remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when Nagarro expects to recognize these amounts in revenue. Applying the practical expedient as given in IFRS 15, Nagarro has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of Nagarro's performance completed to date, typically those contracts where invoice is on time and expenses and periodic services.

For customer contracts whose original duration was at least one year, expected revenue from performance obligations yet to be fulfilled are as follows:

as of:	Total kEUR	2025 kEUR	2026 kEUR	2027 kEUR	2028 kEUR	2029 kEUR	2030 kEUR
December 31, 2025	56,196	-	42,186	10,258	2,390	971	391
December 31, 2024	169,078	122,460	27,916	12,079	3,311	3,311	-

2. Other operating income

Other operating income is broken down as follows:

	2025 kEUR	2024 kEUR
Income from currency translation	-	16,328
Income from foreign exchange forward transactions	-	4,023
Income from the sale of property, plant and equipment	34	141
Release of provisions	1,217	1,969
Profit from purchase price adjustment	1,071	2,299
Gain on lease modification	617	71
Net monetary gain (hyper inflationary)	1,598	2,630
Grant income	1,005	396
Miscellaneous	3,543	2,740
	9,085	**30,597**

Profit from purchase price adjustment represents reversal of earnout payable of kEUR 1,071 (December 31, 2024: kEUR 2,299) on account of acquisition of RipeConcepts, APSL and Telesis (December 31, 2024: Techmill, Infocore, Telesis and APSL) as the acquired entities were not able to achieve the earnout targets (refer C.18. Financial instruments).

Until December 31, 2024, Nagarro presented income and expenses from currency translation and foreign exchange forward transactions on a gross basis. Effective 2025, Nagarro presents these items on a net basis i.e., net income/(expense) from currency translation and net income/(expense) from foreign exchange forward transactions under other operating income or other operating expenses in case of net income and net expense respectively. Management believes that this presentation better reflects the nature of these items as part of the Group's overall foreign currency risk management activities and provides more relevant information to users of the financial statements. The change represents a voluntary change in presentation in accordance with IAS 1. The change affects presentation only and has no impact on profit before tax, net profit or equity. Had the net presentation been applied in 2024, net income from currency translation would have been kEUR 6,036 and net income from foreign exchange forward transactions would have been kEUR 338. Accordingly, total other operating income would have been reduced by kEUR 13,977 with a corresponding reduction in other operating expenses.

3. Cost of freelancers and other direct cost

The cost of freelancers and other direct costs are composed as follows:

	2025	2024
	kEUR	kEUR
Purchased services	72,988	62,277
Software and other costs	9,756	6,486
Provision for onerous contracts	125	117
	82,869	**68,879**

Purchased services include external temporary staff and subcontractors engaged on a project-specific basis.

4. Staff costs

Staff costs are composed as follows:

	2025	2024
	kEUR	kEUR
Salaries and wages	584,674	586,417
Social security contributions	51,904	49,672
Gratuity	17,108	4,722
Defined contribution expenses	2,061	2,239
Bonuses	46,411	49,718
Equity-settled share-based payments	765	3,206
Cash-settled share-based payments	(1,525)	550
Retention bonuses - acquisition related	2,674	3,382
Earnout expense - acquisition related	1,285	3,117
Performance-based Restricted Stock Units	890	-
	706,247	**703,022**

Gratuity includes past service cost of kEUR 12,413 (2024: Nil) related to one-time cumulative statutory impact of new Labour Codes implemented in India with effect from November 21, 2025. Please refer to note C.13. Employee benefits liabilities for further details.

Staff costs of kEUR 3,631 (2024: kEUR 3,333) were incurred for non-capitalizable activities in connection with product development.

Up to the year 2024, Nagarro had considered only on-roll employees under the category of "Professionals" for the purpose of headcount disclosure. The Company has certain W-2 employees in USA who are employed on a contractual basis but their payroll is processed through same payroll cycle with social security and tax deductions similar to any other full-time employee. Their cost is also charged to staff costs. Accordingly, effective 2025, Nagarro has included these W-2 employees within category of "Professionals", and the comparative figures for previous years have been restated accordingly.

At year-end, Nagarro had 18,003 [2024: 17,825 (previously reported: 17,695)] number of professionals out of which 16,429 [2024: 16,453 (previously reported: 16,192)] were professionals in engineering and 1,574 [2024: 1,372 (previously reported: 1,503)] were professionals in sales and administration. During the year, Nagarro had 17,665 [2024: 18,241 (previously reported: 18,124)] number of average professionals out of which 16,127 [2024: 16,770 (previously reported: 16,627)] were professionals in engineering and 1,538 [2024: 1,471 (previously reported: 1,497)] were professionals in sales and administration. The average values were calculated based on the number of employees on January 1, March 31, June 30, September 30 and December 31.

5. Other operating expenses

Other operating expenses are composed as follows:

	2025	2024
	kEUR	kEUR
Travel expenses	16,029	16,539
Vehicle costs	3,586	3,085
IT costs	12,405	13,259
Services	4,195	3,899
Land and building costs	3,982	4,004
Other staff costs	8,335	9,046
Advertising expenses	4,997	4,204
Communication expenses	2,294	2,630
Maintenance	1,222	1,549
Expense from currency translation	17,742	10,292
Expenses for foreign exchange forward transactions	2,499	3,685
Insurance, contributions	3,891	3,510
Legal, consulting and audit fees	9,889	4,714
Entertainment expenses	980	934
Office supplies	572	759
Direct selling expenses	566	911
Supervisory board remuneration	876	713
Loss on lease modification	0	35
Residual book value from disposal of property, plant and equipment	21	361
Acquisition costs	851	334
Expenses relating to the exploration of the take-private option	-	3,861
Expenses relating to strategic review of listing and privatization choices	-	1,234
Independent investigation expenses following past external allegations	1,992	-
Miscellaneous	4,152	4,322
	101,076	**93,878**

Audit fees include fees for the auditor of the consolidated financial statements for the following services:

	2025	2024
	kEUR	kEUR
Audit services	2,531	700
Other assurance services	208	11
Other services	62	119
	2,801	**830**

The fee for audit services relates to the audit of the annual financial statements of Nagarro SE, the consolidated financial statements of Nagarro group (including the audit of certain subsidiaries and selected component reporting packages) and the formal audit of the remuneration report. It also includes additional audit fee amounting to kEUR 1,251 (2024: Nil) for the year 2024. Other assurance services relate to certification of loan covenants and the audit of sustainability reports with limited assurance. Other services relate to quality assurance of regulatory requirements.

Expense from currency translation is mainly on account of revaluation loss on intra-group loans within Nagarro group because of weakening of the US dollar against the Euro. Further, as described in D.2. Other operating income, Nagarro has presented income and expenses from currency translation and foreign exchange forward transactions on a net basis. Had the net presentation been applied in 2024, net expense from currency translation and foreign exchange forward transactions would have been Nil.

6. Depreciation, amortization and impairment

For information on depreciation, amortization and impairment, please refer to Notes C.1. Intangible assets, C.2. Goodwill, C.3. Property, plant and equipment and C.4. Right-of-use assets and lease liabilities.

7. Finance income

Finance income is composed as follows:

	2025	2024
	kEUR	kEUR
Interest income	2,503	3,500
	2,503	**3,500**

Interest income mainly includes interest income on bank balances, deposits with banks and plan assets relating to retirement benefits in India.

8. Finance costs

Finance costs are composed as follows:

	2025	2024
	kEUR	kEUR
Interest on bank loans	12,219	15,816
Interest on leases	4,854	2,125
Factoring interest (non-recourse)	1,423	1,403
Interest portion of additions to pension provisions	1,263	1,176
Interest on liabilities from acquisitions	186	407
Factoring interest (recourse)	-	113
Other interest expenses	116	93
	20,062	**21,133**

For further information please refer to Note C.12. Loans and borrowings.

9. Earnings per share (EPS)

	2025	2024
	kEUR	kEUR
Profit for the period	39,492	49,156
Weighted average number of shares outstanding - basic	12,803,961	13,322,118
Number of shares outstanding - basic	12,402,697	13,322,118
Effect of dilutive share-based payment (Employee Share Participation Plan)	5,460	2,627
Total effect of dilution	5,460	2,627
Weighted average number of shares outstanding - diluted	12,809,421	13,324,745
Number of shares outstanding - diluted	12,408,157	13,324,745
Basic earnings per share in EUR (based on weighted average)	3.08	3.69
Basic earnings per share in EUR (based on shares outstanding)	3.18	3.69
Diluted earnings per share in EUR (based on weighted average)	3.08	3.69
Diluted earnings per share in EUR (based on shares outstanding)	3.18	3.69

Earnings per share is calculated by dividing the profit for the period by the weighted average number of outstanding shares of Nagarro SE of 12,803,961 (December 31, 2024: 13,322,118) after excluding treasury shares.

Diluted earnings per share is calculated by dividing the profit for the period by the weighted average number of outstanding shares of Nagarro SE of 12,809,421 (December 31, 2024: 13,324,745) after excluding treasury shares and adding for the effects of all dilutive potential shares.

As at December 31, 2025, 120,375 equity-settled options and 1,783 employee share participation plan (ESPP) shares (December 31, 2024: 396,068 equity-settled options and 1,927 ESPP shares) were excluded for the diluted weighted average number of shares calculations because their effect would have been anti-dilutive. Performance-based restricted stock units (PB RSUs) are

excluded from diluted earnings per share as the performance condition will only be assessed at the end of the four-year performance period and is not determinable at the reporting date.

The average market value of Nagarro SE's shares for the purpose of calculating the dilutive effect of share options and ESPP shares was based on quoted market price for the year during which these share options and ESPP shares were outstanding.

E. Notes to the consolidated statement of cash flows

1. Reconciliation of cash flows from changes in net working capital

Cash flows from changes in net working capital reconcile to the cashflows from operating activities as follows:

in kEUR	2025	2024
Changes in:		
Trade receivables, contract assets and contract liabilities	(15,596)	(22,540)
Trade payables	2,465	(8,020)
Employee benefits liabilities	2,239	143
Provisions	4,971	3,567
Other assets including other financial assets	(5,370)	5,256
Other liabilities including other financial liabilities	2,071	4,871
Cash flows from changes in net working capital	**(9,221)**	**(16,723)**

2. Reconciliation of net cash flows from non-recourse factoring

Net cash flows from non-recourse factoring reconcile to the cashflows from operating activities as follows:

		Cash flows	Currency differences	Interest	
	Jan 1, 2025	2025	2025	2025	Dec 31, 2025
	kEUR	kEUR	kEUR	kEUR	kEUR
Net cash flows:					
Trade receivables derecognized	25,274	9,953	(2,348)	1,423	34,302
Receivables from factor	-	(4,364)	-	-	(4,364)
Liabilities from factoring	(5,688)	(3,279)	524	-	(8,443)
	19,586	**2,310**	**(1,824)**	**1,423**	**21,495**

		Cash flows	Currency differences	Interest	
	Jan 1, 2024	2024	2024	2024	Dec 31, 2024
	kEUR	kEUR	kEUR	kEUR	kEUR
Net cash flows:					
Trade receivables derecognized	26,188	(3,463)	1,145	1,403	25,274
Liabilities from factoring	(2,346)	(3,067)	(275)	-	(5,688)
	23,842	**(6,530)**	**870**	**1,403**	**19,586**

The changes in trade receivables derecognized and liabilities from factoring are disclosed as net cash flows from non-recourse factoring while change in gross trade receivables is shown as "Trade receivables, contract assets and contract liabilities" under changes in net working capital.

Liabilities from factoring include kEUR 6,810 (2024: Nil) related to German non-recourse factoring arrangement which has been offset with receivables from factor in these consolidated financial statements. Accordingly, this has not been disclosed in loans and borrowings and loans and borrowings only include liabilities from factoring amounting to kEUR 1,633 (2024: kEUR kEUR 5,688) which represents Nagarro's liabilities towards USA factoring arrangement.

For more details on non-recourse factoring, refer to Note C.9. Trade receivables.

3. Reconciliation of financial liabilities

Financial liabilities reconcile to the cashflows from financing activities (i.e., excluding non-recourse factoring and including recourse factoring) as follows:

			Non-cash transactions						
		Cash flows	Additions	Acquisitions through business combinations	Currency differences	Lease modification	Unamortized interest expense (income)	Lease termination	
	Jan 1, 2025	2025	2025	2025	2025	2025	2025	2025	Dec 31, 2025
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Loans and borrowings	323,924	(15,581)	-	158	(8)	-	(67)	-	308,427
Lease liabilities	54,483	(22,600)	51,030	261	(3,970)	1,788	-	(8,905)	72,087
	378,407	**(38,181)**	**51,030**	**420**	**(3,978)**	**1,788**	**(67)**	**(8,905)**	**380,514**

			Non-cash transactions					
		Cash flows	Additions	Acquisitions through business combinations	Currency differences	Lease modification	Unamortized interest expensed	
	Jan 1, 2024	2024	2024	2024	2024	2024	2024	Dec 31, 2024
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Loans and borrowings	272,401	51,641	-	137	55	-	(310)	323,924
Lease liabilities	48,692	(23,895)	26,378	59	1,563	1,684	-	54,483
	321,094	**27,747**	**26,378**	**195**	**1,618**	**1,684**	**(310)**	**378,407**

Cash flows from operating activities are reported using the indirect method. Interest paid is included in cash flows from financing activities. Interest received is included in cash flows from investing activities.

4. Net cash flows from business combinations

Cash outflows for the acquisition of subsidiaries from third parties, net of cash acquired are reconciled as follows:

Entity acquired	Year of acquisition	2025	2024
		kEUR	kEUR
At the time of business combination			
Notion Edge	2025	300	-
Marlo Group, Australia	2025	563	-
Inaho Digital Solutions	2025	980	-
Charles Hudson Solutions Technologies	2025	10,794	-
FWD View	2024	-	8,651
		12,636	**8,651**
Contingent consideration			
FWD View	2024	621	-
APSL	2023	-	1,350
Telesis	2023	-	982
Infocore Germany	2023	1,074	389
Techmill	2022	-	100
ATCS	2021	-	6,470
		1,695	**9,290**
Liabilities from acquisitions - remuneration linked			
Infocore UAE	2023	743	274
RipeConcepts	2022	1,053	-
		1,796	**274**
		16,126	**18,216**

Also refer Note C.18. Financial instruments.

Cash outflows for the acquisition of subsidiaries from third parties at the time of business combination in the financial year 2025, net of cash acquired, reconcile as follows:

	Notion Edge, France	Marlo Group, Australia	Inaho Digital Solutions	Charles Hudson Solutions Technologies	Total
	kEUR	kEUR	kEUR	kEUR	kEUR
Purchase consideration	300	563	1,155	16,880	18,898
Contingent purchase price liabilities	-	-	79	5,280	5,358
Purchase price paid in cash in current year	300	563	1,077	11,601	13,540
Acquired cash and cash equivalents	–	–	(97)	(807)	(904)
Outflow (inflow) of cash and cash equivalents	**300**	**563**	**980**	**10,794**	**12,636**

Cash outflows for the acquisition of subsidiaries from third parties at the time of business combination in the financial year 2024, net of cash acquired, reconcile as follows:

	FWD View
	kEUR
Purchase consideration	14,829
Contingent purchase price liabilities	(4,478)
Purchase price paid in cash in current year	10,351
Acquired cash and cash equivalents	(1,700)
Outflow (inflow) of cash and cash equivalents	**8,651**

F. Other disclosures

1. Business combinations

Notion Edge France SAS

By way of a business transfer agreement dated April 2, 2025, Nagarro France SAS, entered into a strategic business transfer of assets transaction with Notion Edge France SAS ("Notion Edge"). Notion Edge specializes in SAP CX (Customer Experience) suite and delivers end-to-end SAP-enabled innovative solutions particularly within retail, CPG, B2B manufacturing and digital commerce sectors to help businesses with digital transformation. This transaction strengthens Nagarro's access to key industry players and allows clients to benefit from an expanded portfolio of customized end-to-end CX solutions that are aligned with the high standards of delivery quality. The transfer also enables wider access to the African market while reinforcing Nagarro's market position in Europe.

A maximum purchase price of EUR 3.5 million (including earn-out payment of EUR 1.5 million, contingent payment of EUR 0.7 million and retention bonus of EUR 1 million) was agreed for the business transfer of Notion Edge. The closing of the deal has been done and the fixed component of purchase price of EUR 0.3 million was paid on April 2, 2025. The contingent payment of EUR 0.7 million is dependent on the achievement of certain targets for FY2025. The remaining purchase price is due between 2026 and 2029, depending on the achievement of targets set in the agreement. The earnout and contingent payment amounting to EUR 2.2 million are dependent upon continuing employment of the seller's representative with Nagarro and thus not part of the capitalized purchase price. Accordingly, these will be recognized as an expense based on the undiscounted amounts expected to be paid for the respective year(s) considering them to be short-term employee benefits.

The closing of the deal has been done and the business of Notion Edge has been acquired. Accordingly, the acquired business of Notion Edge has been included for the first time with Nagarro from April 2, 2025. Below is the breakdown of net assets acquired from Notion Edge:

	Fair value
	kEUR
Intangible assets	-
Assets acquired	-
Deferred tax liabilities	-
Liabilities assumed	-
Total identifiable net assets at fair value	-
Goodwill arising on acquisition	300
Purchase consideration	300

From the date of acquisition, Notion Edge has generated revenue of kEUR 703 and earnings before interest, taxes, depreciation and amortization of kEUR 125. If the combination had taken place at the beginning of the year, revenues from Notion Edge would have been kEUR 975 and earnings before interest, taxes, depreciation, and amortization would have been kEUR 98. In connection with the transaction there were costs of kEUR 75 which were recognized in other operating expenses in 2025. The goodwill is not tax-deductible.

The Marlo Group Pty Ltd., Australia

By way of a business sale agreement dated September 5, 2025, Nagarro Pty Ltd, Australia, entered into a strategic business sale of assets with The Marlo Group Pty Ltd. ("Marlo"). Marlo specializes in providing digital enablement services including DevOps, API management, data engineering and application development services to its customers primarily in BFSI and financial services verticals. This transaction gives Nagarro access to some key customers in the Australian market and allows them to benefit from an expanded portfolio of customized end-to-end solutions.

A maximum purchase price of AUD 1 million (including purchase price bonus payment of AUD 0.1 million) was agreed for the business sale of Marlo. The closing of the deal has been done and the fixed component of purchase price of AUD 0.9 million (€0.5 million) was paid in September 2025. The contingent payment of AUD 0.1 million (€0.1 million) is dependent on the novation of key customer contracts and acceptance of offer of employment by the transferred employees as stipulated in the business sale agreement.

The closing of the deal has been done and the business of Marlo has been acquired. Accordingly, the acquired business of Marlo has been included for the first time with Nagarro from September 19, 2025. Below is the breakdown of net assets acquired from Marlo:

	Fair value
	kEUR
Total identifiable net assets at fair value	681
Deferred tax assets	30
Assets acquired	**711**
Other financial liabilities	803
Liabilities assumed	**803**
Total identifiable net assets at fair value	**(92)**
Goodwill arising on acquisition	655
Purchase consideration	**563**

From the date of acquisition, Marlo has generated revenue of kEUR 461 and losses before interest, taxes, depreciation and amortization of kEUR 313. If the combination had taken place at the beginning of the year, revenues from Marlo would have been kEUR 3,871 and losses before interest, taxes, depreciation, and amortization would have been kEUR 1,115. In connection with the transaction there were costs of kEUR 241 which were recognized in other operating expenses in 2025. The goodwill is not tax-deductible.

Inaho Digital Solutions ('IDS')

By way of a stock purchase agreement (SPA) dated November 26, 2025, Nagarro K.K., Japan, acquired Inaho Digital Solutions Co. Ltd., Japan. Also, Nagarro Software Private Limited, India, signed an asset purchase and employment transfer agreement (APA) on November 26, 2025 with Inaho Digital Solutions Private Limited, India, to acquire its certain assets and employees in an asset deal. Through these agreements, Nagarro acquired the entire business of Inaho Digital Solutions (together called "IDS").

IDS is a boutique IT service provider specialized in modernizing legacy applications and in SAP S/4HANA transformations in Japan and for Japanese clients worldwide. IDS also supports its clients with cloud solutions, data and analytics initiatives, and other digital services. The acquisition of the IDS business will help in growing Nagarro's business with Japan Inc. worldwide.

A fixed purchase price of USD 1.4 million (including USD 0.1 million related to IDS, India) plus payment of the excess working capital was agreed for the acquisition of IDS. Further, earnout payment totaling USD 2.0 million for the earnout period from 2026 to 2028 with catch-up year 2029 and with maximum capping of USD 0.7 million for each of the earnout year from 2026 to 2028 has been agreed as part of the share purchase agreement. Further, an additional closing sum of USD 0.3 million will be paid in 2026 which is contingent upon achievement of certain 2026 targets which was originally dependent upon 2025 targets but was not paid as the targets were not achieved. The fixed component of the purchase price of USD 1.4 million (EUR 1.1 million) was paid in November 2025 after adjusting the shortfall in working capital of USD 0.2 million (EUR 0.1 million). The true up or true down amount relating to working capital will be paid/adjusted in the coming months. The earnout payment is due to be paid between 2027 and 2029, depending on the achievement of targets as outlined in the SPA. The earnout payable including additional closing sum of EUR 2.0 million is dependent upon continuing employment of the sellers with Nagarro and thus not part of the capitalized purchase price. Accordingly, these will be recognized as an expense based on the expected amount to be paid for that earn-out year considering the same to be short-term employee benefits.

The closing of the deal has been done and one hundred percent of the equity of IDS including the business of IDS India has been acquired. Accordingly, IDS has been consolidated for the first time with Nagarro from December 1, 2025. Below is the breakdown of net assets acquired from IDS:

	Fair value
	kEUR
Intangible assets	478
Property, plant and equipment	13
Other financial assets	4
Trade receivables	104
Other assets	4
Cash and cash equivalents	97
Assets acquired	**700**
Liabilities to banks	158
Employee benefits liabilities	41
Trade payables	56
Other financial liabilities	58
Deferred tax liabilities	74
Other liabilities	20
Liabilities assumed	**408**
Total identifiable net assets at fair value	**292**
Goodwill arising on acquisition	863
Purchase consideration	**1,155**

From the date of acquisition, IDS has generated revenue of kEUR 97 and losses before interest, taxes, depreciation and amortization of kEUR 40. If the combination had taken place at the beginning of the year, revenues from IDS would have been kEUR 997 and earnings before interest, taxes, depreciation, and amortization would have been kEUR 241. In connection with the transaction there were costs of kEUR 185 which were recognized in other operating expenses in 2025. The goodwill is not tax-deductible.

Charles Hudson Technology Solutions ('CHTS')

By way of a stock purchase agreement (SPA) dated December 16, 2025, Nagarro Inc., USA, acquired Charles Hudson Technology Solutions Inc. along with its Indian subsidiary CH Technology Solutions India Private Limited (together called "CHTS").

CHTS is a Cambridge, Massachusetts-based services provider with comprehensive testing and quality assurance services for enterprise customers in the digital commerce and retail industry. CHTS specializes in quality engineering for the digital commerce and retail sectors. This strategic acquisition provides Nagarro with access to major US retail and CPG players, with a team of over 180 professionals across the USA and India. It enables Nagarro to offer a broader suite of services to CHTS's existing clients.

A fixed purchase price of USD 13.9 million plus payment of the excess working capital was agreed for the acquisition of CHTS. Further, earnout payment totaling USD 8.5 million for the earnout period 2025-28 with catch-up year 2028 and with maximum capping of USD 2.1 million for each earnout year from 2025 to 2028 has been agreed as part of share purchase agreement. Also, a low hurdle earnout amount totaling USD 1.0 million will be paid equally over three years on achieving EBITDA of USD 0.7 million each year. The fixed component of the purchase price of USD 13.9 million (EUR 11.6 million) was paid in December 2025. The true up or true down amount relating to working capital will be paid/adjusted in the coming months. The earnout payments are due to be paid between 2026 and 2029, depending on the achievement of targets as outlined in the SPA. Out of total earnout payment of USD 9.5 million, Nagarro has included USD 5.5 million (EUR 4.7 million) as contingent consideration related to additional consideration, which represents its fair value at acquisition. The contingent consideration is expected to be in the range of USD 0 million to USD 9.5 million.

The closing of the deal has been done and one hundred percent of the equity of CHTS has been acquired. Accordingly, CHTS has been consolidated for the first time with Nagarro from December 31, 2025. Below is the breakdown of net assets acquired from CHTS:

	Fair value
	kEUR
Intangible assets	6,713
Property, plant and equipment	2
Right-of-use assets	261
Other financial assets	48
Trade receivables	2,237
Other assets	74
Income tax receivables	12
Cash and cash equivalents	807
Assets acquired	**10,153**
Lease liabilities	261
Employee benefits liabilities	205
Other provisions	1
Trade payables	349
Other financial liabilities	146
Other liabilities	10
Deferred tax liabilities	1,782
Income tax liabilities	136
Liabilities assumed	**2,890**
Total identifiable net assets at fair value	**7,263**
Goodwill arising on acquisition	9,617
Purchase consideration	**16,880**

The excess of purchase consideration paid over the book value of net assets of CHTS, USA on the date of acquisition amounting to kUSD 15,275 (kEUR 13,011) has been recorded as goodwill in local books according to local GAAP and is amortized over a period of 10 years and is tax deductible over a period of 15 years. Since CHTS has been consolidated with effect from December 31, 2025, no amortization of goodwill has been recognized in local books. From 2026 onwards, the goodwill amortization will be reversed and deferred tax liability will be recognized as temporary difference between the tax base and IFRS base of goodwill.

From the date of acquisition, CHTS has generated revenue of kEUR 0 and earnings before interest, taxes, depreciation and amortization of kEUR 2. If the combination had taken place at the beginning of the year, revenues from CHTS would have been kEUR 9,718 and earnings before interest, taxes, depreciation, and amortization would have been kEUR 794. In connection with the transaction there were costs of kEUR 349 which were recognized in other operating expenses in 2025.

2. Related party transactions

Transactions and outstanding balances with related parties exist for some members of Nagarro's key management personnel.

	Family member of a KMP		Accnite	
	2025	2024	2025	2024
	kEUR	kEUR	kEUR	kEUR
Revenue and other income				
Revenue	-	-	-	45
	-	-	-	**45**
Expense				
Salaries and wages	108	107	-	-
Impairment of trade receivables, contract assets and other financial assets	-	-	-	41
Other operating expense	-	-	87	87
	108	**107**	**87**	**128**

Dividends

In furtherance to above, during the year, Nagarro paid dividend for the financial year 2024 which was approved by the Annual General Meeting in 2025. The dividend was paid to all shareholders in proportion to their shareholdings. Members of the Management Board and Supervisory Board received dividends amounting to kEUR 1,655 and kEUR 2,661 respectively, on the same terms as other shareholders.

Revenue

Revenue, in one Nagarro German entity, from the above company mainly relates to technology consulting and software development.

Expense

Salaries and wages, in one Indian entity, includes remuneration to one of the family members of a KMP in India.

Other operating expense includes full year expenses towards professional services provided to Nagarro SE by Accnite, entities owned by one of the Supervisory Board members.

Balances resulting from transactions with companies in which the key management personnel have interest:

	Family member of a KMP		Accnite	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR	kEUR	kEUR
Total assets				
Other current assets	-	-	28	28
	-	-	**28**	**28**
Total liabilities				
Employee benefits liabilities	13	16	-	-
Trade payables	-	-	2	4
	13	**16**	**2**	**4**

Lantano Beteiligungen GmbH, which is held by one of the members of the Supervisory Board, holds less than 20% of Nagarro's voting rights as of December 31, 2025 (December 31, 2024: more than 20%). Notwithstanding the change in the level of voting rights, management has assessed that Lantano Beteiligungen GmbH continues to have significant influence over Nagarro in the current year, taking into account the relevant indicators set out in IAS 28 Investments in Associates and Joint Ventures, including its representation on the Supervisory Board. There were no transactions or outstanding balances between Nagarro and Lantano Beteiligungen GmbH during the current and previous financial year.

Remuneration of key management personnel

Key managerial personnel include the members of Supervisory Board and Management Board. With the addition of 3 new supervisory board members during Annual General Meeting ('AGM') held on June 30, 2025, the total number of colleagues who were a part of key management as on December 31, 2025 were 10 (December 31, 2024: 7).

The cost incurred for the above-described key management personnel is as follows:

	2025	2024
	kEUR	kEUR
Salaries and other short-term employee benefits	2,366	2,157
Share based payment arrangements cost	676	237
Total	**3,042**	**2,394**

Outstanding balances with the key management personnel are as follows:

	2025	2024
	kEUR	kEUR
Provisions for post-employment benefits	15	17
Provisions for leave encashment	62	51
Other current financial liabilities	296	178
Total	**373**	**246**

Remuneration of all the three Management Board members for the entire year amounts to kEUR 3,200 (December 31, 2024: kEUR 1,444) out of which kEUR 2,606 (December 31, 2024: kEUR 851) was from Nagarro SE and kEUR 594 (December 31, 2024: kEUR 594) was from other Nagarro companies. This information is according to Section 314 No. 6 of the German Commercial Code

(HGB). Total remuneration of the Management Board includes fair value of kEUR 1,710 (2024: Nil) for a total of 27,684 (2024: Nil) performance based restricted stock units granted in fiscal year 2025.

Remuneration of the Supervisory Board members amounts to kEUR 876 (December 31, 2024: kEUR 713) out of which kEUR 296 (December 31, 2024: kEUR 178) were outstanding as at the reporting date and were paid subsequently.

For composition of key management personnel, please refer details as disclosed in Note F.10. Governing Bodies of Nagarro SE.

3. Adjusted EBITDA

Adjusted EBITDA is calculated according to economic criteria and is independent of IFRS rules. It provides information on the profitability of Nagarro and contains elements of the consolidated statements of comprehensive income relating to operating performance. It is adjusted for "Special items" as Nagarro consider these items as extraordinary. All items mentioned in the table below and qualifying as special items are generally eliminated irrespective of the amount for the purpose of calculating the Adjusted EBITDA. Therefore, the Adjusted EBITDA is more suitable for comparing operating performance over several periods.

Nagarro SE's approach to EBITDA adjustments is to exclude effects that are considered extraordinary, such as impairment of goodwill, purchase price adjustments, badwill, foreign exchange effects on purchase price, sale of equity investments, share based payment arrangements cost, transaction costs related to business combinations, retention bonus and non-capitalized earn-out expenses related to acquisitions, expenses relating to the strategic review of Company's listing and privatization choices and subsequent exploration of the take-private option and, from current year, additional employee benefits expense related to statutory impact of new Labour Codes in India, additional audit fees and independent investigation expenses following past external allegations.

The reconciliation of EBITDA (as reported in the consolidated statements of comprehensive income) to Adjusted EBITDA is presented below:

	2025	2024
	kEUR	kEUR
EBITDA	118,694	134,049
Adjustment for special items		
Income from purchase price adjustments	(1,071)	(2,299)
Exchange (gain) / loss on purchase price components	(19)	32
Share based payment arrangements cost	130	3,756
Transaction costs related to business combinations	851	334
Retention bonus expense as part of share purchase agreement of the acquired entities	2,674	3,382
Non-capitalized earn-out expense relating to acquisitions	1,285	3,117
Independent investigation expenses following past external allegations	1,992	-
Expenses relating to strategic review of listing and privatization choices	-	1,234
Expenses relating to the exploration of the take-private option	-	3,861
Additional employee benefits expense related to statutory impact of new Labour Codes in India	12,415	-
Additional audit fee	1,252	-
Total adjustment for special items	**19,509**	**13,415**
Adjusted EBITDA	**138,204**	**147,464**
Revenues	999,296	971,987
Adjusted EBITDA (as % of revenues)	13.8%	15.2%

4. Gross profit and gross margin

Gross margin is the ratio of gross profit to revenue, where gross profit is calculated as the difference between total performance and cost of revenues. Total performance includes customer revenue and own work capitalized. Cost of revenues comprises direct costs attributable to customer revenue delivery, including personnel costs for employees and freelancers, related travel expenses, software licenses, and further customer-related costs (reimbursable and non-reimbursable). Cost of revenues excludes Global Business Unit (GBU) management costs and expenses related to consultative sales and thought-leadership activities across Centers of Excellence and GBUs.

Personnel costs are classified between Cost of revenues and Selling, General & Administrative expenses (SG&A) in accordance with a structured, time-based allocation policy. Costs are allocated based on actual timesheet entries and the nature of work performed. Costs directly attributable to customer delivery are classified under cost of revenues, while costs related to core support functions such as finance, HR, sales etc. are classified under SG&A.

The gross profit and margin for the current year and the previous year are presented below:

	2025	2024
	kEUR	kEUR
Revenue	999,296	971,987
Own work capitalized	127	259
Total performance	999,423	972,246
Cost of revenues	(678,145)	(676,494)
Gross profit	321,278	295,752
Gross margin (as % of revenue)	**32.2%**	**30.4%**

The items "Costs of revenues" and "Selling, General and Administrative expenses", both not including depreciation and amortization, reconcile to income and expense presented in consolidated statements of comprehensive income as follows:

	2025				
	thereof				
	Costs by nature	Cost of revenues	Selling, General and Administrative expenses	Special items	Total
	kEUR	kEUR	kEUR	kEUR	kEUR
Cost of freelancers and other direct cost	82,869	82,869	-	-	82,869
Staff costs	706,247	573,180	116,562	16,505	706,247
Other operating expenses	101,076	22,095	74,906	4,075	101,076
Impairment of trade receivables, contract assets and other financial assets	(380)	-	(380)	-	(380)
Other operating income	(9,085)	(0)	(8,013)	(1,071)	(9,085)
Total	**880,729**	**678,145**	**183,075**	**19,509**	**880,729**

	2024				
	thereof				
	Costs by nature	Cost of revenues	Selling, General and Administrative expenses	Special items	Total
	kEUR	kEUR	kEUR	kEUR	kEUR
Cost of freelancers and other direct cost	68,879	68,455	424	-	68,879
Staff costs	703,022	585,756	107,012	10,254	703,022
Other operating expenses	93,878	22,284	66,134	5,460	93,878
Impairment of trade receivables, contract assets and other financial assets	3,015	-	3,015	-	3,015
Other operating income	(30,597)	-	(28,298)	(2,299)	(30,597)
Total	**838,197**	**676,494**	**148,288**	**13,415**	**838,197**

The "Special items" relate to non-recurring items such as impairment of goodwill, purchase price adjustments, badwill, foreign exchange effects on purchase price, sale of equity investments, share based payment arrangements cost, transaction costs related to business combinations, retention bonus and non-capitalized earn-out expenses related to acquisitions, expenses relating to the strategic review of Company's listing and privatization choices and subsequent exploration of the take-private option and, from current year, additional employee benefits expense related to statutory impact of new Labour Codes in India, additional audit fees and independent investigation expenses following past external allegations as mentioned in note F.3. Adjusted EBITDA.

5. Segment information

The segment report for Nagarro has been prepared using the guiding principle of IFRS 8 and the Custodian of Entrepreneurship in the Organization (CEO) has been identified as the Chief Operating Decision Maker (CODM). Nagarro provides various types of software development and consulting technology services in an integrated manner to clients in various industries and geographic locations. Nagarro's operations are located in 38 countries. The CODM reviews the financial information prepared on a consolidated basis and thus Nagarro operates as a single operating and reportable segment.

The geographical country wise revenues are as follows:

	2025	2024
	kEUR	kEUR
Attributed to the entity's country of domicile		
Germany	232,568	214,931
Attributed to all foreign countries in total from which the entity derives revenues		
United States of America	344,257	342,309
Others	422,471	414,747
	766,728	757,056
	999,296	**971,987**

Nagarro derives its revenue predominantly from the provision of software services to its clients. This type of work makes up for more than 90% of Nagarro's business. The services revenue growth is mainly driven by growth in existing accounts. In 2024 and 2025, a large part of Nagarro's services business was contracted on a time and expense basis. In 2025, time and expense-based services accounted for about 69% of the total revenue (2024: 70%), with almost all the remaining business being contracted on a fixed bid basis, periodic-service basis and others.

Nagarro is not dependent on a single customer contributing more than 10% of Nagarro's total revenues.

The assets and liabilities for the single segment can be taken from the consolidated statement of financial position and notes.

Geographical Information of Nagarro's non-current assets

Geographical information about Nagarro's non-current assets (excluding goodwill, financial instruments and deferred tax assets) is based on locations where the assets are located. The geographical country wise assets are as follows:

	2025	2024
	kEUR	kEUR
Located in the entity's country of domicile		
Germany	26,993	29,361
Located in foreign countries in total in which the entity holds assets		
United States of America	32,409	30,484
India	32,335	12,086
Türkiye	14,373	15,930
Others	18,111	19,934
	97,228	78,434
	124,220	**107,795**

Out of the non-current assets located in these other foreign countries, there are no material assets in an individual foreign country that need to be disclosed separately.

6. Contingent liabilities and guarantees

Contingent liabilities

In the Indian entities, there are certain contingencies around income tax demands and indirect tax demands where company has preferred appeals amounting to kEUR 1,318 (December 31, 2024: kEUR 1,361) and kEUR 20 (December 31, 2024: Nil), respectively.

Guarantees

Against the syndicated loan of kEUR 350,000 (December 31, 2024: kEUR 350,000), Nagarro SE, together with certain subsidiaries, has given guarantees. Refer note C.12. Loans and Borrowing for details.

Nagarro has also provided performance guarantees to its customers against underlying deposits amounting to kEUR 1,077 (December 31, 2024: kEUR 333).

7. Capital management

Nagarro ensures that there is always sufficient liquidity and maintains a balanced capital structure. These objectives are achieved by focusing on a strong business performance and receivables management. Decisions regarding acquisition of subsidiaries are made after due consideration of the impact on capital structure and the effects of the transactions on future years.

Nagarro monitors the capital using the ratio of "Equity to "total assets" and uses Equity and total assets as per the "consolidated statement of financial position". Nagarro aims to maintain this ratio in the vicinity of 30%, while retaining flexibility to adapt its capital structure in response to business requirements and market conditions.

Net debt is calculated as a total of liabilities to banks and lease liabilities less cash. Adjusted EBITDA is taken for the trailing twelve months. Nagarro policy is to keep the net debt to Adjusted EBITDA below 3.

The key figures used for capital management are as follows at the respective balances sheet dates:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Liabilities to banks	310,060	329,612
Lease liabilities	72,087	54,483
Cash	(124,617)	(192,567)
Net debt	**257,530**	**191,527**
Adjusted EBITDA	138,204	147,464
Debt ratio (Net debt to Adjusted EBITDA)	1.9	1.3
Total assets	742,963	795,701
Equity	155,024	222,660
Equity ratio (% of total assets)	**21%**	**28%**

8. Share-based payment arrangements

Nagarro SE has issued stock options under stock option plans, stocks under employee share participation program and Performance Based Restricted Stock Units (PB RSUs) as long-term variable remuneration. 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
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

Equity settled:

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)	Stock Option Plan 2020/II (Tranche 3)
Number of options issued	45,000	410,000	141,500	8,750	30,250
Number of options converted from equity settled to cash settled	(45,000)	(330,000)	(116,000)	(8,000)	-
Number of options (equity settled)	-	80,000	25,500	750	30,250
Date of grant	Jan 15, 2021	Jan 15, 2021	Apr 26, 2023	May 23, 2023	May 19, 2025
Exercise price	EUR 95.35	EUR 95.35	EUR 110.08	EUR 91.55	EUR 75.88
Average closing price on the grant date	EUR 86.68	EUR 86.68	EUR 100.07	EUR 83.23	EUR 68.98
Stock price on the grant date	EUR 78.60	EUR 78.60	EUR 94.60	EUR 83.40	EUR 64.70
Weighted average fair values at the measurement date	EUR 27.19	EUR 27.19	EUR 46.42	EUR 42.12	EUR 32.65
Dividend yield calculated based on exercise price	0.00%	0.00%	0.00%	0.00%	1.3%
Expected volatility	34.27%	34.27%	37.90%	37.80%	42.13%
Risk–free interest rate	-0.37%	-0.37%	2.96%	2.94%	2.34%
Term of share options	10 years	10 years	10 years	10 years	10 years
Expected life of share options	7 years	7 years	7 years	7 years	7 years
Model used	Binomial	Binomial	Binomial	Binomial	Binomial

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 historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily reflect 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 had 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); 37.80% for Tranche 2 (b) and 42.13% for tranche 3.

The movement of the equity settled stock options is as follows:

	2025		2024	
	Number of stock options	Weighted average exercise price (EUR)	Number of stock options	Weighted average exercise price (EUR)
Outstanding at 1 January	62,438	99.54	569,500	98.88
Options issued during the year	30,250	75.88	-	-
Forfeited during the year	(1,000)	(107.76)	(8,062)	104.14
Exercised during the year	-	-	-	-
Conversion of equity settled options into cash settled options	-	-	(499,000)	98.71
Expired during the year	-	-	-	-
Outstanding at 31 December	91,688	91.64	62,438	99.54
Exercisable at the end of the year	**43,750**	**95.35**	-	-

Cash settled:

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 opted for cash settled	45,000	330,000	116,000	8,000
Date of grant of options	Jan 15, 2021	Jan 15, 2021	Apr 26, 2023	May 23, 2023
Term of options	10 years	10 years	10 years	10 years
Term	5 years	5 years	7 years	7 years
Dividend yield (on reporting date)	1.31%	1.31%	1.31%	1.31%
Expected volatility (on reporting date)	44.07%	44.07%	44.07%	44.07%
Risk–free interest rate (on reporting date)	2.32%	2.32%	2.51%	2.52%
Fair value on the reporting date	EUR 25.83	EUR 25.83	EUR 30.16	EUR 34.28
Model used	Binomial	Binomial	Binomial	Binomial

The movement of the cash-settled stock options is as follows:

	2025		2024	
	Number of stock options	Weighted average exercise price (EUR)	Number of stock options	Weighted average exercise price (EUR)
Outstanding at 1 January	499,000	98.71	-	-
Conversion of equity settled options into cash settled options	-	-	499,000	98.71
Options issued during the year	-	-	-	-
Forfeited during the year	(5,000)	105.79	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 31 December	494,000	98.64	499,000	98.71
Exercisable at the end of the year	**374,250**	**95.35**	**-**	**-**

The liabilities for the cash-settled stock options is as follows:

	2025	2024
	kEUR	kEUR
Total carrying amount of cash-settled options liabilities	12,918	14,443
Total intrinsic value of liabilities of cash-settled options for vested benefits	-	-

The movement of liabilities for the cash-settled stock options is as follows:

	2025	2024
	kEUR	kEUR
Opening balance as at Jan 1	14,443	-
Reclassification from capital reserve on modification	-	13,893
(Reversal)/ expense during the year	(1,525)	550
Closing balance as at Dec 31	**12,918**	**14,443**

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 whereby for every multiple of 3 shares purchased and held by the employees ("investment shares") for 3 years (while staying a Nagarrian), 1 free matching share will be given by Nagarro. The program had two offering windows (Tranche 1 and Tranche 2) in 2023; one offering window (Tranche 1) in 2024 and two offering windows (Tranche 1 and Tranche 2) in 2025 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 1a (Feb 2023)	Tranche 1b (May 2023)	Tranche 2 (December 2023)	Tranche 1 (June 2024)	Tranche 1 (March 2025)	Tranche 1 (November 2025)
Investment period	February 8 - 20, 2023	May 8 - 21, 2023	November 20 - December 1, 2023	May 15 - May 28, 2024	March 7 - March 18, 2025	November 17 - November 25, 2025
Grant date	February 20, 2023	May 25, 2023	December 13, 2023	June 6, 2024	March 25, 2025	December 04, 2025
Matching date	February 20, 2026	May 26, 2026	December 11, 2026	June 5, 2027	March 25, 2028	December 04, 2028
Reporting date	December 31, 2025	December 31, 2025	December 31, 2025	December 31, 2025	December 31, 2025	December 31, 2025
Acquired investment shares	12,834	447	6,837	5,142	7,296	2,955
thereof forfeited investment shares	(2,136)	(30)	(795)	(525)	(315)	-
Estimated matching shares	4,278	149	2,279	1,714	2,432	985
thereof forfeited matching shares	(712)	(10)	(265)	(175)	(105)	-
Fair value at grant date	€ 124.40	€ 79.50	€ 87.60	€ 82.20	€ 79.00	€ 75.55

Performance Based Restricted Stock Units (PB RSUs)

The details of this long-term variable remuneration plan are as follows:

People addressed	Members of the management of Nagarro SE
Plan name	Performance Based Restricted Stock Units (PB RSUs) 2025/I
Authorization by	General meeting on June 30, 2025
Determination of number of units	The initial number of PB RSUs is determined by dividing the target amount of the long-term variable remuneration ("Grant Amount") by the value of one share in the Company ("Share") on the beginning of the performance period, whereby such value corresponds to the volume-weighted average of the stock exchange price ("VWAP") of the Share in XETRA trading on the Frankfurt Stock Exchange on the last thirty trading days preceding the beginning of the performance period (the "Relevant Grant VWAP") Further, following any capital-related adjustment event, the Supervisory Board may, subject to mandatory law, adjust PB RSUs to avoid dilution or enhancement of benefits, primarily by revising the number of PB RSUs, with no settlement of fractional shares.
Performance period	4 years, with retroactive effect from January 1, 2025
Vesting	Graded vesting over the performance period with a vesting of 25% of the PB RSUs at each year-end , subject to continued membership of the Management Board
Performance criteria(s) and weighting	Cumulative operating cash flow over the four-year performance period. Weightage- 50% Relative total shareholder return (TSR) of the Nagarro stock over the performance period, including reinvested gross dividends (development relative to the benchmark TecDAX Total Return Index or comparable successor index). Weightage- 50% The weighted performance criteria determine the final number of PB RSUs awarded
Award	The amount of the award is determined based on the final number of PB RSUs, multiplied by the VWAP of the Share in XETRA trading on the Frankfurt Stock Exchange on the last thirty trading days of the performance period (the "Relevant Settlement VWAP")
Settlement method	Payment in cash or in shares at the discretion of the Company Nagarro expects to settle these claims through equity shares. Accordingly, the award is classified as equity-settled

Plan name	PB RSUs 2025/I
Grant date (= measurement date)	Dec 31, 2025
Relevant Grant VWAP	EUR 91.02
Number of units issued (initial number of PB RSUs)	27,684
Grant amount (kEUR)	2,520
Stock price on the grant date	EUR 76.25
Stock price on the grant date, adjusted for dividend in 2025	EUR 77.51
TecDAX Total Return Index value on the grant date	EUR 3,622.27
TecDAX Total Return Index value on beginning of the performance period (simple average value in XETRA trading on the Frankfurt Stock Exchange on the last thirty trading days preceding the beginning of the performance period)	EUR 3,437.78
Dividend yield	1.6%
Expected volatility of the stock	43.0%
Expected volatility of TecDAX Total Return Index	18.0%
Correlation between the stock and the TecDAX Total Return Index	43.6%
Risk–free interest rate	2.22%
Term (performance period)	4 years
Remaining term as per the grant date	3 years

Other information relating to the share-based payment arrangements

Against the grant of these equity-settled stock options and ESPP, Nagarro has recognized an expense of kEUR 765 (December 31, 2024: kEUR 3,206) and recognized its corresponding effect in capital reserve (refer Note C.11. Equity). Against the converted cash-settled stock options, Nagarro has recognized an income of kEUR 1,525 (December 31, 2024: expense of kEUR 550).

The detailed breakup of the expense of share-based payment arrangement is as follows:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Equity-settled stock options expense - SOP - routed through capital reserve	432	2,999
Equity-settled stock options expense - ESPP - routed through capital reserve	332	207
	765	**3,206**
Cash-settled stock options expense/ (gain) - SOP - routed through financial liabilities	(1,525)	550
Equity-settled performance based restricted stock units - PB RSUs - routed through financial liabilities	890	-
	(634)	**550**
Total share-based payment expenses	**130**	**3,756**

The weighted average remaining contractual life for the equity-settled stock options outstanding, cash-settled stock options outstanding and ESPP as at December 31, 2025 was 1.4 years (2024: 0.7 years), 0.3 years (2024: 0.6 years) and 1.2 years (2024: 1.6 years) respectively.

The weighted average fair value of equity-settled options and ESPP granted during the year was EUR 32.65 (2024: Nil) and EUR 77.97 (2024: EUR 82.20) respectively. The weighted average fair value of cash-settled options at the reporting date was EUR 26.94 (2024: EUR 32.36).

The Stock Option Plans' exercise prices range from EUR 75.88 to EUR 110.08 per stock option.

9. Financial risk management

The financial instruments of Nagarro are subject to various risks, such as liquidity risks, credit risks and market risks from changes in market prices and exchange rates. For the identification, evaluation and limitation of these risks, tiered risk management and control systems are used. Nagarro also implements safeguards and concludes hedges for the avoidance, early identification and mitigation of risks arising from financial instruments.

Nagarro's Management Board has overall responsibility for the establishment and oversight of Nagarro's risk management framework. The Management Board has established Risk & Compliance, and the Internal Control System (ICS) teams, which are responsible for developing and monitoring Nagarro's risk management policies. These teams report regularly to the Management Board on their activities.

Nagarro has a defined Risk Management Policy which has been issued by the Risk & Compliance team and approved by the Management Board. Nagarro's risk management policy is established to identify and analyze the risks faced by Nagarro, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policy, strategy and principles are reviewed regularly to reflect changes in market conditions and Nagarro's activities. Nagarro, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Nagarro's Audit Committee of the Supervisory Board meets regularly with the Management Board, the Risk & Compliance team, and the ICS team to review updates related to the Internal Control and Risk Management Systems. The Audit committee also oversees how management monitors compliance with these risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by Nagarro.

a. Liquidity risks

Liquidity risk is the risk that Nagarro may not be able to meet obligations associated with its financial liabilities. Nagarro's aim is to have sufficient liquidity to conduct our business smoothly. Liquidity is managed by continuously monitoring it, forecasting and monitoring cash inflows and outflows and taking appropriate measures as required. In order to ensure sufficient liquidity at all times, Bank loans, leasing and rental agreements (for the procurement of computers and equipment as well as for buildings) and factoring options are utilized to finance business operations and investment activities. On December 31, 2025, the financial liabilities of Nagarro amounted to kEUR 458,569 (December 31, 2024: kEUR 453,264), of which kEUR 86,429 (December 31, 2024: kEUR 86,132) are due within one year.

As of December 31, 2025, 100% of the current financial liabilities (December 31, 2024: 100%) were covered by current financial assets in the amount of kEUR 334,566 (December 31, 2024: kEUR 419,749).

Current net liquidity from financial assets and liabilities decreased by kEUR 85,480, from kEUR 333,617 as at December 31, 2024 to kEUR 248,137 as at December 31, 2025. Nagarro has sufficient factoring agreements in the USA and Germany. Nagarro also has a syndicated revolving credit facility totaling kEUR 350,000. These euro-denominated loans under the syndicated loan facility amounted to a total of kEUR 304,500 (December 31, 2024: kEUR 319,500). These revolving loans have a variable interest rate based on the three-month or six-month Euribor (depending on the interest period) plus a margin of 1.75 (December 31, 2024: 1.75) percentage points as at December 31, 2025. The unutilized portion of the loan carries interest at 35% of the margin rate of the utilized loan. In the financial year 2025, the loans had an average interest rate of 4.02% p.a. (2024: 5.54% p.a.). The unutilized portion of the loan was subject to an average interest rate of 0.61% p.a. (2024: 0.61% p.a.). At the end of 2025, Nagarro had unutilized balance of syndicated loan facility amounting to kEUR 45,500 (December 31, 2024: kEUR 30,500).

The covenant package for our syndicated loan contains the usual restrictions on total net debt and minimum equity thresholds. In general, a breach of the financial covenants harbors the risk of an event of default which, if not cured within the remediation period, may lead to a default under the credit facility. However, this is mitigated by regular and careful monitoring of the covenants by the Finance Council and compliance with a safety margin to the relevant thresholds as well as a contractual escalation mechanism. The risk is considered as a medium risk.

Future undiscounted cash flows associated with financial liabilities were as follows based on contractually agreed terms and conditions at the respective reporting dates:

	Dec 31, 2025	Maturity within one year		Maturity between one and five years		Maturity later than five years	
	Total	Repayment	Interest	Repayment	Interest	Repayment	Interest
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Syndicated loan of Nagarro SE, Germany	304,500	-	12,994	304,500	21,863	-	-
Liabilities from factoring	1,633	1,633	-	-	-	-	-
Bank loan of Nagarro GmbH, Austria	347	-	5	347	8	-	-
Bank loan of Advanced Programming Solutions, S.L., Spain	51	51	0	-	-	-	-
Loan of Nagarro ES GmbH, Germany	4,589	1,925	102	2,664	54	-	-
Loan of FWD View Limited, United Kingdom	80	41	5	38	2	-	-
Bank loan of Inaho Digital Solutions Co. Ltd., Japan	153	41	3	113	13	-	-
Trade payables	19,036	19,036	-	-	-	-	-
Derivative financial instruments	126,231	126,231	-	-	-	-	-
Liabilities from acquisitions	9,861	3,944	73	5,917	568	-	-
Other financial liabilities	12,530	12,358	-	172	-	-	-
	479,011	**165,260**	**13,183**	**313,751**	**22,507**	**-**	**-**

	Dec 31, 2024	Maturity within one year		Maturity between one and five years		Maturity later than five years	
	Total	Repayment	Interest	Repayment	Interest	Repayment	Interest
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Syndicated loan of Nagarro SE, Germany	319,500	-	19,603	319,500	31,261	-	-
Loan from factor of Nagarro GmbH, Germany	2,441	2,441	-	-	-	-	-
Liabilities from factoring	5,688	5,688	-	-	-	-	-
Bank loan of Nagarro GmbH, Austria	492	252	4	240	7	-	-
Bank loan of Advanced Programming Solutions, S.L., Spain	153	102	2	52	0	-	-
Loan of Nagarro ES GmbH, Germany	2,433	695	69	1,737	76	-	-
Loan of FWD View Limited, United Kingdom	131	47	8	84	7	-	-
Trade payables	17,076	17,076	-	-	-	-	-
Derivative financial instruments	104,705	104,705	-	-	-	-	-
Liabilities from acquisitions	6,527	1,431	26	5,096	628	-	-
Other financial liabilities	11,495	11,414	-	81	-	-	-
	470,641	**143,850**	**19,712**	**326,791**	**31,980**	**-**	**-**

In addition to the tables above, financial liabilities include lease liabilities in the amount of kEUR 72,087 (December 31, 2024: kEUR 54,482), the details, including undiscounted lease liabilities, of which are included in Note C.4. Right-of-use assets and lease liabilities.

b. Credit risks

For financial assets, a general risk exists that customers or contracting parties will not meet their obligations and that contract assets, receivables and other financial assets, including loans granted, default. Credit risks arise from operations and from certain financing activities. Nagarro's goal is to keep the ratio of default to customer revenue within the acceptable limit of 1%. The default risk is being managed by evaluating the financial health of a prospective customer at the beginning of the engagement and setting up their credit terms accordingly. For existing customers, receivables are managed and incoming payments tracked on a decentralized basis in the Nagarro companies. The theoretical maximum credit risk corresponds to the carrying amount totaling kEUR 359,592 (December 31, 2024: kEUR 437,843). Impairments of kEUR 5,284 (December 31, 2024: kEUR 7,790) were recognized on the gross amount of total customer receivables and other financial assets as of December 31, 2025. The impairment ratio on the gross amount was 1.4% (December 31, 2024: 1.7%).

Impairment losses on financial assets, trade receivables and contract assets recognized in statement of comprehensive income are as follows:

	2025	2024
	kEUR	kEUR
Impairment of trade receivables, contract assets and other financial assets	(380)	3,015
Recognized in statement of comprehensive income	**(380)**	**3,015**

Impairment losses on ECL on trade receivables, contract assets and other financial assets have developed as follows:

	2025	2024
	kEUR	kEUR
Balance as of January 1	7,789	6,261
Additions through business combinations	-	-
Impairment of trade receivables, contract assets and other financial assets	(380)	3,015
Bad debt written off	(1,951)	(1,401)
Currency differences	(175)	(86)
Balance on December 31	5,284	7,789

The specific credit risks are as follows:

Contract assets and trade receivables

Nagarro has a broad-based customer structure which minimizes larger individual risks. The largest individual customer accounted for about 4% (2024: 4%) of revenue of Nagarro in 2025. Trade receivables are generally due within 14 days to 120 days. Credit checks occur on a regular basis for customers with whom Nagarro has an ongoing business relationship. The creditworthiness of new customers is checked before order commitments are made and additional information is obtained in specific cases. If customers default on payments, the steps required to collect the receivables are taken in a timely manner. Where possible, trade receivables are subject to retention of title which expires only when the respective receivable is paid. Currently Nagarro has no indications that the credit risk for financial assets exceeds the carrying amount.

As Nagarro's trade receivables or contract assets do not contain a significant financing component, it uses simplified approach of ECL and recognizes lifetime ECL. Under the simplified approach in accordance with IFRS 9 expected credit losses on trade receivables are calculated on the basis of calculated loss rates derived from historical and forecast data and taking into account the respective customer and the economic environment of the region. The management also considers the factors that may influence the credit risk of its customers, including the default risk associated with industry and country in which the customer operates. Nagarro uses the customer's country risk premium as the forward-looking rate for ECL.

Impaired receivables and the respective accumulated impairments are derecognized if there is no probability of payment. Trade receivables generally do not bear interest. Nagarro does not require collateral in respect of the trade receivables and contract assets and thus does not have any loss allowance due to collateral.

As of December 31, 2025, the exposure to credit risk for trade receivables and contract assets by geographic region is as follows:

	2025	2024
	kEUR	kEUR
North America	71,456	72,504
Central Europe	63,105	77,495
Rest of Europe	28,733	26,685
Rest of World	61,148	66,161
	224,442	**242,844**

As of December 31, 2025, the exposure to credit risk for trade receivables and contract assets by customer's industry is as follows:

	2025	2024
	kEUR	kEUR
Automotive, Manufacturing and Industrial	59,587	57,204
Energy, Utilities and Building Automation	12,416	14,189
Financial Services and Insurance	21,260	26,004
Horizontal Tech	11,354	13,432
Life Sciences and Healthcare	18,092	17,806
Management Consulting and Business Information	14,442	16,008
Public - US	16,917	30,145
Non-profit - US	3,044	8,987
Rest Public, Non-profit and Education	10,698	2,887
Retail and CPG	30,836	28,405
Telecom, Media and Entertainment	9,363	11,321
Travel and Logistics	16,434	16,457
	224,442	**242,844**

The past due structure of contract assets and trade receivables is as follows:

	As at Dec 31, 2025	Not past due	Days past due				
			1-90	91-180	181-270	271-360	>360
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Expected loss rate		0%	1%	7%	25%	39%	73%
Gross carrying amount							
Contract assets	21,124	21,124	-	-	-	-	-
Customer receivables	203,318	157,308	34,314	4,348	1,695	668	4,984
Total	224,442	178,433	34,314	4,348	1,695	668	4,984
Impairment	(5,055)	(195)	(268)	(285)	(423)	(257)	(3,627)
Carrying amount	219,388	178,237	34,046	4,064	1,272	411	1,357

	As at Dec 31, 2024	Not past due	Days past due			
			1-90	91-180	181-360	>360
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Expected loss rate		0%	2%	5%	25%	94%
Gross carrying amount						
Contract assets	15,961	15,961	-	-	-	-
Customer receivables	226,884	159,795	41,415	16,736	3,990	4,947
Total	242,844	175,756	41,415	16,736	3,990	4,947
Impairment	(7,552)	(257)	(846)	(794)	(1,006)	(4,650)
Carrying amount	235,292	175,499	40,569	15,942	2,985	297

The theoretical maximum exposure to credit risk at the end of the reporting period in respect of trade receivables and contract assets is kEUR 224,442 (December 31, 2024: kEUR 242,844). Nagarro limits its exposure to credit risk from customer receivables to a maximum payment period of 120 days.

Other financial assets

Nagarro uses general approach for the measurement of expected credit loss. It takes into consideration credit rate / assessment, credit risk relating to various other financial assets and uses country risk premium as forward-looking rate for arriving at impairment of expected credit loss. The gross carrying amounts before impairment losses and net carrying amounts of other financial assets are shown in the following tables:

	At amortized cost			
Dec 31, 2025	**Expected 12-month credit loss**	**Lifetime ECL - no credit impaired**	**Lifetime ECL - credit impaired**	**Total**
	kEUR	kEUR	kEUR	kEUR
Gross value before loss allowance	15,746	-	-	15,746
Loss allowance	(229)	-	-	(229)
Residual carrying amount	15,516	-	-	15,516

	At amortized cost			
Dec 31, 2024	**Expected 12-month credit loss**	**Lifetime ECL - no credit impaired**	**Lifetime ECL - credit impaired**	**Total**
	kEUR	kEUR	kEUR	kEUR
Gross value before loss allowance	9,330	-	-	9,330
Loss allowance	(238)	-	-	(238)
Residual carrying amount	9,093	-	-	9,093

2025	At amortized cost			
	Expected 12-month credit loss	Lifetime ECL - no credit impaired	Lifetime ECL - credit impaired	Total
	kEUR	kEUR	kEUR	kEUR
Balance as at January 1	238	-	-	238
Net revaluation of loss allowance	4	-	-	4
Reclassification to lifetime expected credit loss - no credit-impaired	-	-	-	-
Reclassification to lifetime expected credit loss - credit-impaired	-	-	-	-
Currency differences	(12)	-	-	(12)
Balance as on December 31	229	-	-	229

2024	At amortized cost			
	Expected 12-month credit loss	Lifetime ECL - no credit impaired	Lifetime ECL - credit impaired	Total
	kEUR	kEUR	kEUR	kEUR
Balance as at January 1	425	-	-	425
Net revaluation of loss allowance	(185)	-	-	(185)
Reclassification to lifetime expected credit loss - no credit-impaired	-	-	-	-
Reclassification to lifetime expected credit loss - credit-impaired	-	-	-	-
Currency differences	(2)	-	-	(2)
Balance as on December 31	238	-	-	238

Derivative assets

Derivatives are entered into with banks that are considered financially sound. To diversify the risk, various banks are used. Nagarro takes into consideration credit ratings of the different banks and uses country risk premium as forward looking rate for arriving at impairment of expected credit loss. As of December 31, 2025, there were assets resulting from foreign exchange forward transactions of kEUR 72 (December 31, 2024: kEUR 890). There was no material impact of expected credit loss and no loss has been recognized on the derivative assets.

Cash

Nagarro uses general approach for the measurement of expected credit loss on cash. To diversify the risk, business relationships are maintained with various banks. Cash is deposited with banks that have a first-class rating. As of December 31, 2025, Nagarro had cash of kEUR 124,617 (December 31, 2024: kEUR 192,567). There was no material impact of expected credit loss on cash and no loss has been recognized on cash.

c. Interest rate risks

Nagarro is exposed to interest rate risk primarily from its variable-rate financial liabilities, which mainly relate to a syndicated loan facility. The applicable interest rate is based on a market benchmark plus a margin. The margin component is linked to Nagarro's net leverage ratio. Accordingly, changes in the net leverage ratio may result in adjustments to the applicable margin and, consequently, the overall interest cost. Nagarro's objective is to manage its interest rate exposure in a prudent manner while maintaining compliance with its financial obligations. The finance function continuously monitors the total leverage, net leverage ratio and assesses its development to ensure adherence to agreed thresholds.

The floating rate financial liabilities totaled kEUR 304,840 on December 31, 2025 (December 31, 2024: kEUR 326,402). A change in interest rates by 100 basis points p.a. would result in an increase or decrease in the financial result of kEUR 3,048 in 2025 (2024: kEUR 3,264). In this case after applying a tax rate of 27% (2024: 27%), equity would increase or decrease by kEUR 2,225 (December 31, 2024: kEUR 2,383).

Nagarro monitors the interest rate situation and adjusts its strategy accordingly.

d. Currency risks

Nagarro is exposed to foreign currency risk arising from its international operations. Currency risk arises when transactions are denominated in currencies other than the respective functional currencies of the Nagarro group entities. This includes, in particular, revenues from customers and personnel expenses incurred in different currencies. Fluctuations in exchange rates may affect Nagarro's revenue, expenses, and profitability. The primary currencies to which Nagarro is exposed include, among others, the Euro, US Dollar, and Indian Rupee. Nagarro's objective is to manage foreign currency risk in a prudent manner. Exposures are monitored on an ongoing basis.

A natural hedge is achieved to some extent through the alignment of revenues and costs in the same currencies. We have a natural hedge in high-turnover regions such as the USA and Germany. A significant proportion of our revenue and expenses are denominated in the respective local currency. Hence there is minimal currency risk in these geographies.

In addition, Nagarro selectively uses derivative financial instruments to hedge foreign currency risk. Nagarro follows a documented hedging policy. Hedging activities are primarily focused on exposures in India, which represents Nagarro's primary delivery hub and where a significant portion of foreign currency-risk arises. 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. There is also a mechanism allowing some room for hedging beyond that, with adequate oversight and amount limits. The maximum term is one year.

This hedging is not carried out at the level of individual transactions, but on the basis of the aggregate receivables of the Indian entities. In 2025, we mainly hedged five (2024: five) currency pairs over the course of the year: USD-INR [USD 194.6 million hedged] (2024: USD 160.5 million hedged), EUR-INR [EUR 59.5 million hedged] (2024: EUR 48.4 million hedged), SEK-INR [SEK 43.4 million hedged] (2024: SEK 51.6 million hedged), AUD-INR [AUD 10.2 million hedged] (2024: AUD 8.3 million hedged) and GBP-INR [GBP 9.8 million hedged] (2024: GBP 11.2 million hedged).

The following sensitivity analysis shows the impact of currency risks (including the impact of forward foreign currency contracts) in accordance with IFRS 7 for the most important foreign currencies in the event of a strengthening or weakening of the foreign currency by 5 percent against the EUR. All monetary assets and liabilities denominated in a foreign currency were analyzed at the respective reporting date and sensitivity analysis was carried out for the respective currency pairs, to show the net risk and its impact on profit for the period and equity. This analysis assumes that all other variables, in particular interest rates, remain constant.

2025	Profit before tax for the period	
Effect in kEUR	5% increase	5% decrease
INR	8,678	(8,789)
USD	(7,557)	7,805
AED	(867)	958
GBP	(479)	493
RON	(409)	452

2024	Profit before tax for the period	
Effect in kEUR	5% increase	5% decrease
INR	4,025	(3,748)
USD	(8,674)	9,118
AED	(541)	598
GBP	(627)	657
RON	(50)	55

Nagarro hedges some of the cash flows to reduce its currency risks. Details are provided in Note C.18. Financial instruments.

10. Governing bodies of Nagarro SE

Supervisory Board

The members of the Nagarro SE Supervisory Board as of the year-end 2025 were as follows:

Member	Membership with Nagarro SE	Additional information
Carl Georg Dürschmidt	Chairperson from August 10, 2020 to April 30, 2025 Member since July 16, 2025 (re-elected)	Chairperson of the Supervisory Board of Allgeier SE Diplom-Betriebswirt (Business Administration) Resident of Bad Abbach, Germany
Shalini Sarin	Member since October 31, 2020	Executive Director at Elektromobilitat India Private Limited and Telenergy Technologies Private Limited Doctorate in Organization Behavior and double Masters in Sociology and Human Resource Management Resident of Delhi, India
Christian Bacherl	Member since November 8, 2022 Deputy Chairperson from November 16, 2022 to April 30, 2025 Chairperson from May 1, 2025 to June 30, 2025 Deputy Chairperson since June 30, 2025	Managing partner of ACCNITE Partners GmbH Diplom-Betriebswirt (Business Administration), B.Sc. (Computer Sciences) 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 PhD, MBA and BTech Resident of Ithaca, New York, USA
Martin Enderle	Chairperson and member from June 30, 2025 to December 31, 2025	Managing director of digi.me GmbH, Munich PhD in mathematics and physics Resident of Munich, Germany
Hans-Paul Bürkner	Member since July 16, 2025	Senior Advisor and Global Chair Emeritus at the Boston Consulting Group PhD, M.A. Resident of Frankfurt am Main, Germany
Jack Clemons	Member since July 16, 2025	Chartered Accountant (ICAEW), MBA, M.A. Resident of Arzier, Switzerland

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, Munich (since July 7, 2022, Chairperson of the supervisory board since September 30, 2022)

Shalini Sarin

- Member of the board at: Schneider Electric Infrastructure Ltd., Vadodara (since October 2025); RSB Global Pvt. Ltd., Kolkata (since 2025); Polyplex Ltd., Khatima (since 2025); Schneider Electric India Pvt. Ltd., New Delhi (since 2024); Sagility India Pvt. Ltd., Bangalore (since 2024); Kirloskar Ferrous Ltd., Pune (since 2023); Kirloskar Oil Engines Ltd., Pune (since 2023); Linde India Ltd., Kolkata (since 2018)
- Member of the India Advisory Group of the Climate Group, New Delhi (since 2023)
- Member of the Governing Body of Plaksha University, Mohali (since 2020)

Christian Bacherl

- Chairperson of the Supervisory Board of sdm SE, Munich (since November 2025)

Vishal Gaur

- Member of the Advisory Board of DIBIZ Pte. Ltd, Singapore (since 2019)

Martin Enderle

- Member of the Board of Trustees, Egmont Foundation, Copenhagen (since 2015)

Hans-Paul Bürkner

- Member of the Economic Council of VfL Bochum (since 2018)
- Member of the International Advisory Board of ESADE Business School, Barcelona (since 2017)

Jack Clemons

- Member of the International Board of Trustees, CIFOR/ICRAF, Bogor (since 2024)
- Member of the Board of Directors, DKSH Holding AG, Zurich (since 2019)
- Member of the International Board of Trustees, WWF, Gland (since 2017)
- Member of the Board of Directors, Banque Cantonale Vaudoise, Lausanne (since 2016)

Nagarro's Supervisory Board has established three dedicated committees: the Audit Committee, the Strategy Committee, and the Nomination & Remuneration Committee. The members of these committees at the year-end 2025 were as follows:

Committee	Members
Audit Committee	Jack Clemons (Chairman)
	Christian Bacherl (Deputy Chairperson)
	Vishal Gaur
Strategy Committee	Hans-Paul Bürkner (Chairman)
	Christian Bacherl (Deputy Chairperson)
	Martin Enderle
Nomination & Remuneration Committee	Martin Enderle (Chairman)
	Shalini Sarin (Deputy Chairperson)
	Jack Clemons

Change in Supervisory Board members and other committees

With effect from January 7, 2026, the Supervisory Board of Nagarro SE has elected Christian Bacherl as its Chairperson and Jack Clemons as Deputy Chairperson, following the resignation of Dr. Martin Enderle as Chairperson and member of the Supervisory Board for health reasons effective January 1, 2026.

The Nomination & Remuneration Committee and the Strategy Committee of the Supervisory Board have also been recomposed. Dr. Shalini Sarin is now chairing the Nomination & Remuneration Committee with Christian Bacherl joining as Deputy and Jack Clemons. The Strategy Committee continues with Dr. Hans-Paul Bürkner as Chairperson together with Jack Clemons as the new Deputy and Vishal Gaur. The composition of Audit Committee remains unchanged.

Management Board

The members of the Nagarro SE Management Board at the year-end 2025 were as follows:

Member	Membership with Nagarro SE	Additional information
Manas Human	Member since July 15, 2020 (Chairperson) Custodian of Entrepreneurship in the Organization	**Primary area(s) of responsibility:** - Representing the company; deciding the roles, remuneration, hiring, relieving of senior management outside management board **Other information:** - PhD in Engineering - Resident of Gurugram, India
Vikram Sehgal	Member since July 15, 2020 Custodian of Operational Excellence	**Primary area(s) of responsibility:** - Budgeting and annual accounts **Other information:** - Bachelor of Engineering - Resident of Los Altos, USA
Annette Mainka	Member since July 15, 2020 Custodian of Regulatory Compliance	**Primary area(s) of responsibility:** - Compliance with regulatory requirements: Service Region Custodian for Europe **Other information:** - Diplom-Betriebswirtin (Business Administration) - Resident of Munich, Germany

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

Manas Human

- Member of the Governing Body of Plaksha University, Mohali (since 2023)
- Managing Director of Halidon Ventures GmbH, Vaterstetten near Munich (since 2023)
- Managing Director of All Nag Beteiligungs-GmbH & Co. KG, Munich (since 2023)
- Founder and Trustee of Re-Imagining Higher Education Foundation, New Delhi (since 2018)

Vikram Sehgal

- Founder of Re-Imagining Higher Education Foundation, New Delhi (since 2018)
- Board Member of Hundred Percentile Education Private Limited, Gurugram (since 2007)

11. Publication

Nagarro SE, Munich, is the company that prepares the consolidated financial statements for the largest and smallest group of companies. The consolidated financial statements are published in the company register and are available online at https://www.nagarro.com/en/investor-relations/financial-reports-and-publications.

The consolidated financial statements were approved for publication by the Management Board on April 27, 2026. The consolidated financial statements are published in the company register (Unternehmensregister).

The following companies included in the consolidated financial statements of Nagarro SE make full use of the exemption pursuant to Section 264 (3) of the German Commercial Code (HGB):

- Nagarro ES GmbH, Kronberg im Taunus, Germany
- Nagarro GmbH, Munich, Germany
- Infocore Engineering & IT Services GmbH, Kronberg im Taunus, Germany

Each of the following companies have a profit-sharing agreement with Nagarro SE:

- Nagarro ES GmbH, Kronberg im Taunus, Germany
- Nagarro GmbH, Munich, Germany

12. 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 on the website of Nagarro SE.

13. Events after the balance sheet date

In the period between December 31, 2025, and the date when the consolidated financial statements were prepared by the Management Board and approved for publication, the following events of particular importance exist:

Treasury shares

On January 7, 2026, the Company has completed tranche 2 of the 2025 share buyback program as mentioned in C.11. Equity by purchasing 30,195 treasury shares amounting to kEUR 2,268.

Proposed dividend

The Management Board and Supervisory Board of Nagarro SE propose to the Annual General Meeting that a dividend of EUR 1.00 per no par value share carrying dividend rights be paid to shareholders from the unappropriated net income amounting to kEUR 49,714 and that the remaining amount be carried forward.

The final amount of the total dividend payment depends on the number of no par value shares carrying dividend rights as of the date of the resolution on the appropriation of net income as adopted on the day of the Annual General Meeting.

Incorporation of a legal entity

Nagarro has incorporated the following entities till the date of furnishing of this report:

- Nagarro Headquarters Regional, Kingdom of Saudi Arabia
- Nagarro Services SPC, Oman
- Nagarro Software Ltda, Brazil

Geopolitical re-assessment Middle East war

Subsequent to the reporting date, the geopolitical situation in the Middle East has continued to evolve in connection with the ongoing Iran war.

At the time of preparation of the financial statements, the financial impact of these developments cannot yet be reliably quantified due to the uncertainties regarding further developments. Based on the current assessment, management does not expect any material adverse impact on Nagarro's net assets, financial position, and results of operations. Nagarro continues to monitor these developments closely.

For the Management Board of Nagarro SE:

Manas Human	**Annette Mainka**	**Vikram Sehgal**
Chairperson	Member	Member

Section C

Important Information

Index

I. Report of the Supervisory Board for the 2025 financial year 166

II. Responsibility statement of the legal representative 174

III. Financial calendar 175

IV. Legal notice 176

V. Independent auditor's report 177

I. Report of the Supervisory Board for the 2025 financial year

Dear Shareholders,

December 2025 marked the fifth anniversary of the listing of Nagarro SE. Since its separation and listing in 2020, Nagarro has grown into a global enterprise with annual revenue approaching one billion euros, around 18,000 employees, and a broad international client base. The listing provided the resources, visibility and platform on which this development could take place. With five years of listed-company history, however, expectations grow — on the part of shareholders, and on the part of the international capital markets — regarding the maturity of corporate governance, the robustness of structures, and the institutional anchoring of practices that in the early years could still be handled with entrepreneurial flexibility.

Against this background, the work of the Supervisory Board in the 2025 financial year was guided by two overarching priorities: the consistent strengthening of the Company's governance, and the support of Nagarro's strategic positioning in the context of the changes brought about by artificial intelligence in our industry. Both priorities will continue to occupy us in the coming years. Strengthening governance provides the foundation without which a strategic transformation of this magnitude cannot be responsibly led.

In spring 2025, allegations against Nagarro SE were published in the German press, concerning possible irregularities in earlier reporting periods. The Supervisory Board and the Management Board decided to commission a comprehensive, independent investigation. The international law firm White & Case was engaged to conduct the investigation, supported by Alvarez & Marsal as independent special investigators. The investigation was conducted with considerable depth, spanning multiple functions and geographical regions; it included an extensive review of documents and electronic data, forensic analysis, several rounds of interviews, and site visits. The final report, completed in March 2026, found no indications of fraudulent or unlawful conduct. The allegations raised in spring 2025 were fully refuted. At the same time, the investigation identified areas where structures, processes and documentation need to be further institutionalised. The Company has begun to address these areas consistently. The Supervisory Board regards the investigation process both as confirmation of the Company's integrity and as an accelerant to the maturation expected of a listed company of Nagarro's size by international capital markets.

In parallel, the Supervisory Board has advanced the programme to strengthen its own governance. We have appointed three new, highly accomplished members to the Board, fundamentally restructured the committee architecture, introduced a new remuneration system for the Management Board with a long-term equity-based component, and created a dedicated Chief Financial Officer role at Management Board level — a function the Management Board had not previously held in this form. These measures are described in greater detail later in this report. The strengthening of governance is not concluded with the steps taken during the reporting year. It will continue to occupy us in the 2026 financial year and beyond — in the implementation of the recommendations derived from the independent investigation, in supporting the newly structured finance function under the incoming CFO, and in the further maturation of internal control and reporting processes.

The second overarching priority — the strategic positioning of Nagarro in the context of the changes brought about by artificial intelligence — has occupied the Supervisory Board equally intensively in the reporting year. In the view of the Supervisory Board, these changes are structural rather than cyclical in nature. They affect client demand, the economics and methods of service delivery, pricing models, the competency profile required of our people, and the competitive dynamics of the industry. The Supervisory Board, together with the Management Board and with the involvement of the newly established strategy committee, is engaged in a comprehensive strategic review. The implications of artificial intelligence for our business model are the organising question of this work. This work will be shaping the 2026 financial year.

The two priorities — strengthening governance and strategic positioning — are mutually reinforcing. The institutional maturation of governance and the finance function creates the conditions under which a strategic positioning of this scale can be steered with the required discipline. Conversely, a clear strategic direction gives the work on governance and structures its purpose and direction.

For the details of the Company's economic development in the reporting year, we refer to the comprehensive management report. From the Supervisory Board's perspective, Nagarro operated in 2025 in an environment of structural change. In this context, we have deliberately asked the Management Board to attend not only to near-term execution but also to the medium-term positioning of the Company. Against this background, the Supervisory Board has supported the Management Board's proposal to submit to the Annual General Meeting a dividend of one euro per dividend-entitled share. At the same time, the share buy-back programme announced at the start of the year commenced during the 2025 financial year. Details of the dividend and the buy-back are set out in the relevant section of this report.

The Supervisory Board thanks the Management Board for the open, trusting and constructive cooperation — which the reporting year demanded in particular measure. We thank the employees of the Nagarro Group worldwide for their outstanding commitment, which sustains the Company even in a demanding environment. And we thank the clients who entrust Nagarro with their most important initiatives — a relationship of confidence that is especially valuable in an industry in which so much is changing.

It is with deep regret and sadness that we learned of the passing of our Supervisory Board colleague Dr. Martin Enderle in spring 2026. We honour his memory elsewhere in this report.

A. Composition of the Management Board and the Supervisory Board

Management Board

Throughout the 2025 financial year, the Management Board of Nagarro SE comprised Manas Human (Chairperson), Annette Mainka and Vikram Sehgal. No changes in the composition of the Management Board occurred during the reporting period.

The Supervisory Board has appointed Mr. Prateek Aggarwal as Chief Financial Officer and member of the Management Board with effect from May 1, 2026, for an initial term of three years. With the establishment of a dedicated CFO role at Management Board level — a function the Management Board had not previously held in this form — the Company strengthens financial leadership at the executive level and reinforces its commitment to institutional governance in its dialogue with the international capital markets. Mr. Aggarwal brings extensive experience from senior finance leadership roles at international, listed technology and IT services companies. He most recently held a senior position at the RPSG Group, and prior to that served for many years as Chief Financial Officer of HCLTech, the global technology group.

Supervisory Board

At the start of the 2025 financial year, the Supervisory Board of Nagarro SE comprised, in accordance with the Articles of Association, four members: Carl Georg Dürschmidt (Chairperson), Christian Bacherl (Deputy Chairperson), Dr. Shalini Sarin and Vishal Gaur.

On March 20, 2025, Mr. Dürschmidt informed the Company of his decision to step down from his position as Chairperson and member of the Supervisory Board with effect from May 1, 2025, for personal reasons. The Supervisory Board and the Management Board acknowledged his decision. The Supervisory Board immediately initiated the process for the succession in the chair and for enlarging the Board.

To ensure continuity of governance until the next Annual General Meeting, the Supervisory Board appointed Mr. Bacherl as Chairperson, Dr. Sarin as Deputy Chairperson, and Mr. Gaur as Chairperson of the audit committee on May 1, 2025, each for the period until the end of the Annual General Meeting on June 30, 2025.

At the Annual General Meeting on June 30, 2025, shareholders approved by clear majority the expansion of the Supervisory Board from four to seven members and the corresponding amendment to the Articles of Association. All of the Supervisory Board's election proposals were accepted.

Dr. Martin Enderle, Dr. Hans-Paul Bürkner and Mr. Jack Clemons were elected as new members. With these three individuals, Nagarro SE has strengthened its oversight body with proven expertise and international experience. Dr. Enderle brought many years of experience as an entrepreneur, non-executive director and investor in the digital economy, including as long-serving Chief Executive Officer of Scout24 and as Deputy Chairperson of the Supervisory Board of Delivery Hero SE. Dr. Bürkner contributes extensive strategic experience in international management consulting, as Global Chair Emeritus and former Chief Executive Officer of the Boston Consulting Group. Mr. Clemons brings deep international finance and directorship experience, in particular as former Chief Financial Officer and Chief Executive Officer of the Bata Group and as a member of the boards of directors of DKSH Holding AG and Banque Cantonale Vaudoise.

At the same time, Mr. Dürschmidt was re-elected as a member of the Supervisory Board. The Supervisory Board expressly welcomed his re-election. Mr. Dürschmidt has been closely involved in the development of the Company over many years — as a significant shareholder, as a long-standing companion, and as long-serving Chairperson of the Supervisory Board — and remains connected to Nagarro SE as a member of the body. The Supervisory Board thanks him for his formative contributions to the development of the Company and for his prudent leadership as Chairperson.

The terms of office of Dr. Enderle, Mr. Bacherl, Dr. Sarin and Mr. Gaur commenced at the end of the Annual General Meeting; those of Dr. Bürkner, Mr. Clemons and Mr. Dürschmidt commenced with the entry of the amendment to the Articles of Association in the commercial register, which took place on July 16, 2025. The terms were deliberately staggered, to enable continuous renewal of the Supervisory Board while preserving existing experience. Mr. Bacherl's term ends with the Annual General Meeting that resolves on the discharge for the 2026 financial year; the terms of Dr. Sarin, Mr. Gaur, Dr. Bürkner and Mr. Dürschmidt end with the Annual General Meeting that resolves on the discharge for the 2027 financial year; and those of Dr. Enderle and Mr. Clemons end with the Annual General Meeting that resolves on the discharge for the 2028 financial year.

At its constitutive meeting following the Annual General Meeting, the Supervisory Board appointed Dr. Enderle as Chairperson and Mr. Bacherl as Deputy Chairperson. With the entry of the amendment to the Articles of Association in the commercial register on

July 16, 2025, the expansion of the Supervisory Board and the appointment of the new members became effective. At its first meeting in the enlarged composition on July 30, 2025, the Supervisory Board realigned its committee structure: Mr. Clemons assumed the Chairperson of the audit committee, which Mr. Gaur had held on an interim basis since May 1, 2025. A nomination and remuneration committee was newly established under the Chair of Dr. Enderle, and a strategy committee under the Chair of Dr. Bürkner. For the mandates and further membership of the committees, please refer to Section 5 of this report.

On December 16, 2025, Dr. Enderle informed the Supervisory Board of his decision to step down both from the Chair and from the membership of the Supervisory Board, for health reasons, with effect from December 31, 2025. The Supervisory Board immediately initiated the processes for the succession in the chair and for the filling of the vacant seat.

As at December 31, 2025, the Supervisory Board comprised Dr. Martin Enderle (Chairperson, until the end of that day), Christian Bacherl (Deputy Chairperson), Dr. Shalini Sarin, Vishal Gaur, Dr. Hans-Paul Bürkner, Jack Clemons and Carl Georg Dürschmidt.

On January 7, 2026, the Supervisory Board appointed Mr. Bacherl as Chairperson and Mr. Clemons as Deputy Chairperson. The process for filling the vacant Supervisory Board seat is ongoing. The Supervisory Board will inform the Annual General Meeting 2026 about the status.

In memoriam Dr. Martin Enderle

It is with deep sadness that the Supervisory Board has learned of the passing of Dr. Martin Enderle shortly after his departure. From June 30, 2025 to December 31, 2025 he served Nagarro as Chairperson of the Supervisory Board with outstanding expertise, analytical rigour and a strong sense of collaboration, and was a valued interlocutor and sparring partner for both the Management Board and the Supervisory Board. Notwithstanding the brevity of his tenure, his commitment and his contributions have left a lasting imprint on the work of the Supervisory Board and the Management Board — in particular in the restructuring of the committee architecture and in the further development of the Company's governance standards. The Supervisory Board will preserve his memory with great appreciation. Our sincere condolences go to his family and loved ones.

B. Focus of the Supervisory Board's work

In the 2025 financial year, the Supervisory Board discharged the duties incumbent upon it under applicable law, the Articles of Association and its rules of procedure with due care. Cooperation with the Management Board was characterised by open, trusting and constructive dialogue; the Supervisory Board was involved in all fundamental decisions of the Company at an early stage and was regularly informed about the development of the business, the financial and earnings position, risk exposure, compliance, and the strategic development of the Company. The Chairperson of the Supervisory Board maintained regular communication between meetings with the Chairperson of the Management Board and with other members of the Management Board.

Meetings of the Supervisory Board

The Supervisory Board convened nine times during the reporting year, predominantly in virtual format. Meetings were held on January 20, April 3, May 14 and 15, June 30, July 30, August 11, November 13, and December 18, 2025. Attendance across the full Supervisory Board was close to 100 percent; with the exception of one member being absent from the meeting on November 13, 2025, all members attended all meetings.

Meetings of the committees

Substantial preparatory work for the decisions of the Supervisory Board was carried out by its committees. The audit committee convened ten times during the reporting year. The nomination and remuneration committee, established in the second half of 2025, held two meetings. The strategy committee, also established in the second half of 2025, held one meeting; in addition, the Chairperson of the committee advanced the methodological and substantive preparation of the strategic review and maintained continuous dialogue with the Management Board during the reporting year. The formal meeting cadence of the strategy committee will be established in the 2026 financial year. The committee chairs reported regularly to the full Supervisory Board on their work. Details of the composition and work of the committees are set out in Section 5 of this report.

Areas of focus

The work of the Supervisory Board during the reporting year was thematically shaped by the two overarching priorities described in the Chairperson's letter: the strengthening of the Company's governance, and the support of Nagarro's strategic positioning in the context of the changes brought about by artificial intelligence. Specific areas of focus in the meetings of the full Supervisory Board and the committees included, in particular: the commissioning and oversight of the independent investigation by White & Case and Alvarez & Marsal; the oversight of the audit by KPMG AG Wirtschaftsprüfungsgesellschaft and of the interim financial information for the 2025 financial year; the realignment of the committee architecture and the commencement of the work of the new committees; the preparation and introduction of the new 2025 Management Board remuneration system; the search for and appointment of a Chief Financial Officer at Management Board level; the oversight of capital markets communication, of the share buy-back programme, and of the proposal for a first dividend; and the early engagement with the strategic positioning of the Company. Each of these areas is addressed in greater detail in the following sections of this report.

C. Strengthening governance

The 2025 financial year marked the beginning of a comprehensive programme to strengthen the governance of Nagarro SE. The individual elements of this programme — the independent investigation, the expansion and new appointments to the Supervisory Board, the realignment of the committee architecture, the new Management Board remuneration system, the establishment of a dedicated CFO role at Management Board level, and the deliberate development of the Supervisory Board itself — are not to be understood as separate, unrelated measures. They form connected elements of an institutional maturation that accompanies the transition from Nagarro's entrepreneurial founding and listing phase into its next stage of development.

The independent investigation

The allegations published in the German press in spring 2025 were the immediate trigger for the commissioning of an independent investigation. The Supervisory Board and the Management Board jointly took the decision not to address these allegations through internal statements, but to subject them to external, independent and substantive examination. The international law firm White & Case was engaged to conduct the investigation, supported by Alvarez & Marsal as independent special investigators. The Supervisory Board closely oversaw the investigation process and ensured the independence of the investigation, the unobstructed access of the investigators to all relevant information, and the full cooperation of the Company. The final report, completed in March 2026, refuted the allegations raised in spring 2025 in full. No indications of fraudulent or unlawful conduct were found.

The investigation also identified areas in which structures, processes and documentation are to be further institutionalised. These observations are consistent with the institutional maturation that accompanies the Company's size and listed status. The Supervisory Board has placed the implementation of the measures derived from these findings at the centre of its work. Operational responsibility for implementation lies with the Management Board; the Supervisory Board monitors progress as part of its supervisory function and is regularly informed on the status of the measures. This work will continue to shape the 2026 financial year and is expected in part to extend into subsequent years.

Expansion and new appointments to the Supervisory Board

During the reporting year, the Supervisory Board engaged in a structured way with its own composition, working practices and effectiveness. The requirements profiles for the candidates proposed to the 2025 Annual General Meeting were formulated on the basis of this reflection. The considerations took into account the strategic and governance-related challenges anticipated for the Company in the coming years, the required competency profile for the Supervisory Board as a whole, and aspects of diversity.

At the Annual General Meeting on June 30, 2025, shareholders approved the expansion of the Supervisory Board from four to seven members and elected the proposed candidates by clear majority. Details of the composition of the Supervisory Board and the backgrounds of the new members are set out in Section 1 of this report.

Realignment of the committee architecture

The Supervisory Board realigned its committee architecture in connection with the expansion of the Board. Alongside the existing audit committee, which Mr. Clemons took over as Chairperson, a nomination and remuneration committee was established with Dr. Enderle as Chair, and a strategy committee with Dr. Bürkner as Chair. The mandates, the composition, and the work of the committees during the reporting year are described in Section 5 of this report.

New remuneration system for the Management Board

During the reporting year, the Supervisory Board fundamentally revised the remuneration system for the members of the Management Board. The adjustments serve to align remuneration more strongly with the long-term, sustainable development of the Company and to strengthen the alignment with shareholder interests. The central element of the revised system is the introduction of a long-term variable remuneration component in the form of Performance Based Restricted Stock Units (PB RSUs) with a four-year performance period; the previous granting of stock options is discontinued. The Annual General Meeting approved the revised 2025 remuneration system by clear majority on June 30, 2025. Details of the remuneration system are set out in the Company's Remuneration Report.

Establishment of a dedicated CFO role

With the appointment of Mr. Prateek Aggarwal as Chief Financial Officer and member of the Management Board with effect from May 1, 2026, a dedicated CFO function is established at Management Board level — a function the Management Board had not previously held in this form. The establishment of this role is a central element of the strengthening of financial leadership and capital markets communication. Details of Mr. Aggarwal's background and the appointment process are set out in Section 1 of this report.

Professional development and onboarding of Supervisory Board members

Members of the Supervisory Board take personal responsibility for the education and continuing development required for their duties; the Company supports them in this in appropriate ways. For the members who newly joined the Supervisory Board during the reporting year, the Company provided a structured induction programme that included comprehensive briefings on business model, verticals, delivery organisation, finance, risk and compliance, as well as meetings with external interlocutors, including the auditors of the annual and consolidated financial statements and the advisors engaged on the independent investigation. In addition, the Supervisory Board engaged in depth with the implications of artificial intelligence for the Company's business model and its industry. For this, the Board was able to draw on the expertise of recognised specialists from within the Company, without the need to rely on external advice — a reflection of Nagarro's positioning as a Company with established, in-house strength in the field of artificial intelligence. For the depth of strategic engagement, the Supervisory Board additionally draws on external expertise; substantive coordination lies with the strategy committee.

Outlook

The strengthening of governance is not concluded with the measures taken during the reporting year. The Supervisory Board views this as a multi-year programme, encompassing the implementation of observations derived from the independent investigation, the continued maturation of finance and control processes under the leadership of the incoming CFO, the deepening of capital markets communication, and the ongoing development of the working practices of the Supervisory Board and its committees. The Supervisory Board will report regularly on progress in the coming financial years.

D. Strategic topics

The strategic work of the Supervisory Board during the reporting year built on the decision of the Management Board, in January 2025, to conclude the discussions about a potential delisting and to continue the Company's development on the basis of an independent, organic and inorganic growth path. Against this background, the Supervisory Board and the Management Board stand by a clear commitment to a corporate leadership oriented toward long-term value creation and to a disciplined approach to capital allocation that takes balanced account of the needs of the current business, of investment in the Company's further strategic development, and of appropriate returns to shareholders. The Supervisory Board oversaw the corresponding measures during the reporting year.

Positioning in the context of the changes brought about by artificial intelligence

At the centre of the Supervisory Board's strategic engagement was the positioning of the Company in the context of the changes brought about by artificial intelligence. The Supervisory Board shares with the Management Board the view that these changes are structural rather than cyclical in nature. They affect client demand, the economics and the methods of service delivery, pricing models, the competency profile of our employees, and the competitive dynamics of the industry. In the Supervisory Board's view, Nagarro is well positioned to assume a leading role in this environment — as a digitally native company with capability in artificial intelligence built up over many years, a service profile centred on software engineering, and established client relationships that enable candid, peer-level dialogue about the deployment of new technologies.

During the reporting year, the Supervisory Board and the Management Board, with the involvement of the newly established strategy committee, undertook a comprehensive strategic review. This includes the assessment of the Company's existing value propositions and sources of differentiation; the implications of AI-driven changes for delivery, talent strategy, capability-building, pricing models and capital allocation; the positioning relative to new and established competitors; and engagement with structural opportunities and risks. For the depth of the engagement, the Supervisory Board additionally draws on external expertise; substantive coordination lies with the strategy committee. This work will be shaping the 2026 financial year.

Capital allocation and Mergers & Acquisitions

During the reporting year, the Supervisory Board engaged with the Company's capital allocation. This included the oversight of the ongoing share buy-back programme, the proposal for a first dividend for the 2024 financial year of one euro per dividend-entitled share, and the general direction of the Company's investment policy in the context of the strategic positioning. The Company also undertook selected acquisitive steps during the reporting year; the Supervisory Board received regular reports on their progress. Questions regarding the potential further development of the M&A strategy in light of the strategic review are currently being discussed in the strategy committee.

E. Work of the committees

The Supervisory Board fundamentally realigned its committee architecture in connection with the expansion of the full Board. The committees — the audit committee, the strategy committee, and the nomination and remuneration committee — were formally established and their composition determined at the Supervisory Board meeting on July 30, 2025. The committee chairs reported regularly to the full Supervisory Board on the work of their committees.

Audit committee

The audit committee is chaired by Mr. Jack Clemons; further members are Mr. Christian Bacherl and Mr. Vishal Gaur. Mr. Clemons and Mr. Bacherl each have expertise in accounting and auditing as financial experts within the meaning of Section 100 (5) of the German Stock Corporation Act. Mr. Clemons assumed the Chairperson following the realignment of the committee architecture by the Supervisory Board on July 30, 2025. The Chairperson of the audit committee had previously been held during the reporting year by Mr. Bacherl until May 1, 2025; following his appointment as Chairperson of the Supervisory Board, Mr. Gaur was appointed Chairperson of the audit committee on an interim basis.

The audit committee met ten times during the reporting year. One area of focus was the oversight of the audit by KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, which had been appointed by the 2025 Annual General Meeting upon the recommendation of the audit committee as auditor of the annual and consolidated financial statements for the 2025 financial year. The committee closely oversaw the ongoing audit and supported the auditor's continuing familiarisation with the specifics of the Company's business model, and discussed the Company's interim financial information — the quarterly statements for Q1 and Q3 2025 — with the Management Board and, as applicable, with the auditor. The 2025 half-year financial report was not subject to an audit review; the audit committee took note of the report and discussed it with the Management Board.

A second focus was the preparation of the audit of the 2025 annual and consolidated financial statements. This included the alignment of the audit focus areas with the auditor, the treatment of the key audit matters — in particular revenue recognition, which had already been identified as a key audit matter for the 2024 financial year — and the oversight of the further development of the underlying processes and associated documentation in the finance and accounting area. Further recurring topics of the committee included the internal control system, risk management, and the Company's compliance organisation; the committee received regular reports on these areas.

Strategy committee

The strategy committee was established at the Supervisory Board meeting on July 30, 2025. The Chairperson of the committee is Dr. Hans-Paul Bürkner; further members during the reporting year were Dr. Martin Enderle and Mr. Jack Clemons. The mandate of the committee encompasses the preparation of the Supervisory Board's strategic engagement with the positioning of the Company and with matters relating to business combinations (Mergers & Acquisitions).

One meeting of the strategy committee was held during the reporting year. In addition, the Chairperson of the committee advanced the methodological and substantive preparation of the strategic review commenced during the reporting year and maintained continuous dialogue with the Management Board. The committee additionally draws on external expertise for the depth of its engagement. The formal meeting cadence of the strategy committee will be established in the 2026 financial year.

Nomination and remuneration committee

The nomination and remuneration committee was established at the Supervisory Board meeting on July 30, 2025 and was chaired during the reporting year by Dr. Martin Enderle. Further members were Dr. Shalini Sarin and Mr. Jack Clemons. The mandate of the committee covers the remuneration of the Management Board, questions of nomination and succession planning, and broader matters of incentivisation and talent retention within the Company.

The committee met twice during the reporting year. A main focus of its work was the implementation of the new remuneration system for the Management Board approved by the Annual General Meeting on June 30, 2025; this included, among other matters, the setting of short-term performance targets for the Management Board for the 2025 financial year under the new system. The selection of the new Chief Financial Officer was prepared under the leadership of the Chairperson of the Supervisory Board, with the involvement of the nomination and remuneration committee and the audit committee; the appointment was resolved by the full Supervisory Board and was announced in April 2026.

Overall responsibility for overseeing the independent investigation during the reporting year rested with the full Supervisory Board.

F. Corporate governance

In April 2026, the Management Board and the Supervisory Board of Nagarro SE issued their annual declaration of conformity in accordance with Section 161 of the German Stock Corporation Act. The Company complies with the recommendations of the German Corporate Governance Code in its version of April 28, 2022, subject to the deviations described in detail in the declaration of conformity. The declaration is published on the Company's website in the investor relations section and is reproduced in the corporate governance statement within the combined management report. The reasons for the deviations are set out in the declaration itself.

Self-assessment

At the start of the reporting year, the Supervisory Board undertook, through a structured internal exchange, a self-assessment of its composition, working practices and effectiveness. The insights gained fed into the formulation of the requirements profiles for the candidates proposed to the 2025 Annual General Meeting and substantially shaped the expansion and new appointments to the Supervisory Board.

Conflicts of interest

During the reporting year, no conflicts of interest arose on the part of members of the Supervisory Board or the Management Board that would have required disclosure to the Annual General Meeting or that would have led to any restriction on the participation of individual members in Supervisory Board decisions. Related-party transactions within the meaning of IAS 24 are managed by the Company in accordance with the applicable legal and regulatory requirements; no related-party transaction of non-insignificant scope within the meaning of Section 111a of the German Stock Corporation Act occurred during the reporting year.

G. Remuneration

The Management Board and the Supervisory Board jointly prepared the Remuneration Report for the 2025 financial year in accordance with Section 162 of the German Stock Corporation Act. The report is published on the Company's website and as a separate component of the Company's corporate reporting, and was formally audited by the statutory auditor in accordance with Section 162 (3) of the German Stock Corporation Act.

On June 30, 2025, the Annual General Meeting approved the new 2025 remuneration system for the members of the Management Board with 98.39 percent of the valid votes cast, and the revised remuneration system for the members of the Supervisory Board together with the corresponding amendment to the Articles of Association with 99.69 percent of the valid votes cast. Details of the new 2025 remuneration system for the Management Board are set out in Section 3 of this report; details of both systems are set out in the Remuneration Report.

H. Audit of the 2025 annual and consolidated financial statements

Auditor and audit engagement

On June 30, 2025, upon the recommendation of the audit committee, the Annual General Meeting appointed KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, as the auditor of the annual and consolidated financial statements for the 2025 financial year, and as the reviewer for any audit review of interim financial information to be published prior to the 2026 Annual General Meeting. The Supervisory Board obtained confirmation of the auditor's independence in accordance with the requirements of the EU Audit Regulation and awarded the audit engagement to KPMG.

Prior to issuing the audit engagement, the audit committee agreed the audit focus areas for the 2025 financial year with the auditor. Having regard to the Company's business model and to the topics that emerged during the reporting year, the existence of revenue in the consolidated financial statements and the recoverability of investments in affiliated companies in the annual financial statements of Nagarro SE were determined to be key audit matters.

Scope of the audit

The KPMG audit covered the separate financial statements of Nagarro SE prepared in accordance with the German Commercial Code, the consolidated financial statements of Nagarro SE prepared in accordance with IFRS as adopted in the EU and the supplementary requirements of the German Commercial Code, and the combined management report of the Company and the Group, each as at December 31, 2025. The Remuneration Report prepared jointly by the Management Board and the Supervisory Board in accordance with Section 162 of the German Stock Corporation Act was also formally audited in accordance with Section 162 (3) of the German Stock Corporation Act. KPMG issued an unqualified audit opinion on the annual financial statements and consolidated financial statements, including the combined management report, and an assurance report on the Remuneration Report.

Non-financial statement

The separate non-financial statement of the Company for the 2025 financial year was prepared by the Management Board in accordance with Sections 315b to 315c and Sections 289b to 289e of the German Commercial Code. The Supervisory Board reviewed the non-financial statement. In addition, by resolution of the Supervisory Board, the statement was subjected to a limited assurance review by thr auditor; KPMG issued an assurance report thereon. The Supervisory Board discussed and approved the non-financial statement.

Cooperation with the auditor and handling of the independent investigation

The audit was closely overseen by the audit committee. The auditor attended the relevant meetings of the audit committee and reported regularly on progress, findings, and audit focus areas. The committee also conducted discussions with the auditor in the absence of the Management Board.

The independent investigation conducted by White & Case and Alvarez & Marsal during the reporting year ran in parallel with the audit. No accounting or reporting consequences arose from the investigation. The findings of the investigation were presented to and discussed with the audit committee and the full Supervisory Board in appropriate form.

Delays resulted from the interplay of various factors, in particular the scope of the audit topics as well as the parallel conduct of the independent investigation, with the result that the Annual Report for the 2025 financial year will be published at a later date than recommended under recommendation F.2 of the German Corporate Governance Code. The Management Board and the Supervisory Board aim to return to compliance with the recommended time frame in the coming financial years. Reference is made to the corresponding statements in the declaration of conformity.

Review and approval by the Supervisory Board

The documents prepared by the Management Board — the separate financial statements, the consolidated financial statements, the combined management report, the Remuneration Report, and the proposal for the appropriation of retained earnings — were made available to the members of the Supervisory Board in good time. At the balance-sheet meeting on 28 April 2026, the Supervisory Board discussed the documents in depth in the presence of the auditor. The Chairperson of the audit committee reported in detail on the committee's discussion and recommendations; the Management Board explained the financial statements; the auditor presented the audit results, the audit focus areas and the key audit matters, and was available to the Supervisory Board for questions and further information.

Following its own thorough review, the Supervisory Board concurs with the findings of the audit. No objections were raised to the separate financial statements, the consolidated financial statements, the combined management report, or the Remuneration Report. The Supervisory Board has thereby approved the separate financial statements and the consolidated financial statements of Nagarro SE. The separate financial statements are thus formally adopted. The Supervisory Board has endorsed the Management Board's proposal for the appropriation of retained earnings to distribute a dividend of one euro per dividend-entitled share, and recommends it to the Annual General Meeting for approval.

Acknowledgements

The Supervisory Board thanks the Management Board of Nagarro SE — Manas Human, Annette Mainka and Vikram Sehgal — for the close, trusting and constructive cooperation during the reporting year. In a year marked by changes in the chair of the Supervisory Board, the expansion and new appointments to the body, the parallel conduct of an independent investigation, and the initial audit of the 2024 annual and consolidated financial statements by a new auditor, the Management Board led the Company with composure and foresight. The Supervisory Board expressly acknowledges this.

We thank the employees of the Nagarro Group worldwide for their extraordinary dedication and loyalty. The long-term success of the Company rests on their engagement and their professional excellence.

Finally, our thanks go to Nagarro's clients for the trust placed in the Company and for the collaboration on initiatives through which they shape their own development. We regard this trust as an obligation, which Nagarro will continue to honour even in an environment of structural change.

Munich, April 2026

For the Supervisory Board
Christian Bacherl

Chairperson

II. Responsibility statement of the legal representative

Statement pursuant to Section 117 No.1 of the Securities Trading Act (WPHG) in conjunction with Section 297 (2) sentence 4 and Section 315 (1) sentence 5 of the German Commercial Code (HGB):

"To the best of our knowledge, and in accordance with the applicable reporting principles, the Group financial statements in accordance with generally accepted accounting principles give a true and fair view of the assets, liabilities, financial position and results of operations of the Group, and the Group management report, which is combined with the management report of Nagarro SE, includes a fair review of the development and performance of business and position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group."

The Management Board

Manas Human Annette Mainka Vikram Sehgal

III. Financial calendar

S.No.	Event	Date
1	Publishing of preliminary unaudited key financial numbers for full year ended December 31, 2025	March 24, 2026
2	Publication of consolidated / annual financial statements and annual financial report 2025	April 29, 2026
3	Publication of quarterly statement (as of March 31, 2026)	May 15, 2026
4	Analyst meeting: Call to discuss Q1 2026 statements	May 15, 2026
5	Ordinary Annual General Shareholders Meeting	June 29, 2026
6	Publication of half-yearly financial report 2026	August 14, 2026
7	Publication of quarterly statement (as of September 30, 2026)	November 13, 2026

IV. Legal notice

Nagarro SE

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Authorized representatives Management Board:
Manas Human (Chairperson), Annette Mainka, Vikram Sehgal

Chairperson of the Supervisory Board:
Christian Bacherl

Registration Court:
HRB-Nr. 254410, Amtsgericht München

VAT ID:
DE 815882160

Responsible for the content acc. to Section 55 (2) Interstate Broadcasting Agreement RStV:
Manas Human

Investor Relations expert:
Michael Knapp

V. Independent auditor's report

To Nagarro SE, Munich

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Opinions

We have audited the consolidated financial statements of Nagarro SE, Munich, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2025, and notes to the consolidated financial statements, including significant information on the accounting policies. In addition, we have audited the management report of the Company and the Group (hereinafter: combined management report) of Nagarro SE for the financial year from January 1 to December 31, 2025.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

The combined management report contains cross-references that are not provided for by law and which are marked as unaudited. In accordance with German legal requirements, we have not audited the cross-references and the information to which the cross-references refer.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2025, and of its financial performance for the financial year from January 1 to December 31, 2025, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report. The combined management report contains cross-references that are not provided for by law and which are marked as unaudited. Our audit opinion does not extend to the cross-references and the information to which the cross-references refer.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Existence of revenue

For information on the accounting policies please refer to Section B Note 6a and Section D Note 1 in the notes to the consolidated financial statements.

The financial statement risk

The Group's revenue in financial year 2025 amounted to EUR 999.3 million.

Nagarro SE generates its revenue from IT services mainly provided as part of staff leasing in return for payment based on time and costs, or from other IT services provided as part of fixed-price projects, monthly recurring services and the sale of IT licenses.

Revenue is an important target achievement indicator for Nagarro and also provides an important basis for decision-making.

Regarding the invoicing of the respective IT service, there is a risk for the consolidated financial statements that revenue for which no payment has been received as of the reporting date does not exist.

Our audit approach

We first obtained an understanding of the process and assessed the setup and implementation – and for individual subgroups/companies also the effectiveness – of the established internal controls designed to ensure that contract-related staff expenses and other expenses are recorded correctly in the internal contract accounts.

In addition, we assessed the amount of revenue recognized for which no payment had been received as of the reporting date by obtaining third-party confirmations, or alternatively by comparing the invoices with the corresponding contractual bases, any proof of delivery and performance, internal time records and approvals and – where available – payments received after the reporting date. The basis for this was revenue selected using a statistical procedure.

We reviewed a sample of credit notes issued after the reporting date and verified that they had been recorded correctly.

Our observations

Nagarro SE's approach for recognizing revenue is appropriate.

Other Information

The Management Board and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the Group's separate non-financial report, which is referred to in the combined management report,
- the combined corporate governance statement for the Company and Group, which is contained in Section IV of the combined management report, and
- information extraneous to management reports and marked as unaudited.

The other information also includes the remaining parts of the annual report. The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The Management Board is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the Management Board is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In

addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the Management Board is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Management Board is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the Management Board and the reasonableness of estimates made by the Management Board and related disclosures.
- Conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the Management Board in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Management Board as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file “nagarrose-2025-12-31-1-de.zip” (SHA256 hash value: 18797b8b5a666de25dcc0bb5b68df4677dbbb83daf5c2333290228cb1488af29) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies, in all material respects, with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January 1 to December 31, 2025, contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described in the "Auditor’s Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

Responsibilities of Management and the Supervisory Board for the ESEF Documents

The Company's Management Board is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's Management Board is responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Group Auditor’s Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor of the consolidated financial statements at the Annual General Meeting on June 30, 2025. We were engaged by the Supervisory Board on November 5, 2025. We have been the auditor of the consolidated financial statements of Nagarro SE without interruption since financial year 2024.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Maximilian Bergler.

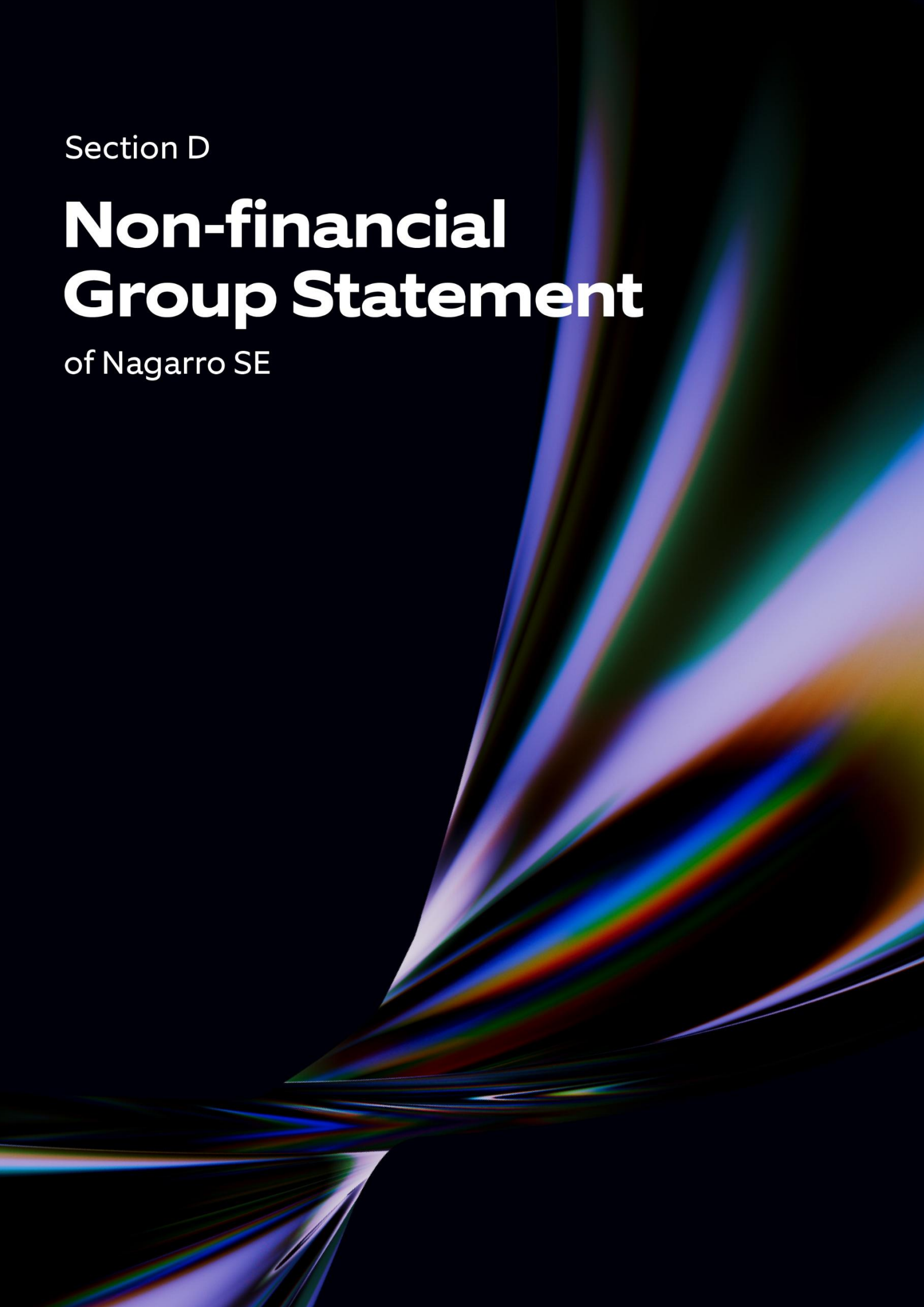
Munich, April 27, 2026
KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Hanshen	Bergler
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Section D

Non-financial Group Statement

of Nagarro SE



Index

D.1 Non-financial statement **184**

I. Highlights 2025 ..... **186**

II. Our business model and approach to sustainability **187**

III. Environmental dimension **196**

IV. Social dimension **222**

V. Governance dimension **237**

VI. Appendix **240**

VII. Assurance report of the independent German Public Auditor on a limited assurance engagement in relation to the separate group non-financial statement **253**

D.2 Civic and social responsibility **256**

D.1 Non-financial statement

This report presents Nagarro's sixth Non-financial Statement. It outlines how we approach environmental, social, and governance issues across our business operations and value chains. In this report, we outline existing measures, how we are progressing our sustainability practices, and how we are aligning with the evolving global sustainability landscape. Since our last report, we have continued to strengthen the embedding of responsible practices across our global operations and governance structures.

At Nagarro, we treat sustainability as part of our responsibility framework and as part of our long-term business orientation as a global digital engineering company. Our policies and programs are structured to support responsible conduct and stakeholder trust. Because our work spans many industries and use cases, we also examine how our services and solutions align with environmental and social considerations. This is reflected in our eco-digital engineering approach, which aims to incorporate these aspects into how solutions are designed and delivered.

During 2025, our work in this area focused on continuing and extending established initiatives, preparing for increased expectations in sustainability governance and disclosure, and maintaining a consistent, values-led direction as regulatory signals continue to develop. We will continue strengthening sustainability practices and reporting to support responsible digital development.

About this report

This reporting period marks our first step toward reporting in full compliance with the Corporate Sustainability Reporting Directive (CSRD), Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022, and the European Sustainability Reporting Standards (ESRS). Not all disclosures set out in the ESRS are yet fully covered. Some workforce-, remuneration-, and environment-related information and KPIs (key performance indicators) are being further developed to meet the detailed ESRS requirements. As a result, this report reflects a phased approach to ESRS alignment rather than full compliance. We plan to further refine our ESRS disclosures in the next reporting period.

In line with the scope of our Financial Statement, the non-financial information is consolidated across the Nagarro Group, including Nagarro SE and its controlled companies, together referred to as Nagarro (see Section A.II.A. Organizational and legal structure). This Non-financial Group Statement for Nagarro Group (hereinafter also referred to as the non-financial statement) is prepared in accordance with the non-financial reporting requirements set out in Sections 315b to 315c and 289b to 289e of the German Commercial Code (HGB). We have paid particular attention to environmental, employee and social concerns as well as respect for human rights and the fight against corruption and bribery. Disclosures required under Article 8 of the EU Taxonomy Regulation (Regulation 2020/852) are presented in the EU Taxonomy Report in the environmental dimension chapter. The transition toward reporting in full compliance with the ESRS has resulted in differences in the disclosed topics and metrics, calculation methodologies and definitions compared to previous reporting periods. These changes may lead to limited comparability with previous reports.

While we build on the foundations of earlier reporting cycles, this transition is a significant step forward in terms of accuracy, depth and comparability of Nagarro's sustainability disclosures. Comparative figures are included only for selected metrics that were part of the previous report, as newly introduced indicators do not yet have historical data. While some of the comparative environmental data has been externally validated in 2024, it was not subject to renewed validation by the assurance provider during the current reporting period and is marked with "< >" in the respective tables. Section D.2. Civic and social responsibility, is not included in the Non-financial Group Statement and therefore is not subject to the limited assurance of the Non-financial Group Statement. Unless explicitly stated otherwise, the metrics disclosed in this report have not been validated by an external body other than the assurance provider [MDR-M §77 (b)]. Where metrics or methods have been restated or updated the relevant quantitative sections describe these changes and explain variations between current and prior figures. The basis for the temporal classification is the differentiation defined in the ESRS between short-term (up to one year), medium-term (one to five years), and long-term (more than five years) time horizons.

This statement covers both Nagarro's upstream and downstream value chains. For the upstream value chain, our assessment includes Tier 1 suppliers and extends to additional supplier tiers where potentially significant impacts are identified. For the downstream value chain, we focus on the immediate customer environment, where Nagarro's digital solutions and services are applied.

Some of the quantitative sustainability indicators in this report include estimated or extrapolated data. Estimations are used where complete primary data is not available, in particular, for value chain indicators, such as Scope 3 greenhouse gas (GHG) emissions. In these cases, calculations are based on reasonable proxies and established external sources, including recognized carbon-footprint and emission-factor databases for products and services. The estimation approaches applied are aligned with recognized methodologies, such as the Greenhouse Gas Protocol and DEFRA guidance. Resulting uncertainty may arise from data coverage limits, regional variation in emission factors and the use of averages or prior year values as interim proxies. Nagarro intends to further improve data coverage and expand the use of directly measured information across its operations and value chain over time.

In this non-financial statement, we have not applied any omissions related to intellectual property, know-how or innovation results. All information considered relevant has been disclosed in alignment with ESRS 1 section 7.7. Similarly, all relevant developments and negotiations have been included to the extent permitted by applicable law.

Global alignment and achievements

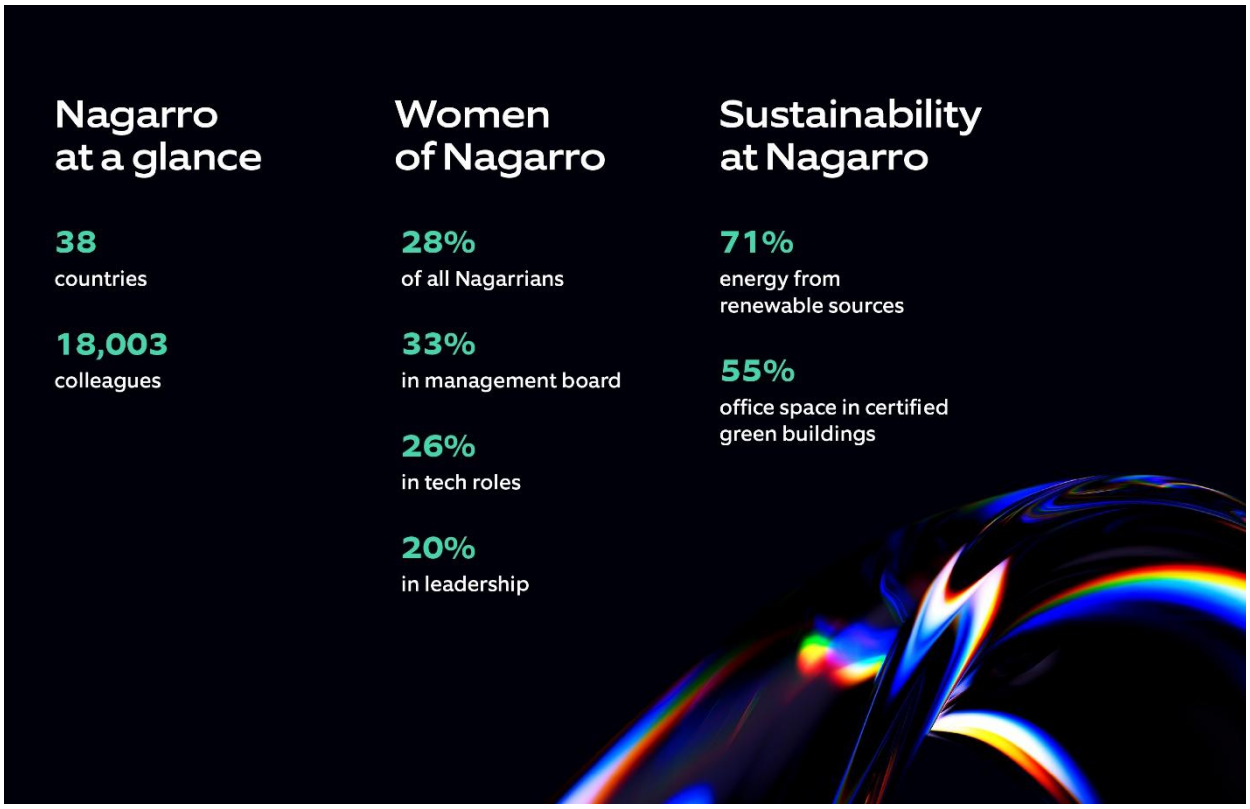
Nagarro became a member of the UN Global Compact in April 2024. As part of this membership, we report annually on our progress across the UN Global Compact's four fundamental areas of human rights, labor, environment and anti-corruption. Our colleagues globally have access to the UNGC Academy and topic-specific events. These resources support topic awareness and enable participation in a global network of companies working on responsible business practices.

In 2024, ISS ESG, a provider of corporate governance and responsible investment research, ratings and analytics for institutional investors and corporations, upgraded Nagarro's rating status to Prime. An ISS ESG rating methodology, Prime status indicates that a company meets or exceeds the defined sustainability performance requirements for the IT industry. Nagarro participates in global reporting and transparency initiatives, including CDP and EcoVadis. In 2025, Nagarro received a Gold Medal rating in the EcoVadis assessment, placing the group among the top five per cent of organizations assessed worldwide. Additionally, CDP awarded Nagarro a B score in Climate Change disclosure and A score in Supplier Engagement Assessment.

As part of our participation in the Science Based Targets initiative (SBTi), which Nagarro joined in 2023, our decarbonization targets were validated and published in 2025. Further details of these targets are provided in section IV. a. on climate action and are also available through the SBTi Target Dashboard.

Nagarro also reports, where relevant, in accordance with established international management system standards, including ISO 27001, ISO 14001 and ISO 45001. Information related to our management systems for information security, environmental management, and occupational health and safety is subject to external assurance processes to maintain these certifications.

I. Highlights 2025



[1]

[1] For Nagarro, the total proportion of women is used as the metric for gender diversity. Accordingly, gender diversity is monitored and reported based on the representation of women.

II. Our business model and approach to sustainability

Nagarro is a global provider of digital engineering services.[2] We strive to combine advanced technology with human creativity to create digital solutions that help our clients address evolving business opportunities and challenges. We help organizations across industries transform and strengthen their operations through software engineering, consulting and AI-enabled solutions.

Our most important industries include automotive, manufacturing and industrial, financial services and insurance as well as retail and CPG. We also have expertise in life sciences, healthcare, telecommunications, retail and the public sector. Drawing on our extensive domain knowledge and engineering excellence, we support clients in developing, integrating, securing and managing digital products and platforms that enhance responsiveness, efficiency and sustainability. Our global operating model brings together diverse teams across geographies, rendering distance and difference among talented people irrelevant. This collaborative structure allows us to combine global expertise with local insight, ensuring flexibility and proximity to client needs.

How we create value

Nagarro's business is shaped by its diverse client portfolio of over 1,000 organizations in 71 countries. Our largest sales markets are Europe and North America, which together accounted for approximately three-quarters of our revenue in 2025. Significant geographical regions include North America (34.7 percent), Central Europe (29.8 percent), and the rest of Europe (12.6 percent). Germany is the largest market in Europe, while most North American revenue is generated in the United States. We typically deliver projects through three types of services: time-and-expense services (66.9 percent), fixed-price services (10.9 percent), and periodic services (21.6 percent). Further details of these figures can be found in our Financial Statement (See Key figures - annual).

By the end of 2025, Nagarro had 18,003 professionals (2024: 17,695), including 16,429 engineers, designers and specialists directly engaged in digital engineering (2024: 16,192).[3] This information is also disclosed in the financial statement under section A.II.A Organization and legal structure. Our people are the foundation of our innovative capabilities. They are supported by an engineering excellence framework that aims to promote continuous learning, mentorship, and advance core engineering capabilities. This is achieved through a gamified, AI-powered tool that tracks performance, promotes innovation, and prioritizes customer satisfaction. More information about the engineering excellence framework is available in the social section under learning and development.

Our upstream value chain consists primarily of providers of hardware, cloud and data center infrastructure, software development tools and corporate services, such as office facilities and insurance. We rely on these providers to operate as a digital engineering company. The downstream value chain centers on the delivery, operation and maintenance of digital solutions that help clients achieve their strategic and sustainability goals. Through our business relationships, we are linked to industry-specific impacts in our significant sectors, which were considered as part of our double materiality assessment.

At the heart of Nagarro lies our CARING philosophy: being ***c****lient-centric,* ***a****gile,* ***r****esponsible,* ***i****ntelligent,* ***n****on-hierarchical and* ***g****lobal*. This philosophy shapes how we work, make decisions, and engage with our stakeholders.



Our approach to sustainability focuses on managing environmental impacts responsibly, developing eco-digital, client-centric solutions, safeguarding our entrepreneurial spirit and fostering an inclusive workplace. These principles help us translate purpose into practice, guiding how we generate value for clients and society while sustaining agility and innovation as core strengths.

[2] As such, we are not operating in a high-climate impact sector and do not invest in coal, oil or gas-related economic activities.

[3] For a breakdown by geography, please refer to the social dimension section of this statement

Integrating sustainability into our business

Central to our sustainability efforts is eco-digital engineering, the creation of digital solutions that are green and inclusive. This approach aims to reduce the environmental impact of our IT operations and supports clients across industries in advancing their sustainability ambitions. Our eco-digital strategy combines assessing our IT footprint with targeted decarbonization measures and training programs that enable engineers to apply green coding principles. We consistently apply these sustainability ambitions across significant services, customer groups, industries and geographies, supported by our globally integrated delivery model. Beyond internal improvements, we share our expertise with clients and partners to help them adopt sustainable IT practices and optimize digital efficiency. We intend to enable our clients to minimize their carbon footprint and enhance resource efficiency through tools such as IT emissions reduction platforms, GreenOps[4] for cloud optimization, supplier sustainability visibility and energy efficiency solutions.

Additionally, we aim to drive change through tailored learning programs on sustainability and eco-digital engineering. These programs equip colleagues with the skills and insights needed to build a more carbon-efficient technology ecosystem. We developed a project dashboard to assess carbon footprint at the project level, enabling teams to make climate-conscious decisions and report project-specific carbon data to clients. This initiative is a long-term undertaking, given the increasing information availability and growing importance of carbon impact in the digital sector. By integrating sustainability into core business practices, we aim to drive measurable change and ensure technology remains an enabler of a greener, more equitable world.

Looking ahead, Nagarro anticipates some challenges in advancing its sustainability ambitions. These include improving the granularity of supplier-related emissions data, addressing the growing energy intensity of digital technologies such as AI and cloud computing and embedding sustainability metrics further into performance management. To address these challenges, we are expanding data collection capabilities, improving internal carbon management tools, and developing next-generation eco-digital offerings to support decarbonization goals for both clients and the company. These initiatives are integral to our strategy of combining technological excellence with environmental responsibility.

a. Our key material topics

In 2025, we conducted our first double materiality assessment (DMA) in orientation to the ESRS to identify the most relevant sustainability topics for our business and stakeholders. Building on our previous materiality assessments, we updated our methodology to provide a more consistent and transparent view of our impact on people and the environment as well as on the sustainability-related risks and opportunities that may affect business performance. A detailed description of the process is provided in the following chapter, "b. Our double materiality assessment process."

The outcome of this analysis is a consolidated list of material impacts, risks and opportunities (IROs), representing our key sustainability priorities. These material topics guide our strategic focus, inform our disclosures under the ESRS framework and serve as a foundation for managing sustainability-related goals, initiatives, challenges and risks. More detailed descriptions of each impact, risk and opportunity, including related policies, actions and targets, are presented in the respective sections of this report.

[4] GreenOps is defined as an operating model that integrates the technologies, techniques, and business practices designed to maximize efficiency in the cloud while reducing environmental impact.

Overview of material impacts, risks and opportunities

Topic [SBM-3 §48 (h)]	Impact, risk or opportunity*	Nature	Value chain
Climate change mitigation (ESRS E1)	GHG emissions from own operations	Actual negative impact	Own operations
Climate change mitigation (ESRS E1)	GHG emissions in the upstream value chain	Actual negative impact	Upstream
Climate change mitigation (ESRS E1)	GHG emissions from waste disposal	Actual negative impact	Downstream
Climate change mitigation (ESRS E1)	Preferred vendor status from climate actions	Opportunity	Own Operations
Energy (ESRS E1)	Operational energy consumption	Actual negative impact	Own operations
Energy (ESRS E1)	Reliance on fossil energy sources	Actual negative impact	Own operations
Energy (ESRS E1)	Emission reduction via customer digitalization	Potential positive impact	Downstream
Eco-digital engineering (entity-specific)	GHG impact from data center energy use	Actual negative impact	Upstream and own operations
Eco-digital engineering (entity-specific)	Software energy intensity and customer emissions	Actual negative impact	Downstream
Working conditions (ESRS S1)	Respect for workers' rights and human rights	Potential positive impact	Own operations
Work-life balance (ESRS S1)	Work-life balance and social inclusion	Actual positive impact	Own operations
Health and Safety (ESRS S1)	Occupational health and working conditions	Actual negative impact	Own operations
Gender equality (ESRS S1)	Gender inequality and leadership diversity	Potential negative impact	Own operations
Training and skills development (ESRS S1)	Inclusive learning and development	Potential positive impact	Own operations
Inclusion of persons with disabilities (ESRS S1)	Inclusion of neurodivergent people	Actual positive impact	Own operations
Inclusion of persons with disabilities (ESRS S1)	Discrimination against people with disabilities	Potential negative impact	Own operations
Diversity (ESRS S1)	Inequalities and discrimination	Potential negative impact	Own operations
Privacy (ESRS S1)	Employee data privacy	Potential negative impact	Own operations
Privacy (ESRS S4)	Consumer and end-user data privacy	Potential negative impact	Downstream
Protection of whistleblower (ESRS G1)	Whistleblower protection	Potential positive impact	Own operations
Corporate culture (ESRS G1)	Ethical culture and shared values	Actual positive impact	Own operations
Corporate culture (ESRS G1)	Inclusive, open dialogue and mental well-being focused culture	Actual positive impact	Own operations
Corporate culture (ESRS G1)	Employee fulfilment and retention	Opportunity	Own operations
Corporate culture (ESRS G1)	Positive culture for talent attraction	Opportunity	Own operations
Corporate culture (ESRS G1)	Agile culture and operational responsiveness	Opportunity	Own operations

* Note that all impacts, risks or opportunities can arise on any time horizon – short, medium or long-term

The material IROs presented above will inform our approach to sustainability management and reporting under the ESRS. The financial implications of the identified sustainability risks and opportunities were considered as part of our double materiality analysis. While this assessment included a qualitative assessment of potential financial effects, these have not yet been quantified in monetary terms. However, based on the nature of Nagarro's business model and current understanding of its operating context, we do not anticipate significant financial effects related to the identified material opportunities within the next annual reporting period.

The resilience assessment of our business model in addressing material impacts, risks and opportunities, is conducted on a qualitative basis. We are aware of the economic conditions and relevant market and regulatory developments that may affect our business environment. In addition, we annually assess financial risks related to our business that may also affect our resilience through the enterprise risk management system. This includes reviewing material sustainability-related risks and opportunities identified through our double materiality assessment in the context of broader market, regulatory and societal trends. Our strategy and business model are guided by the CARING principles, which are embedded in internal policies, codes of conduct and management frameworks that apply across entities. A non-hierarchical working model and cross-functional teams are integral to operating and decision-making structures. Client engagement and service delivery follow a client-centric delivery model, which defines how client needs are identified and addressed through project and account management processes. These organizational and governance arrangements provide the context within which we consider material sustainability topics across short-, medium- and long-term time horizons when setting priorities and making strategic decisions.

For consistency with our previous reporting, we continue using our own terminology for our material topics throughout this report. The following table shows the list of (sub-)topics material to Nagarro and the "translation" into ESRS terminology:

ESRS Standard	Nagarro topic	ESRS Sub-(sub-)topic
ESRS E1 – Climate change	Climate action	Climate change mitigation
ESRS S1 – Own workforce	Health, safety and wellbeing	Health and Safety Work-life balance Privacy (related to employees)
ESRS S1 – Own workforce	Diverse and inclusive Workplace	Gender equality and equal pay for work of equal value Employment and inclusion of persons with disabilities Diversity
ESRS S1 – Own workforce	Learning and empowerment	Training and skills development
ESRS S4 – Consumers and end-users	Data privacy and information security	Privacy (related to consumers and end-users)
ESRS G1 – Business conduct	Governance	Corporate culture Protection of whistle-blowers

Changes compared to the previous reporting period [ESRS 2 SBM-3 §48 (g)]

The results of our 2025 DMA differ from those of the 2024 GRI-based analysis, reflecting our transition to a more comprehensive CSRD- and ESRS-aligned approach. Under the new methodology, topics such as Zero waste to landfill (ESRS E5), Responsible water management (ESRS E3), Civic and social responsibility (ESRS S3), and Sustainable procurement (ESRS S2) did not meet the materiality threshold. These changes do not indicate a reduced commitment to these subjects but rather result from the different evaluation logic applied under the double materiality framework.

The ESRS framework considers both impact materiality and financial materiality using quantitative and qualitative criteria across the full value chain and Nagarro's own operations. This does not necessarily result in a broader set of material topics, but rather in a more differentiated and methodologically rigorous evaluation The ESRS also place a stronger emphasis on the severity, scale and likelihood of environmental and social impacts.

b. Our double materiality assessment process

The improved double materiality approach provides greater transparency and consistency in assessing our impacts on people and the environment, as well as sustainability-related risks and opportunities that may affect our business. Going forward, we plan to conduct an annual plausibility review of key sustainability matters and update them as necessary if there are significant changes to Nagarro's operations or context.

We conducted a structured double materiality analysis (DMA) to identify and assess material sustainability impacts, risks and opportunities across our business operations and the entire value chain. This centrally coordinated process aimed to ensure the consistent application of both perspectives of double materiality: impacts on people and the environment (impact materiality) and sustainability-related risks and opportunities that may affect financial performance (financial materiality).

Our identification process covered operations as well as upstream and downstream value chains. We combined internal insights, such as due diligence and risk processes, with external sources, including academic research, ESG ratings and market indices, to identify areas where our activities, business relationships or locations are likely to have impacts. We then linked the identified impacts and dependencies to potential financial implications, aiming to ensure that financial assessments reflect underlying sustainability realities rather than isolated risk considerations.

Stakeholder perspectives were integral to the process. Our goal was to capture a balanced view of expectations across key stakeholder groups, both internal and external. To this end, colleagues from different regions, seniority levels and roles actively participated in the DMA. This helped to include operational realities and local contexts alongside strategic perspectives. External stakeholder perspectives were represented by colleagues from customer-, supplier- and investor-facing functions who contributed insights from client projects, supplier engagements and investor interactions to reflect real-world expectations and concerns. We also considered the expectations of banks, insurers and other financial stakeholders through our review of ESG ratings, sustainability indices and external requirements.

Our DMA followed a clear scoring framework supported by shared scoring criteria and documentation. We evaluated impact materiality by assessing the likelihood and severity of impacts (scale, scope and irremediability were weighted equally). For potential impacts, we multiplied severity and likelihood. For actual impacts, the likelihood was 100 percent. We determined

financial materiality by assessing the likelihood and magnitude of financial effects using the same categories as our enterprise risk management system. This consistency is aimed at enabling a direct comparison of ESG risks and opportunities with other business risks and opportunities, placing sustainability-related topics on equal footing with other business topics. Both the impact and financial dimensions were assessed on a scale of one to four, with a threshold set at two and a half to prioritize high-impact topics and identify those material to Nagarro. We validated the results in expert workshops to confirm consistency and quality.

After completing the materiality assessment, we identified material data points for this report in accordance with the materiality of information principle outlined in ESRS 1. Consequently, all material sustainability issues were systematically linked to their respective data points. The analysis identified mandatory disclosures, filtered out non-material items and verified their applicability to our business model and context. We also reviewed voluntary and phased-in requirements for relevance and proportionality. A list of material disclosure requirements can be found in the Annex for ESRS 2.

The Corporate Sustainability team is responsible for conducting the DMA and ensuring the inclusion of relevant stakeholders in the process. Representatives from Finance, Legal, People Enablement/Human Resources, Investor Relations and Administration participated in reviewing and validating relevant IROs. The results of the DMA were presented to the Sustainability Advisory Group (an administrative body comprising senior management representatives) and subsequently to the Management and Supervisory Board, which granted final approval.

We currently conduct processes to identify, assess and manage sustainability-related risks as part of our enterprise risk management system. We recognize that sustainability issues may increasingly affect our overall risk profile and continue to improve the connection between sustainability considerations and enterprise risk management. Similarly, Nagarro's strategic planning processes do not yet systematically consider sustainability opportunities in business decisions. In the future, we plan to fully integrate these processes into our enterprise risk management.

Topic-specific assessment

We identified climate-related impacts, risks and opportunities through qualitative screening aligned with TCFD principles and the requirements of ESRS E1 IRO-1. Our analysis covered operations, office sites and key value-chain segments, focusing on exposure to both physical and transition risks.

To assess our climate impacts, we examined Scope 1, 2, and 3 emissions data to determine major emission sources and dependencies. We assessed potential physical risks, such as extreme weather events, heat and flooding, based on site locations and expert input. We screened transition risks and opportunities in relation to evolving policies, carbon pricing, client expectations, and technology trends. We have not yet defined time horizons for assessing physical risks across the short-, medium-, and long-term. These will be developed as part of our upcoming climate risk assessment and aligned with the expected lifetimes of assets and planning processes.

The assessment confirmed that climate change is a material topic, prompting us to initiate a scenario-based climate risk analysis. This analysis examines both physical and transition risks under multiple climate scenarios. Currently underway, this exercise aims to improve our understanding of potential impacts across short-, medium- and long-term horizons, identify future sources and drivers of GHG emissions and other climate-related impacts, and strengthen climate management and decision-making.

Through internal desk research supported by external references, we identified pollution-related impacts and risks. As the direct pollution caused by our office-based and digital operations is minimal, no site-specific screenings or community consultations were conducted in this reporting cycle.

We assessed operational water use and site context, using tools such as the Aqueduct Water Risk Atlas to identify offices located in areas of higher water stress. Due to the low water intensity of our activities, consultations with affected communities were not conducted.

Using publicly available sources and the ENCORE database, we conducted a high-level sector-based analysis of biodiversity-related impacts and dependencies across operations and the upstream value chain. We did not identify material dependencies or disruptions of ecosystem services within our operations. Due to the urban, non-industrial locations of our offices, none of our sites are near biodiversity-sensitive areas, and no negative eco-system effects were identified. Therefore, no mitigation measures are required under EU directives. Transition, physical or systemic biodiversity risks were not assessed in detail this year due to low exposure, and potentially affected stakeholders were not consulted.

We conducted a qualitative analysis of resource inflows and outflows as well as waste streams, including IT assets and packaging, and considered upstream sourcing and downstream end-of-life processes. While waste may be a local issue in certain regions, community consultations were not conducted in this reporting cycle due to our limited direct global footprint.

We identified governance-related IROs by reviewing ethics and compliance processes, supplier engagement practices and governance risk exposure across the value chain. External benchmarks, including the Corruption Perceptions Index, and stakeholder input from key regions such as India, Romania, Germany and Austria, supported a consistent assessment. Additionally, we reviewed business activities and the sectors in which we operate to identify relevant impacts, risks and opportunities related to business conduct.

Stakeholder engagement

Maintaining transparent and continuous dialogue with stakeholders is essential to building trust and shaping a strategy that reflects shared priorities. Listening carefully to diverse perspectives helps us understand emerging societal and market developments, identify opportunities and risks early, and strengthen the resilience of our business model. Stakeholder engagement is therefore an integral part of our DMA and ongoing sustainability management.

We identify key stakeholders by assessing their connection to the value chain, the extent to which they are affected by our activities, and their potential to influence sustainability performance. This includes both affected stakeholders, such as employees, suppliers and local communities, as well as users of sustainability information, such as investors and rating agencies. Internal representatives maintain regular contact with these groups and collect feedback through established communication channels.

Stakeholder dialogue takes place continuously through various channels and formats. We obtain feedback both directly, through consultations, workshops, surveys and community initiatives, and indirectly, through client requirements, investor roadshows, ESG questionnaires and due-diligence processes. Each stakeholder group has a designated internal function (e.g., Investor Relations for investors and HR for employees) responsible for maintaining contact, gathering insights and relaying key feedback to senior management[5]. The Management Board and the Sustainability Advisory Group are informed of key insights from these interactions, as relevant, so they can consider them in strategic discussions and sustainability planning.

Stakeholder communication channels

Stakeholder	Examples of engagement
Financial stakeholders (investors, lenders, analysts)	Questionnaires for ESG ratings, investor roadshows, Q&A sessions
Clients and business partners	RFPs, supplier and partner evaluations, client sustainability assessments
Employees and other workers	Yammer discussions, HR platforms, pulse surveys, diversity and inclusion channels, Ginger
Suppliers	Supplier and partner evaluations, procurement processes
Civil society and NGOs	Conferences, community partnerships, ESG data exchanges
Academia and training partners	Nagarro University (NagarroU), Plaksha University, TestingPro initiatives
Local communities	Participation in community projects near key office locations
Public authorities and regulators	Compliance reporting, sustainability-linked performance updates
Media and opinion leaders	Press releases, social media, industry events
Nature (indirectly represented)	Desk research and expert input on climate, water and waste management topics

Feedback from these engagement activities is reviewed for relevance, prioritized and, where appropriate, escalated to management or specific functions for action. The outcomes of these dialogues feed into the materiality assessment and inform disclosure priorities, employee programs, supplier initiatives and ESG communication. Engagement also helps us understand market demands, investor perspectives and evolving regulatory expectations. We seek to understand the concerns of local communities in which we operate and aim to play a constructive role in supporting social development.

We assess the relevance and significance of stakeholders against our business model and sustainability strategy. Key insights are consolidated and, if necessary, escalated to senior management for discussion and validation. Targeted initiatives are developed in response to significant stakeholder concerns, ranging from employee-related actions to sustainability disclosures or policy updates.

As part of the DMA, we reviewed the interests and views of key stakeholders regarding our strategy and business model. The resulting insights were discussed with senior management and incorporated into relevant functions where appropriate. We made no amendments to the overall strategy or business model in 2025 as a direct result of stakeholder engagement. At this stage, we do not plan to take any additional steps or make adjustments, nor do we anticipate changes to stakeholder relationships or perceptions.

The Management Board is kept informed about significant stakeholder topics through sustainability updates and the results of the materiality assessment. If issues require timely consideration, board members may receive briefings outside the regular meeting cycle. This enables governing bodies to stay informed about stakeholder perspectives related to sustainability impacts and consider them in their strategic oversight.

[5] Nagarro's structure consists of 5 bands or levels which represent seniority (experience and career progress) of individuals at Nagarro. Within band 5, colleagues with formal leadership responsibilities are referred to as senior management, representing the highest management level in the organization. The senior management is represented by the Management Board with its special legal responsibility.

c. Sustainability stewardship and governance

Sustainability stewardship is intended to be a foundational part of Nagarro's identity and influences how we conduct our business. This includes conscious decision-making and consideration of potential impact on colleagues, communities and business partners. In line with Nagarro's foundational values, sustainability responsibilities sit with leadership roles and governance structures. It is treated as an operating responsibility, not only as a compliance requirement.

Senior management regularly engages in topics related to work culture and responsibility. This includes workplace inclusivity and equity, as well as approaches to addressing broader sustainability challenges, within and beyond the business context. Local teams implement community and employee programs aligned with Nagarro's sustainability approach. These include structured initiatives, and volunteering opportunities that aim to encourage responsible day-to-day conduct. This governance structure defines sustainability stewardship at Nagarro.

Composition and diversity of governance bodies

Nagarro operates under a two-tier governance system, which provides a clear separation between executive management and supervisory oversight. The Management Board is responsible for managing the company and overseeing operations, while the Supervisory Board monitors and advises the Management Board. In 2025, the Management Board consisted of three executive members. The Supervisory Board comprised seven non-executive members, six of whom were independent (86 percent). Nagarro SE is not required to establish a co-determined Supervisory Board; therefore, no employee or worker representatives were included. During the reporting period, women represented 33 percent of the Management Board and 14 percent of the Supervisory Board. Gender diversity is formally monitored. At present, no additional diversity indicators are formally reported.

Experience and sustainability expertise

The Management Board consists of founders and senior leaders with extensive professional experience in technology, organizational leadership, and regulatory compliance, supported by strong academic backgrounds in technology, operations management, and business administration. They bring broad experience in digital engineering, software and IT services, digital transformation, and executive leadership across international technology and services organizations. The Supervisory Board includes members with backgrounds in strategy, finance, capital markets, people and culture, digital transformation and corporate responsibility with several having international experience from across technology focused sectors. This range of experience provides context for oversight of Nagarro's digital engineering business model, and its identified material sustainability-related impacts, risks and opportunities.

Several Supervisory Board members have professional experience related to sustainability topics, and members of the Management Board are involved in sustainability initiatives and in the oversight of compliance and regulatory developments. As sustainability regulations evolve, the Custodian of Regulatory Compliance works with relevant internal teams to support alignment with new requirements and related governance processes across the organization.

Roles and responsibilities for sustainability oversight

The Management Board's rules of procedure define principles related to leadership, overall responsibility and role allocation.[6]

- Manas Human, Chairperson and Custodian of Entrepreneurship, coordinates executive functions, aligns with the Supervisory Board Chair, represents the company externally and oversees senior management appointments outside the Board.
- Vikram Sehgal, the Custodian of Operational Excellence, is responsible for matters such as annual budgets and financial statements.
- Annette Mainka, the Custodian of Regulatory Compliance, oversees adherence to regulatory requirements.

While the formalization of sustainability responsibilities is ongoing, this structure provides a practical basis for oversight of strategy, operations and compliance.

The Management Board reports regularly to the Supervisory Board on business developments, risk management, regulatory matters and sustainability-related topics. Three Supervisory Board committees support oversight:

- Audit Committee: oversees accounting processes, internal controls, risk management, internal audits, and auditor independence.

[6] For more information, see the "rules of procedure" in section A.IV.D. Composition and working of the Management Board.

- Strategy Committee: advises on long-term strategic direction and reviews major initiatives including market positioning, mergers and acquisitions and developments in areas such as artificial intelligence and digital transformation.
- Nomination & Remuneration Committee: focuses on board composition, succession planning, and the design and oversight of executive remuneration systems.

The sustainability-related mandates for the newly elected Supervisory Board are in the process of being formalized to clarify its role of sustainability oversight. As part of this transition, the allocation of responsibilities to monitor sustainability-related impacts, risks and opportunities are being defined. The processes through which the Management Board and the Supervisory Board will oversee and review progress against related targets are also under development. Until this formalization is complete, the responsibilities and oversight approach established in prior years remain in effect.

At least once a year, and more frequently when required, the Boards discuss sustainability-related matters, including regulatory developments and longer-term ESG objectives. A Supervisory Board member has been assigned responsibility for oversight of sustainability performance and the company's long-term sustainability approach. In this role, she also serves on the India Advisory Group of the Climate Group, contributing external perspectives to related. governance discussions.

Our dedicated sustainability team supports the development and implementation of the sustainability strategy, coordinates initiatives, and works with different locations and functions to align goals and stakeholder requirements. The team also supports responses to external stakeholder requests, contributes to the update or establishment of related processes and coordinates the collection of sustainability performance data for disclosures.

Sustainability information flow

The Corporate Sustainability Team is responsible for preparing and communicating this information in coordination with the leadership. Reporting covers developments from due diligence activities, relevant policy updates and the results and status of actions and targets defined for sustainability-related matters.

The Corporate Sustainability Team plays a coordinating role in implementing Nagarro's sustainability strategy. It works with cross-functional teams to support data collection, coordinate responses to stakeholder requests, and manage sustainability-related initiatives. Nagarro's quality assurance, process management and business process consulting group aims to support process compliance and continuous improvement of the sustainability program. This team verifies sustainability data at defined intervals, including quarterly reviews for environmental KPIs, applies a four-eyes principle to uphold data integrity and reporting quality. The team is also involved in developing and updating sustainability-related policies and processes, in alignment with Nagarro's broader organizational objectives.

Strategic sustainability topics are reviewed by the Corporate Sustainability Team and presented to the Sustainability Advisory Group for input. Where escalation is considered appropriate, the relevant sustainability impacts, risks and opportunities are presented to the Board to support informed discussion and decision-making. Topics that may involve material changes or notable resource commitments are submitted to the Management Board for consideration.

During the reporting year, the Boards and senior management discussed topics including renewable energy sourcing, further development of Nagarro's eco-digital engineering approach, diversity and inclusion across the organization, internal controls related to business ethics, and ongoing regulatory compliance monitoring. These discussions form part of regular governance and planning processes and support the consideration of ESG topics within strategic and financial planning in line with the company's longer-term direction.

Remuneration

Nagarro introduced a sustainability-linked component in the Management Board remuneration system in 2024. This element is designed to connect a portion of executive remuneration with defined sustainability criteria. It takes form of an annual sustainability bonus equal to 2.5 percent of their basic salary (fixed remuneration). For the financial year 2025, the relevant ESG target was defined in the context of the preparation, assessment and publication of the 2025 CSRD report.

The remuneration system, including its sustainability-linked components, is reviewed at both the Management Board and Supervisory Board levels and requires Supervisory Board approval. In line with legal requirements, the Supervisory Board is responsible for adopting, implementing, and periodically reviewing the remuneration framework for Management Board members. The current system, first introduced in 2021 and updated with effect from January 1, 2024, was developed with reference to the German Stock Corporation Act (§87a AktG) and the recommendations of the German Corporate Governance Code. Further details are provided in the 2025 Remuneration Report.

Internal controls over sustainability reporting

Quality assurance and business process consulting functions support process compliance and continuous improvement within the sustainability reporting process. Sustainability data is reviewed at defined intervals, including quarterly reviews for environmental KPIs, using a four-eyes principle to support data accuracy and reporting integrity. These functions also contribute to the developing and refining of sustainability-related policies and processes in alignment with broader organizational objectives. Together, these measures support the consistency and reliability of the reported information.

As part of our sustainability governance and internal control practices, we assess risks related to the sustainability reporting process. This assessment follows a qualitative approach and considers the relevance and potential impact of identified issues on the completeness, accuracy and consistency of reported information. Prioritization takes into account factors such as reporting timelines, data dependencies and external stakeholder expectations requirements.

Key risks in the sustainability reporting process include interpreting evolving reporting requirements ensuring consistency in materiality assessments and maintaining data quality across decentralized reporting units. These risks are addressed through cross-functional coordination, periodic data reviews, and internal control measures, including defined verification intervals and application of the four-eyes principle.

Refinements to sustainability-related processes, policies, and reporting workflows draw on findings from data verification activities and internal control procedures. These insights inform process improvements and updates related to guidance and practices. Relevant departments, including finance, legal, people enablement, and administration, are involved in addressing identified issues through cross-functional collaboration.

Sustainability-related matters, including relevant findings from internal controls and data validation are included in the Board meeting agenda at least once a year and, more frequently, where required. This process supports regular communication of sustainability-related risks and developments to the Management Board and Supervisory Board for review and consideration.

III. Environmental dimension

The table below summarizes the material climate-related impacts and the opportunity identified through the double materiality assessment (DMA). These relate primarily to energy use and associated GHG emissions from offices and data centers, travel activities, and upstream procurement of IT hardware and services. Energy consumption and emissions linked to these activities contribute to global warming, which indirectly affects ecosystems and human health through rising temperatures and air-quality degradation.

Impact, risk or opportunity*1	Description	Nature*2	Location in the value chain		
			Upstream	Own operations	Downstream
GHG emissions from our own operations	Our office and data center operations contribute to climate change through electricity use, diesel generators and fugitive emissions related to Heating, Ventilation, and Air-Conditioning (HVAC) systems. These energy demands are inherent to software development and hosting, resulting in direct and indirect GHG emissions that increase our carbon footprint.	Actual negative impact		•	
GHG emissions in the upstream value chain	The production and transport of servers, laptops and other IT hardware used in our operations generate upstream Scope 3 emissions. This is particularly relevant due to our reliance on globally distributed suppliers and the emissions intensity of electronics manufacturing and logistics.	Actual negative impact	•		
GHG emissions from waste disposal	Waste from offices contributes to greenhouse gas emissions e.g. methane from landfills in regions where waste is improperly managed or disposed.	Actual negative impact			•
Operational energy consumption	Our cloud services, software testing environments and AI-driven workloads consume substantial electricity. This is especially relevant in regions where the grid mix remains carbon-intensive, contributing to increased Scope 2 emissions and making energy efficiency a climate priority.	Actual negative impact		•	
Reliance on fossil energy sources	As software developers, we need to ensure continuous access to electricity. Therefore, we still rely on fossil fuels in most regions, particularly given the volatile nature of renewable energy sources. This contributes to GHG emissions.	Actual negative impact		•	
Emission reduction via customer digitalization	Our software solutions intend to help clients reduce their environmental footprint by digitizing manual processes and improving energy efficiency. This contributes to the decarbonization of business operations down our value chain.	Potential positive impact			•
Preferred vendor status from climate actions	Nagarro's mature sustainability and climate mitigation actions, such as our SBTi approved science-based targets and the respective climate mitigation actions, lead to high scores on sustainability assessments. These help improve status as a preferred vendor among clients and long-term eligibility for contracts.	Opportunity		•	
GHG impact from energy use in data centers	Data centers in our upstream value chain consume significant amounts of energy, which contributes notably to GHG emissions.	Actual negative impact	•		
Software energy intensity and customer emissions	Software solutions require high processing power, which can lead to increased energy usage and emissions within client environments. Information technology is an ever-evolving field, with digital transformation adding new activities to client operations. Consequently, there is an increasing trend of GHG emissions in customer operations.	Actual negative impact			•

*1 Note that all impacts, risks or opportunities can arise on any time horizon – short, medium or long-term

*2 No financially material climate-related risks have been identified.

a. Climate action [ESRS E1]

Climate action remains a material topic for Nagarro, and 2025 marks an important milestone in our decarbonization efforts. Building on the commitments announced in our 2024 report, our decarbonization targets are now validated by the Science Based Targets initiative (SBTi). Based on these targets, development of a group-wide climate transition plan commenced this year to translate commitments into implementation measures.

The identified impacts are associated with the operational characteristics of a digital engineering business, including the use of data center infrastructure, employee mobility, and global collaboration. They inform strategic considerations related to office locations, procurement practices, energy sourcing, and service design. In response, energy efficiency and renewable energy sourcing are being integrated into facility planning, green IT criteria are being applied to procurement, and eco-digital engineering offerings are being expanded to address emissions within and beyond the value chain. The development of climate-

related actions may also create business opportunities, for example, where sustainability performance contributes to vendor selection processes.

While no financially material climate-related risks have been identified to date, transition and physical climate risks are recognized as increasingly relevant. A scenario-based climate risk assessment has therefore been initiated to improve understanding of potential future impacts and to support business resilience. At this point, our own operations have been analyzed and no material climate-related risks have been identified. Therefore, a formal resilience analysis has not yet been conducted. The ongoing climate risk assessment will be completed in 2026.

Policies guiding climate action

Environmental policies provide the framework for achieving Nagarro's science-based targets, integrating decarbonization principles into operations and across the value chain. We have adopted three policies that address climate change mitigation, energy efficiency and renewable energy, among other sustainability topics.

Our Environmental Policy outlines our commitment to reducing negative environmental impact while promoting sustainable operations, as summarized in the Environmental Policy Statement. The policy is guided by the UN Global Compact, the UN Sustainable Development Goals and the Paris Agreement. It addresses material impacts arising from own operations, including energy use and emissions as well as the operational resource efficiency, currently a non-material topic. The policy guides decarbonization levers related to renewable electricity sourcing, energy efficiency, sustainable buildings, and resource use. It supports our science-based targets and informs climate actions, including the long-term objective of sourcing 100 percent of electricity from renewable sources by 2030.

The policy addresses climate change mitigation and broader sustainability priorities through a structured set of objectives and principles. It aims to reduce GHG emissions by optimizing energy consumption, integrating energy-efficient technologies, and increasing the share of renewable energy sources, such as solar and wind, in operations by 2033 (medium term) and by 2050 (long term). The policy is intended to also promote sustainability by enhancing energy efficiency across buildings and operations, integrating eco-digital engineering into products and services, and promoting responsible waste, as well as the non-material topics of water and resource management. Additionally, the policy aims to foster employee engagement and stakeholder collaboration to support sustainable practices throughout the value chain. The Environmental Policy does not currently address climate change adaptation explicitly. However, we plan to update it once the climate risk assessment and transition plan are finalized.

Nagarro's Environmental Policy emphasizes consultation and involvement of key stakeholders, including senior management and relevant departments, throughout the development, planning, and implementation of environmental initiatives. The policy seeks to promote regular stakeholder participation in reviewing the performance of environmental efforts and identifying improvement actions. We communicate the policy to employees, visitors, contractors, and relevant external stakeholders through the company website, email communications, internal platforms, training sessions, and printed materials. Senior management allocates resources and monitors implementation, and policy updates are communicated promptly to relevant stakeholders.

The Sustainable Procurement Policy addresses the material impacts related to GHG emissions in the upstream value chain as well as operational energy consumption. The policy aims to integrate environmental and social criteria into purchasing decisions by considering life-cycle impacts, responsible materials, sustainability certifications, reduced single-use plastics, and energy- and water-efficient IT services. It also strives to support long-term management of indirect emissions and aims to strengthen resilience across the upstream and downstream value chains. The policy aims to embed principles such as accountability, transparency, respect for human rights, ethical conduct, and continuous improvement throughout the supply chain. While not explicitly framed as a climate adaptation policy, it supports resilience by encouraging suppliers to manage environmental and social risks within their operations and supply chains. It thereby supports our target of achieving 25 percent of suppliers by spend having their own science-based targets by 2029. It also guides our efforts to reduce embedded emissions in purchased goods while improving transparency across the value chain.

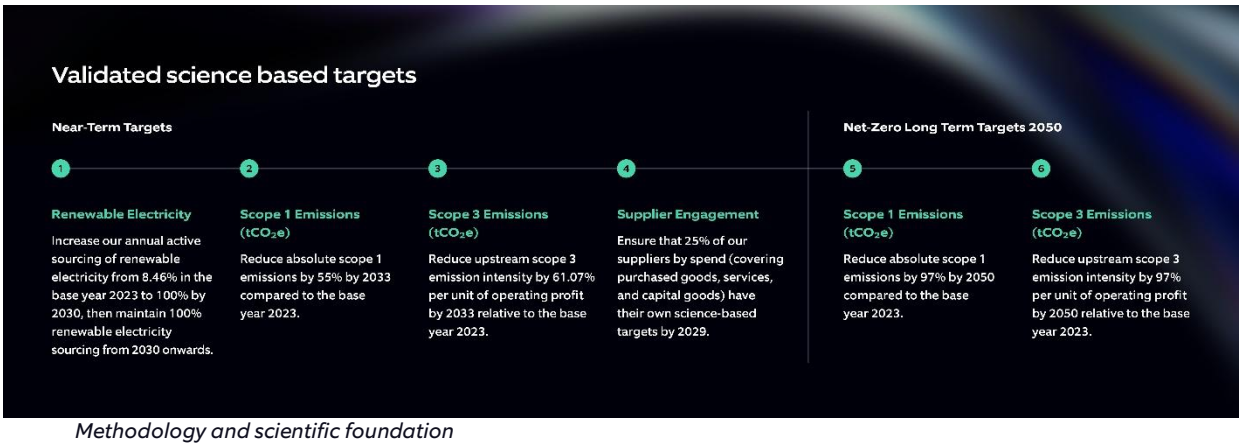
The Sustainable Procurement Policy emphasizes supplier engagement to align procurement practices with our sustainability principles. It also mandates that procurement teams receive training to become aware of our sustainability objectives and aims to ensure that suppliers understand and the Nagarro CARING philosophy. Regular coordination between the sustainability and procurement teams aims to ensure ongoing communication and effective policy implementation.

Finally, our Business Travel Policy for India supports climate change mitigation by integrating sustainability considerations related to business travel. The policy is related to GHG emissions in the upstream value chain caused by business travel. Even though there is no formal monitoring process, the implementation is monitored by the process of having travels booked through the travel team. The Business Travel Policy applies to Nagarro's employees. It contains information on environmental effects of business travel options aiming to contribute to the target of reducing our Scope 3 emission intensity.

Our environmental policies are intended to serve as a foundation for the actions through which we translate commitments into practice. Thereby, the policies shall implicitly foster the financial opportunity of becoming a preferred vendor by establishing guidelines and actions that support positive sustainability assessment outcomes. More information on the policies, their scope and accountability can be found in the Policy Overview in the Appendix.

Our commitment to science-based targets

In 2025, the Science Based Targets Initiative (SBTi) validated our decarbonization targets – a key milestone in our transition from understanding to managing our climate impact. These science-based targets link our Environmental Policy on climate change mitigation and energy efficiency to specific, time-bound outcomes that inform operational and strategic decision-making. Our GHG reduction targets reflect the objectives set out in our Environmental Policy and Sustainable Procurement Policy. The renewable electricity and Scope 1 targets translate the Environmental Policy's commitments on clean energy, efficiency and reduced operational emissions into measurable pathways. The Scope 3 and supplier-engagement targets operationalize the Sustainable Procurement Policy by addressing lifecycle impacts, supplier accountability and value-chain emissions. Together, these targets translate policy commitments into time-bound, science-based actions.



Methodology and scientific foundation

These targets address both our own operations and our upstream value chain, including purchased goods and services, capital goods, business travel and client services. Consistent with the baseline GHG inventory and consolidation scope, the targets apply globally across all Nagarro entities and regions. We calculate Scope 2 emissions for the targets using the market- and location-based method, consistent with our GHG-inventory boundaries. The targets cover all greenhouse gases included in the Greenhouse Gas Protocol. As part of the target-setting process, we conducted internal stakeholder engagement. Scope 1 targets were developed in consultation with the administration team, while overall targets were defined in coordination with leadership colleagues from finance and sustainability. The Scope 3 emissions intensity reduction targets refer to emissions in the upstream value chain and the respective Scope 3 categories.

The Science Based Targets Initiative (SBTi) has confirmed that our targets align with the goals of the Paris Agreement to limit global warming to 1.5°C and of the EU to achieve net-zero emissions by 2050.[7] These gross-reduction[8] targets cover direct (Scope 1) and indirect (Scope 2 and Scope 3 - upstream) emissions under the SBTi Corporate Net-Zero Standard. By setting gross reduction targets that cover all reported GHG scopes and aim for absolute reductions compared to the base year, excluding GHG compensation, we aim to ensure alignment with our GHG inventory boundaries.

While not derived from a specific sectoral decarbonization pathway, the targets follow the SBTi's general pathway. The underlying assumptions are consistent with the SBTi's global climate scenario datasets (e.g., the IPCC 1.5 °C scenarios). As a group, we are committed to achieving net-zero GHG emissions across the value chain by 2050.

All targets are measured against the 2023 base year, which represents the first full reporting period with consolidated, group-wide GHG data prepared under the Greenhouse Gas Protocol Corporate Standard (operational control approach). This baseline covers more than 95 percent of Scope 1 and 2 emissions and more than 90 Percent of Scope 3 emissions, with the aim of ensuring representativeness across operations and alignment with the GHG Protocol requirements. We assessed external factors that could affect the representativeness of the 2023 GHG emissions baseline. No temperature anomalies, operational disruptions, or one-time events were identified that would materially distort energy consumption or emission data. Office occupancy and hybrid work patterns in 2023 reflected normal operating conditions and were consistent with established working models. Variations in electricity grid emission factors across regions were within typical annual ranges. Based on this assessment, 2023 is considered a representative and reliable base year for setting and tracking GHG reduction targets. We will adjust the base year if total reported emissions change by five percent or more due to methodological updates, acquisitions, or

[7] Due to the discovery of a calculation error in the business travel data, Scope 3 data was recalculated (see restatement of business travel emissions). A review is underway to determine whether a target recalculation is necessary for SBTi validation.

[8] Carbon credits, removals or avoided emissions are not included as a means of achieving the GHG emission reduction targets.

new data availability. Any recalculations and their effects will be disclosed. In line with ESRS requirements, we will formally update the base year at least every five years after 2030.

Our underlying assumptions[9] include expected growth in demand for digital services, continuous energy-efficiency improvements, increased availability of renewable-electricity, and supplier decarbonization. As a participant in the UN Global Compact and according to SBTi, our approach is aligned with the objectives of the Paris Agreement to limit global warming to 1.5° C. It also supports Sustainable Development Goals 13 (Climate Action) and 7 (Affordable and Clean Energy), as well as the principles of ISO 14001:2015.

Governance and continuous improvement

Our Corporate Sustainability Team led the development of our GHG reduction targets in consultation with senior colleagues from Finance and Sustainability, while the SBTi conducted the external validation. The Sustainability Advisory Group, which comprises leadership representatives for Corporate Sustainability, oversees progress, including an annual review of performance against these targets and approved the supplier-engagement target of having 25 percent of suppliers by spend with their own validated science-based targets by 2029. Senior colleagues from Finance and Sustainability intend to jointly monitor supplier engagement activities and progress towards the target.

We track performance against the targets through our group-wide GHG inventory and sustainability dashboard. Emissions data are updated annually using the latest emission factors from recognized sources. Updates are shared at least once per year with the Sustainability Advisory Group. Interim milestones are assessed every two years to confirm alignment with the SBTi pathway until our short-term target year. Beyond 2033, we will evaluate the need for and timing of additional milestones as the transition plan progresses. This iterative approach is intended to help ensure that our climate targets remain science-based, and operationally grounded and responsive to progress over time.

Nagarro's climate actions

We recognize our responsibility to contribute to climate action and are developing a group-wide SBTi-aligned transition plan. The plan is currently undergoing internal review and is expected to be formally adopted in 2026. Although still under review, several components are already being implemented, reflecting Nagarro's longstanding commitment to climate consciousness.

The transition plan will outline how we intend to meet our GHG emission reduction targets through defined decarbonization levers, supported by our Environmental Policy and related climate actions. The plan will address key emission sources and establish a framework for long-term GHG reductions across our operations and value chain. This will contribute to limiting global warming to 1.5 °C in line with the Paris Agreement.[10]

[9] As these are Nagarro's first science-based targets, no changes to methodologies of these targets have occurred to date. Any updates will be disclosed in future reports.

[10] We are currently not excluded from EU Paris-aligned or Climate Transition Benchmarks

We can categorize our climate actions into four decarbonization levers:

Decarbonization levers	Key actions and their outcomes*[1]	Scope of operations	Scope of emissions	Status
Energy transformation	Transitioning to low- and zero-carbon energy by increasing renewable electricity sourcing and reducing Scope 2 emissions.	Global Nagarro operations	Scope 1, Scope 2, Scope 3	Ongoing
	Continuous optimization of building energy efficiency through technology upgrades and green building standards.	Global offices and data centers	Scope 1, Scope 2, Scope 3	Ongoing
Sustainable IT infrastructure	Reducing IT-related emissions through energy-efficient hardware, extended device lifespans and modernized data-center operations.	Global IT infrastructure	Scope 3	Ongoing
	Improving operational efficiency and reducing the electricity used in Nagarro's own data centers.	Our own data centers	Scope 3	Ongoing
Mobility and business travel	Reducing non-essential travel through hybrid working models and encouraging low-carbon mobility options.	Global workforce	Scope 3	Ongoing
	Promoting green commuting through bike leasing, electric vehicles and workplace-charging infrastructure.	Europe (pilot), global expansion planned	Scope 3	Ongoing
Sustainable procurement	Integrating GHG and renewable energy criteria into procurement and engaging suppliers to adopt SBTi targets.	Upstream value chain	Scope 2, Scope 3	Yet to commence
	Purchasing goods and services with recognized sustainability certifications to lower embedded emissions.	Upstream value chain	Scope 3	Yet to commence

*[1] Quantitative emission-reduction results have not yet been calculated and no significant CapEx or OpEx has been assigned to these actions to date.

Although the GHG reduction potential of each lever has not yet been quantified, their relative contributions have been qualitatively assessed. Energy transformation and responsible procurement are expected to contribute most significantly to emission reductions. Building efficiency and sustainable IT measures offer a moderate level of impact, while mobility and business travel initiatives provide additional low-to-medium levels of reductions that support behavioral change. Together, these levers form the preparatory phase of the formal transition plan and will be integrated into business planning following formal approval.

Investment needs for the transition plan are still being quantified. In 2025, climate-related expenditures primarily related to the purchase of renewable energy certificates (RECs) which support renewable electricity sourcing. Future investments are expected to focus on building-efficiency retrofits and procurement, including renewable energy. As a service-based business operating primarily through office spaces and digital infrastructure, we do not hold assets or produce goods that generate significant locked-in GHG emissions comparable to energy-intensive or manufacturing sectors. No such assets have been identified that would jeopardize the achievement of our GHG reduction targets or materially increase transition risk. We continue to monitor potential exposure as our operations expand.

As the transition plan progresses, its elements are being incorporated into business strategy and financial planning processes. Information related to EU Taxonomy-eligible activities is provided in the EU Taxonomy Report of this non-financial statement. Additional climate actions include office-level energy-efficiency initiatives, expansion of renewable energy sourcing, and supplier engagement pilots, as described in the following sections for each decarbonization lever.

Energy transformation

Energy consumption in offices and data centers presents one of Nagarro's most direct operational environmental impacts. Transitioning to renewable electricity and improving energy efficiency are therefore core components of our decarbonization strategy. These efforts support the long-term objectives of sourcing 100 percent electricity from renewable sources by 2030 and reducing the operational carbon footprint in line with SBTi-validated targets.

In 2025, Nagarro has offices in 89 locations across 38 countries. The group has operational control over 69 percent of its total seating capacity; the resulting energy-related emissions are reported under Scope 2. For office spaces where Nagarro does not have operational control, energy-related emissions are reported under Scope 3, Category 8 (upstream leased assets).

The following table summarizes our energy mix and consumption of 2025 compared to the previous year.

Energy consumption	Unit	<2024>	2025
Fuel consumption from coal and coal products	MWh	0	0
Fuel consumption from crude oil and petroleum products	MWh	501.9	244.8
Fuel consumption from natural gas	MWh	71	0
Fuel consumption from other fossil sources	MWh	0	0
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	MWh	1925.1	2452.3
Total fossil energy consumption	MWh	2498	2697
Share of fossil sources in total energy consumption	%	0.334	0.293
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	0	0
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	MWh	4922.4	6349.9
Consumption of self-generated non-fuel renewable energy	MWh	61.5	166.8
Total renewable energy consumption	MWh	4983.9	6516.7
Share of renewable sources in total energy consumption	%	66.6%	70.7 %
Total energy consumption	MWh	7481.9	9213.7

The figures are primarily based on metered or invoiced data. Where such data is unavailable, consumption is estimated using regression analysis based on available office data and seating capacity intensity, following the methodology applied in the 2024 Annual Report. Fuel quantities and purchased energy data are converted into megawatt hours (MWh) using defined conversion factors. Energy data are subject to quarterly internal audits and conversion factors are updated annually using recognized international sources.

In 2025, Nagarro consumed 9,213.7 MWh of energy, of which 70.7 percent originated from renewable sources (6349.9 MWh of purchased renewable electricity and 166.8 MWh of self-generated solar energy). Increased energy consumption in 2025 as compared to 2024 primarily stems from our relocation to a larger office in Gurugram, India, which despite higher efficiency per unit area, has a higher energy demand due to its larger capacity. In some locations, we produce our own energy on-site with the aim of supporting a stable power supply for our digital operations. In 2025, this included 166.8 MWh of on-site renewable energy and 244.8 MWh of non-renewable energy from generators in the Indian offices for power shortage emergencies.



To accelerate our transition to a low-carbon energy mix, we are increasing the use of renewable electricity across Nagarro offices and data centers. The approach combines long-term power purchase agreements (PPAs), on-site solar generation and the purchase of renewable energy certificates (RECs), complemented by ongoing efforts to reduce overall energy demand.

In 2025, renewable electricity accounted for 70.7 percent of our total energy consumption[11], demonstrating steady progress toward our 2030 objective of sourcing energy entirely from renewable sources. All offices under operational control in India achieved 100 percent renewable supply through rooftop solar panels and RECs. Our sites in Vienna, Oslo, Cluj, Munich and Frankfurt also operated largely or entirely on renewable energy. These measures resulted in a market-based Scope 2 footprint of 267.2 tCO_2e, which is approximately 91 percent lower than the location-based result.

Our environmental management system is ISO 14001:2015 certified and guides global offices in optimizing energy use through infrastructure and process improvements. We seek to enforce best practices of sustainable energy management across offices and to prioritize sustainable or certified green buildings. The Gurugram office is the largest office location and accounts for our highest building-related emissions. Accordingly, several strategic sustainability initiatives are implemented at this site. These include green building features such as motion sensor lighting in meeting rooms and work areas, a dynamic seating plan to optimize space and energy use, and a high efficiency dual-fluid cooling system that controls the temperature in the on-premises data center, designed to improve energy performance.

[11] Total electricity consumption includes on-site power generation and purchased electricity.

In 2025, we achieved additional third-party green building certifications across several office locations. Our Cluj office in Romania has a BREEAM rating of "Outstanding", the highest possible classification under the BREEAM sustainable building certification system. Our Bucharest office holds LEED Platinum certification and in China, our office in Beijing is LEED Platinum certified. In India, our Bangalore office holds WELL Building Standard certification. 55 percent of our total office space and 67 percent of our office space within operational control is in certified green buildings.

Sustainable IT infrastructure

Digital infrastructure is central to our business and a key focus of decarbonization efforts. By modernizing IT operations, we aim to minimize both operational and embodied emissions while maintaining efficiency and reliability. Changes to our product and service portfolio have been incorporated through the Eco-Digital Engineering strategy. While broader in scope, the strategy aligns with the decarbonization theme of sustainable IT Infrastructure and includes the delivery of efficient and sustainable IT services. A large share of Nagarro's data is stored in the cloud, allowing us to benefit from the energy efficiency measures and renewable energy sourcing commitments of global cloud providers. A smaller proportion of data remains in on-premises data centers, where we continue to improve energy management and system efficiency.

In 2025, Nagarro advanced its data-center sustainability efforts by strengthening data life-cycle management and improving infrastructure efficiency through optimized storage practices that reduced unnecessary data and associated energy use. Continuous monitoring, cloud-optimization measures and the adoption of energy-efficient hardware and serverless architectures further reduced energy demand while maintaining performance. Across global data-center operations, 78.4 percent of energy consumed was from renewable sources. Power Usage Effectiveness (PUE) values in 2025 were 1.95 at the Cluj data center and 1.08 at Brasov.[12] The data center at the Gurugram campus has a dual-fluid cooling system designed to improve energy performance.

These activities inform the Sustainable IT Infrastructure lever of our climate actions. We aim to implement strategic initiatives that can be applied globally to reduce energy consumption and improve operational efficiency.

To enhance the environmental benefits of cloud computing, we aim to prioritize providers powered by renewable energy. Data center operations in Munich and Frankfurt are powered 100 percent by renewable electricity and our data center in Cluj is located in a building that is 100 percent powered by renewable energy. Future actions may include integrating sustainability requirements (e.g., EPEAT or ENERGY STAR certifications) into the Sustainable Procurement Policy, selecting energy- and carbon-efficient IT assets, extending device lifespans through reuse and refurbishment programs and modernizing computing environments through virtualization and sustainable cloud migration.

Mobility and business travel

As a global company, collaboration across teams and locations is essential to our business. While virtual tools have reduced the need for travel, in-person engagements remain an important part of building partnerships and delivering value to clients. To balance these needs, we promote responsible business travel and low-carbon commuting across regions with the following policies and actions.

To reduce travel-related emissions, we prioritize limiting travel to essential trips and supporting low-carbon commuting options, such as public transportation, electric vehicles, and workplace charging. This approach is intended to apply globally but is currently only defined in our Business Travel Policy for India[13]. We also aim to authorize only essential trips through an approval-based system. This framework helps to ensure that travel adds measurable business value while avoiding unnecessary trips. A review of total travel emissions indicated that the policy for India, which restricts air travel for distances under 500 km, has contributed to emission reductions. To achieve further decarbonization, a combination of employee engagement, policy adjustments and expanded low-carbon land-based travel options is required. Additional measures are being explored, particularly in regions with higher volumes of business travel.

We have expanded initiatives that enable convenient and sustainable commute. Electric vehicle charging stations are available at several global offices to support their use. In India, higher reimbursement rates are offered to employees who choose electric vehicles for intercity business travel. In 2025, colleagues were further incentivized to use public transportation, cycling or electric vehicles for commute by offering subsidized transit passes, bike-leasing programs and EV-charging infrastructure in several European offices. In Austria, colleagues can lease bicycles and electric vehicles. Currently, 48 percent of leased company cars in Austria are fully electric, supported by on-site charging infrastructure. In Norway, limited parking availability and subsidized public-transportation passes have contributed to increased use of low-carbon commuting options. The objective is to make sustainable mobility a convenient option across locations. At the Gurugram location, shuttle services connected to

[12] PUE is calculated using the electricity consumed for IT compute operations, excluding auxiliary loads such as cooling and lighting. For the Romanian data centers in Cluj and Brașov, total electricity consumption is measured through the main facility meter. Cooling consumption is recorded through a dedicated cooling meter in Cluj, while for Brașov it is estimated using the monthly average consumption derived from the technical specifications of the cooling equipment. As lighting is not separately metered, its consumption is estimated at three percent of total data center electricity use based on industry benchmark sources. This assumption is applied consistently when estimating auxiliary loads for PUE calculation and will be refined if additional sub-metering becomes available.

[13] For more information, refer to the Policy overview in the Appendix.

public transportation were introduced for last-mile connectivity and to encourage low-carbon commute. Additionally, a feature was introduced that enables the dedicated internal travel management team to inform colleagues about the carbon footprint of available air travel options, thereby supporting more carbon-aware travel decisions in 2025.

Sustainable procurement

A large portion of Nagarro's emissions occurs in the value chain, primarily through purchased goods and services such as IT hardware, office infrastructure, and digital platforms (see "Our GHG Emissions Footprint"). Engaging suppliers is therefore essential to achieving the Scope 3 emission reduction target. The approach to sustainable procurement is defined in the Sustainable Procurement Policy. This policy integrates environmental and social criteria into procurement decisions and supplier evaluations, with a focus on GHG emission management, energy efficiency, renewable energy sourcing, and ethical conduct. The policy is complemented by Nagarro's Code of Conduct for Supplier Partners, which outlines our expectations regarding human rights, labor conditions, environmental management, and anti-corruption. Suppliers exceeding a defined threshold are required to acknowledge and endorse this code as part of the onboarding process. Together, these instruments aim to integrate responsible business conduct throughout the value chain and are reinforced by the principles set out in the Declaration of Principles for the Protection of Human Rights and the Environment.[14]

To support the Scope 3 GHG reduction target and operationalize the commitments of the Sustainable Procurement Policy, the Sustainable Procurement Program was enhanced in 2025, through the introduction of a mandatory sustainability onboarding form for new suppliers exceeding the defined threshold. In addition, a sustainability questionnaire was rolled out for identified key suppliers. Together, the sustainability questionnaires intend to collect information related to environmental management systems, certifications and sustainability practices of suppliers. The resulting data supports supplier benchmarking and the identification of long-term engagement priorities. The objective is to achieve that 25 percent of supplier spending, including purchased goods, services, and capital goods, is associated with validated SBTi targets by 2029. Governance mechanisms and KPIs have been established to monitor progress. In line with the Sustainable Procurement Policy, products and services with recognized sustainability certifications (e.g., Energy Star, TCO, FSC, and Blue Angel) continued to be prioritized in 2025. This approach is intended to support reductions in embedded emissions from procured goods and services.

Our GHG emissions footprint

In recent years, we have prioritized improving the quality and transparency of emissions data and raising awareness of the climate impacts of our operations. Data coverage has been expanded to meet the requirements of the GHG Protocol. Emissions are reported in line with the GHG Protocol Corporate Standard (operational control approach), covering Scope 1 (direct), Scope 2 (energy-indirect) and upstream Scope 3 categories (other indirect). This is consistent with defined inventory boundaries and the base year used for target setting. Scope 2 emissions are reported using both the market-based and location-based methods to reflect our renewable electricity sourcing strategy.

[14] For more information on both policies, refer to the Policy overview in the Appendix.

Nagarro's GHG profile presented below reflects our asset-light, service-based operating model and high reliance on electricity and travel. The GHG inventory highlights where emissions occur and seeks to inform our actions to reduce them. Building on these insights, measures are being implemented under the decarbonization plan.

Category	Base year 2023 (tCO2e)	<Comparative 2024> (tCO2e)	Reporting year 2025 (N) (tCO2e)	Change from 2024 to 2025 [%]	Target year 2033/change of tCO2e to base year in %	Target year 2050/ change of tCO2e to base year in %
Scope 1 GHG emissions						
Gross Scope 1 GHG emissions (tCO2e)	167.4	142.1	65.6	-53.8%	-55.0%	-97.0%
Diesel	85.7	127.5	65.6	-48.5%	-	-
Natural gas	81.7	14.6	0.0	-100.0%	-	-
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0.0	0.0	0.0	0.0%	-	-
Scope 2 GHG emissions						
Gross location-based Scope 2 GHG emissions (tCO2e)	2,200.4	2,216.4	3,034.1	36.9%	-	-
Cooling	30.8	35.8	67.1	87.4%	-	-
Grid electricity	2,139.6	2,132.5	2,903.8	36.2%	-	-
Heat	30.0	48.1	63.2	31.4%	-	-
Gross market-based Scope 2 GHG emissions (tCO2e)	2,190.2	313.0	267.2	-14.6%	100% renewable by 2030	100% renewable by 2030
Scope 3 GHG emissions						
Total gross indirect Scope 3 GHG emissions (tCO_2e)	32,939.5	39,023.4	33,926.7	-13.1%	-	-
Scope 3 GHG intensity per unit operating profit*[1] (tCO2e per mEUR)	42.2	45.9	41.1	-10.5%	-61.1%	-97.0%
1 Purchased goods and services	2,766.4	3,983.4	3,465.6	-13.0%	-	-
2 Capital goods	2,043.3	1,985.5	2,466.8	24.2%	-	-
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	654.5	702.7	542.0	-22.9%	-	-
4 Upstream transportation and distribution	143.8	175.6	101.9	-42.0%	-	-
5 Waste generated in operations	3.2	13.5	5.1	-62.2%	-	-
6 Business travel	15,964.0	21,243.6	16,807.5	-20.9%	-	-
Optional: accommodation	4,713.1	4,463.8	3,451.6	-22.7%	-	-
7 Employee commuting	1,530.0	1,535.9	1,424.9	-7.2%	-	-
Optional: work from home	4,803.2	4,529.0	4,763.8	5.2%	-	-
8 Upstream leased assets	318.0	390.4	897.6	129.9%	-	-
Total GHG emissions						
Total GHG emissions (location-based) (tCO2e)	35,307.3	41,381.9	37,026.4	-10.5%	-	-
Total GHG emissions (market-based) (tCO2e)	35,297.1	39,478.5	34,259.5	-13.2%	-	-

*[1] The operating profit is calculated as the sum of EBITDA and staff costs. For 2025, the operating profit sums up to 824.96 mEUR. Further details are available in the section Gross margin and adjusted EBITDA under Section A.III.B. Business performance for 2025.

The figures represent gross GHG emissions and do not include any offsets, removals or avoided emissions. The reporting of Scope 1 and Scope 2 gross GHG emissions follows the same consolidation scope as the consolidated financial statements. Nagarro does not have any biogenic CO_2 emissions.

The following table shows the GHG intensity per net revenue in 2025. It is calculated by dividing the total market-based/location-based emissions (numerator) by the net revenue of 2025 in million Euro (denominator):

GHG intensity per net revenue	Unit	<2024>	2025
Total GHG emissions (location-based) per net revenue	tCO_2e/mEUR	42.6	37.1
Total GHG emissions (market-based) per net revenue	tCO_2e/mEUR	40.6	34.3
Per colleague	tCO_2e	2.3	2
Net revenue (used to calculate GHG intensity and total net revenue in financial statement)	-	-	EUR 999.3 million

Methodological details for GHG emissions

GHG data are compiled annually by the Corporate Sustainability team and energy consumption data is verified through quarterly internal audits. Emission factors are updated once per year from recognized international sources. No external validation by an independent auditing body was conducted in 2025. The organizational boundary, data-collection procedures and calculation methods are elaborated in the methodology section below and documented in our internal GHG Accounting Management Document.

General parameters and data sources [ESRS 2 MDR-M]

This section provides detailed methodological information supporting Nagarro's disclosure of gross greenhouse-gas (GHG) emissions in accordance with ESRS E1-6. All parameters, data sources and organizational boundaries are aligned with our internal GHG Accounting Management Document and the GHG Protocol Corporate Standard.

GHG scopes: Emissions are disclosed for Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from purchased electricity, heat, steam and cooling, reported on both a location-based and market-based approach) and Scope 3 (indirect value-chain emissions, upstream categories). Scope 3 Category 11 (Use of sold products) is currently not included, as emissions related to software use depend on customer-specific usage patterns and the underlying data remain with customers.

GHG emissions: Reported GHGs include CO_2, CH_4, N_2O, NF_3, SF_6 and HFCs, converted to CO_2-equivalents using 100-year global-warming-potential (GWP) factors from the IPCC Sixth Assessment Report (AR6).

Scope 2 methodology: Location-based emissions use national grid factors. Market-based emissions reflect supplier-specific or contractual residual-mix factors, including renewable-energy certificates (RECs) and power-purchase agreements (PPAs).

Data sources: Primary activity data are derived from supplier invoices, utility bills and meter readings. Additional sources include facility and travel records, procurement databases and supplier-specific product carbon footprint (PCF) data. Where direct data is unavailable, estimates are derived for example from office-area or spend-based models following the estimation guidance of our internal GHG Accounting Management Document. 41.2 percent of the GHG Scope 3 emissions were calculated using primary data.

Quality control: Nagarro's quality assurance and business process consulting group aims to ensure excellence through process compliance and continuous improvement of the sustainability program. This team verifies sustainability data at defined intervals—such as quarterly for environmental KPIs—applying the four-eyes principle to uphold data integrity and reporting quality. Additionally, it also plays a key role in developing and refining sustainability policies and processes, driving alignment with our broader organizational goals. Data is verified through quarterly internal audits. Emission and conversion factors from recognized international sources such as DEFRA, IEA and AIB are used. They are reviewed and updated annually. All GHG data are consistent with the organizational boundaries and methodologies used for energy reporting under ESRS E1-5 §37. For 2024, independent assurance of sustainability data was conducted by TÜV SÜD.

Calculation approach	
Scope 1 – Direct emissions*[1]	Quarterly diesel and natural gas used in generator sets are collected from office contacts, converted to kilowatt-hours with standard fuel-to-energy ratios and multiplied by year-specific emission factors (DEFRA) before aggregating across sites. Fugitive emissions from refrigerants are considered applicable. However, during the reporting year 2025, no refrigerant recharging or servicing activities were recorded, and therefore no fugitive emissions are reported this year.
Scope 2 – Indirect energy emissions (location-based)	Country-level electricity consumed in offices and data centers, including heating and cooling where applicable, is multiplied by the corresponding national grid emission factor and consolidated into the total; purchased heating energy, where relevant, follows the same calculation approach as Scope 1 for combustion.
Scope 2 – Indirect energy emissions (market-based)	The same electricity activity data are paired with supplier- or market-based emission factors that reflect contractual instruments, and the resulting emissions are reported alongside the location-based figure. For the European region, the AIB residual mix factor is applied, while for geographies where market-based emission factors are not available, national grid emission factors are used. Purchased natural gas or heating energy, where relevant, follows the same calculation methodology as Scope 1 combustion.
Scope 3 – Value-chain emissions	Scope 3 categories are calculated in line with the GHG Protocol Corporate Value Chain (Standard):
Category 1 – Purchased goods and services	Laptops: Laptop procurement is mapped to manufacturer-specific product carbon footprints covering at least 90% of the procured quantity to derive a weighted average manufacturing emission factor; For the remaining spend without model-specific data, an emissions-to-spend factor is derived from the activity-based dataset by dividing the calculated activity-based emissions by the corresponding spend. This factor is subsequently applied to the residual spend not covered by product-specific data.
	Non-laptop IT assets: Each IT subcategory uses a tiered hierarchy—direct product footprints from manufacturers when available, extrapolation from partial datasets, weight-based embodied factors when product data are absent and United States Environmentally Extended Input-Output (US EEIO) spend-based factors for service-like items, with emission factors refreshed on a three-year cycle.
	Software and cloud services: Annual spend on software and cloud services is multiplied by a United States Environmentally Extended Input-Output (US EEIO) spend-based emission factor (category: software publishing).
	Other purchased goods and services: Finance-flagged spend (e.g., legal, advertising, maintenance, supplies, entertainment, accounting, insurance, postal) is multiplied by appropriate category specific US EEIO spend-based factors.
Category 2 – Capital goods	Spend on property, plant and equipment, intangible assets and right-of-use assets is multiplied by relevant spend-based factors and aggregated to represent the category, using US EEIO-derived factors.
Category 3 – Fuel and energy-related activities	Upstream emissions of purchased fuels are calculated by converting diesel and natural gas to kilowatt-hours and multiplying by well-to-tank by using year-specific DEFRA factors; transmission and distribution losses are calculated by applying World bank country loss factors data set to purchased electricity; upstream emissions of purchased electricity are calculated with upstream lifecycle factors that exclude generation emissions already counted in Scope 2, consistent with GHG Protocol guidance and supported by the IEA upstream lifecycle database (e.g., 2022 global figures of approximately 462 gCO2e/kWh at generation and 82 gCO2e/kWh upstream).
Category 4 – Upstream transportation and distribution	For IT assets, supplier transport and distribution data from product footprints are used where available, with gaps filled using year-specific DEFRA well-to-tank factors; for office supplies and maintenance, transport activity is estimated using life-cycle assessments and combined with year-specific DEFRA well-to-tank factors to quantify emissions, consistent with accepted fuel-/ distance-/spend-based methods.
Category 5 – Waste generated in operations	Quarterly quantities for hazardous, sanitary, dry plastics and paper, mixed dry, organic, and mixed waste streams are multiplied by disposal-route emission factors appropriate to each country, sourced from year-specific DEFRA emission factors, and summed to the category total.
Category 6 – Business travel	Air travel activity-based: Distance-based flight records are multiplied by year-specific DEFRA average passenger-kilometer factors for 2023 and economy class passenger-kilometer factors for subsequent years, including well-to-tank and tank-to-wheel components and summed by itinerary; when distance data are missing, a derived emissions-to-spend ratio from known flights is applied to residual spend while maintaining WTT/TTW coverage.
	Event-based travel: For large internal events, employees provide travel mode and origin; distances are calculated (e.g., haversine) and adjusted by mode multipliers (1.27 times for road and 1.2 times for railways); different travel mode-specific factors (referred from DEFRA) are applied to derive the event total emissions.
	Land and train travel: Quarterly bookings and reimbursements for cabs, metro and trains are multiplied by distance-based factors (DEFRA) representing tank-to-wheel emissions; ride-hailing spend is converted using the provider's emissions-to-revenue ratio with well-to-tank (DEFRA) additions.
	Spend-based: Remaining travel costs lacking itemized records are multiplied by a derived spend-based factor built from known emissions–cost relationships to complete the inventory.

Category 6 – optional: Business travel accommodation	Accommodation emissions are calculated by multiplying booked room nights by country and year specific DEFRA hotel stay factors; when booking records are unavailable, a spend-based estimate allocates a share of travel spend to hotels using a ratio derived from activity data and applies an emissions-to-spend factor; for large events, accommodation is estimated by multiplying the number of traveling employees by a standard two-night assumption and the relevant DEFRA hotel stay factor.
Category 7 – Employee commuting	Timesheet attendance identifies commuting instances; an average round-trip distance per commuting day is applied and combined well-to-tank and tank-to-wheel year-specific DEFRA factors for a representative vehicle are used to quantify emissions.
Category 7 – optional: Work from home	Remote work activity is identified through timesheet entries recorded outside of office locations and converted into standard full-time equivalent workdays. The home energy use attributable to an eight-hour workday is then estimated using the International Energy Agency's (IEA) per capita energy consumption data for the relevant country. This energy consumption is multiplied by location-specific emission factors, with the latest IEA emissions factors (2023) applied, before being aggregated into the total.
Category 8 – Upstream leased assets	Comprises offices that are not under direct operational control (often coworking). For locations where energy data is available, market-based emissions are applied reflecting the use of supplier-specific data. Where energy data is not available or embedded in rent, electricity use is estimated. This is done using regional kilowatt-hour-per-seat averages from the energy data used for Scope 2 calculations, multiplied by the national grid emission factor and included in the total.
Category 9 – Downstream transportation and distribution	Not applicable, as IT services do not involve physical product distribution downstream of operations.
Category 10 – Processing of sold products	Not applicable, since IT services do not require physical processing before use.
Category 11 – Use of sold products)	Not included at this stage, as the relevant data is currently not available and remains in customer or supplier environments. It is not directly measurable by Nagarro, and there is currently no widely accepted methodology to quantify software-related use-phase emissions. Nagarro is currently evaluating if this category is relevant for future reporting according to the GHG Protocol.
Category 12 – End-of-life treatment of sold products	Not applicable for software solutions that do not create physical waste streams for disposal.
Category 13 – Downstream leased assets	Not applicable, since no assets are leased to clients/customers.
Category 14 – Franchises	Not applicable, as the company does not operate a franchise model.
Category 15 – Investments	Not applicable, due to the absence of significant financial holdings or subsidiaries outside the core business that would trigger investment category accounting under the GHG Protocol.

*[1] Emissions from Nagarro's leased vehicle fleet are currently under review to determine whether they should be classified under Scope 1.

Restatement of Business Travel Emissions (Scope 3 – Category 6)

During the preparation of the 2025 sustainability report, Nagarro identified a calculation inconsistency related to business travel (Scope 3, Category 6). The issue related to the application of emission factors to recorded travel activity data, resulting in an understatement of previously reported emissions. The error affected previously reported figures for the 2023 base year and the 2024 reporting year. Business travel emissions have therefore been recalculated for 2023 and 2024.

Category	Unit	2023 Before	2023 After	2024 Before	2024 After
Business Travel	tCO_2e	10,381.50	15,964.04	13,576.50	21,243.59
Business Travel (Accommodation)	tCO_2e	4,649.30	4,713.10	4,398.50	4,463.82

As business travel emissions are included in total Scope 3 and total GHG emissions, consolidated emissions figures for the respective years have been updated accordingly. Comparative information has been restated to ensure consistency and comparability across reporting periods in accordance with ESRS 1. The recalculation also affects the 2023 baseline used to measure progress against Nagarro's emissions reduction targets. The restatement does not change the ambition level of Nagarro's targets but adjusts the reported progress accordingly.

Recalculations and methodological changes: During the reporting period, no material changes occurred in the definition of the reporting undertaking. The organizational boundary for GHG reporting continues to cover all consolidated legal entities under operational control in line with the financial reporting perimeter. The value-chain boundary remains consistent with that of the previous reporting period. Scope 3 categories follow the same methodological coverage (Categories 1, 3, 4, 5, 6, 7, and 8 — with partial data for Categories 1, 4, and 8). An exception relates to the correction of a calculation error in Scope 3 Category 6 (Business Travel), as described above. Apart from this restatement, no material boundary or methodological changes occurred. Updates to calculation methodologies, emission factors, or identified calculation errors are applied retrospectively to

the 2023 base year to ensure comparability over time. Material boundary or methodological changes exceeding ± 5 percent trigger formal recalculation and disclosure in subsequent reporting periods.

Consistency and documentation: All methodological details, data sources, and estimation models are documented in Nagarro's GHG Accounting Management Document maintained by the Global Sustainability Team. This document aims to ensure traceability and alignment with ESRS methodological principles and internal quality control procedures.

b. Eco-digital engineering

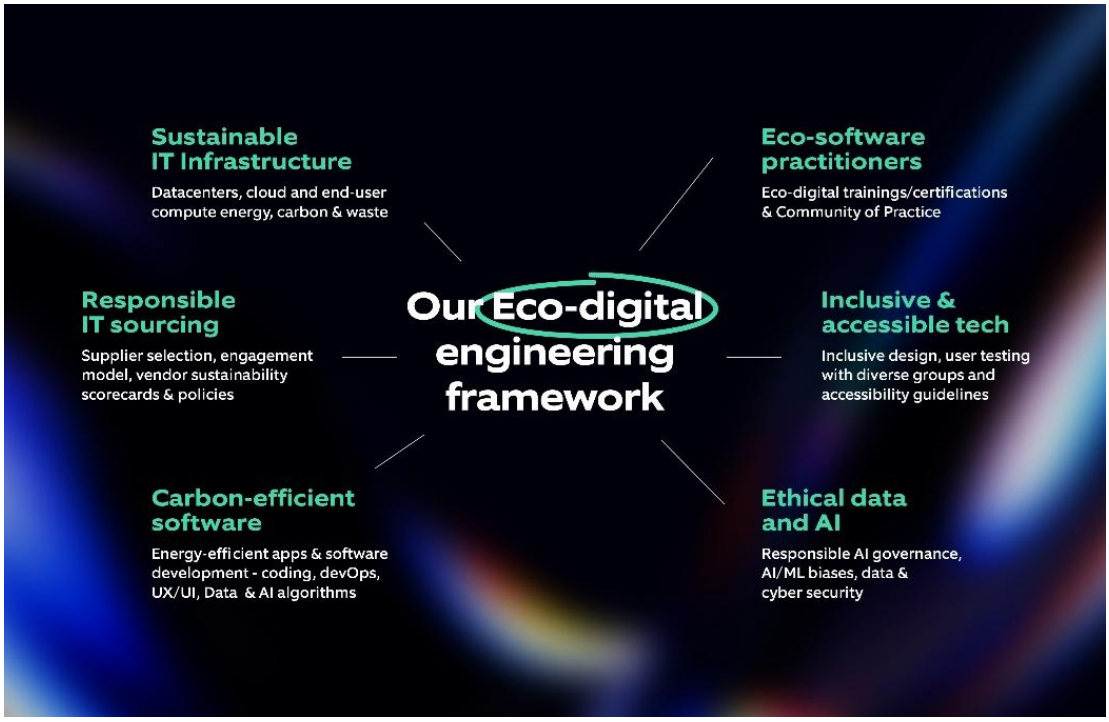
As digital systems become increasingly embedded in business and society, their environmental footprint continues to grow. Data centers, cloud architectures, networks and end-user devices all contribute to rising energy consumption and associated emissions. At the same time, well-designed digital systems have the potential to reduce environmental impacts—both within our own operations and across the client environments in which our solutions are deployed.

Thus, eco-digital engineering emerged as a Nagarro-specific material topic from our DMA. This reflects both the nature of our business model and the special role we play in developing digital solutions. Although impacts arise from upstream activities, the environmental consequences of our engineering choices occur mainly downstream—in the systems we build and maintain for clients. There is no industry-wide standard available to measure these emissions yet. Hence, they are not currently included in our GHG accounts. We address them separately, however, there may be synergies with other climate-related initiatives.

For us, eco-digital engineering is inherently strategic. Digital engineering forms the core of our services, and the decisions made during design, deployment and operation shape the environmental performance of the systems we build. By advancing sustainable engineering practices, we aim to support more energy-efficient architecture, cloud practices and development processes. This is intended to help reduce energy consumption and related emissions across the IT value chain.

Our eco-digital engineering framework

At Nagarro, eco-digital assessments are designed to identify opportunities to improve energy efficiency and sustainability throughout the lifecycle, including cloud infrastructure optimization, code efficiency, system maintenance, and software longevity. Within our broader business strategy, eco-digital engineering supports Nagarro's ambition to combine deep



engineering expertise with responsible innovation. It informs how we evolve our service portfolio, enhance service quality and intend to empower our teams to design high-performing and environmentally responsible software solutions. These considerations are part of a broader approach aimed at minimizing environmental impact while maintaining service quality and operational excellence. Our *eco-digital engineering framework* outlines digital engineering dimensions we consider most relevant to improving software sustainability. By embedding these principles into project design and delivery, we aim to align sustainability with the value we create for clients.

A significant share of the technology sector's carbon footprint results from inefficient IT asset management and procurement practices. Nagarro operates a limited number of data centers due to its strong reliance on cloud computing. Yet, we aim to optimize both data center operations and cloud usage by applying GreenOps principles, prioritizing regions powered

by renewable energy, improving resource efficiency and leveraging sustainability dashboards to support emissions monitoring.

Beyond internal operations, we intend to embed sustainability into delivery of digital services. To develop carbon-efficient software solutions, we aim to address sustainability debt through a "Sustainability by Design" approach. This includes making the code more efficient, applying energy profiling and integrating environmental considerations across the entire IT lifecycle. This approach is supported by a software sustainability maturity assessment tool and a complementary Sustainability by Design handbook, which provide structured guidance to project teams. We are integrating these tools into our Engineering Excellence framework to help embed sustainability practices more consistently across projects and client engagements.

Governance and stakeholder engagement

Eco-digital engineering is regularly discussed with the Sustainability Advisory Group. Key stakeholders are kept informed through established reporting channels on a monthly basis. These updates outline ongoing initiatives, progress toward building a roadmap, and relevant sustainability best practices. They also reference associated metrics, such as energy optimization measures and estimated carbon reductions from selected interventions. The Supervisory Board receives an annual overview of sustainability efforts, including developments in eco-digital engineering, its strategic alignment and insights from internal stakeholder engagement. Public disclosures include further details related to eco-digital engineering strategies, infrastructure and software optimization measures, and capacity-building efforts, including participation in related training programs.

Nagarro's eco-digital engineering framework is shaped through ongoing engagement with engineering and business development colleagues. This approach aims to ensure alignment with the interests of relevant stakeholder groups and keeps the strategy responsive to sustainability considerations across digital service delivery. Client engagement plays an important role: eco-digital assessments when conducted at the beginning of projects help clarify sustainability objectives and identify opportunities to reduce energy consumption and emissions within client environments. Throughout the service lifecycle, feedback supports the development of solutions aligned with client priorities. Work is underway on a project-level carbon dashboard intended to enhance transparency regarding the environmental performance of digital services. Colleagues contribute through internal knowledge-sharing platforms, strengthening internal capabilities and supporting continuous improvement. Over time, insights from client surveys, internal retrospectives and governance discussions are expected to further refine the eco-digital engineering framework.

Our progress

We aim to continuously expand our eco-digital offerings to mitigate the long-term environmental impacts of software solutions. To build the required internal capabilities, we plan to train 4,000 colleagues group-wide in eco-digital practices through the NagarroU platform by 2027[15]. While there is no specific policy dedicated exclusively to eco-digital engineering, this target supports our broader objective of embedding sustainability principles across all engineering activities and improving the environmental performance of client solutions. The training programs, comprised of two learning pathways, are delivered via NagarroU and communicated through internal channels.

In 2025, the number of internally certified eco-digital engineers increased from 1501 in 2024 to 1992. To achieve our target, we focus on expanding our learning capacity and improving training content. No significant operational expenditure was incurred in connection with the training activities.

The two learning pathways are designed to provide flexibility and ease of learning: one offers a concise introductory course covering key concepts of sustainable software engineering practices, while the other provides a more comprehensive, learning opportunity, including energy-efficient software, sustainable cloud usage and eco-friendly IT architecture. The training programs are intended primarily for roles with the highest influence on digital impact, such as software engineers, solution architects and product owners. By learning eco-digital methods, employees can reduce the energy use and emissions of applications, data centers and cloud environments in client projects and internal systems. At present, the number of participants in eco-digital engineering training is the sole metric used to track our progress in mitigating the downstream impact of software energy intensity.

Upon completion of either learning pathways, participants undertake a level-up assessment to validate the knowledge acquired and receive a badge if successful. It is subsequently recorded in the learning management system and reflected in the centralized learning dashboard. Hence, the reported metric reflects the number of colleagues who successfully complete at least one of the training programs. As the eco-digital engineering program is still in an early stage of maturity, our current priority is to build broad awareness and capability across the engineering community while continuing to refine the framework. We aim to identify concrete actions that can deliver measurable improvements—such as reductions in GHG emissions— so that the program's effectiveness and sustainability progress within projects can be more systematically assessed. The validity of the

[15] The baseline year for this target is 2023 with zero engineers trained in eco-digital engineering practices to start with. The target has been developed by taking a percentage (25%) of the current professionals. It takes guidance from SDG 12 (Sustainable consumption and production) but no other internal policy goals and it has a rather indirect impact by creating digital solutions. It does not meet any conclusive scientific evidence and neither the target nor any corresponding metric, assumptions, limitations, sources or data collection processes have been changed. Stakeholders from the corporate sustainability team and business were involved in setting the target to understand the business value addition of the target.

badges gained after training has not yet been formally defined, and the training content has not yet been externally validated.

To support the broader adoption of eco-digital practices, we introduced a comprehensive eco-digital assessment toolkit for select projects in 2025. The toolkit enables teams to review their engineering approaches and identify opportunities to improve energy-efficiency and sustainability across the value chain. In addition, we launched a simplified Microsoft Forms-based questionnaire that allows project teams to indicate whether eco-digital measures are being applied. This mechanism is being implemented in a phased manner, with completion expected in 2026 and integration into standard operational processes planned from 2027 onward.

c. EU Taxonomy Report

The EU Taxonomy is a key pillar of the EU Sustainable Finance Action Plan and supports the objectives of the European Green Deal by providing a practical framework to steer the transition toward a more sustainable, resource-efficient and climate-resilient economy. It establishes a standardized classification system for economic activities, to enhance transparency regarding environmentally sustainable business practices and to support investors, companies and policymakers in their decision-making processes. By defining the criteria under which economic activities can be considered environmentally sustainable, the EU Taxonomy aims to redirect capital flows toward projects and sectors that support the transition to a climate-neutral, and resource-efficient economy. In this context, activities are evaluated based on their substantial contribution to one or more of the following six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

Under the EU Taxonomy, companies are required to report on taxonomy eligibility and taxonomy alignment. An economic activity is considered taxonomy-eligible if it is listed among the activities described in the EU Taxonomy Delegated Acts (e.g., the Climate Delegated or the Environmental Delegated Acts). An activity is considered taxonomy-aligned if it makes a substantial contribution to one or more of the environmental objectives without doing significant harm to any other environmental objectives at the same time and adheres to the Minimum Safeguards (MS) related to social and governance standards.

Nagarro's reporting requirements under the EU Taxonomy

Under Article 29a of Directive 2013/34/EU (Accounting Directive), Nagarro is subject to the reporting requirements of Article 8 of Regulation (EU) 2020/852 (the EU Taxonomy Regulation). Accordingly, Nagarro reports on taxonomy eligibility and taxonomy alignment for all six environmental objectives. The corporate taxonomy reporting was originally linked to the Non-Financial Reporting Directive (NFRD). The Corporate Sustainability Reporting Directive (CSRD), intended to replace the NFRD, requires companies to disclose Taxonomy-related information in accordance with Regulation (EU) 2020/852.

The original CSRD was required to be transposed into national law and had been implemented by many EU Member States in 2024. However, the German Federal Government had not completed its transposition in 2024. Although the transposition of the CSRD into German national law was then anticipated for 2025 and a draft implementing law has been available since July 2025, it had not still completed the transposition by the end of 2025. As mentioned in the preceding sections, we have decided to continue reporting in accordance with the requirements of the NFRD for the 2025 financial year.

In 2025, the European Union introduced a set of simplification measures through the EU Omnibus Package with the aim of reducing the administrative burden associated with sustainability reporting requirements.

Under the Commission Delegated Regulation amending the EU Taxonomy Article 8 disclosure requirements as part of the Omnibus Package, the European Commission provides an option for undertakings to continue applying the original EU Taxonomy reporting requirements for financial years beginning between 1 January and 31 December 2025. Against this background, Nagarro decided to prepare its sustainability report for the 2025 financial year in line with the original EU Taxonomy reporting requirements and has not applied the optional simplification measures introduced under the Omnibus Package.

Past EU Taxonomy reporting

In previous years, Nagarro disclosed information on its economic activities under the EU Taxonomy as part of its NFRD reporting obligations.

Building on this, we launched a comprehensive taxonomy project in 2024. The Annual Report 2024 includes taxonomy disclosures for eligible activities, covering capital expenditures (CapEx), operating expenditures (OpEx) and turnover. These disclosures form the basis for the 2025 analysis.

Our focus in the 2025 taxonomy assessment process

In the 2025 financial year, we further enhanced the quality, robustness and consistency of our EU Taxonomy reporting. Building on the approach established in the previous reporting period, we refined internal procedures and controls to strengthen the overall assessment process and improve documentation quality. Compared to the previous reporting period, we did not identify any additional taxonomy-eligible activities and are not yet in a position to demonstrate taxonomy alignment. Nevertheless, achieving taxonomy alignment remains our ambition for future reporting periods.

Allocation of activities and taxonomy eligibility

Building on the experience gained over the past two years, we continued to apply and further refine the established processes introduced in the previous reporting cycle.

For the 2024 financial year, taxonomy-eligible activities were identified by using the activities already reported in the 2023 financial year and systematically screening Nagarro's activity portfolio against the Climate Delegated Act, the Complementary Climate Delegated Act, the Environmental Delegated Act as well as the amendments to the Climate Delegated Act. Experienced company representatives subsequently reviewed and validated the preliminary selection of activities that were potentially taxonomy-eligible. This process resulted in a consolidated list of relevant business activities for the 2024 reporting year.

In 2025, a comprehensive reassessment of all economic activities listed in the Taxonomy Delegated Acts indicated that no further activity could be included beyond the scope identified in the previous reporting period. In parallel, we conducted an assessment to map the identified activities to the relevant financial KPIs (turnover, CapEx, and OpEx). The prior year's KPI allocation served as the baseline, and no material changes were identified. During the current reporting period, particular emphasis was placed on strengthening data quality.

All identified activities can be assigned to the environmental objective of climate change mitigation. Through our digital engineering and consulting services, we enable our clients with the tools to improve their resource and energy efficiency. We therefore consider it appropriate to classify the eligible activities under the climate change mitigation objective.

We did not identify any taxonomy-eligible activities for the remaining five environmental objectives during this reporting period. However, it is possible that additional activities may qualify as taxonomy-eligible under other objectives in future assessments, given the broad scope and evolving nature of Nagarro's service portfolio.

The following activities were identified as taxonomy-eligible at Nagarro for the 2025 reporting year. All these activities are listed in Annex I of the Climate Delegated Act (Commission Delegated Regulation 2021/2139):

Code	Taxonomy-eligible economic activity	Description of the activity at Nagarro	Affected taxonomy KPI
		Nagarro ES GmbH operates data centers and provides hosting services to clients.	Turnover CapEx OpEx
8.1 CCM	Data processing, hosting and related activities	The cloud transformation program focused on migrating a client's on-premises applications and infrastructure to the cloud. Migrating from on-premises to the cloud improves power usage effectiveness, a measure of energy efficiency that results in lower GHG emissions. This project involves migrating to a complex IT landscape, including databases, applications and services, to the cloud.	Turnover
8.2 CCM	Data-driven solutions for GHG emissions reductions	Nagarro is supporting a client in developing a program designed to empower organizations to advance building-level sustainability through robust data management and analytics. This solution enables the efficient collection and integration of building performance data, facilitating cost and consumption analysis of energy, water and other key resources.	Turnover
6.5 CCM	Transport by motorbikes, passenger cars and light commercial vehicles	Nagarro maintains a vehicle fleet used for staff mobility and customer visits.	CapEx OpEx
7.7 CCM	Acquisition and ownership of buildings	Nagarro exercises economic ownership over buildings, or parts thereof, for use as offices through long-term leases (property plant equipment and right-of-use assets according to IFRS 16).	CapEx OpEx

Taxonomy alignment

In accordance with Article 3 of the EU Taxonomy Regulation (EU) 2020/852, an activity is considered taxonomy-aligned when all of the following conditions are met:

1.The activity makes a substantial contribution to at least one of the environmental objectives listed above.

2.The activity does no significant harm (DNSH criteria) to any of the other environmental objectives.

3. The activity complies with the minimum safeguards, which cover social and governance aspects such as respect for human rights, anti-bribery and anti-corruption, fair taxation and fair competition.

Currently, we prioritize the establishment of adequate and efficient processes to ensure consistent and comprehensive EU Taxonomy assessments. Consequently, we cannot demonstrate taxonomy alignment for the identified eligible activities for this reporting period. A risk-based approach to the alignment exercise showed that for the financial year 2025 the alignment criteria cannot yet be met for any of the taxonomy-eligible activities. While the Minimum Safeguards refer mostly to procedures that are implemented at company-level, the Technical Screening Criteria (TSC) ensure assessment at activity level. Particularly with regard to the TSC, due to the decentralized structure of the Nagarro Group and third-party dependency on data in many instances, we are unable to confirm that these technical criteria are met, and the necessary analyses have been carried out at the current time.

We have, however, implemented targeted measures in the current reporting cycle to strengthen the assessment process and enable a more robust evaluation against the technical screening criteria for each taxonomy-eligible activity. These improvements are intended to clarify the specific measures and governance mechanisms required to achieve taxonomy alignment across a growing number of activities over time.

Calculation methodologies

Within the framework of the EU Taxonomy, the monetary assessment of relevant business activities is based on three core financial metrics: turnover, CapEx, and OpEx. The following table provides an overview of items that are to be included in the calculation of the denominator of the respective key performance indicator (KPI) in accordance with the KPI definitions in Annex I, Section 1.1 of Delegated Regulation (EU) 2021/2178.

Turnover, capital expenditure (CapEx) and operational expenditure (OpEx) according to the EU Taxonomy

Turnover
Turnover from contracts with customers (IFRS 15)
Revenue from leases (IFRS 16)
Capital expenditure (CapEx)
Additions to property, plant and equipment (IAS 16)
Additions to investment property (IAS 40)
Additions to intangible assets (IAS 38)
Additions to right-of-use assets from leases (IFRS 16) excluding depreciation and revaluations including those from both impairment losses* and reversals of impairment losses
Additions in connection with the aforementioned assets from business combinations
Operating expenditure (OpEx)
Research and development expenses
Expenses for short-term or low-value leases
Expenses for building renovations and maintenance and repair measures for property, plant and equipment
Other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment

* This also applies to additions in accordance with IAS 16, IAS 40, IAS 38.

As Nagarro is an IT service provider, research and development costs play only a secondary role. There are no eligible activities related to R&D activities at Nagarro. However, all items listed in the table above are part of the denominator of the taxonomy KPI. Revenue from leases is aggregated under miscellaneous income in the financial statement 2025 (please refer to D.5.Other operating expenses of section B). There are no eligible activities related to this type of income. It is, however, part of the denominator of the turnover KPI. Nagarro had additions resulting from four business combinations amounting to EUR 7.87 million (please refer to F.1.Business combinations of section B); however, the CapEx corresponding to these business combinations are not connected to taxonomy-eligible activities. The corresponding CapEx and the turnover generated through the newly acquired entities are, however, included in the consolidated financial statements and therefore contribute to the taxonomy KPI denominator.

Avoidance of double counting

In accordance with Annex I, Section 1.2.2.1 of Delegated Regulation (EU) 2021/2178, double counting of amounts in the calculation of key figures across different economic activities was avoided through the direct allocation of amounts to the respective taxonomy-eligible business activities. Sales turnover from specific customer projects was allocated directly to the eligible activity in question. Turnover was verified to ensure that projects were considered only once, thereby avoiding double counting. Double counting of CapEx and OpEx was avoided due to the different nature of the economic activities with eligible CapEx and OpEx. For the calculation of the reportable KPI, it was not necessary to use an allocation key, as the existing financial structure permitted the direct allocation of amounts to eligible projects or segments within the company.

In line with Annex I, Section 1.2.2.2 of the same Regulation, double counting of amounts across multiple environmental objectives was prevented by assigning each amount to a single environmental objective under the EU Taxonomy. For the current reporting period, taxonomy eligibility was confirmed for only one environmental objective.

Taxonomy-eligible CapEx

In line with the EU Taxonomy definition (Annex I, Section 1.1.2 of Delegated Regulation (EU) 2021/2178), Nagarro's total CapEx includes additions to property, plant and equipment during the reporting period, in accordance with IAS 16; additions to investment property, in accordance with IAS 40; additions to intangible assets, in accordance with IAS 38; and additions to right-of-use assets from leases, in accordance with IFRS 16. These figures exclude depreciation, amortization, and re-measurements,

including those from revaluations and impairments. Total CapEx for the 2025 financial year amounts to EUR 66.36 million (please refer to C.1.Intangible assets, C.3.Property, plant and equipment, C.4.Right-of-use assets and lease liabilities of section B).

Taxonomy-eligible CapEx at Nagarro primarily originates from right-of-use assets under IFRS 16, particularly in relation to activity 7.7 *Acquisition and ownership of buildings*. As the Group's reporting framework is already based on IFRS standards, the share of taxonomy-eligible CapEx could be determined without any data adjustments. For Nagarro's activities in relation to buildings, the eligible share of CapEx corresponds with land and building-related additions to property, plant and equipment (please refer to C.3.Property, plant and equipment of section B) as well as land-use rights and building-related additions to right-of-use assets and lease liabilities (please refer to C.4.Right-of-use assets and lease liabilities of section B).

For activity 6.5 *Transport by motorbikes, passenger cars and light commercial vehicles*, data had to be compiled at a more granular level than disclosed in Nagarro's financial reports. The categories used in the financial statements do not distinguish right-of-use assets across categories such as hardware and vehicles. To identify the eligible share of CapEx corresponding to activity 6.5, it was necessary to review individual CapEx accounts relating to owned and right-of-use assets to identify those aligned with the activity description. In line with the KPI definition in Annex I, Section 1.1.2.2 of the Delegated Regulation (EU) 2021/2178, eligible CapEx related to buildings and vehicles is considered Type A, as it relates to assets that are directly associated with taxonomy-eligible activities.

CapEx for activity 8.1 *Data processing, hosting and related activities* stems from long-term leasing contracts regarding hardware necessary to keep the data centers running. This CapEx directly relates to taxonomy-eligible core business activities and is therefore equally considered CapEx type A in line with the KPI definition.

Total CapEx is included in the denominator of the investment-related key performance indicator, in accordance with Annex I, section 1.1.2.1 of Delegated Regulation (EU) 2021/2178. The increase in eligible CapEx for activity 6.5 Transport by motorbikes, passenger cars and light commercial vehicles compared to the previous reporting period is mainly due to a higher number of new vehicle leasing agreements during the 2025 reporting period. The increase in eligible CapEx for activity 7.7 Acquisition and ownership of buildings is due to the acquisition of a new office building in Gurgoan, India.

In addition to investments in taxonomy-aligned activities – such as machinery or production buildings – the numerator may also comprise investments aimed at expanding taxonomy-eligible activities or converting them into taxonomy-aligned ones within the scope of a CapEx plan, as outlined in Annex I, section 1.1.2.1 of the Regulation. However, none of the eligible KPIs are part of a CapEx plan as Nagarro currently does not have a CapEx plan in place.

The following table provides a quantitative breakdown at the level of individual economic activities of amounts in EUR million included in the numerator for the calculation of the respective CapEx KPI as required per Annex I, section 1.2.3.2.:

	Additions to Property, Plant, Equipment	Internally generated intangible assets	Investment properties acquired or recognized in the carrying amount	Capitalized right-of-use assets	Total eligible CapEx
CCM 7.7 Acquisition and ownership of buildings	0.05	Not applicable	Not applicable	37.8	37.85
CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles	0.04	Not applicable	Not applicable	4.72	4.76
CCM 8.1 Data processing, hosting and related activities	Not applicable	Not applicable	Not applicable	2.1	2.1

Taxonomy-eligible OpEx

At Nagarro, taxonomy-eligible OpEx covers maintenance and repair expenses, software and license fees, short-term leases necessary to perform taxonomy-eligible activities and other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment.

For activity 8.1 *Data processing, hosting and related activities*, taxonomy-eligible OpEx relates to the following categories: expenditures related to building refurbishment measures, short-term leases, maintenance & repairs as well as expenditures related to other day-to-day servicing of items of property, plant and equipment. Expenditures related to day-to-day servicing include expenses for licenses and software, expenses for network, communication and IT services, data hosting expenses as well as fees and subscriptions. The remaining eligible OpEx for this activity is made up of short-term rental costs for server rooms, hardware expenses and dismantling and repair expenses. As all these expenses directly relate to taxonomy-eligible core business activities, they are considered OpEx Type A in line with the KPI definition in Annex I, Section 1.1.3.2 of Delegated Regulation (EU) 2021/2178.

For activities that do not result in turnover for Nagarro, 7.7 *Acquisition and ownership of buildings* and 6.5 *Transport by motorbikes, passenger cars and light commercial vehicles*, taxonomy-eligible OpEx relates to short-term leases and rental payments for vehicles and real estate and maintenance costs. This share of eligible OpEx is considered Type A in line with the KPI definition relates to assets that are directly associated with taxonomy-eligible activities.

Services and activities of Nagarro in line with taxonomy-eligible activity CCM 8.2 *Data-driven solutions for GHG emissions reductions* do not result in eligible OpEx.

Nagarro's total operating expenditure, as defined by the EU Taxonomy (Annex I, Section 1.1.3 of Delegated Regulation (EU) 2021/2178), comprises expenses that cannot be capitalized under IFRS. The OpEx KPI typically excludes general overheads and personnel costs related to operating assets. The total operating expenditure makes up the denominator of the operating expenditure KPI and consists of expenses for short-term or low-value leases, upkeep and insurance costs, building renovations and maintenance and repair measures for property, plant and equipment as well as license, service and software fees and other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment. The part of the denominator relating to expenditures related to day-to-day servicing of items of property, plant and equipment stems from activity 8.1. This includes the expenditures listed in the paragraph of this section describing the numerator of eligible OpEx for activity 8.1.

The taxonomy-eligible share (numerator) is determined by the extent to which Nagarro's activities correspond to the activity descriptions in the Delegated Acts.

The numerator may also include expenditures that expand or convert taxonomy-eligible activities into taxonomy-aligned ones under a CapEx plan, as set out in Annex I, Section 1.1.3.2. However, none of the eligible KPIs are part of a CapEx plan as Nagarro currently does not have a CapEx plan in place.

Compared to the previous financial year, the relative share of operating expenditure reported as taxonomy-eligible has increased significantly. To a small extent, this is due to a shift in individual sums across individual accounts, particularly in relation to economic activity 8.1 *Data processing, hosting, and related activities*. At the same time, concrete measures were taken in the reporting year to improve data quality, such as an adjustment to the database for the denominator of the OpEx KPI. This resulted in the removal of some expenditures which, according to the definition in Delegated Regulation (EU) 2021/2178, may not be included in the OpEx KPI, such as insurance payments. The increase in the relative share of taxonomy-eligible OpEx is primarily due to this reduction of the OpEx denominator.

The following table provides a quantitative breakdown at the level of individual economic activities of the amounts in EUR million included in the numerator for the calculation of the respective OpEx KPI, as required under Annex I, Section 1.2.3.3.:

	Expenditures for research & development	Expenditures related to building refurbishment measures	Short-term leases	Maintenance & repairs	Expenditures related to other day-to-day servicing of items of property, plant and equipment	Total eligible OpEx
CCM 7.7 Acquisition and ownership of buildings	Not applicable	Not applicable	0.14	0.97*	Not applicable	1.11
CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Not applicable	Not applicable	0.13	2.63	Not applicable	2.76
CCM 8.1 Data processing, hosting and related activities	Not applicable	0.04	0.65	0.01	6.96	7.65

* For the break-up of eligible CapEx and OpEx amounts per category in these tabular forms, it was decided to display the individual financial figures using two decimals only. Therefore, rounding differences in comparison to the actual financial figures part of the financial reporting might occur. The total reported share of CapEx, OpEx and revenue as well as the total eligible share per economic activity was aligned with the financial reporting.

Taxonomy-eligible turnover

The assessment of taxonomy-eligible activities concluded that two of those activities currently generate turnover for Nagarro. Accordingly, the majority of Nagarro's turnover is taxonomy non-eligible (i.e., it is not yet within the scope of the EU Taxonomy Regulation or cannot yet be adequately allocated to eligible economic activities). Although a complete review of Nagarro's service portfolio has been conducted to identify taxonomy-eligible activities, further optimization to data collection and aggregation processes will be required in the future to improve the mapping of relevant Nagarro projects to eligible activities and expand the reporting of eligible and aligned revenue.

Turnover-generating eligible activities include 8.1 *Data processing, hosting and related activities* and 8.2 *Data-driven solutions for greenhouse gas emissions reductions*. For activity 8.1, eligibility was confirmed for data centers operated by Nagarro ES GmbH, enabling the direct identification of the project turnover associated with the data centers. In addition, turnover from one of Nagarro's projects with a global technology provider can also be assigned to this activity. The project focuses on migrating a large IT landscape to the cloud in an effort to enhance operational efficiency, scalability and sustainability, while reducing costs.

In addition to the two items reported as resulting in eligible turnover for the 2024 financial year, in the 2025 reporting period eligibility was confirmed for an another project: for activity 8.2 *Data-driven solutions for greenhouse gas emissions reductions*, eligibility was confirmed for a customer project which aims to empower organizations to advance building-level sustainability through robust data management and analytics The eligible turnover corresponding with both individual customer projects for financial year 2025 was identified through customer invoices without the need for further data adjustments.

Taxonomy-eligible turnover was determined in accordance with Annex I, section 1.1.1 of Delegated Regulation (EU) 2021/2178. The share of taxonomy-eligible turnover was calculated as the proportion of net turnover derived from services associated with eligible activities (numerator) divided by total consolidated net revenue in line with IAS 1.82(a) (denominator), amounting to €999.3 million in 2025 (please refer to D.1.Revenue of section B).

The numerator for the calculation of the turnover KPI consists of EUR 27.54 million relating to customer projects in relation to the data centers operated by Nagarro ES GmbH as well as EUR 0.66 million from an individual eligible customer projects under activity 8.1 *Data processing, hosting and related activities* and EUR 0.89 million from an individual customer project eligible under activity 8.2 *Data-driven solutions for greenhouse gas emissions reductions*. All eligible turnover for financial year 2025 stems from turnover through customer projects.

In the 2025 financial year, the proportion of taxonomy-eligible revenue at Nagarro remained largely unchanged. Total revenue rose slightly, and the absolute share of taxonomy-eligible turnover also increased slightly. For the 2025 financial year, a project in the field of building sustainability was confirmed as taxonomy-eligible for the first time for economic activity 8.2 *Data-driven solutions for greenhouse gas emissions reductions*. At the same time, a review of the taxonomy process showed that the project for the migration of a large IT landscape, which was previously reported under activity 8.2, should better be classified under activity 8.1 *Data processing, hosting and related activities.* This results in a slight shift in revenue reported as eligible across the different activities but is not significantly reflected in changed proportions of taxonomy eligibility.

Taxonomy reporting tables

Turnover KPI

Template: Proportion of turnover from products or services associated with Taxonomy-aligned or -eligible economic activities

Financial Year 2025				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of turnover, year 2025 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned (A.1) or taxonomy eligible (A.2) proportion of turnover year 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
		€ Million	*%*	*Y;N; N/EL*	*Y;N; N/EL*	*Y;N; N/EL*	*Y;N; N/EL*	*Y;N; N/EL*	*Y;N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%		
Of which enabling		0.0	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%		
Of which transitional		0.0	**0.0%**	0.0%													0.0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	***EL; N/EL***	***EL; N/EL***	***EL; N/EL***	***EL; N/EL***	***EL; N/EL***										
8.1 Data processing, hosting and related activities	CCM 8.1	28.20	**2.82%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.98%		
8.2 Data-driven solutions for GHG emissions reductions	CCM 8.2	0.89	**0.09%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.06%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		29.09	**2.91%**	2.91%	0.0%	0.0%	0.0%	0.0%	0.0%								3.00%		
Turnover of Taxonomy-eligible activities (A.1+A.2)		29.09	**2.91%**	2.91%	0.0%	0.0%	0.0%	0.0%	0.0%								3.00%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		970.21	**97.09%**																
TOTAL (A+B)		999.30	**100.00%**																

CapEx KPI

Template: Proportion of CapEx from products or services associated with Taxonomy-aligned or -eligible economic activities

Financial Year 2025				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Absolute CapEx (3)	Proportion of CapEx, year 2025 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned (A.1) or taxonomy eligible (A.2) proportion of CapEx year 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
		€ Million	***%***	***Y;N; N/EL***	***Y;N; N/EL***	***Y;N; N/EL***	***Y;N; N/EL***	***Y;N; N/EL***	***Y;N; N/EL***	***Y/N***	***Y/N***	***Y/N***	***Y/N***	***Y/N***	***Y/N***	***Y/N***	***%***	***E***	***T***
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%		
Of which enabling		0.00	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%		
Of which transitional		0.00	**0.0%**	0.0%													0.0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL;N/EL	***EL;N/EL***	***EL;N/EL***	***EL;N/EL***	***EL;N/EL***	***EL;N/EL***										
8.1 Data processing, hosting and related activities	CCM 8.1	2.10	**3.16%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								9.20%		
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	4.76	**7.17%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								10.07%		
7.7 Acquisition and ownership of buildings	CCM 7.7	37.85	**57.04%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								45.65%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		44.71	**67.37%**	67.4%	0.0%	0.0%	0.0%	0.0%	0.0%								64.90%		
CapEx of Taxonomy-eligible activities (A.1+A.2)		44.71	**67.37%**	67.4%	0.0%	0.0%	0.0%	0.0%	0.0%								64.90%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		21.65	**32.63%**																
TOTAL (A+B)		**66.36**	**100.00%**																

OpEx KPI

Template: Proportion of OpEx from products or services associated with Taxonomy-aligned or -eligible economic activities

Financial Year 2025				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Absolute OpEx (3)	Proportion of OpEx, year 2025 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned (A.1) or taxonomy eligible (A.2) proportion of OpEx	Category enabling activity (19)	Category transitional activity (20)
		€ Million	***%***	***Y;N; N/EL***	***Y;N; N/EL***	***Y;N; N/EL***	***Y;N; N/EL***	***Y;N; N/EL***	***Y;N; N/EL***	***Y/N***	***Y/N***	***Y/N***	***Y/N***	***Y/N***	***Y/N***	***Y/N***	***%***	***E***	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%		
Of which enabling		0.0	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%		
Of which transitional		0.0	**0.0%**														0.0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL;N/EL	***EL;N/EL***	***EL;N/EL***	***EL;N/EL***	***EL;N/EL***	***EL;N/EL***										
8.1 Data processing, hosting and related activities	CCM 8.1	7.65	**25.26%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.75%		
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	2.76	**9.11%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.90%		
7.7 Acquisition and ownership of buildings	CCM 7.7	1.11	**3.66%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.61%		

OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	11.52	**38.03%**	38.03%	0.0%	0.0%	0.0%	0.0%	0.0%		6.25%
OpEx of Taxonomy-eligible activities (A.1+A.2)	11.52	**38.03%**	38.03%	0.0%	0.0%	0.0%	0.0%	0.0%		6.25%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
OpEx of Taxonomy-non-eligible activities	18.77	**61.97%**								
TOTAL (A+B)	30.29	**100.00%**								

	Proportion of turnover/ Total turnover		**Proportion of CapEx/ Total CapEx**		**Proportion of OpEx/ Total OpEx**	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM: Climate Change Mitigation	0%	2.91%	0%	67.37%	0%	38.03%
CCA: Climate Change Adaptation	0%	0%	0%	0%	0%	0%
WTR: Water and Marine Resources	0%	0%	0%	0%	0%	0%
CE: Circular Economy	0%	0%	0%	0%	0%	0%
PPC: Pollution Prevention and Control	0%	0%	0%	0%	0%	0%
BIO: Biodiversity and Ecosystems	0%	0%	0%	0%	0%	0%

Nuclear and fossil gas related activities

	Nuclear and Gas Activities	
Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	NO
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

IV. Social dimension

At Nagarro, our people are the foundation of everything we do. We are building a modern, agile, entrepreneurial, fluidic, and humanistic company with an organizational design that we believe is unique. We consider Nagarrians[16] to be our most valuable assets and invest in creating a work environment that is caring, safe, healthy, inclusive, stimulating, and empowering. We seek to foster creativity, empathy, technical excellence, and a culture of trust and collaboration within the organization.

Our people strategy, grounded in our CARING philosophy, is designed to help Nagarrians thrive and grow. Because our business model relies on human creativity and teamwork, the way we shape our work environment is an important factor in relation to the potential social effects of our activities. We aim to promote well-being and inclusion by fostering open communication, offering flexible work models, providing continuous learning opportunities and cultivating empathetic leadership. At the same time, we remain attentive to challenges that can arise in a fast-paced, project-based global organization, such as workload balance, equal opportunity, and leadership representation. These considerations, as well as direct engagement with our people (see Employee engagement), guide how we develop our policies, programs, and strategic priorities.

The following table summarizes material impacts, both actual and potential, identified through our double-materiality assessment.

Impact, risk or opportunity *[1]	Description	Nature	Location in value chain		
			Upstream	Own operations	Downstream
Respect for workers and human rights	We foster worker and human rights, including the right to privacy, the right to freedom of expression and association, the right to work in just and favorable conditions, and the right to the choice of employment. These principles support employee well-being and long-term trust in the organization.	Potential positive impact		•	
Work-life balance and social inclusion	By supporting work-life balance, we enable employees to pursue further education, participate in civic life and engage in caregiving responsibilities. These outcomes contribute to broader social well-being.	Actual positive impact		•	•
Occupational health and working conditions	Time zone differences or prolonged sedentary work hours cause stress or overload. These factors can result in physical or mental health affecting overall wellbeing.	Actual negative impact		•	
Gender inequality and leadership diversity	Where women are underrepresented in leadership, particularly in certain global locations, this may contribute to gender-based inequality in the workplace. Systemic gender inequalities can cause significant impact on mental and emotional health, impacting the inclusion and safety of workplace.	Potential negative impact		•	
Inclusive learning and development	We contribute to professional growth by offering accessible, inclusive training programs tailored to diverse needs. This improves the self-confidence of our employees and supports long-term employability.	Potential positive impact		•	
Inclusion of neurodivergent people	We support skill development for neurodivergent employees through tailored training and inclusive practices. These efforts help reduce barriers to employment and promote equity, innovation and diverse thinking in our teams.	Actual positive impact		•	
Discrimination against people with disabilities	Inadequate accommodation or lack of inclusive practices can lead to direct harm to employees with disabilities. Discrimination creates an unsafe society for people with and without disabilities. It can have a widespread negative impact on trust and disturb the moral fabric of society.	Potential negative impact		•	
Inequalities and discrimination	Unconscious bias may result in discrimination in hiring, promotion, pay, or dismissal on the basis of protected characteristics, thereby perpetuating systemic inequality. Systemic socio-economic inequalities can have a significant impact on the mental and emotional wellbeing of those experiencing them.	Potential negative impact		•	
Employee data privacy	Unintentional improper handling of sensitive employee data, such as health or identity information, would violate personal data protection rights. In such cases, personal privacy, financial security and mental health may be negatively affected.	Potential negative impact		•	

[16] The term "Nagarrians" refers to both employees and non-employees who are associated with Nagarro. The terms 'Nagarrians' and "colleagues" are used interchangeably.

*[1] We have not identified any financially material risks or opportunities related to our own workforce, nor have we identified any material impacts linked to environmental transition plans. Because Nagarro operates in a high-skill, service-based environment, the risk of child or forced labor is lower than in a low-skill, physical-labor intensive environment. We do not consider Nagarro employees to be at significant risk of forced or child labor. Note that all impacts, risks or opportunities can arise on any time horizon – short, medium or long-term.

About us as Nagarrians [S1-6]

Our workforce reflects the scale and diversity of Nagarro's global operations. As a people-driven organization, the quality of digital engineering solutions is sustained by nurturing employee skills, supporting collaboration and supporting the well-being of teams across approximately 38 countries. This section provides an overview of who we are as Nagarrians, how we are structured, where we work, and how teams have evolved over time. All figures reported represent headcount at the end of the reporting period.

Headcount by Gender

Gender	Number of employees (head count)*[1]
Male	12,879
Female	5,095
Other	-
Not reported	29
Total employees	**18,003**

*[1]Employee data is collected from Nagarro's internal human resources information systems and consolidated at Group level. All headcount figures presented in this report represent individuals employed by Nagarro group entities as of 31 December 2025. This information is also disclosed in the financial statement under [Section A.II.A Organization and legal structure]. India is the only country accounting for more than 10% of the total number of employees. For transparency, the geographic breakdown also presents employee numbers for the Top 5 countries with the highest employee headcount, with remaining locations aggregated under "Other countries". Employment characteristics, such as permanent employment, are determined based on the type of employment contract recorded. For the reporting year 2025, Nagarro is making use of the phase-in option to not report specific data for non-employees.

Total number of employees across our five largest countries of operation:

Country	Number of employees (head count)
India	13,145
Germany	1,100
Romania	831
United States	558
Philippines	502
Subtotal (Top 5)	16,136
Other countries	1,867
Total number of employees	**18,003**

Nagarro's own workforce primarily consists of individuals directly employed by Nagarro group entities worldwide. Nagarro defines "employees" as permanent employees and trainees (in accordance with the respective legal definitions of the countries in which the employees are based) and W2-contract workers (applicable to the US only). Additionally, we collaborate with a smaller number of self-employed professionals and individuals provided by third-party service partners who are primarily engaged in employment activities, such as staffing or facility management. These individuals work alongside our employees in project delivery, client services, and office operations, and they may experience similar material impacts related to working conditions, inclusion, and well-being. However, they are not included in our headcount numbers and further information related to their characteristics is not reported in this statement.

The Nagarro Constitution [S1-1]

CARING is the philosophy that embodies our values. We implement this philosophy through various policies, which set out how we treat each other and how we live and work together. These policies[17] are detailed in the Policy overview in the Appendix. Through them, we seek to support the management of material impacts on our workforce.

The central pillar among our policies is the Nagarro Constitution, our version of a code of conduct. It defines global ethical and behavioral standards for all employees and contractors and aims to ensure compliance with applicable labor laws. The Nagarro Constitution is supported by various policies that are applicable globally or locally and address specific impacts. For information on which policies apply to which locations, who is responsible for them, and their key contents, please see the Policy overview in the Appendix.

The Nagarro Constitution establishes a zero-tolerance policy for discrimination and harassment, whether verbal or non-verbal, direct or indirect, based on ethnicity, gender, marital status, pregnancy status, religious belief, sexual orientation, transgender identity or expression, age, worldview, medical condition, disability, union affiliation, or military veteran status.[18] Nagarrians around the world receive regular, personalized nudges (subtle prompts or influences that encourage certain behaviors or decisions without forcing or mandating them). These nudges are delivered through our AI chatbot, Ginger, with examples designed to help colleagues recognize and understand when behavior may be considered inappropriate. The Custodian of Diversity is responsible for overseeing global policies and procedures related to diversity.

Qualifications, skills, and experience form the basis of decisions regarding the recruitment of new Nagarrians, as well as the placement and promotion of current colleagues. In Nagarro's view, it is important to find the right person for the right job and foster an inclusive and equitable workplace where all Nagarrians, regardless of gender or gender identity, have equal opportunities to grow, contribute, and be rewarded fairly. The Nagarro Constitution applies during the hiring process to help us to support this objective. In addition, we pay particular attention to accessibility and inclusion measures in offices. For example, the Gurugram office features ramps, wider access barriers, wheelchair-friendly restrooms, Braille elevator buttons, and strategically placed evacuation chairs to support safe evacuation in case of an emergency.

The Nagarro Constitution, together with our Human Rights Declaration, sets out our approach to respecting human rights and labor rights within our workforce. Discrimination, harassment, and any form of forced or child labor are prohibited. We strictly adhere to visa and immigration laws to prevent human trafficking. The Nagarro Constitution and supporting policies seek to align with internationally recognized standards, including the UN Global Compact, of which we have been a member since April 2024. Our commitment to the UN Women's Empowerment Principles and industry programs such as #IAMREMARKABLE strengthens diversity and inclusion efforts.

These shared standards inform how we listen and how colleagues participate in decisions that affect them.

Employee engagement [S1-2]

At Nagarro, listening and dialogue are central to our leadership and growth. We want every Nagarrian to feel empowered to contribute to shaping Nagarro, confident in sharing opinions, and raising concerns. Our approach combines regular discussions on important issues with transparent communication and accessible grievance channels.

Being agile means maintaining a continuous feedback loop. At Nagarro, feedback plays an important role. Our Project ACE— where A stands for "Anytime Feedback," C stands for "Caring Conversations," and E stands for "Excellence Review" — is Nagarro's three-pronged performance management system. It is designed to drive continuous feedback for personal growth, structured feedback within teams and excellence reviews within service regions to inform human resources decision-making.

We maintain an open culture that encourages colleagues to share feedback, ideas, and challenges at any time. The Custodian of Diversity and Inclusion oversees engagement activities and is supported by Regional People Enablement Leads and Custodians of Service Regions. Engagement takes place continuously through various formats:

- Viva Engage, our global internal social platform, where colleagues can exchange ideas with one another, senior leaders, including members of the Management Board.
- Town halls with leadership, held a few times a year, and ask-me-anything sessions, held as needed, to discuss significant, group-wide decisions.
- Pulse surveys and our AI-enabled platform, Ginger, enable weekly, anonymous check-ins to gauge sentiment and well-being.
- Employee engagement surveys are conducted either after engagement events or upon request by senior colleagues for a team's pulse check.

[17] No significant policy changes were made in the reporting year.

[18] The language we use to describe the grounds of discrimination covered in the Nagarro Constitution differs from the language used in the ESRS standard, as some terms used there may be considered discriminatory in certain countries in which Nagarro operates. All grounds of discrimination, with the exception of social origin, are covered in the Nagarro Constitution.

- Our Kennel information hub, a modern SharePoint library that serves as the company's central bulletin board. It hosts relevant information, including available engagement channels, and regularly sends news updates to colleagues.
- Targeted consultations when new or updated policies are introduced, enabling colleagues to review and comment before final adoption.
- Worker representative committee and workers' council, in Germany and Austria, respectively represent and promote the interests of employees and embody employees' freedom of association.

These engagement channels help ensure that Nagarrians' views directly inform policies, practices and workplace improvements. For instance, when an update was proposed to the flexible holiday policy, real-time dialogue on Viva Engage sparked further discussion and tangible follow-up improvements. We measure the effectiveness of engagement processes through weekly sentiment checks, post-event Net Promoter Score (NPS) surveys and visible leadership responsiveness to employee feedback. These feedback loops aim to promote continuous improvement and reinforce shared accountability in maintaining an open and empathetic workplace.

Nagarro is committed to engaging with colleagues whose perspectives may be underrepresented or who may be more vulnerable to impacts. To gain insight into these experiences, we use dedicated engagement formats and networks that enable direct dialogue with specific groups. For instance, initiatives such as Glass Window, Glass Lens, and Connect Circle provide structured spaces where women can network, share experiences, receive mentorship, and interact with senior leaders. Programs such as TestingPro enable us to better understand the barriers neurodivergent individuals may face through close interaction during training and recruitment support. Inclusion campaigns and awareness initiatives encourage open discussion of unconscious bias and inclusion-related topics across the workforce. These engagement formats help us better understand diverse needs and experiences of global teams.

To make communication accessible and inclusive, internal messages, such as the "nudges" on Ginger, are written in plain, gender-neutral language and include visual prompts and direct links to additional information. This approach ensures that updates, from policy changes to important organizational information, are easy to understand and act upon, regardless of background or language proficiency.

Grievance channels [S1-3]

Building on open dialogue with employees, we aim to equip every colleague with the means and confidence to raise concerns, seek guidance, or request remedy when needed. Our goal is to foster a workplace environment where issues are addressed promptly, fairly, and respectfully.

If colleagues believe a policy has negative effects or wish to report an incident, they can do so through several established channels, each designed for specific situations:

- A whistleblower channel for reporting ethical or compliance concerns, which allows colleagues to report anonymously if they wish.
- Specialized committees and designated contacts for sensitive topics such as sexual harassment, discrimination and other behavioral misconduct.
- Open dialogue with the respective Operational Guide. Every Nagarrian has an Operational Guide assigned who is responsible for day-to-day activities, performance monitoring, and career mentoring.
- A digital service desk and an AI-enabled assistant (Ginger) serve as a central entry point to help colleagues locate the correct channel, contact the appropriate team and track the status of their case.
- Additional channels include the global suggestion box, which is available to employees and contractors. Open discussions on Viva Engage and local HR connections allow early resolution of concerns before escalation.

In addition to these workforce-focused channels, Nagarro has established a complaints mechanism under its Human Rights Statement and the Supply Chain Due Diligence Act (LkSG). It can be accessed via email at partner.connect@nagarro.com. This mechanism is led by the Global Risk and Compliance team, in close collaboration with Human Resources, Legal, Finance, Compliance, Corporate Sustainability, and Procurement. It is designed to enable employees, suppliers, customers, affected parties, and other stakeholders to submit concerns related to human rights or environmental violations confidentially and anonymously, regardless of location. Submissions received through this mechanism are reviewed and evaluated, and appropriate remedial actions are taken where necessary.

All channels are guided by the principles of accessibility, confidentiality and fairness. They are designed to be accessible to employees and contractors worldwide, and information about them is publicized in offices and on internal engagement platforms. Responsibilities are clearly assigned to ensure timely follow-up on raised concerns. Escalation procedures apply if resolution timelines are exceeded. Defined timelines differ across channels; for example, under the whistleblower policy, the response timeline is seven days. Senior management oversees serious or sensitive cases to support fairness and effectiveness.

Confidentiality and protection from retaliation are central to all grievance mechanisms. All reports are logged, reviewed, and handled carefully. Information is processed in accordance with the General Data-Protection Regulation (GDPR) and shared only when legally required or when serious violations are suspected. Colleagues who raise issues in good faith are protected

from retaliation under the Nagarro Constitution, which also establishes ethical expectations for everyone. Depending on the case, remedies may include workplace adjustments, mediation, coaching, or changes in reporting lines. In individual cases, flexible leave arrangements or transfers may also be considered to mitigate potential harm. The effectiveness of the remedy is assessed on a case-by-case basis. This may entail follow-up contact, the option to submit a follow-up request through formal channels, monitoring the situation over time, gathering feedback from the employee or other relevant stakeholders where appropriate, and verifying that the issue does not recur.

To evaluate trust in grievance mechanisms, Nagarro conducts regular satisfaction and engagement surveys for grievance channels where confidentiality is not a concern. These surveys take colleagues' experiences into consideration, as well as their support for and trust in the company's approach. The resulting insights support continuous improvement of the grievance process and our broader culture of transparency.

Taking action [S1-4, S1-5]

We implement the Nagarro Constitution through programs and initiatives that translate policy commitments into actions and address material impacts on the workforce. To support effective implementation, we allocate funding and resources as needed. When workforce-related programs or initiatives must be conducted regularly, the necessary funds are allocated accordingly. Most departments submit annual budget requests covering both existing and new resource requirements. These budgets are reviewed and allocated as appropriate.

We track and assess the effectiveness of employee-focused actions and initiatives through data-driven insights, feedback mechanisms, and leadership reviews. We conduct employee engagement and pulse surveys, diversity and inclusion audits and impact tracking for programs such as TestingPro to measure participation, satisfaction, and progression. These surveys are typically conducted following engagement events or upon request by senior colleagues to assess a team's pulse, for example. Insights from these tools help us evaluate the real-world impact of initiatives on employee well-being, inclusion, and career growth. For example, the Lighthouse Survey in Austria is conducted twice per year. The results are discussed by representatives from different functions (Office Administration, Business and People Enablement) with the Service Region Custodian, the Service Region Leader, who oversees personnel and infrastructure costs within the region. In 2025, these discussions resulted in concrete follow-up actions to strengthen integrity and trust, as well as improve collaboration. These actions included, for example, the introduction of regular newsletters from the Office Administration team, as well as a new Q&A format with senior management during quarterly meetings at the Austrian office.

Furthermore, feedback loops are integrated into programs such as well-being campaigns and learning initiatives. These feedback loops help refine and scale efforts based on measurable outcomes. The People Enablement team tracks indicators such as attrition, internal mobility, diversity ratios and engagement scores to assess sustained improvement.

In addition to the actions described, we work to ensure that practices do not cause or contribute to significant negative impacts on fellow Nagarrians. When conflicts arise between the prevention or mitigation of material impacts and other business constraints, the topic is discussed with senior management representatives overseeing People Enablement, culture and diversity. Discussions may also take place on virtual engagement platforms.

To support our policy objectives on equal opportunities, and track policy effectiveness, Nagarro has set a global target for its own workforce in consultation with senior management representatives responsible for People Enablement, culture and diversity. We aim to increase gender diversity in leadership by ensuring that at least 25% of band-5 positions (highest level of seniority) are held by women by 2026. This relative target, measured as the percentage of women in band-5 roles, applies to all Nagarro Group entities globally and does not extend to the upstream or downstream value chain. Progress is measured against a baseline of 19% in 2020, with 20% achieved in 2025, using global HR workforce data. The target applies to the period 2020–2026 and is monitored on an annual basis by the relevant People Enablement functions. No interim milestones have been defined, and no changes to the target level, scope or measurement methodology were made during the reporting period. As a social target, it is not based on scientific evidence.

Separate targets related to work-life balance, overall training and skills development, health and safety, persons with disabilities, and data privacy have not been defined. Nagarrians are invited to provide feedback on current and future targets and initiatives. Open feedback culture, supported by direct communication channels such as Viva Engage, helps us to ensure initiatives remain relevant and effective. [19]

The following sections apply these principles to our material topics "Health, safety and well-being," "Diverse and inclusive workplace" and "Learning and empowerment."[20] These sections present topic-specific policies and commitments as well as the respective initiatives and their outcomes. Most of the actions described in these sections are ongoing and are planned to

[19] The performance against the disclosed target is measured via online and offline trackers. The online trackers update automatically when changes are made to a database, and the offline trackers are updated every month or quarter depending on a defined frequency. The progress listed above is in line with expectations. No trends can be analyzed yet as this is the first year the target is reported in this way.

[20] For consistency with our previous reporting, we use our own terminology for our material topics. Please refer to the table in section "a. Our material topics" for the "translations" to ESRS terminology.

continue long term. Where more specific information exists on the time horizons of our actions, we provide this information in the respective sections.

a. Health, safety and well-being [ESRS S1]

Worker's rights and human rights issues

In the publicly available Declaration of Principles for the Protection of Human Rights, we detail the group-wide commitment to respecting and promoting human rights across the organization. This commitment is based on international human rights norms and standards, such as the International Bill of Rights and the core labor standards enshrined in the conventions of the International Labour Organization (ILO).[21] These commitments are supported by the Nagarro Constitution, which sets out the expected standards of conduct for our employees, including the mechanisms for raising concerns. Together, these documents provide the framework through which we seek to manage potential human rights concerns responsibly, embedding respect for human and labor rights into business practices.

Privacy, an important topic at Nagarro, is a human rights concern. Our Global Privacy Policies uphold the right to privacy of all employees. The policies define how personal data is collected, stored, used and processed, and protect employees through safeguards aligned with EU GDPR requirements across global locations. We place great importance on safeguarding the personal data of Nagarrian colleagues. We have implemented voluntary measures that go beyond legal obligations, such as data minimization and purpose limitation principles. Our information security program takes a holistic approach, spanning protection, detection, reaction, recovery and response for assets globally. Most delivery centers, approximately 72%, are ISO 27001:2022 certified. We emphasize continuously maintaining robust security practices that comply with applicable laws, regulations, and internal policies. Therefore, a mandatory information security and data privacy training is conducted every year for all employees and recurring phishing simulations are conducted to help Nagarrians identify real threats and promote responsible digital behavior.

Health and well-being (work-life balance)

As part of our people strategy, Nagarro promotes holistic well-being, aiming to support the physical, mental, social and financial health of colleagues. We focus on creating a supportive environment where everyone feels valued and can balance professional and personal commitments. The Nagarro Constitution defines our group-wide values. Locally adopted policies, such as the Mobile Working and Flexitime policies in the US, Austria and Germany, define local ways of working and employee benefits.[22]

To further promote work-life balance, we are expanding our network of "hives" — small offices in multiple locations that allow colleagues to work close to home. This model aims to support flexible work schedules, reduce commute time, and help people manage their personal responsibilities more effectively.

To complement this flexibility, we run global and regional well-being initiatives structured around four pillars: physical, mental, financial as well as social and community well-being. In Romania, these pillars are referred to as Shape IT Up, Mind IT Well, Save IT, and Enjoy IT, respectively. Together, they comprise the Balance Wellbeing Hub. Examples of actions under these pillars include health and fitness programs, access to digital healthcare platforms, preventive health checks and the Employee Assistance Program (EAP), which provides confidential counseling and well-being resources 24/7. Regional teams adapt these initiatives to local needs. Examples include sports and fitness programs in Eastern Europe, awareness campaigns in South Asia, well-being webinars in North America, and the virtual #BackToSchool campaign, which offers classes on topics such as financial stability and stock market literacy. These initiatives help Nagarrians connect with one another, recharge and improve overall well-being.

Our commitment to well-being extends beyond the workplace to support the holistic needs of employees and their families. All Nagarro employees are entitled to family-related leave, with specific types and durations determined by local legislation and internal policies. This may include maternity, paternity, parental leave, and carer's leave. In addition, special types of leave, such as bereavement or marriage leave, are offered in certain regions.

The following table shows the percentage of entitled employees who took family-related leave, including maternity, paternity, and carer's leave, during the reporting period.[23]

[21] The Declaration of Principles for the Protection of Human Rights is not yet formally aligned with the UN Guiding Principles on Business and Human Rights. Alignments with international standards are under review and may change in the future.

[22] See Policy overview in the Appendix for more information on H&S policies.

[23] All employees are entitled to take family-related leave. However, in some jurisdictions, such as the United States, eligibility for certain family-related leave benefits is subject to a minimum service period, which results in 99.2% of employees currently being eligible. The additional leave offered for marriage or bereavement is not included in the table to meet the ESRS requirements. The percentage of eligible employees who took leave is calculated by dividing the number of people who took leave by the total headcount, then multiplied by 100. The take-up rate for men and women is calculated by dividing the number of men and women who have taken leave by the total number of employees who have taken leave multiplied by one hundred. Due to data availability limitations, the currently available data covers employees in India, Germany, United States of

Family-related leave by gender in 2025

	Percentage of employees [%]
Employees entitled to family-related leave	99.2%
Of which men who took family-related leave	4.7%
Of which women who took family-related leave	3.5%
Of which individuals without gender disclosure took family-related leave	0.1%
Total entitled employees that took family-related leave	**8.3%**

These measures demonstrate Nagarro's ongoing commitment to fostering a supportive and inclusive workplace culture. Our culture acknowledges the varied needs of our global teams, ensuring that every colleague can confidently balance their personal and professional responsibilities.

Occupational health and safety

Although Nagarro's digital business model entails limited physical health and safety risks, the overall well-being of our colleagues is vital to our success. We therefore focus on reducing mental and physical strain from extended working hours and on ensuring that our offices remain safe, ergonomic and supportive environments. Our commitments are set out in our global Occupational Health and Safety Policy, complemented by regionally adopted health and safety policies.[24] Those frameworks have enabled us to achieve ISO 450001 certification for 43 percent of our offices[25] and 100 percent of Nagarrians are covered by a health and safety management system.

To support our goal of maintaining safe, healthy, and engaging workplaces across all locations, we have implemented a range of locally tailored programs. For example, in Romania, we carry out extensive risk evaluations to identify workplace hazards and implement mitigating measures. In Germany and Austria, we conduct systematic evaluations of Nagarrians' psychological stress levels and preventive specialists advise Nagarrians on their personal health and wellness journey. Furthermore, colleagues in ISO 45001–certified locations are required to complete occupational health and safety trainings specific to their site. For example, in India, 99% of our colleagues completed this training in 2025. Safety representatives meet annually with management to review performance, update programs, and introduce new initiatives as needed.

We evaluate the effectiveness of our actions using performance indicators that are monitored across our global operations. These metrics provide insight into the frequency and severity of work-related incidents, the extent to which preventive initiatives are covered and the overall well-being of our colleagues. During the reporting period, five recordable work-related accident was reported in India, two in United States, one in Austria and China, while no cases were reported in Romania, Germany, Hungary, Poland and Nordics. This corresponds to a recordable work-related accident rate of 0.3, representing the number of cases per one million hours worked. In 2025, no recordable work-related illness cases, which are subject to legal restrictions on data collection, occurred and there were no fatalities resulting from work-related accidents or work-related illnesses.[26] When health or safety incidents occur, our goal is to ensure that affected colleagues receive immediate support, medical attention and guidance on safe reintegration.

b. Diverse and inclusive workplace [ESRS S1]

Diversity and inclusion are core priorities at Nagarro. These concepts directly impact employee well-being, equal opportunities and long-term innovation. As a global company with a diverse workforce and offices in 38 countries, we recognize the importance of diversity and the potential consequences of exclusion. We de-emphasize seniority and privilege by deleting roles and titles in our Active Directory, for example, to create avenues for equal access for colleagues. We aim for Nagarro to be a company where people feel safe and free to express their entrepreneurial spirit and innovative mindset and to bring their authentic selves to the workplace.

Our commitment to diversity and inclusion is rooted in the Nagarro Constitution and guided by our global CARING philosophy. In addition, a formal Diversity, Equity, and Inclusion (DEI) policy was introduced in December 2025. These policies,

America, Romania, Austria, China, Nordics (Norway, Denmark, Sweden), Hungary and Poland, representing a total of 90.5 percent of the workforce

[24] See Policy overview in the Appendix for more information on policies related to work-life balance

[25] The certification coverage slightly decreased from 2024 to 2025 due to the change in the seating capacity of offices.

[26] Nagarro's definition of "workplace accidents" corresponds to the ESRS definition of "recordable work-related injuries or illnesses." The number of incidents (fatalities, workplace accidents and occupational diseases) is recorded by the respective local health and safety teams and aggregated into a total figure. One limitation of this data is that it currently covers only five countries: Austria, Germany, India, Romania and the United States, as the relevant data has only been collected in these countries. However, these countries account for more than 80% of our employees. The methodology applied is not based on material assumptions. The figures are validated by an external auditor as part of the ISO 45001:2015 certification process. The workplace accident rate is calculated in accordance with the ESRS methodology by dividing the number of cases by the total number of hours worked and multiplying the result by 1,000,000. This represents the number of incidents per one million hours worked.

alongside programs and engagement campaigns detailed below, help us achieve our mission statement: "To make distance and difference irrelevant between intelligent people." This mission reflects Nagarro's commitment to fostering collaboration among talented individuals, regardless of location or background, and to establishing a culture that values diversity and inclusion and aims to promote equal opportunity. Further information on where each policy applies, who oversees its implementation, and a summary of its main provisions can be found in the Policy overview in the Appendix.

The following table illustrates the diversity of our workforce by showing the age distribution of Nagarro's employees at the end of the reporting period 2025:

Headcount by age

Age*[1]	Headcount	Percentage
Under 30 years old	4,780	26.6%
30-50 years old	11,407	63.4%
Over 50 years old	599	3.3%
Not disclosed	1,217	6.8%
TOTAL	**18,003**	**100%**

*[1] The methodology used to calculate age-wise distribution is the same as the one used to calculate Nagarro's total headcount.

Unleashing the ability in disability: Collaborating with persons with disabilities

The inclusion of neurodivergent colleagues and people with disabilities is a priority at Nagarro. Inadequate accommodation or a lack of awareness may create an unsafe environment or cause harm. Inclusive practices, by contrast, promote equity, trust, and diverse thinking within teams.

Through our company-wide #DiveintoDiversity and #ThrivingTogether campaigns, we promote accessibility and awareness by fostering understanding of neurodiversity and disability. Our ongoing TestingPro program in Austria and India is central to our inclusion strategy. In 2025, Nagarro launched TestingPro in Sri Lanka. This training program is designed to support neurodivergent talent by providing structured training in software testing beyond our own workforce. The initiative provides job-ready skills and practical experience, contributing to a more inclusive technology ecosystem.

Group-wide, local representatives engage in ongoing dialogue with colleagues with disabilities to maintain open communication, check in on their well-being and address unmet needs. Colleagues with disabilities are also invited to share feedback or concerns through established channels and designated points of contact.

Diversity, gender equality and equal pay

Building an inclusive and representative workplace is an ongoing process and we remain committed to making consistent progress. Gender balance and fairness are key priorities. In some Nagarro locations, women remain underrepresented in senior roles. This may contribute to gender-based inequality and, in turn, affect inclusion, psychological safety, and overall well-being. Addressing these systemic challenges helps strengthen our culture, unlock diverse perspectives and ensure that every Nagarrian can thrive and lead on equal terms. To promote greater representation, Nagarro fosters a culture in which women can grow and assume leadership roles. The ongoing global Connect Circle provides a structured community where women can share experiences and develop mentoring relationships across locations. The ongoing Glass Window and Glass Lens programs complement this effort by connecting high-potential women with senior management and structured mentoring opportunities to support for leadership readiness.

Ongoing company-wide awareness initiatives and sensitization sessions support inclusive and respectful ways of working. Initiatives such as #BiasBreakers focus on recognizing unconscious bias, while #PowerOfWords promotes inclusive language in everyday communication. Complementary campaigns, including #BeYouBeYourself and #NoLabels, encourage fair treatment, and inclusion of LGBTQ+ colleagues across the organization. Insights from these initiatives inform people-related practices, including hiring and day-to-day decision-making, contributing to a culture in which colleagues are respected and have equal opportunities to succeed.

The following table shows the gender distribution at the highest level of seniority at Nagarro – also referred to as band 5 – in terms of headcount and percentage at the end of the 2025 reporting year.

Gender	Headcount in Band 5*[1]	Percentage
Male	759	80.1%
Female	189	19.9%
Other	0	0%
nonibinary	0	0%
TOTAL	**948**	**100%**

*[1] Employee band 5, the most senior group of colleagues including the Management Board, best describes the ESRS term "top management" for Nagarro. The methodology used to calculate the headcount distribution is the same as the one used to calculate Nagarro's total headcount but only considers employees in band 5.

Reducing the gender pay gap is a global priority and an essential part of our commitment to fairness. At Nagarro, we strive to ensure that compensation is based on ability and experience with our #NoGenderPayGap initiative. We conduct company-wide internal salary benchmarking on an ongoing basis, to identify and address potential imbalances. We aim to monitor progress annually with the objective of achieving equity across all levels. Ongoing programs such as ACE reviews and CARING conversations provide spaces where colleagues can express concerns, provide feedback, and engage in dialogue. These programs support transparent career development. In Austria, transparent salary ranges have been implemented for each band level.

For the reporting period, gender pay gap analysis considered male and female compensation within the same country and skill category. According to this calculation, the average pay for women was 2.57 percent lower than that of men.[27] [ESRS S1-16 §98, §99] The ratio of the total annual pay of Nagarro's highest-paid individuals to the median pay of all other employees was 18:1.[28]

Women in tech initiatives

At Nagarro, the Women in Tech track is designed to create measurable impact through collaboration, continuous learning, and structured dialogue. Over the past year, we have organized a series of engagements including technical talks, innovation workshops, informal networking sessions, and partner-led collaborations related to industry-relevant topics. We participated in the Grace Hopper India Celebration in partnership with AnitaB (a non-profit organization focused on women in tech), where initiatives that foster knowledge exchange and professional connections were showcased.

In line with our sustainability and inclusion objectives, we are expanding these efforts with the following initiatives:

- Leadership and Mentorship Program: Development of an exclusive program to strengthen women's leadership capabilities and provide structured mentorship opportunities.
- Knowledge Sessions on Responsible AI and Ethical Governance: Facilitating awareness and capacity-building on emerging topics critical to sustainable technology practices.
- Community Building for Advocacy and Visibility: Establishing a strong, supportive network to enhance representation, advocacy, and visibility of women in technology.

These initiatives are part of the ongoing commitment to equity, diversity, and responsible innovation. In addition, we aim to encourage women to share their talent in the world of technology through exclusive recruitment drives for female candidates.

[27] For the adjusted pay gap analysis, each Nagarrian is assigned to a genus – a combination of designation level and skill category. The comparison considers employees of all genders within the same genus and location. If a genus-location combination includes only one gender in either the genus or the location, it is excluded from the calculation to maintain statistical relevance and confidentiality. To preserve anonymity, average compensation is calculated for each eligible genus-location group, and ratios are derived accordingly. The overall gender pay gap is then determined as a weighted average based on headcount, providing an indicator intended to reflect the composition of Nagarro's workforce. A limitation of this approach is that countries that do not report these figures are not covered in the analysis. The reported metric covers ~80% of total workforce.

[28] The remuneration ratio is calculated as median salary of employees after considering purchasing power parity (in Euros)/ Management Board member salary. All three members of the Management Board have the same compensation structure. There are no significant limitations arising from this methodology.

c. Learning and empowerment [ESRS S1]

Continuous learning and empowerment are central to Nagarro's success. As a digital engineering company, we recognize the importance of enabling people to grow, adapt, and apply their skills in a fast-changing environment. Inclusive access to learning opportunities supports employability, confidence and career development for Nagarrians, helping reduce barriers to opportunity and support long-term relevance in the workforce.

Our approach to learning and development is guided by Nagarro's Organizational Training Process. This structured framework helps colleagues develop the skills and knowledge required to perform their roles effectively and efficiently. Learning needs are identified by leaders, project teams, and individual employees at multiple levels and translated into targeted training plans in collaboration with the respective teams. This process is implemented globally through NagarroU, our internal learning and development platform. The Head of Learning and Development oversees this process.

In response to evolving organizational needs, our learning strategy has shifted toward providing greater flexibility in learning choices. Every new Nagarrian begins with an onboarding learning path defined by local People Enablement teams. This program may be completed online on the Nagarro Learning Campus or through offline platforms. It includes core training on compliance, health and safety and respectful workplace conduct. New colleagues also receive information about local and global processes, tools, and points of contact, laying the foundation for integration and long-term development within the organization. Effective onboarding and continuous development of colleagues support sustained performance and shared success.

Following onboarding, Nagarrians gain access to a range of learning products available globally, tailored to diverse learning needs and supporting the long-term employability. These offerings include e-learning, instructor-led training, and mentorship programs designed to strengthen readiness for future demands. NagarroU, our central learning hub, offers personalized learning paths focused on engineering proficiency, domain expertise, and project and program management. Programs such as the Consulting Masterclass deepen consulting and client engagement skills, while LevelUp! enables Nagarrians to certify in high-demand skills of their choice. Our global Engineering Excellence framework supports professional growth through continuous improvement. Progress is tracked through an in-house tool (Falcon) which captures various aspects of team performance using defined evaluation criteria and gamification elements. This supports teams in refining ways of working and advancing core engineering capabilities. It also includes governance standards and consideration of sustainability aspects through Eco-digital engineering.

Beyond formal learning, Nagarro fosters a curiosity and collaboration through community-driven initiatives. The Learn, Socialize, Disrupt (LSD) program promotes cross-regional exchange and peer-to-peer learning through interactive formats such as meetups, dive weeks and hackathons. The Nagarro Nuggets series provides brief insights on current topics and encourages open exchange in an informal setting.



A key action designed to foster curiosity and contribute to professional growth is Nagarro's annual tech experience event "Flo". In its second year, Flo was an experience designed for technology leaders to connect, exchange ideas, and explore the future together through insightful conversations and fresh perspectives. Over two days, the event featured more than 200 sessions and welcomed over 3,000 participants, including 150 external guests from more than 60 organizations. The program included workshops, hackathons, panel discussions, booths, and speed talks focused on emerging technology themes and practical applications. Flo is designed to create space for curiosity, shared learning, and collaboration, helping Nagarro teams turn insights into client-ready solutions.

To ensure that all Nagarrians globally have equal access to learning and development opportunities, we have launched a new learning and development hub on our global SharePoint this year. It serves as a one-stop shop for all L&D-related information. The hub directs users to all relevant sources and provides guidance on how to sign up, obtain licenses for external platforms and meet local requirements for conducting training sessions. In line with our learning philosophy, we continuously track participation and engagement across all programs to ensure that every Nagarrian has equal access to growth opportunities. Overall, Nagarrians completed 45.1 hours of training on average per employee. [29]

In 2025, 93 percent of our workforce participated in regular performance and career development reviews. These reviews are part of Project ACE—where A stands for Anytime Feedback, C stands for Caring Conversations, and E stands for Excellence Review, Nagarro's three-pronged performance management system. This carefully designed system provides continuous feedback for self-growth, structured feedback within teams in the form of caring conversations and excellence

[29] These numbers are aggregated across all Nagarro offices and all training products. The calculation of the hours spent per training depends on the training product, varying between 80 percent of the actual time attended (for self-paced courses assuming some participants may skip some parts of the training before taking the assessment), pre-defined numbers of hours regardless of actual duration of attendance, and 100 percent of actual attendance plus pre-defined numbers of hours for preparatory work. Limitations of this methodology are that the calculation includes training hours from fixed-time and self-paced learning programs. In case of the latter, we make assumptions based on expected time taken to complete the course which may not always reflect the correct hours of learning.

reviews within service regions to inform human resources decision-making. The criteria, process and schedule of the caring conversations and excellence reviews are known to the employee and the respective supervisor. Every Nagarrian is expected to participate in two performance reviews per year.[30]

At Nagarro, we foster an environment where continuous growth and empowerment are part of everyday work. We support this through digital learning, personal mentorship, and collaborative communities. Our goal is to provide Nagarrians with the resources and confidence needed to adapt to a changing environment, supporting both individual development and the organizations overall capabilities.

d. Data privacy and information security [ESRS S4]

Nagarro's business model - delivering digital engineering, technology consultancy, and product-engineering services - connects us to end-users, including direct clients and users of the solutions we develop. The interests, views, and rights of these stakeholders — particularly in relation to data protection and privacy — are considered in the design and delivery of Nagarro's services. This is reflected in client collaboration during solution design, the incorporation of feedback and co-creation mechanisms, and the implementation of governance frameworks alongside secure-by-design principles. Through these structures and processes, end-user considerations are considered in our business strategy.

Nagarro's end users may include direct clients, their employees, clients' customers or the final users of digital solutions developed for clients. These end users are primarily professional organizations that use services to support their digital transformation. While they may be exposed to privacy and data protection risks due to the digital nature of our services, these services do not typically affect rights such as freedom of expression or non-discrimination. End users typically rely on accurate and accessible product- or service-related information to ensure proper and secure use. We strive to ensure data privacy, information security, accuracy and accessibility for end users, thereby helping reduce privacy- or security-related risks.[31]

Data privacy is a key consideration in Nagarro's digital engineering and consulting services. While we do not typically bring customer data into our own environment, project delivery may involve collecting and processing personal data. In client engagement, Nagarro typically acts as a data processor under contractual arrangements (e.g., MSA/DPA), while the client remains the data controller responsible for defining purposes and means of processing. Therefore, related impacts are primarily concentrated in service delivery and the downstream value chain. We place emphasis on preventing issues at the design stage by embedding secure development practices, applying strict access controls and adhering to standards such as ISO 27001. We further adjust our approach through ongoing investments in cybersecurity capabilities, employee training and governance measures to support responsible data handling across services. Nagarro strives to adhere to relevant data protection regulations, including the EU General Data Protection Regulation (GDPR), and engages with governments and industry bodies regarding evolving privacy and information security requirements. The Risk and Compliance team, led by Custodian of Regulatory Compliance (a member of the Management Board), works closely with the internal Security Council and Global Privacy Council, bringing together experts and senior leaders to guide organizational decisions. The Global Privacy Council collaborates with Data Protection Officers across entities to oversee compliance. Safeguarding personal data and ensuring privacy are integral to our strategy and business model, as secure and trustworthy digital solutions are essential to maintaining client and user confidence.

Impact, risk or opportunity*[1]	Description		Location in the value chain		
			Upstream	Own operations	Downstream
Consumer and end-user data privacy	The digital nature of our products and services involves the collection and processing of personal user data. Inadequate data security measures or accidental breaches may result in the violation of privacy rights.	Potential negative impact			•

*[1] Note that all impacts, risks or opportunities can arise on any time horizon – short, medium or long-term

[30] The performance completion rate measures the percentage of completed performance review forms among all eligible forms and is calculated as (reviewed forms ÷ eligible forms) × 100, where reviewed refers to completed performance review forms and eligible refers to performance review forms opened during the relevant review cycle. Annual data is calculated as the average of two performance cycles: Cycle 1 (Q4 2024 and Q1 2025) and Cycle 2 (Q2 and Q3 2025). The metric is based on internal HR systems and is subject to limitations related to data availability and employee eligibility. The scope includes all active Nagarrians, with exclusions applying to individuals allocated to projects for less than 1.5 months during the review period and non-employees such as third-party contractors, interns and professionals.

[31] We have not identified any specific groups of end users with a greater risk of privacy rights violations.

Policies for data privacy and information security [S4-1]

Protecting the privacy and personal data entrusted to us is a cornerstone of Nagarro's Constitution, as well as our responsibility as a digital engineering partner. We recognize that our clients' trust, as well as that of their customers and all end users, depends on our ability to safeguard their data with integrity and transparency. Two main Global Privacy Policies define how we manage personal information across all entities and business operations, distinguishing between Nagarro's role as data controller (corporate functions) and as data processor (business delivery for clients):

- Global Privacy Policy – Data Processor (For Business Delivery))
- Global Privacy Policy – Data Controller (Corporate Functions)

In 2025, the Global Privacy Policy – Data Processor was updated to transfer the relevant data protection obligations to the customer in cases where customers collected and processes employee data from Nagarro within their internal systems. The process update includes maintaining appropriate records of data sharing and ensuring data minimization and purpose limitation, along with approval from the relevant data privacy officer (DPO).

As a counterpart, information security is governed by our Information Security Policy, which establishes a globally consistent, ISO 27001-aligned framework for protecting information assets and supporting the secure processing of personal data across all operations.[32] Our publicly available global Policy Notice summarizes the above policies.

The aforementioned policies aim to ensure compliance with international data protection standards, including ISO 27001:2022, the EU General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA), and the California Privacy Rights Act (CPRA). The Global Privacy Policies outline the lawful, fair and transparent processing of personal data and establish principles for collection, storage, use and retention. They apply globally to all categories of data subjects, including employees, clients, suppliers and website visitors, and cover end users who interact with Nagarro's digital services. In business delivery, Nagarro processes personal data only in accordance with contractual requirements agreed with the client as data controller and notifies the client of a personal data breach without undue delay.

To ensure strong governance and security controls, we maintain a global Information Security Management System (ISMS) based on the ISO 27001 standard as defined in its Information Security Policy. The policy sets out Nagarro's top management commitment to protecting information assets and establishes globally consistent, risk-based principles for confidentiality, integrity and availability across all entities, employees and client engagements. The ISMS aims to protect the knowledge, infrastructure, and property of Nagarro and our clients against accidental or malicious disclosure, modification or destruction. The ISMS also ensures that information security requirements and responsibilities are clearly defined and that all Nagarro employees are aware of their legal and standards compliance obligations. All internal IT and security policies stem from the ISMS and are regularly updated and communicated across the company. Our Privacy Policy and ISMS work together to responsibly, lawfully, and transparently manage data, supporting secure digital transformation while upholding trust and the right to privacy.

The right to privacy is recognized as a fundamental human right in many jurisdictions, and a key human rights consideration for Nagarro in relation to end users. Our commitment to upholding human rights is embedded in the Nagarro Constitution. Through our Privacy Policy and ISO 27001-certified Information Security Management System (ISMS), we aim to handle personal data lawfully, fairly and transparently in accordance with applicable data protection laws, including the GDPR, CCPA, and CPRA. These frameworks operationalize Nagarro's commitment to the UN Global Compact, by upholding privacy and information security as key elements of human rights protection. During the reporting period, no incidents involving end users were identified or reported in the downstream value chain that constituted violations of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises.

Dedicated governance structures provide oversight and engagement on privacy and information security matters. The Global Privacy Council provides strategic direction and oversight of privacy topics. Data Protection Officers (DPOs) are assigned to each entity to support implementation of privacy practices and respond to privacy-related matters and client requirements. Engagement with end users primarily occurs through collaboration with clients. Data privacy measures are defined and implemented in accordance with contractual requirements. The internal audit team regularly reviews compliance with data privacy obligations in client projects, and DPOs participate in high-risk projects to ensure adherence to applicable standards. The Security Council, led by the Chief Information Security Officer (CISO), oversees implementation of information security measures. Nagarro applies appropriate technical and organizational measures (TOMs) across its operations to maintain the confidentiality, integrity and availability of its own data and that of its clients.

Nagarro enables remedy for human-rights related impacts on end-users through established grievance mechanisms. Complaints may be submitted through the human rights grievance channel (partner.connect@nagarro.com), or where applicable, through the privacy grievance channel (dpo@nagarro.com). Remediation is provided by the data privacy and information security policies. The Information Security Management System and the internal PRISM framework serve as

[32] For more information on all three policies, refer to the Policy overview in the Appendix

operational mechanisms to prevent, identify and address such impacts. These mechanisms include processes for data-subject rights management, allowing individuals to request access, correction, or deletion of their data. They also include incident and breach management procedures to notify affected parties and regulators in the event of a personal data breach.



Privacy Framework - PRISM

Engagement with end users [S4-2]

Nagarro's business model primarily involves partnering with corporate clients to develop and operate digital solutions. Therefore, our corporate clients represent user needs and expectations in project contexts as primary proxies. Direct interaction with end users is limited, however, their perspectives are incorporated through a combination of indirect and direct engagement channels. End users' perspectives inform decisions through three channels: (1) collaborative processes with clients during solution design and delivery, (2) feedback and performance reviews at the project level, and (3) privacy-related inquiries submitted via publicly available communication channels, such as the contact for the dedicated Data Protection Officer. These channels provide Nagarro with insights into the impact of its services on users and help the company refine privacy controls, usability and product integrity.

This engagement follows an iterative, agile model, in which project teams and project CEOs, i.e., project leads responsible for project operations and client engagement, incorporate feedback into improvements to the delivery process. The frequency of engagement varies by project, but it typically aligns with agile sprint cycles and client review sessions, enabling continuous refinement of services and responsiveness to client and end-user expectations.

In Nagarro's context, the effectiveness of engagement with clients, who represent end-user perspectives, is evaluated through Net Promoter Score (NPS) and Customer Satisfaction (CSAT) surveys conducted after project delivery or at defined review points. These metrics provide quantitative insight into client satisfaction, project quality and perceived value creation. The results inform Nagarro's continuous improvement efforts to enhance delivery processes, communication and user experience. Through this systematic evaluation of feedback, Nagarro aims to ensure that its engagement approach remains responsive, effective and aligned with client and end-user expectations.

Processes to remediate negative impacts and channels for end users to raise concerns [S4-3]

Nagarro has formal processes in place to address grievances and prevent or remediate potential or actual negative impacts on end users related to data protection and privacy. These processes are based on the company's ISMS and the internal PRISM framework, which together define responsibilities, escalation procedures and timelines for managing privacy-related requests and incidents.

End users submit data protection or privacy concerns to the continuously monitored email address dpo@nagarro.com, which is publicly available on the company's website. Nagarro's privacy and information security experts assess all queries and address them within the legally required 30-day timeframe. This process enables Nagarro to identify and remediate privacy-related impacts, ensure regulatory compliance and maintain transparency with affected individuals. These procedures apply to all Nagarro entities and are reflected in the company's Data Protection Agreements (DPAs) with clients and partners, which define the respective responsibilities for handling privacy-related queries and compliance obligations. As a data processor, Nagarro provides breach notification to the data controller without undue delay and assists the controller with its notification obligations to authorities and affected data subjects, taking into account the nature of processing and information available. A dedicated team formally logs, tracks and resolves all data subjects' rights requests received via dpo@nagarro.com. The effectiveness of this process is supported by the accessibility and awareness of the channel and clearly defined internal procedures. Currently, we have not conducted a formal assessment of the effectiveness of the provided remedies.

Nagarro promotes awareness of these mechanisms by making its Privacy Notice publicly available. The notice explains how personal data is processed and safeguarded. The PRISM framework reinforces trust by embedding a culture of proactively maintaining privacy across all operations through clear notices, awareness initiatives and record keeping. The awareness and trust in communication and grievance channels are assessed by monitoring the number of inquiries received through these

channels and the ability to respond to them in a timely manner in line with applicable response timeframes. Regular and appropriate use of these channels is considered an indicator that they are known, accessible and trusted for raising concerns or needs. Under Nagarro's Whistleblower Policy, individuals who raise concerns in good faith are protected from retaliation. All requests are handled confidentially with full respect for the privacy of the reporting individual. Anonymous reporting is also permitted via the whistleblower channel.

Taking action [S4-4]

To manage our identified potential negative impact on consumer data privacy, we have not set specific targets, but are implementing several actions:

1. We communicate the Privacy Policy to stakeholders

Nagarro ensures that the most recent version of the Privacy Policy is accessible to relevant stakeholders and is shared proactively with clients and prospects, particularly during RFP (Request for Proposal) processes. By making data protection practices transparent and readily available, Nagarro enables clients to make informed decisions early in their engagement. This approach helps reduce uncertainties regarding data handling standards and supports smoother project onboarding and delivery. The policy applies globally and encompasses external stakeholders who interact with Nagarro's digital services or contractual processes, including end users represented indirectly through clients. The policy is continuously available on Nagarro's website and can be provided at any stage of the client relationship upon request.

2. On-demand privacy training for relevant business units

To strengthen internal capabilities for executing projects in a privacy-compliant manner, specific business units and project teams, whose work involves processing personal data or presents heightened privacy risks receive on-demand privacy training. These sessions supplement company-wide, mandatory annual information security and privacy training and allow project-specific risks and client expectations to be addressed. This action is intended to improve employee competence in responsible data handling, reduce the likelihood of privacy breaches resulting from human error, and strengthen the protection of end users whose information may be processed in client engagements. The training is available globally to relevant teams and is delivered flexibly throughout the year as needed.

3. Continuous implementation and enhancement of TOMs under the ISMS

We continuously implement and improve the technical and organizational measures (TOMs) that comprise the ISO 27001:2022-compliant ISMS. This includes updating security controls, maintaining evidence of control effectiveness, and refining documentation and processes that safeguard the confidentiality, integrity and availability of information entrusted to Nagarro by clients and end users. The expected outcome is a strengthened security posture and a reduced likelihood of information security incidents that could negatively affect end users. These measures apply to all entities and services involving digital engineering, software development, and the processing of client or user data globally. They are implemented on an ongoing basis and supported by structured annual compliance reviews and documentation updates.

4. Annual update of the Global Privacy Policies

Nagarro updates the Global Privacy Policy at least once per year, or more frequently, if necessary, due to changes in legislation, client requirements or internal practices. Through these regular updates, we aim to ensure that the data protection framework remains aligned with applicable privacy laws and reflects evolving expectations for lawful, fair, and transparent processing. These updates aim to support regulatory compliance and mitigate risks that may arise from outdated practices. The annual review applies to all entities and covers all categories of data subjects, including clients, prospects, suppliers, website visitors and end users whose personal data may be processed within client projects. Updates follow a recurring annual cycle, with updates performed at least once per reporting year and supplemented by additional revisions when necessary.

Regarding the identified material impact, we implement the provisions of our Security Incident Management Process, which also address personal data breaches, whenever a potential or actual incident occurs. Both outline the structured processes through which necessary response measures are identified and implemented. Upon notification of an incident, the Incident Response Team evaluates the nature and severity of the event, determines appropriate containment and remediation measures, and ensures that contractual obligations to clients are met. This approach, we aim both to prevent further harm to affected end users and restore the security and integrity of personal information. During the reporting period, no incidents involving end users were identified that required remediation. Consequently, no remediation actions were undertaken.

In addition to taking steps to mitigate negative impacts, we implement initiatives intended to strengthen privacy and security protections for end users. These include the mandatory annual information security and data protection training for all employees, as well as recurring phishing simulation exercises conducted several times per year. Employees who do not successfully complete these simulations receive follow-up training to reinforce secure digital behavior. Beyond internal initiatives, guidance is made available to organizations and end-users through resources such as our publicly available Cybersecurity Assessment Playbook, which supports a structured assessment of cybersecurity risks, vulnerabilities and control

gaps. The playbook outlines an approach for evaluating security maturity and identifying areas for improvement, thereby supporting safer digital environments for end-users. Together, these initiatives intend to support awareness of cybersecurity and data protection risks, thereby contributing to the prevention of negative downstream impacts on end users.

As a measure of effectiveness, we currently prioritize accessibility of the channel by monitoring the number and severity of data privacy or information security incidents that are reported through grievance channels. During the reporting period, no significant incidents related to privacy or information security breaches were identified, indicating that the implemented measures have effectively mitigated the identified material impact. While this monitoring provides an indication of how risks are managed in practice, the effectiveness of our policies and actions is not formally tracked through a dedicated performance framework or quantitative effectiveness indicators.

We intend to ensure the availability of remediation processes through the Security Incident Management Process, which forms part of the ISMS. These processes define the procedures and responsibilities for handling incidents, managing data subject rights, and communicating with affected clients in the event of a breach or data privacy incident. Ongoing updates to these processes, as required by the Global Privacy Policies and the annual ISMS policy review help maintain their readiness and relevance. As there were no data privacy-related incidents during the reporting year, these processes were not activated, and no assessment of their effectiveness based on actual cases was conducted.

Nagarro takes preventive action to avoid causing or contributing to negative impacts on end users through its practices. Nagarro aims to maintain a secure digital environment and applies safeguards to prevent accidental or unauthorized disclosure of data. This includes ensuring that internal data handling practices do not unintentionally create risks for clients or end users. The transparency requirements and communication channels defined in the publicly available Privacy Policy help to support the prevention of personal data misuse and provide individuals with a structured channel to raise concerns.

V. Governance dimension

Effective governance is essential to a successful sustainability program. It helps to establish clear standards of conduct, set expectations, and enables organization-wide decision-making to implement structured programs and create long-term value.

The non-hierarchical aspect of Nagarro's CARING philosophy reflects a humanistic and value-driven approach that prioritizes people while fostering innovation, accountability and agility. It promotes an environment where colleagues feel comfortable raising concerns, collaborate openly, and operate based on shared values rather than formal hierarchy. This philosophy supports internal collaboration and professional interactions with clients across geographies. It also reinforces ethical decision-making contributing to integrity, trust and mutual respect across the organization.

The material IROs identified for business conduct illustrate how culture, well-being and inclusion can influence operational performance and financial outcomes. A workplace characterized by trust and psychological safety can support employee engagement and retention, reducing turnover and strengthening service continuity. An inclusive culture can enhance talent attraction and engagement, supporting growth and the delivery of high-quality client projects. These cultural impacts and opportunities are embedded in Nagarro's business model and decision-making processes, with the potential to influence collaboration, delivery and long-term organizational performance.

Impact, risk or opportunity*[1]	Description	Nature	Location in the value chain		
			Upstream	Own operations	Downstream
Whistleblower protection	Ultimately, the protection of whistleblowers fosters trust and a secure work environment. This positive work environment further promotes safety and confidence in Nagarro among employees and other relevant stakeholders.	Positive impact		•	
Ethical culture and shared values	Nagarro's CARING philosophy and the Nagarro Constitution positively influence the working environment at all levels and in all regions of the organization. These shared principles unify employees globally, regardless of their role, geographical location or seniority, by providing a consistent ethical and cultural framework.	Positive impact		•	
Inclusive, open dialogue, and mental well-being focused culture	Nagarro's CARING philosophy positively influences the behavior and collaboration of all employees, regardless of region, role or function. Our culture allows people to speak up, provides mental health support, promotes inclusion and contributes to well-being and creativity. These cultural principles influence daily interactions, employee engagement and client relationships.	Positive impact		•	
Employee fulfillment and retention	When employees experience meaningful work and emotional well-being, retention and engagement improve. This leads to improved productivity and lower turnover, supporting operational efficiency and consistent service delivery in a competitive talent market.	Opportunity		•	
Positive culture for talent attraction	A strong, inclusive and value-driven culture helps attract top talent, especially in a global setting. It also improves throughput by fostering a sense of belonging and shared purpose, directly supporting growth and delivery quality in client projects.	Opportunity		•	
Agile culture and operational responsiveness	Our agile, decentralized culture supports fast decision-making, experimentation, adapting to change which is important in Nagarro's business context of digital engineering and tech services. This improves our ability to service our clients in a speedy manner as culture helps us achieve this.	Opportunity		•	

*[1] Note that all impacts, risks or opportunities can arise on any time horizon – short, medium or long-term.

Nagarro's approach to business conduct is guided by two key policies: the Nagarro Constitution and the Whistleblower Policy.[33] Together, these policies establish a framework for ethical behavior, transparency and mutual respect throughout the organization.

The Nagarro Constitution serving as the global code of conduct, applies to all employees and contractors. It outlines responsible working practices, compliance with applicable laws and regulations, and alignment with the CARING philosophy. It defines shared principles, expected standards of conduct and collaboration norms across locations. It helps align colleagues

[33] See Policy overview in the Appendix for details on both policies. [ESRS 2 MDR-P]

globally, contributing to meaningful work, engagement and consistent service delivery – factors that may positively influence operational performance and client satisfaction. The Constitution also addresses topics such as conflicts of interest, protection of company resources and fair competition. All Nagarrians are expected to report potential breaches through designated channels and retaliation is prohibited. Senior management holds particular responsibility to act as role models and to ensure that colleagues understand and apply these principles. For details on how the Constitution relates to social and human-rights matters, please refer to the social dimension chapter (see The Nagarro Constitution).

The Whistleblower Policy ensures that anyone associated with Nagarro can raise concerns about potential misconduct or legal violations in a safe and confidential manner. This strengthens trust, promotes a secure work environment and fosters safety and confidence in the organization [ESRS 2 MDR-P §65 (a)]. A dedicated reporting channel (whistleblower@nagarro.com) is publicly available to employees, contractors, applicants, suppliers and business partners as well as other stakeholders who may have witnessed a breach of ethics or significant irresponsible behavior, as defined in the policy. Reports are reviewed by an independent, trained internal team, the Custodian of Regulatory Compliance, the Director of Legal and Compliance and the Director of Data Privacy, aiming to ensure impartial handling and confidentiality. Individuals may remain anonymous, and any form of retaliation is prohibited. The Whistleblower Policy is regularly communicated to all colleagues through Ginger, the Nagarro AI assistant, to help ensure continued awareness and accessibility.

The policy establishes a process designed to ensure that every concern is reviewed promptly, independently and objectively in accordance with the EU Whistleblower Directive (Directive (EU) 2019/1937). Each case is acknowledged within seven days and assessed by impartial reviewers. Feedback is provided within three months, in accordance with regulatory requirements. Investigations are securely documented, and corrective actions are taken where necessary. Through this process, Nagarro seeks to maintain transparency, trust and accountability across the organization.

At Nagarro, we monitor the implementation of governance policies through clearly assigned departmental responsibilities. For example, the Custodian of Diversity and the People Enablement Team identify and implement action items, such as awareness campaigns and training sessions. Progress and effectiveness are regularly reviewed with leadership. As governance topics span multiple functions, implementation is monitored within the respective departments and integrated into operations.

Although the Nagarro Constitution and the Whistleblower Policy do not prescribe specific training requirements, we promote awareness and understanding of these policies through continuous, personalized reinforcement rather than periodic formal training sessions as described above. These prompts aim to reinforce key aspects of business conduct in a practical and accessible manner. For example, they illustrate situations that may constitute conflicts of interest and remind colleagues of the appropriate reporting channels. They also raise awareness about the ethical implications of gifts, sponsored events and other actions that may relate to unfair competition or corruption. Rather than relying solely on annual training, this ongoing and contextualized approach is intended to provide timely guidance and support responsible decision-making across the organization.

Corporate culture

At Nagarro, corporate culture is rooted in the CARING philosophy and is shaped through daily behaviors, shared practices, and company-wide initiatives. This corporate culture is embedded in policies, leadership expectations, organizational design, and ways of working. It is further developed through the initiatives described in the chapter IV. Social dimension, such as fostering inclusive teams, supporting well-being, enabling global collaboration, and encouraging colleagues to take ownership of social or environmental initiatives. Culture is reinforced through continuous dialogue, leadership engagement, and Ginger-supported nudges that encourage ethical conduct and shared responsibility in daily decision-making. It is also evaluated through feedback channels, people-enablement practices, and observation of how values translate into workplace behavior, client relationships, and team dynamics. Over time, this sustained focus is intended to strengthen organizational cohesion and support long-term performance.

Ethical business conduct

At Nagarro, business conduct and ethical leadership are viewed as expressions of the CARING philosophy, guiding how governing bodies exercise oversight and promote integrity, transparency and inclusion throughout the organization.

Within the two-tier governance system, the Management Board independently leads Nagarro. The Supervisory Board appoints the Management Board, which reports regularly on business and risk matters and has a duty to embody Nagarro's values, as outlined in paragraph 11 of the Nagarro Constitution. Senior leaders are expected to act as role models, promote awareness of the Constitution within their teams and prevent unacceptable conduct within their areas of responsibility.

The Supervisory Board oversees the activities of the Management Board and ensures that strategic decisions align with Nagarro's long-term ethical and cultural principles. The Audit Committee, Strategy Committee, and Nomination & Remuneration Committee provide structured oversight and subject-matter expertise. The Management Board includes a Custodian of Regulatory Compliance responsible for maintaining legal and ethical standards and promoting responsible practices across the

organization. Further information about the composition, diversity and responsibilities of the Management and Supervisory Boards can be found in chapter "II.c. Sustainability stewardship and governance" of this report.

Through this governance framework, Nagarro seeks to ensure that ethical conduct, transparency and accountability remain embedded across the organization. By aligning governance practices with the CARING philosophy, the company aims to foster a culture of integrity that supports sustainable operations stakeholder trust and long-term organizational stability.

VI. Appendix

a. Annex for ESRS 2

ESRS Index: List of ESRS disclosure requirements covered in this non-financial statement

ESRS	Disclosure Requirement	Page
General Disclosures	BP-1 – General basis for preparation of sustainability statements	184, 185, 223
	BP-2 – Disclosures in relation to specific circumstances	184, 185
	GOV-1 – The role of the administrative, management and supervisory bodies	193, 194
	GOV-2 – Information provided to, and sustainability matters addressed by, the undertaking's administrative, management and supervisory bodies	194, 209
	GOV-3 – Integration of sustainability-related performance in incentive schemes	194
	GOV-4 – Statement on due diligence	246
	GOV-5 – Risk management and internal controls over sustainability reporting	195
	SBM-1 – Strategy, business model and value chain	187, 188, 208, 209
	SBM-2 – Interests and views of stakeholders	192, 209, 222, 224
	SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	189, 190, 196 , 197, 208, 222, 223, 232, 237
	IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities	190, 191
	IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	191
Climate change	E1 GOV-3 – Integration of sustainability-related performance in incentive schemes	194
	E1-1 – Transition plan for climate change mitigation	198, 199, 200
	E1 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	196
	E1 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	191
	E1-2 – Policies related to climate change mitigation and adaptation	197, 198, 202, 203, 247-252
	E1-3 – Actions and resources in relation to climate change policies	200, 201, 202, 203
	E1-4 – Targets related to climate change mitigation and adaptation	196, 198, 199, 200
	E1-5 – Energy consumption and mix	187, 201, 205
	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	200, 203, 204, 205, 206, 208
Pollution	ESRS IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	191
Water and marine resources	ESRS IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	191
Biodiversity and ecosystems	ESRS IRO-1 – Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	191
Resource use and circular economy	ESRS IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	191
Own Workforce	S1 SBM-2 – Interests and views of stakeholders	222, 224

	S1 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	223
	S1-1 – Policies related to own workforce	224, 225, 226, 227, 228, 229, 230, 231, 232, 247-252
	S1-2 – Processes for engaging with own workforce and workers' representatives about impacts	224, 225
	S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns	225, 226
	S1-4 – Taking action on material impacts on own workforce and approaches to managing material risks and pursuing material opportunities related to own workforce and effectiveness of those actions	226, 227, 228, 229, 230, 231
	S1-5 – Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	226
	S1-6 – Characteristics of the undertaking's employees	223
	S1-9 – Diversity metrics	229, 230
	S1-12 – Persons with disabilities	Phase-in used
	S1-13 – Training and skills development metrics	231, 232
	S1-14 – Health and safety metrics	228
	S1-16 – Remuneration metrics (pay gap and total remuneration)	230
Consumers and end users	S4 SBM-2 – Interests and views of stakeholders	232
	S4 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	232
	S4-1 – Policies related to consumers and end users	233, 234, 247-252
	S4-2 – Processes for engaging with consumers and end users about impacts	234
	S4-3 – Processes to remediate negative impacts and channels for consumers and end users to raise concerns	234, 235
	S4-4 – Taking action on material impacts on consumers and end users and approaches to managing material risks and pursuing material opportunities related to consumers and end users and effectiveness of those actions	232, 234, 235, 236
Business conduct	G1 GOV-1 – The role of the administrative, supervisory and management bodies	238
	G1 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	192
	G1-1 – Business conduct policies and corporate culture	193, 237, 238

Datapoints that derive from other EU legislation as listed in Appendix B [ESRS 2 IRO-2 §56]

Disclosure requirement	Datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Covered in this report?	Section
ESRS 2 GOV-1	21 (d): Board's gender diversity	Indicator number 13 of Table #1 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		Yes	GOV-1
ESRS 2 GOV-1	21 (e): Percentage of Board members who are independent			Commission Delegated Regulation (EU) 2020/1816, Annex II		Yes	GOV-1
ESRS 2 GOV-4	30: Statement on due diligence	Indicator number 10 Table #3 of Annex I				Yes	GOV-4
ESRS 2 SBM-1	40 (d) i: Involvement in activities related to fossil fuel activities	Indicators number 4 Table #1 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1	40 (d) ii: Involvement in activities related to chemical production	Indicator number 9 Table #2 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1	40 (d) iii: Involvement in activities related to controversial weapons	Indicator number 14 Table #1 of Annex I		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1	40 (d) iv: Involvement in activities related to cultivation and production of tobacco			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS E1-1	14: Transition plan to reach climate neutrality by 2050				Regulation (EU) 2021/1119, Article 2(1)	Yes	E1-1
ESRS E1-1	16 (g): Undertakings excluded from Paris-Aligned Benchmarks		Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking Book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g) and Article 12.2		Not material	
ESRS E1-4	34: GHG emission reduction targets	Indicator number 4 Table #2 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Yes	E1-4

ESRS E1-5	38: Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex I				Yes	E1-5
ESRS E1-5	37: Energy consumption and mix	Indicator number 5 Table #1 of Annex I				Yes	E1-5
ESRS E1-5	40 to 43: Energy intensity associated with activities in high climate impact sectors	Indicator number 6 Table #1 of Annex I				Not material	
ESRS E1-6	44: Gross Scope 1, 2, 3 and total GHG emissions	Indicators number 1 and 2 Table #1 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Yes	E1-6
ESRS E1-6	53 to 55: Gross GHG emissions intensity	Indicators number 3 Table #1 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Yes	E1-6
ESRS E1-7	56: GHG removals and carbon credits				Regulation (EU) 2021/1119, Article 2(1)	Not material	
ESRS E1-9	66: Exposure of the benchmark portfolio to climate-related physical risks			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		No, phase-in applied	
ESRS E1-9	66 (a): Disaggregation of monetary amounts by acute and chronic physical risk		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			No, phase-in applied	
	66 (c): Location of significant assets at material physical risk						
ESRS E1-9	67 (c): Breakdown of the carrying value of its real estate assets by energy-efficiency classes		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralized by immovable property – Energy efficiency of the collateral			No, phase-in applied	

ESRS E1-9	69: Degree of exposure of the portfolio to climate- related opportunities			Delegated Regulation (EU) 2020/1818, Annex II		No, phase-in applied	
ESRS E2-4	28: Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Indicator number 8 Table #1 of Annex I Indicator number 2 Table #2 of Annex I Indicator number 1 Table #2 of Annex I Indicator number 3 Table #2 of Annex I				Not material	
ESRS E3-1	9: Water and marine resources	Indicator number 7 Table #2 of Annex I				Not material	
ESRS E3-1	13: Dedicated policy	Indicator number 8 Table 2 of Annex I				Not material	
ESRS E3-1	14: Sustainable oceans and seas	Indicator number 12 Table #2 of Annex I				Not material	
ESRS E3-4	28 (c): Total water recycled and reused	Indicator number 6.2 Table #2 of Annex I				Not material	
ESRS E3-4	29: Total water consumption in m 3 per net revenue in own operations	Indicator number 6.1 Table #2 of Annex I				Not material	
ESRS 2 – SBM 3 – E4	16 (a) i	Indicator number 7 Table #1 of Annex I				Not material	
ESRS 2 – SBM 3 – E4	16 (b)	Indicator number 10 Table #2 of Annex I				Not material	
ESRS 2 – SBM 3 – E4	16 (c)	Indicator number 14 Table #2 of Annex I				Not material	
ESRS E4-2	24 (b): Sustainable land/agriculture practices or policies	Indicator number 11 Table #2 of Annex I				Not material	
ESRS E4-2	24 (c): Sustainable oceans/seas practices or policies	Indicator number 12 Table #2 of Annex I				Not material	
ESRS E4-2	24 (d): Policies to address deforestation	Indicator number 15 Table #2 of Annex I				Not material	
ESRS E5-5	37 (d): Non-recycled waste	Indicator number 13 Table #2 of Annex I				Not material	
ESRS E5-5	39: Hazardous waste and radioactive waste	Indicator number 9 Table #1 of Annex I				Not material	
ESRS 2 – SBM3 v S1	14 (f): Risk of incidents of forced labor	Indicator number 13 Table #3 of Annex I				Not material	
ESRS 2 – SBM3 v S1	14 (g): Risk of incidents of child labor	Indicator number 12 Table #3 of Annex I				Not material	
ESRS S1-1	20: Human Rights Policy commitments	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Yes	S1-1
ESRS S1-1	21: Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		Yes	S1-1
ESRS S1-1	22: Processes and measures for preventing trafficking in human beings	Indicator number 11 Table #3 of Annex I				Yes	S1-1

ESRS S1-1	23: Workplace accident prevention policy or management system	Indicator number 1 Table #3 of Annex I				Yes	S1-1
ESRS S1-3	32 (c): Grievance/complaints handling mechanisms	Indicator number 5 Table #3 of Annex I				Yes	S1-3
ESRS S1-14	88 (b) and (c): Number of fatalities and number and rate of work-related accidents	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Yes	S1-14
ESRS S1-14	88 (e): Number of days lost to injuries, accidents, fatalities or illness	Indicator number 3 Table #3 of Annex I				Not reported	S1-14
ESRS S1-16	97 (a): Unadjusted gender pay gap	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Yes	S1-16
ESRS S1-16	97 (b): Excessive CEO pay ratio	Indicator number 8 Table #3 of Annex I				Yes	S1-16
ESRS S1-17	103 (a): Incidents of discrimination paragraph	Indicator number 7 Table #3 of Annex I				Not reported	
ESRS S1-17	104 (a): Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Yes	S1-17
ESRS 2 – SBM3 v S2	11 (b): Significant risk of child labor or forced labor in the value chain	Indicators number 12 and n. 13 Table #3 of Annex I				Not material	
ESRS S2-1	17: Human Rights Policy commitments	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex I				Not material	
ESRS S2-1	18: Policies related to value chain workers	Indicator number 11 and number 4 Table #3 of Annex I				Not material	
ESRS S2-1	19: Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S2-1	19: Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS S2-4	36: Human rights issues and incidents connected to its upstream and downstream value chain	Indicator number 14 Table #3 of Annex I				Not material	
ESRS S3-1	16: Human Rights Policy commitments	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex I				Not material	
ESRS S3-1	17: Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	Indicator number 10 Table #1 Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S3-4	36: Human rights issues and incidents	Indicator number 14 Table #3 of Annex I				Not material	

ESRS S4-1	16: Policies related to consumers and end users	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Yes	S4-1
ESRS S4-1	17: Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Yes	S4-1
ESRS S4-4	35: Human rights issues and incidents	Indicator number 14 Table #3 of Annex I				Yes	S4-4
ESRS G1-1	10 (b): United Nations Convention against Corruption	Indicator number 15 Table #3 of Annex I				Yes	G1-1
ESRS G1-1	10 (d): Protection of whistleblowers	Indicator number 6 Table #3 of Annex I				Yes	G1-1
ESRS G1-4	24 (a): Fines for violation of anti-corruption and anti-bribery laws	Indicator number 17 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II)		Not material	
ESRS G1-4	24 (b): Standards of anti-corruption and anti-bribery	Indicator number 16 Table #3 of Annex I				Not material	

Statement on due diligence [ESRS 2 GOV-4]

Overview of Nagarro's due diligence processes and governance structure

Core elements of the due diligence process	Paragraphs in the Sustainability Statement
Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-1, ESRS 2 GOV-2, ESRS 2 SBM-1
Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 SBM-2, ESRS 2 IRO-1, ESRS S1-2, ESRS S4-2
Identifying and assessing adverse impacts	ESRS 2 IRO-1, ESRS 2 SBM-3
Taking actions to address those adverse impacts	ESRS E1-3, ESRS S1-4, ESRS S4-4
Tracking the effectiveness of these efforts and communicating	ESRS E1-4, ESRS E1-5, ESRS E1-6, ESRS S1-5, ESRS S1-6, ESRS S1-9, ESRS S1-13, ESRS S1-14, ESRS S1-15, ESRS S1-16, ESRS S1-17

b. Policy overview [ESRS 2 MDR-P]

Policy name	(Sub-)topics covered	Scope	Key contents	Senior level accountable	Link to internationally recognized standards	Availability
Environmental Policy	E1 – Climate change mitigation	Global (all Nagarro employees)	• Establishes Nagarro's environmental management framework in line with ISO 14001:2015	Custodian of sustainability	• ISO 14001:2015 Environmental Management Standard	Internal
			• Targets net-zero GHG emissions, zero waste to landfill and responsible water and energy use		• Science Based Targets initiative (SBTi)	
			• Embeds eco-digital engineering and sustainable building practices		• UN Sustainable Development Goals (SDGs)	
			• Commits to materiality assessments, data monitoring and transparent reporting		• UN Global Compact	
			• Embeds governance and accountability through leadership oversight and quarterly sustainability reviews		• Paris Agreement	
			• Aligns with CARING values and commits to community engagement and collaboration with suppliers on sustainability initiatives			
Sustainable procurement policy	E1 – Climate change mitigation	Global	• Integrates environmental and social criteria into procurement decisions across Nagarro's supply chain	Global Sustainability Team & Global Procurement Team	• ISO 20400	Internal
		(all procurement teams, offices and suppliers)	• Aligns purchasing with CARING values and corporate sustainability objectives		• German Supply Chain Act (LkSG)	
			• Promotes supplier responsibility on human rights, fair labor, ethics and environmental management		• EU-aligned product and process frameworks such as WEEE and RoHS, Energy Star, 80 PLUS, TCO for IT hardware	
			• Embeds ISO 20400 and German Supply Chain Act (LkSG) principles for supplier evaluation and monitoring		• FSC/PEFC, Blue Angel for paper	
			• Includes KPIs for supplier performance, awareness training and annual self-assessment			
Organizational training process	S1 – Training and skills development	Global (all Nagarro employees)	• Develop skills and knowledge for all people to perform their roles effectively and efficiently.	Head – L&D (NagarroU)	n/a	Internal
			• Identification of the learning requirements by leaders, projects and individuals within the organization			
			• Planning and collaboration with the respective teams			

Nagarro Constitution	S1 – Working conditions in general	Global (all Nagarro employees and individual contractors)	• Defines global ethical and behavioral standards for all employees and contractors	Custodian of Entrepreneurship (CEO)	UN Global Compact	The Nagarro Constitution
	S1 – Inclusion of persons with disabilities (incl. neurodivergent individuals)		• Ensures compliance with laws on labor, data protection and anti-corruption		GDPR	
	S1 – Gender equality and equal pay		• Promotes integrity, fairness and zero tolerance for bribery or discrimination			
	G1 – Corporate culture		• Protects confidential information, client IP and personal data			
			• Encourages responsible use of company resources and transparent decision-making			
			• Provides whistleblowing channels and protection against retaliation			
			• Embeds “CARING” values: Client-centric, Agile, Responsible, Intelligent, Non-hierarchical, Global			
Nagarro’s Code of Conduct for supplier-partners around the world	E1 – Climate change mitigation	Global (suppliers and business partners to Nagarro - upstream value chain)	• Sets standards for suppliers on workers’ rights, wages, working hours and health/safety	Chief Accounting Officer	ILO core labor standards	Nagarro's Code of Conduct for supplier-partners around the world
			• Prohibits child labor, forced labor, discrimination, harassment and exploitation		Human rights norms	
			• Requires suppliers to protect confidential information, intellectual property and not misuse insider knowledge			
			• Obliges suppliers to engage in environmental responsibility and reduce adverse impacts			
			• Grants audit rights to Nagarro and expects suppliers to have internal compliance systems			
			• Describes compliance channels for reporting bribery and conflict of interest cases			
Occupational Health and Safety Management System (OHSMS) Policy	S1 – Working conditions in general	Global – all Nagarro locations, employees, contractors, and relevant stakeholders	• Establishes a global framework for managing occupational health and safety across Nagarro	Safety Committee	ISO 45001:2018	Internal
			• Commits to safe and healthy workplaces through risk identification, prevention, and emergency preparedness	Senior Management		

			• Promotes employee involvement, training, and a strong safety culture			
			• Ensures compliance with applicable health and safety laws and continuous improvement			
			• Defines clear roles, accountability, monitoring, and annual policy review			
DEI Policy	S1 – Working conditions in general	Global – all Nagarro employees	• Establishes commitment to diversity, inclusion, and equity	Custodian of diversity	UN Women's Empowerment Principles	DEI Policy
			• Promotes equal opportunity, psychological safety, and inclusive culture across all locations			
			• Commits to gender equity, including a target of 25% women in leadership by 2026			
			• Embeds inclusive practices and DEI principles			
			• Defines governance, monitoring, and annual review using diversity metrics, benchmarking, and employee feedback			
Privacy Notice	S1 – Privacy (personal data protection	Global (employees, contractors, clients and partners)	• Defines lawful, fair and transparent processing of personal data	Data Protection Officer	ISO 27001:2022	Privacy Notice
	S4 – Data privacy of consumers		• Defines data collection, storage, use and retention practices		California Consumer Privacy Act (CCPA)	
			• Protects employee, client and supplier information through strict safeguards		California Privacy Rights Act (CPRA)	
			• Implements global privacy program, DPIAs and rights management			
			• Upholds ISO 27001 standards and cross-border data protection measures			
Global Privacy Policy – Data Controller (Corporate Functions)	S1 – Privacy (personal data protection	Global – all Nagarro employees, delivery teams, suppliers, and contractors	• Establishes Nagarro's responsibilities when acting as a data controller for corporate functions	Board member	GDPR (incl. Article 30 RoPA)	Internal
	S4 – Data privacy of consumers		• Defines lawful bases, data subject rights, retention, and deletion obligations		ISO/IEC	
			• Establishes board-level privacy governance, RoPA, and privacy impact assessments		applicable national data protection laws	
			• Regulates internal and third-party data sharing and cross-border transfers			
			• Requires privacy-by-design, monitoring, audits, and non-compliance handling			
Global Privacy Policy – Data Processor (For Business Delivery)	S4 – Data privacy of consumers	Global – all business delivery teams, contractors, and third parties processing client data	• Defines Nagarro's obligations when acting as a data processor for client delivery projects	Board member	GDPR	Internal

			• Limits processing to contractual purposes under DPAs and SCCs		ISO/IEC 27701:2019	
			• Defines access controls, confidentiality, and security measures for delivery teams		HIPAA (for applicable projects)	
			• Regulates sub-processors and client-driven data deletion or return			
			• Requires breach notification and assistance to clients, not direct authority reporting			
Whistleblower Policy	G1 – Protection of Whistleblowers	Global (employees, contractors, applicants, suppliers and business partners)	• Establishes secure and confidential channels to report legal or ethical breaches	Custodian of Regulatory Compliance / Management Board	EU Directive 2019/1937 on Whistleblower Protection	Whistleblower Policy
			• Protects whistleblowers and affected persons from retaliation			
			• Defines internal and external reporting procedures and response timelines			
			• Ensures impartial handling and confidentiality by an independent reporting office			
Information Security Policy	S4 – Data privacy of consumers	Global (all Nagarro employees and business partners to Nagarro - upstream value chain)	• Establishes Nagarro's global framework for protecting information assets and systems	Chief Information Security Officer (CISO)	ISO 27001	Internal
			• Commits to maintaining an ISO 27001:2022–aligned Information Security Management System (ISMS)			
			• Defines objectives to ensure confidentiality, integrity, availability and accountability of data			
			• Sets principles for proportional, ethical and risk-based security controls across all locations			
Nagarro US 2025 Employee Handbook	S1 – Working conditions in general	US	• Establishes Nagarro's employment framework, workplace expectations and ethical standards for all U.S. employees	US Human Resources Director	Title VII Civil Rights Act (1964)	Internal
	S1 – Inclusion of persons with disabilities (incl. neurodivergent individuals)	(all U.S.-based employees, contractors, applicants and managers)	• Policy Against Harassment: Defines and prohibits all forms of workplace harassment		United States Equal Employment Opportunity Commission (EEOC) Guidelines	
	S1 – Gender equality and equal pay		• Open door policy: Provides confidential reporting channels and anti-retaliation protection and assigns supervisory responsibility		Americans with Disabilities Act (ADA 1990) and ADA Amendments Act (ADAAA)	
	S1 – Diversity		• Retaliation Policy: Protects employees from adverse actions for reporting concerns or participating in investigations in good faith		Pregnant Workers Fairness Act (2023)	

	S1 –Health & safety		• Workplace Conduct: Sets standards for respectful, professional and ethical behavior; prohibits bullying, violence or misuse of company assets		Equal Pay Act (1963)	
	S1 – Work-life balance		• Conflict of Interest: Requires disclosure and avoidance of personal or financial interests conflicting with Nagarro's business interests		Fair Employment and Housing Act (FEHA)	
	S1 – Privacy (personal data protection)		• Gender Equity in Pay: Defines equal pay for equal work and periodic compensation reviews to identify disparities		Pregnant Workers Fairness Act (PWFA 2023)	
	G1 – Protection of whistleblowers		• Equal Employment Opportunity: Ensures fair treatment and nondiscrimination in all employment practices		U.S. Department of Labor Child Labor Regulations	
	G1 – Corporate culture		• ADA & Reasonable Accommodations: Outlines accommodations for disabilities, pregnancy and religious practices through an interactive process		State-specific labor laws	
			• Safety and Health: Promotes a safe and healthy workplace and compliance with applicable U.S. health and safety laws			
			• Promotes Nagarro's CARING values and compliance with all applicable federal, state and local employment laws			
Sexual Harassment Policy (Employees)	S1 – Working conditions in general	Austria	• Establishes a zero-tolerance framework for all forms of sexual harassment in the workplace	Local management and Austria HR		Internal
		(all employees of Nagarro AT)	• Details procedures for reporting for employees			
			• Defines confidentiality, non-retaliation and fair handling of all complaints			
Sexual Harassment Policy (Leaders)	S1 – Working conditions in general	Austria	• Establishes a zero-tolerance framework for all forms of sexual harassment in the workplace	Local management and Austria HR		Internal
		(all employees of Nagarro AT)	• Details procedures for escalation and investigation for leaders			
			• Clarifies management duties, responsibilities and disciplinary measures for violations			
Mobile Working	S1 – Work-life balance	Austria	• Defines framework for remote and home-based work under Austrian employment law	Local management and Austria HR	Austrian Labor Law	Internal
		(all employees of Nagarro AT)	• Allows flexible arrangement of working time and workplace in coordination with business needs		EU Working Time Directive (2003/88/EC)	
Flexitime	S1 – Work-life balance	Austria	• Defines flexible working hours framework jointly agreed with the works council	Local management and Austria HR	Austrian Working Time Act (AZG)	Internal
		(all employees of Nagarro AT)	• Sets daily and weekly standard working hours, rest periods and flexitime limits		Austrian Working Time Rest Act (ARG).	
			• Regulates time credits and debts, overtime and transfer of time balances		EU Working Time Directive (2003/88/EC)	
Sexual Harassment Policy	S1 – Working conditions in general	Romania, Poland and Hungary (employees, contractors and clients)	• Establishes a zero-tolerance framework for all forms of sexual harassment in the workplace	Romanian HR	EU Directive 2006/54/EC on Equal Treatment	Internal
			• Details procedures for reporting, escalation and investigation	Equal Opportunities Working Group	national anti-discrimination and labor laws in Romania, Poland and Hungary	
			• Defines confidentiality, non-retaliation and fair handling of all complaints			

			• Clarifies management duties, responsibilities and disciplinary measures for violations			
Working Time & Flexitime Policy	S1 – Work-life balance	Germany (all employees of DE20 Nagarro GmbH)	• Defines local work time according to local laws	German HR lead	German Working Hours Act (ArbZG)	Internal
			• Allows flexible working time and regulates overtime		Maternity Protection Act (MuSchG)	
			• Includes special rules for expectant and nursing mothers		EU Working Time Directive (2003/88/EC)	
OHS Policy DE20	S1 – Health & safety	Germany (all employees of DE20 Nagarro GmbH)	• Provides key OHS guidance, emergency contacts and fire and accident procedures for all employees	DE20: CEO & EOHS Officer	ISO 14001:2015	Internal
			• Promotes safe working conditions, first aid readiness and awareness of workplace hazards		ISO 45001:2018	
					Germany Labor Law	
Occupational Health and Safety	S1 – Health & safety	Germany (all employees of DE50 Nagarro ES)	• Defines Nagarro's obligations and employee responsibilities for safe and healthy working conditions	German HR lead	ISO 14001:2015	Internal
General instruction			• Covers accident reporting, first aid, fire protection, PPE use and safe handling of tools and equipment		ISO 45001:2018	
			• Establishes processes for voluntary medical check-ups		Germany Labor Law	
			• Requires employees to confirm understanding as part of onboarding and annual training			
Business travel policy	E1 – Climate change mitigation	India	• Integrates sustainability considerations decision making related to business travel	Finance leadership		Internal
			• Prioritizes land-based travel for destinations within 500km radius of origin			
			• Considers only economy class air travel booking by the Global Mobility Group (GMG)			
			• Creates awareness about sustainable behavior during business travel			

VII. Assurance report of the independent German Public Auditor on a limited assurance engagement in relation to the separate group non-financial statement[34]

To Nagarro SE, Munich

Assurance Conclusion

We have conducted a limited assurance engagement on the separate group non-financial statement of Nagarro SE, Munich, for the financial year from January 1 to December 31, 2025, prepared to fulfil the requirements of Sections 315b and 315c in accordance with Sections 289b through 289e of the HGB [Handelsgesetzbuch: German Commercial Code] including the information contained in this consolidated non-financial statement to fulfill the requirements of Article 8 of Regulation (EU) 2020/852 (hereinafter the "non-financial reporting").

Not subject to our assurance engagement are the prior year numbers marked as unaudited with "<" at the beginning and ">" at the end, the chapter "D.2 Civic and social responsibility" which is marked as unaudited, and references to websites included in the non-financial reporting.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying non-financial reporting for the financial year from January 1 to December 31, 2025 is not prepared, in all material respects, in accordance with Sections 315b and 315c HGB, the requirements of Article 8 of Regulation (EU) 2020/852 and the supplementary criteria presented by the executive directors of the Company.

We do not express an assurance conclusion on the prior year numbers marked as unaudited with "<" at the beginning and ">" at the end, the chapter "D.2 Civic and social responsibility" and on the references to websites included in the non-financial reporting.

Basis for the Assurance Conclusion

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the section "German Public Auditor's Responsibilities for the Assurance Engagement on the non-financial reporting".

We are independent of the entity in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements for a system of quality control as set forth in the IDW Quality Management Standard issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) and International Standard on Quality Management (ISQM) 1 issued by the IAASB. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibilities of the Executive Directors and the Supervisory Board for the non-financial reporting

The executive directors are responsible for the preparation of the non-financial reporting in accordance with the applicable German legal and other European requirements as well as with the supplementary criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control that they have considered necessary to enable the preparation of a non-financial reporting in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent sustainability reporting in the non-financial reporting) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the non-financial reporting, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process for the preparation of the non-financial reporting.

[34] The English language text below is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may arise from the translation.

Inherent Limitations in Preparing the non-financial reporting

The applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of sustainability matters based on these interpretations is uncertain. As further set forth in section "About this report" of the non-financial reporting, the quantification of the non-financial performance indicators such as Scope 3 greenhouse gas (GHG) emissions is also subject to inherent uncertainties due to data coverage limits, regional variation in emission factors and the use of averages or prior year values as interim proxies.

These inherent limitations also affect the assurance engagement on the non-financial reporting.

German Public Auditor's Responsibilities for the Assurance Engagement on the non-financial reporting

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the non-financial reporting has not been prepared, in all material respects, in accordance with the applicable German legal and other European requirements and the supplementary criteria presented by the company's executive directors, and to issue an assurance report that includes our assurance conclusion on the non-financial reporting.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process used to prepare the non-financial reporting, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the non-financial reporting.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the non-financial reporting
- inquired of the executive directors and relevant employees involved in the preparation of the non-financial reporting about the preparation process and about the internal controls relating to this process
- evaluated the reporting policies used by the executive directors to prepare the non-financial reporting
- evaluated the reasonableness of the estimates and related information provided by the executive directors
- performed analytical procedures and made inquiries in relation to selected information in the non-financial reporting
- conducted site visits
- considered the presentation of the information in the non-financial reporting
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the non-financial reporting

Restriction of Use/Clause on General Engagement Terms

This assurance report is solely addressed to Nagarro SE, Munich.

The engagement, in the performance of which we have provided the services described above on behalf of Nagarro SE, Munich, was carried out on the basis of the General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) dated as of January 1, 2024 (www.kpmg.de/AAB_2024). By taking note of and using the information as contained in our report each recipient confirms to have taken note of the terms and conditions stipulated in the aforementioned General Engagement Terms (including the liability limitations to EUR 4 million specified in item No. 9 included therein) and acknowledges their validity in relation to us.

Munich, April 27, 2026
KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Bergler	Vogl
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

D.2 Civic and social responsibility[35]

In 2025, Nagarro strengthened its commitment to creating meaningful and measurable societal impact through initiatives in road safety, health, sustainable urban development, climate action, education, and biodiversity conservation. Working closely with organizations such as Raahgiri Foundation, Gurujal and Let's do it Romania, Nagarro supported programs that combine systems thinking, on-ground implementation, and long-term ecological benefits.

Safe, vibrant and people-friendly cities

Road safety and inclusive urban development remained major focus areas in 2025. Nagarro supported national and state-level road safety programs guided by the 6Es framework—Education, Enforcement, Engineering, Emergency care, Environment, and Encouragement. Activities included community awareness sessions, city events, data-led assessments of high-risk zones and building a safe school zone.

This effort extended in Nagarro's involvement in the Haryana Vision Zero Program wherein Nagarro's interventions included speed limit rationalization across key stretches in Gurugram, improvement of five major intersections and rectification of two high-risk spots. These interventions are structured as multi-year programs and will continue beyond 2025, aligned with the long-term Vision Zero strategy.



Improvement of intersection in Kanhai, Gurgaon

Nagarro supported Urban Adda, a conference that brought together changemakers, experts, artists, policymakers, youth, and civil society working toward building inclusive, resilient, and sustainable cities. At this three-day event, Nagarro hosted conversations to advance discourse on building vibrant, safe, and people-friendly cities, engaging urban planners, key government officials and industry experts.

Urban infrastructure efforts gained momentum as a result of continued collaboration with Raahgiri Foundation in 2025. The Centre of Air Quality Monitoring, a Statutory Body of the Government of India focused on air quality issues, designated Sanath road as a model street for the National Capital Region, recognizing it as nature-based solution with documented temperature reduction of 2-3^{0}C compared to nearby conventional streets.

As part of this recognition, capacity-building workshops were delivered to municipality officials across nine major cities and redevelopment of 20 model streets was initiated in Gurugram. Some Model streets around Nagarro's Gurugram office continued to show strong outcomes, recording zero fatalities and achieving high scores in independent audits on accessibility and women's safety. These interventions are multi-year initiatives with continued progress expected beyond 2025.

[35] Section D.2., Civic and social responsibility, is not included in the Non-financial Group Statement and therefore is not subject to the limited assurance of the Non-financial Group Statement.

Community empowerment and education

Across our global locations, Nagarro continued to strengthen its long-standing commitment to community development through learning, skills-building, and youth empowerment. Our teams in Hungary, Poland, and Romania expanded the *Nagarro Connect* ecosystem—recognized with the Best Internal Strategy, Silver Award at the Employer Branding Conference Romania—by deepening engagement with students, universities, and local communities. Notable initiatives included the *Bring Your Own Student* mentorship program, where colleagues guided learners through hands-on, practice-based technology projects, and the continued support of the *DPIT – Discover Your Passion in IT* program, which helps high-school teams develop socially meaningful applications with guidance from Nagarro mentors. In Spain, we supported MEET EPS as a top-tier sponsor, helping bring mathematics, engineering, and technology education closer to students in public and private schools.



Career guidance session for university students, Portugal

In Portugal, Nagarro partners with academic institutions to bridge the gap between academia and industry. These initiatives include knowledge-sharing sessions, career guidance, and support for students in enhancing their employability and confidence as they transition into professional life. Furthermore, Nagarro collaboration with SEMEAR, a non-profit organization based in the country, dedicated to the professional inclusion of people with intellectual disabilities through training and meaningful employment. In Spain, we supported MEET EPS as a top-tier sponsor, helping bring mathematics, engineering, and technology education closer to students in public and private schools.

Additionally, partnerships with professional institutes enabled student traineeships, further strengthening pathways into the tech sector. These initiatives reflect our belief in expanding access to future-ready skills and shaping a more inclusive pipeline of digital talent.

Health, wellbeing, and social support

Many of our CSR efforts in 2025 focused on promoting health, dignity, and wellbeing for individuals and communities in vulnerable situations. In Sri Lanka, as part of celebrating four years of Nagarro in the region, our teams supported children undergoing cancer treatment at the Apeksha Hospital through the donation of essential nutritional supplies—an experience that left a meaningful impact on both our colleagues and the families we met.



Wellbeing Ganes 2025, Portugal

Teams across France organized solidarity-driven activities, such as charity runs for people with disabilities, walks supporting breast cancer research, and donation drives for disadvantaged children. In Portugal, our colleagues took part in the Wellbeing Games 2025, a national initiative promoting physical and mental health while contributing funds to nonprofit organizations.

Meanwhile, teams across Hungary, Poland and Romania participated in annual blood donation drives and organized cross-country acts of kindness, creating personalized messages and gifts for children battling cancer through the *Fundația Zurli* foundation. These collective efforts help our people's dedication to care, empathy, and social solidarity.

Advancing environmental stewardship and collective action

Nature-positive actions focusing on water conservation, decentralized wastewater management, ecological restoration, and waste management were initiated in 2025 with Raahgiri Foundation and Gurujal, an organization focused on holistic groundwater restoration and governance. Specifically, Nagarro supported the implementation of decentralized wastewater and groundwater recharge projects through the operation, maintenance, and restoration of three key ponds with a total of 182.45 ML wastewater treated, nearly 120.72 million litres groundwater recharge, and approximately 151.6 tCO_2e sequestration potential over a minimum 10year timeframe.

In Sarhaul, an urban village in the vicinity of Nagarro's Gurugram office, Nagarro supported the initiation of a Material Recovery Facility (MRF) and the improvement of door-to-door waste collection from zero to 70%. Additional efforts included solar panel installation at Literacy India, and biodiversity documentation in the Aravalli region by local conservationists.

Nagarro continued to champion environmental responsibility through locally relevant, employee-driven initiatives. Our teams in Romania, Hungary, and Poland actively engaged in clean-up drives, with strong participation in the annual "Let's Do It, Romania!" nationwide campaign across multiple cities, reaffirming our commitment to protecting shared natural spaces. These efforts were complemented by numerous outdoor volunteering actions that encouraged families, friends, and colleagues to engage together in environmental care. Additional activities across Europe included NGO-linked sporting events that combined physical activity with environmental and social awareness.



Clean-up drive, Romania

In Spain, our recognition as a *"company that changes lives"* by the Spanish Red Cross highlighted not only our social impact but also our support for sustainable job integration programs aimed at creating long-term resilience for local communities. Across regions, our teams demonstrated that environmental stewardship thrives when people come together through small, consistent actions that collectively create lasting positive impact.