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JOINT MERGER REPORT

of the Executive Board and the Managing Directors of

Nagarro SE,
Munich,

and

Nagarro Holding GmbH,
Munich,

on the merger of

Nagarro Holding GmbH

with

Nagarro SE

July 19, 2021

TABLE OF CONTENTS

1.	INTRODUCTION.....	1
2.	PRESENTATION OF THE COMPANIES INVOLVED IN THE MERGER.....	2
2.1	NAGARRO HOLDING.....	2
	(a) Overview of Nagarro Holding and the Nagarro Group.....	2
	(b) Corporate History, Development and Shareholdings of Nagarro Holding.....	2
	(i) iQuest Holding GmbH.....	2
	(ii) Objectiva Software Solutions, Inc.	3
	(iii) Nagarro ES GmbH	3
	(c) Legal Form, Registered Office, Financial Year and Object of the company	4
	(d) Share Capital and Shareholder Structure	4
	(e) Bodies and Representation	4
	(f) Business Activity.....	4
	(g) Comments on the Business Development and Earnings Situation.....	5
	(h) Employees and Co-Determination	5
2.2	NAGARRO SE	5
	(a) General company Law Basis	5
	(b) Object of the company Nagarro SE.....	5
	(c) Share Capital, Shares, Shareholders, Stock Options and Stock Exchange Trading	5
	(d) Executive Board.....	7
	(e) Supervisory Board.....	7
	(f) Previous resolutions of the General Meeting	7
	(g) Business Activity.....	8
	(h) Business Development and Earnings Situation	8
	(i) Year 2020	8
	(ii) Q1 and Q2 2021.....	9
	(i) Employees and Co-Determination	9
3.	MAIN REASONS FOR THE MERGER.....	10
3.1	MERGER OF CONNECT AG INTO NAGARRO SE.....	11
3.2	UNBUNDLING OF NAGARRO SE'S INDIRECT SHAREHOLDINGS IN THE MINORITY SHAREHOLDERS OF NAGARRO HOLDING AND TRANSFER OF SHAREHOLDING PROGRAMS	11
	(a) Capital increase in kind of SPP GmbH	12
	(b) Transfer of the participation programs	12
	(c) Withdrawal of Nagarro SE with transfer of SPP GmbH shares from SPP KG to Nagarro SE	13
	(d) Merger of BET and SPP GmbH into Nagarro Holding.....	13
4.	ALTERNATIVES TO THE PLANNED MERGER.....	14
5.	IMPLEMENTATION OF THE PLANNED MERGER	14
5.1	MERGER AGREEMENT.....	14
5.2	PROVISION OF DOCUMENTS, PUBLICATION AND SUBMISSION OF THE MERGER AGREEMENT TO THE COMMERCIAL REGISTER	14
5.3	GENERAL MEETING OF NAGARRO SE AND SHAREHOLDERS' MEETING OF NAGARRO HOLDING	15
5.4	CAPITAL INCREASE OF NAGARRO SE TO IMPLEMENT THE MERGER.....	15

5.5	APPLICATION AND REGISTRATION OF THE MERGER, EFFECTIVE DATE.....	16
5.6	COSTS OF THE MERGER.....	18
6.	EFFECTS OF THE PLANNED MERGER	18
6.1	EFFECTS UNDER COMPANY LAW	18
6.2	TRANSFER OF ASSETS BY WAY OF UNIVERSAL SUCCESSION	18
6.3	ACCOUNTING CONSEQUENCES OF THE MERGER	18
6.4	CONSEQUENCES FOR EMPLOYEES	20
6.5	TAX CONSEQUENCES OF THE MERGER	21
	(a) Tax Implications for Nagarro Holding.....	21
	(b) Tax Implications for Nagarro SE.....	22
	(c) Real Estate Transfer Tax Implications.....	23
	(d) Tax Consequences for Minority Shareholders of Nagarro Holding in Germany.....	23
	(i) Shares held as business assets	23
	(A) Basically fictitious taxable sale	23
	(B) If Applicable, Tax-Neutral Book Value Continuation.....	23
	(ii) Shares Held as Private Assets.....	24
	(A) Shareholder within the meaning of Section 17 EStG	24
	(B) Tax Implications for Shareholders within the meaning of Section 20 EStG.....	24
	(C) Further Cases	24
	(e) Future Profit Distributions of Nagarro SE	25
7.	EXPLANATION OF THE MERGER AGREEMENT	25
7.1	TRANSFER OF ASSETS (SECTION 1)	25
7.2	MERGER DATE AND TAX EFFECTIVE DATE (SECTION 2)	25
7.3	CONSIDERATION, TRUSTEE; CORPORATE ACTIONS (SECTION 3)	26
7.4	SPECIAL RIGHTS (SECTION 4)	27
7.5	SPECIAL ADVANTAGES (SECTION 5).....	27
7.6	CONSEQUENCES OF THE MERGER FOR EMPLOYEES AND THEIR REPRESENTATIVES (SECTION 6)	27
7.7	FINAL PROVISIONS (SECTION 7).....	28
8.	EXCHANGE RATIO	29
8.1	INTRODUCTION.....	29
8.2	PRINCIPLES AND METHOD OF VALUATION.....	29
8.3	ANALYSIS OF POSSIBLE VALUE DIFFERENCES OF NAGARRO SE AND NAGARRO HOLDING	30
8.4	EXCHANGE RATIO.....	30

LIST OF ANNEXES

- Annex 1:** Notarized Merger Agreement between Nagarro Holding GmbH and Nagarro SE dated July 19, 2021
- Annex 2:** Expert Opinion on the Determination of the Appropriate Exchange Ratio on the Occasion of the Planned Merger of Nagarro Holding GmbH, Munich, with Nagarro SE, Munich, of VALNES Corporate Finance GmbH dated July 19, 2021

1. INTRODUCTION

Nagarro Holding GmbH, a limited liability company under German law with its registered office in Munich ("**Nagarro Holding**"), registered in the commercial register of the Munich Local Court (Amtsgericht) under HRB 213425, and Nagarro SE, a European stock corporation (*Societas Europaea*) registered in the commercial register of the Munich Local Court under HRB 254410, with its registered office in Munich ("**Nagarro SE**"), have entered into an agreement on July 19, 2021 before the notary Dr. Sebastian Franck with official seat in Munich on the merger of Nagarro Holding with Nagarro SE (DOC. No. F4190/2021), which is attached to this report as **Annex 1**.

It is intended that the shareholders' meeting of Nagarro Holding will adopt a resolution on the approval of the aforementioned Merger Agreement on or about August 31, 2021 and the General Meeting of Nagarro SE will do so on August 31, 2021. For the purpose of informing the shareholders and preparing their resolution, the Managing Directors of Nagarro Holding and the Executive Board of Nagarro SE submit the following joint merger report pursuant to Section 8 of the German Transformation Act (UmwG – Umwandlungsgesetz).

The share capital of Nagarro SE currently amounts to EUR 11,576,513.00 and is divided into 11,576,513 registered no-par value shares with a notional share in the share capital of EUR 1.00 each (the "**Nagarro SE Shares**"). Nagarro SE Shares are admitted to trading on the regulated market (SDAX) of the Frankfurt Stock Exchange under ISIN DE000A3H2200. Furthermore, NAGARRO SE Shares are traded over the counter on the stock exchanges in Berlin, Düsseldorf, Hamburg, Munich and Stuttgart. The financial year of NAGARRO SE is the calendar year.

The share capital of Nagarro Holding amounts to EUR 67,534.00 and is divided into 67,534 shares with a notional share in the share capital of EUR 1.00 each ("**Nagarro Holding Shares**"). Nagarro SE currently holds 42,017 Nagarro Holding Shares (commercially rounded corresponding to 84.03% of the share capital excluding treasury shares). 2,499 Nagarro Holding Shares (commercially rounded corresponding to 5.00% of the share capital excluding treasury shares) are held by All Nag Beteiligungs GmbH & Co. KG ("**All Nag Bet**"). 2,499 Nagarro Holding Shares (commercially rounded corresponding to 5.00% of the share capital excluding treasury shares) are held by StarView Capital Growth Fund, LLC, ("**StarView**"). 2,985 Nagarro Holding Shares (commercially rounded corresponding to 5.97% of the share capital excluding treasury shares) are also held by SPP Co-Investor GmbH & Co. KG ("**SPP KG**"). In addition, Nagarro Holding holds 17,534 treasury Nagarro Holding Shares.

Until now, Nagarro SE held part of its shares in Nagarro Holding through holding companies. There are several Managing Directors participation programs whose participants, including the members of the Executive Board of Nagarro SE Manas Fuloria and Vikram Sehgal, (the "**Beneficiaries**") have an interest in these holding companies and thus indirectly in Nagarro Holding on the basis of trust agreements (for further details, see section 3.2). In total, the Beneficiaries of the Managing Directors participation programs hold an (indirect) economic interest in Nagarro Holding amounting to 15.97% (commercially rounded).

The Executive Board of Nagarro SE intends to bring about a full integration of Nagarro Holding into Nagarro SE. In this context, the (indirect) economic interest of the Beneficiaries in Nagarro Holding is to be transferred into an (indirect) economic interest in Nagarro SE. To this end, various structural measures have already been implemented within Nagarro (for further details, see section 3.2).

Finally the assets of Nagarro Holding as a whole shall be transferred by way of dissolution without liquidation pursuant to Sections 2 No. 1, 46 et seqq., 60 et seqq. UmwG by way of merger by absorption against granting of shares to Nagarro SE. To implement the merger, Nagarro SE will increase its share capital from currently EUR 11,576,513.00 by EUR 2,199,472.00 to EUR 13,775,985.00 by issuing 2,199,472 new Nagarro SE Shares. Insofar as Nagarro SE is a

shareholder of Nagarro Holding, it may not increase its share capital in accordance with Section 68 para. 1 sentence 1 no. 1 UmwG in order to implement the merger.

The expert auditor selected and appointed by the Munich I Regional Court for both legal entities involved in the merger pursuant to Section 60 in conjunction with Section 10 UmwG, Warth & Klein Grant Thornton GmbH Wirtschaftsprüfungsgesellschaft ("**WKGT**"), will separately issue an audit report on the audit of the Merger Agreement between Nagarro SE and Nagarro Holding on July 20, 2021.

2. PRESENTATION OF THE COMPANIES INVOLVED IN THE MERGER

2.1 Nagarro Holding

Nagarro Holding is the transferring entity in the merger of Nagarro Holding into Nagarro SE.

(a) Overview of Nagarro Holding and the Nagarro Group

Nagarro Holding is an intermediate holding company of the Nagarro Group and holds the shares in the other operating units.

The Nagarro Group is a global group of companies with operations in 26 countries, characterized by a highly decentralized structure and no operational headquarters. The group operates in the technology consulting and software development business, specializing in solving complex and strategic challenges for clients through agile software engineering and co-innovation. It has extensive expertise in digital transformation, product development and design, Big Data and analytics, artificial intelligence, Internet of Things (IoT) and wearables. Customers include market and industry leaders, government agencies and leading software vendors (ISVs).

Internally, the Nagarro Group is organized – regardless of country borders – according to Global Business Units, which are reorganized annually. The Global Business Units are supplemented by sales and marketing units (SMUs), each responsible for specific customer regions. The four customer regions are North America, Central Europe, Rest of Europe and Rest of the World. In addition, certain functions are organized globally; these include Talent Planning and Allocation, Talent Development, Finance, Legal and Compliance.

(b) Corporate History, Development and Shareholdings of Nagarro Holding

Today's Nagarro Group was created in 2020 by way of a spin-off from Allgeier SE, the parent company of the Allgeier Group, a listed provider of IT and software services and products.

Nagarro Holding was formed by a change of legal form of Allgeier Nagarro Holding AG with its registered office in Munich, originally registered in the commercial register of the Munich Local Court under HRB 193015, by a corresponding resolution of the General Meeting of Allgeier Nagarro Holding AG on July 15, 2014 (DOC. No. B 1865/2014 of the notary Gregor Basty with official seat in Munich).

Nagarro Holding was subsequently identified as the (future) intermediate holding company of the Nagarro Group. In order to achieve the desired structure under company law in this context, reorganization measures were necessary, in particular the transfer of individual operating companies of the Nagarro Group that had not previously been held by Nagarro Holding. In detail:

(i) iQuest Holding GmbH

iQuest Holding GmbH, a limited liability company under German law registered in the commercial register of the Mannheim Local Court under HRB 716921 with its registered office in Karlsruhe ("**iQuest**"), is an international technology consultant and software service provider that initially belonged to the Allgeier Group since 2018. The unit has many

years of experience in providing end-to-end software engineering, product development, managed services and digital transformation solutions to leading companies in the life sciences, transportation, telecommunications, financial services, utilities and logistics industries. iQuest is an established technology partner for well-known global clients.

With respect to iQuest, Allgeier Project Solutions GmbH, a limited liability company under German law with its registered office in Munich, registered with the commercial register of the Munich Local Court under HRB 179057 ("**APS**"), initially acquired interests from minority shareholders and terminated an existing shareholding program. Through these steps, APS acquired a 100% interest in iQuest, which it resold to Nagarro Holding under a purchase and transfer agreement dated July 15, 2020. The purchase price of EUR 50,974,000.00 was deferred with interest.

(ii) Objectiva Software Solutions, Inc.

Objectiva Software Solutions, Inc. ("**Objectiva**"), which was part of the Allgeier Group since 2018, is a leading provider of software outsourcing services for Independent Software Vendors (ISV), enterprises and digital agencies. Objectiva was founded in 2001 and is headquartered in the USA. With offices in the U.S. and development centers in Beijing and Xi'an in China, Objectiva helps its customers, particularly in the U.S., China and Europe, develop customized enterprise software and solutions, software for cloud and mobile platforms, e-commerce implementations, high-precision content and document Managing Directors applications, and real-time data systems and applications.

Objectiva was sold by APS to Nagarro Inc., a wholly owned subsidiary of Nagarro Holding, under a purchase and transfer agreement dated July 15, 2020. The purchase price of EUR 26,447,788.00 was deferred with interest.

(iii) Nagarro ES GmbH

Nagarro ES GmbH, a limited liability company under German law with its registered office in Kronberg im Taunus ("**Nagarro ES**"), registered in the commercial register of the Königstein Local Court under HRB 10438, bundles the SAP development expertise attributable to the Nagarro Group. It resulted from a merger of Allgeier Consulting Services GmbH, a limited liability company under German law with its registered office in Kronberg im Taunus ("**ACS**") registered in the commercial register of the Königstein Local Court under HRB 9802, into Nagarro ES (at that time trading as Allgeier Midmarket Services GmbH – "**AMS**") and holds a 100% interest in each of Allgeier Enterprise Services Denmark A/S and Nagarro Allgeier ES France SAS.

In order to make the know-how in the field of SAP development available to the Nagarro Group, Nagarro ES (at that time operating as AMS) and ACS were initially sold at 90% to Nagarro Holding by purchase and transfer agreement dated December 17, 2019. The remaining 10% was still tied up in an existing shareholding program at that time.

The aforementioned merger was registered with effect from June 5, 2020. Subsequently, the participation program was terminated and Nagarro Holding acquired the remaining 10% of the shares in Nagarro ES by way of a purchase and transfer agreement dated July 15, 2020. The total purchase price for Nagarro ES in the amount of EUR 68,021,000.00 was deferred with interest.

A profit and loss transfer agreement exists between Nagarro ES as the dependent company and Nagarro Holding as the controlling company.

Following the implementation of the steps described above, all shares in Nagarro Holding (partly indirectly through the acquisition of the holding companies described in section 3.2 below) were

sold by APS to Nagarro SE by way of a purchase and transfer agreement dated July 15, 2020. Since Nagarro SE was only established as of January 29, 2020 and was economically re-established by Allgeier SE on February 19, 2020, the provisions on post-establishment, Section 52 of the German Stock Corporation Act (AktG – Aktiengesetz), applied to this agreement. The General Meeting of Nagarro SE approved the agreement pursuant to Section 52 para. 1 AktG on July 31, 2020. The post-formation agreement, the post-formation report of the Supervisory Board required pursuant to Section 52 para. 3 AktG and the post-formation audit report required pursuant to Sections 52 para. 4, 34 para. 2 AktG are available for inspection in the commercial register. The purchase price of EUR 193,608,560.00 was deferred with interest.

The purchase price receivable resulting from this purchase agreement was held by Nagarro Connect AG, a stock corporation registered in the commercial register of the Munich Local Court under HRB 241940 with its registered office in Munich and a share capital of EUR 50,000.00 divided into 50,000 registered no-par value shares ("**Connect AG**"). Regarding the merger of Connect AG into its sole shareholder, Nagarro SE, see section 3.1 below.

(c) Legal Form, Registered Office, Financial Year and Object of the company

Nagarro Holding is a limited liability company under German law and has its registered office in Munich. It is entered in the commercial register of the Munich Local Court under HRB 213425. The financial year of Nagarro Holding is the calendar year.

According to Section 3 of the Articles of Association, the object of the company is the acquisition and Managing Directors of shareholdings in companies in Germany and abroad, as well as the provision of consulting and other services for other companies, insofar as no special permits are required for this. Nagarro Holding is authorized to acquire companies of the same or similar type, to participate in such companies, to assume their personal liability and representation, to establish branches at home and abroad and to engage in all business activities that are suitable to promote the company's undertakings.

(d) Share Capital and Shareholder Structure

For details on the share capital and shareholder structure of Nagarro Holding, reference is made to the information in the introduction.

(e) Bodies and Representation

Pursuant to Section 5 para. 1 of the Articles of Association, Nagarro Holding has one or more managing directors. The current sole managing director of Nagarro Holding is Ms. Anette Mainka.

If only one managing director has been appointed, he or she shall represent the company alone in accordance with Section 5 para. 2 of the Articles of Association. If several managing directors have been appointed, the company shall be represented by two managing directors or by one managing director together with an authorized signatory (*Prokurist*). However, according to Section 5 para. 3 of the Articles of Association, sole power of representation and exemption from the restrictions of Section 181 of the German Civil Code (BGB – Bürgerliches Gesetzbuch) may be granted. The currently appointed managing director, Ms. Mainka, has sole power of representation and is exempt from the restrictions of Section 181 BGB.

Nagarro Holding has no other corporate bodies.

(f) Business Activity

Nagarro Holding is not operationally active itself, but holds and manages the shares in the operating units of the Nagarro Group.

(g) Comments on the Business Development and Earnings Situation

With regard to the business development and the earnings situation, reference is made to the presentation for the Nagarro Group under section 2.2(h) below.

(h) Employees and Co-Determination

As of May 31, 2021, the Nagarro Group employed a total of 10,593 people. Of these, one full-time equivalent (*FTE*) position was attributable to Nagarro Holding.

Nagarro Holding is not subject to co-determination under the German One-Third Participation Act (*DrittelbG – Drittelbeteiligungsgesetz*) or the German Co-Determination Act (*MitbestG – Mitbestimmungsgesetz*) and is therefore not required to appoint a supervisory board.

2.2 Nagarro SE

Nagarro SE is the acquiring legal entity in the merger of Nagarro Holding into Nagarro SE.

(a) General company Law Basis

Today's Nagarro SE was established by notarial instrument dated January 17, 2020 under the name Blitz 20-361 SE with its registered office in Munich. The financial year of Nagarro SE corresponds to the calendar year.

Since the acquisition of Nagarro Holding and its direct and indirect subsidiaries, the company operates as the Group holding company of the Nagarro Group.

(b) Object of the company Nagarro SE

According to Section 2 para. 1 and 2 of the Articles of Association, the object of the company Nagarro SE is to provide software and technology consulting, development, testing, implementation, maintenance, operation and innovation services in the field of software and technology. The company may carry out the aforementioned activities itself or carry out its business activities as a holding company also through subsidiaries, associated companies and joint ventures, which it may establish, acquire, sell, hold, manage, advise and restructure under its uniform Managing Directors and for which it may perform other Managing Directors tasks. It may manage companies in which it holds interests under uniform Managing Directors or limit itself to their Managing Directors, as well as transfer their operations in whole or in part to newly established or existing subsidiaries. The company is authorized to enter into inter-company and cooperation agreements with other companies (Section 2 para. 3 of the Articles of Association). It is entitled to engage in all transactions and take all measures that are suitable for directly or indirectly promoting the object of the company (Article 2 para. 4 of the Articles of Association).

(c) Share Capital, Shares, Shareholders, Stock Options and Stock Exchange Trading

The share capital of Nagarro SE currently amounts to EUR 11,576,513.00 and is divided into 11,576,513 registered no-par value shares with a notional share in the share capital of EUR 1.00 each (see section 5.4 below regarding the share capital after the merger). It amounted to EUR 11,382,513.00 after the IPO of Nagarro SE in December 2020 and the related spin-off of assets from Allgeier SE to Nagarro SE. The share capital was increased by EUR 194,000.00 in May 2021 by issuing 194,000 new registered Nagarro SE Shares as part of a capital increase from authorized capital to service stock options issued by Nagarro SE in connection with the aforementioned spin-off.

Nagarro SE has issued a total of 45,000 stock options to its three members of the Executive Board and a total of 410,000 stock options to employees and members of the Managing Directors of companies of the Nagarro Group on the basis of authorizations granted by the General Meeting on

October 30, 2020. These options can be exercised at the earliest four years after their issue on January 15, 2021, i.e. on January 15, 2025. Currently, the Authorized Capital 2020/I according to Section 6 of the Articles of Association of Nagarro SE is available for their servicing. However, it is intended that the General Meeting of Nagarro SE on August 31, 2021 will resolve on conditional capital for this purpose, as the servicing of stock options from conditional capital is possible in a significantly more flexible and faster manner and is accordingly customary in the market.

With regard to the stock exchange trading of Nagarro SE Shares, reference is made to the information in the introduction.

According to the voting rights notifications received by the company pursuant to Sections 33 et seqq. of the German Securities Trading Act (WpHG – Wertpapierhandelsgesetz), the following shareholders (partly due to attributed shareholdings) hold more than 3% in Nagarro SE (as of July 15, 2021, 1:00 p.m.):

Party obligated to notify	Threshold	Total voting rights share at the time of notification	Voting rights (direct/attributed) according to notification	Date of threshold contact according to notification	Date of publication of notification
Carl Georg Dürschmidt, Germany	> 25%	25.15%	2,862,320	12/15/2020	12/22/2020
Dr. Christa Kleine Dürschmidt, Germany	> 25%	27.11%	3,086,022	12/15/2020	12/22/2020
Laura Dürschmidt, Germany	> 25%	25.15%	2,862,320	12/15/2020	12/22/2020
Linda Dürschmidt, Germany	> 25%	25.15%	2,862,520	12/15/2020	12/22/2020
Setanta Asset Management Limited, Dublin, Ireland	> 3%	3.00%	341,848	12/16/2020	12/23/2020
The Desmarais Family Residuary Trust, Montreal, Canada	> 3%	3.00%	341,848	12/16/2020	12/23/2020
Detlef Dinsel, Germany	> 10%	11.78%	1,340,512	12/16/2020	01/19/2021
SMALLCAP World Fund, Inc., Lutherville, USA	> 3%	3.28%	373,603	02/04/2021	02/06/2021
The Capital Group Companies, Inc., Los Angeles, USA	> 5%	5.31%	604,241	02/26/2021	03/01/2021
SMALLCAP World Fund, Inc., Irvine, USA	> 5%	5.31%	604,241	02/26/2021	03/01/2021

Important notice:

The number of shares directly held by/attributed to Mr. Carl Georg Dürschmidt, Dr. Christa Kleine-Dürschmidt, Ms. Laura Dürschmidt, Ms. Linda Dürschmidt each presumably increased by a total of 90,000 shares on June 29, 2021 (sale of 90,000 shares acquired by Mr. Carl Georg Dürschmidt on May 21, 2021 as part of a remuneration program to Lantano Beteiligungen GmbH, see corresponding notifications on self-dealing by managers pursuant to Article 19 of the Market Abuse Regulation (MAR)).

(d) Executive Board

Pursuant to Section 9 para. 1 of the Articles of Association, the Executive Board of the company consists of one or more persons. The Supervisory Board determines the exact number of members of the Executive Board. The Supervisory Board may appoint deputy members of the Executive Board and, if there are several members of the Executive Board, appoint a chairperson of the Executive Board.

The Executive Board of Nagarro SE currently has three members:

- Manas Fuloria, Chairman of the Board;
- Anette Mainka; and
- Vikram Sehgal.

According to Section 12 para. 1 of the Articles of Association, the company is represented by two members of the Executive Board jointly or by one member of the Executive Board together with an authorized signatory (Prokurist). If there is only one member of the Executive Board, he or she shall represent the company alone.

In accordance with Section 12 para. 2 of the Articles of Association, the Supervisory Board may grant individual or several members of the Executive Board the power of sole representation. In addition, the Supervisory Board may, in accordance with Section 12 para. 3, exempt individual or all members of the Executive Board, either generally or in individual cases, from the prohibition on multiple representation under Section 181 alternative 2 BGB. However, Section 112 AktG remains unaffected. The Supervisory Board has made use of these options for all three members of the Executive Board currently in office.

No personnel changes in the Executive Board of Nagarro SE are planned in connection with the merger.

(e) Supervisory Board

The Supervisory Board of Nagarro SE consists of three members. It is composed in accordance with the provisions of the German Stock Corporation Act. Provisions on corporate co-determination by employees do not apply to Nagarro SE. The current Supervisory Board was elected at the General Meetings on February 19, 2020 and July 15, 2020. The term of office of the members of the Supervisory Board of Nagarro SE ends at the end of the Annual General Meeting that resolves on the discharge for the fourth financial year after the beginning of the term of office (not including the financial year in which the term of office begins). The current members of the Supervisory Board of Nagarro SE are:

- Carl Georg Dürschmidt, Chairman of the Supervisory Board;
- Detlef Dinsel, Deputy Chairman of the Supervisory Board; and
- Dr. Shalini Sarin.

No personnel changes in the Supervisory Board of Nagarro SE are planned in connection with the merger.

(f) Previous resolutions of the General Meeting

On February 19, 2020, the General Meeting of Nagarro SE, in addition to discharging the Executive Board and Supervisory Board, elected new members of the Supervisory Board for the period until

the end of the General Meeting that resolves on the discharge for the financial year ending December 31, 2024, and changed the company's name to Allgeier Project SE.

Based on resolutions of the General Meeting on July 15, 2020, the company name was changed to the current "Nagarro SE". Furthermore, the General Meeting changed the composition of the Supervisory Board on July 15, 2020.

The General Meeting of Nagarro SE on July 31, 2020 resolved to approve the agreement concluded between Nagarro SE and APS as a post-formation agreement within the meaning of Section 52 para. 1 sentence 1 AktG on the acquisition of shares in Nagarro Holding and further companies by Nagarro SE. Finally, the General Meeting of Nagarro SE on October 30, 2020, in connection with the legal independence, approved the conclusion of a spin-off and acquisition agreement with Allgeier SE and a related increase of the share capital from initially EUR 120,000.00 to EUR 11,382.513.00, as well as an authorization of the Executive Board to increase the share capital against cash and/or non-cash contributions in the amount of up to EUR 5,650,000.00 with the option to exclude subscription rights (Authorized Capital 2020/I) and an authorization to acquire and use treasury shares pursuant to Section 71 para. 1 no. 8 AktG. Authorized Capital 2020/I is set out in Section 6 of the Articles of Association.

(g) Business Activity

Nagarro SE's business activities focus on listing, compliance and governance. In addition, Nagarro SE performs financing functions for the other companies in the Group. Only one of the three members of the Executive Board of Nagarro SE works full time for the company, while the two other members of the Executive Board also work in operating companies of the Group. In addition to the Executive Board, only one other employee works for Nagarro SE, and that on a part-time basis.

All other control functions within the Nagarro Group are performed by Nagarro Holding or decentralized by companies below Nagarro Holding (see under section 2.1(f)).

(h) Business Development and Earnings Situation

(i) Year 2020

For the Nagarro Group, the year 2020 was one of the most eventful in recent decades: Not only did COVID-19 fundamentally change lives and the global economy from one day to the next. Preparations were also made in the midst of the pandemic for the spin-off from the then parent company Allgeier SE and the associated IPO in December 2020. In the run-up to this major step, a completely new brand identity was also developed, which optimally reflects the corporate ethos and values.

Thanks to its diversified portfolio of 750 blue chip customers from 50 countries and consistent demand for digital solutions, the Nagarro Group performed well despite the ongoing pandemic. Nagarro Group sales increased from EUR 402.4 million in 2019 to EUR 430.4 million in 2020, representing a 7% increase. Adjusted EBITDA, a non-IFRS measure, grew by 38% from EUR 55.0 million in 2019 to EUR 76.2 million in 2020.

While COVID-19 was omnipresent throughout the year with a wide variety of effects, the Nagarro Group realized the consistently pursued plan of a spin-off from the then parent company Allgeier and an independent stock market listing. On December 16, 2020, Nagarro SE was listed in the Prime Standard of the Frankfurt Stock Exchange with an initial listing price of EUR 69.00. The share closed on December 30, 2020 with a gain of 32% at EUR 91.00. In the run-up to the listing, a new logo, branding and website were also introduced. This was implemented in-house with the company's own marketing and design team and emphasizes Nagarro's friendly, human character.

For many years, Nagarro has invested in building a modern, agile, entrepreneurial, and human-centric company with a distinctive organizational design and culture. As a largely virtually collaborative, global company with no fixed headquarters, Nagarro places particular emphasis on its unique set of values "CARING" – an acronym for Client-centric, Agile, Responsible, Intelligent, Non-hierarchical and Global. Above all, Nagarro's special organizational design allowed for smooth continuation of daily operations and quick adjustments to changing market conditions.

(ii) Q1 and Q2 2021

The first quarter of 2021 was the first full quarter of the Nagarro Group as an independent company.

Despite high demand for Nagarro's services, recruitment challenges have significantly limited supply. The global labor market for top executives was highly competitive and volatile. During the quarter, the company adapted, hiring both experienced professionals and fresh graduates in record numbers. At the end of the first quarter of 2021, Nagarro Group recorded an increase of 1,084 professionals – 999 of whom were in engineering – compared to the end of 2020.

Nagarro's revenues increased to EUR 115.7 million in the first quarter of 2021, up 4.3% from EUR 110.9 million in the first quarter of 2020 and up 6.2% from EUR 108.9 million in the fourth quarter of 2020. Adjusted EBITDA increased by 26.4% to EUR 18.6 million (16.0% of sales) in the first quarter of 2021, compared to EUR 14.7 million (13.2% of sales) in the first quarter of 2020.

During the quarter, Nagarro Group also granted certain stock options. For the stock option plans SOP 2020/II and SOP 2020/III, an expense of EUR 1.3 million was recognized with a corresponding increase in equity of EUR 1.3 million.

Among the four reportable segments, Nagarro Group generated 36.3% (Q1 2020: 38.1%) of its sales in Central Europe, 33.9% (Q1 2020: 33.7%) of its sales in North America, 15.6% (Q1 2020: 15.2%) of its sales in the rest of Europe and 14.2% (Q1 2020: 13.1%) of its sales in the rest of the world in Q1 2021.

Nagarro Group's negative cash flow amounted to EUR 7.2 million in Q1 2021 compared to EUR 1.3 million (Q1 2020). Operating cash flow in Q1 2021 amounted to EUR 1.6 million (Q1 2020: EUR 5.4 million). The decrease in operating cash flow in the first quarter of 2021 is largely attributable to the payment of spin-off and listing costs. Cash outflow from financing activities in Q1 2021 amounted to EUR 4.9 million (Q1 2020: EUR 2.3 million). Cash outflow from investing activities in the first quarter of 2020 amounted to EUR 4.4 million.

Total assets as of March 31, 2021 increased by EUR 5.4 million to EUR 392.3 million compared to December 31, 2020 (EUR 386.8 million). Non-current liabilities decreased by EUR 2.1 million. Current liabilities decreased significantly by EUR 7.0 million. Cash and cash equivalents (including factoring liabilities) decreased by EUR 5.9 million compared to December 31, 2020 (103.2 million) to EUR 97.2 million.

In the second quarter of 2021, Nagarro Group successfully continued to grow its business and talent base. The company passed the milestone of 10,000 employees. Nagarro continues to enjoy healthy customer demand, making capacity building a top Managing Directors priority. There were no events in the second quarter that would lead Managing Directors to believe that the business development and outlook differed materially from the company's previous guidance. The results for the first half of 2021 will be published on August 13, 2021.

(i) Employees and Co-Determination

As of the reporting date May 31, 2021, Nagarro SE employed only one part-time employee (corresponding to a 0.5 full-time equivalent (*FTE*) position).

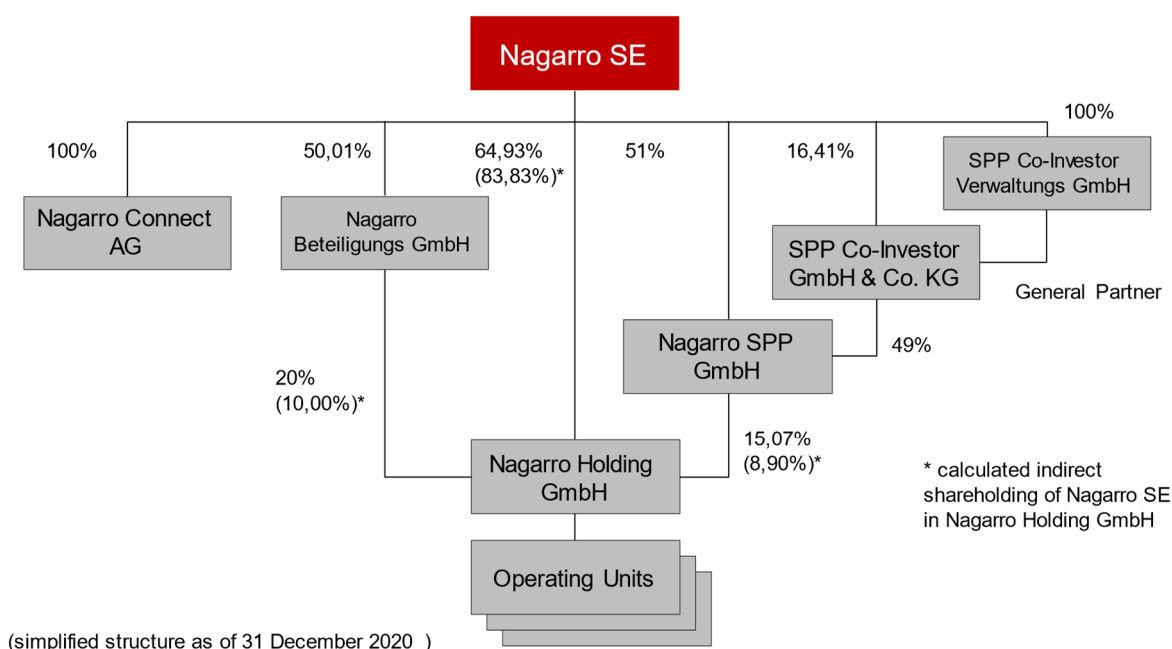
Nagarro SE is not subject to corporate co-determination. The DrittelbG and the MitbestG are not applicable to it by virtue of its legal form and because the requirements of Sections 34 et seqq. of the German SE Participation Act (SEBG – SE-Beteiligungsgesetz) are not met. There is no participation agreement within the meaning of Section 21 SEBG.

3. MAIN REASONS FOR THE MERGER

The intended merger makes it possible to establish a simplified group structure as well as to grant the Beneficiaries of the existing participation programs the same economic position as the shareholders of Nagarro SE.

In the securities prospectus dated 8 December 2020 regarding the spin-off of Nagarro SE, it was already explained that further restructuring measures are intended after the listing in the new calendar year in order to adjust the group structure following the spin-off.

As of December 31, 2020, the Group structure was as follows (simplified presentation)



On March 26, 2021, the Executive Board of Nagarro SE explicitly decided to pursue a full integration of Nagarro Holding with Nagarro SE and published this with an ad hoc announcement pursuant to Article 17 para. 1 MAR on the same day. For the implementation of the full integration, negotiations were held with the participants of the existing Managing Directors participation program regarding a dissolution of this program in order to be able to implement a merger under the issuance of new shares in Nagarro SE to the Beneficiaries. The objective of these talks was to directly or indirectly grant the Beneficiaries shares in Nagarro Holding as part of the dissolution of the Managing Directors participation programs and new shares in Nagarro SE as part of the subsequent merger.

The Managing Directors participation program resulted in various investments in Nagarro Holding, which are described in more detail below. Taking into account the indirect and direct investments, Nagarro SE thus held 83.83% of Nagarro Holding as of December 31, 2020.

Finally, Nagarro SE held 100% of the shares in Connect AG (see above under section 2.1(b)).

To bring about the simplified Group structure and to prepare for the merger, the following main measures were carried out, which are described in more detail below:

- Merger of Connect AG into Nagarro SE
- Unbundling of Nagarro SE's indirect shareholdings in the minority shareholders of Nagarro Holding.

3.1 Merger of Connect AG into Nagarro SE

By Merger Agreement dated May 28, 2021, the merger of Connect AG as the transferring legal entity into Nagarro SE as the acquiring legal entity was agreed (DOC. no. F 3166/2021 of the notary Dr. Sebastian Frank in Munich). The transfer will be effected by way of merger by absorption with a Merger Effective Date of January 1, 2021. As Nagarro SE is the sole shareholder of Connect AG, both a resolution of the General Meeting of Connect AG and a resolution of the General Meeting of Nagarro SE were unnecessary (Section 62 para. 4 sentence 1 and Section 62 para. 1 sentence 1 UmwG, respectively). No request pursuant to Section 62 para. 2 UmwG was made to the company. The Merger Agreement and the financial reports of the companies concerned have been published on the website of Nagarro SE.

The merger will become effective upon entry in the commercial register of Nagarro SE. The registration had not yet taken place at the time of completion of this report. It is expected that the registration in the commercial register of Nagarro SE will take place by July 31, 2021.

3.2 Unbundling of Nagarro SE's indirect shareholdings in the minority shareholders of Nagarro Holding and transfer of shareholding programs

It was and is intended in particular to unbundle the (indirect) shareholdings of Nagarro SE in the minority shareholders of Nagarro Holding and to transfer the indirect economic participation of the Beneficiaries of the existing participation programs in Nagarro Holding into an indirect economic shareholding in Nagarro SE.

The initial situation was that Nagarro Holding had a share capital of EUR 50,000.00, divided into 50,000 shares at EUR 1.00 each. These were held as follows: 32,466 (or approximately 64.93%) by Nagarro SE, 10,000 (20%) by Nagarro Beteiligungs GmbH with registered office in Munich, registered in the commercial register of the Munich Local Court under HRB 223716 ("**BET**") and 7,534 (approximately 15.07%) by Nagarro SPP GmbH with registered office in Munich, registered in the commercial register of the Munich Local Court under HRB 223671 ("**SPP GmbH**").

In BET, with a share capital of EUR 25,000.00, divided into 25,000 shares of EUR 1.00 each, Nagarro SE in turn held 12,502 shares (approximately 50.01%), 6,249 shares (24.99%) each were held by Nagarro SE in trust for investment companies, which are wholly or partly owned by the members of the Executive Board Manas Fuloria and Vikram Sehgal.

Nagarro SE held a direct interest of EUR 12,750.00 (51%) in SPP GmbH with a share capital of EUR 25,000.00, divided into 25,000 shares of EUR 1.00 each. EUR 12,250.00 (49%) was held by SPP KG, which is the shareholding vehicle for certain employees in the Nagarro Group (for a description of the shareholding structure see section 3.2(b) below). The sole limited partner of SPP KG was Nagarro SE, which held the limited partner shares in trust for the Beneficiaries of the employee participation program. Since not all of the intended shares in SPP GmbH were actually issued to employees under the employee participation program, Nagarro SE also held some of the limited partner shares in its own economic interest.

These shareholding relationships resulted in a (direct and indirect) shareholding of 83.83% of Nagarro SE in Nagarro Holding as of December 31, 2020. In addition, both BET and SPP GmbH had received loans from Nagarro SE.

In the run-up to the intended merger of Nagarro Holding into Nagarro SE, the following measures in particular have already been carried out to unbundle the outlined structure.

(a) Capital increase in kind of SPP GmbH

In a first step, the share capital of SPP GmbH was increased against contributions in kind. Nagarro SE and SPP KG were the sole shareholders of SPP GmbH. Nagarro SE previously held 12,750 shares in SPP GmbH with a nominal value of EUR 1.00 each and thus a total of EUR 12,750.00, SPP KG held 12,250 shares with a nominal value of EUR 1.00 each and thus a total of EUR 12,250.00 of the total nominal capital of SPP GmbH amounting to EUR 25,000.00. The share capital of SPP GmbH was fully paid up. There was no obligation on the part of the shareholders of SPP GmbH to make additional contributions. By notarized shareholder resolution dated June 21, 2021 (DOC. No. F3589/2021 of the notary Dr. Sebastian Frank in Munich), the share capital of SPP GmbH was increased by EUR 829.00 from EUR 25,000.00 to EUR 25,829.00 in return for contributions in kind. The capital increase was effected by issuing 829 new shares with a nominal value of EUR 1.00 each. The new shares were issued at their nominal value. Nagarro SE was approved to take over the new shares. The object of the contribution in kind to be made by Nagarro SE is the claim for loan repayment due to it, including interest accrued until June 21, 2021, against SPP GmbH in the total amount of EUR 6,995,368.77 pursuant to the loan agreement between Nagarro SE and SPP GmbH dated 21 December 2020. Nagarro SE has assigned the aforementioned receivable in full to SPP GmbH by contribution and assignment of receivables agreement dated June 21, 2021 and thereby contributed it to SPP GmbH. SPP GmbH has accepted the above assignment and contribution of the claim for loan repayment and has undertaken, insofar as the value of the contributed claim exceeds the notional value of the new shares, to transfer this excess amount to the capital reserve of SPP GmbH. The contributed claim against SPP GmbH has been extinguished as a result of the contribution and SPP GmbH has therefore been released from its corresponding liability in the amount of the outstanding claim.

(b) Transfer of the participation programs

In a further step, Nagarro SE sold and transferred all participations and trust agreements as well as other agreements which it held or had entered into in connection with the employee participation programs.

Through both BET and SPP KG as investment vehicles, certain employees of the companies of the Nagarro Group indirectly hold or held an economic interest in Nagarro Holding in the initial amount of approximately 16.17%. The sole shareholder of BET, which in turn held 20% of the shares in Nagarro Holding, was Nagarro SE. Nagarro SE held 12,498 of the total of 25,000 shares (commercially rounded 49.99%) in BET in trust on the basis of corresponding trust agreements in favor of Mr. Manas Fuloria and for StarView. StarView is the family asset Managing Directors company of Mr. Vikram Sehgal. In addition, Nagarro SE was the sole shareholder of SPP Co-Investor Verwaltungs GmbH ("**SPP-V GmbH**"). SPP V-GmbH is the sole personally liable partner (general partner) of SPP KG. SPP-V GmbH does not hold a share in the capital of SPP KG. The sole limited partner of SPP KG was Nagarro SE with a limited partner contribution and liability contribution (liability amount) of EUR 100.00 entered in the commercial register. The mandatory contribution of Nagarro SE paid to SPP KG amounted to EUR 12,250.00. This corresponds to the total limited partner capital of SPP KG. An amount totaling EUR 10,233.00 (commercially rounded 83.53%) was also held by Nagarro SE in trust for certain employees within the Nagarro Group. SPP KG initially held a 49% interest in SPP GmbH, which in turn held a 15.1% (commercially rounded) interest in Nagarro Holding. In order to implement the fiduciary participation of certain employees in SPP KG, a framework agreement ("**SPP Agreement**") was concluded as well as a trust agreement with each beneficiary employee.

Nagarro SE has transferred its shares in BET held in trust for the benefit of Mr. Manas Fuloria as well as the trust agreement existing with Mr. Manas Fuloria to All Nag Bet by notarized agreement dated June 8, 2021 (DOC. No. F3321/2021 of the notary Dr. Sebastian Franck in Munich) in such

a way that Nagarro SE initially holds these shares in trust for All Nag Bet. This fiduciary relationship ended automatically when the merger of BET into Nagarro Holding became effective. Accordingly, Nagarro SE has transferred these shares to All Nag Bet by notarized agreement dated July 14, 2021 (DOC. No. F4108/2021 of the notary Dr. Sebastian Franck in Munich).

Nagarro SE transferred its shares in BET held in trust for the benefit of StarView to StarView by notarized agreement dated June 21, 2021 (DOC. No. F3587/2021 of the notary Dr. Sebastian Franck in Munich) and terminated the trust agreement accordingly.

By agreement dated June 25, 2021 between Nagarro SE and Mr. Neeraj Chhibba, Nagarro SE assigned the partial capital share in SPP KG in the amount of EUR 664.00 held by it until then in trust for Mr. Neeraj Chhibba to Mr. Neeraj Chhibba, who at the same time has assumed his own liable contribution in the amount of EUR 100.00 and has become a limited partner of SPP KG. The existing trust agreement was cancelled in the process.

Nagarro SE sold and transferred its limited partner's share in SPP KG and all shares in SPP-V GmbH to ACCNITE Management GmbH by notarized agreement dated July 8, 2021 (DOC. No. F3989/2021 of the notary Dr. Sebastian Franck in Munich). Also under this agreement, Nagarro SE transferred the SPP Agreement and all trust agreements entered into with the Beneficiaries to ACCNITE Management GmbH. All Beneficiaries agreed to the transfer of their trust agreements to ACCNITE Management GmbH. The shares in SPP KG and SPP-V GmbH are therefore no longer owned by Nagarro SE and are also no longer attributable to it pursuant to Sections 15 et seq. AktG.

(c) Withdrawal of Nagarro SE with transfer of SPP GmbH shares from SPP KG to Nagarro SE

On June 25, 2021, Nagarro SE decided to withdraw a partial amount of EUR 2,017.00 of its limited partner's share in SPP KG booked to the capital account II of SPP KG in accordance with the Articles of Association of SPP KG. By joint shareholder resolution of SPP KG and SPP GmbH of the same date, the transfer of 2,017 shares held by SPP KG in SPP GmbH intended to implement this withdrawal was approved.

By assignment agreement dated the same day (DOC. No. F 3699/2021 of the notary Dr. Sebastian Franck in Munich), SPP KG and Nagarro SE transferred 2,017 shares in Nagarro SPP from SPP KG to Nagarro SE for the purpose of implementing the withdrawal.

(d) Merger of BET and SPP GmbH into Nagarro Holding

BET, SPP GmbH and Nagarro Holding have agreed on the merger of BET (as transferring legal entity) and SPP GmbH (as transferring legal entity) into Nagarro Holding (as acquiring legal entity) by Merger Agreement dated July 5, 2021 and approval of the respective shareholders' meetings (DOC. No. F3900/2021 of the notary Dr. Sebastian Franck in Munich). As consideration for the transfer of the assets of the transferring legal entities, the Merger Agreement provided that the shareholders of the transferring legal entities shall each be granted new shares in Nagarro Holding in the amount of a total nominal amount, which corresponds to the total nominal amount of the shares in the transferring legal entities held by the respective shareholder, multiplied by the factor 0.40 (commercially rounded) for the shares held in BET and multiplied by the factor 0.29 (commercially rounded) for the shares held in SPP GmbH. To implement the merger, the share capital of Nagarro Holding was increased by EUR 17,534.00 from previously EUR 50,000.00 to EUR 67,534.00 by issuing 17,534 new shares as follows: (i) 2,499 shares with a nominal value of EUR 1.00 each to StarView; (ii) 12,050 shares with a nominal value of EUR 1.00 each to Nagarro SE, thereof 2,499 shares initially in trust for All Nag Bet, and (iii) 2,985 shares with a nominal value of EUR 1.00 each to SPP KG (DOC. No. F3900/2021 of the notary Dr. Sebastian Franck in Munich). The shares in Nagarro Holding previously held by BET and SPP GmbH respectively became treasury shares of Nagarro Holding as a result of the merger. In connection with the merger, 2,499 shares previously held in trust by Nagarro SE for All Nag Bet were transferred to All Nag Bet (see section(b) above). This resulted in the investment in Nagarro Holding described in the introduction.

The merger and the capital increase of Nagarro Holding were entered in the commercial register of Nagarro Holding on July 19 (merger) and July 15, (capital increase) 2021, respectively, and thus became effective.

4. ALTERNATIVES TO THE PLANNED MERGER

Possible alternatives to the merger are, in the opinion of Nagarro SE and Nagarro Holding, either not suitable to achieve the described objectives or would have significant disadvantages compared to the chosen legal procedure.

A conceivable contribution of the shares in Nagarro Holding to the SE against the granting of new shares to the shareholders of Nagarro Holding by way of a capital increase against contributions in kind would not be procedurally less complex than the above merger. In particular, a resolution of the General Meeting of Nagarro SE would also be required. A report on the reasons for the exclusion of subscription rights in connection with the capital increase against contribution in kind should have been submitted to this General Meeting as part of a report pursuant to Section 186 para. 4 AktG, in which, in particular, the appropriateness of the fixed exchange ratio should have been explained and justified. In contrast to the merger, however, a capital increase through contributions in kind would not have resulted in Nagarro Holding ceasing to exist as a legal entity and would therefore not have simplified the Group structure.

An acquisition of the shares in Nagarro Holding not yet held by it by Nagarro SE would also not lead to a simplification of the Group structure without further steps. In addition, such an acquisition would represent a significant liquidity burden. It was therefore not considered as an alternative by the Executive Board of Nagarro SE.

5. IMPLEMENTATION OF THE PLANNED MERGER

5.1 Merger Agreement

The legal basis of the merger is the merger agreement between Nagarro SE as acquiring company and Nagarro Holding as transferring company dated July 19, 2021, which was concluded for the record of the notary Dr. Sebastian Franck with official seat in Munich (DOC. No. F4190/2021), which is explained in more detail in section 7 of this merger report ("**Merger Agreement**") and is attached to this merger report as **Annex 1**. This agreement regulates the details of the merger and requires the approval of the General Meeting of Nagarro SE and the shareholders' meeting of Nagarro Holding in order to become effective. It was submitted to the Munich Local Court for disclosure pursuant to Section 61 UmwG on July 19, 2021, immediately after its notarization.

5.2 Provision of documents, publication and submission of the Merger Agreement to the commercial register

As of the date of the convening of the General Meeting of Nagarro SE which is to resolve on the approval of the Merger Agreement, the following documents will be made available for inspection at the business premises of Nagarro SE as well as Nagarro Holding:

- the Merger Agreement between Nagarro SE as the acquiring company and Nagarro Holding as the transferring company dated July 19, 2021;
- Nagarro Holding's annual financial statements and Managing Directors reports for financial years 2018, 2019 and 2020, as well as Nagarro Holding's interim balance sheet as of April 1, 2021, prepared in accordance with the provisions of the German Commercial Code (HGB - Handelsgesetzbuch);
- Annual report of Nagarro SE for financial year 2020

- the opening balance sheet of Nagarro SE, the annual financial statements and the Managing Directors reports of Nagarro SE for financial years 2018, 2019 and 2020 (to the extent available) and the interim balance sheet of Nagarro SE as of April 1, 2021;
- this joint merger report of the Executive Board of Nagarro SE and the Managing Directors of Nagarro Holding (including the valuation report of VALNES Corporate Finance GmbH dated July 19, 2021);
- the audit report prepared pursuant to Section 60 in conjunction with Section 12 UmwG of the expert auditor WKGT selected and appointed by the Munich I Regional Court for both legal entities involved in the merger on the audit of the Merger Agreement between Nagarro SE and Nagarro Holding;
- which pursuant to Section 67 p. 1 UmwG in conjunction with Section 52 para. 3 AktG, the post-formation report of the Supervisory Board of Nagarro SE dated July 19, 2021 and the post-formation report of the Supervisory Board for the General Meeting of Nagarro SE dated October 30, 2020; and
- the post-foundation report prepared pursuant to Section 67 sentence 1 UmwG in conjunction with Section 52 para. 4 AktG by Lohr + Company GmbH Wirtschaftsprüfungsgesellschaft.

The aforementioned documents will be available on the website of Nagarro SE in any case until after the end of the General Meeting of Nagarro SE which resolves on the approval of the conclusion of the Merger Agreement.

Neither Nagarro SE nor Nagarro Holding has a works council, so that a transfer pursuant to Section 5 para. 3 UmwG was and is not necessary in this respect.

5.3 General Meeting of Nagarro SE and shareholders' meeting of Nagarro Holding

The merger resolution of the General Meeting of Nagarro SE pursuant to Section 65 para. 1 UmwG shall be adopted in the Annual General Meeting on August 31, 2021. The Supervisory Board of Nagarro SE approved the conclusion of the Merger Agreement on July 19, 2021.

The merger resolution of Nagarro Holding pursuant to Section 50 para. 1 UmwG is also expected to be adopted on or about August 31, 2021.

5.4 Capital increase of Nagarro SE to implement the merger

In order to implement the merger, Nagarro SE will increase its share capital from EUR 11,576,513.00 by EUR 2,199,472.00 to EUR 13,775,985.00 by issuing 2,199,472 no-par value registered shares with a notional share in the share capital of Nagarro SE of EUR 1.00 each. The capital increase shall take place under exclusion of the subscription right of the existing shareholders of Nagarro SE against contribution in kind (see section 3.3 of the Merger Agreement).

The contribution in kind is the assets of Nagarro Holding, which will be transferred to Nagarro SE in the course of the merger. To the extent that the value at which the assets of Nagarro Holding are taken over by Nagarro SE exceeds the amount of the capital increase, the excess amount will be transferred to the capital reserve of Nagarro SE pursuant to Section 272 para. 2 no. 1 HGB.

Nagarro SE will appoint M.M.Warburg & CO (AG & Co.) Kommanditgesellschaft auf Aktien, Hamburg, as trustee for the receipt of the shares in Nagarro SE to be granted to the shareholders of Nagarro Holding entitled to subscribe, and their delivery to the shareholders of Nagarro Holding entitled to subscribe. Possession of the shares to be granted shall be granted to the trustee prior to registration of the merger and the trustee shall be instructed to procure the shares for the shareholders of Nagarro Holding entitled to receive them after registration of the merger in the

commercial register of Nagarro SE or, in the event of a final failure of the merger, to transfer the shares to Nagarro SE or – upon its instruction – to destroy them.

Nagarro SE will apply for admission of the new shares to trading on the Frankfurt Stock Exchange in the sub-segment of the regulated market with additional post-admission obligations (Prime Standard).

Pursuant to Section 60 in conjunction with Section 9 para. 1 UmwG and Section 48 in conjunction with Section 9 para. 1 UmwG, the Merger Agreement shall be examined by a merger auditor who shall be selected and appointed by the competent court upon request. Upon joint application of the Executive Board of Nagarro SE and the Managing Directors of Nagarro Holding, the Munich I Regional Court has selected and appointed WKGT Wirtschaftsprüfungsgesellschaft as joint expert merger auditor by resolution dated March 31, 2021 pursuant to Sections 9 para. 1, 10 para. 1 and para. 2 UmwG. The merger auditor shall prepare a written report on the result of the audit in accordance with Section 12 UmwG, which shall be filed with the commercial register of Nagarro SE and Nagarro Holding and deposited there.

A review of the capital increase carried out by Nagarro SE in accordance with Section 69 para. 1 sentence 1 item 2 UmwG is in principle not required. However, it should be done as a precautionary measure. In addition, a further post-formation audit will be carried out, since two years have not yet passed since the conclusion of the Merger Agreement between Nagarro SE as the acquiring company and Nagarro Holding as the transferring company on July 19, 2021 and the registration of Nagarro SE on January 29, 2020 (cf. Article 9 para. 1 lit. c) ii) SE-Reg. in conjunction with Section 67 UmwG in conjunction with Sections 52 para. 4, 33 para. 3 to para. 5, 34 et seq. AktG). By resolution dated May 31, 2021, the Munich Local Court appointed Lohr + company GmbH Wirtschaftsprüfungsgesellschaft as post-formation and contribution in kind auditor.

The post-formation auditor shall submit a report on the audit of the post-formation. The Supervisory Board of Nagarro SE shall also submit a post-formation report. The report on the post-formation audit as well as the post-formation report will be filed and deposited with the commercial register of Nagarro SE at the Munich Local Court (Section 69 para. 2 UmwG). The General Meeting of Nagarro SE must approve the post-formation. It is intended to adopt this consent resolution together with the resolution on the consent of the General Meeting of Nagarro SE to the Merger Agreement. The registration of the merger capital increase and the merger can only take place once the post-formation has been entered in the commercial register of Nagarro SE.

5.5 Application and Registration of the Merger, Effective Date

The Executive Board of Nagarro SE and the Managing Directors of Nagarro Holding shall file the merger for registration in the commercial register of their respective companies after the General Meeting of Nagarro SE and the shareholders' meeting of Nagarro Holding have each approved the merger with the required majority (Sections 16 paras. 1, 52, 66 UmwG).

The commercial register application of Nagarro Holding must be accompanied by a balance sheet of Nagarro Holding as the Closing Balance Sheet, which must not be older than twelve months at the time of submission to the commercial register (Section 17 para. 2 UmwG, Section 4 of the German Act on Measures in Company, Cooperative, Association, Foundation and Condominium Law to Combat the Effects of the COVID-19 Pandemic (COVMG – Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der COVID-19-Pandemie), which also applies to commercial register applications in 2021 pursuant to Article 1 of the Ordinance on the Extension of Act on Measures in Company, Cooperative, Association, Foundation and Condominium Law to Combat the Effects of the COVID-19 Pandemic of October 20, 2020, as last amended by the Act of December 22, 2020). As the Closing Balance Sheet of Nagarro Holding, the annual balance sheet of Nagarro Holding as of December 31, 2020, 12:00 midnight (hereinafter "**Closing Balance**

Sheet") shall be used. An audit of the balance sheet was not required as Nagarro Holding is not subject to audit under the German Commercial Code.

The merger shall only become effective upon its entry in the commercial register of Nagarro Holding at the Munich Local Court. Before this entry can take place, the merger must be entered in the commercial register of Nagarro SE at the Munich Local Court (Section 19 para. 1 sentence 1 UmwG). As a result of the entry in the commercial register of Nagarro Holding at the Munich Local Court, its assets are transferred by operation of law as a whole by way of partial universal succession to Nagarro SE. Pursuant to Section 10 HGB, the registry courts shall in each case publish the entry of the merger made by them in the commercial register in the electronic information and communication system designated by the State Judicial Administration (www.registerbekanntmachungen.de).

In the event that no action is filed or no action is filed in due time against the validity of the consent resolution of the General Meeting of Nagarro SE on the Merger Agreement, the registration of the merger in the commercial register of Nagarro SE can be expected to take place in October 2021 and the merger can thus become effective.

However, if an action against the validity of the consent resolution of the General Meeting of Nagarro SE on the Merger Agreement is filed in due time, it will – irrespective of its prospects of success – delay the registration of the merger in the commercial register of Nagarro SE and thus the effectiveness of the merger. The reason for this is that the Managing Directors of Nagarro SE and Nagarro Holding must each declare in the registration pursuant to Section 16 para. 2 sentence 1 UmwG that an action against the validity of the merger resolution has not been brought or has not been brought within the time limit or that such an action has been dismissed or withdrawn with final effect (so-called negative declaration). If an action against the consent decree has been filed in due time, such a negative declaration cannot be made.

The merger shall be entered in the commercial register despite the absence of a negative declaration if the Higher Regional Court responsible pursuant to Section 16 para. 3 sentence 7 UmwG has determined by way of a decision pursuant to Section 16 para. 3 sentence 1 UmwG that the filing of the action does not prevent the entry (so-called clearance decision). Such a ruling is incontestable pursuant to Section 16 para. 3 sentence 9 UmwG. Pursuant to Section 16 para. 3 sentence 3 UmwG, the court shall comply with the clearance request if (i) the action is inadmissible or manifestly unfounded, or (ii) the claimant has not proven by documents within one week after service of the request that it has held a pro rata amount of at least EUR 1.000 in the share capital of Nagarro SE since notification of the convocation, or (iii) the immediate effectiveness of the merger appears to have priority because the disadvantages for the legal entities involved in the merger and their shareholders set out by Nagarro SE outweigh the disadvantages for the claimant shareholder in the free opinion of the court, unless there is a particularly serious breach of law.

A delayed effectiveness of the merger would, in the opinion of the Managing Directors of Nagarro SE and Nagarro Holding, be detrimental to both companies, as it would cause significant additional costs as well as delay the realization of the benefits associated with the merger for Nagarro SE and Nagarro Holding.

The merger will become effective upon registration of the merger in the commercial register of Nagarro SE at the Munich Local Court, which will take place after the registration of the merger in the commercial register of Nagarro Holding. Thus, the assets of Nagarro Holding will be transferred by way of universal succession to Nagarro SE as the acquiring legal entity. At the same time, the shareholders of Nagarro Holding (with the exception of Nagarro SE) shall become shareholders of Nagarro SE by operation of law in accordance with the allocation ratio set out in section 3.1 of the Merger Agreement. Any defects in the notarization of the Merger Agreement or the required declarations of consent of the involved General Meeting of Nagarro SE or the shareholders' meeting of Nagarro Holding will be remedied by the entry in the commercial register.

5.6 Costs of the Merger

The costs of the merger and the measures carried out in connection with it (including the securities prospectus in connection with the admission of the shares of Nagarro SE to be issued) are expected to amount to a total of approximately EUR 2.6 million. They mainly consist of costs for the court-appointed expert auditor, external advisors, the drafting of the transfer resolution and other costs (notarization costs, costs of the registration application, other domestic and foreign taxes and fees, etc.). These costs will be borne by Nagarro SE if the merger should not become effective. The costs of the preparation of the Merger Agreement shall be borne by Nagarro SE and Nagarro Holding, respectively.

6. EFFECTS OF THE PLANNED MERGER

6.1 Effects under Company Law

Upon the merger resolution taking effect, the merger will become effective so that Nagarro Holding will cease to exist as an independent legal entity without the need for a separate cancellation (Section 20 para. 1 no. 2 UmwG); furthermore, pursuant to Section 20 para. 1 no. 1 UmwG, the assets of Nagarro Holding as a whole will pass to Nagarro SE by way of universal succession. Nagarro Holding's treasury Nagarro Holding Shares shall expire.

6.2 Transfer of Assets by Way of Universal Succession

Upon registration of the merger in the commercial register of the registered office of Nagarro SE, the assets of Nagarro Holding including the liabilities shall pass to Nagarro SE by way of universal succession (Section 20 para. 1 no. 1 UmwG). Pursuant to section 2.1 of the Merger Agreement, from the beginning of January 1, 2021 ("**Merger Effective Date**"), all acts and transactions of Nagarro Holding shall be deemed to have been carried out for the account of Nagarro SE. The Closing Balance Sheet is based on the balance sheet of Nagarro Holding as of December 31, 2020 (see section 7.2 for details).

In the event that the merger has not become effective by registration in the commercial register of the registered office of Nagarro SE before the end of April 30, 2022, the Effective Merger Date shall be postponed to the beginning of January 1, 2022 in accordance with section 2.3 of the Merger Agreement, based on the balance sheet of Nagarro Holding as of December 31, 2021. In the event of a further delay in the effective date of the merger beyond April 30 of the respective following year, the effective dates shall be postponed by one year in each case in accordance with the above provision (see section 2.3 of the Merger Agreement).

Creditors of Nagarro SE and Nagarro Holding may have to be provided with security under certain conditions in accordance with Section 22 UmwG.

6.3 Accounting Consequences of the Merger

If the merger becomes effective by the end of April 30, 2022, the merger of Nagarro Holding into Nagarro SE will take place with economic effect as of the Merger Effective Date January 1, 2021, 12:00 a.m. The Closing Balance Sheet date of Nagarro Holding is therefore December 31, 2020, 12:00 midnight.

Pursuant to Section 17 para. 2 sentence 2 UmwG, the provisions of commercial law concerning the annual balance sheet and its audit shall apply mutatis mutandis to the Closing Balance Sheet. The Closing Balance Sheet is to be developed from the balance sheet of the last annual financial statements, taking into account interim business transactions in accordance with the provisions of commercial law (including generally accepted accounting principles). Even if Nagarro Holding ceases to exist as a result of the merger (Section 20 para. 1 no. 2 sentence 1 UmwG), the accounting and valuation of its assets and liabilities shall generally be based on the assumption of a going concern within the meaning of Section 252 para. 1 no. 2 HGB. The recognition and measurement

methods applied to the previous annual financial statements and the form of presentation must generally be retained.

Until the merger is entered in the commercial register, the following distinction shall be made for the allocation of assets and earnings in the annual financial statements of the participating legal entities, which shall be prepared as of reporting dates prior to the entry in the commercial register:

By determining the Effective Merger Date, the legal entities involved will place themselves under the law of obligations as if the assets and liabilities of Nagarro Holding had been transferred to Nagarro SE at this point in time (retroactive effect under the law of obligations).

The transactions of Nagarro Holding shall be deemed to have been carried out for the account of Nagarro SE as of the Merger Date. This allocation will only become legally effective once the merger has been entered in the commercial register.

Nagarro SE shall record the transfer of assets and liabilities resulting from the merger as a current business transaction in its accounting.

The existence of the assets and liabilities to be taken into account as additions in the accounting of Nagarro SE will be determined in accordance with the Closing Balance Sheet within the meaning of Section 17 para. 2 UmwG, even if the prerequisites for the assignment of assets to Nagarro SE have only occurred at a later date. It follows that, at the latest in the first annual financial statements of Nagarro SE after the registration of the merger in the commercial register, the transactions conducted for the account of Nagarro SE since the merger date (either by recording the individual expenses and income or by recording a balance, e.g. under the designation "Result generated by Nagarro Holding for the account of third parties") must be recorded with the latter.

Nagarro SE shall value the acquired assets and liabilities in its annual financial statements either at the actual acquisition costs pursuant to Sections 253 para. 1, 255 para. 1 HGB or at the book values from the Closing Balance Sheet of Nagarro Holding pursuant to Section 24 UmwG, which shall then be deemed to be the acquisition costs.

The option granted in Section 24 UmwG shall be exercised in the case of domestic mergers in the course of the preparation and adoption of the annual financial statements of Nagarro SE. It may only be exercised uniformly for the assets and liabilities assumed.

The acquired assets and liabilities are to be recognized at Nagarro SE on the merits to the extent that the recognition requirements pursuant to section 246 para. 1 sentences 1 to 3 HGB are met. The capitalization option under Section 248 para. 2 sentence 1 HGB or the capitalization prohibition under Section 248 para. 2 sentence 2 HGB does not apply to intangible fixed assets transferred to Nagarro SE as a result of a merger. This is because, from the perspective of Nagarro SE, all assets of Nagarro Holding are acquired for consideration, even if they were created by Nagarro Holding itself.

If a legal entity is merged with a shareholder who does not hold 100% of the shares, a merger takes place without an increase in capital to the extent that shares of Nagarro Holding are lost. Insofar as Nagarro SE carries out a capital increase for the granting of new shares to the further shareholders of Nagarro Holding, a merger with capital increase will take place.

As consideration for the transfer of the assets of Nagarro Holding to Nagarro SE, the entitled shareholders of Nagarro Holding shall receive registered no-par value shares in Nagarro SE in proportion to their previous participation in Nagarro Holding. They will not receive a cash co-payment.

Accordingly, the merger at Nagarro SE is to be represented as a combination of a merger with and without a capital increase.

If a capital increase takes place in connection with the merger, the transfer of the assets and liabilities will be a contribution in kind by the minority shareholders of Nagarro Holding from the perspective of Nagarro SE. The general principles for determining the acquisition cost of contributions in kind apply to the valuation of this contribution in kind.

The acquisition costs of Nagarro SE for the contribution in kind of the minority shareholders are determined by the issue amount of the shares granted for this purpose. This is composed of the nominal amount of the shares and, if applicable, an agreed premium (*agio*), whether or not quantified. The maximum amount of the issue price shall be determined by the fair value of the transferred assets and liabilities as of the merger date within the meaning of Section 5 para. 1 no. 6 UmwG. The premium corresponds to the ratio of the interim value attributable to the old shares to the total number of shares multiplied by the number of new shares issued.

To the extent that the shares in Nagarro Holding belong to Nagarro SE, Nagarro SE may not increase its share capital for the purpose of implementing the merger pursuant to Section 54 para. 1 sentence 1 no. 1 or Section 68 para. 1 sentence 1 no. 1 UmwG. The shares in Nagarro Holding will cease to exist as a result of the merger. The value of these shares represents the acquisition cost of Nagarro SE.

From Nagarro SE's point of view, this is a transaction similar to an exchange. Under the exchange principles, the assets and liabilities acquired may be recognized as acquisition costs:

- the carrying amount of the shares to be disposed of or
- the fair value of the shares that will cease to exist or
- the interim value recognized directly in equity (i.e. carrying amount of the shares to be disposed of plus income tax expense if the exchange results in the recognition of a gain for income tax purposes).

The carrying amount or fair value is to be determined as of the merger date. The option will be exercised in the preparation and adoption of the annual financial statements of Nagarro SE for the financial year in which the merger is economically completed.

6.4 Consequences for Employees

The merger has no effect on the only existing employee of Nagarro SE. There are no employee representation or collective bargaining agreements at Nagarro SE.

Upon effectiveness of the merger and the associated transfer of operations, all employment relationships existing with Nagarro Holding shall be transferred to Nagarro SE in accordance with Section 613a BGB, Section 324 UmwG. The legal status existing at the time the merger takes effect shall be decisive for the content of the transferred employment relationships. Since Nagarro Holding shall cease to exist pursuant to Section 20 para. 1 no. 2 UmwG, an additional joint and several liability of Nagarro Holding within the meaning of Section 613a para. 2 BGB for the obligations of Nagarro Holding arising from these employment relationships prior to the transfer shall cease to exist pursuant to Section 613a para. 3 BGB. The employees of Nagarro Holding affected by the transfer of operations shall be informed prior to the transfer of operations about its reasons and consequences for the employees in accordance with Section 613a para. 5 BGB. The briefing will be carried out by Nagarro Holding in close coordination with Nagarro SE. A generally existing right of objection against the transfer of the respective employment relationship pursuant to Section 613a para. 6 BGB does not exist in the case of a merger by way of exception, as Nagarro Holding ceases to exist as the former employer and cannot continue the employment relationships. The contractual terms and conditions of employment of the transferred employees, including any company practices, general commitments and standard regulations, shall remain unchanged. This also applies to the place of work. Rights and entitlements based on earned length of service are also continued. This

shall apply in particular to the calculation of notice periods of the transferring employees pursuant to Section 613a para. 1 sentence 1 BGB. Nagarro Holding has no pension or other benefit commitments. A termination by the respective employer of the employment relationships which will be transferred upon effectiveness of the merger due to the transfer of operations caused by the merger shall be invalid (Section 613a para. 4 Sentence 1 BGB in conjunction with Section 324 UmwG). The right to give notice of termination for other reasons shall remain unaffected in accordance with Section 613a para. 4 sentence 2 BGB.

The merger has no consequences under individual law for the employees of other companies of the Nagarro Group. They shall remain employees of their respective companies; their employment relationships shall not be affected by the merger. The same applies to the company pension plan and the pension commitments by the companies at which the employees are respectively employed.

No measures are planned for the employees of the companies of the Nagarro Group (in particular no adverse measures such as redundancies or relocation of operations) in connection with the merger.

The merger does not lead to changes at the level of collective bargaining law. Neither Nagarro SE nor Nagarro Holding have employee representatives. The merger will have no effect on any employee representation that may otherwise exist in the Nagarro Group. The existence, composition and term of office of any employee representative bodies (in particular the Works Council) shall remain unchanged. Any existing works agreements shall continue to apply under collective bargaining law. Neither Nagarro SE nor Nagarro Holding or other companies of the Nagarro Group are bound by collective bargaining agreements. Thus, even after the merger, no provisions of collective bargaining agreements apply.

Nagarro Holding does not have a supervisory board. The Supervisory Board of Nagarro SE shall continue to be composed solely of members of the shareholders after the merger has taken effect. Even after the merger has become effective, the statutory requirements for the formation of a supervisory board with co-determination will not be met. An employee involvement procedure in accordance with the provisions of the SEBG is not to be carried out at Nagarro SE after the merger has taken effect.

6.5 Tax Consequences of the Merger

The following is an overview of some material tax effects of the merger for Nagarro Holding, Nagarro SE, its shareholders and the minority shareholders of Nagarro Holding. The presentation expressly does not include a comprehensive and conclusive presentation of all potentially relevant tax aspects. No warranty is given for the completeness and correctness of this presentation. The basis for the following statements are the German tax laws in force at the time of signing of this merger report and their interpretation by German courts and the German tax authorities, which may be amended – possibly also with retroactive effect. Furthermore, it cannot be ruled out that the tax authorities or courts may consider a viewpoint that deviates from the assessment described below to be applicable.

The presentation does not take into account the individual tax situation of individual shareholders. A tax advisor should be consulted on individual questions or in cases of doubt concerning the individual tax situation of a minority shareholder, because only such an advisor is in a position to adequately consider the individual tax circumstances of the shareholder.

(a) Tax Implications for Nagarro Holding

The corporate and trade tax consequences of the merger for Nagarro Holding result from Sections 11 to 13 and 19 of the German Reorganization Tax Act (UmwStG - Umwandlungssteuergesetz). The income and the assets of Nagarro Holding are to be determined as if the assets had been transferred to Nagarro SE at the end of the transfer date for tax purposes, Section 2 para. 1 sentence

1 UmwStG. Against this background, Nagarro Holding, as the transferring company, must prepare a closing tax balance sheet as of the transfer date for tax purposes. The transfer date for tax purposes corresponds to the date on which Nagarro Holding must prepare its Closing Balance Sheet under commercial law. This shall be December 31, 2020, 12:00 midnight, subject to a possible change of the effective date pursuant to section 2.3 of the Merger Agreement.

In the Closing Balance Sheet for tax purposes, the transferred assets of Nagarro Holding, including intangible assets not acquired for consideration or internally generated intangible assets, are generally to be recognized at fair market value (Section 11 para. 1 sentence 1 UmwStG). This would result in the disclosure of hidden reserves to the extent that the fair market value of the transferred assets exceeds their carrying amount. This legal consequence can be avoided in whole or in part by exercising the option provided for in Section 11 para. 2 UmwStG to continue to use the book values or to recognize interim values (but no more than the fair market value). In the opinion of the Managing Directors of Nagarro Holding and the Executive Board of Nagarro SE, the legal requirements set by Section 11 para. 2 UmwStG would be met, however, no decision has yet been made with regard to the tax valuation. However, in order to avoid a taxable transfer gain, it must be assumed that a book value application will be filed.

If the transferred assets are to be recognized at book value (or an interim value), the application required for this must be submitted to the tax office responsible for the taxation of Nagarro Holding in accordance with Sections 20, 26 of the German Tax Code (AO - Abgabenordnung) no later than the first submission of the Closing Balance Sheet for tax purposes.

Any losses that may exist at Nagarro Holding for tax purposes at the time of the merger, any remaining loss carryforwards, any negative income that has not been offset, any interest carryforward pursuant to Section 4h para. 1 sentence 5 of the German Income Tax Act (EStG – Einkommenssteuergesetz) and any EBITDA carryforward pursuant to Section 4h para. 1 sentence 3 EStG are not transferable and shall cease to exist with effect of the merger (Sections 12 para. 3, 4 para. 2 sentence 2 UmwStG).

(b) Tax Implications for Nagarro SE

The corporate income tax and trade tax consequences of the merger for Nagarro SE result from Sections 12 and 19 UmwStG.

The income and assets of Nagarro SE are to be determined as if the assets of Nagarro Holding had been transferred to it at the end of the tax effective date, Section 2 para. 1 sentence 1 UmwStG. Nagarro SE shall take over the assets transferred to it at the value contained in the Closing Balance Sheet for tax purposes of Nagarro Holding (value linkage pursuant to Section 12 para. 1 sentence 1 UmwStG). Should the book value be carried forward in the Closing Balance Sheet for tax purposes of Nagarro Holding, the assets would also be recognized at book value by Nagarro SE.

Depending on the recognition of the transferred assets in the Closing Balance Sheet for tax purposes of Nagarro Holding at the book value, the fair market value or an intermediate value, there may be an acquisition loss or an acquisition gain at Nagarro SE in the amount of the difference between the book value of the shares in Nagarro Holding which will cease to exist and the value of the assets transferred to Nagarro SE recognized in the Closing Balance Sheet of Nagarro Holding, less the costs for the transfer of assets. The acquisition costs of Nagarro SE for the shares newly granted to the Nagarro Holding minority shareholders in the course of the capital increase are also included in the determination of the acquisition result for tax purposes. Any resulting takeover profit or loss is generally not recognized for tax purposes, Section 12 para. 2 sentence 1 UmwStG. However, pursuant to Section 12 para. 2 sentence 2 UmwStG, the provision of Section 8b of the German Corporate Income Tax Act (KStG – Körperschaftssteuergesetz) shall generally apply to any resulting takeover profit in the amount of the participation of Nagarro SE in Nagarro Holding. Pursuant to Section 8b para. 2 KStG, a takeover profit is in principle tax-free, however, pursuant to Section 8b para. 3 sentence 1 KStG, 5% of any takeover profit is subject to taxation as non-

deductible operating expenses. Section 8b KStG applies to any takeover profit in the amount in which Nagarro SE holds an interest in Nagarro Holding at the time of the merger. Any merger loss incurred, however, would not be recognized for tax purposes (Section 12 para. 2 Sentence 1 UmwStG). With regard to the shares of Nagarro SE in Nagarro Holding, Section 13 UmwStG is not relevant, as this provision is not applicable if the shareholder of the transferring corporation is also the transferee. As these shares are therefore not deemed to have been sold, no taxable capital gain or loss can arise in this respect.

The balance of the tax contribution account of Nagarro Holding will only be added to the tax contribution account of Nagarro SE proportionately in the amount of the share of the minorities, as Nagarro SE holds an interest in Nagarro Holding, Section 29 para. 2 sentence 2 KStG.

(c) Real Estate Transfer Tax Implications

Nagarro Holding (and its German subsidiaries) do not hold any real estate. As a result of the merger, no real estate transfer tax is therefore due.

(d) Tax Consequences for Minority Shareholders of Nagarro Holding in Germany

The tax implications of the merger for the Nagarro Holding minority shareholders, who are subject to unlimited tax liability in Germany, result mainly from Section 13 UmwStG and Section 20 para. 4a EStG.

(i) Shares held as business assets

(A) Basically fictitious taxable sale

In the case of shares in Nagarro Holding held as business assets, the legal tax consequences for the shareholders result from Section 13 UmwStG. Accordingly, the shares in the transferring company (Nagarro Holding) shall be deemed to have been sold pro rata at fair market value and the shares in the acquiring company (Nagarro SE) replacing them shall be deemed to have been acquired at this (pro rata) value (Section 13 para. 1 UmwStG). The resulting gain or loss is the difference between the pro rata book value and the pro rata fair value of the shares in Nagarro Holding at the time of registration of the merger in the commercial register of Nagarro Holding.

The aforementioned statutory provisions simulate a sale transaction of the shareholder, which is subject to the general tax regulations for the taxation of profits (or losses) from the sale of shares. In the case of a capital gain, taxation depends on whether the shareholder is a corporation, a sole proprietor or a commercial partnership.

The Nagarro SE Shares to be granted to the Nagarro Holding Minority Shareholders as consideration for the merger shall be deemed newly acquired for tax purposes. The tax characteristics of the Nagarro Holding Shares held by the individual shareholder (such as ownership periods, deferred reversal obligations) will therefore not pass to the newly granted shares in Nagarro SE in this case (no application of the so-called "footstep theory").

(B) If Applicable, Tax-Neutral Book Value Continuation

Under the conditions of Section 13 para. 2 UmwStG, in derogation from the principle described above, a continuation of the book value is possible if the respective minority shareholder submits a corresponding application, so that there is no (taxable) capital gain when the merger becomes effective. In this case, the Nagarro SE Shares will take the place of the Nagarro Holding Shares on a pro rata basis for tax purposes (so-called "footstep theory"). This means that certain tax characteristics of the shares or shareholdings in Nagarro Holding will be transferred to the Nagarro SE Shares and will continue to this extent.

A prerequisite for the book value continuation of Section 13 para. 2 UmwStG is, among other things, that the law of the Federal Republic of Germany is not excluded or limited with regard to the taxation of the gain from the disposal of the shares in the acquiring corporation. This is a question to be clarified for each minority shareholder on a case-by-case basis. Against this background, in the opinion of the Managing Directors of Nagarro Holding and the Executive Board of Nagarro SE, the shareholders should be able, at the request of the respective shareholder, in derogation from the principle described above, to recognize the Nagarro SE Shares at the pro rata book value of the Nagarro Holding Shares, provided that the requirements of Section 13 para. 2 UmwStG are met, i.e. if, in particular, the law of the Federal Republic of Germany with regard to the taxation of a gain from the disposal of the shares in Nagarro SE is not excluded or limited.

The application for continuation of the book values pursuant to Section 13 para. 2 UmwStG shall be filed by the respective Nagarro Holding Shareholder with the tax office responsible for it. The application does not require any special form, is unconditional and irrevocable. A specific deadline for the application is not prescribed by law. There is no published statement from the tax authorities at the time of application. From Nagarro Holding's point of view, it is recommended that those Nagarro Holding minority shareholders who wish to file an application for book value continuation file this application promptly after the merger has become effective. In this case, a taxable event would only occur upon a subsequent sale of the shares in Nagarro SE (or other realization events).

(ii) Shares Held as Private Assets

(A) Shareholder within the meaning of Section 17 EStG

The provision of Section 13 UmwStG and, accordingly, the explanations under section (i) above shall also apply to shares held as private assets within the meaning of Section 17 EStG. Shares in this sense exist if a minority shareholder or, in the case of gratuitous succession, one of its legal predecessors, directly or indirectly held an interest of at least 1% in the capital of Nagarro Holding at any time within the last five years prior to the merger (shareholder within the meaning of Section 17 EStG).

In this case, too, a pro rata sale of the shares in Nagarro Holding is generally deemed to have taken place, which is taxed in accordance with the general rules. If the individual shareholder applies for continuation of its acquisition costs, the Nagarro Holding Shares shall not be deemed to have been sold at fair value on a pro rata basis, in deviation from the principle described above. There is therefore no (taxable) capital gain. In this case, the Nagarro SE Shares will take the place of the Nagarro Holding Shares on a pro rata basis for tax purposes (so-called "footstep theory").

(B) Tax Implications for Shareholders within the meaning of Section 20 EStG

To the extent that the Nagarro Holding Shares are part of the private assets and the Minority Shareholder does not meet the requirements of Section 17 EStG, the merger is tax-neutral, i.e. there is no realization of taxable capital gains, provided that, in particular, the right of the Federal Republic of Germany to tax the gain from the disposal of the Nagarro SE Shares is neither excluded nor limited (Section 20 para. 4a sentence 7 EStG). Consequently, no capital gains tax is to be withheld and remitted. There is no application requirement for the continuation of acquisition costs.

(C) Further Cases

To the extent that Nagarro Holding Minority Shareholders are not tax resident in Germany (non-residents for tax purposes) and the shares are subject to tax in Germany (for example, if the non-resident for tax purposes belongs to a domestic permanent establishment), the principles set out above shall apply accordingly.

(e) Future Profit Distributions of Nagarro SE

Shareholders of Nagarro SE are subject to taxation on their income from future profit distributions in accordance with general regulations.

7. EXPLANATION OF THE MERGER AGREEMENT

The Executive Board of Nagarro SE and the Managing Directors of Nagarro Holding have concluded the Merger Agreement on July 19, 2021.

The following is explained with regard to the Merger Agreement and its provisions:

7.1 Transfer of assets (section 1)

Through the merger, Nagarro Holding transfers its assets as a whole with all rights and obligations to Nagarro SE. The merger will become effective upon its entry in the commercial register responsible for Nagarro SE, which may only be made once the merger has been entered in the commercial register responsible for Nagarro Holding. Upon effectiveness of the merger, Nagarro Holding will be dissolved without being wound up. It ceases to exist as a legal entity. Nagarro SE will become its universal successor.

7.2 Merger date and tax effective date (section 2)

Pursuant to Section 17 para. 2 UmwG, a Closing Balance Sheet must be submitted at the registered office of the transferring company when filing for entry of the merger in the commercial register. Pursuant to Section 17 para. 2 sentence 4 UmwG in conjunction with Section 4 of the German Act on Measures in Company, Cooperative, Association, Foundation and Condominium Law to Combat the Effects of the COVID-19 Pandemic (COVMG), the balance sheet of Nagarro Holding as the transferring legal entity as of December 31, 2020 shall be used as the Closing Balance Sheet. From the beginning of January 1, 2021, 00:00 hours, (Merger Effective Date), all acts and transactions of Nagarro Holding shall be deemed to have been carried out for the account of Nagarro SE. This means that the effects of the merger in the internal relationship between Nagarro Holding and Nagarro SE will be related back to January 1, 2021, the Merger Effective Date. All business transactions of Nagarro Holding from the period between January 1, 2021 and the effective date of the merger by registration in the commercial register of the Munich Local Court responsible for the majority shareholder will accordingly be taken into account in the annual financial statements of the majority shareholder for financial year 2021. Accordingly, the tax effective date is December 31, 2020, 12:00 midnight.

The Effective Merger Date as well as the effective date of the Closing Balance Sheet may be postponed in case of a delay of the effectiveness of the merger pursuant to section 2.3 of the Merger Agreement, provided that the merger has not become effective by registration in the commercial register of the Munich Local Court responsible for Nagarro SE before the end of April 30, 2022. In this case, notwithstanding section 2.2 of the Merger Agreement, December 31, 2021 shall be the effective date for the Closing Balance Sheet of Nagarro Holding and, notwithstanding section 2.1 of the Merger Agreement, January 1, 2022, 12:00 a.m., shall be the effective date for the change of accounting (Merger Effective Date). Such a provision is necessary because an accounting retroactive effect of the merger to the beginning of January 1, 2021 is no longer possible, or only possible under more difficult conditions, once the accounting of the participating companies for 2021 has been completed. In this case, a new Closing Balance Sheet must be prepared as of December 31, 2021 and the merger must be referred back to January 1, 2022 for accounting purposes. In the event of a further delay in the effective date of the merger beyond April 30 of a subsequent year, the effective dates shall be postponed accordingly by a further year in each case.

7.3 Consideration, Trustee; Corporate Actions (section 3)

As consideration for the transfer of the assets of Nagarro Holding to Nagarro SE, the entitled shareholders of Nagarro Holding will receive a total of 2,199,472 no-par value registered shares in Nagarro SE for the 7,983 Nagarro Holding Shares held by them. Specifically, All Nag Bet and StarView will each receive 688,523 shares in Nagarro SE for the 2,499 Nagarro Holding Shares held by them, and SPP KG will receive 822,426 shares in Nagarro SE for the 2,985 Nagarro Holding Shares held by it. Based on the arithmetical exchange ratio (presented in section 8), the eligible shareholders of Nagarro Holding would have been entitled to a total of 2,199,474.1 new shares in Nagarro SE. In order to produce an integral increase amount, this exchange ratio was initially adjusted in such a way that a capital increase amount of EUR 2,199,474.00, corresponding to 2,199,474 new shares of Nagarro SE, resulted. However, as this would have led to the creation of partial rights to shares in Nagarro SE (so-called share fractions) in the amount of a total of two shares in Nagarro SE, the shareholders of Nagarro Holding have waived the granting of shares by notarized waiver dated July 19, 2021 pursuant to Section 68 para. 1 sentence 3 UmwG to the extent that they would be entitled to a number of shares in Nagarro SE exceeding 2,199,472 in terms of value. Insofar as Nagarro SE is a shareholder of Nagarro Holding, there will be no capital increase at Nagarro SE (Section 68 para. 1 sentence 1 no. 1 UmwG). Insofar as Nagarro Holding holds own shares, there shall also be no capital increase at Nagarro SE (Section 68 para. 1 sentence 1 no. 2 UmwG). Under the terms of the agreement, no additional cash payment will be made to the eligible shareholders of Nagarro Holding, who have waived such additional cash payment as a precautionary measure.

The shares to be granted by Nagarro SE shall be entitled to profits for the entire financial year commencing on January 1, 2021. In the event that the Effective Merger Date is postponed pursuant to section 4 of the Merger Agreement, the beginning of the profit entitlement of the shares to be granted shall be postponed to the beginning of the financial year of Nagarro SE in which the merger becomes effective.

In order to implement the merger, Nagarro SE will increase its share capital from EUR 11,576,513.00 by EUR 2,199,472.00 to EUR 13,775,985.00 by issuing 2,199,472 no-par value registered shares with a notional share in the share capital of Nagarro SE of EUR 1.00 each. The capital increase will be carried out under exclusion of the subscription rights of the existing shareholders of Nagarro SE against contribution in kind.

The contribution in kind is the assets of Nagarro Holding, which will be transferred to Nagarro SE in the course of the merger. To the extent that the value at which assets of Nagarro Holding are taken over by Nagarro SE exceeds the amount of the capital increase, the excess amount will be transferred to the capital reserve of Nagarro SE pursuant to Section 272 para. 2 no. 1 HGB.

Nagarro SE will appoint M.M.Warburg & CO (AG & Co.) Kommanditgesellschaft auf Aktien, Hamburg, as trustee for the receipt of the shares in Nagarro SE to be granted to the entitled shareholders of Nagarro Holding and their delivery to the entitled shareholders of Nagarro Holding. Possession of the shares to be granted shall be granted to the trustee prior to registration of the merger and the trustee shall be instructed to procure the shares for the entitled shareholders of Nagarro Holding after registration of the merger in the commercial register of Nagarro SE or, in the event of a final failure of the merger, to transfer the shares to Nagarro SE or – upon its instruction – to destroy them.

Nagarro SE will apply for admission of the new shares to trading on the regulated market of the Frankfurt Stock Exchange in the sub-segment of the regulated market with additional post-admission obligations (Prime Standard). Since the volume of the proposed capital increase including the 194,000 shares of Nagarro SE newly admitted to trading in May 2021 exceeds 20% of the share capital of Nagarro SE (prior to the first increase in May 2021) and Nagarro SE therefore cannot rely on an exemption from the prospectus requirement relevant for a smaller volume, a securities prospectus is required for the admission of the shares to trading on the regulated market. The

company will prepare this in the short term and submit it to the German Federal Financial Supervisory Authority for review and approval. An approval of the securities prospectus and a subsequent admission of the new shares of Nagarro SE to trading is currently expected for the end of October 2021.

7.4 Special Rights (section 4)

Pursuant to Section 5 para. 1 No. 7 UmwG, the rights granted by the acquiring legal entity to individual shareholders or holders of special rights or the measures provided for such persons must be specified in the Merger Agreement. Subject to the capital increase of Nagarro SE to be carried out in connection with the merger by issuing new shares to the entitled shareholders of Nagarro Holding, no rights within the meaning of Section 5 para. 1 no. 7 UmwG will be granted to individual shareholders or holders of special rights. Nor are any measures within the meaning of the said provision provided for such persons. This is governed by section 5 of the Merger Agreement.

7.5 Special Advantages (section 5)

Pursuant to Section 5 para. 1 No. 8 UmwG, any special benefits, such as compensation in the event of termination of their offices as a result of the merger, must also be stated in the Merger Agreement for the group of persons referred to therein. The auditors of the legal entities involved in the merger and the merger auditor shall not be granted any special benefits within the meaning of Section 5 para. 1 no. 8 UmwG in connection with the merger. Apart from the circumstances set out in sections 5.2 and 5.3 of the Merger Agreement as a precautionary measure, the members of the Executive Board and Supervisory Board of Nagarro SE and the managing directors of Nagarro Holding shall also not be granted any special benefits in connection with the merger within the meaning of Section 5 para. 1 no. 8 UmwG. This is governed by section 5.1 of the Merger Agreement.

In section 5.2 of the Merger Agreement, it is pointed out that with the effectiveness of the merger, the board position of the managing directors of Nagarro Holding ends, and it is explained that the previous sole managing director of Nagarro Holding, Ms. Anette Mainka, is at the same time a member of the Executive Board of Nagarro SE. This legal position shall remain unaffected by the merger and shall not be changed.

In section 5.3 of the Merger Agreement it is noted that the members of the Executive Board of Nagarro SE, Mr. Manas Fuloria (via All Nag Bet) and Mr. Vikram Sehgal (via StarView) each indirectly hold an interest of approximately 5% in Nagarro Holding, whereby in the case of Mr. Sehgal other family members hold an interest in addition to him via StarView. Therefore, they will each indirectly receive 688,523 Nagarro SE Shares in the course of the merger, corresponding to (commercially rounded) 5% of the share capital of Nagarro SE (after capital increase).

Together with 159,666 Nagarro SE Shares held to date, StarView (held by Mr. Vikram Sehgal with other family members) is expected to hold a total of 848,189 Nagarro SE Shares after the merger, corresponding to (commercially rounded) 6.2% of the share capital of Nagarro SE (after capital increase).

After the merger, Mr. Manas Fuloria, together with 83,528 Nagarro SE Shares held to date, will indirectly and directly hold an expected total of 772,051 Nagarro SE Shares, corresponding to (commercially rounded) 5.6% of the share capital of Nagarro SE (after capital increase).

7.6 Consequences of the Merger for Employees and their Representatives (section 6)

Section 6 of the Merger Agreement sets out in detail the consequences of the merger under individual and collective labor law for the employees and their representative bodies and the measures provided for in this respect. Such an explanation is mandatory due to the statutory order in Section 5 para. 1 no. 9 UmwG.

Section 6 of the Merger Agreement essentially contains a description of the consequences of the merger and, in this respect, no contractual obligations between the parties to the Merger Agreement. An explanation of the effects under labor law can be found in section 6.4 of this merger report.

7.7 Final Provisions (section 7)

In section 7.1 of the Merger Agreement it is pointed out that this agreement will only become effective after the General Meeting of Nagarro SE and the shareholders' meeting of Nagarro Holding have approved it and the merger has been registered in the commercial registers of Nagarro SE and Nagarro Holding.

Section 7.2 of the Merger Agreement provides that both Nagarro SE and Nagarro Holding may withdraw from the Merger Agreement by written declaration to the other contracting party if the merger has not become effective by December 31, 2022.

Section 7.3 of the Merger Agreement states that a compensation offer pursuant to Section 29 UmwG is not required, as all shareholders of Nagarro Holding have waived such an offer.

Section 7.4 of the Merger Agreement stipulates that amendments and additions to the agreement, including the written form section, must be made in writing to be effective, unless mandatory law requires a stricter form.

Section 7.5 of the Merger Agreement provides that rights and obligations under this Agreement may not be assigned in whole or in part without the prior written consent of the respective other party.

Section 7.6 of the Merger Agreement provides that this Agreement shall be governed by the laws of the Federal Republic of Germany to the exclusion of the provisions of the Vienna UN Convention on Contracts for the International Sale of Goods (CISG).

Section 7.7 of the Merger Agreement provides that all disputes arising out of or in connection with this Agreement or concerning its validity, with the exception of measures of interim relief, shall be finally settled, to the exclusion of the jurisdiction of state courts, by an arbitral tribunal in accordance with the Arbitration Rules of the German Institution of Arbitration (Deutsche Institution für Schiedsgerichtsbarkeit e.V. (DIS)), as amended from time to time. The arbitral tribunal shall also make a binding decision on the validity of this arbitration clause. Munich is determined as the place of arbitration. The number of arbitrators shall be three. The presiding arbitrator must be qualified to hold judicial office in the Federal Republic of Germany. The language of the proceedings shall be German, however, neither Party shall be obliged to provide translations of English language documents submitted for evidentiary or other purposes. Insofar as the DIS Arbitration Rules do not contain any provision on the arbitration proceedings or leave the proceedings to the discretion of the arbitral tribunal, the provisions of the German Code of Civil Procedure shall apply *mutatis mutandis*.

Section 7.8 of the Merger Agreement contains a provision in the event that individual provisions of the Merger Agreement are or become void, invalid or unenforceable in whole or in part. The purpose of the provision is to prevent such provision from having an effect on the validity and enforceability of the remaining provisions of the Merger Agreement. Any void, invalid or unenforceable provision shall therefore be replaced by a valid and enforceable provision which comes as close as possible to the economic purpose pursued by the void, invalid or unenforceable provision (so-called severability clause). The same applies in the event that the Merger Agreement contains an unintended gap. The Parties express their express intention that the provision contained in this Clause 7.8 not only results in a reversal of the burden of proof, but also excludes the applicability of Section 139 BGB.

8. EXCHANGE RATIO

8.1 Introduction

The determination of the appropriate exchange ratio is based on a relational valuation of the merged companies while maintaining the economic asset position. In the present case, the particularity is that the only material asset from which material income can be generated in the future is Nagarro Holding, which is to be merged. Since the operating business of the Nagarro Group is bundled in Nagarro Holding and its investments, at the time of the merger both Nagarro SE as majority shareholder and the minority shareholders of Nagarro Holding will participate in these expected earnings in accordance with their economic participation quotas in Nagarro Holding. For the determination of the appropriate exchange ratio, there was therefore the question whether, in the valuation of the legal entities involved in the merger, Nagarro SE, in addition to its participation in Nagarro Holding, itself has an independent value. No particular difficulties within the meaning of Section 8 para. 1 sentence 2 UmwG arose in the course of the valuations carried out.

For the determination of the appropriate exchange ratio, the Executive Board of Nagarro SE and the Managing Directors of Nagarro Holding have jointly used the expert assistance of VALNES Corporate Finance GmbH ("VALNES").

The following explanations provide an overview of the valuation procedure and the derivation and determination of the exchange ratio. Further details are presented in the expert opinion of VALNES on the determination of the appropriate exchange ratio on the occasion of the planned merger of Nagarro Holding, Munich, into Nagarro SE, Munich, dated July 19, 2021, attached to this merger report as **Annex 2**, for which an effective date confirmation as of August 31, 2021 is provided. The Executive Board of Nagarro SE and the Managing Directors of Nagarro Holding fully adopt the contents of the expert opinion of VALNES on the determination of the exchange ratio and make them part of this merger report.

8.2 Principles and Method of Valuation

Due to the particularity described above that the only material asset from which material income can be generated in the future is Nagarro Holding itself, which is to be merged, it is of particular importance for the determination of the exchange ratio whether Nagarro SE has an independent value.

To the extent that Nagarro SE, in addition to its shareholding in Nagarro Holding itself, has no independent value, the shareholding ratio for the merger shall be determined from the shareholding ratios of Nagarro SE and the minority shareholders in Nagarro Holding relevant as of the valuation date in the sense of preserving the previous shareholding ratios in the operating asset. In the event that Nagarro SE itself would generate material own assets or liabilities, the exchange ratio would have to be adjusted accordingly in accordance with the requirement of reasonableness.

In order to determine an own value contribution of Nagarro SE which is so material that it would lead to a change in the exchange ratio of the previous shareholdings in Nagarro Holding to be merged, the following fields of analysis were examined in detail:

- Economic conditions and analysis of possible earnings potential of Nagarro SE,
- Analysis of possible hidden reserves or non-operating assets of Nagarro SE,
- Analysis of potential hidden charges of Nagarro SE.

In addition, it was investigated whether there are possible differences in value that could be due to the shareholding ratios in Nagarro Holding.

For the purpose of this analysis, a forecast and a business plan consisting of a budgeted balance sheet and a budgeted income statement for the financial years 2021 to 2023 were prepared for Nagarro SE. Since an isolated business plan at the level of the SE is not required for the usual management of the Nagarro Group, but is basically planned for the entire group, this planning is not part of a usual planning process and therefore had to be prepared separately for purposes of the merger of Nagarro Holding into Nagarro SE. As Connect AG will be merged with Nagarro SE retroactively as of January 1, 2021, this planning already takes into account the assets and liabilities as well as earnings effects of this preparatory transaction. This planning also takes into account the contribution in kind already made of the receivable from SPP GmbH in return for a capital increase. The planning thus reflects the current state of knowledge as of the valuation date. This business plan was approved by the Executive Board of Nagarro SE on June 28, 2021 and reviewed by VALNES for accuracy, completeness and plausibility.

In accordance with general practice and prevailing opinion, the valuation date is the date of the resolving shareholders' meeting of Nagarro Holding as the transferring entity, which is expected to take place on August 31, 2021.

8.3 Analysis of possible value differences of Nagarro SE and Nagarro Holding

The analysis of the economic circumstances and possible earnings potential or obligations showed that Nagarro SE has an annual negative result in the seven-digit range in the context of fulfilling its function as a parent company and its financing function.

The analysis of possible hidden reserves and non-operating assets showed that a separate asset that could be attributed exclusively to the shareholders of Nagarro SE in the context of the exchange ratio does not exist as a result.

The analysis of possible hidden liabilities did not reveal any indications of the existence of hidden liabilities or obligations of Nagarro SE.

At the level of Nagarro SE, this essentially leaves expenses for the stock exchange listing as well as the compliance and monitoring of compliance and governance rules. The result of Nagarro SE, which is planned as negative, can be regarded as necessary expenses for the listing of the shares of Nagarro SE from the point of view of a rationally acting reasonable businessman. In return, the shareholders of Nagarro SE – unlike the shareholders in the unlisted Nagarro Holding – have a certain advantage in that the shares in Nagarro SE have a higher fungibility. In this respect, a negative earnings situation is offset by a certain advantage. Therefore, a dilution of the Nagarro SE Shareholders in the context of the exchange ratio cannot be justified from the earnings situation of Nagarro SE in the overall view. As a result, the enterprise value of Nagarro SE as of the valuation date thus corresponds to the value of its investment in Nagarro Holding.

The analysis of possible value differences from rights of the shareholdings in Nagarro Holding also did not reveal any indications of special rights of the shareholders of Nagarro Holding that would speak in favor of a shift in the exchange ratio.

8.4 Exchange Ratio

The arithmetical exchange ratio thus results from a relation of the shareholdings in Nagarro Holding, which is received by the shareholders of Nagarro Holding as the company to be transferred at 100%, while the shareholders of Nagarro SE as the receiving company are entitled to 84.03%. If, for reasons of better comprehensibility, the nominal value of Nagarro Holding of EUR 50,000 (share capital less treasury shares), the value share of Nagarro SE is EUR 42,017 (i.e. 84.03% of EUR 50,000). The ratios "nominal value per share" and "nominal value per share" then result in the arithmetical exchange ratio of 275.5197420091868 shares in Nagarro SE for one share in Nagarro Holding.

On the basis of this calculated exchange ratio, the result would be that the entitled shareholders of Nagarro Holding would have to be granted a total of (rounded) 2,199,474.1 new shares in Nagarro SE. In order to achieve a whole number capital increase amount and thus a whole number of shares in Nagarro SE to be issued to the entitled shareholders of Nagarro Holding, the Executive Board of Nagarro SE and the Managing Directors of Nagarro Holding had agreed in a first step that for one business share in Nagarro Holding arithmetically 275.5197294250282 shares in Nagarro SE and thus for the entitled 7.983 shares in Nagarro Holding a total of 2,199,474 new shares in Nagarro SE are to be granted. The arithmetical exchange ratio was therefore rounded down in such a way that the next possible full number of shares of Nagarro SE is reached and thus the creation of fractional shares is avoided as far as possible. However, since on the basis of this exchange ratio, partial rights to two shares in Nagarro SE (so-called fractional shares) would arise in total for the entitled shareholders of Nagarro Holding, the shareholders of Nagarro Holding have waived the granting of shares in Nagarro SE by notarized waiver pursuant to Section 68 para. 1 sentence 3 UmwG to the extent that they would be entitled to more than 2,199,472 new shares in Nagarro SE in terms of value. Thus, it is ensured that after completion of the merger, each entitled shareholder of Nagarro Holding will be granted a whole number of shares in Nagarro SE. Specifically, All Nag Bet and StarView will each receive 688,523 new shares in Nagarro SE for the 2,499 Nagarro Holding Shares held by them, and SPP KG will receive 822,426 new shares in Nagarro SE for the 2,985 Nagarro Holding Shares held by it. In total, the eligible Nagarro Holding Shareholders will thus receive 2,199,472 new shares in Nagarro SE for the 7,983 Nagarro Holding Shares held by them in total.

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Place, Date

Anette Mainka,
Member of the Executive Board of **Nagarro SE**
with sole power of representation,
Managing Director of **Nagarro Holding GmbH**

Annex 1

Notarized Merger Agreement
between Nagarro Holding GmbH and Nagarro SE dated July 19, 2021

MERGER AGREEMENT

This Agreement is concluded

between

(1) **Nagarro SE**, Einsteinstr. 172, 81677 Munich ("**NAGARRO**"), and

(2) **Nagarro Holding GmbH**, Einsteinstr. 172, 81677 Munich ("**NHG**")

(NAGARRO and NHG individually hereinafter each a "**Party**" and collectively the "**Parties**").

PREAMBLE

- (A) NAGARRO is a stock corporation, registered in the Commercial Register of the Munich Local Court under HRB 254410. The share capital of NAGARRO amounts to EUR 11,576,513.00 and is divided into 11,576,513 no-par value registered shares, each with a notional interest in the share capital of EUR 1.00 (the "**NAGARRO Shares**"). NAGARRO Shares are admitted to trading on the regulated market (SDAX) of the Frankfurt Stock Exchange under ISIN DE000A3H2200. Furthermore, NAGARRO Shares are traded over the counter on the stock exchanges in Berlin, Düsseldorf, Hamburg, Munich and Stuttgart. The financial year of NAGARRO is the calendar year.
- (B) NHG is a limited liability company, registered in the Commercial Register of the Munich Local Court under HRB 213425. The share capital of NHG amounts to EUR 67,534.00 and is divided into 67,534 shares with the consecutive numbers 1 to 67,534 and a nominal amount of EUR 1.00 each (the "**NHG Shares**"). The financial year of NHG is the calendar year.
- (C) NAGARRO holds 42,017 NHG Shares. The other shares are held as follows: 2,499 NHG Shares by All Nag Beteiligungs GmbH & Co. KG, registered in the Commercial Register of the Munich Local Court under HRA 114373, ("**ANB**"), 2,499 NHG Shares by StarView Capital Growth Fund, LLC ("**SV LLC**") and 2,985 NHG Shares by SPP Co-Investor GmbH & Co. KG, registered in the Commercial Register of the Munich Local Court under HRA 105350 ("**SPPKG**") (ANB, SV LLC and SPP KG hereinafter the "**Entitled NHG Shareholders**"). NHG also holds 17,534 treasury NHG Shares.
- (D) The Parties intend to transfer the assets of NHG as a whole to NAGARRO by way of merger by absorption against the granting of shares. In this context, NAGARRO will increase its share capital from currently EUR 11,576,513.00 by EUR 2,199,472.00 to EUR 13,775,985.00 by issuing 2,199,472 new NAGARRO Shares. Insofar as NAGARRO is a shareholder of NHG, it may not increase its share capital in accordance with Section 68 para. 1 sentence 1 no. 1 of the German Transformation Act (UmwG – Umwandlungsgesetz) in order to implement the merger.

NOW THEREFORE the Parties agree as follows:

1. ASSET TRANSFER

NHG as the transferring legal entity shall transfer its assets as a whole with all rights and obligations to NAGARRO as the acquiring legal entity, excluding liquidation pursuant to Section 2 para. 1 UmwG (merger by absorption).

2. MERGER EFFECTIVE DATE AND TAX EFFECTIVE DATE

- 2.1 From the beginning (12:00 a.m.) of 1 January 2021 (the "**Merger Effective Date**"), all acts and transactions of NHG shall be deemed to have been made for the account of NAGARRO. The tax effective date is midnight on 31 December 2020 (the "**Tax Effective Date**").
- 2.2 The merger will be based on the balance sheet of NHG as of 31 December 2020 as the closing balance sheet within the meaning of Section 17 para. 2 UmwG in conjunction with Section 4 of the German Act on Measures in Company, Cooperative, Association, Foundation and Condominium Law to Combat the Effects of the COVID-19 Pandemic (GesRuaCOVBekG – Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der COVID-19-Pandemie).
- 2.3 If the merger has not become effective by the end of 30 April 2022 by registration in the Commercial Register of NAGARRO, the merger shall be based on the balance sheet of NHG as of 31 December 2021, in derogation from Clause 2.2, and in derogation from Clause 2.1, the Merger Effective Date shall be postponed to the beginning (12:00 a.m.) of 1 January 2022, and the Tax Effective Date shall be postponed to the end (midnight) of 31 December 2021. In the event of a further delay in the effective date of the merger beyond 30 April of the respective subsequent year, the effective dates shall be postponed by one year in each case in accordance with the above provision.

3. CONSIDERATION, TRUSTEE, CAPITAL MEASURES

- 3.1 As consideration for the transfer of the assets of NHG to NAGARRO, the Entitled NHG Shareholders shall receive, on a pro rata basis and free of charge, no-par value registered shares in NAGARRO corresponding to their previous shareholding in NHG, based on a fixed arithmetical exchange ratio of 275.5197420091868 NAGARRO Shares for one NHG Share. In order to avoid partial rights to shares arising on the basis of this exchange ratio (so-called share fractions), the following specific consideration was determined: ANB and SV LLC will each receive 688,523 new NAGARRO Shares for the 2,499 NHG Shares held by them, and SPP KG will receive 822,426 new NAGARRO Shares for the 2,985 NHG Shares held by it. The Entitled NHG Shareholders will thus receive a total of 2,199,472 no-par value registered shares in NAGARRO for the 7,983 NHG Shares held by them in total. To the extent that the Entitled NHG Shareholders could be entitled to a higher number of NAGARRO Shares in terms of value on the basis of the aforementioned determined arithmetical exchange ratio, they have waived the granting of shares pursuant to Section 68 para. 1 sentence 3 UmwG by notarized declaration. Insofar as NAGARRO is a shareholder of NHG, there shall be no capital increase at NAGARRO (Section 68 para. 1 sentence 1 no. 1 UmwG). Insofar as NHG holds treasury shares, there shall also be no capital increase at NAGARRO (Section 68 para. 1 sentence 1 no. 2 UmwG). No additional cash payment is granted to the Entitled NHG Shareholders; they have waived such additional cash payment as a precaution.
- 3.2 The shares to be granted by NAGARRO shall be entitled to profits for the entire financial year commencing on 1 January 2021. In the event that the Effective Merger Date is postponed pursuant to Clause 2.3 of this Agreement, the beginning of the profit entitlement of the shares to be granted shall be postponed to the beginning of the financial year of NAGARRO in which the merger becomes effective.
- 3.3 To implement the merger, NAGARRO will increase its share capital from EUR 11,576,513.00 by EUR 2,199,472.00 to EUR 13,775,985.00 by issuing 2,199,472 registered no-par value shares, each with a notional interest in the share capital of NAGARRO of EUR 1.00. The capital increase will be carried out under exclusion of the subscription rights of the existing shareholders of NAGARRO against contribution in kind.
- 3.4 The contribution in kind is the assets of NHG, which will be transferred to NAGARRO as part of the merger. To the extent that the value at which assets of NHG are taken over by NAGARRO exceeds the amount of the capital increase, the excess amount shall be transferred to the capital

reserve of NAGARRO pursuant to Section 272 para. 2 no. 1 of the German Commercial Code (HGB – Handelsgesetzbuch).

- 3.5 NAGARRO will appoint M.M.Warburg & CO (AG & Co.) Kommanditgesellschaft auf Aktien, Hamburg, as trustee for the receipt of the shares in NAGARRO to be granted to the Entitled NHG Shareholders and their delivery to the Entitled NHG Shareholders. Possession of the shares to be granted will be conveyed to the trustee prior to registration of the merger and the trustee will be instructed to procure the shares for the Entitled NHG Shareholders after registration of the merger in the Commercial Register of NAGARRO or, in the event of a final failure of the merger, to transfer the shares to NAGARRO or – upon its instruction – to destroy them.
- 3.6 NAGARRO will apply for admission of the new shares to trading on the regulated market of the Frankfurt Stock Exchange in the sub-segment of the regulated market with additional post-admission obligations (Prime Standard).
- 3.7 NHG undertakes not to make any dispositions or take any other measures in respect of treasury NHG Shares it holds until the merger takes effect.

4. SPECIAL RIGHTS

Individual direct and indirect shareholders of the Parties shall – with the exception of the capital increase of NAGARRO to be carried out in connection with the merger by issuing new shares – not be granted any rights within the meaning of Section 5 para. 1 no. 7 UmwG. No special rights within the meaning of Section 5 para. 1 no. 7 UmwG exist with respect to the Parties and no measures within the meaning of Section 5 para. 1 no. 7 UmwG are envisaged.

5. SPECIAL ADVANTAGES

- 5.1 Subject to the precautionary circumstances set out in Clause 5.2 and Clause 5.3, no special benefits shall be granted to members of representative or supervisory bodies of the legal entities involved in the merger, an auditor or a merger auditor (Section 5 para. 1 no. 8 UmwG).
- 5.2 The position of the managing directors of NHG shall end when the merger takes effect. The sole managing director of NHG, Mrs. Anette Mainka, is also a member of the board of directors of NAGARRO. This legal position shall remain unaffected by the merger and shall not be changed. There are no management employment contracts at NHG. The merger therefore does not trigger any severance or other claims in favor of the managing directors of NHG.
- 5.3 The members of the Board of Management of NAGARRO, Manas Fuloria and Vikram Sehgal, each hold an indirect interest of approximately 5% in the share capital of NHG (excluding treasury shares). They will therefore each indirectly receive 688,523 NAGARRO Shares in the course of the merger, corresponding to approximately 5% of the share capital of NAGARRO (after capital increase).

6. CONSEQUENCES OF THE MERGER FOR EMPLOYEES AND THEIR REPRESENTATIVE BODIES

- 6.1 The employment relationships existing at NAGARRO shall not be affected by the merger, but shall continue unchanged in terms of content even after the merger with NAGARRO takes effect.
- 6.2 Upon the merger taking effect and the associated transfer of operations, all employment relationships existing with NHG shall be transferred to NAGARRO in accordance with Section 613a of the German Civil Code (BGB), Section 324 UmwG. The legal status existing at the time the merger takes effect shall be decisive for the content of the transferred employment relationships. Since NHG shall cease to exist pursuant to Section 20 para. 1 no. 2 UmwG, any additional joint and several liability of NHG within the meaning of Section 613a para. 2 German Civil Code (BGB – Bürgerliches Gesetzbuch) does not exist pursuant to Section 613a para. 3 BGB.

- 6.3 The employees of NHG affected by the transfer of operations shall be informed of the reasons for and consequences of the transfer of operations for the employees prior to the transfer of operations in accordance with Section 613a para. 5 BGB. The notification will be conducted by NHG in close coordination with NAGARRO. There is no right to object to the transfer of the respective employment relationship pursuant to Section 613a para. 6 BGB, as NHG ceases to be the former employer and cannot continue the employment relationships.
- 6.4 The contractual terms and conditions of employment of the transferred employees, including any company practices, general commitments and standard regulations, shall remain unchanged. This also applies to the place of work. Rights and entitlements based on earned length of service are also continued. This shall apply in particular to the calculation of notice periods of the transferring employees pursuant to Section 613a para. 1 sentence 1 BGB.
- 6.5 NHG has no pension or other benefit commitments.
- 6.6 A termination by the respective employer of the employment relationships which will be transferred upon effectiveness of the merger due to the transfer of operations caused by the merger shall be invalid (Section 613a para. 4 sentence 1 BGB in conjunction with Section 324 UmwG). The right to give notice of termination for other reasons shall remain unaffected in accordance with Section 613a para. 4 sentence 2 BGB.
- 6.7 The merger has no consequences under individual law for the employees of other companies of the NAGARRO Group. They shall remain employees of their respective companies; their employment relationships shall not be affected by the merger. The same applies to the company pension plan and the pension commitments by the companies at which the employees are respectively employed.
- 6.8 No measures are planned for the employees of NAGARRO, NHG or other companies of the NAGARRO Group (in particular no adverse measures such as redundancies or relocation of operations) in connection with the merger.
- 6.9 The merger does not lead to changes at the level of collective bargaining law. Neither NAGARRO nor NHG has employee representative bodies. The merger shall have no effect on any other employee representative bodies existing in the NAGARRO Group. The existence, composition and term of office of any employee representative bodies (in particular the Works Council) shall remain unchanged. There are no company agreements at NHG. Any otherwise existing company agreements within the NAGARRO Group shall continue to apply under collective law. Neither NAGARRO nor NHG or other companies of the NAGARRO Group are bound by collective bargaining agreements. Thus, even after the merger, no provisions of collective bargaining agreements apply.
- 6.10 NHG does not have a supervisory board. The Supervisory Board of NAGARRO shall continue to be composed solely of members of the shareholders after the merger has become effective. Even after the merger has become effective, the statutory requirements for the formation of a supervisory board with co-determination will not be met. An employee involvement procedure in accordance with the provisions of the German Law on the Involvement of Employees in a European Company (SEBG – Gesetz über die Beteiligung der Arbeitnehmer in einer Europäischen Gesellschaft) is not to be carried out at NAGARRO after the merger has taken effect.

7. CLOSING PROVISIONS

- 7.1 This Agreement shall not become effective until the General Meeting of NAGARRO and the Shareholders' Meeting of NHG Holding have approved it and the merger has been entered in the Commercial Registers of NAGARRO and NHG.
- 7.2 If the Merger has not become effective by 31 December 2022, either Party may withdraw from this Agreement by giving written notice to the other Party.

- 7.3 A compensation offer pursuant to Section 29 UmwG is not required, as all shareholders of NHG have waived such an offer by notarized declaration.
- 7.4 Amendments and supplements to this agreement, including this written form clause, must be made in writing to be effective, unless mandatory law prescribes a stricter form.
- 7.5 Rights and obligations under this Agreement may not be assigned, in whole or in part, without the prior written consent of the other Party.
- 7.6 This Agreement shall be governed by the laws of the Federal Republic of Germany to the exclusion of the provisions of the Vienna UN Convention on Contracts for the International Sale of Goods (CISG).
- 7.7 All disputes arising out of or in connection with this Agreement or concerning its validity shall, with the exception of measures of interim relief, be finally settled by arbitration in accordance with the Arbitration Rules of the German Institution of Arbitration (Deutsche Institution für Schiedsgerichtsbarkeit e.V., "DIS"), as amended from time to time, to the exclusion of the jurisdiction of state courts. The arbitral tribunal shall also make a binding decision on the validity of this arbitration clause. The place of arbitration shall be Munich. The number of arbitrators shall be three. The presiding arbitrator must be qualified to hold judicial office in the Federal Republic of Germany. The language of the proceedings shall be German, however, neither Party shall be obliged to provide translations of English language documents submitted for evidentiary or other purposes. Insofar as the DIS Arbitration Rules do not contain any provision on the arbitration proceedings or leave the proceedings to the discretion of the arbitral tribunal, the provisions of the German Code of Civil Procedure shall apply mutatis mutandis.
- 7.8 If any provision of this Agreement is or becomes void, invalid or unenforceable in whole or in part, the validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby. The void, invalid or unenforceable provision shall, to the extent permitted by law, be deemed to be replaced by such valid and enforceable provision as comes closest to the economic purpose pursued by the void, invalid or unenforceable provision. The same shall apply in the event that this Agreement should contain an unintended gap. It is the express intention of the Parties that the provision contained in this Clause 7.8 not only results in a reversal of the burden of proof, but also excludes the applicability of Section 139 BGB.

* * *

Annex 2

Expert opinion of VALNES Corporate Finance GmbH on the determination of the appropriate exchange ratio on the occasion of the planned merger of Nagarro Holding, Munich, into Nagarro SE, Munich, dated July 19, 2021



– Non-binding English Translation –

Expert opinion

on the determination of the appropriate exchange ratio
on the occasion of the planned merger of

Nagarro Holding GmbH, Munich,

into

Nagarro SE, Munich,

as of the valuation date August 31, 2021

Table of contents

	Page
1 Order and order execution	7
2 Background to the merger and preceding measures.....	9
2.1 Spin-off and IPO.....	9
2.2 Simplification of the Group structure in preparation for the merger	9
2.3 Planned merger of Nagarro Holding GmbH into Nagarro SE	14
3 Nagarro Group	15
3.1 Overview and business activity	15
3.2 Nagarro Holding GmbH as the company to be merged.....	20
3.2.1 Legal and tax relations	20
3.2.2 Business activity.....	20
3.3 Nagarro SE as the absorbing company	20
3.3.1 Legal and tax relations	20
3.3.2 Business activity.....	21
4 Derivation of an appropriate exchange ratio	21
4.1 Valuation principles	21
4.2 Procedure and method.....	22
4.3 Analysis of possible value differences on the level of Nagarro SE	23
4.3.1 Economic conditions and analysis of possible earnings potentials and/or obligations	23
4.3.2 Analysis of potential hidden reserves and non-operating assets.....	30
4.3.3 Analysis of possible hidden charges	32
4.3.4 Conclusion.....	32
4.4 Analysis of possible value differences from rights of the investments in Nagarro Holding GmbH.....	32
4.5 Calculation of the exchange ratio.....	33
5 Concluding remarks	33
Annexes.....	35

List of abbreviations

AG	public limited company according to German law
All Nag Bet	All Nag Beteiligungs GmbH & Co KG
BET GmbH	Nagarro Beteiligungs GmbH
B2B	Business-to-Business
cf.	compare
ch.	chapter
Connect AG	Nagarro Connect AG
DAX	German share index
EBIT	Earnings Before Interest and Taxes
e.g.	for example
etc.	et cetera
EUR	Euro
f.	following
ff.	Continued
GmbH	Limited liability company according to German law
GmbH & Co KG	Limited Liability Company & Compagnie Limited Partnership
P&L	profit and loss account
HGB	German Commercial Code
HRB	Commercial register B
IDW	Institute of Public Auditors in Germany e.V.
IFRS	International Financial Reporting Standards
IHK	Chamber of Commerce and Industry
KG	Limited partnership
m.	million(s)
no.	number
ö.b.u.v.	publicly appointed and sworn
para.	paragraph
phG	personally liable partner
p.	page
resp.	respectively
SE	European public limited company Company
SDAX	Small-Cap DAX
SPP GmbH	Nagarro SPP GmbH
SPP KG	SPP Co-Investor GmbH & Co KG
StarView LLC	StarView Capital Growth, LLC

SOP	Stock option programs
kEUR	thousand euro
UmwG	German Transformation Act
WKGT	Warth & Klein Grant Thornton
WKN	Securities identification number
WPH	Auditor's Handbook (published by IDW)

List of tables

Table 1:	Shareholdings (rounded) in Nagarro Holding GmbH as of the valuation date	15
Table 2:	Consolidated balance sheet of Nagarro SE according to IFRS for the fiscal years 2018 to 2020	17
Table 3:	Consolidated income statement of Nagarro SE according to IFRS for the fiscal years 2018 to 2020	19
Table 4:	Income statement of Nagarro SE according to HGB for fiscal year 2020	24
Table 5:	Balance sheet of Nagarro SE according to HGB for fiscal year 2020	25
Table 6:	Income statement of Connect AG according to HGB for fiscal year 2020	26
Table 7:	Balance sheet of Connect AG according to HGB for fiscal year 2020	27
Table 8:	Forecast as well as planning of the results of Nagarro SE according to IFRS (taking into account the merger with Connect AG)	27
Table 9:	Forecasted balance sheet of Nagarro SE according to IFRS (taking into account the merger with Connect AG)	29
Table 10:	Determination of the exchange ratio	33
Table 11:	Reconciliation of the attachment point of the forecasted balance sheet of Nagarro SE (with merger of Connect AG) between HGB and IFRS	37

List of Figures

Figure 1:	Corporate structure of the Nagarro Group as of December 31, 2020	10
Figure 2:	Corporate structure of the Nagarro Group as of January 01, 2021 (with merger of Connect AG into Nagarro SE)	11
Figure 3:	Corporate structure of the Nagarro Group in July 2021 (after capital increase in kind of SPP GmbH)	12
Figure 4:	Corporate structure of the Nagarro Group in July 2021 (after downstream merger of the investment vehicles)	14
Figure 5:	Corporate structure of the Nagarro Group as of the valuation date (after preparatory restructuring)	16

Annex directory

Annex 1:	Essential documents.....	36
Annex 2:	Reconciliation of the forecasted balance sheet item between HGB and IFRS	37
Annex 3:	General terms and conditions of contract.....	38

This English version of our Expert Opinion is only the translation of the German Expert Opinion "Gutachtliche Stellungnahme über die Ermittlung des angemessenen Umtauschverhältnisses anlässlich der geplanten Verschmelzung der Nagarro Holding GmbH, München, auf die Nagarro SE, München, zum Bewertungsstichtag 31. August 2021" dated July 19, 2021. In a matter of doubt only the German version is valid.

1 Order and order execution

Nagarro SE, Munich, (hereinafter "Nagarro SE") as well as Nagarro Holding GmbH, Munich, (hereinafter "Nagarro Holding GmbH") have jointly mandated us – VALNES Corporate Finance GmbH (hereinafter "VALNES") – to determine an appropriate exchange ratio for the intended merger of Nagarro SE with Nagarro Holding GmbH. The reason for the valuation considerations is the planned merger of Nagarro Holding GmbH into Nagarro SE (upstream merger). Nagarro Holding GmbH as transferring company intends to transfer its assets as a whole with all rights and obligations by way of merger by absorption without liquidation to Nagarro SE as acquiring company against granting of shares of the acquiring company to the shareholders of Nagarro Holding GmbH.

The planned merger shall be resolved by the shareholders' meeting of Nagarro Holding GmbH on August 31, 2021 and the ordinary shareholders' meeting of Nagarro SE on August 31, 2021. The present expert opinion serves as the basis for the determination of the appropriate exchange ratio within the meaning of § 12 para. 2 no. 2 UmwG.

In addition, an independent audit was carried out by the court-appointed expert joint merger auditor Warth & Klein Grant Thornton Wirtschaftsprüfungsgesellschaft, Düsseldorf, (hereinafter "WKGT" or "merger auditor"). In accordance with the case law of the Federal Court of Justice, we regularly exchanged information with WKGT on the status of the valuation work and discussed questions of doubt. WKGT reports on the performance of the audit in a separate report.

Our work was carried out from April 2021 to July 19, 2021 at the offices of VALNES Corporate Finance GmbH in Frankfurt am Main. In principle, the analyses are based on the documents provided for the valuation occasion (see Annex 1). These were critically assessed, but not subjected to an audit in the sense of an audit of the annual financial statements. In addition, the Executive Board of Nagarro SE, the Management of Nagarro Holding GmbH and employees appointed at a time willingly provided us with further information and made information available.¹

The accuracy of the information received has not been separately verified. VALNES does not assume any liability for this.

This opinion assumes that

- all signatures on the documents provided to us are genuine,
- all copies of documents provided to us are copies of the originals,
- the documents are complete and
- that all persons who acted for parties on these documents were authorized to do so.

The completeness and correctness of the information received and documents handed over which are of significance for the valuation, as well as the conformity of the copies handed over with the original documents, were confirmed by the Executive Board of Nagarro SE as well as by the management of Nagarro Holding GmbH, in each case on July 19, 2021 in a written statement.

All calculations presented in this statement were performed with decimal places. Where figures in tables are shown without decimal places for the sake of clarity, the addition or subtraction of the table values may lead to deviations in the subtotals or totals shown. Where we refer to sources or databases, we have indicated this in this opinion. We do not assume any liability or responsibility for the accuracy or completeness of the information and data presented in these sources.

¹ For the sake of better readability, the term "employee", "board of management" or "managing director" m/f/d is used equally in this report.

This opinion is intended solely for the purpose set out herein and only for the client. We agree that it may be used in the context of the joint merger report to be prepared by the parties. The permitted use also includes the use of the results for the conduct of the shareholders' meeting of Nagarro SE on August 31, 2021 or the shareholders' meeting of Nagarro Holding GmbH on August 31, 2021, including the invitation or required written and oral reporting. We further agree that this opinion and the results documented therein may be used in possible court proceedings (such as possible rescission and mediation proceedings) to the extent they are related to the determination of the fair exchange ratio. Furthermore, the opinion may also be made available to the court-appointed merger auditor.

The opinion may not be published, reproduced or otherwise used, in whole or in part, for any purpose other than that stated herein.

The valuation is only valid as of the stated valuation date. The valuation date for the derivation of the exchange ratio is the date of the planned shareholders' meeting of Nagarro Holding GmbH as acquiring entity on August 31, 2021, at which the planned merger is to be submitted to a vote.

The determination of the appropriate exchange ratio is based on information provided to us during the valuation work. Due to the deadlines for invitations and interpretation, the completion of our valuation work as of the date of signature of this report is prior to the valuation date, which is the date of the shareholders' meeting of Nagarro Holding GmbH on August 31, 2021 or prior to the annual general meeting of Nagarro SE on August 31, 2021. If material facts affecting the valuation change between the completion of our valuation work on July 19, 2021 and the valuation date, the exchange ratio may have to be updated again. As of the valuation date, we will ask the Executive Board of Nagarro SE as well as the management of Nagarro Holding GmbH to again submit a corresponding key date declaration.

Our mandate agreement with the client as well as our General Terms and Conditions of Contract are decisive for the execution of the mandate as well as our responsibility.

2 Background to the merger and preceding measures

2.1 Spin-off and IPO

Nagarro is a group of companies providing IT services and IT solutions worldwide with a focus on digital development, particularly in the areas of digital product development, digital commerce and customer experience, managed services and ERP consulting.

Nagarro Group was formerly part of the listed Allgeier Group, which offers IT services, IT solutions and products, and personnel services. In November 2019, the Management Board of Allgeier SE, with the approval of the Supervisory Board, decided on a strategic realignment of the Allgeier Group. A key aspect of this strategic realignment was to separate certain business units (today's Nagarro) and spin them off into a listed company.

Against this background, the Nagarro Group was created in 2020 by way of a spin-off from Allgeier SE. The spin-off took place after registration in the commercial register on December 15, 2020 retroactively as of January 01, 2020 by way of a spin-off into another company (spin-off for absorption) with the issuance of new shares in Nagarro SE to the shareholders of Allgeier SE in exchange for the spun-off net assets. The spin-off was approved by the General Meeting of Allgeier SE on September 24, 2020 and by the General Meeting of Nagarro SE on October 30, 2020.

For the planned spin-off, Nagarro SE was established as a shelf company on January 29, 2020, acquired by Allgeier SE on February 19, 2020 and renamed Nagarro SE. After several legal restructurings still within the Allgeier Group, which were completed in mid-July 2020, Nagarro SE was finally the ultimate parent company of all operating entities of the Nagarro Group. At the time of the spin-off, Nagarro SE held 100% of the shares in Nagarro Connect AG (until December 2020 Allgeier Connect AG, hereinafter "Connect AG") and the majority in Nagarro Holding GmbH.

Following the successfully completed spin-off, Allgeier SE no longer holds a stake in Nagarro.²

Since December 16, 2020, the shares of Nagarro SE have been traded on the Regulated Market (Prime Standard) under ISIN DE000A3H2200 and WKN A3H220.

2.2 Simplification of the Group structure in preparation for the merger

In the stock exchange prospectus dated December 08, 2020, Nagarro Group has already explained that after the listing in the new calendar year, further restructuring measures are intended to clean up the group structure in the wake of the spin-off.

As of December 31, 2020, the Group structure at the level above Nagarro Holding GmbH is as follows:

² Details on the spin-off of the Nagarro Group from the Allgeier Group can be found in the demerger report of Allgeier SE and Nagarro SE, note 1 et seq.

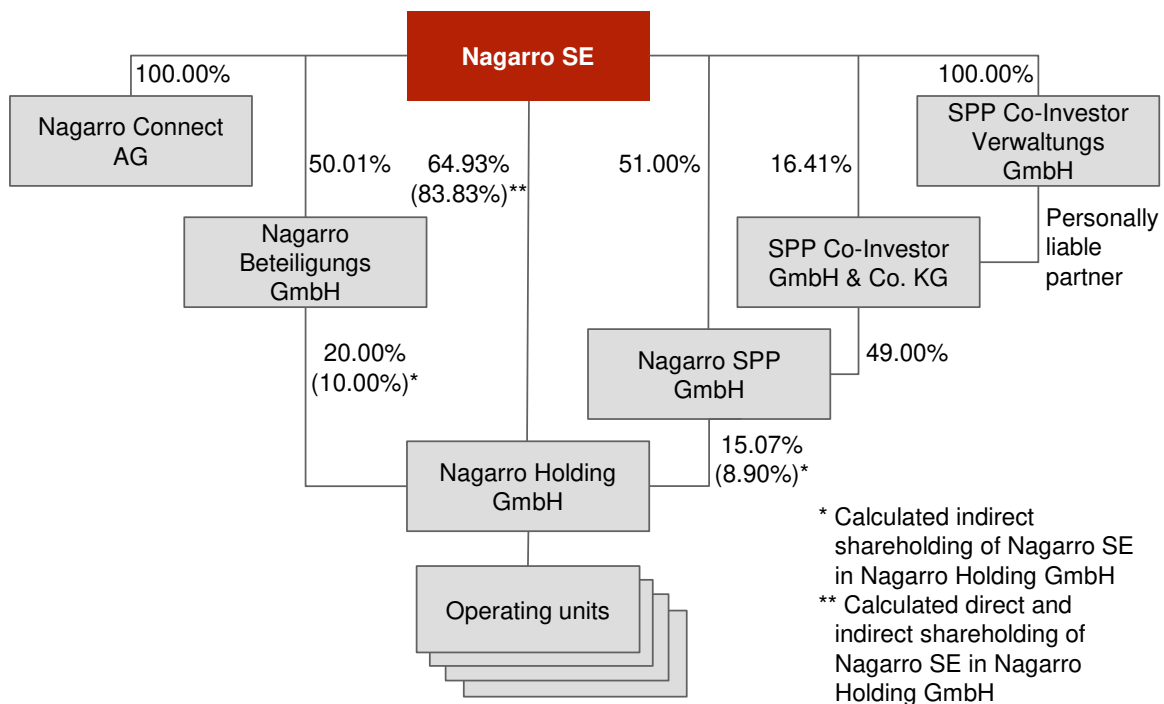


Figure 1: Corporate structure of the Nagarro Group as of December 31, 2020

On March 26, 2021, the Management Board of Nagarro SE explicitly resolved to proceed with a full integration of Nagarro Holding GmbH with Nagarro SE. For the implementation of the full integration, negotiations were held with the participants of the existing Management Participation Program regarding a dissolution of this program in order to be able to implement a merger under the issuance of new shares in Nagarro SE to the members of the Management Participation Program. The aim of these discussions was to grant the participants of the Management Participation Program directly or indirectly shares in Nagarro Holding GmbH in the context of the dissolution of this program and new shares in Nagarro SE in the context of the subsequent merger.

The Management Participation Program results in various participations in Nagarro Holding GmbH: In addition to Nagarro SE with 64.93%, the two companies Nagarro Beteiligungs GmbH ("BET GmbH") with 20.00% and Nagarro SPP GmbH ("SPP GmbH") with 15.07% hold shares in Nagarro Holding GmbH. Nagarro SE in turn holds interests in these vehicles thus Nagarro SE holds 50.01% of the shares in BET GmbH and 51.00% of the shares in SPP GmbH. The remaining 49% of SPP GmbH is held by SPP Co-Investor GmbH & Co KG ("SPP KG"), in which Nagarro SE in turn holds 16.41%. In addition, Nagarro SE holds 100.00% in SPP Co-Investor Verwaltungs GmbH, which is the personally liable partner in SPP KG. Taking into account the indirect and direct investments, Nagarro SE thus holds 83.83% in Nagarro Holding GmbH as of December 31, 2020.

Finally, Nagarro SE holds 100% of the shares in Connect AG. In the course of the spin-off of Nagarro SE, the purchase price receivables against Nagarro SE, Nagarro Holding GmbH and Nagarro Inc. resulting from various disposals were sold and assigned to Allgeier SE in the total amount of TEUR 339,051. In the next step, Allgeier SE placed the purchase price claim against Nagarro SE from the sale of Nagarro Holding GmbH with an amount of TEUR 193,609 as well as a part of the purchase price claim against Nagarro Holding GmbH from the sale of iQuest in the amount of TEUR 50,000 into the capital reserve of Connect AG. Furthermore, the Union trademark "Nagarro" was contributed

by Allgeier SE to the capital reserve of Connect AG and assigned to it.³ Upon the spin-off taking effect, Nagarro SE acquired the shareholding in Connect AG with the assets bundled therein.⁴ As a result, Nagarro SE holds all shares in Connect AG after the spin-off has taken place (see again Figure 1).

In order to implement the planned merger of Nagarro Holding GmbH into Nagarro SE, in particular the following preparatory measures were carried out in 2021 to simplify the structure:

- Step 1: Merger of Connect AG into Nagarro SE
- Step 2: Unbundling of Nagarro SE's indirect shareholdings in the minority shareholders BET GmbH and SPP GmbH.

Regarding step 1:

With the merger agreement dated May 28, 2021, Connect AG as the transferring legal entity was merged with Nagarro SE as the acquiring legal entity. The transfer took place as a whole by way of merger by absorption with a merger date of January 01, 2021. The merger agreement as well as the financial reports of the companies concerned were published on the website of Nagarro. The merger had not yet been entered in the commercial register as of the date of completion of our report. We assume that this entry will be made by the actual valuation date.

With the merger, the structure of the Nagarro Group is as follows:

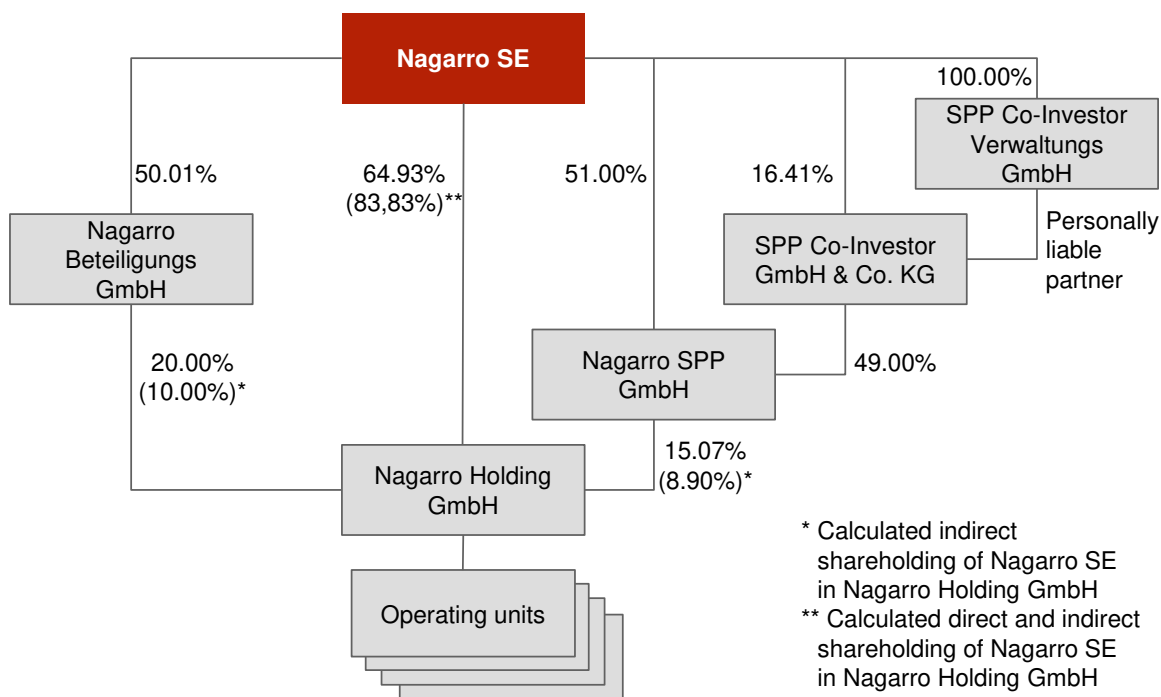


Figure 2: Corporate structure of the Nagarro Group as of January 01, 2021 (with merger of Connect AG into Nagarro SE)

³ See demerger report of Allgeier SE and Nagarro SE, note 126 f.

⁴ See demerger report of Allgeier SE and Nagarro SE, note 317.

Regarding step 2:

In the second step preparing for the merger, the indirect shareholdings of Nagarro SE in Nagarro Holding GmbH were dissolved and the shareholder structures in BET GmbH and SPP GmbH were simplified and the shareholding vehicles of the managers concerned were reorganized.

To this end, the following significant restructuring steps have been taken at the level of the minority shareholders in Nagarro Holding GmbH:

- Capital increase in kind of SPP GmbH

The share capital of SPP GmbH was increased against contribution in kind. The share capital of SPP GmbH amounted to EUR 25,000 prior to the capital increase in kind and was fully paid up. Nagarro SE held 12,750 shares in SPP GmbH with a nominal value of EUR 1.00 each and SPP KG held 12,250 shares with a nominal value of EUR 1.00 each until the capital increase through contribution in kind. The share capital was increased through the contribution in kind in the form of a claim of Nagarro SE against SPP GmbH including accrued interest in the amount of EUR 6,995,368.77 through the issuance of 829 new shares with a nominal value of EUR 1.00 each. The value of the contributed receivable exceeding the value of the new shares was transferred to the capital reserve of SPP GmbH. Only Nagarro SE was approved for the acquisition of the new shares. Since SPP GmbH in turn holds 15.07% of the shares in Nagarro Holding GmbH, the higher shareholding in SPP GmbH increases the indirect shareholding of Nagarro SE in Nagarro Holding GmbH. As a result, the indirect and direct shareholding of Nagarro SE in Nagarro Holding GmbH now amounts to 84.03% after this step from previously 83.83%. The capital increase was entered in the commercial register on June 24, 2021.

With the capital increase in kind of SPP GmbH against the issue of new shares, the Group structure is as follows:

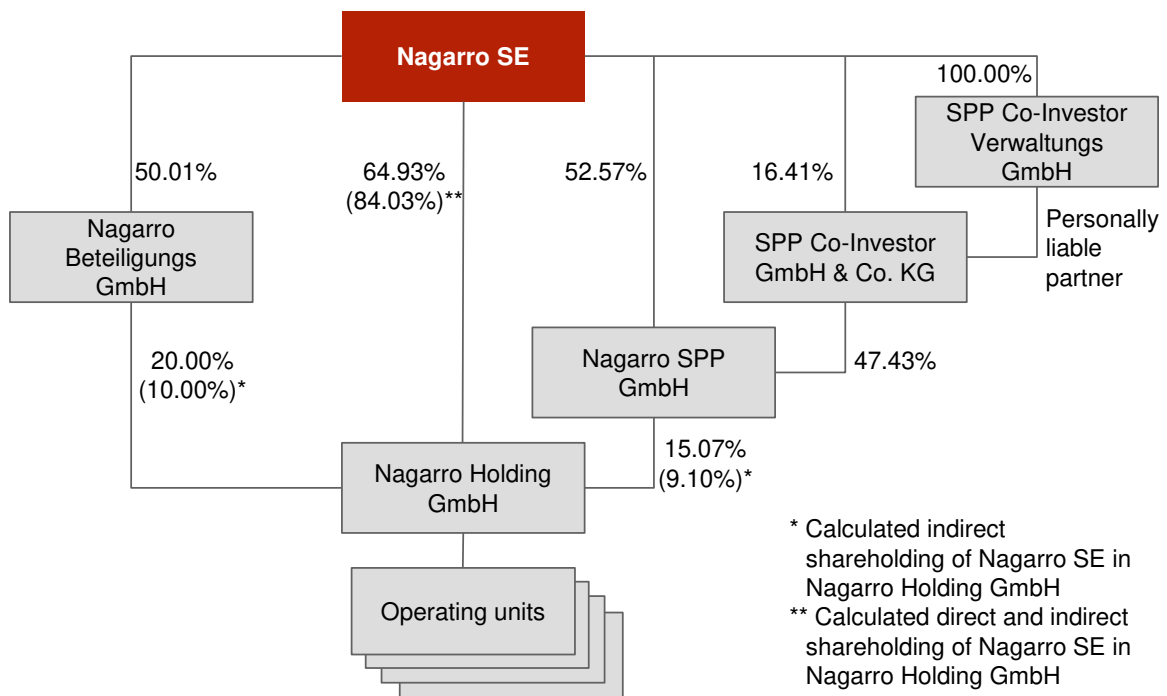


Figure 3: Corporate structure of the Nagarro Group in July 2021 (after capital increase in kind of SPP GmbH)

– Merger of BET GmbH and SPP GmbH into Nagarro Holding GmbH

In a next step, BET GmbH and SPP GmbH were merged into Nagarro Holding GmbH while maintaining the shareholding structure. As a result of this step, the previous shareholders of BET GmbH and SPP GmbH became direct shareholders in Nagarro Holding GmbH.

In preparation, the 16.41% of the shares in SPP KG were reduced to 0% by means of a corporate withdrawal of shares in SPP GmbH and transferring them to Nagarro SE. Thus, after this intermediate step, Nagarro SE holds 15,596 shares in SPP GmbH (60.38% of the share capital).

BET GmbH has a share capital of EUR 25,000 and is divided into 25,000 shares with a nominal amount of EUR 1.00 each. 6,249 shares are held by StarView Capital Growth, LLC (hereinafter "StarView LLC"), which corresponds to a participation rate of 24.996%. Another 6,249 business shares with a nominal amount of EUR 1.00 per business share (corresponding to 24.996%) are attributable to All Nag Beteiligungs GmbH & Co. KG ("All Nag Bet") (held in trust via Nagarro SE). 12,502 shares of BET GmbH are held by Nagarro SE (corresponds to 50.008%).

The share capital of SPP GmbH amounts to EUR 25,829 and is divided into 25,829 shares with a nominal value of EUR 1.00 each. 15,596 shares (i.e. 60.38% of the share capital) are held by Nagarro SE, 10,233 shares (corresponding to 39.62%) are held by SPP KG.

In order to implement the merger, the share capital of Nagarro Holding GmbH shall be increased from currently EUR 50,000 by EUR 17,534 to EUR 67,534. The contribution to the new shares shall be made as a contribution in kind by merging the transferring legal entities with the acquiring legal entity by way of merger by absorption in accordance with the merger agreement. The effective date of the merger is January 01, 2021. The new shares will be issued on a pro rata basis to the existing shareholders, namely 2,499 shares to StarView LLC, 2,499 shares to All Nag Bet (in trust via Nagarro SE), 2,985 shares to SPP KG and 9,551 shares to Nagarro SE. The 17.534 shares held by BET GmbH resp. SPP GmbH in Nagarro Holding GmbH will become treasury shares in Nagarro Holding GmbH as a result of the merger.

The mergers of these two companies were entered in the commercial register on July 19, 2021. After this step of the merger of the associated companies BET GmbH and SPP GmbH into Nagarro Holding GmbH, the structure is as follows:

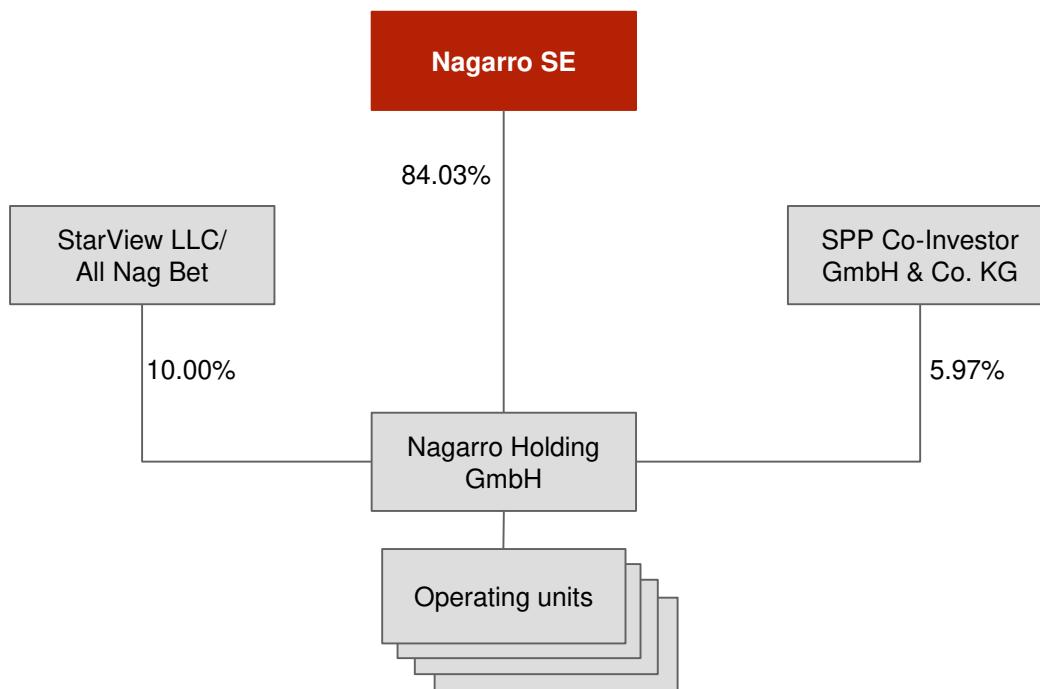


Figure 4: Corporate structure of the Nagarro Group in July 2021 (after downstream merger of the investment vehicles)

– Transfer of the participation programs

In a further step, still existing trust agreements as well as further agreements which are held or had been entered into by the SE in connection with the Management Participation Program are to be dissolved. The trust relationship, which Nagarro SE had entered into for All Nag Bet, will end with the registration of the merger of Bet GmbH into Nagarro Holding GmbH so that the shares are legally and economically held by All Nag Bet. The merger was entered in the commercial register – as shown above – on July 19, 2021.

The KG shares held by Nagarro SE for the trust relationship of the beneficiaries in the Management Participation Program via SPP KG were transferred to Accnite Management GmbH with legal effect from July 08, 2021, so that Nagarro SE is legally separate from the vehicle.

For further details of the restructuring measures undertaken, we refer to the joint merger report of Nagarro SE and Nagarro Holding GmbH.

2.3 Planned merger of Nagarro Holding GmbH into Nagarro SE

The planned merger of Nagarro Holding GmbH into Nagarro SE is intended to simplify the corporate structure of the Nagarro Group and also to enable the holders in the previous shareholding programs to participate directly in the parent company.

According to merger agreement dated July 19, 2021, the assets of Nagarro Holding GmbH shall be transferred as a whole with all rights and obligations to Nagarro SE as the acquiring legal entity, excluding the liquidation pursuant to § 2 No. 1 UmwG (merger by absorption).

The merger effective date as the day on which all acts and transactions are to be performed by Nagarro Holding GmbH as being for the account of Nagarro SE is 01 January 2021.

As consideration for the transfer of the assets of Nagarro Holding GmbH to Nagarro SE, the entitled shareholders of Nagarro Holding GmbH will receive corresponding no-par value registered shares in Nagarro SE for each share in Nagarro Holding GmbH in accordance with their previous participation.

The basis for the determination of the appropriate exchange ratio is the subject of the present expert opinion as well as the examination by the court-appointed merger auditor.

The rounded shareholdings in the legal entity to be transferred are as follows at the time of issuing this Opinion following the implementation of the restructuring steps described above:

Shareholdings in Nagarro Holding GmbH	
Shareholder	Share
Nagarro SE	84.03%
SPP KG	5.97%
All Nag Bet	5.00%
StarView LLC	5.00%
Total	100.00%

Table 1: Shareholdings (rounded) in Nagarro Holding GmbH as of the valuation date⁵

Nagarro Holding GmbH holds 17,534 treasury shares as of the date of this report.

For the issuance of the new shares, the share capital of Nagarro SE will be increased accordingly. The capital increase will take place under exclusion of the subscription right of the existing shareholders against contribution in kind. The contribution in kind is the assets of Nagarro Holding GmbH, which will be transferred to Nagarro SE in the course of the merger.

The merger agreement will only become effective after the shareholders' meeting of Nagarro SE and the shareholders' meeting of Nagarro Holding GmbH have approved this agreement and the merger has been entered in the commercial registers of both companies. The shareholders' meeting of Nagarro SE as acquiring legal entity, in which a resolution on the planned merger is to be brought about, is scheduled for August 31, 2021. The shareholders' meeting of Nagarro Holding GmbH, which must also approve the merger, is scheduled for August 31, 2021.

3 Nagarro Group

3.1 Overview and business activity

The Nagarro Group is a global company with offices in 26 countries and, due to its highly decentralized structure, a group without official headquarters.⁶

The Nagarro Group offers services around digitalization, which includes digital product engineering, digital commerce and customer experience, new-gen ERP consulting (mainly SAP S4/HANA) and managed services. The group of companies employs around 8,666 people worldwide (as of December 31, 2020). According to information, the number of employees will increase to approx. 10,600 as of May 31, 2021.

The Nagarro Group structure as of the valuation date is as follows:

⁵ Excluding treasury shares.

⁶ Thus the company's presentation, for example, in the Nagarro SE stock exchange prospectus, p. S-9 and Nagarro SE 2020 Group Annual Report, p. 21.

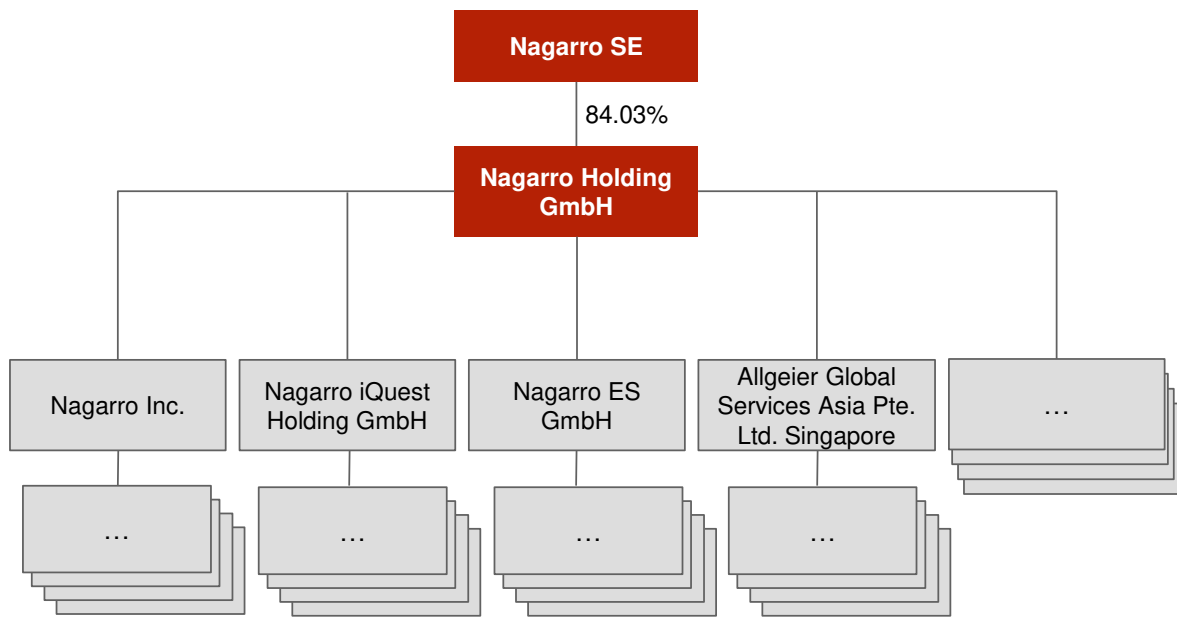


Figure 5: Corporate structure of the Nagarro Group as of the valuation date (after preparatory restructuring)

Nagarro Holding GmbH holds the shares in the other operating entities (see Figure).

Until the preparatory restructuring Nagarro SE holds an economic interest (i.e. directly and indirectly) in Nagarro Holding GmbH in the amount of 83.83%. At the time of the planned merger it is 84.03% (see again section 2.2). The remaining share of 15.97% (or 16.17% until December 31, 2020) is economically held by the management.

The net assets of the Nagarro Group are as follows:

Balance sheet - Nagarro SE (consolidated) in kEUR	Actual 2018	Actual 2019	Actual 2020
Intangible assets	10,180	8,993	11,003
Goodwill	97,474	102,395	95,878
Property, plant and equipment	6,653	7,201	6,390
Values in use from rental and lease agreements	47,258	54,862	51,735
Non-current contract costs	554	332	438
Other non-current financial assets	3,404	2,702	2,999
Other non-current assets	34	34	102
Deferred tax assets	4,574	8,332	7,932
Non-current assets	170,132	184,853	176,475
Inventories	10	9	127
Current contract costs	301	278	252
Contractual assets	5,528	12,562	10,922
Trade receivables	74,977	80,320	73,872
Other current financial assets	5,190	6,047	2,502
Other current assets	7,724	8,964	8,023
Income tax receivables	5,304	5,219	6,906
Cash and cash equivalents	27,947	43,758	107,742
Current assets	126,981	157,158	210,346
Total assets	297,112	342,011	386,822
Subscribed capital	50	50	11,383
Capital reserves	22,415	22,415	232,410
Profit carried forward	15,590	22,441	47,922
Profit or loss for the period excluding the share of non-controlling shareholders	6,852	25,481	18,447
Changes recognized directly in equity	24,112	-25,522	-260,612
Other result	5,514	5,384	-5,750
Equity attributable to shareholders of the parent company	74,533	50,249	43,800
Equity of non-controlling shareholders	14,377	9,693	2,728
Equity	88,910	59,942	46,528
Non-current financial liabilities	233	244	168,158
Non-current liabilities from rental and lease agreements	41,024	47,232	43,191
Non-current provisions for post-employment benefits	2,767	3,815	5,262
Other non-current provisions	241	236	243
Non-current contractual liabilities	237	285	125
Other non-current financial liabilities	1,470	2,125	1,672
Non-current liabilities from acquisitions	25,202	10,633	2,662
Deferred tax liabilities	1,720	1,566	2,599
Non-current liabilities	72,894	66,136	223,911
Current financial liabilities	5,734	5,252	14,429
Current liabilities from rental and leasing contracts	9,664	12,133	11,966
Current provisions for post-employment benefits	404	579	728
Other current provisions	8,191	9,927	14,443
Current contractual liabilities	4,431	7,249	9,396
Trade payables	17,358	16,055	22,196
Current liabilities from acquisitions	879	10,988	4,291
Other current financial liabilities	76,755	140,283	23,088
Other current liabilities	2,553	2,480	3,363
Income tax liabilities	9,341	10,987	12,484
Current liabilities	135,309	215,933	116,383
Total liabilities	297,112	342,011	386,822
Equity ratio	29.9%	17.5%	12.0%

 Table 2: Consolidated balance sheet of Nagarro SE according to IFRS for the fiscal years 2018 to 2020⁷

Total assets increase over the analysis period from kEUR 297,113 in 2018 to kEUR 386,822 in 2020.

⁷ Source: Nagarro SE 2020 Group Annual Report and audit report on the combined financial statements of Nagarro SE for 2019, 2018 and 2017.

The development of the main items can be summarized as follows:

The **goodwill** item resulting from company acquisitions fluctuates between kEUR 95,878 (2020) and kEUR 102,395 (2019). In addition to the acquisition of Nagarro MENA LLC and Solutions4Mobility LLC in 2019, the fluctuation of the position is due to currency differences.

Values in use from rental and lease agreements range between kEUR 47,258 (2018) and kEUR 54,862 (2019). The assets used under leases relate to real estate, vehicles, and operating and office equipment.

Trade receivables fluctuate between kEUR 73,872 (2020) and kEUR 80,320 (2019). **Cash and cash equivalents** increase from kEUR 27,947 in 2018 to kEUR 107,742 in 2020.

Equity decreases from kEUR 88,910 in 2018 to kEUR 46,528 in 2020, mainly due to the spin-off from the Allgeier Group. As a result, the equity ratio decreases from 29.9% in 2018 to 12.0% in 2020.

Non-current financial liabilities increase from kEUR 233 in 2018 to kEUR 168,158 in 2020. The increase results from the syndicated loan concluded on October 30, 2020, of which kEUR 175,000 was drawn down at the end of 2020.

Non-current liabilities from rental and lease agreements fluctuate between kEUR 41,024 (2018) and kEUR 47,232 (2019) and thus follow a similar pattern to the assets in use.

Other current financial liabilities range between kEUR 23,088 (2020) and kEUR 140,283 (2019). This item includes liabilities in connection with wages and salaries as well as vacation obligations. In 2018 and 2019, this item also included loans with companies from the Allgeier Group in the amount of kEUR 60,090 (2018) and kEUR 119,829 (2019).

Profit and loss account - Nagarro SE (consolidated) in kEUR	Actual 2018	Actual 2019	Actual 2020
Revenue	287,329	402,430	430,372
Other own work capitalized	512	906	323
Overall performance	287,841	403,336	430,695
Cost of materials	-39,866	-49,072	-49,168
Staff costs	-179,768	-254,662	-271,679
Impairment of trade receivables and contract assets	-1,011	-986	-2,020
Other operating income	2,443	12,730	11,635
Other operating expenses	-37,357	-49,762	-53,279
Earnings before interest, taxes, depreciation and amortization (EBITDA)	32,283	61,584	66,184
Depreciation	-13,714	-19,161	-21,641
Earnings before interest and taxes (EBIT)	18,569	42,422	44,543
Financial result	-4,151	-5,269	-6,801
Earnings before taxes (EBT)	14,418	37,153	37,742
Taxes on income and earnings	-6,244	-6,757	-13,386
Profit for the period	8,174	30,396	24,356
<i>Sales growth</i>	<i>n.a.</i>	<i>40.1%</i>	<i>6.9%</i>
<i>Cost of materials ratio</i>	<i>-13.9%</i>	<i>-12.2%</i>	<i>-11.4%</i>
<i>Staff cost ratio</i>	<i>-62.6%</i>	<i>-63.3%</i>	<i>-63.1%</i>
<i>Other operating income / revenue</i>	<i>0.9%</i>	<i>3.2%</i>	<i>2.7%</i>
<i>Other operating expenses / revenue</i>	<i>-13.0%</i>	<i>-12.4%</i>	<i>-12.4%</i>
<i>EBITDA margin</i>	<i>11.2%</i>	<i>15.3%</i>	<i>15.4%</i>
<i>EBIT margin</i>	<i>6.5%</i>	<i>10.5%</i>	<i>10.3%</i>
<i>Sales margin</i>	<i>2.8%</i>	<i>7.6%</i>	<i>5.7%</i>

Table 3: Consolidated income statement of Nagarro SE according to IFRS for the fiscal years 2018 to 2020⁸

Revenue increases from kEUR 287,329 in 2018 to kEUR 430,372 in 2020, corresponding to revenue growth of 40.1% (2019) and 6.9 (2020), respectively.

The **cost of materials** will increase from kEUR 39,866 in 2018 to kEUR 49,168 in 2020. In addition to costs for software, this item includes in particular purchased services for external employees and subcontractors.

Staff costs represent the most significant cost item and show an increase from kEUR 179,768 in 2018 to kEUR 271,679 in 2020.

Other operating expenses include travel, vehicle and IT costs. In 2020, this item also includes spin-off and listing costs in the amount of kEUR 10,288. Overall, the item increases from kEUR 37,357 in 2018 to kEUR 53,279 in 2020.

Taking into account the various items, **EBIT** improves from kEUR 18,569 in 2018 to kEUR 44,543 in 2020, with the EBIT margin fluctuating between 6.5% (2018) and 10.5% (2019).

As a result, the **profit for the period** ranges between kEUR 8,174 (2018) and kEUR 30,396 (2019).

⁸ Source: Nagarro SE 2020 Group Annual Report and audit report on the combined financial statements of Nagarro SE for 2019, 2018 and 2017.

3.2 Nagarro Holding GmbH as the company to be merged

3.2.1 Legal and tax relations

Nagarro Holding GmbH headquartered in Munich is registered in the Commercial Register B of the Local Court of Munich under the number HRB 213425. The fiscal year is the calendar year.

The Articles of Association of Nagarro Holding GmbH are valid as amended on July 05, 2021.

The share capital of the company amounts to EUR 67,534.00 as of the valuation date and is divided into 67,534 shares with a nominal value of EUR 1.00 each. 17,534 shares are held as treasury shares by Nagarro Holding GmbH as of the valuation date. For information on the shareholdings, please refer to section 2.2.

As of December 31, 2020, Nagarro Holding GmbH has a corporate income tax loss carryforward of approximately EUR 9.7 million and a trade tax loss carryforward of approximately EUR 7.3 million. In addition, Nagarro Holding GmbH has a tax deposit account as of December 31, 2020.

3.2.2 Business activity

According to the Articles of Association, the object of Nagarro Holding GmbH is the acquisition and management of shareholdings in companies in Germany and abroad, as well as the provision of consulting and other services for other companies, insofar as no special permits are required for this.

Nagarro Holding GmbH essentially holds the investments of the Nagarro Group and is practically not operationally active itself and, in addition to a managing director, has only one FTE as of the valuation date. In this respect, reference should be made to section 3.1 the Nagarro Group with regard to the business activities of the legal entity to be acquired.

3.3 Nagarro SE as the absorbing company

3.3.1 Legal and tax relations

Nagarro SE, headquartered in Munich, is a listed SE under German law. It is registered in the Commercial Register B of the Local Court of Munich under the number HRB 254410. The fiscal year is the calendar year.

The Articles of Association of Nagarro SE are valid as amended on May 28, 2021.

As of December 31, 2020, the Company's share capital amounts to EUR 11,382,513.00 and is divided into no-par value registered shares.

At the Extraordinary General Meeting of Nagarro SE on October 30, 2020, a resolution was passed for the authorization of the Executive Board to issue 194,000 stock options to the holders of stock options of Allgeier SE (Stock Option Program I, "SOP I"). SOP I is the redemption of stock options from two existing stock option programs of Allgeier SE from 2010 and 2014. The exercise period for SOP I was in May 2021, all stock options were exercised. By resolution dated May 17, 2021, the Executive Board of Nagarro SE resolved, using part of the Authorized Capital, to increase the share capital of the Company by EUR 194,000.00 to EUR 11,576,513.00 against cash contributions and excluding subscription rights by issuing 194,000 new registered no-par value shares with a pro rata amount of the share capital of EUR 1.00 per share. Against this background, the share capital of Nagarro SE (without taking into account the merger with Connect AG) has increased from EUR 11,382,513.00 as of December 31, 2020 to EUR 11,576,513.00 as of the valuation date.

In the same General Meeting on October 30, 2020, the Executive Board of Nagarro SE was authorized to issue stock options to employees of Nagarro SE as well as to employees and members of the management bodies of affiliated companies (Stock Option Program II, "SOP II"). The SOP II comprises 800,000 options, of which 410,000 options are currently issued according to information. Furthermore, the Executive Board of Nagarro SE was authorized in the Extraordinary General Meeting on October 30, 2020 to issue stock options to members of the Executive Board of the Company (Stock Option Program III, "SOP III"). SOP III comprises 45,000 options, all of which have been issued.⁹

The shares of Nagarro SE (WKN A3H220) have been admitted to trading on the regulated market of the Frankfurt Stock Exchange since December 16, 2020. Furthermore, Nagarro SE shares are traded over-the-counter on local German stock exchanges. In June 2021, Nagarro SE was admitted to the SDAX.

A profit and loss transfer agreement between Nagarro SE and Nagarro Holding GmbH does not exist. For the fiscal year ending December 31, 2020, Nagarro SE has prepared a dependent company report, which has been audited by the auditor.

As of December 31, 2020, Nagarro SE has tax loss carryforwards. The corporate income tax loss carryforward is approximately EUR 15.8 million, the trade tax loss carryforward is approximately EUR 15.1 million. In addition, Nagarro SE has a tax deposit account in the amount of kEUR 232,410 as of December 31, 2020. According to information, a VAT audit is currently pending. Presently, no result is available yet.

3.3.2 Business activity

According to the Articles of Association, the object of Nagarro SE is the provision of software and technology consulting, development, execution of testing procedures, implementation, maintenance, operation and innovation services in the field of software and technology. The company can either carry out these areas of activity itself or carry out its business activities as a holding company also through subsidiaries, associated companies and joint ventures.

The focus of Nagarro SE's business activities is on the topics of stock exchange listing, compliance and governance. In addition, Nagarro SE performs financing functions for the Group. Nagarro SE itself has – apart from the three members of the Management Board – only one employee who works part-time. Of the board members of Nagarro SE, only one person is responsible for Nagarro SE on a full-time basis, while the other two board members are increasingly active in operating companies of the Nagarro Group. Nagarro SE is therefore not a classic holding company that acts as a parent company, but only performs the part of activities that are required for the function as a listed parent company of the Nagarro Group. All other important functions for the management of the Nagarro Group (e.g. central marketing, strategic development, M&A activities, etc.) are located in Nagarro Holding GmbH or are decentralized in companies below Nagarro Holding GmbH.

4 Derivation of an appropriate exchange ratio

4.1 Valuation principles

In a merger, the previously separate shareholder groups are brought together. With the merger, both shareholder groups participate in the future earnings of the merged company in the ratio resulting

⁹ For further details see Group Annual Report of Nagarro SE 2020, p. 171.

from the exchange ratio.¹⁰ Consequently, in the case of a merger, the focus is on the appropriateness of the exchange ratio (§ 12 (2) sentence 1 UmwG). The Transformation Act does not specify how the exchange ratio is to be determined in detail.¹¹ Both groups of shareholders are treated appropriately if – viewed collectively – they are allocated the share in the future corporate income which corresponds to the value share of what each side has "contributed". Thus, neither the shareholders of the transferring legal entity nor those of the acquiring legal entity should be economically worse off as a result of the merger, i.e. receive full economic value compensation.¹² The exchange ratio thus results from a relational valuation of the merged companies while preserving the economic asset position.

A key framework condition is that a uniform reporting date is used as a basis. The valuation date for determining the exchange ratio is not regulated by law. In practice, it has become established that, in line with the prevailing opinion, the date of the resolving general meeting or shareholders' meeting of the transferring legal entity is used as the valuation date.¹³

Compound effects which can only be achieved when a structural measure under company law becomes effective (so-called genuine synergy effects) can be disregarded in the value considerations in the case of a merger.¹⁴ In these considerations, it is to be assumed that there may be a certain range of several appropriate exchange ratios and that there is not only one "correct" exchange ratio. According to business judgment, an appropriate exchange ratio is that which a reasonable party acting as a rational businessman would still have accepted.

4.2 Procedure and method

In the present case, the special feature is that the only material asset from which material income can be generated in the future is the company to be merged itself – i.e. Nagarro Holding GmbH. Since the operating business of the Nagarro Group is bundled in Nagarro Holding GmbH and its investments, at the time of the merger both Nagarro SE as majority shareholder and the minority shareholders participate in these expected earnings in accordance with their economic participation quotas in Nagarro Holding GmbH.

Insofar as Nagarro SE itself has no independent value, the share ratio for the merger is therefore determined from the share ratios in Nagarro Holding GmbH relevant on the valuation date in the sense of preserving the previous share ratios in the operating asset. In the event that Nagarro SE itself would generate significant assets or liabilities of its own, the exchange ratio would have to be adjusted accordingly in accordance with the requirement of reasonableness. Otherwise, the merger can take place in accordance with an exchange ratio, which preserves the ratio at the level of Nagarro Holding GmbH.

Since in the present case the main question is whether Nagarro SE has its own positive or negative value contribution which is so material that it would lead to a change in the exchange ratio of the previous participation quotas in the company to be merged, Nagarro Holding GmbH, the valuation analysis focuses on possible material hidden reserves or obligations and risks at the level of Nagarro SE.

¹⁰ See Adolff/Häller, Börsenkurs und Unternehmensbewertung, in: Fleischer/Hüttemann (ed.), Rechtshandbuch Unternehmensbewertung, 2nd edition, 2019, note 18.5.

¹¹ See Bungert, Unternehmensbewertung im Umwandlungsrecht, in: Fleischer/Hüttemann (ed.), Rechtshandbuch Unternehmensbewertung, 2nd edition, 2019, note 22.10.

¹² Cf. IDW, WPH Edition, Valuation and Transaction Advice, 2018, ch. C note 140 et seq.

¹³ Cf. IDW, WPH Edition, Valuation and Transaction Advice, 2018, ch. C note 146.

¹⁴ Cf. IDW, WPH Edition, Valuation and Transaction Advice, 2018, ch. C note 120, 147.

For purposes of identifying potential value differences, several different fields of analysis are examined in detail:

- Economic conditions and analysis of possible earnings potential of Nagarro SE
- Analysis of possible hidden reserves or non-operating assets of Nagarro SE
- Analysis of potential hidden charges of Nagarro SE.

In addition, it was investigated whether there are possible differences in value that could be due to the shareholdings in Nagarro Holding GmbH.

If and to the extent that, from a materiality point of view, no (positive or negative) value can be determined for Nagarro SE in addition to its shareholding in Nagarro Holding GmbH or no differences in value can be substantiated by the shareholding ratios in Nagarro Holding GmbH, the merger shall be carried out while maintaining the ratios of the economic shareholding ratio of Nagarro SE as well as the minority interests in Nagarro Holding GmbH as of the valuation date.

For the purpose of this analysis, a forecast and a business plan consisting of a forecasted balance sheet and a forecasted income statement for the financial years 2021 to 2023 were prepared for Nagarro SE. The planning is based on IFRS figures.¹⁵ Since an isolated business plan at the level of the SE is not required for the usual management of the Nagarro Group, but is generally planned for the entire group, this planning is not part of a usual planning process and therefore had to be prepared separately for the purpose of the merger of Nagarro Holding GmbH into Nagarro SE. As Connect AG was merged into Nagarro SE retroactively as of January 01, 2021, this planning already takes into account the assets and liabilities as well as earnings effects of this preparatory transaction. This planning also takes into account the already made contribution in kind of the receivable from SPP GmbH against capital increase. The planning thus reflects the current state of knowledge at the valuation date.

This business plan was approved by the Board of Directors of Nagarro SE on June 28, 2021. The business plan was reviewed by us for accuracy, completeness and plausibility. In addition, we have requested and evaluated various documents, conducted expert interviews and prepared analyses. The results of our investigations are documented and explained in detail in section 4.3.1.

In accordance with general practice and prevailing opinion, the valuation date shall be the date of the resolving shareholders' meeting of Nagarro Holding GmbH as the acquiring entity, which is to take place on August 31, 2021.

4.3 Analysis of possible value differences on the level of Nagarro SE

4.3.1 Economic conditions and analysis of possible earnings potentials and/or obligations

Nagarro SE was established as a shelf company by articles of association dated January 17, 2020. The fiscal year 2020 is therefore a short fiscal year.

The results of operations of Nagarro SE as of December 31, 2020 are as follows:

¹⁵ For a reconciliation of the starting point of the forecasted balance sheet of Nagarro SE (including the merger of Connect AG) between HGB and IFRS, please refer to Annex 2.

Profit and loss account - Nagarro SE in kEUR	Actual 2020
Staff costs	-130
Other operating income	1
Other operating expenses	-13,087
Earnings before interest, taxes, depreciation and amortization (EBITDA)	-13,216
Depreciation	0
Earnings before interest and taxes (EBIT)	-13,216
Financial result	-2,661
Interest and similar income	132
Interest and similar expenses	-2,793
Loss for the period	-15,877

Table 4: Income statement of Nagarro SE according to HGB for fiscal year 2020¹⁶

Staff costs amount to kEUR 130 in the short financial year 2020.

Other operating income is immaterial. **Other operating expenses** amount to kEUR 13,087 and mainly relate to costs of the spin-off and the IPO as well as related consulting costs and fees. In addition, audit costs and expenses for currency translation are included in this item.

Thus, at the level of Nagarro SE, the negative **EBIT** for the fiscal year 2020 amounts to -13,216.

Interest income amounts to kEUR 132 and results from the loans issued to Nagarro Holding GmbH, Nagarro Inc., BET GmbH and SPP GmbH. **Interest expenses** relate in particular to the interest expense resulting from the purchase price claim of Connect AG to Nagarro SE.

Overall, this results in a **loss for the period** of kEUR -15,877 for Nagarro SE for the short year 2020.

The net assets of Nagarro SE as of December 31, 2020 are as follows:

¹⁶ Source: separate financial statements of Nagarro SE 2020.

Balance sheet - Nagarro SE in kEUR	Actual 2020
Shares in affiliated companies	437,281
Loans to affiliated companies	158,208
Non-current assets	595,489
Other assets	801
Cash and cash equivalents	17,561
Current assets	18,362
Prepaid expenses	846
Total assets	614,697
Subscribed capital	11,383
Capital reserves	232,410
Net loss for the year	-15,877
Equity	227,915
Other provisions	610
Provisions	610
Liabilities to banks	181,387
Trade payables	2,688
Liabilities to affiliated companies	201,953
Other liabilities	143
Liabilities	386,171
Total liabilities	614,697

Equity ratio	37.1%
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Table 5: Balance sheet of Nagarro SE according to HGB for fiscal year 2020¹⁷

Shares in affiliated companies amount to kEUR 437,281 and comprise the investments in Nagarro Holding GmbH, BET GmbH, SPP GmbH, SPP KG, SPP Verwaltungs GmbH and Connect AG.

Loans to affiliated companies amount to kEUR 158,208 and include the aforementioned loans issued to Nagarro Holding GmbH, Nagarro Inc, BET GmbH and SPP GmbH. **Other assets** in the amount of kEUR 801 mainly include deductible input tax.

As of December 31, 2020, **cash and cash equivalents** amounted to kEUR 17,561. **Prepaid expenses** include prepaid insurance amounts in the amount of kEUR 801.

Equity amounts to kEUR 227,915, which corresponds to an equity ratio of 37.1%.

Other provisions are recognized in the amount of kEUR 610 and mainly relate to costs for the Annual General Meeting, outstanding purchase invoices, remuneration for the Supervisory Board, costs for the preparation and audit of the annual and consolidated financial statements, and the costs for the preparation of the annual report.

Liabilities to banks amount to kEUR 181,387 and relate in particular to a syndicated loan of kEUR 175,000. The syndicated loan was taken out in December 2020 and consists of a term loan of kEUR 100,000 and a revolving credit facility of kEUR 100,000. The loan has a term of three years, which can be extended twice by one year each time.¹⁸

¹⁷ Source: separate financial statements of Nagarro SE 2020.

¹⁸ Cf. Group Annual Report of Nagarro SE 2020, p. 42.

Trade payables amount to kEUR 2,688 and are mainly due to the costs associated with the spin-off and the IPO.

Liabilities to affiliated companies relate in particular to the loan to Connect AG, Nagarro GmbH and IQest GmbH.

Other liabilities amount to kEUR 143 and include, among other things, liabilities from payroll and church taxes.

As Connect AG had not yet merged with Nagarro SE as of December 31, 2020, but was a wholly owned subsidiary of Nagarro SE, the following briefly discusses the results of operations and financial position of Connect AG for the sake of completeness.

The results of operations of Connect AG are as follows:

Profit and loss account - Connect AG in kEUR	Actual 2020
Revenue	320
Staff costs	-304
Other operating expenses	-29
Earnings before interest, taxes, depreciation and amortization (EBITDA)	-14
Financial result	2,826
Earnings before taxes (EBT)	2,812
Taxes on income and earnings	-927
Profit for the period	1,885

Table 6: Income statement of Connect AG according to HGB for fiscal year 2020¹⁹

Revenue amounts to kEUR 320 and relates to services rendered in connection with the spin-off of Nagarro SE. **Staff costs** in connection with the services rendered amount to kEUR 304.

The **other operating expenses** in the amount of kEUR 29 are immaterial. The **financial result** amounts to kEUR 2,826 and includes interest income from the purchase price receivable from Nagarro SE and Nagarro Holding GmbH.

Taking into account taxes, the **profit for the period** of Connect AG for the financial year 2020 amounts to kEUR 1,885.

Connect AG's net assets as of December 31, 2020 can be seen in the following table:

¹⁹ Source: separate financial statements of Connect AG 2020.

Balance sheet - Connect AG in kEUR	Actual 2020
Non-current assets	0
Current assets	246,498
Total assets	246,498
Equity	245,554
Provisions	931
Liabilities	13
Total liabilities	246,498

Equity ratio	99.6%
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Table 7: Balance sheet of Connect AG according to HGB for fiscal year 2020²⁰

Current assets amount to kEUR 246,498 and mainly include the purchase price receivables from Nagarro SE and Nagarro Holding GmbH.

Equity amounts to kEUR 245,554, which corresponds to an equity ratio of 99.6%.

Provisions amount to kEUR 931 and mainly relate to **tax provisions**.

Liabilities are immaterial and amount to kEUR 13.

As described in section 2.2, Connect AG was transferred to Nagarro SE with retroactive effect as of January 1, 2021. The business planning already takes into account the effects from the merger of Nagarro SE and Connect AG and is as follows:

Profit and loss account - Nagarro SE in kEUR	Forecast 2021	Plan 2022	Plan 2023
Revenue	0	0	0
Staff costs	-6,544	-4,019	-2,511
Other operating income	5,974	3,624	2,238
Other operating expenses	-4,090	-2,505	-2,556
Earnings before interest, taxes, depreciation and amortization (EBITDA)	-4,660	-2,900	-2,829
Depreciation	-13	-13	-13
Earnings before interest and taxes (EBIT)	-4,673	-2,913	-2,842
Financial result	1,107	1,375	1,401
Interest and similar income	6,079	5,809	5,626
Interest and similar expenses	-4,972	-4,434	-4,225
Earnings before taxes (EBT)	-3,566	-1,539	-1,440

Table 8: Forecast as well as planning of the results of Nagarro SE according to IFRS (taking into account the merger with Connect AG)²¹

In addition to salary payments, **staff costs** include in particular expenses for SOP II and SOP III. The salary payments relate to a part-time position and the members of the Executive Board, whereby only one member of the Executive Board is fully remunerated by Nagarro SE. Overall, staff costs will decrease from kEUR 6,544 in 2021 to kEUR 2,511 in 2023 due to the declining relevance of SOP II and SOP III.

²⁰ Source: separate financial statements of Connect AG 2020.

²¹ Source: Nagarro SE data.

Other operating income relates in particular to the recharges of expenses from SOP II and SOP III, as the executives concerned and in some cases the Executive Board are active in the operating group.

Other operating expenses decrease from kEUR 4,090 in 2021 to kEUR 2,505 in 2022 and increase slightly to kEUR 2,556 in the following year 2023. The higher costs in 2021 are mainly attributable to the legal and consulting costs incurred in connection with the merger and the previous restructuring. Furthermore, this item includes in particular costs for the preparation and audits of the annual and consolidated financial statements, the costs for the preparation of the annual report, Supervisory Board compensation, costs of the stock exchange listing, currency effects and insurance costs.

The **financial result** increases from kEUR 1,107 in 2021 to kEUR 1,401 in 2023. The positive financial result results from the intra-group transfer of the syndicated loan, which takes place at a higher interest rate, and the purchase price receivable from Nagarro Holding GmbH. While interest expenses decrease from kEUR 4,972 in 2021 to kEUR 4,225 in 2023, interest income decreases from kEUR 6,079 in 2021 to kEUR 5,626 in 2023.

As a result, **EBT** will decrease from kEUR -3,566 in 2021 to kEUR -1,440 in 2023. The higher loss in the current fiscal year is – as already mentioned – due in particular to the expenses for the comprehensive restructuring measures currently underway.

Due to the timeliness of the approved planning, the 2021 forecast already takes into account the actual business development up to and including May 2021. As a result, a currency effect in the amount of kEUR 120 of a loan issued in USD is also included in the 2021 forecast. In principle, Nagarro SE does not engage in currency hedging transactions, so that the currency effects can be both positive and negative. Due to the lack of predictability, no further currency effects are included in the planning.

We have analyzed the available actual figures up to and including May 2021 and evaluated further documents relating to the planning prepared. Various expert discussions were held on the planning, including with the Executive Board of Nagarro SE. Overall, the main interrelationships of the business activities of Nagarro SE have been comprehensibly derived in the company's planning and the premises have been transparently explained. In our opinion, the planning documents represent a suitable basis for the present valuation purpose. As a result, we consider the planning to be comprehensible and plausible.

The forecasted balance sheet of Nagarro SE is as follows:

Balance sheet - Nagarro SE In kEUR	Forecast 2021	Plan 2022	Plan 2023
Shares in affiliated companies	203,553	203,553	203,553
Right of use assets	26	13	0
Non-current assets	203,579	203,566	203,553
Receivables from affiliated companies	194,422	188,743	180,404
Other assets	2,574	2,498	2,432
Cash and cash equivalents	12,188	12,190	13,469
Current assets	209,184	203,432	196,305
Total assets	412,763	406,998	399,858
Subscribed capital	11,577	11,577	11,577
Capital reserves	241,183	244,455	246,212
Loss carried forward	-16,185	-17,544	-18,818
Equity	236,575	238,487	238,970
Non-current financial debt	160,463	153,000	145,000
Non-current liabilities from rental and leasing contracts	13	0	0
Deferred tax liabilities	346	166	0
Non-current liabilities	160,822	153,166	145,000
Current financial liabilities	7,422	7,463	8,000
Current liabilities from rental and leasing contracts	13	13	0
Other current provisions	1,022	1,063	1,081
Trade payables	274	169	171
Other current financial liabilities	6,636	6,636	6,636
Current liabilities	15,366	15,344	15,888
Total liabilities	412,763	406,998	399,858
Equity ratio	57.3%	58.6%	59.8%

Table 9: Forecasted balance sheet of Nagarro SE according to IFRS (taking into account the merger with Connect AG) ²²

Non-current assets decrease marginally from kEUR 203,579 in 2021 to kEUR 203,553 in 2023 and mainly include the share in Nagarro Holding GmbH.

The main **current asset** item is **receivables from affiliated companies**, which relate to intercompany loans issued. This item decreases from kEUR 194,422 in 2021 to kEUR 180,404 in 2023. Furthermore, **cash and cash equivalents** increase slightly from kEUR 12,188 in 2021 to kEUR 13,469 in 2023.

Despite the net loss for the years 2021 to 2023, **equity** increases from kEUR 236,575 in 2021 to kEUR 238,970 in 2023, resulting from the expense for SOP II / III recognized in additional paid-in capital. The equity ratio increases from 57.3% in 2021 to 59.8% in 2023.

Non-current financial debt decreases from kEUR 160,463 in 2021 to kEUR 145,000 in 2023 as a result of the repayments associated with the syndicated loan.

Current liabilities fluctuate between 15,344 (2022) and 15,888 (2023) and include in particular current financial debt and other current financial liabilities. **Current financial liabilities** relate to the syndicated loan and will increase from kEUR 7,422 in 2021 to kEUR 8,000 in 2023. **Other current financial liabilities** are planned to remain constant at kEUR 6,636 in the years 2021 to 2023 and mainly relate to intra-Group loans.

²² Source: Nagarro SE data. For reconciliation between HGB and IFRS see again Annex 2.

As a result, it can be stated that Nagarro SE has an annual negative result in the seven-digit range in the context of fulfilling its function as a parent company and its financing function.

4.3.2 Analysis of potential hidden reserves and non-operating assets

Nagarro SE is the owner of various **trademark rights** to the trademark "Nagarro" as of the valuation date. The trademark portfolio consists of the EU word mark under the registration number EM 012994885, which was contributed to and assigned to the capital reserve of Connect AG pursuant to § 272 (2) No. 4 HGB by way of spin-off from Allgeier SE.²³ In addition, there are three word and figurative marks registered by Nagarro SE.²⁴

With the trademark license agreement dated May 03, 2021, the trademark use of the Nagarro brand family is held by Nagarro Holding GmbH with an unlimited right of use in the subsidiaries. The trademark license includes a worldwide, unlimited and exclusive right of use. After the spin-off, the Nagarro Group set up a comprehensive brand concept and introduced a new logo, a new corporate identity, a brand book and a new website.²⁵ The comprehensive and professional brand concept was introduced by Nagarro Group's marketing and design team. According to the company's estimate, the expenses in the current brand image are in the order of approximately EUR 1 million and were incurred exclusively below the level of Nagarro SE. As part of its compliance function, Nagarro SE only carries out the formal monitoring of trademark rights with regard to possible infringements by third parties. The uniform image within the Group and externally is implemented and also monitored by the marketing of the operating units.

As of the valuation date, the Nagarro Group thus shows a consistent image that has only recently been developed and introduced by the operating companies. The Group operates in a B2B market, the market share of Nagarro is still very small and the awareness of the company is also considered to be rather low. Although Nagarro SE is formally the owner of the registered trademark rights, a potential economic value in the form of a brand concept has been and is being developed in the operating units. According to the trademark license agreement, Nagarro Holding GmbH is thus responsible for the brand appearance.

Against this background, the trademark rights located at the level of the SE do not lead to any economic added value which would have to be taken into account separately in an exchange ratio. According to business judgment, it would not be reasonable for the shareholders of Nagarro Holding GmbH to accept to first invest in the brand to a significant extent, while Nagarro SE has no significant expenses, in order to then accept a dilution for the value created. Conversely, the shareholders of the SE benefit from a possible uniform perception of the brand via their shareholding in Nagarro Holding GmbH (and as participants in the capital market). As a result, the mere holding of the rights to the Nagarro trademark does not lead to any substantial value of its own at the level of the SE for the reasons set out here.

According to the balance sheet planning for the year 2021, Nagarro SE has planned **cash and cash equivalents** in the amount of approximately EUR 12 million. From our analyses, there are no indications that this is non-operating liquidity that could be attributed as a separate asset exclusively to Nagarro SE shareholders, which can be summarized as follows:

²³ Cf. demerger report of Allgeier SE and Nagarro SE, note 127.

²⁴ The three word and figurative marks in question are IR 1586305, EM 018312518 and EN 3020200196175.

²⁵ See Group Annual Report of Nagarro SE 2020, p. 28.

- In order to further strengthen the growth of the Group, the Executive Board does not currently plan to pay any dividends.²⁶
- As part of the financing function at the level of Nagarro SE, available cash and cash equivalents are extended to the operating units as intercompany loans (see again section 4.3.1).
- The strategy of the Executive Board also provides for further inorganic growth in the Group. The Executive Board assumes that liquid funds will continue to be used for the planned growth of the Nagarro Group as part of the financing function of the Nagarro SE.

A balance of cash and cash equivalents at a certain reporting date is therefore at most a temporary effect. The intra-group financing via Nagarro SE is part of the overall strategy for the Nagarro Group. A separate asset that could be attributed exclusively to the shareholders of Nagarro SE in the context of the exchange ratio does not exist in the result.

At the time of preparing this expert opinion, Nagarro SE does not hold any **treasury shares** that would have to be recognized as an asset. The Executive Board has confirmed this to us as part of the representation letter.

Finally, we have examined whether Nagarro SE may own **independent taxable assets**, which would have to be taken into account in the context of the exchange ratio. As presented under section 3.3.1, Nagarro SE has both a tax deposit account and tax loss carryforwards.

The tax deposit account results from a split between Allgeier SE and Nagarro SE in the course of the demerger.²⁷ As of December 31, 2020, the tax deposit account of Nagarro SE amounts to approximately EUR 232 million.²⁸ From a valuation perspective, a tax deposit account can only become recoverable at a valuation date if there is a distributable profit below the planned distributions over a longer period of time, so that there are tax-free repayments of deposits.²⁹ As of the valuation date, no dividend payment is planned for Nagarro SE due to its growth strategy. As of the valuation date, no constellation is identifiable that allows the use of the tax deposit account, so that no value contribution can be determined.

In addition, Nagarro SE has a trade tax loss carryforward of EUR 15.1 million and a corporate income tax loss carryforward of EUR 15.8 million as of December 31, 2020. Due to the expected losses at the level of the SE, it is assumed that the loss carryforward will continue to build up. A tax loss carryforward may be recoverable if taxable income at the level of the Company, offset by the accumulated loss carryforwards, is not subject to corporate tax until the tax loss carryforwards have been used up. As no dividend payments are currently planned, the loss carryforwards cannot be utilized. In addition, Nagarro SE is essentially only expected to receive income from its investment in Nagarro Holding GmbH. The income from Nagarro Holding GmbH at Nagarro SE is 95% tax-free due to the “Schachtelprivileg” (intercorporate privilege). In this respect, the tax loss carryforwards at the level of Nagarro SE cannot be utilized as of the valuation date and are therefore not separately recoverable.

Further indications of other hidden reserves or non-operating, recoverable assets at the level of Nagarro SE, which would have to be taken into account in the context of an exchange ratio, have not arisen.

²⁶ Cf. Group Annual Report of Nagarro SE 2020, p. 196.

²⁷ Cf. demerger report of Allgeier SE and Nagarro SE, note 238.

²⁸ Data provided by Nagarro SE.

²⁹ See also Castedello/Schöninger/Tschöpel, Praxiswissen Unternehmensbewertung, 2nd edition, 2020, p. 56 f.

4.3.3 Analysis of possible hidden charges

The **stock options** from SOP I have already been exercised at the valuation date and are included in the share capital in the amount of EUR 11,576,513.00. The new shares were issued at an average amount of EUR 16.2986598 per share. Nagarro SE therefore received an amount of EUR 3,161,940.00 with the issue of the shares. This is already reflected in the planning of Nagarro SE (see section 3.3.1).

SOP II and SOP III have only been issued for a short time at the valuation date. The waiting period for exercising the option rights is at least four years from the date of issue. The exercise price for SOP II and SOP III is EUR 95.35.³⁰ The expenses for SOP II are charged on by Nagarro SE to the local companies according to IFRS, as the executives concerned are active in the operating group (see again section 4.3.1).

A possible value effect on Nagarro SE is not identifiable as of the valuation date, as on the one hand the exercise scenario is unknown and on the other hand it is unclear when or how the options will be serviced. A significant value effect on the level of Nagarro SE cannot be determined as of the valuation date.

The Executive Board of Nagarro SE has assured us in a representation letter that there are no hidden burdens or obligations (e.g. from previous trustee functions) as of the valuation date. Our analyses have not revealed any indications to the contrary.

4.3.4 Conclusion

As a result, it should be noted that at the level of Nagarro SE, expenses mainly remain for the stock exchange listing as well as the compliance and monitoring of compliance and governance rules.

The result of Nagarro SE, which is planned to be negative, can be regarded as necessary expenses for the listing of the SE shares from the perspective of a rationally acting reasonable businessman. In contrast, the shareholders of Nagarro SE – unlike the shareholders in the non-listed Nagarro Holding GmbH – have a certain advantage as the shares in Nagarro SE have a higher fungibility. In this respect, a negative earnings situation is offset by a certain advantage. A dilution of the Nagarro SE shareholders in the context of the exchange ratio can therefore not be justified from the earnings situation of Nagarro SE in the overall view.

As a result, the enterprise value of Nagarro SE as of the valuation date thus corresponds to the value of its investment in Nagarro Holding GmbH.

4.4 Analysis of possible value differences from rights of the investments in Nagarro Holding GmbH

At the level of Nagarro Holding GmbH, the structuring of the share rights of the respective shareholders was examined in particular to determine the extent to which special rights, such as profit preferences, might exist that could lead to a shift in the exchange ratio from an economic perspective.

2,499 of the shares in Nagarro Holding GmbH at a nominal value of EUR 1.00 are held by StarView LLC at the time of the merger (corresponds to a participation quota of rounded 5.0%). 2,499 of the shares in Nagarro Holding GmbH at a nominal value of EUR 1.00 are held by All Nag Bet at the time of the merger (corresponds to a participation rate of 5.0% rounded). 2,985 of the shares at a nominal value of EUR 1.00 are held by SPP KG (corresponds to a participation rate of 5.97%). 42,017 of the

³⁰ For further details see Group Annual Report of Nagarro SE 2020, p. 171.

shares at a nominal value of EUR 1.00 are held by Nagarro SE (corresponds to 84.03%). In addition, Nagarro Holding GmbH holds 17,534 own shares at the time of the conclusion of this statement.

On the basis of the documents available to us, there are no indications of special rights of the shareholders that would support a possible shift in the exchange ratio. The treasury shares held by Nagarro Holding GmbH are not entitled to profits. The shareholders of Nagarro Holding GmbH have instructed the management by shareholders' resolution dated July 05, 2021 not to sell the shares without consent. Upon implementation of the merger, the treasury shares shall cease to exist. As a result, the treasury shares held by Nagarro Holding GmbH as of the valuation date have no economic value of their own and therefore do not affect the exchange ratio.

4.5 Calculation of the exchange ratio

The exchange ratio is as follows:

Exchange ratio		
In EUR	Nagarro Holding GmbH	Nagarro SE
Proportionate nominal value of Nagarro Holding GmbH	50,000	42,017
Number of shares	50,000	11,576,513
Value per share	1.00000	0.00363
Calculated exchange ratio	1	275.5197420091868

Table 10: Determination of the exchange ratio

The arithmetical exchange ratio results from a relation of the share ratios in Nagarro Holding GmbH, which is received by the shareholders of the company to be transferred at 100%, while the shareholders of the receiving company are entitled to 84.03%. If, for reasons of better comprehensibility, the calculation is based on the nominal value of Nagarro Holding GmbH in the amount of EUR 50,000, the value share of Nagarro SE is EUR 42,017 (i.e. 84.03% of EUR 50,000). The arithmetical exchange ratio results from the relations "value per share".³¹

As a result, the arithmetical exchange ratio in the case of an exchange ratio maintaining the ratio at Nagarro Holding GmbH is 1 : 275.5197420091868. This means that for one share in Nagarro Holding GmbH at a nominal value of EUR 1.00, a shareholder is entitled to 275.5197420091868 newly issued no-par value shares in Nagarro SE. The calculated exchange ratio with the corresponding decimal places is the basis for the final determination of the new shares to be issued to the shareholders of Nagarro Holding GmbH (see merger agreement resp. merger report).

In the course of preparing this opinion, no indications have arisen beyond the facts presented here that would have to be taken into account in the calculated exchange ratio.

5 Concluding remarks

On the basis of the analysis carried out, the merger is to be carried out on a pro rata basis based on the shareholdings of the minority shareholders and Nagarro SE in Nagarro Holding GmbH as the legal entity to be acquired.

Within the scope of our analysis, from a valuation perspective, based on the public information as well as the information we requested from the companies, we have no indications that the merger

³¹ As this is a purely proportionate calculation, the "value" applied for the legal entity to be acquired is irrelevant for the determination of the arithmetical exchange ratio.

would result in a different ratio than the existing shareholdings in Nagarro Holding GmbH as of the valuation date.

As a result, the arithmetical exchange ratio for one share in Nagarro Holding GmbH at a nominal amount of EUR 1.00 to 275.5197420091868 shares in Nagarro SE.

Frankfurt am Main, July 19, 2021

VALNES Corporate Finance Ltd.

Dr. Anke Nestler

Publicly appointed and sworn expert for the valuation of businesses as well as for the valuation of intangible assets
(CCI Frankfurt/M.)

Michael Graser

Publicly appointed and sworn expert for the valuation of businesses as well as for the valuation of intangible assets
(CCI Frankfurt/M.)

Annexes

Annex 1: Essential documents

- Audit report, with unqualified audit opinion, for the consolidated financial statements and group management report of Nagarro SE for the fiscal year 2020, prepared by LOHR + COMPANY GmbH Wirtschaftsprüfungsgesellschaft
- Audit report, with unqualified audit opinion, for the separate financial statements and management report of Nagarro SE for the fiscal year 2020, prepared by LOHR + COMPANY GmbH Wirtschaftsprüfungsgesellschaft
- Audit report on the combined financial statements of Nagarro SE for the years 2019, 2018 and 2017.
- Separate financial statements of Connect AG as of December 31, 2020
- Supervisory Board and Management Board minutes of Nagarro SE
- Extract from the commercial register of Nagarro SE dated July 19, 2021
- Extract from the commercial register of Nagarro Holding GmbH dated July 19, 2021
- Articles of Association of Nagarro Holding GmbH as amended on July 05, 2021.
- Articles of Association of Nagarro SE as amended on May 28, 2021.
- Joint demerger report of the management boards of Allgeier SE and Nagarro SE on the demerger of all shares in Allgeier Connect AG dated August 2020
- Stock exchange prospectus of Nagarro SE dated December 08, 2020
- Planning of Nagarro SE for the fiscal years 2021 to 2023, adopted by the Executive Board of Nagarro SE on June 28, 2021.
- Actual figures of Nagarro SE and Connect AG from January to May 2021
- Tax calculation and other tax-related documents
- Merger Agreement dated July 19, 2021 between Nagarro SE and Nagarro Holding GmbH, as well as preliminary drafts.
- Final draft Merger report between Nagarro SE and Nagarro Holding GmbH, as well as preliminary drafts

Annex 2: Reconciliation of the forecasted balance sheet item between HGB and IFRS

Balance sheet - Nagarro SE In kEUR	HGB 2020	IFRS 2020
Shares in affiliated companies	193,609	193,609
Right of use assets	-	26
Non-current assets	193,609	193,635
Receivables from affiliated companies	208,791	208,791
Other assets	1,647	1,647
Cash and cash equivalents	17,620	17,620
Current assets	228,058	228,058
Total assets	421,667	421,693
Subscribed capital	11,383	11,383
Capital reserves	232,410	232,410
Loss carried forward	-13,995	-12,811
Equity	229,797	230,981
Non-current financial debt	169,000	167,885
Non-current liabilities from rental and leasing contracts	-	13
Deferred tax liabilities	-	532
Non-current liabilities	169,000	168,431
Current financial liabilities	12,387	11,785
Current liabilities from rental and leasing contracts	-	13
Other current provisions	1,541	1,345
Trade payables	2,688	2,693
Other current financial liabilities	6,253	6,445
Current liabilities	22,870	22,281
Total liabilities	421,667	421,693

Table 11: Reconciliation of the attachment point of the forecasted balance sheet of Nagarro SE (with merger of Connect AG) between HGB and IFRS³²

The asset side of Nagarro SE (taking into account the merger with Connect AG) for the year 2020 differs only insignificantly between HGB and IFRS due to the values in use from rental and lease agreements. On the liabilities side, in addition to a different classification of individual items, the differences relate in particular to the different treatment of the syndicated loan, where under IFRS the financing costs are spread over the term of the loan and are not recognized immediately as costs.

³² Source: Nagarro SE data.

Annex 3: General terms and conditions of contract

General Terms and Conditions of Assignment

This is a translation of the German "Allgemeine Auftragsbedingungen", which is the sole authoritative version

[Translator's notes are in square brackets]

1. Scope

(1) The Terms and Conditions of Assignment shall apply to the contracts between VALNES Corporate Finance GmbH (hereinafter referred to as "VALNES") and its clients, unless terms to the contrary have been expressly agreed to in writing or are required by law.

(2) If, in exceptional cases, contractual relations are also established between VALNES and persons other than the client, the provisions of the following No. 8 shall also apply to such third parties.

2. Scope and execution of the contract

(1) The subject of the contract is the agreed performance of services, not a specific economic success. The assignment will be carried out with appropriate technical and professional expertise and by applying current knowledge and experience. VALNES reserves the right to select the staff providing the services (including whether employed and/or freelance) during the course of the project, provided that the proper and timely fulfilment of the assignment is guaranteed.

(2) The consideration of foreign law requires an express written agreement.

(3) Events of force majeure that make it considerably more difficult or impossible for VALNES to perform its obligations, entitle VALNES to postpone the fulfilment of its obligations for the duration of the hindrance and for a reasonable lead time. Strikes, lock-outs and similar circumstances that directly or indirectly affect VALNES shall be considered as force majeure.

3. Client's duty to inform

(1) The client shall ensure that all documents necessary for the execution of the order are submitted to VALNES in good time, even without special request, and that VALNES is informed of all processes and circumstances that may be of importance for the execution of the assignment. This also applies to documents, procedures and circumstances that only become known in the course of VALNES's work.

(2) At the request of VALNES, the client shall confirm the completeness of the documents submitted and of the information and explanations given in a written declaration drafted by VALNES.

4. Reporting and oral information

If VALNES and the client agree that the results of VALNES' activities are to be presented in writing, only the written presentation shall be authoritative. Oral statements and information from employees outside the placed order are always non-binding.

5. Protection of intellectual property

Documents, document templates, forms, work equipment, files and similar provided by VALNES may only be used by the client for its own purposes. VALNES shall be entitled to use general ideas, concepts, models and experience as it sees fit and to make them available to third parties without this giving rise to licence and compensation claims on the part of the client or violating the agreed confidentiality.

6. Distribution of reports and other written statements

(1) The passing on of statements and opinions of VALNES (reports, expert opinions, presentations, memos and the like) to a third party requires the written consent of VALNES, unless the content of the order already indicates consent for passing on to a specific third party. VALNES shall only be liable to a third party (within the scope of No. 8) if this has been agreed in writing and the third party accepts the terms and conditions of assignment.

(2) The use of results or statements of VALNES for advertising purposes is not permitted; a violation shall entitle VALNES to terminate without notice all orders of the client not yet executed.

7. Correction of deficiencies

(1) In the event of any deficiencies, the client is entitled to supplementary performance by VALNES. Only in the event of failure of the supplementary performance, he may also demand a reduction of the remuneration or revocation of the contract. Insofar as claims for damages exist beyond this, No. 8 shall apply.

(2) The claim for correction of deficiencies must be asserted by the client in writing without delay. Claims according to paragraph (1), which are not based on an intentional act, shall become statute-barred after the expiry of one year from the beginning of the statutory limitation period.

(3) Obvious inaccuracies, such as typing errors, arithmetical errors and formal deficiencies [formelle Mängel] contained in a comment or other statement (report, expert opinion and the like) by VALNES may be corrected at any time by VALNES, also towards third parties. Any inaccuracies that may call into question the conclusions contained therein shall entitle VALNES to withdraw the statement to third parties also.

8. Liability

(1) The limitation of liability of VALNES will be agreed individually with the client within the scope of a project contract.

(2) Preclusive periods

A claim for damages can only be asserted within a preclusive period of one year after the person entitled to claim has become aware of the damage and of the event giving rise to the claim, but at the latest within 5 years after the event giving rise to the claim. The claim expires if no legal action is taken within a period of six months after the written rejection of the compensation and the client has been informed of this consequence. The right to assert the plea of limitation remains unaffected.

9. Confidentiality, obligation of secrecy towards third parties, data protection

(1) VALNES is obliged to treat business and trade secrets confidentially and not to pass on or otherwise use other knowledge and information to third parties, insofar they are not obvious, unless the client releases it from this obligation of secrecy. VALNES will impose a corresponding obligation on its employees. The obligation of secrecy remains in force even after termination of the contract.

(2) VALNES may only hand over reports, expert opinions and other written statements on the results of its activities to third parties with the consent of the client.

(3) VALNES is authorised to process or have processed by third parties personal data entrusted to it within the scope of the purpose stipulated by the client.

10. Default of acceptance and failure to cooperate on the part of the client

If the client is in default of acceptance of the service offered by VALNES or if the client fails to provide the assistance required by No. 3 or otherwise, VALNES is entitled to terminate the contract without notice. VALNES' right to claim compensation for additional expenses incurred as a result of the default or failure to cooperate on the part of the client, as well as the damage caused, shall remain unaffected, even if VALNES does not exercise its right to terminate the contract.

11. Remuneration

(1) VALNES shall be entitled to reimbursement of its expenses in addition to its claims for fee or charge; value added tax shall be charged additionally. VALNES may demand reasonable advances on remuneration and reimbursement of expenses and may make the rendering of its services dependent on the full satisfaction of its claims. Several clients are liable as joint and several debtors.

(2) A set-off against claims of VALNES for remuneration and reimbursement of expenses shall only be permitted in the case of undisputed or legally established claims.

12. Storage and release of documents

(1) VALNES shall retain for ten years the documents handed over to it in connection with the execution of an order and prepared by itself as well as the correspondence concerning the order.

(2) After settlement of its claims arising from the assignment, VALNES must, at the request of the client, return all documents which it has received from or on behalf of the client in connection with its activities for the execution of the assignment. However, this shall not apply to correspondence between VALNES and its client or to documents already in the client's possession, either in original or copy. VALNES may make and retain copies or photocopies of documents returned by the company to the client.

13. Miscellaneous

(1) Only German law shall apply to the order, its execution and the resulting claims.

(2) VALNES is entitled to keep the client, including the type of service provided, in a customer directory and to use this directory for reference and acquisition purposes, unless otherwise individually agreed.

(3) If provisions of the General Terms and Conditions of Assignment are invalid, the remaining provisions shall not be affected thereby. The parties undertake to replace the invalid provisions with economically equivalent provisions.

