Half-yearly financial report

2026

For the period ended June 30

nagarro

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

Nagarro group

Key figures – Quarterly

	Q2 2026	Q2 2025	YoY Change	Q1 2026	QoQ Change
	kEUR	kEUR	%	kEUR	%
Revenue	252,356	251,976	0.2%	248,135	1.7%
Cost of revenues	170,535	168,266	1.3%	170,775	-0.1%
Gross profit	81,821	83,740	-2.3%	77,360	5.8%
Adjusted EBITDA	37,838	30,536	23.9%	31,230	21.2%
Revenue by geography					
North America	89,724	86,747	3.4%	86,701	3.5%
Central Europe	73,069	75,642	-3.4%	72,090	1.4%
Rest of Europe	31,810	33,304	-4.5%	30,267	5.1%
Rest of World	57,754	56,283	2.6%	59,076	-2.2%
Revenue by country					
United States of America	88,827	86,253	3.0%	85,483	3.9%
Germany	55,984	59,421	-5.8%	57,049	-1.9%
Revenue by industry					
Automotive, Manufacturing and Industrial	65,944	62,562	5.4%	65,580	0.6%
Retail and CPG	34,859	33,031	5.5%	33,335	4.6%
Financial Services and Insurance	32,262	31,111	3.7%	33,668	-4.2%
Public, Non-profit and Education	23,224	22,260	4.3%	22,817	1.8%
Travel and Logistics	23,060	23,794	-3.1%	20,605	11.9%
Management Consulting and Business Information	20,741	19,337	7.3%	20,751	0.0%
Energy, Utilities and Building Automation	16,750	17,667	-5.2%	14,473	15.7%
Life Sciences and Healthcare	15,831	18,103	-12.6%	17,022	-7.0%
Horizontal Tech	9,903	13,056	-24.1%	9,037	9.6%
Telecom, Media and Entertainment	9,781	11,054	-11.5%	10,847	-9.8%

Nagarro group

Key figures – Half-yearly

	H1 2026	H1 2025	YoY Change
	kEUR	kEUR	%
Revenue	500,491	498,860	0.3%
Cost of revenues	341,310	339,675	0.5%
Gross profit	159,181	159,279	-0.1%
Adjusted EBITDA	69,068	60,760	13.7%
Revenue by geography			
North America	176,425	171,772	2.7%
Central Europe	145,158	149,469	-2.9%
Rest of Europe	62,077	63,630	-2.4%
Rest of World	116,830	113,990	2.5%
Revenue by country			
United States of America	174,310	170,405	2.3%
Germany	113,033	117,448	-3.8%
Revenue by industry			
Automotive, Manufacturing and Industrial	131,524	121,542	8.2%
Retail and CPG	68,194	66,267	2.9%
Financial Services and Insurance	65,930	61,187	7.8%
Public, Non-profit and Education	46,041	44,548	3.4%
Travel and Logistics	43,665	46,439	-6.0%
Management Consulting and Business Information	41,492	36,606	13.3%
Life Sciences and Healthcare	32,853	35,225	-6.7%
Energy, Utilities and Building Automation	31,223	37,304	-16.3%
Telecom, Media and Entertainment	20,628	23,000	-10.3%
Horizontal Tech	18,940	26,742	-29.2%

Revenue concentration (by customer)	H1 2026	H1 2025
	%	%
Top 5	16.3%	14.8%
Top 6-10	9.3%	9.0%
Outside of Top 10	74.4%	76.2%

Gross profit, gross margin and Adjusted EBITDA 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.

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Section A

Interim group management report

for the half-year ended June 30, 2026

I. Overview

In the first half of 2026, Nagarro demonstrated resilience amid a challenging macroeconomic backdrop and subdued IT Services demand. Despite these conditions, we delivered moderate growth and maintained operational performance. Our differentiated operating model and focus on superior client experience continued to strengthen client loyalty and retention, helping us sustain momentum and position the business for long-term value creation. On June 26, 2026, Nagarro entered into a business combination agreement with Persistent Systems Limited ("Persistent"). Persistent launched a public takeover offer for all outstanding Nagarro shares at EUR 81 per share.

Nagarro's H1 2026 YoY revenue growth over H1 2025 was 4.2% in constant currency, and 0.3% in Euro terms. In Q2 2026, revenue grew 2.0% YoY in constant currency and 0.2% in Euro terms. Organic YoY revenue growth for Q2 was 0.6% in constant currency, which translated to negative 1.1% organic YoY revenue growth in Euro terms. Compared to Q1 2026, revenue grew 1.7% QoQ in constant currency, and 1.7% QoQ in Euro terms. The number of clients doing more than €1 million in last 12-month revenue with Nagarro - an important internal indicator of growth potential - increased from 179 in Q1 2026 to 184 in Q2 2026.

The company added a net 540 professionals and 168 professionals in Q1 2026 and Q2 2026, respectively, ending H1 2026 with 18,711 professionals, of whom 17,037 were professionals in engineering as of June 30, 2026.

II. Economic report

A. The business environment so far in 2026

The conflict in the Middle East has become the dominant force shaping the global economic outlook in the first half of 2026. Disruptions to shipments through the Strait of Hormuz, together with damage to energy infrastructure, have triggered a sharp rise in energy prices and increased the cost of critical industrial inputs. These higher costs are feeding into inflation pressures, weakening confidence, and weighing on household demand and business activity. According to the OECD's latest Economic Outlook report, global GDP growth for 2026 is expected to be 2.8%, down from 3.4% in 2025.

While worldwide IT spending is expected to reach $6.37 trillion in 2026, up 14.2% from 2025, spending on Services is only expected to grow 5%, according to the latest forecast by Gartner. This growth is expected to be driven by accelerating AI adoption, cloud migration, and cybersecurity demands. That said, overall IT Services spending is expected to be somewhat tempered by continued macroeconomic uncertainty.

B. Business performance in H1 2026

The overall backdrop of business for Nagarro in H1 2026 was challenging. Clients remain selective in initiating new projects, prioritizing those with the strongest expected return on investment.

Revenue

Nagarro's revenues grew to €500.5 million in H1 2026 from €498.9 million in H1 2025. In constant currency, H1 2026 YoY revenue growth was 4.2%, which translated to a growth of 0.3% in Euro terms.

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.

The table below presents the gross margins:

Six-month period ended June 30	2026	2025
	mEUR	mEUR
Revenue	500.5	498.9
Own work capitalized	-	0.1
Total performance	500.5	499.0
Cost of revenues	(341.3)	(339.7)
Gross profit	159.2	159.3
Gross margin (as % of revenue)	**31.8%**	**31.9%**

Nagarro defines Adjusted EBITDA as earnings before interest, taxes, depreciation and amortization (EBITDA) adjusted to exclude effects that we consider extraordinary, such as items related to mergers and acquisitions, shared based payments, significant regulatory events, and exceptional events.

Mergers and acquisitions include effects such as impairment of goodwill, purchase price adjustments, badwill, foreign exchange effects on purchase price, transaction costs related to business combinations, retention bonus and earn-out expenses/(income) related to acquisitions. Share-based payments represent share-based payment arrangements cost. Significant regulatory events include additional employee benefits expense related to statutory impact of new Labor Codes in India in 2025. Exceptional events include investigation expenses, additional audit fees, and from the current year, expenses for evaluation of public takeover offer.

The reconciliation between Adjusted EBITDA and EBITDA is as follows:

Six-month period ended June 30	2026	2025
	mEUR	mEUR
EBITDA	66.5	65.0
Adjustment for special items		
Mergers and acquisitions		
Retention bonus expense as part of share purchase agreement of the acquired entities	0.4	1.4
Earn-out expense/ (income) relating to acquisitions	0.3	0.1
Acquisition expense	-	0.1
Exchange loss/ (gain) on purchase price components	-	(0.1)
Share-based payments		
Share-based payment arrangements cost	0.6	(7.4)
Exceptional events		
Expenses for evaluation of public takeover offer	0.9	-
Investigation expenses	0.4	0.6
Additional audit fee	-	1.1
Total adjustment for special items	**2.6**	**(4.3)**
Adjusted EBITDA	**69.1**	**60.8**
Revenues	**500.5**	**498.9**
Adjusted EBITDA (as % of revenues)	**13.8%**	**12.2%**

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 as projects with no more than 3 FTEs of average monthly staffing in the quarter.

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 them accordingly. Our CSAT score for Q1 2026 and Q2 2026 was 92.7% and 93.2% respectively resulting in an H1 2026 score of 93.0% (Q1 2025: 94.3%; Q2 2025: 93.2%; H1 2025: 93.8%). We expect this KPI to remain in the region of 92.0% in 2026.

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 Q1 2026 and Q2 2026 was 65 and 70 respectively resulting in an H1 2026 score of 68 (Q1 2025: 69; Q2 2025: 66; H1 2025: 67). We expect this KPI to remain in the region of 65 in 2026.

C. Result of operations

Revenue

Nagarro's revenues grew to €500.5 million in H1 2026 from €498.9 million in H1 2025. In constant currency, H1 2026 YoY revenue growth was 4.2%, which translated to a growth of 0.3% in Euro terms. Organic YoY revenue growth for H1 2026 was 2.7% in constant currency, which translated to negative 1.1% organic YoY revenue growth in Euro terms. The difference between growth in constant currency and growth in Euro terms was primarily driven by adverse foreign exchange movements, primarily in USD/EUR and INR/EUR currency pairs, which had a negative impact on reported Euro revenues.

Industries with robust growth in H1 2026 over H1 2025 included the larger segments like "Management Consulting and Business Information" (13.3%), "Automotive, Manufacturing and Industrial" (8.2%), and "Financial Services and Insurance" (7.8%).

Industries with negative growth in H1 2026 over H1 2025 were the smaller segments like "Horizontal Tech" (-29.2%), "Energy, Utilities and Building Automation" (-16.3%), and "Telecom, Media and Entertainment" (-10.3%).

In the geographical revenue distribution, in H1 2026 Nagarro generated 35.3% of its revenue from North America (H1 2025: 34.4%), 29.0% of its revenue from Central Europe (H1 2025: 30.0%), 23.3% of its revenue from Rest of World (H1 2025: 22.9%) and 12.4% of its revenue from Rest of Europe (H1 2025:12.8%).

The revenue from our top 5 clients as a percentage of total revenue in H1 2026 grew robustly to 16.3% from 14.8% in H1 2025. The revenue from the next 5 largest clients grew to 9.3% in H1 2026 from 9.0% in H1 2025, while the revenue from clients outside the top 10 declined to 74.4% in H1 2026, as compared to 76.2% in H1 2025.

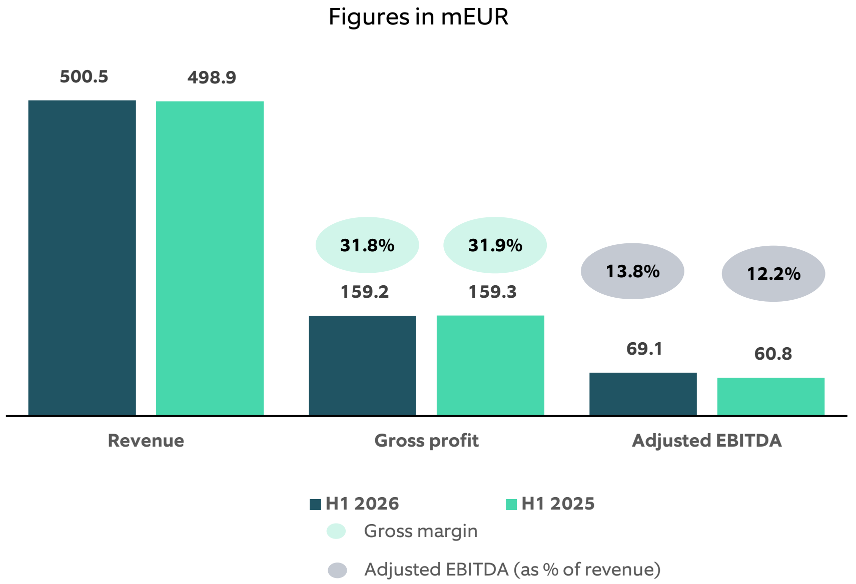
The top 5 currencies that contributed 89.0% (H1 2025: 90.2%) of our revenues are listed below:

Six-month period ended June 30 **Revenue currency**	**2026**	**2025**
	mEUR	mEUR
EUR	188.6	194.0
USD	179.3	181.0
INR	44.8	45.4
AED	19.5	16.9
GBP	13.3	12.6

Gross profit and Adjusted EBITDA

Gross profit remained flattish at €159.2 million in H1 2026 (H1 2025: €159.3 million). Gross margin also remained stable at 31.8% in H1 2026 (H1 2025: 31.9%). Adjusted EBITDA increased by €8.3 million from €60.8 million (12.2% of revenue) in H1 2025 to €69.1 million (13.8% of revenue) in H1 2026. There was year-on-year gain of €19.8 million due to the revaluation of intra-group loans, arising from the strengthening of the US dollar against the Euro in H1 2026 vs. H1 2025. In H1 2025, Nagarro had recognized a revaluation loss of €15.9 million, as compared to a revaluation gain of €4.0 million in H1 2026. This has partly been offset by increase in staff costs (excluding special items) by €3.8 million, cost of freelancers and other direct costs by €3.8 million, and impairment of trade receivables, contract assets and other financial assets by €1.3 million.

Our most significant adjustments to EBITDA in H1 2026 are expenses for evaluation of public takeover offer amounting to €0.9 million and expense related to share-based payment arrangements cost amounting to €0.6 million.



EBITDA, earnings before interest and taxes (EBIT) and net profit

EBITDA increased by €1.5 million from €65.0 million in H1 2025 to €66.5 million in H1 2026. EBITDA increased mainly because of increase in adjusted EBITDA by €8.3 million, as explained above, which was offset by unfavorable comparison of €8.0 million in share-based payment arrangements cost (net gain of €7.4 million in H1 2025 vs. net expense of €0.6 million in H1 2026). The expense/ reversal arose primarily from changes in the fair value of cash-settled SOPs during the respective periods. Further, in H1 2026, there is a decrease in retention bonus expense of €1.0 million, absence of additional audit fee of €1.1 million, and expenses incurred for evaluation of public takeover offer of €0.9 million.

There is an increase in EBIT by €1.7 million from €47.5 million in H1 2025 to €49.2 million in H1 2026 as in H1 2026 there was a decrease of €0.3 million in depreciation, amortization and impairment expense.

Income tax expense reduced by €9.4 million to €9.4 million [Effective tax rate (ETR) of 24.0% of earnings before taxes (EBT)] in H1 2026 as compared to €18.8 million (ETR of 49.0% of EBT) in H1 2025 due to absence of tax withholdings on payment of intra-group dividend in H1 2026 amounting to €7.2 million. In addition, a reversal of €0.5 million for provision for global minimum top-up tax reduced income tax expense in the current period. As a result, net profit increased by €10.2 million from €19.6 million in H1 2025 to €29.8 million in H1 2026.

Nagarro has operations in 39 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:

Six-month period ended June 30 **Expenses currency**	**2026**	**2025**
	mEUR	mEUR
INR	187.9	189.5
EUR	129.9	123.8
USD	59.3	56.6
RON	26.5	26.8
TRY	13.7	14.5

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.

Since September 23, 2022, Nagarro SE had entered into 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). The utilized balance of this facility amounts to €304.5 million as of June 30, 2026.

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.

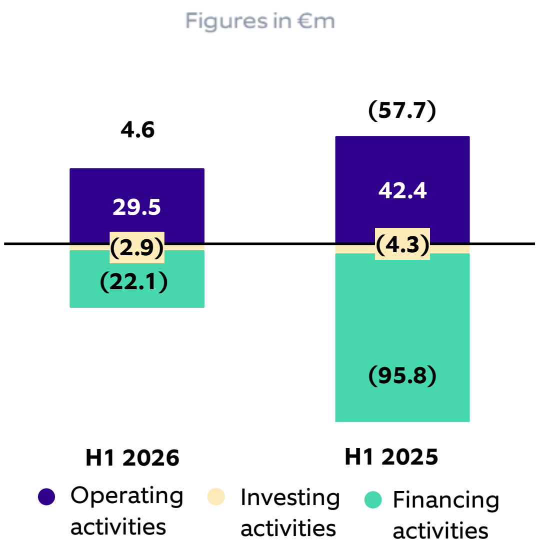
Net debt is calculated as a total of loans and borrowings and lease liabilities less cash. The net debt decreased by €10.9 million to €246.6 million (improved net debt to adjusted EBITDA ratio of 1.7x) as of June 30, 2026, as against €257.5 million (net debt to adjusted EBITDA ratio of 1.9x) as of December 31, 2025.

Debt-to-equity ratio is calculated as total liabilities divided by equity. The debt-to-equity ratio has also improved, decreasing to 3.3 as of June 30, 2026, as against 3.8 as of December 31, 2025. Equity to total assets ratio is calculated as equity divided by total assets. The equity to total assets ratio has also improved, increasing by 2 percentage point to 23.0% as of June 30, 2026, as against 21.0% as of December 31, 2025. Equity increased mainly due to current period's profits amounting to €29.8 million and positive other comprehensive income (OCI) amounting to €3.0 million (mainly due to positive impact of foreign currency translation of the group entities' balance sheet items from their respective functional currency to group's presentation currency on the reporting date). The increase in equity has been offset by dividend declared amounting to €12.4 million and purchase of treasury shares amounting to €2.3 million.

	Jun 30, 2026	Dec 31, 2025
	mEUR	mEUR
Loans and borrowings	310.5	310.1
Lease liabilities	67.4	72.1
Cash and cash equivalents	(131.3)	(124.6)
Net debt	**246.6**	**257.5**
Adjusted EBITDA for the first half of the year	69.1	60.8
Adjusted EBITDA for the second half of 2025	77.4	77.4
Adjusted EBITDA for last twelve months	**146.5**	**138.2**
Debt ratio (Net debt to Adjusted EBITDA)	**1.7**	**1.9**
Total assets	760.2	743.0
Equity	175.0	155.0
Equity (as a % of total assets)	**23%**	**21%**

Liquidity and cash flows

Net cash inflow/ (outflow) for the period:



The company's liquidity position was comfortable. Cash improved to €131.3 million. The current assets and current liabilities were €403.8 million and €167.9 million, respectively, yielding a working capital of €235.9 million.

The operating cash flows (OCF) decreased by €12.9 million from €42.4 million in H1 2025 to €29.5 million in H1 2026. This is due to year-on-year decrease in EBIT (adjusted for other non-cash income and expenses) by €13.3 million. The non-cash income and expenses are primarily attributable to the year-on-year impact of unrealized foreign exchange on intra-group loans of €19.8 million and of income from foreign exchange forward transactions of €2.5 million, partly offset by a year-on-year increase in share-based payment arrangements cost of €8.0 million.

Other items which had an offsetting impact on OCF included €10.4 million higher year-on-year working capital outflow, driven by increased payments towards trade payables and statutory dues as compared to H1 2025. This was partly offset by a €8.2 million year-on-year decrease in income tax payments, mainly reflecting the absence of €7.2 million on intra-group transfer of dividend. In addition, the reduction in factoring utilization was €1.9 million in H1 2026, against a reduction of €4.6 million in H1 2025. OCF adjusted for changes in factoring (including interest on factored amounts) was €31.5 million in H1 2026 as compared to €47.0 million in H1 2025.

Days of sales outstanding (DSO), calculated based on the quarterly revenue and including both contract assets and trade receivables, has increased from 85 days on June 30, 2025 and 82 days on December 31, 2025 to 86 days on June 30, 2026.

The cash outflow from investing activities in H1 2026 decreased by €1.4 million to €2.9 million as compared to €4.3 million in H1 2025. Cash outflow in H1 2026 decreased mainly due to a decrease in payment of acquisition obligations by €1.1 million and decrease in purchase of property, plant and equipment amounting to €1.0 million. This is being offset by an increase in interest received amounting to €0.8 million.

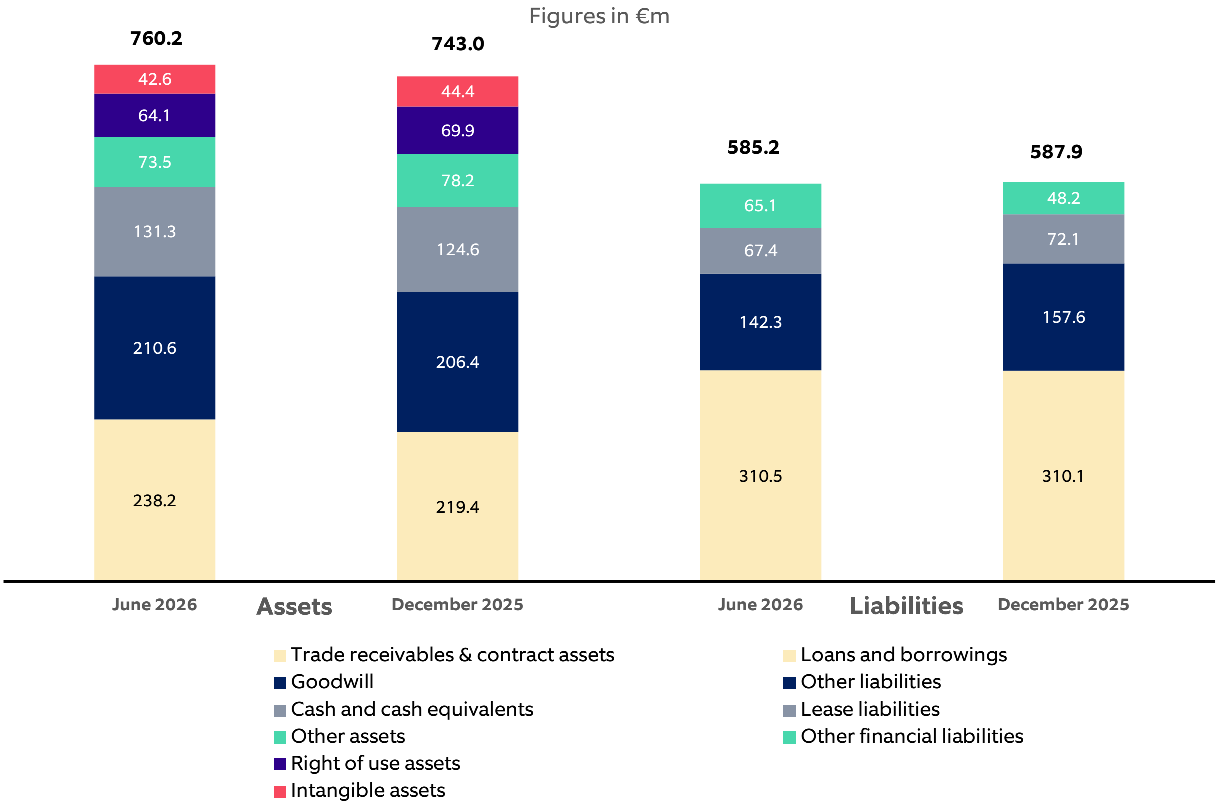
The cash outflow from financing activities in H1 2026 decreased by €73.7 million to €22.1 million as compared to €95.8 million in H1 2025. Cash outflows decreased in H1 2026 mainly on account of a decrease in the purchase of treasury shares by €47.8 million and a decrease in net repayment of bank loans by €23.9 million.

Our total cash inflow was €4.6 million in H1 2026 against an outflow of €57.6 million in H1 2025. Cash flows for H1 2026 are presented in the same format as the full year financials for financial year 2025.

Countries with the top 5 bank balances are listed below:

Countries	**June 30, 2026**	**December 31, 2025**
	mEUR	mEUR
Germany	50.8	53.4
India	14.8	6.2
United States of America	13.3	14.6
Singapore	10.7	4.7
Austria	5.5	5.9

E. Net assets



Total assets grew by €17.3 million to €760.2 million as of June 30, 2026, as against €743.0 million as of December 31, 2025. Non-current assets decreased by €4.9 million to €356.4 million as of June 30, 2026, as against €361.3 million as of December 31, 2025. Within non-current assets, right of use assets from leases declined by €5.9 million to €64.1 million (mainly due to amortization of existing leases by €10.9 million offset by net addition of new leases of €5.0 million). Further, intangible assets decreased by €1.8 million to €42.6 million (mainly due to currency differences and amortization), deferred tax assets decreased by €0.9 million to €26.0 million, and other non-current financial assets decreased by €0.6 million to €3.3 million. The decrease in non-current assets has been offset by increase in goodwill by €4.3 million on account of currency differences. Current assets increased by €22.2 million to €403.8 million as of June 30, 2026, as against €381.6 million as of December 31, 2025. Within current assets, contract assets and trade receivables, together increased by €18.8 million primarily due to an increase in receivables and contract assets from certain public sector customers. Further, cash and cash equivalents increased by €6.6 million to €131.3 million as of June 30, 2026 from €124.6 million as of December 31, 2025 and income tax receivables have also increased by €1.3 million to €12.7 million due to advance tax payments in H1 2026. The increase in current assets was partly offset by a decrease of €4.3 million in other current assets, mainly due to lower prepayments and VAT receivables.

Total liabilities declined marginally by €2.7 million to €585.2 million as of June 30, 2026, as against €587.9 million as of December 31, 2025. Non-current liabilities have decreased by €2.8 million to €417.3 million as of June 30, 2026, as against €420.0 million as of December 31, 2025 mainly on account of decrease in non-current lease liabilities by €5.5 million to €48.4 million as of June 30, 2026 from €53.8 million as of December 31, 2025. The decrease in non-current liabilities was partly offset by increase in non-current employee benefits liabilities by €1.4 million mainly on account of increase in provision for defined benefit obligations and increase in other non-current financial liabilities by €0.8 million mainly on account of increase in provision for leave encashment. Current liabilities remained stable at €167.9 million as of June 30, 2026 and December 31, 2025. Current liabilities increased due to increase in other financial liabilities of €16.1 million (primarily because of dividend payable amounting to €12.4 million). The increase in current liabilities has been partly offset by decrease in short term provisions by €8.6 million (mainly on account of payment of bonuses to employees), decrease in trade payables by €4.4 million, decrease in current contract liabilities by €1.2 million, and decrease in income tax liabilities by €1.2 million.

Net assets represented by total equity increased by €20.0 million from €155.0 million as of December 31, 2025, to €175.0 million as of June 30, 2026. The increase is primarily due to positive profit for the period amounting to €29.8 million and positive other comprehensive income (OCI) amounting to €3.0 million. This increase due to total comprehensive income has been partly offset by dividend declared amounting to €12.4 million and purchase of treasury shares amounting to €2.3 million.

III. Outlook

We maintain the expectations expressed in the Annual Report 2025.

IV. Developments after June 30, 2026

In the period between the reporting date of June 30, 2026, and the approval of the report by the Management Board on August 13, 2026, for publication, Nagarro's business has not changed significantly.

V. Risks and opportunities report

Nagarro continues to apply a comprehensive Enterprise Risk Management process that enables structured identification, assessment, monitoring, and mitigation of risks across the organization which is described in detail in combined management report 2025 (see section IX. Risks and opportunities report). Based on the risk assessments performed as of July 2026, no material changes have been identified in the overall risk situation compared to the risks reported in our Annual Report for financial year 2025. Furthermore, the recent Risk Bearing Capacity Analysis indicates that the Nagarro aggregated risk exposure remains well within the available risk-bearing capacity.

The successful completion of the business combination with Persistent Systems Limited could further strengthen Nagarro's strategic position over the long term by combining complementary client portfolios, regional positioning, and technological capabilities, creating additional growth opportunities through enhanced access to customers and markets, cross-selling opportunities, innovation capabilities, and increased scale.

The completion of the business combination remains subject to customary conditions, including the successful completion of the public tender offer and receipt of required regulatory approvals. During the transaction period, risks may arise from potential customer delays in investment or procurement decisions, employee attrition or recruitment challenges. Following successful completion, further risks may result from the alignment of organizational structures, business processes, IT systems and corporate cultures, or from synergies being realized later or to a lesser extent than expected.

We continue to monitor external developments that may affect our business environment, including geopolitical tensions, economic uncertainty, and foreign exchange rate fluctuations. Such developments may influence client demands, potential project delays, investment priorities, talent availability, and the operating environment in the affected markets, and are regularly assessed for their potential impact on the business. During the reporting period, the overall risk position remained stable and based on the current assessment, no individual risk or aggregation of risks has been identified that could jeopardize Nagarro's continued existence. Continuous improvements to the early warning risk system are being implemented.

Section B

Condensed consolidated interim financial statements

for the half-year ended June 30, 2026
in accordance with IFRS

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Interim condensed consolidated statement of financial position

Assets	Note	June 30, 2026	December 31, 2025
in kEUR			
Intangible assets	C.1.	42,588	44,434
Goodwill	C.2.	210,635	206,362
Property, plant and equipment		8,442	8,312
Right-of-use assets	C.3.	64,063	69,942
Non-current contract assets		425	399
Other non-current financial assets		3,283	3,902
Other non-current assets		1,036	1,133
Deferred tax assets		25,958	26,864
Non-current assets		**356,431**	**361,349**
Current contract assets		27,800	20,725
Trade receivables	C.4.	209,997	198,263
Other current financial assets		11,432	11,686
Other current assets		10,581	14,866
Income tax receivables		12,739	11,456
Cash and cash equivalents	C.5.	131,264	124,617
Current assets		**403,813**	**381,614**
Total assets		**760,244**	**742,963**

Equity and Liabilities	Note	June 30, 2026	December 31, 2025
in kEUR			
Share capital	C.6.	12,922	12,922
Treasury shares, at cost	C.6.	(42,202)	(40,213)
Capital reserve	C.6.	243,381	241,794
Profit carried forward	C.6.	212,740	185,624
Net profit for the period		29,788	39,492
Changes in equity recognized directly in equity		(260,612)	(260,612)
Other comprehensive income	C.6.	(21,004)	(23,984)
Total equity		**175,013**	**155,024**
Non-current loans and borrowings		306,554	307,112
Non-current lease liabilities	C.3.	48,364	53,818
Long-term employee benefits liabilities	C.7.	35,192	33,827
Other long-term provisions		223	212
Other non-current financial liabilities		6,650	5,861
Non-current liabilities from acquisitions		5,964	5,349
Deferred tax liabilities		14,342	13,869
Non-current liabilities		**417,289**	**420,048**
Current loans and borrowings		3,946	2,948
Current lease liabilities	C.3.	19,036	18,269
Short-term employee benefits liabilities	C.7.	14,524	14,315
Other short-term provisions		18,411	26,989
Current contract liabilities		13,058	14,285
Trade payables		14,651	19,036
Current liabilities from acquisitions		2,988	3,871
Other current financial liabilities		58,407	42,305
Other current liabilities		13,972	15,711
Income tax liabilities		8,949	10,163
Current liabilities		**167,942**	**167,891**
Total liabilities		**585,230**	**587,939**
Equity and liabilities		**760,244**	**742,963**

Interim condensed consolidated statement of comprehensive income

Profit or loss for the six-month period ended June 30	Note	2026	2025
in kEUR			
Revenue	D.1.	500,491	498,860
Own work capitalized		-	94
Other operating income	D.2.	4,894	3,064
Cost of freelancers and other direct costs		(43,750)	(39,978)
Staff costs	D.3.	(351,857)	(340,812)
(Impairment)/reversal of impairment of trade receivables, contract assets and other financial assets		(932)	364
Other operating expenses	D.4.	(42,351)	(56,552)
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**66,495**	**65,039**
Depreciation, amortization and impairment		(17,323)	(17,574)
Earnings before interest and taxes (EBIT)		**49,172**	**47,465**
Finance income		618	1,418
Finance costs	D.5.	(10,619)	(10,524)
Earnings before taxes (EBT)		**39,172**	**38,359**
Income taxes	D.6.	(9,384)	(18,787)
Profit for the period		**29,788**	**19,571**

Other comprehensive income for the six-month period ended June 30	Note	2026	2025
in kEUR			
Items that will not be reclassified to profit or loss			
Actuarial gains/ (losses)		154	(393)
Tax effects		(42)	133
		112	**(260)**
Items that may be reclassified to profit or loss			
Foreign exchange differences		2,813	(25,858)
Tax effects		55	319
		2,868	**(25,539)**
Other comprehensive income for the period		**2,980**	**(25,799)**
Total comprehensive income for the period		**32,768**	**(6,228)**

Six-month period ended June 30	Note	**2026**	**2025**
Basic earnings per share ('Basic EPS') in EUR:	D.7.		
- based on weighted average		2.41	1.51
- based on outstanding shares		2.41	1.55
Diluted earnings per share ('Diluted EPS') in EUR:	D.7.		
- based on weighted average		2.41	1.50
- based on outstanding shares		2.41	1.55

Interim condensed consolidated statement of changes in equity

							Other comprehensive income		
	Share capital	Treasury shares	Capital reserves	Profit carried forward	Net profit for the period	Changes in equity recognized directly in equity	Foreign exchange differences	Actuarial gain or loss on pension provisions	Total equity
in kEUR									
Balance at January 1, 2026	**12,922**	**(40,213)**	**241,794**	**185,624**	**39,492**	**(260,612)**	**(22,255)**	**(1,729)**	**155,024**
Profit for the period	–	–	–	–	29,788	–	–	–	29,788
Other comprehensive income for the period	–	–	–	–	–	–	2,868	112	2,980
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**29,788**	**–**	**2,868**	**112**	**32,768**
Transfer of profit or loss for the previous year to profit carried forward	–	–	–	39,492	(39,492)	–	–	–	–
Purchase of treasury shares	–	(2,271)	–	–	–	–	–	–	(2,271)
Reissuance of treasury shares under share-based payments	–	282	(282)	–	–	–	–	–	–
Dividend declared	–	–	–	(12,376)	–	–	–	–	(12,376)
Share capital issued	–	–	–	–	–	–	–	–	–
Share-based payment arrangements cost	–	–	1,869	–	–	–	–	–	1,869
Balance at June 30, 2026	**12,922**	**(42,202)**	**243,381**	**212,740**	**29,788**	**(260,612)**	**(19,386)**	**(1,618)**	**175,013**

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: Foreign exchange differences	Other comprehensive income: Actuarial gain or loss on pension provisions	Total equity
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 period	–	–	–	–	19,571	–	–	–	19,571
Other comprehensive income for the period	–	–	–	–	–	–	(25,539)	(260)	(25,799)
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**19,571**	**–**	**(25,539)**	**(260)**	**(6,228)**
Transfer of profit or loss for the previous year to profit carried forward	–	–	–	49,156	(49,156)	–	–	–	–
Purchase of treasury shares	–	(50,082)	–	–	–	–	–	–	(50,082)
Dividend declared	–	–	–	(12,638)	–	–	–	–	(12,638)
Share capital issued	–	–	–	–	–	–	–	–	–
Share-based payment arrangements cost	–	–	330	–	–	–	–	–	330
Balance at June 30, 2025	**13,776**	**(89,838)**	**241,359**	**252,149**	**19,571**	**(260,612)**	**(19,000)**	**(3,362)**	**154,043**

Interim condensed consolidated statement of cash flows

Cash flows Six-month period ended June 30 in kEUR	Note	2026	2025
Cash flows from operating activities			
EBIT		49,172	47,465
Depreciation, amortization and impairments of non-current assets		17,323	17,574
Change in long-term employee benefits liabilities		1,981	1,742
Other non-cash income and expenses		(2,448)	12,598
Income taxes paid		(10,757)	(18,958)
Cash flows from changes in net working capital	E.1.	(23,784)	(13,406)
Net cash outflows from non-recourse factoring		(1,946)	(4,584)
Net cash inflow from operating activities		**29,541**	**42,432**
Cash flows from investing activities			
Payments for property, plant and equipment and intangible assets		(2,696)	(3,712)
Proceeds from sale of property, plant and equipment		4	-
Investment in fixed deposits		39	17
Interest received		619	1,440
Acquisition of subsidiaries, net of cash acquired		(872)	(2,020)
Net cash outflow from investing activities		**(2,906)**	**(4,275)**
Cash flows from financing activities			
Purchase of treasury shares		(2,271)	(50,082)
Proceeds from bank loans		-	6,880
Repayment of bank loans		(987)	(31,733)
Payment of principal portion of lease liabilities		(9,713)	(11,250)
Interest paid		(9,085)	(9,618)
Net cash outflow from financing activities		**(22,056)**	**(95,803)**
Total cash flow		**4,580**	**(57,646)**
Effects of exchange rate changes on cash and cash equivalents		1,010	(8,813)
Total changes in cash and cash equivalents		**5,589**	**(66,458)**
Cash and cash equivalents at the beginning of period		122,984	186,879
Cash and cash equivalents at the end of period		128,573	120,421

Notes to the interim condensed consolidated financial statements

A. Basis of preparation

1. Corporate information

The interim condensed consolidated financial statements (“interim financial statements”) comprise Nagarro SE (the “parent company”) and its subsidiaries (together referred to as “Nagarro”) for the six months ended June 30, 2026. These statements have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with Nagarro’s annual consolidated financial statements as at December 31, 2025 (“last annual financial statements”), which were 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 Düsseldorf, Hamburg, Hanover, Munich, Stuttgart and Tradegate BSX.

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 last annual financial statements were published in the company register and are available online at https://www.nagarro.com/en/investor-relations/financial-reports-and-publications.

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

These interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements prepared in accordance with IFRS accounting standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of changes in the Group’s financial position and performance since the last annual financial statements.

These interim financial statements also comply with German Accounting Standard No. 16 (GAS 16) – Interim Financial Reporting –issued by the German Accounting Standards Committee e. V. (GASC).

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

The interim financial statements of Nagarro SE for the half-year ended June 30, 2026, have neither been reviewed by an auditor nor have been audited according to section 115 (5) WpHG (German Securities Trading Act) and were authorized for issuance in accordance with the resolution of the Management Board on August 13, 2026.

3. Use of judgements and estimates

In preparing these interim financial statements, management has made discretionary decisions, estimates and assumptions. These may affect the amount and presentation of assets and liabilities recognized in the balance sheet, disclosures of contingent assets and liabilities as of the reporting date, as well as disclosed income and expenses for the reporting period. Actual amounts may vary from these estimates and assumptions; changes can have a significant impact on these interim financial statements.

The significant judgements made by management in applying Nagarro’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements.

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

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 Note C.8. Financial instruments.

B. General accounting principles

1. Accounting policies, new standards, interpretations, and amendments adopted by the Group

The accounting policies applied in these interim financial statements are the same as applied in Nagarro's consolidated financial statements as at and for the year ended December 31, 2025.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2. Basis of consolidation

These interim financial statements as at June 30, 2026 include all the subsidiaries of the Group as mentioned in the consolidated financial statements as at December 31, 2025 along with the following additions made during the first half of 2026:

- Nagarro Headquarters Regional, Riyadh, Kingdom of Saudi Arabia
- Nagarro Services SPC, Muscat, Oman
- Nagarro Software Ltda, Rio de Janeiro, Brazil
- Nagarro Foundation, Gurugram, India

The following entities were closed during the first half of 2026:

- Nagarro AI Limited, Dubai, United Arab Emirates
- Nagarro Software Limited, Dublin, Ireland

In addition, the following changes in legal entity names occurred during the reporting period or thereafter:

- Advanced Technology Consulting Service Canada Inc., Toronto, Canada was renamed Nagarro Technology Inc., Toronto, Canada.
- Nagarro GmbH, Munich, Germany was renamed Nagarro Germany GmbH, Munich, Germany, effective July 3, 2026.

C. Notes to the interim condensed consolidated statement of financial position

1. Intangible assets

Intangible assets are as follows:

	Jun 30, 2026	Dec 31, 2025
	kEUR	kEUR
Orders on hand	1,362	1,917
Customer lists	28,643	30,176
Products	9,899	8,652
Software, licenses, rights	2,494	3,436
In-house developments	190	253
	42,588	**44,434**

2. Goodwill

Goodwill developed as follows:

	Jun 30, 2026	Dec 31, 2025
	kEUR	kEUR
Gross carrying amount as at Jan 1 of the respective period	206,362	214,242
Acquisitions through business combinations	-	11,435
Hyperinflation restatement	-	-
Additions	-	-
Disposals	-	-
Currency differences	4,273	(19,315)
Gross carrying amount	**210,635**	**206,362**
Accumulated depreciation and impairment as at Jan 1 of the respective period	-	-
Hyperinflation restatement	-	-
Amortization for the period / year	-	-
Impairment	-	-
Disposals	-	-
Currency differences	-	-
Accumulated depreciation and impairment	**-**	**-**
Net carrying amount	**210,635**	**206,362**

3. 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 are as follows:

	Jun 30, 2026	Dec 31, 2025
	kEUR	kEUR
Land use rights and buildings	43,298	45,477
Vehicles	6,989	7,170
Office equipment	13,776	17,295
	64,063	**69,942**

The lease liabilities are as follows:

	Jun 30, 2026			Dec 31, 2025		
		of which:			of which:	
	Total	**non-current**	**current**	**Total**	**non-current**	**current**
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Land use rights and buildings	45,803	37,635	8,168	46,546	39,190	7,356
Vehicles	7,064	4,007	3,058	7,362	4,289	3,073
Office equipment	14,533	6,723	7,810	18,179	10,340	7,840
	67,400	**48,364**	**19,036**	**72,087**	**53,818**	**18,269**

4. Trade receivables

Trade receivables are composed as follows:

	June 30, 2026	Dec 31, 2025
	kEUR	kEUR
Customer receivables	215,890	203,318
Impairment of customer receivables	(5,893)	(5,055)
	209,997	**198,263**

Nagarro has derecognized trade receivables amounting to kEUR 26,424 (December 31, 2025: kEUR 34,302) under the non-recourse factoring facility.

5. Cash and cash equivalents

Cash and cash equivalents comprise as follows:

	Jun 30, 2026	Dec 31, 2025
	kEUR	kEUR
Bank balances	103,296	101,096
Cash on hand	21	23
Cash	**103,317**	**101,119**
3-months deposit (cash equivalent)	27,939	23,490
Investment in T-bills for less than 3-months (cash equivalent)	9	8
Cash and cash equivalents in the interim condensed consolidated statement of financial position	**131,264**	**124,617**
Liabilities from factoring	(2,691)	(1,633)
Cash and cash equivalents in the interim condensed consolidated statement of cash flows	**128,573**	**122,984**

6. Equity

Equity is composed as follows:

	Jun 30, 2026	Dec 31, 2025
	kEUR	kEUR
Share capital	12,922	12,922
Treasury shares, at cost	(42,202)	(40,213)
Capital reserves	243,381	241,794
Profit carried forward (net of dividend)	212,740	185,624
Net profit for the period	29,788	39,492
Changes in equity recognized directly in equity	(260,612)	(260,612)
Other comprehensive income		
Foreign currency reserve (including effect of Türkiye hyperinflation)	(19,386)	(22,255)
Actuarial gain or loss on pension provisions	(1,618)	(1,729)
Total Equity	**175,013**	**155,024**

Treasury shares

The changes in treasury shares are composed as follows:

	2026	2026	2025	2025
	Numbers	kEUR	Numbers	kEUR
Opening balance as at Jan 1	519,600	40,213	453,867	39,757
Acquired during the period				
Tranche 1	-	-	684,384	50,082
Tranche 2	30,195	2,271	235,037	17,754
Total treasury shares acquired during the period	30,195	2,271	919,421	67,835
Redemption during the period	-	-	(853,688)	(67,379)
Utilized during the period	(3,655)	(282)	-	-
Closing balance as at Jun 30/ Dec 31	**546,140**	**42,202**	**519,600**	**40,213**

Capital reserves

The changes in capital reserves are composed as follows:

	2026	2025
	kEUR	kEUR
Opening balance as at Jan 1 of the respective period	241,794	241,030
Share-based payment expense		
Equity-settled stock options - SOP		
Stock option expense of SOP 2020/II - Tranche 1	-	2
Stock option expense of SOP 2020/III	-	-
Stock option expense of SOP 2020/II - Tranche 2a	21	112
Stock option expense of SOP 2020/II - Tranche 2b	1	2
Stock option expense of SOP 2020/II - Tranche 3	215	317
	237	**432**
Employee share participation program - ESPP		
Employee share participation program expense - ESPP 2023 - Tranche 1a	(255)	171
Employee share participation program expense - ESPP 2023 - Tranche 1b	(9)	4
Employee share participation program expense - ESPP 2023 - Tranche 2	25	64
Employee share participation program expense - ESPP 2024 - Tranche 1	19	44
Employee share participation program expense - ESPP 2025 - Tranche 1	28	47
Employee share participation program expense - ESPP 2025 - Tranche 2	12	2
Employee share participation program expense - ESPP 2026 - Tranche 1	1	-
	(179)	**332**
Performance Based Restricted Stock Units - PB RSUs		
PB RSUs 2025 - Tranche 1	1,122	-
PB RSUs 2025 - Tranche 2(a) and 2(b)	407	-
	1,529	-
Closing balance as at Jun 30/ Dec 31	**243,381**	**241,794**

Profit carried forward

The changes in profit carried forward are as follows:

	2026	2025
	kEUR	kEUR
Opening balance as at Jan 1 of the respective period	185,624	215,631
Transfer of profit or loss for the previous year to profit carried forward	39,492	49,156
Dividend declared/ paid	(12,376)	(12,638)
Redemption of treasury shares	-	(66,525)
Closing balance as at Jun 30/ Dec 31	**212,740**	**185,624**

Changes in other comprehensive income

The changes in other comprehensive income are composed as follows:

	2026	2025
	kEUR	kEUR
Opening balance as at Jan 1 of the respective period	(23,984)	3,437
Foreign exchange differences (including effect of Türkiye hyperinflation of kEUR 1,831 [2025: kEUR 1,062])	2,868	(28,793)
Actuarial gain or loss on pension provisions	112	1,373
Closing balance as at Jun 30/ Dec 31	**(21,004)**	**(23,984)**

7. Employee benefits liabilities

Employee benefits liabilities are composed as follows:

	Jun 30, 2026			Dec 31, 2025		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Defined benefit obligations	36,790	31,930	4,860	33,940	29,685	4,255
Fair value of plan asset	(269)	-	(269)	(307)	-	(307)
Net defined benefit obligations	**36,521**	**31,930**	**4,591**	**33,633**	**29,685**	**3,948**
Liabilities for cash-settled stock-based arrangements	12,495	3,262	9,233	12,918	3,251	9,667
Liabilities for performance based restricted stock units	-	-	-	890	890	-
Liabilities from acquisitions - remuneration linked	700	-	700	700	-	700
	13,195	**3,262**	**9,933**	**14,508**	**4,142**	**10,367**
Total employee benefits liabilities	**49,716**	**35,192**	**14,524**	**48,142**	**33,827**	**14,315**

8. 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			
Jun 30, 2026	**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	1,006	-	-	1,006	-	1,006	-	1,006
	1,006	-	-	1,006	-	1,006	-	1,006
Financial assets not measured at fair value - non-current								
Other financial assets	-	3,283	-	3,283	-	-	-	-
	-	3,283	-	3,283	-	-	-	-
Financial assets not measured at fair value - current								
Trade receivables	-	209,997	-	209,997	-	-	-	-
Other financial assets - others	-	10,426	-	10,426	-	-	-	-
Cash and cash equivalents	-	131,264	-	131,264	-	-	-	-
	-	351,687	-	351,687	-	-	-	-
	1,006	**354,970**	**-**	**355,976**	**-**	**1,006**	**-**	**1,006**

Jun 30, 2026	Carrying amount at FVTPL	at amortized cost	at FVOCI	Total	Fair value Level 1	Level 2	Level 3	Total
kEUR								
Financial liabilities measured at fair value - non-current								
Liabilities from acquisitions	5,964	-	-	5,964	-	-	5,964	5,964
	5,964	-	-	5,964	-	-	5,964	5,964
Financial liabilities measured at fair value - current								
Liabilities from acquisitions	2,988	-	-	2,988	-	-	2,988	2,988
Other financial liabilities - foreign exchange forward transactions	2,935	-	-	2,935	-	2,935	-	2,935
	5,923	-	-	5,923	-	2,935	2,988	5,923
Financial liabilities not measured at fair value - non-current								
Loans and borrowings - syndicated loan (unsecured)	-	304,319	-	304,319	-	311,797	-	311,797
Loans and borrowings - others (unsecured)	-	2,235	-	2,235	-	2,235	-	2,235
Other financial liabilities - others	-	23	-	23	-	-	-	-
	-	306,576	-	306,576	-	314,032	-	314,032
Financial liabilities not measured at fair value - current								
Loans and borrowings - syndicated loan (unsecured)	-	(743)	-	(743)	-	-	-	-
Loans and borrowings (unsecured)	-	4,690	-	4,690	-	4,690	-	4,690
Trade payables	-	14,651	-	14,651	-	-	-	-
Other financial liabilities - outstanding incoming invoices	-	12,624	-	12,624	-	-	-	-
Other financial liabilities - audit fees	-	2,348	-	2,348	-	-	-	-
Other financial liabilities - accrued interest on bank loans	-	425	-	425	-	-	-	-
Other financial liabilities - others	-	14,971	-	14,971	-	-	-	-
	-	48,965	-	48,965	-	4,690	-	4,690
	11,887	**355,542**	**-**	**367,429**	**-**	**321,657**	**8,952**	**330,608**

Dec 31, 2025	Carrying amount at FVTPL	at amortized cost	at FVOCI	Total	Fair value 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**

Dec 31, 2025	Carrying amount at FVTPL	at amortized cost	at FVOCI	Total	Fair value 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
Other financial liabilities - others	-	172	-	172	-	-	-	-
	-	307,284	-	307,284	-	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	-	2,626	-	2,626	-	-	-	-
	-	34,342	-	34,342	-	3,692	-	3,692
	12,249	**341,626**	**-**	**353,875**	**-**	**321,680**	**9,220**	**330,900**

Contract assets (June 30, 2026: kEUR 28,225; December 31, 2025: kEUR 21,124) and lease liabilities (June 30, 2026: kEUR 67,400; December 31, 2025: kEUR 72,087) 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 interim condensed 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 2025: 3.5%-5.9% 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 levels 1 and 2

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, 2025	**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 - through statement of comprehensive income	(97)
Interest effect	135
Reduction due to payments	(504)
Currency differences	198
Balance as at Jun 30, 2026	**8,952**

D. Notes to the interim condensed consolidated statement of comprehensive income

1. Revenue

The revenue by industry is as follows:

Six-month period ended June 30	2026	2025
	kEUR	kEUR
Automotive, Manufacturing and Industrial	131,524	121,542
Energy, Utilities and Building Automation	31,223	37,304
Financial Services and Insurance	65,930	61,187
Horizontal Tech	18,940	26,742
Life Sciences and Healthcare	32,853	35,225
Management Consulting and Business Information	41,492	36,606
Public, Non-profit and Education	46,041	44,548
Retail and CPG	68,194	66,267
Telecom, Media and Entertainment	20,628	23,000
Travel and Logistics	43,665	46,439
	500,491	**498,860**

2. Other operating income

Other operating income is broken down as follows:

Six-month period ended June 30	2026	2025
	kEUR	kEUR
Income from currency translation	1,752	-
Income from foreign exchange forward transactions	957	-
Income from sale of property, plant and equipment	4	23
Release of provisions	169	749
Gain on lease modification	0	9
Net monetary gain (hyper inflationary)	364	931
Grant income	421	223
Miscellaneous	1,226	1,129
	4,894	**3,064**

3. Staff costs

Staff costs are composed as follows:

Six-month period ended June 30	2026	2025
	kEUR	kEUR
Salaries and wages	296,680	296,284
Social security contributions	27,621	26,185
Gratuity	3,550	2,342
Defined contribution expenses	1,061	1,057
Bonuses	21,688	20,903
Equity-settled share-based payments	340	330
Cash-settled share-based payments	(423)	(7,751)
Retention bonuses - acquisition related	429	1,415
Earnout expense - acquisition related	271	48
Performance-based Restricted Stock Units	638	-
	351,857	**340,812**

As on June 30, 2026, Nagarro had 18,711 (June 30, 2025: 17,447) professionals of which 17,037 (June 30, 2025: 15,907) were professionals in engineering.

4. Other operating expenses

Other operating expenses are composed as follows:

Six-month period ended June 30	2026	2025
	kEUR	kEUR
Travel expenses	8,334	7,795
Vehicle costs	1,939	1,750
IT costs	6,135	5,980
Services	2,992	1,943
Land and building costs	2,123	1,894
Other staff costs	4,032	3,832
Advertising expenses	3,194	2,030
Communication expenses	1,243	1,179
Maintenance	610	679
Expense from currency translation	-	16,368
Expenses for foreign exchange forward transactions	-	1,561
Insurance, contributions	2,478	2,071
Legal, consulting and audit fees	4,137	4,782
Entertainment expenses	565	414
Office supplies	317	233
Direct selling expenses	231	341
Supervisory board remuneration	541	363
Residual book value from disposal of property, plant and equipment	18	41
Acquisition costs	-	81
Expenses for evaluation of public takeover offer	908	-
Investigation expenses	409	560
Miscellaneous	2,146	2,658
	42,351	**56,552**

5. Finance costs

Finance costs are composed as follows:

Six-month period ended June 30	2026	2025
	kEUR	kEUR
Interest on bank loans	6,444	6,768
Interest on leases	2,555	2,211
Interest portion of additions to pension provisions	944	607
Factoring interest	466	770
Interest on liabilities from acquisitions	135	167
Other interest expenses	74	1
	10,619	**10,524**

6. Income taxes

Income tax expense is recognized at an amount determined by multiplying the profit before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognized in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual consolidated financial statements.

Income tax expense for the six-month period ended June 30, 2025 also included withholding taxes on inter-company dividends remitted by downstream subsidiaries to their immediate holding companies amounting to kEUR 7,166. It has been classified as Income taxes paid under cash flows from operating activities in these interim condensed consolidated statements of cash flows. There has been no such expense in the current period.

7. Earnings per share (EPS)

Earnings per share is calculated as follows:

Six-month period ended June 30	**2026**	**2025**
	kEUR	kEUR
Profit for the period	29,788	19,571
Weighted average number of shares outstanding - basic	12,375,682	13,002,182
Number of shares outstanding - basic	12,376,157	12,637,734
Effect of dilutive share-based payment (Employee Share Participation Plan)	4,943	3,846
Total effect of dilution	4,943	3,846
Weighted average number of shares outstanding - diluted	12,380,625	13,006,028
Number of shares outstanding - diluted	12,381,100	12,641,580
Basic earnings per share in EUR (based on weighted average)	2.41	1.51
Basic earnings per share in EUR (based on shares outstanding)	2.41	1.55
Diluted earnings per share in EUR (based on weighted average)	2.41	1.50
Diluted earnings per share in EUR (based on shares outstanding)	2.41	1.55

E. Notes to the interim condensed 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:

Six-month period ended June 30	2026	2025
	kEUR	kEUR
Changes in:		
Trade receivables, contract assets and contract liabilities	(15,481)	(18,596)
Trade payables	(7,609)	4,601
Employee benefits liabilities	1,558	1,391
Provisions	(8,590)	(6,044)
Other assets including other financial assets	3,931	1,919
Other liabilities including other financial liabilities	2,407	3,324
Cash flows from changes in net working capital	**(23,784)**	**(13,406)**

F. Other disclosures

1. Related party transactions

Significant transactions with related parties in accordance with section 115 (4) sentence 2 WpHG and IAS 34.15B (j)

During the reporting period, Dr. Martin Enderle resigned as Chair and member of the Supervisory Board, with effect from January 1, 2026, for health reasons. Prateek Aggarwal was appointed as the Chief Financial Officer and member of the Management Board with effect from May 1, 2026, and at the Annual General Meeting held on June 29, 2026, Peter Steiner was elected as a member of the Supervisory Board. Accordingly, the number of persons classified as key management personnel increased to 11 as at June 30, 2026 (December 31, 2025: 10). There were no changes in the nature of related-party transactions during the reporting period.

As the amounts involved in related-party transactions are not material, these transactions have not been disclosed in the interim financial statements.

2. 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 Nagarro SE issued stock options 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
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 plans are as follows:

	2026		2025	
	Number of stock options	**Weighted average exercise price (EUR)**	**Number of stock options**	**Weighted average exercise price (EUR)**
Outstanding at January 1	91,688	91.64	62,438	99.54
Options issued during the period/ year	-	-	30,250	75.88
Forfeited during the period/ year	(1,250)	(89.56)	(1,000)	(107.76)
Exercised during the period/ year	-	-	-	-
Expired during the period/ year	-	-	-	-
Outstanding at June 30, 2026/ December 31, 2025	90,438	91.67	91,688	91.64
Exercisable at the end of the period/ year	**43,750**	**95.35**	**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
Remaining term	4 years	4 years	7 years	7 years
Dividend yield (on reporting date)	1.34%	1.34%	1.34%	1.34%
Expected volatility (on reporting date)	45.83%	45.83%	44.86%	44.86%
Risk–free interest rate (on reporting date)	2.70%	2.70%	2.71%	2.71%
Fair value on the reporting date	EUR 24.67	EUR 24.67	EUR 28.68	EUR 32.79
Model used	Binomial	Binomial	Binomial	Binomial

The movement of the cash-settled stock option plans is as follows:

	2026		2025	
	Number of stock options	**Weighted average exercise price (EUR)**	**Number of stock options**	**Weighted average exercise price (EUR)**
Outstanding at 1 January	494,000	98.64	499,000	98.71
Options issued during the period/ year	-	-	-	-
Forfeited during the period/ year	(1,125)	(108.02)	(5,000)	(105.79)
Exercised during the period/ year	-	-	-	-
Expired during the period/ year	-	-	-	-
Outstanding at June 30, 2026/ December 31, 2025	492,875	98.62	494,000	98.64
Exercisable at the end of the period/ year	**374,250**	**95.35**	**374,250**	**95.35**

The liabilities for the cash-settled stock options is as follows:

	June 30, 2026	December 31, 2025
	kEUR	**kEUR**
Total carrying amount of cash-settled options liabilities	12,495	12,918
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:

	2026	2025
	kEUR	**kEUR**
Opening balance as at Jan 1	12,918	14,443
Reclassification from capital reserve on modification	-	-
(Reversal)/ expense during the period/ year	(423)	(1,525)
Closing balance as at June 30, 2026/ December 31, 2025	**12,495**	**12,918**

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, two offering windows (Tranche 1 and Tranche 2) in 2025, and one offering window (Tranche 1) in 2026 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 2 (December 2023)	Tranche 1 (June 2024)	Tranche 1 (March 2025)	Tranche 2 (November 2025)	Tranche 1 (June 2026)
Investment period	February 8 - 20, 2023	November 20 - December 1, 2023	May 15 - May 28, 2024	March 7 - March 18, 2025	November 17 - November 25, 2025	May 27 - June 9, 2026
Grant date	February 20, 2023	December 13, 2023	June 6, 2024	March 25, 2025	December 04, 2025	June 25, 2026
Matching date	February 20, 2026	December 11, 2026	June 5, 2027	March 25, 2028	December 04, 2028	June 25, 2029
Reporting date	June 30, 2026	June 30, 2026	June 30, 2026	June 30, 2026	June 30, 2026	June 30, 2026
Acquired investment shares	60	6,837	5,142	7,296	2,955	9,888
thereof forfeited investment shares	-	(981)	(636)	(489)	(24)	-
Estimated matching shares	20	2,279	1,714	2,432	985	3,296
thereof forfeited matching shares	-	(327)	(212)	(163)	(8)	-
Fair value at grant date	€ 124.40	€ 87.60	€ 82.20	€ 79.00	€ 75.55	€ 33.74

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
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
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 – Tranche 1	PB RSUs 2025 – Tranche 2(a)	PB RSUs 2025 – Tranche 2(b)
Grant date (= measurement date)	Dec 31, 2025	Apr 28, 2026	May 1, 2026
Performance period	4 years, with retroactive effect from January 1, 2025	4 years, with retroactive effect from January 1, 2026	3.7 years
Relevant Grant VWAP	EUR 91.02	EUR 70.40	EUR 46.14
Number of units issued (initial number of PB RSUs)	27,684	35,793	12,136
Grant amount (kEUR)	2,520	2,520	560
Stock price on the grant date	EUR 76.25	EUR 44.10	EUR 43.50
Stock price on the grant date, adjusted for dividend	EUR 77.51	EUR 44.83	EUR 44.20
TecDAX Total Return Index value on the grant date	EUR 3,622.27	EUR 3,651.75	EUR 3,697.16
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	EUR 3,538.69	EUR 3,545.27
Dividend yield	1.6%	1.6%	1.6%
Expected volatility of the stock	43.0%	44.0%	44.0%
Expected volatility of TecDAX Total Return Index	18.0%	18.0%	18.0%
Correlation between the stock and the TecDAX Total Return Index	43.6%	45.0%	45.0%
Risk–free interest rate	2.22%	2.65%	2.65%
Term (performance period)	4.0 years	4.0 years	3.7 years
Remaining term as per the grant date	2.5 years	3.5 years	3.5 years

Other information relating to the share-based payment arrangements

Against the grant of these equity-settled stock options and stocks under ESPP, Nagarro has recognized an expense of kEUR 340 (H1 2025: kEUR 330) and recognized the corresponding amount in capital reserve (refer Note C.6. Equity). Against the cash-settled stock options, Nagarro has recognized an income of kEUR 423 (H1 2025: kEUR 7,751). Against the equity-settled performance based restricted stock units, Nagarro has recognized an expense of kEUR 638 (H1 2025: Nil).

The detailed breakup of the expense of share-based payment arrangement is as follows:

Six-month period ended June 30	2026	2025
	kEUR	kEUR
Equity-settled stock options expense - SOP - routed through capital reserve	237	137
Equity-settled stock options expense - ESPP - routed through capital reserve	103	193
	340	**330**
Cash-settled stock options expense/ (gain) - SOP - routed through financial liabilities	(423)	(7,751)
	(423)	**(7,751)**
Equity-settled performance based restricted stock units - PB RSUs - routed through capital reserve	1,529	-
Equity-settled performance based restricted stock units - PB RSUs - routed through financial liabilities	(890)	-
	638	-
Total share-based payment expenses	**556**	**(7,421)**

The weighted average remaining contractual life for the equity-settled stock options outstanding, cash-settled stock options outstanding and ESPP as at June 30, 2026 was 1.1 years (December 31, 2025: 1.4 years), 0.2 years (December 31, 2025: 0.3 years) and 1.8 years (December 31, 2025: 1.2 years) respectively.

The weighted average fair value of equity-settled options and ESPP granted during the period was Nil (H1 2025: EUR 32.80) and EUR 33.74 (H1 2025: EUR 79.00) respectively. The weighted average fair value of cash-settled options at the reporting date was EUR 25.70 (H1 2025: EUR 14.22).

The Stock Option Plans' exercise prices range from EUR 75.88 to EUR 110.08 per stock option.

3. Adjusted EBITDA

Adjusted EBITDA is a non-IFRS KPI as defined in F.3. Adjusted EBITDA of Section B of the Annual Report 2025.

Nagarro defines Adjusted EBITDA as earnings before interest, taxes, depreciation and amortization (EBITDA) adjusted to exclude effects that we consider extraordinary, such as items related to mergers and acquisitions, shared based payments, significant regulatory events, and exceptional events.

Mergers and acquisitions include effects such as impairment of goodwill, purchase price adjustments, badwill, foreign exchange effects on purchase price, transaction costs related to business combinations, retention bonus and earn-out expenses/ (income) related to acquisitions. Share-based payments represent share-based payment arrangements cost. Significant regulatory events include additional employee benefits expense related to statutory impact of new Labor Codes in India in 2025. Exceptional events include investigation expenses, additional audit fees, and from the current year, expenses for evaluation of public takeover offer.

The reconciliation between Adjusted EBITDA and EBITDA is as follows:

Six-month period ended June 30	2026	2025
	kEUR	kEUR
EBITDA	66,495	65,039
Adjustment for special items		
Mergers and acquisitions		
Retention bonus expense as part of share purchase agreement of the acquired entities	429	1,415
Earn-out expense/ (income) relating to acquisitions	271	48
Acquisition expense	-	81
Exchange loss/ (gain) on purchase price components	-	(105)
Share-based payments		
Share-based payment arrangements cost	556	(7,421)
Exceptional events		
Expenses for evaluation of public takeover offer	908	-
Investigation expenses	409	560
Additional audit fee	-	1,144
Total adjustment for special items	**2,573**	**(4,279)**
Adjusted EBITDA	**69,068**	**60,760**
Revenues	**500,491**	**498,860**
Adjusted EBITDA (as % of revenues)	**13.8%**	**12.2%**

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 period and the previous period are presented below:

Six-month period ended June 30	2026	2025
	kEUR	kEUR
Revenue	500,491	498,860
Own work capitalized	-	94
Total performance	500,491	498,954
Cost of revenues	(341,310)	(339,675)
Gross profit	159,181	159,279
Gross margin (as % of revenue)	**31.8%**	**31.9%**

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:

Six-month period ended June 30	2026				
		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	43,750	43,750	-	-	43,750
Staff costs	351,857	286,434	64,167	1,256	351,857
Other operating expenses	42,351	11,126	29,908	1,316	42,351
Impairment of trade receivables, contract assets and other financial assets	932	-	932	-	932
Other operating income	(4,894)	-	(4,894)	-	(4,894)
Total	**433,995**	**341,310**	**90,113**	**2,573**	**433,995**

Six-month period ended June 30	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	39,978	39,978	-	-	39,978
Staff costs	340,812	288,899	57,871	(5,958)	340,812
Other operating expenses	56,552	10,804	43,980	1,768	56,552
Reversal of impairment of trade receivables, contract assets and other financial assets	(364)	-	(364)	-	(364)
Other operating income	(3,064)	(7)	(2,969)	(89)	(3,064)
Total	**433,915**	**339,675**	**98,519**	**(4,279)**	**433,915**

The "Special items" relate to non-recurring items such as mergers and acquisitions, share-based payments, re-organization, significant regulatory events, and exceptional events as explained 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 39 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:

Six-month period ended June 30	2026	2025
	kEUR	kEUR
Attributed to the entity's country of domicile		
Germany	113,033	117,448
Attributed to all foreign countries in total from which the entity derives revenues		
United States of America	174,310	170,405
Others	213,148	211,008
	387,458	381,412
	500,491	**498,860**

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 interim condensed consolidated statement of financial position.

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:

	June 30, 2026	December 31, 2025
	kEUR	kEUR
Located in the entity's country of domicile		
Germany	24,044	26,993
Located in foreign countries in total in which the entity holds assets		
United States of America	30,738	32,409
India	29,439	32,335
Türkiye	15,730	14,373
Others	16,604	18,111
	92,510	97,228
	116,554	**124,220**

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. Events after the balance sheet date

There are no significant developments between June 30, 2026 and the date when these interim condensed consolidated financial statements were authorized for issuance by the Management Board of Nagarro SE.

7. Contingent liabilities and guarantees

Contingent liabilities

There have been no material changes in contingent liabilities compared to those disclosed in the Annual Report 2025 under section "F.6. Contingent liabilities and guarantees".

Guarantees

Against the syndicated loan of kEUR 350,000 (December 31, 2025: kEUR 350,000), Nagarro SE, together with certain subsidiaries, has given guarantees. The outstanding balance of this loan as of June 30, 2026 is kEUR 304,500 (December 31, 2025: kEUR 304,500). For further details, please refer note "C.12. Loans and borrowings" in the Annual Report 2025.

Nagarro has also provided performance guarantees to its customers against underlying deposits amounting to kEUR 764 (December 31, 2025: kEUR 1,077).

8. 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 take 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 loans and borrowings 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:

	Jun 30, 2026	Dec 31, 2025
	kEUR	kEUR
Loans and borrowings	310,500	310,060
Lease liabilities	67,400	72,087
Cash and cash equivalents	(131,264)	(124,617)
Net debt	**246,636**	**257,530**
Adjusted EBITDA for the first half of the year	69,068	60,760
Adjusted EBITDA for the second half of 2025	77,443	77,443
Adjusted EBITDA for last twelve months	**146,511**	**138,204**
Debt ratio (Net debt to Adjusted EBITDA)	**1.7**	**1.9**
Total assets	760,244	742,963
Equity	175,013	155,024
Equity (as a % of total assets)	**23%**	**21%**

9. Other significant events

Proposed combination with Persistent Systems Limited

On June 26, 2026, Nagarro SE entered into a Business Combination Agreement with Persistent Systems Limited ("Persistent"), an India-based technology services company listed on the Bombay Stock Exchange and National Stock Exchange of India, and Galaxy Germany Holding SE, a wholly owned subsidiary of Persistent. Under the agreement, Galaxy Germany Holding SE launched a public takeover offer for all outstanding shares of Nagarro SE at a cash consideration of EUR 81.00 per share.

The offer represents a premium to Nagarro's historical trading prices and is supported by the Management Board and Supervisory Board of Nagarro, who have announced their intention to recommend acceptance of the offer to shareholders, subject to their review of the formal offer document. Persistent has further secured commitments relating to approximately 21% of Nagarro's share capital, through an agreement with Nagarro's largest shareholder, and members of Nagarro's Management Board have declared their intention to tender their privately held shares into the offer.

Completion of the offer remains subject to customary closing conditions, including regulatory approvals and a minimum acceptance threshold of 50% plus one share of all outstanding Nagarro shares. Closing is currently anticipated in the fourth quarter of 2026 or the first quarter of 2027. Persistent has stated that it does not intend to enter into a domination and profit and loss transfer agreement with Nagarro for a period of two years following closing and intends to pursue a delisting of Nagarro shares from the regulated market (Prime Standard) of the Frankfurt Stock Exchange as soon as legally feasible after completion of the transaction.

As of June 30, 2026, the transaction had not been completed and no change of control had occurred. Accordingly, no accounting impact has been recognized in these interim condensed consolidated financial statements for the six-month period ended June 30, 2026. Nagarro will assess the accounting consequences of the transaction, including any implications under IFRS 3 Business Combinations and IFRS 10 Consolidated Financial Statements, when and if control transfers upon completion of the transaction.

Section C

Important Information

Responsibility statement

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

The Management Board

Manas Human   Annette Mainka   Vikram Sehgal   Prateek Aggarwal

Financial calendar

For details, refer our IR website:

Financial calendar

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