



***Half-yearly* financial report**

2025

For the period ended June 30



Nagarro group

Key figures –Quarterly

	Q2 2025 kEUR	Q2 2024 kEUR	YoY Change %	Q1 2025 kEUR	QoQ Change %
Revenue	251,976	244,138	3.2%	246,884	2.1%
Cost of revenues	168,266	170,887	-1.5%	171,408	-1.8%
Gross profit	83,740	73,306	14.2%	75,540	10.9%
Adjusted EBITDA	30,536	35,493	-14.0%	30,224	1.0%
Revenue by geography					
North America	86,747	87,680	-1.1%	85,025	2.0%
Central Europe	75,642	69,253	9.2%	73,827	2.5%
Rest of Europe	33,304	30,542	9.0%	30,326	9.8%
Rest of World	56,283	56,663	-0.7%	57,707	-2.5%
Revenue by country					
Germany	59,421	53,345	11.4%	58,027	2.4%
US	86,253	85,997	0.3%	84,152	2.5%
Revenue by industry					
Automotive, Manufacturing and Industrial	62,562	52,646	18.8%	58,979	6.1%
Energy, Utilities and Building Automation	17,667	20,021	-11.8%	19,637	-10.0%
Financial Services and Insurance	31,111	31,126	0.0%	30,076	3.4%
Horizontal Tech	13,056	16,704	-21.8%	13,686	-4.6%
Life Sciences and Healthcare	18,103	18,142	-0.2%	17,122	5.7%
Management Consulting and Business Information	19,337	14,399	34.3%	17,268	12.0%
Public, Non-profit and Education	22,260	21,127	5.4%	22,287	-0.1%
Retail and CPG	33,031	33,962	-2.7%	33,235	-0.6%
Telecom, Media and Entertainment	11,054	14,283	-22.6%	11,946	-7.5%
Travel and Logistics	23,794	21,730	9.5%	22,646	5.1%

Nagarro group

Key figures – Half-yearly

	H1 2025	H1 2024	YoY Change
	kEUR	kEUR	%
Revenue	498,860	482,432	3.4%
Cost of revenues	339,675	335,629	1.2%
Gross profit	159,279	146,917	8.4%
Adjusted EBITDA	60,760	74,655	-18.6%
Revenue by geography			
North America	171,772	172,945	-0.7%
Central Europe	149,469	137,621	8.6%
Rest of Europe	63,630	59,559	6.8%
Rest of World	113,990	112,306	1.5%
Revenue by country			
Germany	117,448	105,226	11.6%
US	170,405	169,961	0.3%
Revenue by industry			
Automotive, Manufacturing and Industrial	121,542	105,315	15.4%
Energy, Utilities and Building Automation	37,304	37,919	-1.6%
Financial Services and Insurance	61,187	63,150	-3.1%
Horizontal Tech	26,742	33,143	-19.3%
Life Sciences and Healthcare	35,225	36,472	-3.4%
Management Consulting and Business Information	36,606	28,463	28.6%
Public, Non-profit and Education	44,548	41,827	6.5%
Retail and CPG	66,267	66,286	0.0%
Telecom, Media and Entertainment	23,000	28,174	-18.4%
Travel and Logistics	46,439	41,682	11.4%

	H1 2025	H1 2024
	%	%
Revenue concentration (by customer)		
Top 5	14.8%	14.1%
Top 6-10	9.0%	9.7%
Outside of Top 10	76.2%	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.

Index

Section A	6
Interim group management report	6
1. Overview	7
2. General economic and industry conditions	7
3. Financial performance: review and analysis	7
4. Report on expected developments	14
5. Report on opportunities and risks	14
Section B	15
Condensed consolidated interim financial statements	15
Condensed consolidated statement of financial position	18
Condensed consolidated statement of comprehensive income	20
Condensed consolidated statement of changes in equity	22
Condensed consolidated statements of cash flows	24
Notes to the condensed consolidated interim financial statements	25
Section C	54
Important information	54
Responsibility statement	55
Financial calendar	56
Legal notice	56

Section A

Interim group management report

for the half-year ended June 30, 2025



1. Overview

In H1 2025, Nagarro continued to push forward against the prolonged global economic challenges with moderate growth and strong operational performance. Our long-term focus on superior client experience driven by differentiated ways of working drove client stickiness and loyalty even in a slow demand environment for digital specialists.

Nagarro's H1 2025 YoY revenue growth over H1 2024 was 3.6% in constant currency, and 3.4% in Euro terms. In Q2 2025, revenue grew 4.7% YoY in constant currency and 3.2% in Euro terms. Organic YoY revenue growth for Q2 was 3.8% in constant currency, which translated to 2.4% organic YoY revenue growth in Euro terms. Compared to Q1 2025, revenue grew 4.3% QoQ in constant currency, and 2.1% QoQ in Euro terms. The number of clients generating over 1 million Euro in revenue in the trailing twelve months was 188 on June 30, 2025 compared to 184 a year ago.

The company displayed excellent operational efficiency in H1 2025. However, weakening of the US dollar against the Euro resulted in a large revaluation loss on inter-company loans from Nagarro SE and on its cash holdings. The net impact on Adjusted EBITDA of currency translation plus forward exchange forward transactions was a negative €18.0 million. As a result, Adjusted EBITDA as a percentage of revenue was 12.2% in Q1 2025 and 12.1% in Q2 2025, with a resulting H1 2025 number of 12.2%.

The company had a net reduction of 199 professionals in Q1 2025 and a net decrease of 49 professionals in Q2 2025, ending H1 2025 with 17,447 professionals out of which 15,907 were professionals in engineering.

2. General economic and industry conditions

The first half of 2025 was marked by slowing global economic growth, heightened policy uncertainty, and trade tensions. According to the World Bank's latest Global Economic Prospects report, global expansion for 2025 is set to be at its slowest pace since 2008, aside from outright global recessions.

In January 2025, Gartner, the research and advisory company, had projected worldwide spending on IT services to grow 9.0% in 2025. By July 2025, Gartner had revised this number down to 4.4%. It attributed this slowdown to an "uncertainty pause" due to heightened economic uncertainty and geopolitical risks.

Despite these conditions, 2025 has also experienced an increase in AI projects moving from pilot to production, with organizations seeking to leverage AI for productivity, automation, and competitive advantage. Continued migration to cloud platforms, data modernization, and integration of advanced analytics remained high priorities for enterprise clients. In its July report, Gartner noted that 62% of CEOs and senior executives identified AI as defining the future of competition for the next ten years.

3. Financial performance: review and analysis

The overall course of business for Nagarro in H1 2025 was challenging. Our clients were cautious in the commissioning of new projects and the ramp-up of existing ones. This resulted in a moderation of revenue growth. Adjusted EBITDA was impacted negatively by the weakness of the US dollar against the Euro, with a large part of that coming through the re-evaluation of inter-company loans.

A. Results for H1 2025

Revenue

Nagarro's revenues grew to €498.9 million in H1 2025 from €482.4 million in H1 2024, a growth of 3.4%. In constant currency, H1 2025 YoY revenue growth was 3.6%.

Gross margin and Adjusted EBITDA

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

Gross margin is the ratio of gross profit to revenue, where gross profit is calculated on the basis of total performance which is sum of revenue and own work capitalized. Cost of revenues is the total direct cost needed to service the revenue. It includes direct costs related to colleagues (employees and freelancers) allocated to the performance of customer services, costs related to travel of these colleagues, cost of licenses and other, smaller, reimbursable and non-reimbursable cost components. It excludes the costs of management of the Global Business Units (GBUs) and the cost of consultative sales and thought leadership across Centres of Excellence (CoEs) and GBUs.

The table below shows the gross margins for the six-month period ended June 30, 2025:

Six-month period ended June 30	2025	2024
	kEUR	kEUR
Revenue	498,860	482,432
Own work capitalized	94	114
Total performance	498,954	482,546
Cost of revenues	(339,675)	(335,629)
Gross profit	159,279	146,917
Gross margin (as % of revenue)	31.9%	30.5%

We define Adjusted EBITDA as earnings before interest, taxes, depreciation and amortization (EBITDA) adjusted to exclude effects that we consider extraordinary, such as impairment of goodwill, purchase price adjustments, badwill, foreign exchange effects on purchase price, sale of equity investments, share based payment arrangements cost, acquisition expenses, retention bonus and non-capitalized earn-out expenses related to acquisitions, expenses relating to the strategic review of company's listing and privatization choices and subsequent exploration of the take-private option and, in recent periods, additional audit fee. Adjusted EBITDA is calculated according to economic criteria and is independent from IFRS rules. Therefore, the Adjusted EBITDA is more suitable for comparing operating performance over several periods. A more detailed definition can be found in the consolidated financial statements.

The reconciliation between Adjusted EBITDA and EBITDA is as follows:

Six-month period ended June 30	2025	2024
	mEUR	mEUR
EBITDA	65.0	68.8
Adjustment for special items		
Income from purchase price adjustments	-	(0.1)
Exchange loss (gain) on purchase price components	(0.1)	0.0
Stock option and employee share participation program expense	(7.4)	1.7
Acquisition expenses	0.1	-
Retention bonus expense under share purchase agreements in mergers & acquisitions	1.4	1.7
Earnout expense under share purchase agreements in mergers & acquisitions	0.1	2.2
Other expenses	0.6	-
Expenses relating to strategic review of listing and privatization choices	-	0.1
Expenses relating to the exploration of the take-private option	-	0.4
Additional audit fee	1.1	-
Total adjustment for special items	(4.3)	5.9
Adjusted EBITDA	60.8	74.7

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, now defined (starting with this period - Q1, 2025) as projects with no more than 3 FTEs of average monthly staffing in the quarter. Before this period, the projects excluded from the survey were defined as those with staffing in only one month, or in two months with no more than 1 FTE in each. The threshold for sending out the survey was changed based on client feedback and the low response levels for these small projects.

This survey also does not cover engagements via acquisitions in up to 5 quarterly cycles after the completion of their integration into Nagarro's systems and processes. Despite these caveats, the CSAT and NPS results are very central to our management system. Each CSAT question asks the client's frequency of satisfaction with a particular aspect of our services. The responses collected are monitored carefully at the aggregate level, at the question level, and at the project level. While minor fluctuations are to be expected, any significant trends are discussed and addressed. Our CSAT score was 94.3% and 93.2% for Q1 2025 and Q2 2025 respectively resulting in an H1 2025 score of 93.8% (H1 2024: 91.9% with the old policy) with the new exclusion policy for very small engagements (Q1 2024: 91.8%; Q2 2024: 91.9%; Q3 2024: 91.0% and Q4 2024: 92.4% all with the old policy). We expect this KPI to remain in the region of 92.0% in 2025.

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 Q2 2025 was 66 and in Q1 2025 was 69 resulting in an H1 2025 score of 67 (H1 2024: 64 with the old policy) with the new exclusion policy for very small engagements (Q1 2024: 66; Q2 2024: 62; Q3 2024: 59 and Q4 2024: 62 all with the old policy).

B. Result of operations

Revenue

Nagarro's revenues grew to €498.9 million in H1 2025 from €482.4 million in H1 2024, a growth of 3.4%. In constant currency, H1 2025 YoY revenue growth was 3.6%.

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

Industries with robust growth in H1 2025 over H1 2024 included "Management Consulting and Business Information" (28.6%), "Automotive, Manufacturing and Industrial" (15.4%), "Travel and Logistics" (11.4%).

Industries with negative growth in H1 2025 over H1 2024 were "Horizontal Tech" (-19.3%) and "Telecom, Media and Entertainment" (-18.4%).

In the geographical revenue distribution, in H1 2025 Nagarro generated 34.4% of its revenue from North America (H1 2024: 35.8%), 30.0% of its revenue from Central Europe (H1 2024: 28.5%), 22.9% of its revenue from Rest of World (H1 2024: 23.3%) and 12.8% of its revenue from Rest of Europe (H1 2024: 12.3%).

The revenue from our top 5 clients as a percentage of total revenue in H1 2025 grew to 14.8% in H1 2025 from 14.1% in H1 2024. The revenue from the next 5 largest clients declined to 9.0% in H1 2025 from 9.7% in H1 2024, while the revenue from clients outside the top 10 was steady at 76.2% in H1 2025 compared to 76.2% in H1 2024.

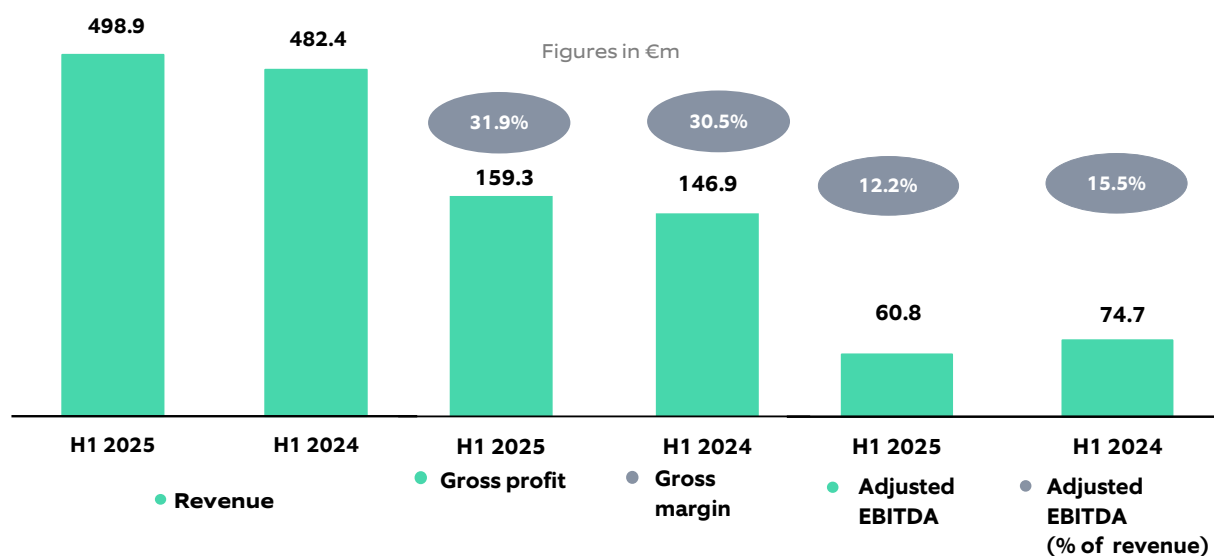
The top 5 currencies that contributed significantly to our revenues are listed below (in € million):

Six-month period ended June 30 Revenue currency	2025 mEUR	2024 mEUR
EUR	194.0	176.8
USD	181.0	192.8
INR	45.4	46.3
AED	16.9	14.5
GBP	12.6	9.5

Gross profit and Adjusted EBITDA

Gross profit grew by €12.4 million to €159.3 million from €146.9 million in H1 2024. Gross margin increased to 31.9% in H1 2025 as compared to 30.5% in H1 2024. Adjusted EBITDA decreased by €13.9 million from €74.7 million (15.5% of revenue) in H1 2024 to €60.8 million (12.2% of revenue) in H1 2025 mainly because of negative impact of foreign currency revaluation of the group entities' balance sheet items from their respective transaction currency to functional currency on the reporting date. During the period, foreign currency losses increased by €21.8 million to €18.0 million (H1 2024: foreign currency gain of €3.8 million).

Our most significant adjustments to EBITDA in H1 2025 are expense reversal on account of employee stock options and ESPP (€7.4 million) which has been offset by retention bonus (€1.4 million) and additional audit fee (€1.1 million). Please note that gross margin, gross profit and Adjusted EBITDA are non-IFRS KPIs, as defined in the [Annual Report 2024](#).



EBITDA, EBIT and net profit

EBITDA decreased by €3.7 million from €68.8 million in H1 2024 to €65.0 million in H1 2025. EBIT decreased by €2.2 million from €49.7 million in H1 2024 to €47.5 million in H1 2025. Net profit decreased by €9.0 million from €28.6 million in H1 2024 to €19.6 million in H1 2025. Further, compared to H1 2024, in H1 2025 there was a decrease of €1.5 million in depreciation and amortization expense.

The top 5 currencies that contributed significantly to our expenses (net of operating income) including taxes but excluding foreign currency income and expenses, and expenses relating to inflationary accounting are listed below (in € million):

Six-month period ended June 30	2025	2024
Expenses currency	mEUR	mEUR
INR	189.5	185.1
EUR	123.8	121.6
USD	56.6	60.2
RON	26.8	29.5
TRY	14.5	13.4

c. Financial position

Capital structure

On September 23, 2022, Nagarro SE 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 utilized balance of this facility amounts to €288.5 million as of June 30, 2025.

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

On February 5, 2025, the Management Board of Nagarro SE resolved to make use of the authorization, which was granted by the shareholders' meeting of October 30, 2020, pursuant to Sec. 71 para. 1 no. 8 of the German Stock Corporation Act (Aktiengesetz, AktG) to repurchase shares of the Company until September 23, 2025, provided that these shares, together with other treasury shares which the Company has already acquired and still holds or which are attributable to it pursuant to Sections 71a et seq. of the German Stock Corporation Act (AktG), do not at any time account for more than 10% of the share capital. Accordingly, Nagarro SE has purchased 684,384 treasury shares amounting to €50.1 million during the six-month period ended June 30, 2025.

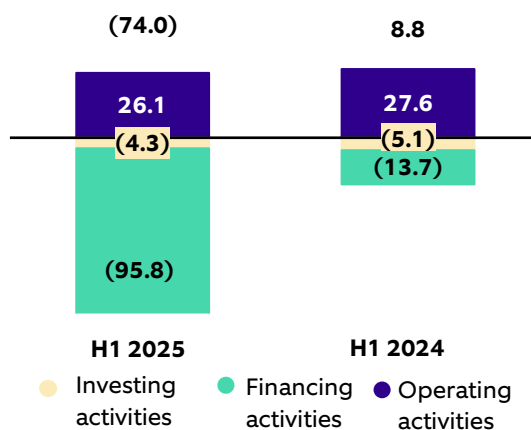
The net debt increased by €54.2 million to €245.8 million (net debt to adjusted EBITDA ratio of 1.8x) as of June 30, 2025, as against €191.5 million (net debt to adjusted EBITDA ratio of 1.3x) as of December 31, 2024.

Debt-to-equity ratio is calculated as total liabilities divided by equity. The debt-to-equity ratio has increased to 3.7 as of June 30, 2025, as against 2.6 as of December 31, 2024. Equity to total assets ratio is calculated as equity divided by total assets. The equity to total assets ratio has decreased by 7 percentage point to 21.0% as of June 30, 2025, as against 28.0% as of December 31, 2024. Equity decreased mainly due to purchase of treasury shares amounting to €50.1 million, dividend declared amounting to €12.6 million and negative other comprehensive income (OCI) amounting to €25.8 million (mainly due to negative 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) which has been offset by positive current period's profits amounting to €19.6 million.

Liquidity

Net cash inflow/ (outflow) for the period:

Figures in €m



The company's liquidity position at the end of H1 2025 was comfortable. The current assets were €397.9 million, of which cash was €121.8 million. The current liabilities were €191.0 million, yielding a working capital of €206.9 million.

Our total cash outflow was €74.0 million in H1 2025 against cash inflow of €8.8 million in H1 2024. Cash flows for H1 2025 are presented in the same format as the full year financials for financial year 2024.

Our operating cash flow decreased marginally by €1.5 million from €27.6 million in H1 2024 to €26.1 million in H1 2025. Operating cash flows have decreased majorly due to increase in payment of income taxes amounting to €8.7 million and other non-cash incomes and expenses amounting to €9.1 million. Increase in income taxes is mainly due to withholding taxes paid on inter-company transfer of dividend. This decrease in operating cash flows has been offset by better collections in H1 2025.

Further, we were able to reduce the utilization of funds under the non-recourse factoring program by €4.6 million during H1 2025. Operating cash flow adjusted for changes in factoring (including interest on factored amounts) was €30.6 million in H1 2025 as compared to €34.9 million in H1 2024.

Days of sales outstanding, calculated based on the quarterly revenue and including both contract assets and trade receivables, has decreased from 88 days on December 31, 2024 to 85 days on June 30, 2025.

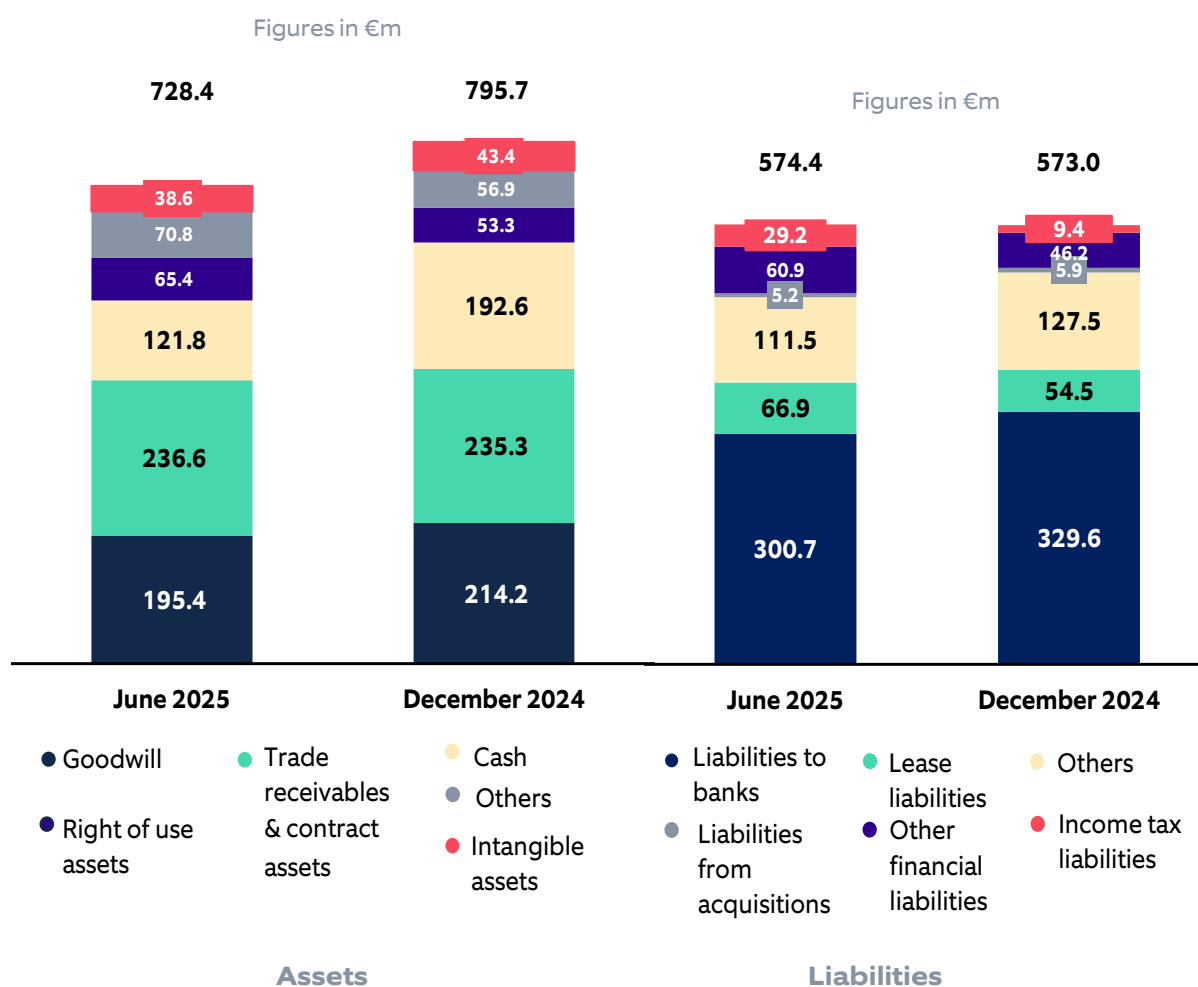
The cash outflow from investing activities in H1 2025 was €4.3 million, mainly due to purchase of property, plant and equipment amounting to €3.7 million and payment of acquisition obligations of €2.0 million. This has been offset by interest received during the period amounting to €1.4 million. The cash outflow from investing activities in H1 2024 was €5.1 million.

The cash outflow from financing activities in H1 2025 was €95.8 million as compared to cash outflow of €13.7 million in H1 2024. Cash outflow in H1 2025 was mainly on account of purchase of treasury shares amounting to €50.1 million, net repayment of bank loans of €24.9 million, lease payments of €11.3 million and interest payment of €9.6 million.

Countries with the top 5 bank balances are listed below:

Countries	June 30, 2025 mEUR	December 31, 2024 mEUR
Germany	45.5	93.8
India	16.3	36.8
United States of America	12.3	11.4
Romania	5.8	5.8
China	5.5	1.8

Net assets



Total assets decreased by €67.3 million to €728.4 million as of June 30, 2025, as against €795.7 million as of December 31, 2024. Of these, non-current assets decreased by €10.1 million to €330.6 million as of June 30, 2025, as against €340.7 million as of December 31, 2024. Within non-current assets, goodwill declined by €18.9 million on account of currency differences, offset by increase in right of use assets from leases by €12.1 million to €65.4 million (mainly due to net addition of €23.7 million offset by amortization of €11.6 million). Addition to right of use assets primarily represents new office space taken on lease in India. Further, Intangible assets decreased by €4.8 million to €38.6 million (mainly due to currency differences and amortization). Current assets decreased by €57.2 million to €397.9 million as of June 30, 2025, as against €455.0 million as of December 31, 2024. Within current assets, cash balance decreased by €70.8 million to €121.8 million as of June 30, 2025 from €192.6 million as of December 31, 2024.

Contract assets, trade receivables, other current financial assets and other current assets together decreased by €4.1 million (primarily due to decrease in other current assets). This has been offset by increase in income tax receivables by €17.7 million to €24.1 million due to advance tax payments in H1 2025.

Total liabilities grew marginally by €1.3 million to €574.4 million as of June 30, 2025, as against €573.0 million as of December 31, 2024. Non-current liabilities have decreased by €20.5 million to €383.4 million as of June 30, 2025, as against €403.9 million as of December 31, 2024 mainly on account of repayment of part of the bank loan amounting to €30.8 million. The decrease in loans and borrowings has been offset by increase in non-current lease liabilities by €12.2 million to €48.3 million as of June 30, 2025 from €36.1 million as of December 31, 2024. Current liabilities have increased by €21.9 million to €191.0 million as of June 30, 2025, as against €169.1 million as of December 31, 2024 primarily due to increase in income tax liabilities by €19.8 million and net other financial liabilities of €14.5 million (primarily because of dividend payable amounting to €12.6 million). This has been offset by decrease in short term employee benefits liabilities by €7.5 million (mainly on account of reduction in fair values of cash-settled SOPs) and short term provisions by €7.4 million (mainly on account of payment of bonuses to employees).

Net assets represented by total equity declined by €68.6 million from €222.7 million as of December 31, 2024, to €154.0 million as of June 30, 2025. Equity decreased mainly due to purchase of treasury shares amounting to €50.1 million, dividend declared amounting to €12.6 million and negative other comprehensive income (OCI) amounting to €25.8 million (mainly due to negative impact of foreign currency of the group entities' balance sheet items from their functional currency to group's presentation currency on the reporting date) which has been offset by positive current period's profits amounting to €19.6 million.

4. Report on expected developments

On January 23, 2025, we projected Nagarro's revenue for 2025 to be between €1,020 and €1,080 million, when calculated at the currency exchange rates then prevailing, up from €972 million in 2024. We now expect Nagarro's revenue for 2025 to come near the lower end of that guidance. We targeted gross margin in the region of 30%, as compared to 30.4% in 2024. We hold to this expectation of gross margin. We targeted the Adjusted EBITDA margin to be between 14.5% and 15.5%, compared to 15.2% in 2024. Despite strong underlying operational performance of the company, the revaluation loss on inter-company loans and cash holdings because of the weakening of the US dollar against the Euro is currently expected to lead the Adjusted EBITDA margin to be between 13.5% and 14.5%.

Since the publishing of the [Annual Report 2024](#), we see a continued weakness in the demand for IT services in certain verticals. On the positive side, we believe that the medium-term outlook for digital specialists like Nagarro is strong. Nagarro's agile-by-design approach and Fluidic Enterprise innovation methodology are perfectly suited to helping clients drive digital transformation and company-wide AI adoption at a fast rate. We see the opportunity with AI to move Nagarro up the value chain and make us more strategic in every client engagement, which can eventually drive revenue and margin growth. The projections made on January 23, 2025, remain our estimate of 2025 performance.

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

Nagarro has recently announced global strategic partnerships with a Japanese trading house and a Taiwanese hardware company. We plan to continue to deepen these and other relationships to create new avenues of growth.

All of the above management forecasts are expectations and may be proved wrong and are especially uncertain because of the multidimensional and unpredictable effects of the global economic situation.

5. Report on opportunities and risks

In the [Annual Report 2024](#), we described our approach to risk management and key financial, operational and strategic, regulatory and "bad actors" risks that could have a material negative impact on our business, financial position, earnings capacity and reputation, and also key opportunities for our business. We continue to monitor these risks and opportunities as well as other relevant topics, including changes in our economic and market environment, geopolitics, international trade, regulatory and technical developments. During the first half of 2025, we do not see any significant change compared to our previous risk and risk bearing capacity assessments, and do not consider that any of the monitored risks individually or jointly jeopardize Nagarro's ability to continue as a going concern.



Section B

Condensed consolidated interim financial statements

for the half-year ended June 30, 2025
in accordance with IFRS

Index

Condensed consolidated statement of financial position	18
Condensed consolidated statement of comprehensive income	20
Condensed consolidated statement of changes in equity	22
Condensed consolidated statements of cash flows	24
Notes to the condensed consolidated interim financial statements	25
A. Basis of preparation	25
1. Corporate information	25
2. Basis of accounting	25
3. Use of judgements and estimates	25
B. General accounting principles	26
1. Accounting policies, new standards, interpretations and amendments adopted by the Group	26
2. Basis of consolidation	26
C. Notes to the condensed consolidated statement of financial position	27
1. Intangible assets	27
2. Goodwill	27
3. Right-of-use assets and lease liabilities	28
4. Trade receivables	28
5. Cash and cash equivalents	29
6. Equity	29
7. Employee benefits liabilities	31
8. Financial instruments	32
D. Notes to the condensed consolidated statement of comprehensive income	38
1. Revenue	38
2. Other operating income	38
3. Staff costs	39
4. Other operating expenses	40
5. Finance costs	41
6. Income taxes	41
7. Earnings per share (EPS)	42
E. Notes to the condensed consolidated statement of cash flows	43
1. Reconciliation of cash flows from changes in net working capital	43
2. Reconciliation of net cash flows from non-recourse factoring	43
3. Net cash flows from business combinations	44
F. Other disclosures	45
1. Related party transactions	45
2. Share-based payment arrangements	45

3.	Adjusted EBITDA	49
4.	Gross margin	49
5.	Segment information	50
6.	Business combinations	51
7.	Events after the balance sheet date.....	52
8.	Contingent liabilities and guarantees.....	52
9.	Capital management.....	53

Condensed consolidated statement of financial position

		June 30,	December 31,
Assets	Note	2025	2024
in kEUR			
Intangible assets	C.1.	38,552	43,396
Goodwill	C.2.	195,377	214,242
Property, plant and equipment		8,789	10,029
Right of use assets	C.3.	65,373	53,274
Non-current contract assets		376	432
Other non-current financial assets		3,773	2,133
Other non-current assets		615	663
Deferred tax assets		17,718	16,491
Non-current assets		330,572	340,660
Contract assets		23,941	15,529
Trade receivables	C.4.	212,270	219,332
Other current financial assets		7,299	7,850
Other current assets		8,429	13,324
Income tax receivables		24,136	6,440
Cash and cash equivalents	C.5.	121,785	192,567
Current assets		397,861	455,041
Total assets		728,433	795,701

		June 30,	December 31,
Equity and Liabilities	Note	2025	2024
in kEUR			
Share capital	C.6.	13,776	13,776
Treasury shares, at cost	C.6.	(89,838)	(39,757)
Capital reserve	C.6.	241,359	241,030
Profit carried forward		252,149	215,631
Net profit for the period		19,571	49,156
Changes in equity recognized directly in equity		(260,612)	(260,612)
Other comprehensive income	C.6.	(22,362)	3,437
Total equity		154,043	222,660
Non-current loans and borrowings		290,003	320,835
Non-current lease liabilities	C.3.	48,267	36,086
Long-term employee benefits liabilities	C.7.	21,770	22,581
Other long-term provisions		469	434
Other non-current financial liabilities		5,951	5,743
Non-current liabilities from acquisitions		4,442	4,468
Deferred tax liabilities		12,492	13,785
Non-current liabilities		383,396	403,932
Current loans and borrowings		10,650	8,777
Current lease liabilities	C.3.	18,627	18,396
Short-term employee benefits liabilities	C.7.	8,558	16,085
Other short-term provisions		18,975	26,365
Current contract liabilities		12,835	14,105
Trade payables		20,831	17,076
Current liabilities from acquisitions		748	1,405
Other current financial liabilities		54,989	40,478
Other current liabilities		15,594	17,022
Income tax liabilities		29,187	9,399
Current liabilities		190,994	169,108
Total liabilities		574,390	573,041
Equity and liabilities		728,433	795,701

Condensed consolidated statement of comprehensive income

Profit or Loss

Six-month period ended June 30	Note	2025	2024
in kEUR			
Revenue	D.1.	498,860	482,432
Own work capitalized		94	114
Other operating income	D.2.	11,819	9,631
Cost of materials		(39,978)	(34,564)
Staff costs	D.3.	(340,812)	(346,628)
Impairment of trade receivables and contract assets		364	(390)
Other operating expenses	D.4.	(65,307)	(41,813)
Earnings before interest, taxes, depreciation and amortization (EBITDA)		65,039	68,782
Depreciation, amortization and impairment		(17,574)	(19,098)
Earnings before interest and taxes (EBIT)		47,465	49,684
Finance income		1,418	1,538
Finance costs	D.5.	(10,524)	(10,512)
Earnings before taxes (EBT)		38,359	40,710
Income taxes	D.6.	(18,787)	(12,136)
Profit for the period		19,571	28,574

Other comprehensive income

Six-month period ended June 30	Note	2025	2024
in kEUR			
Items that will not be reclassified to profit or loss			
Actuarial gains (losses)		(393)	(388)
Tax effects		133	113
		(260)	(274)
Items that may be reclassified to profit or loss			
Foreign exchange differences (including effect of Türkiye hyperinflation of kEUR 307 [2024: kEUR 1,760])		(25,858)	8,517
Tax effects		319	(440)
		(25,539)	8,077
Other comprehensive income for the period		(25,799)	7,803
Total comprehensive income for the period		(6,228)	36,377

Six-month period ended June 30	Note	2025	2024
Basic earnings per share ('Basic EPS') in EUR:	D.7.		
- based on weighted average		1.51	2.14
- based on outstanding shares		1.55	2.14
Diluted earnings per share ('Diluted EPS') in EUR:	D.7.		
- based on weighted average		1.50	2.14
- based on outstanding shares		1.55	2.14

Condensed consolidated statement of changes in equity

	Share capital	Treasury shares	Capital reserve	Profit carried forward	Net profit for the period	Changes in equity recognized directly in equity	Other comprehensive income		Total equity
							Foreign currency reserve	Actuarial gain or loss on pension provisions	
in kEUR									
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	-	-	-	-	-	-	-	-	-
Transfer of capital reserve	-	-	-	-	-	-	-	-	-
Stock option and employee share participation program expense	-	-	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

	Share capital	Treasury shares	Capital reserve	Profit carried forward	Net profit for the period	Changes in equity recognized directly in equity	Other comprehensive income	Actuarial gain or loss on pension provisions	Total equity
in kEUR									
Balance at January 1, 2024	13,776	(39,757)	251,717	166,476	49,155	(260,612)	(6,964)	(3,325)	170,466
Profit for the period	-	-	-	-	28,574	-	-	-	28,574
Other comprehensive income for the period	-	-	-	-	-	-	8,077	(274)	7,803
Total comprehensive income for the period	-	-	-	-	28,574	-	8,077	(274)	36,377
Transfer of profit or loss for the previous year to profit carried forward	-	-	-	49,155	(49,155)	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Share capital issued	-	-	-	-	-	-	-	-	-
Transfer of capital reserve	-	-	-	-	-	-	-	-	-
Stock option and employee share participation program expense	-	-	1,656	-	-	-	-	-	1,656
Balance at June 30, 2024	13,776	(39,757)	253,373	215,631	28,574	(260,612)	1,113	(3,600)	208,499

Condensed consolidated statements of cash flows

Cash flows

Six-month period ended June 30

in kEUR

	Note	2025	2024
Cash flows from operating activities			
EBIT		47,465	49,684
Depreciation, amortization and impairments of non-current assets		17,574	19,098
Change in long-term employee benefits liabilities		1,742	1,445
Other non-cash income and expenses		(6,358)	2,762
Income taxes paid		(18,958)	(10,259)
Cash flows from changes in net working capital	E.1.	(10,822)	(27,874)
Net cash (outflows) / inflows from non-recourse factoring	E.2.	(4,584)	(7,261)
Net cash inflow from operating activities		26,060	27,595
Cash flows from investing activities			
Payments for property, plant and equipment and intangible assets		(3,712)	(2,864)
Proceeds from sale of property, plant and equipment		-	147
Redemption of / (Investment in) fixed deposits		17	4,485
Interest received		1,440	1,885
Acquisition of subsidiaries, net of cash acquired	E.3.	(2,020)	(8,747)
Net cash outflow from investing activities		(4,275)	(5,095)
Cash flows from financing activities			
Purchase of treasury shares		(50,082)	-
Proceeds from bank loans		6,880	10,979
Repayment of bank loans		(31,733)	(3,748)
Principal elements of lease payments		(11,250)	(11,882)
Interest paid		(9,618)	(9,015)
Net cash outflow from financing activities		(95,803)	(13,666)
Total cash flow		(74,017)	8,834
Effects of exchange rate changes on cash and cash equivalents		7,559	27
Total changes in cash and cash equivalents		(66,458)	8,861
Cash and cash equivalents at the beginning of period		186,879	107,777
Cash and cash equivalents at the end of period		120,421	116,639

Notes to the condensed consolidated interim financial statements

A. Basis of preparation

1. Corporate information

The condensed consolidated interim 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, 2025. 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, 2024 ("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 Berlin, Düsseldorf, Hamburg, Munich, Stuttgart and Tradegate Exchange.

2. Basis of accounting

Nagarro SE, Munich, is the company that prepares the consolidated financial statements for the largest and smallest group of companies. The 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 condensed consolidated statement of financial position, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows, and notes to the condensed consolidated interim 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 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.

The 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).

The 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, 2025, 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 14, 2025.

3. Use of judgements and estimates

In preparing the 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 the 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 financial statements.

In the opinion of the management, the 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.6 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, 2024.

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, 2025 include all the subsidiaries of the Group as mentioned in the consolidated financial statements as at December 31, 2024 along with the following additions made during the first half of 2025:

- (i) Nagarro AI Limited, United Arab Emirates
- (ii) Nagarro LLC, Kazakhstan

Further, Tech Mills (Australia) Pty Ltd. has been closed during the period.

C. Notes to the condensed consolidated statement of financial position

1. Intangible assets

Intangible assets are as follows:

	Jun 30, 2025	Dec 31, 2024
	kEUR	kEUR
Orders on hand	612	766
Customer lists	26,701	31,530
Products	8,449	8,380
Software, licenses, rights	2,434	2,262
In-house developments	355	458
	38,552	43,396

2. Goodwill

Goodwill developed as follows:

	Jun 30, 2025	Dec 31, 2024
	kEUR	kEUR
Gross carrying amount as at Jan 1 of the respective period	214,242	194,836
Acquisitions through business combinations	-	10,025
Hyperinflation restatement	-	-
Additions	-	-
Disposals	-	-
Currency differences	(18,865)	9,381
Gross carrying amount as at June 30, 2025 / Dec 31, 2024	195,377	214,242
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 as at June 30, 2025 / Dec 31, 2024	-	-
Net carrying amount as at June 30, 2025 / Dec 31, 2024	195,377	214,242

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, 2025	Dec 31, 2024
	kEUR	kEUR
Land use rights and buildings	39,783	27,978
Vehicles	6,295	5,951
Office equipment	19,295	19,346
	65,373	53,274

The lease liabilities are as follows:

	Jun 30, 2025			Dec 31, 2024		
	of which:			of which:		
	Total	non-current	current	Total	non-current	current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Properties	40,246	33,096	7,150	28,544	21,215	7,329
Motor vehicles	5,331	3,132	2,199	5,900	3,303	2,596
Operating and office equipment	21,317	12,039	9,278	20,039	11,568	8,471
	66,894	48,267	18,627	54,483	36,086	18,396

4. Trade receivables

Trade receivables are composed as follows:

	June 30, 2025	Dec 31, 2024
	kEUR	kEUR
Customer receivables	218,255	226,884
Impairment of customer receivables	(5,984)	(7,552)
	212,270	219,332

Nagarro has derecognized trade receivables amounting to kEUR 15,082 (December 31, 2024: kEUR 25,274) under the non-recourse factoring facility. For further details, please refer [E. Notes to the condensed consolidated statement of cash flows](#).

5. Cash and cash equivalents

Cash and cash equivalents comprise as follows:

	Jun 30, 2025	Dec 31, 2024
	kEUR	kEUR
Bank balances	115,866	94,782
Cash on hand	19	21
Cash	115,886	94,803
3-months deposit (cash equivalent)	5,791	94,231
Investment in T-bills for less than 3-months (cash equivalent)	109	3,533
Cash and cash equivalents in the consolidated statement of financial position	121,785	192,567
Liabilities from factoring	(1,364)	(5,688)
Cash and cash equivalents in the consolidated statement of cash flows	120,421	186,879

6. Equity

Equity is composed as follows:

	Jun 30, 2025	Dec 31, 2024
	kEUR	kEUR
Share capital	13,776	13,776
Treasury shares, at cost	(89,838)	(39,757)
Capital reserves	241,359	241,030
Profit carried forward (net of dividend)	252,149	215,631
Net profit for the period	19,571	49,156
Changes in equity recognized directly in equity	(260,612)	(260,612)
Other comprehensive income		
Foreign currency reserve (including effect of Türkiye hyperinflation)	(19,000)	6,539
Actuarial gain or loss on pension provisions	(3,362)	(3,102)
Total Equity	154,043	222,660

Treasury shares

The changes in treasury shares are composed as follows:

	Jun 30, 2025	Jun 30, 2025	Dec 31, 2024	Dec 31, 2024
	Numbers	kEUR	Numbers	kEUR
Opening balance	453,867	39,757	453,867	39,757
Acquired during the year	684,384	50,082	-	-
Sale during the year	-	-	-	-
Closing balance	1,138,251	89,838	453,867	39,757

Capital reserves

The changes in capital reserves are composed as follows:

	Jun 30, 2025	Dec 31, 2024
	kEUR	kEUR
Opening balance as at Jan 1 of the respective period	241,030	251,717
Share based payment expense		
Equity-settled stock options - SOP		
Stock option expense of SOP 2020/II - Tranche 1	2	504
Stock option expense of SOP 2020/III	-	71
Stock option expense of SOP 2020/II - Tranche 2a	71	2,281
Stock option expense of SOP 2020/II - Tranche 2b	4	142
Stock option expense of SOP 2020/II - Tranche 3	60	-
	137	2,999
Employee share participation program - ESPP		
Employee share participation program expense - ESPP 2023 - Tranche 1a	110	127
Employee share participation program expense - ESPP 2023 - Tranche 1b	2	3
Employee share participation program expense - ESPP 2023 - Tranche 2	38	54
Employee share participation program expense - ESPP 2024 - Tranche 1	25	22
Employee share participation program expense - ESPP 2025 - Tranche 1	17	-
	193	207
Reclassification to financial liabilities on modification		
Equity-settled stock options - SOP		
Stock option expense of SOP 2020/II - Tranche 1	-	(8,879)
Stock option expense of SOP 2020/III	-	(1,211)
Stock option expense of SOP 2020/II - Tranche 2a	-	(3,583)
Stock option expense of SOP 2020/II - Tranche 2b	-	(219)
	-	(13,893)
Closing balance as at Jun 30, 2025 / Dec 31, 2024	241,359	241,030

Changes in other comprehensive income

The changes in other comprehensive income are composed as follows:

	Jun 30, 2025	Dec 31, 2024
	kEUR	kEUR
Opening balance as at Jan 1 of the respective period	3,437	(10,289)
Foreign currency reserve (including effects of Türkiye hyperinflation)	(25,539)	13,503
Actuarial gain or loss on pension provisions	(260)	223
Closing balance as at Jun 30, 2025 / Dec 31, 2024	(22,362)	3,437

7. Employee benefits liabilities

Employee benefits liabilities are composed as follows:

	Jun 30, 2025			Dec 31, 2024		
	of which:			of which:		
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Defined benefit obligations	22,831	20,131	2,700	22,184	19,610	2,574
Fair value of plan asset	(356)	-	(356)	(420)	-	(420)
Net defined benefit obligations	22,475	20,131	2,344	21,764	19,610	2,154
Liabilities for cash-settled stock-based arrangements	6,692	1,640	5,052	14,443	2,971	11,471
Liabilities from acquisitions - remuneration linked	1,162	-	1,162	2,460	(0)	2,460
Total employee benefits liabilities	30,329	21,770	8,558	38,666	22,581	16,085

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.

June 30, 2025	Carrying amount				Fair value			
	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	430	-	-	430	-	430	-	430
	430	-	-	430	-	430	-	430
Financial assets not measured at fair value - non-current								
Other financial assets	-	3,773	-	3,773	-	-	-	-
	-	3,773	-	3,773	-	-	-	-
Financial assets not measured at fair value - current								
Trade receivables	-	203,509	-	203,509	-	-	-	-
Trade receivables - factored	-	8,761	-	8,761	-	-	-	-
Other financial assets - others	-	6,869	-	6,869	-	-	-	-
Cash	-	121,785	-	121,785	-	-	-	-
	-	340,925	-	340,925	-	-	-	-
	430	344,698	-	345,128	-	430	-	430

June 30, 2025	Carrying amount				Fair value			
	at FVTPL	at amortized cost	at FVOCI	Total	Level 1	Level 2	Level 3	Total
kEUR								
Financial liabilities measured at fair value - non-current								
Liabilities from acquisitions	4,442	-	-	4,442	-	-	4,442	4,442
	4,442	-	-	4,442	-	-	4,442	4,442
Financial liabilities measured at fair value - current								
Liabilities from acquisitions	748	-	-	748	-	-	748	748
Other financial liabilities - foreign exchange forward transactions	2,546	-	-	2,546	-	2,546	-	2,546
	3,294	-	-	3,294	-	2,546	748	3,294
Financial liabilities not measured at fair value - non-current								
Loans and borrowings - syndicated loan (unsecured)	-	287,943	-	287,943	-	293,621	-	293,621
Loans and borrowings - others (unsecured)	-	2,060	-	2,060	-	-	-	-
	-	290,003	-	290,003	-	293,621	-	293,621
Financial liabilities not measured at fair value - current								
Loans and borrowings - syndicated loan (unsecured)	-	(448)	-	(448)	-	-	-	-
Loans and borrowings (unsecured)	-	2,337	-	2,337	-	-	-	-
Loans and borrowings (partly secured)	-	8,761	-	8,761	-	-	-	-
Trade payables	-	20,831	-	20,831	-	-	-	-
Other financial liabilities - outstanding incoming invoices	-	7,949	-	7,949	-	-	-	-
Other financial liabilities - accrued interest on bank loans	-	347	-	347	-	-	-	-
	-	39,778	-	39,778	-	-	-	-
	7,736	329,781	-	337,517	-	296,167	5,190	301,357

Dec 31, 2024	Carrying amount				Fair value			
	at FVTPL	at amortized cost	at FVOCI	Total	Level 1	Level 2	Level 3	Total
kEUR								
Financial assets measured at fair value - current								
Other financial assets - foreign exchange forward transactions	890	-	-	890	-	890	-	890
	890	-	-	890	-	890	-	890
Financial assets not measured at fair value - non-current								
Other financial assets	-	2,133	-	2,133	-	-	-	-
	-	2,133	-	2,133	-	-	-	-
Financial assets not measured at fair value - current								
Trade receivables	-	216,890	-	216,890	-	-	-	-
Trade receivables - factored	-	2,441	-	2,441	-	-	-	-
Other financial assets - others	-	6,960	-	6,960	-	-	-	-
Cash	-	192,567	-	192,567	-	-	-	-
	-	418,859	-	418,859	-	-	-	-
	890	420,991	-	421,881	-	890	-	890

Dec 31, 2024	Carrying amount				Fair value			
	at FVTPL	at amortized cost	at FVOCI	Total	Level 1	Level 2	Level 3	Total
kEUR								
Financial liabilities measured at fair value - non-current								
Liabilities from acquisitions	4,468	-	-	4,468	-	-	4,468	4,468
	4,468	-	-	4,468	-	-	4,468	4,468
Financial liabilities measured at fair value - current								
Liabilities from acquisitions	1,405	-	-	1,405	-	-	1,405	1,405
Other financial liabilities - foreign exchange forward transactions	1,631	-	-	1,631	-	1,631	-	1,631
	3,036	-	-	3,036	-	1,631	1,405	3,036
Financial liabilities not measured at fair value - non-current								
Loans and borrowings - syndicated loan (unsecured)	-	318,721	-	318,721	-	325,006	-	325,006
Loans and borrowings - others (unsecured)	-	2,113	-	2,113	-	-	-	-
	-	320,835	-	320,835	-	325,006	-	325,006
Financial liabilities not measured at fair value - current								
Loans and borrowings - syndicated loan (unsecured)	-	(448)	-	(448)	-	-	-	-
Loans and borrowings (unsecured)	-	6,784	-	6,784	-	-	-	-
Loans and borrowings (partly secured)	-	2,441	-	2,441	-	-	-	-
Trade payables	-	17,076	-	17,076	-	-	-	-
Other financial liabilities - outstanding incoming invoices	-	8,177	-	8,177	-	-	-	-
Other financial liabilities - accrued interest on bank loans	-	776	-	776	-	-	-	-
	-	34,807	-	34,807	-	-	-	-
	7,504	355,641	-	363,145	-	326,637	5,873	332,510

Contract assets (June 30, 2025: kEUR 24,317; December 31, 2024: kEUR 15,961) and lease liabilities (June 30, 2025: kEUR 66,894; December 31, 2024: kEUR 54,483) are not allocated to any of the measurement categories under IFRS 9 and are therefore not included in the tables above.

b. Measurement of fair value

i. Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in Level 2 and Level 3 fair value for financial instruments in the 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 15.2% - 24.0% (31 December 2024: 15.2% - 24.0%)	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, 2024	11,504
Additions	4,577
Additions - through income statement	755
Interest effect	407
Reduction due to payments	(9,290)
Currency differences	219
Purchase price adjustment	(2,299)
Balance as at Dec 31, 2024	5,873
Additions	-
Additions - through income statement	-
Interest effect	167
Reduction due to payments	(632)
Currency differences	(218)
Purchase price adjustment	-
Balance as at June 30, 2025	5,190

D. Notes to the condensed consolidated statement of comprehensive income

1. Revenue

The revenue by industry is as follows:

Six-month period ended June 30	2025	2024
	kEUR	kEUR
Automotive, Manufacturing and Industrial	121,542	105,315
Energy, Utilities and Building Automation	37,304	37,919
Financial Services and Insurance	61,187	63,150
Horizontal Tech	26,742	33,143
Life Sciences and Healthcare	35,225	36,472
Management Consulting and Business Information	36,606	28,463
Public, Non-profit and Education	44,548	41,827
Retail and CPG	66,267	66,286
Telecom, Media and Entertainment	23,000	28,174
Travel and Logistics	46,439	41,682
	498,860	482,432

2. Other operating income

Other operating income is broken down as follows:

Six-month period ended June 30	2025	2024
	kEUR	kEUR
Fair value changes recognized as income through profit or loss	-	116
Income from currency translation	6,703	5,348
Income from foreign exchange forward transactions	2,052	2,121
Income from sale of property, plant and equipment	23	147
Release of provisions	749	646
Gain on lease modification	9	-
Net monetary gain (hyper inflationary)	931	-
Miscellaneous	1,352	1,253
	11,819	9,631

3. Staff costs

Staff costs are composed as follows:

Six-month period ended June 30	2025	2024
	kEUR	kEUR
Salaries and wages	296,284	290,005
Social security contributions	26,185	23,624
Gratuity	2,342	2,390
Defined contribution expenses	1,057	1,086
Bonuses	20,903	24,015
Equity-settled share based payments	330	1,656
Cash-settled share based payments	(7,751)	0
Retention bonuses - acquisition related	1,415	1,652
Earnout expense - acquisition related	48	2,200
	340,812	346,628

As on June 30, 2025, Nagarro had 17,447 (June 30, 2024: 18,301) professionals of which 15,907 (June 30, 2024: 16,772) were professionals in engineering.

Nagarro has recognized an expense of kEUR 330 (June 30, 2024: kEUR 1,656) against options/ shares granted under the company's Stock Option Plan and the Employee Share Participation Plan and recognized the corresponding amount in capital reserves (refer note [C.6 Equity](#)).

On November 16, 2024, Nagarro offered to the SOP holders, the option to convert the existing equity-settled option to cash-settled option for both SOP 2020/II and SOP 2020/III program. The cost of these cash-settled transactions is recognized in staff costs together with a corresponding increase in financial liability. The expense or credit in the condensed consolidated statement of comprehensive income for the period represents the movement in the related financial liability at the beginning and end of that period. The balance of such liability as on June 30, 2025 is kEUR 6,692 (December 31, 2024: kEUR 14,443).

4. Other operating expenses

Other operating expenses are composed as follows:

Six-month period ended June 30	2025	2024
	kEUR	kEUR
Travel expenses	7,795	7,622
Vehicle costs	1,750	1,631
IT costs	5,980	5,673
Services	1,943	1,962
Land and building costs	1,894	1,780
Other staff costs	3,832	5,647
Advertising expenses	2,030	2,163
Communication expenses	1,179	1,266
Maintenance	679	746
Expense from currency translation	23,070	3,273
Expenses for foreign exchange forward transactions	3,613	418
Insurance, contributions	2,071	2,026
Legal and consulting fees	2,577	1,343
Entertainment expenses	414	402
Office supplies	233	351
Audit fees	2,204	975
Direct selling expenses	341	385
Supervisory board remuneration	363	356
Residual book value from disposal of property, plant and equipment	41	76
Acquisition costs	81	-
Net monetary loss - hyperinflation restatement	-	506
Expenses relating to the exploration of the take-private option	-	351
Expenses relating to strategic review of listing and privatization choices	-	115
Miscellaneous	3,218	2,747
	65,307	41,813

5. Finance costs

Finance costs are composed as follows:

Six-month period ended June 30	2025	2024
	kEUR	kEUR
Interest on bank loans	6,768	8,175
Interest on leases	2,211	861
Factoring interest (non-recourse)	561	753
Factoring interest (recourse)	209	0
Interest portion of additions to pension provisions	607	553
Other interest expenses	168	170
	10,524	10,512

6. Income taxes

Income tax expense

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 also includes withholding taxes on inter-company dividends remitted by downstream subsidiaries to their immediate holding companies amounting to kEUR 7,166 (six-month period ended June 30, 2024: kEUR Nil) as the same is not recoverable. It has been classified as Income taxes paid under cash flows from operating activities in the condensed consolidated statements of cash flows.

7. Earnings per share (EPS)

Earnings per share is calculated as follows:

Six-month period ended June 30	2025	2024
	kEUR	kEUR
Profit for the period	19,571	28,574
Weighted average number of shares outstanding - basic	13,002,182	13,322,118
Number of shares outstanding - basic	12,637,734	13,322,118
Effect of dilutive share-based payment (Employee Share Participation Plan)	3,846	994
Total effect of dilution	3,846	994
Weighted average number of shares outstanding - diluted	13,006,028	13,323,112
Number of shares outstanding - diluted	12,641,580	13,323,112
Basic earnings per share in EUR (based on weighted average)	1.51	2.14
Basic earnings per share in EUR (based on shares outstanding)	1.55	2.14
Diluted earnings per share in EUR (based on weighted average)	1.50	2.14
Diluted earnings per share in EUR (based on shares outstanding)	1.55	2.14

E. Notes to the 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:

	2025	2024
in kEUR		
Changes in:		
Trade receivables, contract assets and contract liabilities	(16,559)	(25,015)
Trade payables	5,148	(5,561)
Employee benefits liabilities	470	642
Provisions	(4,749)	(2,261)
Other assets including other financial assets	1,919	9,063
Other liabilities including other financial liabilities	2,949	(4,742)
Cash flows from changes in net working capital	(10,822)	(27,874)

2. Reconciliation of net cash flows from non-recourse factoring

Net cash flows from non-recourse factoring reconcile to the cashflows from operating activities as follows:

		Cash flows	Currency differences	Interest	
	Jan 1, 2025	2025	2025	2025	Jun 30, 2025
	kEUR	kEUR	kEUR	kEUR	kEUR
Net cash flows:					
Trade receivables derecognized	25,274	(8,522)	(2,231)	561	15,082
Liabilities from factoring	(5,688)	3,938	386	-	(1,364)
	19,586	(4,584)	(1,845)	561	13,718

		Cash flows	Currency differences	Interest	
	Jan 1, 2024	2024	2024	2024	Jun 30, 2024
	kEUR	kEUR	kEUR	kEUR	kEUR
Net cash flows:					
Trade receivables derecognized	26,188	(4,933)	420	753	22,427
Liabilities from factoring	(2,346)	(2,328)	(87)	-	(4,761)
	23,842	(7,261)	332	753	17,667

The changes in trade receivables derecognized and liabilities from factoring are disclosed as net cash flows from non-recourse factoring while change in gross trade receivables is shown as "Trade receivables, contract assets and contract liabilities" under changes in net working capital.

3. Net cash flows from business combinations

Cash outflows for the acquisition of subsidiaries from third parties, net of cash acquired are reconciled as follows:

Entity acquired	Year of acquisition	2025	2024
		kEUR	kEUR
At the time of business combination			
Notion Edge	2025	300	-
		300	-
Contingent consideration			
FWD View	2024	632	-
APSL	2023	-	270
Telesis	2023	-	983
Techmill	2022	-	95
ATCS	2021	-	6,475
		632	7,822
Liabilities from acquisitions - remuneration linked			
RipeConcepts	2022	1,089	925
		1,089	925
		2,020	8,747

Cash outflows for the acquisition of subsidiary from third party at the time of business combination in the six-month period ended June 30, 2025, net of cash acquired, reconcile as follows:

	Notion Edge
	kEUR
Purchase consideration	300
Contingent purchase price liabilities	-
Purchase price paid in cash in current year	300
Acquired cash and cash equivalents	-
Outflow (inflow) of cash and cash equivalents	300

There was no acquisition of subsidiary during the six-month period ended June 30, 2024.

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)

With the addition of 3 new supervisory board members during Annual General Meeting ('AGM') held on June 30, 2025, the total number of colleagues who were a part of key management as on June 30, 2025 were 10 (December 31, 2024: 7). Further, there are no significant changes in transactions with the related parties.

As the amount in the transactions with related parties is not material, the same has not been disclosed in these interim financial statements.

2. Share-based payment arrangements

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

Description of the share-based payment arrangements

Stock option plan

The details of the plans under which 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
Settlement method	Equity shares of Nagarro SE	Equity shares of Nagarro SE
Exercising of option	Exercisable after a vesting period of 4 years and limited to a period of two weeks after each Annual General Meeting and after the publication of annual, semi-annual and quarterly figures	Exercisable after a vesting period of 4 years and limited to a period of two weeks after each Annual General Meeting and after the publication of annual, semi-annual and quarterly figures

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 (gross)	45,000	410,000	141,500	8,750	30,250
Number of options converted from equity settled to cash settled	(45,000)	(330,000)	(116,000)	(8,000)	-
Number of options (equity settled)	-	80,000	25,500	750	30,250
Date of grant	Jan 15, 2021	Jan 15, 2021	Apr 26, 2023	May 23, 2023	May 19, 2025
Exercise price	EUR 95.35	EUR 95.35	EUR 110.08	EUR 91.55	EUR 75.88
Average closing price on the grant date	EUR 86.68	EUR 86.68	EUR 100.07	EUR 83.23	EUR 68.98
Stock price on the grant date	EUR 78.60	EUR 78.60	EUR 94.60	EUR 83.40	EUR 64.70
Weighted average fair values at the measurement date	EUR 27.19	EUR 27.19	EUR 46.42	EUR 42.12	EUR 32.80
Term of share options	10 years	10 years	10 years	10 years	10 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 be the actual outcome.

Since no options of the company are traded on derivative exchanges, the expected volatility cannot be determined from the implied volatilities of traded options of Nagarro SE. Historical share prices for the newly listed Nagarro SE were not available at the time of valuation of Tranche 1 in 2021. Also, not sufficient time after listing had elapsed at the time of valuation of Tranche 2 (a), Tranche 2(b) in 2023 and Tranche 3 in 2025. 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.

The movement of the equity-settled stock options plans are as follows:

	2025		2024	
	Number of stock options	Weighted average exercise price (EUR)	Number of stock options	Weighted average exercise price (EUR)
Outstanding at January 1	62,438	99.54	569,500	98.88
Options issued during the period/ year	30,250	75.88	-	-
Forfeited during the period/ year	(500)	110.08	(8,062)	104.14
Exercised during the period/ year	-	-	-	-
Conversion of equity settled options into cash settled options	-	-	(499,000)	98.71
Expired during the period/ year	-	-	-	-
Outstanding at June 30, 2025/ December 31, 2024	92,188	91.72	62,438	99.54
Exercisable at the end of the period/ year	43,750	95.35	-	-

Cash settled:

Plan name	Stock Option Plan 2020/III	Stock Option Plan 2020/II (Tranche 1)	Stock Option Plan 2020/II (Tranche 2a)	Stock Option Plan 2020/II (Tranche 2b)
Number of options opted for cash settled	45,000	330,000	116,000	8,000
Date of grant of options	Jan 15, 2021	Jan 15, 2021	Apr 26, 2023	May 23, 2023
Term of options	10 years	10 years	10 years	10 years
Expected life of options	5.6 years	5.6 years	7.8 years	7.9 years
Fair value on the reporting date	EUR 13.50	EUR 13.50	EUR 16.26	EUR 19.01
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

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

	2025		2024	
	Number of stock options	Weighted average exercise price (EUR)	Number of stock options	Weighted average exercise price (EUR)
Outstanding at 1 January	499,000	98.71	-	-
Conversion of equity settled options into cash settled options	-	-	499,000	98.71
Options issued during the period/ year	-	-	-	-
Forfeited during the period/ year	(3,500)	105.93	-	-
Exercised during the period/ year	-	-	-	-
Expired during the period/ year	-	-	-	-
Outstanding at June 30, 2025/ December 31, 2024	495,500	98.66	499,000	98.71
Exercisable at the end of the period/ year	374,250	95.35	-	-

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

	Jun 30, 2025	Dec 31, 2024
	KEUR	KEUR
Opening balance as at Jan 1	14,443	-
Reclassification from capital reserve on modification	-	13,893
Expense during the period/ year	(7,751)	550
Closing balance as at Jun 30, 2025/ Dec 31, 2024	6,692	14,443

Employee Share Participation Program

On January 16, 2023, Nagarro rolled out the MyN (My Nagarro) program, an Employee Share Participation Program ("ESPP"), globally for every Nagarrarian whereby for every multiple of 3 shares purchased and held by the employees ("investment shares") for 3 years (while staying a Nagarrarian), 1 free matching share will be given by Nagarro. The program had two offering windows (Tranche 1 and Tranche 2) in 2023 and one offering window (Tranche 1) in 2024 with an annual maximum contribution of EUR 2,500 per employee, for all employees, and a higher contribution limit offered by exception in certain special cases.

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

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

	Tranche 1a (Feb 2023)	Tranche 1b (May 2023)	Tranche 2 (December 2023)	Tranche 1 (June 2024)	Tranche 1 (March 2025)
Investment period	February 8 - 20, 2023	May 8 - 21, 2023	November 20 - December 1, 2023	May 15 - May 28, 2024	March 7 - March 18, 2025
Grant date	February 20, 2023	May 25, 2023	December 13, 2023	June 6, 2024	March 25, 2025
Matching date	February 20, 2026	May 26, 2026	December 11, 2026	June 5, 2027	March 25, 2028
Acquired investment shares	12,834	447	6,837	5,142	7,296
thereof investment shares sold by Nagarrrians	(1,719)	(30)	(534)	(252)	(39)
Estimated matching shares	4,278	149	2,279	1,714	2,432
thereof forfeited matching shares	(573)	(10)	(178)	(84)	(13)
Fair value at grant date	€ 124.40	€ 79.50	€ 87.60	€ 82.20	€ 79.00
recognized estimated dividend	€ 0.00	€ 0.00	€ 0.00	€ 0.00	€ 0.00

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 330 (June 30, 2024: kEUR 1,656) and recognized the corresponding amount in capital reserves (refer [Note C.6 Equity](#)). Against the cash-settled stock options, Nagarro has recognized an income of kEUR 7,751 (June 30, 2024: kEUR 0) and recognized the corresponding amount in liabilities for cash-settled stock based arrangements (refer [Note C.7 employee benefits liabilities](#)).

The weighted average remaining contractual life for the equity-settled stock options outstanding, cash-settled stock options outstanding and ESPP as at June 30, 2025 was 1.6 years (December 31, 2024: 0.7 years), 0.4 years (December 31, 2024: 0.6 years) and 1.5 years (December 31, 2024: 1.6 years) respectively.

The weighted average fair value of equity-settled options and ESPP granted during the year was EUR 32.80 (2024: EUR Nil) and EUR 79.00 (2024: EUR 82.20) respectively. The weighted average fair value of cash-settled options at the reporting date was EUR 14.22 (2024: EUR 32.36).

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 2024](#).

The reconciliation of EBITDA (as reported in the condensed consolidated statements of comprehensive Income) to Adjusted EBITDA is presented below:

Six-month period ended June 30	2025	2024
	kEUR	kEUR
EBITDA	65,039	68,782
Adjustment for special items		
Income from purchase price adjustments	-	(116)
Exchange loss (gain) on purchase price components	(105)	14
Stock option and employee share participation program expense	(7,421)	1,656
Acquisition expense	81	-
Retention bonus expense under share purchase agreements in mergers & acquisitions	1,415	1,652
Earnout expense under share purchase agreements in mergers & acquisitions	48	2,200
Other expenses	560	-
Expenses relating to strategic review of listing and privatization choices	-	115
Expenses relating to the exploration of the take-private option	-	351
Additional audit fee	1,144	-
Total adjustment for special items	(4,279)	5,873
Adjusted EBITDA	60,760	74,655

4. Gross margin

The gross margin is calculated as the difference between the total performance and the cost of revenues, expressed as a percentage of the revenue. Total performance is the sum of revenue and own work capitalized. Cost of revenues is the total direct costs needed to service the revenue. It includes direct costs related to colleagues (employees and freelancers) allocated to the performance of customer services regardless of whether the colleagues are actually performing customer services during a given period of time, costs related to travel of these colleagues, cost of licenses and other, smaller, reimbursable and non-reimbursable cost components. It excludes the costs of management of the Global Business Units (GBUs) and the cost of consultative sales and thought leadership across Centres of Excellence (CoEs) and GBUs.

The table below shows the gross margins for the six-months period ended June 30, 2025:

Six-month period ended June 30	2025	2024
	kEUR	kEUR
Revenue	498,860	482,432
Own work capitalized	94	114
Total performance	498,954	482,546
Cost of revenues	(339,675)	(335,629)
Gross profit	159,279	146,917
Gross margin (as % of revenue)	31.9%	30.5%

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

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	65,307	10,804	52,735	1,768	65,307
Impairment of trade receivables and contract assets	(364)	-	(364)	-	(364)
Other operating income	(11,819)	(7)	(11,724)	(89)	(11,819)
Total	433,915	339,675	98,519	(4,279)	433,915

Six-month period ended June 30	2024				
	thereof				
	Costs by nature	Cost of revenues	Selling, General and Administrative expenses	Special items	Total
	KEUR	KEUR	KEUR	KEUR	KEUR
Cost of freelancers and other direct cost	34,564	34,564	-	-	34,564
Staff costs	346,628	289,232	51,887	5,508	346,628
Other operating expenses	41,813	11,833	29,500	480	41,813
Impairment of trade receivables and contract assets	390	-	390	-	390
Other operating income	(9,631)	-	(9,515)	(116)	(9,631)
Total	413,764	335,629	72,262	5,873	413,764

The “Special items” relate to non-recurring items as mentioned in [Note F.3 Adjusted EBITDA](#).

5. Segment information

The segment report for Nagarro has been prepared using the guiding principle of IFRS 8 and the Custodian of Entrepreneurship in the Organization 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. Nagarro has determined that it operates as a single operating and reportable segment.

The geographical country wise revenues are as follows:

Six-month period ended June 30	2025	2024
	kEUR	kEUR
Attributed to the entity's country of domicile		
Germany	117,448	105,226
Attributed to all foreign countries in total from which the entity derives revenues		
United States of America	170,405	169,961
Others	211,008	207,245
	381,412	377,206
	498,860	482,432

6. Business combinations

Notion Edge France SAS

By way of a business transfer agreement dated April 2, 2025, Nagarro France SAS, entered into a strategic business transfer of assets with Notion Edge France SAS ("Notion Edge"). Notion Edge specializes in SAP CX (Customer Experience) suite and delivers end-to-end SAP-enabled innovative solutions particularly within retail, CPG, B2B manufacturing and digital commerce sectors to help businesses with digital transformation. This transaction strengthens Nagarro's access to key industry players and allows clients to benefit from an expanded portfolio of customized end-to-end CX solutions that are aligned with the high standards of delivery quality. The transfer also enables wider access to the African market while reinforcing Nagarro's market position in Europe.

A maximum purchase price of EUR 3.5 million (including earn-out payment of EUR 1.5 million, contingent payment of EUR 0.7 million and retention bonus of EUR 1 million) was agreed for the business transfer of Notion Edge. The closing of the deal has been done and the fixed component of purchase price of EUR 0.3 million was paid on April 2, 2025. The contingent payment of EUR 0.7 million is dependent on the achievement of certain targets for FY2025. The remaining purchase price is due between 2026 and 2029, depending on the achievement of targets set in the agreement. The earnout and contingent payment amounting to EUR 2.2 million, which is not part of the capitalized purchase price, will be recognized as an expense based on the undiscounted amounts expected to be paid for the respective year(s) considering them to be short-term employee benefits.

The closing of the deal has been done and the business of Notion Edge has been acquired. Accordingly, the acquired business of Notion Edge has been included for the first time with Nagarro from April 2, 2025.

At the time the half-yearly report was issued, the Nagarro group had not yet completed the accounting for the acquisition of Notion Edge. In particular, the fair values of the assets and liabilities disclosed below have only been determined provisionally:

	Estimated fair value
	kEUR
Intangible assets	400
Assets acquired	400
Deferred tax liabilities	100
Liabilities assumed	100
Total identifiable net assets at fair value	300
Goodwill arising on acquisition	-
Purchase consideration	300

From the date of acquisition, Notion Edge has generated revenue of kEUR 141 and earnings before interest, taxes, depreciation and amortization of kEUR 45. If the combination had taken place at the beginning of the year, revenues from Notion Edge would have been kEUR 413 and earnings before interest, taxes, depreciation, and amortization would have been kEUR 18. In connection with the transaction there were costs of kEUR 81 which were recognized in other operating expenses in the first half of 2025.

7. Events after the balance sheet date

In the period after June 30, 2025 and the date when the condensed consolidated interim financial statements were authorized for issuance by the Management Board of Nagarro SE, the following events of particular importance exist:

Merger of entities

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

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

8. Contingent liabilities and guarantees

Contingent liabilities

There have been no material changes in contingent liabilities compared to those disclosed in the [Annual Report for 2024](#) under section "F.6 Contingent liabilities and guarantees".

Guarantees

In accordance with the terms of the syndicated loan agreement of kEUR 350,000 (December 31, 2024: kEUR 350,000), certain subsidiaries together with Nagarro SE, had given guarantees. Further, to ensure continuing compliance with Guarantor Threshold Test ('GTT'), Nagarro has added additional guarantors as per the provisions of the syndicated loan agreement. For further details, please refer note "C.12 Loans and borrowings" in the [Annual Report for 2024](#).

Others

There is no further development in the matter as disclosed in note "F.6 Contingent liabilities and guarantees" of the [Annual Report for 2024](#).

9. Capital management

Nagarro ensures that there is always sufficient liquidity, and the capital structure is balanced. These objectives are achieved by focusing on a strong business performance and receivable management. Decisions regarding the acquisition of new companies are made after consideration of the impact on the 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 “condensed consolidated statement of financial position”. Nagarro targets to maintain the Equity to total assets ratio below 30%.

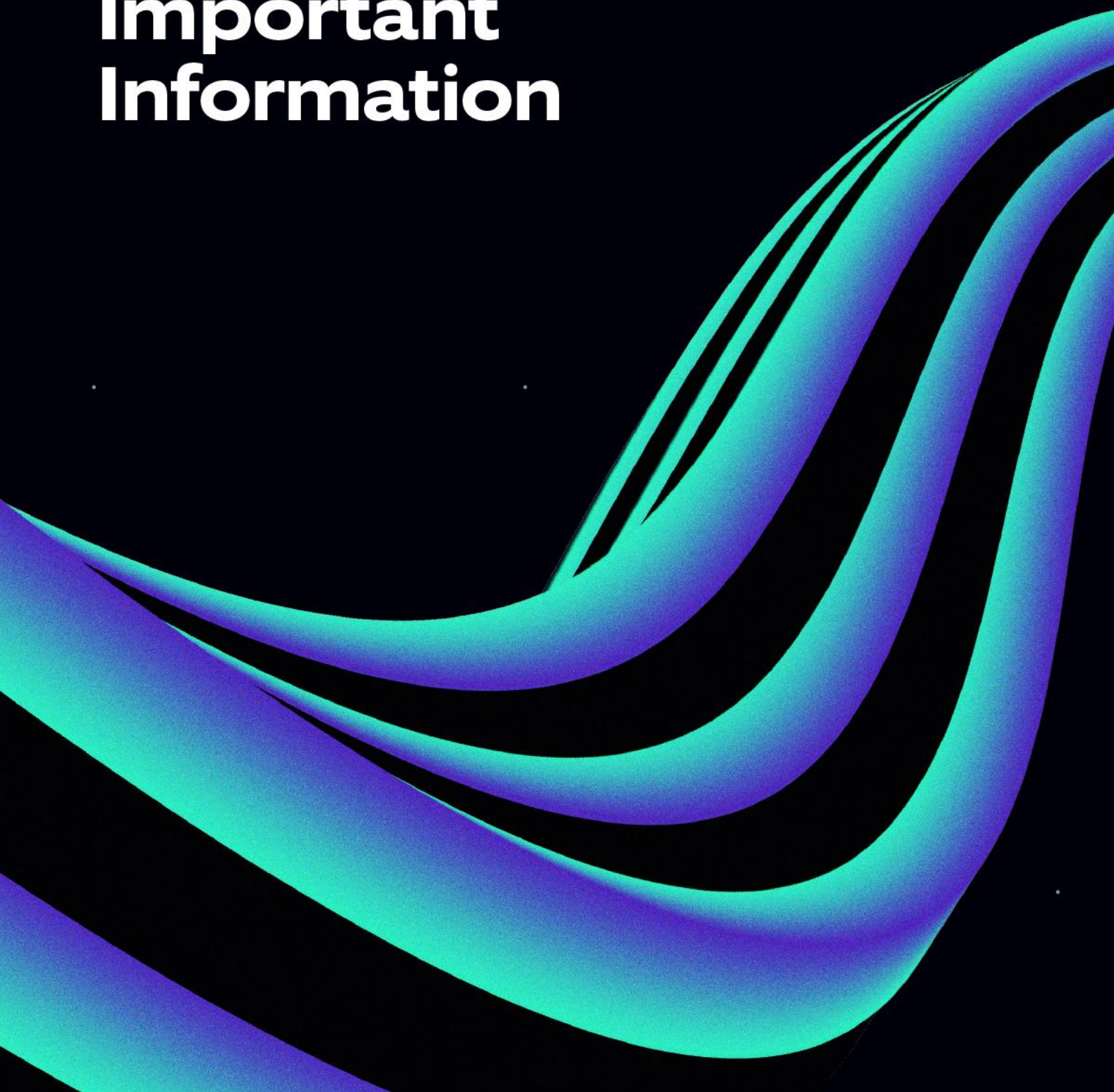
Net debt is calculated as a total of liabilities to banks and lease liabilities less cash. Adjusted EBITDA is taken for the trailing twelve months. Nagarro policy is to keep the net debt to Adjusted EBITDA ratio below 3.

The key figures used for capital management with respect to Nagarro at the respective balance sheet dates are as follows:

	Jun 30, 2025	Dec 31, 2024
	kEUR	kEUR
Liabilities to banks	300,653	329,612
Lease liabilities	66,894	54,483
Cash	(121,785)	(192,567)
Net debt	245,762	191,527
Adjusted EBITDA for the first half of the year	60,760	74,655
Adjusted EBITDA for the second half of 2024	72,809	72,809
Adjusted EBITDA for last twelve months	133,569	147,464
Debt ratio (Net debt to Adjusted EBITDA)	1.8	1.3
Total assets	728,433	795,701
Equity	154,043	222,660
Equity (as a % of total assets)	21%	28%

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

Financial calendar

For details, refer our IR website:

Financial calendar

Legal notice

Nagarro SE
Baierbrunner Str. 15
81379 Munich
Germany

Phone: +49 89 785 000 282
+49 89 231 219 151 (Investor Relations)
Fax: +49 32 222 132 620
E-mail: info@nagarro.com
ir@nagarro.com (Investor Relations)

Authorized representatives Executive Board:
Manas Human (Chairperson), Annette Mainka, Vikram Sehgal

Chairperson of the Supervisory Board:
Dr. Martin Enderle

Registration Court:
HRB-Nr. 254410, Amtsgericht München

VAT ID:
DE 815882160

Responsible for the content acc. to Section 55 (2) Interstate Broadcasting Agreement RStV:
Manas Human

Investor Relations expert:
Michael Knapp