

ALLGEIER

Capital Markets Day Presentation
September 28, 2020



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All Allgeier related financial information mentioned in this presentation refer to the financials of Allgeier post spin-off of Nagarro group unless stated otherwise. The figures for the years 2017 to 2019 and for the first half year 2020 have been prepared primarily by splitting the preliminary draft Combined Financial Statements of the new Nagarro group from the consolidated Allgeier group financials.

Nagarro related financial information mentioned in this presentation refers to the financials of Nagarro post spin-off unless stated otherwise. The Nagarro financial information for the fiscal years 2017 to 2019 has been derived from the preliminary draft combined financial statements of Nagarro for the fiscal years 2017 to 2019 (the “Combined Financial Statements”). Such financial information is unaudited and preliminary and may change. The Nagarro financial information for the six-month period ended June 30, 2020 (the “H1 Financial Information”) has been derived from segment information extracted from the unaudited consolidated interim financial statements of Allgeier SE. This segment information does not necessarily represent the results of operations, financial position or cash flows of the Nagarro group had it operated as a stand-alone group during the period under review. The accounting methodology for the H1 Financial Information is different from the accounting methodology of the Combined Financial Statements which have been used as the basis for presenting Nagarro data for fiscal years 2017 to 2019 in this presentation.

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Agenda

Allgeier at a glance

Spin-off benefits

Market trends

Business overview

Strategy

Financials

Investment highlights



Allgeier at a glance

Experienced and entrepreneurial management team



Carl Georg Duerschmidt
CEO, Management Board

Munich, Germany

With Allgeier since 2001
Board member since 2003



Dr. Marcus Goedsche
Management Board

Munich, Germany

With Allgeier since 2007
Board member since 2008



Hubert Rohrer
Management Board

Bremen, Germany

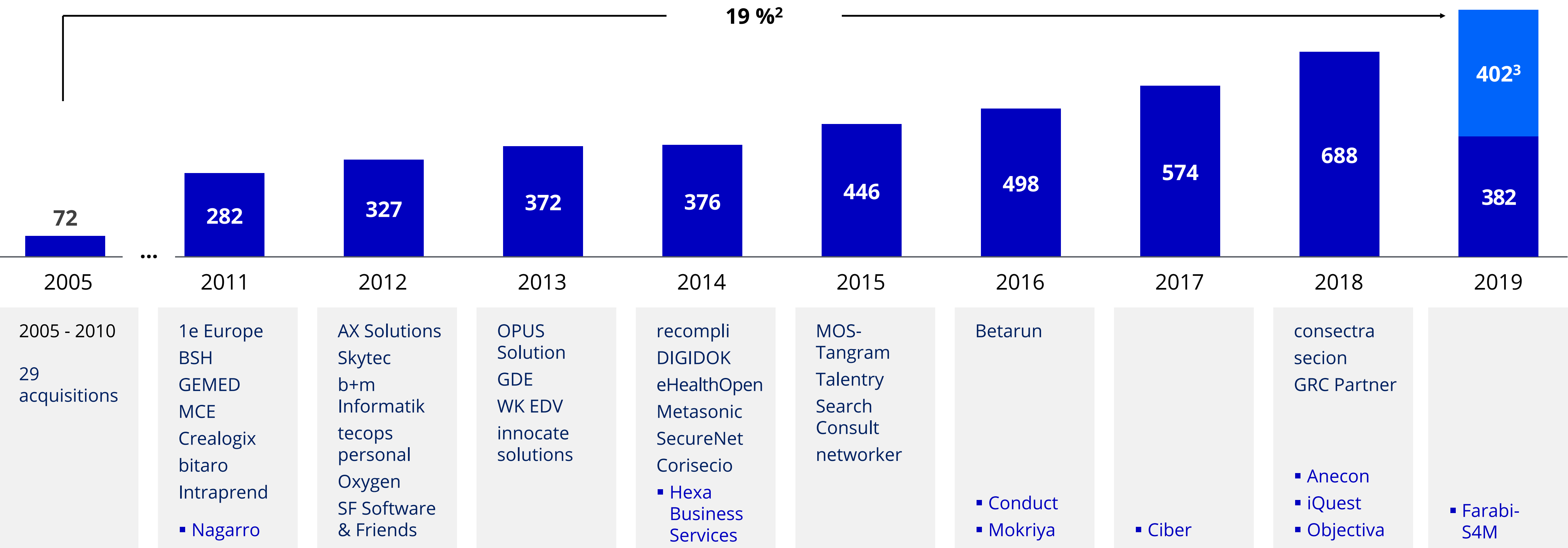
With Allgeier since 1986
Board member since 2013

Allgeier key facts post spin-off



Allgeier’s buy & build competence is underlined by its M&A track record

Historical revenue of Allgeier group incl. Nagarro in € m¹



▪ Entities highlighted form the Nagarro group

1) Based on historical consolidated Allgeier group financials according to IFRS including Nagarro group
2) Compound Annual Growth Rate 2005 – 2019
3) Based on combined financial statements of Nagarro group



Spin-off benefits

Allgeier is re-focusing on its strengths

Focusing on

... proven **buy & build strategy** and continuing to grow above market average through value-creating acquisitions



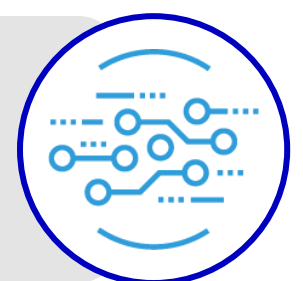
... organic and inorganic **growth of its existing portfolio units** building on a lean holding structure



... leveraging the strong **Allgeier and mgm brands** in the **German-speaking market**



... the **digitization needs of customers** in major verticals





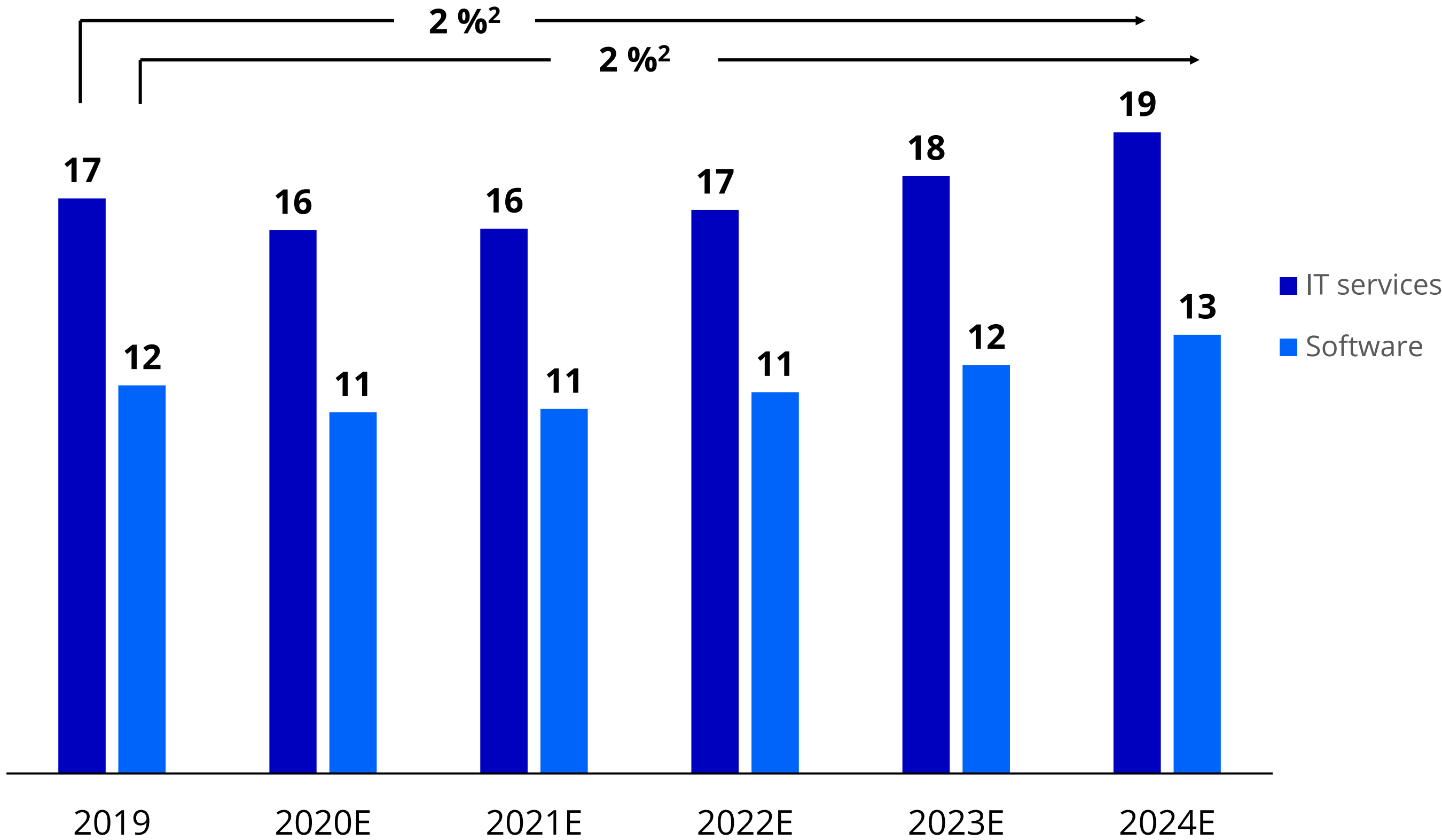
Market trends

Allgeier participates in market trends in a growing European IT market

Major market trends

- Digital Business Transformation
- Cloud
- E-Government
- Cyber Security
- E-Commerce
- Internet of Things

Central & Eastern European IT market¹ in € bn

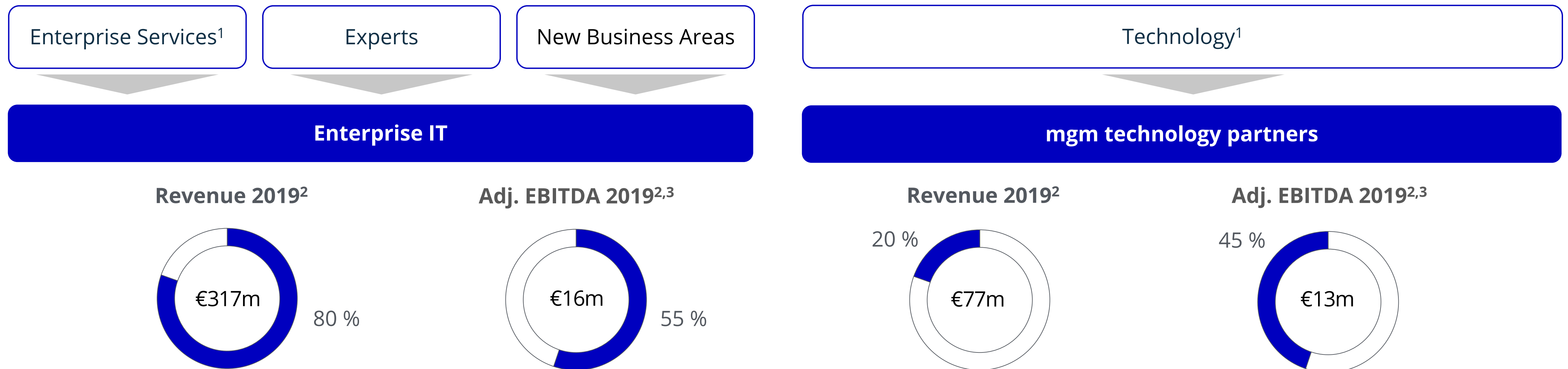


¹International Data Corporation, IT spending as per August 2020
²Compound Annual Growth Rate 2019-2024E



Business overview

Allgeier re-organized the segments to emphasize its core operations

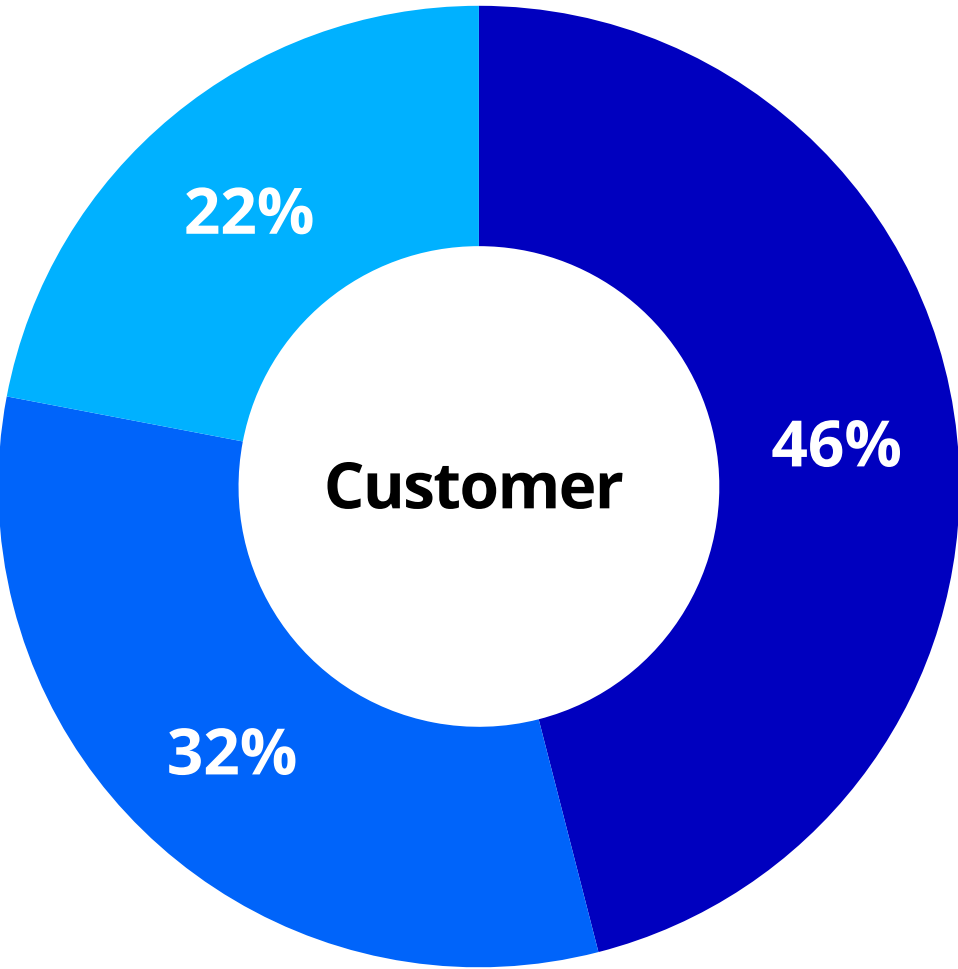


- Integration of the service portfolio and customer access of former enterprise services, experts and cyber security units to create a strong joint full-service IT offering
- Focus on deepening of customer relationships, participation in major tenders and pitches in the field of IT services as one-stop shop for the entire IT portfolio with the aim to enhance value-add and achieve higher margins

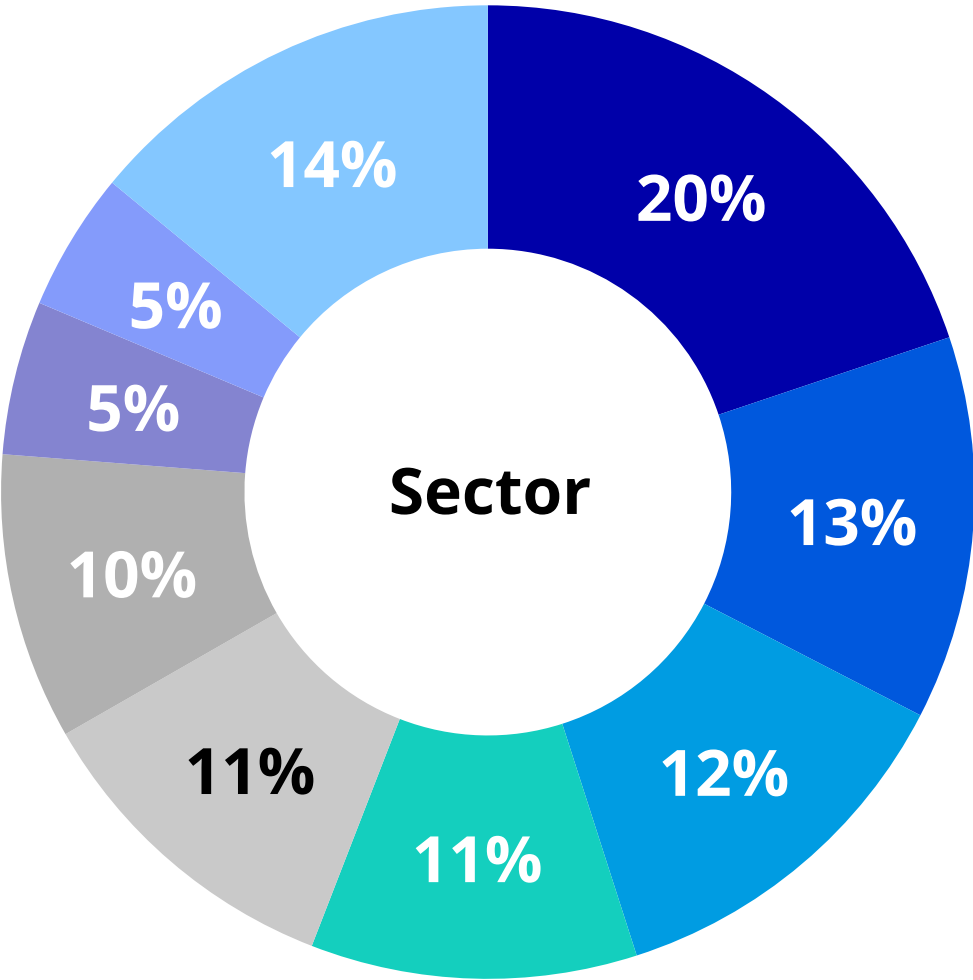
- Building the primary German digitization consultant and software developer as leading provider of e-government, commerce and insurance solutions
- Covering a comprehensive spectrum of digitization expertise along the three units mgm technology partners, mgm consulting partners and mgm security partners

Allgeier has a broad customer base and a clear focus on the German-speaking market

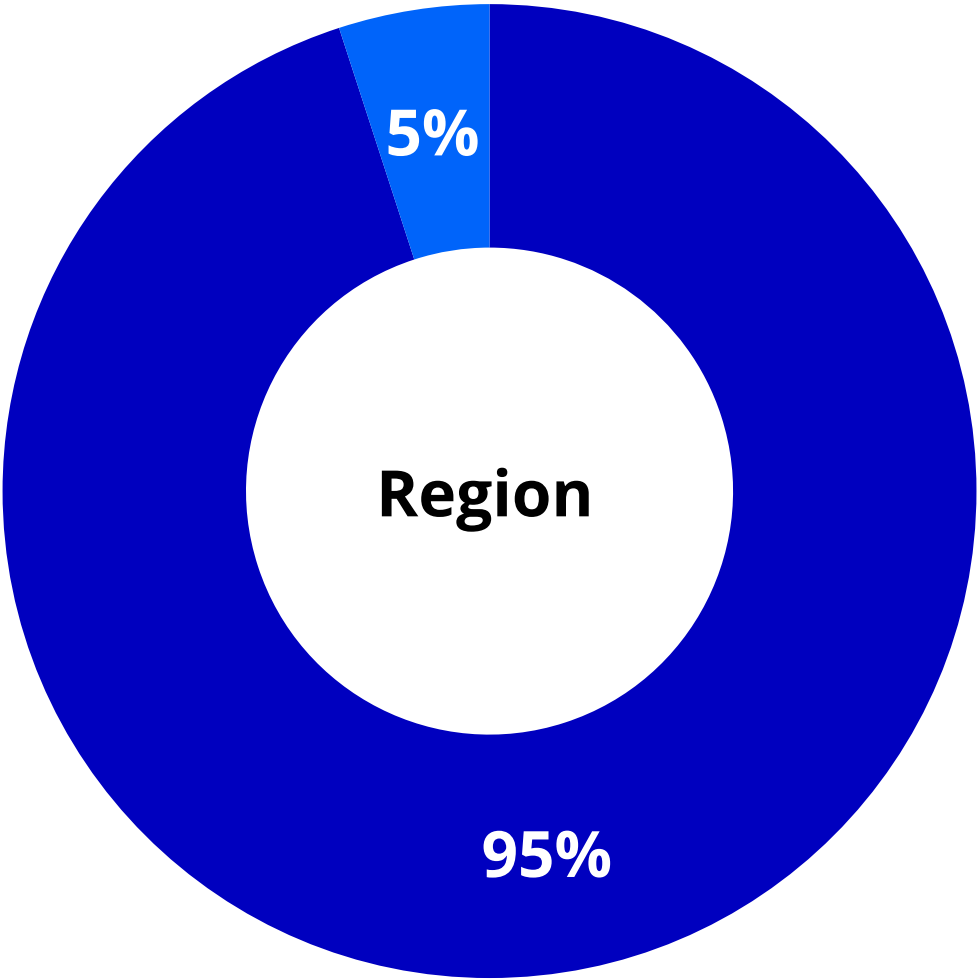
Revenue 2019 by in %



- Top 10
- Top 11-100
- +100 customers



- Public Sector
- IT
- Insurance
- Commerce
- Automotive
- Banks
- Services
- Communication
- Other industries



- Germany
- Other regions

Enterprise IT – Fully fledged German software project and IT services provider

Business focus

Enterprise IT is a **full-range IT solutions and services provider** for customers' mission-critical processes focusing on the **German-speaking region**

Comprehensive project and IT services portfolio for large software projects and long-term managed services and maintenance contracts based on:

- **market-leading software products and business digitalization platforms** from suppliers like Microsoft, SAP, IBM and Oracle
- **own IP-based architecture and software solutions**
- **in-depth process know-how and consulting expertise** in the areas of business efficiency solutions, IT security, business process management, enterprise content management, cloud solutions and mobile applications
- **large resource pool** of highly qualified IT and engineering experts ensuring a high level of scalability and flexibility in project implementation and support

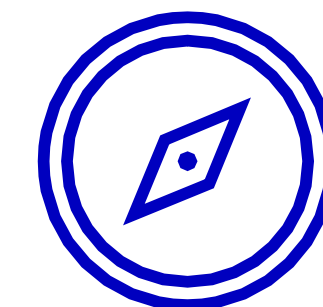
Extensive **customer base of around 500 large enterprises** and **business with recurring nature**, leveraging customer access to extend excellent software project services; revenues by T&M and license fees



Hubert Rohrer
Member of the Allgeier SE
Management Board



~1,650 IT experts¹
~800 freelance IT experts¹



21 locations in Germany
5 locations in Austria,
Switzerland and Turkey¹

Broad customer base is a core value of Enterprise IT

Customer story Vodafone Project OneDMS:

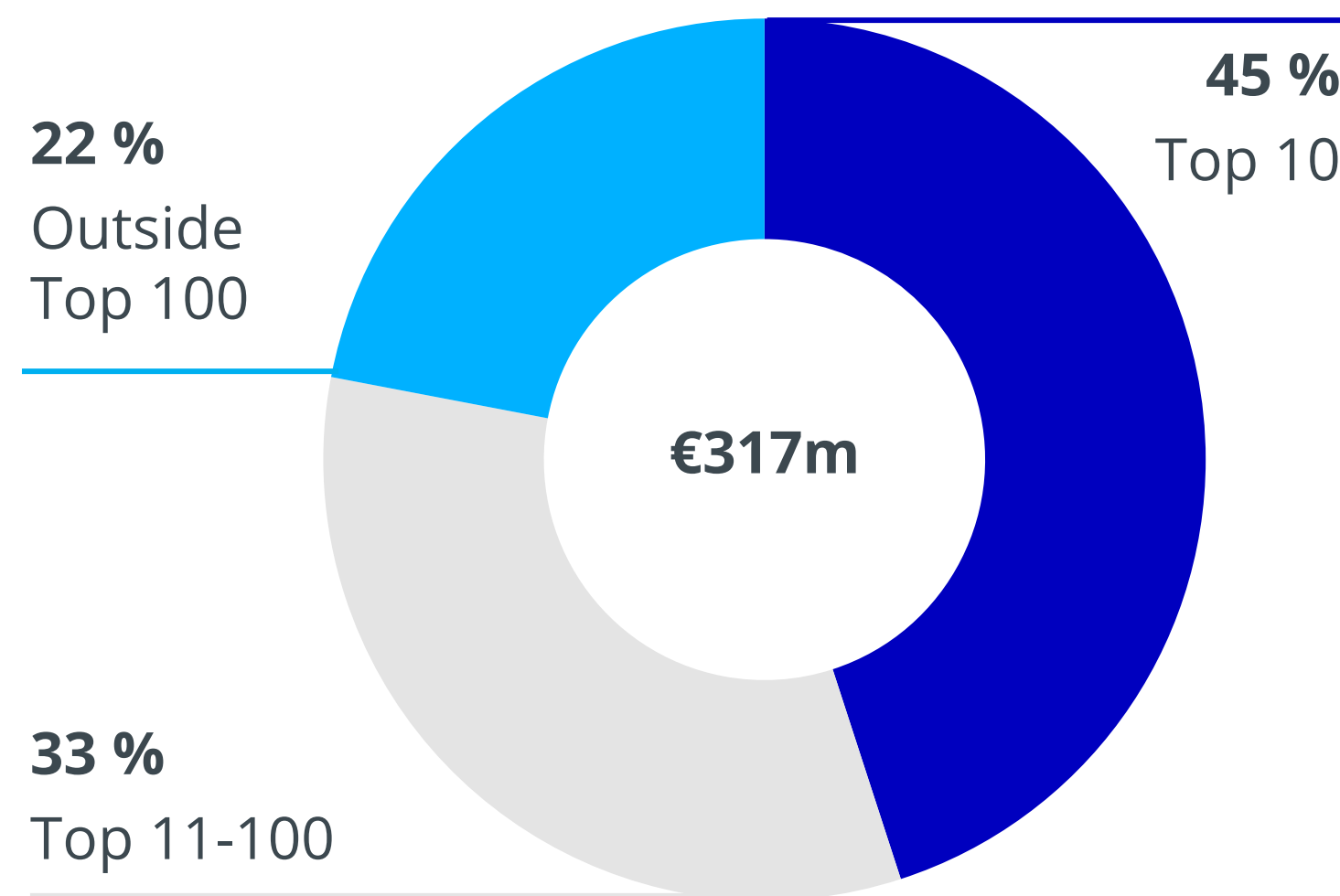
- Building a central document collaboration platform for Vodafone in Germany and other countries as well as subsidiaries of Vodafone
- Migration of >4.5bn documents that are accessible for 4,500 users
- Technical basis is our proprietary DMS software that got highly customized for the specific Vodafone requirements, all architecture and software engineering is done by us
- The project is ongoing since 4 years and with a deployment of over 14,000 person days so far
- Our revenue from the project comprises of T&M and license fees

Selected clients

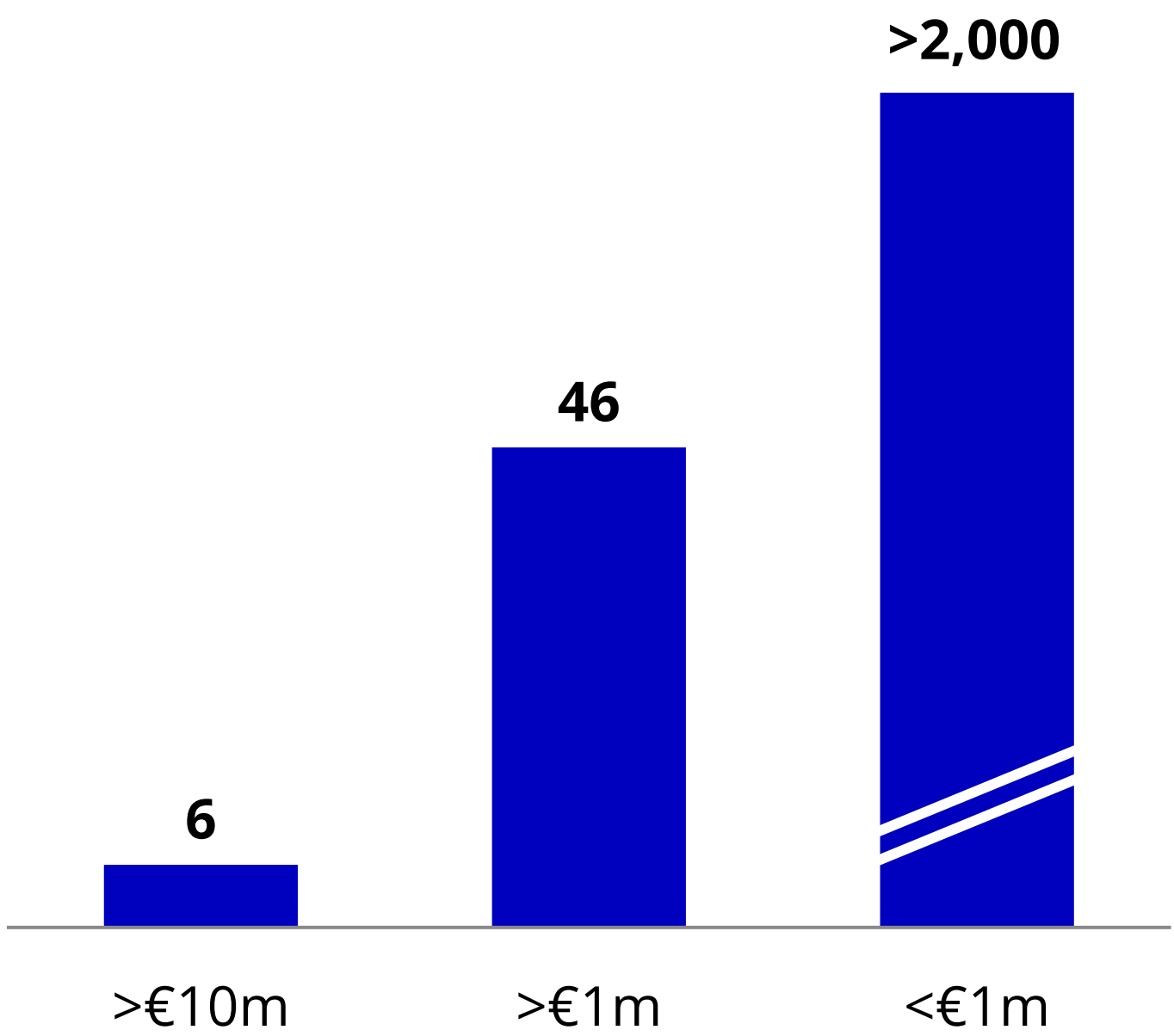


Enterprise IT sustains a broad and loyal customer base

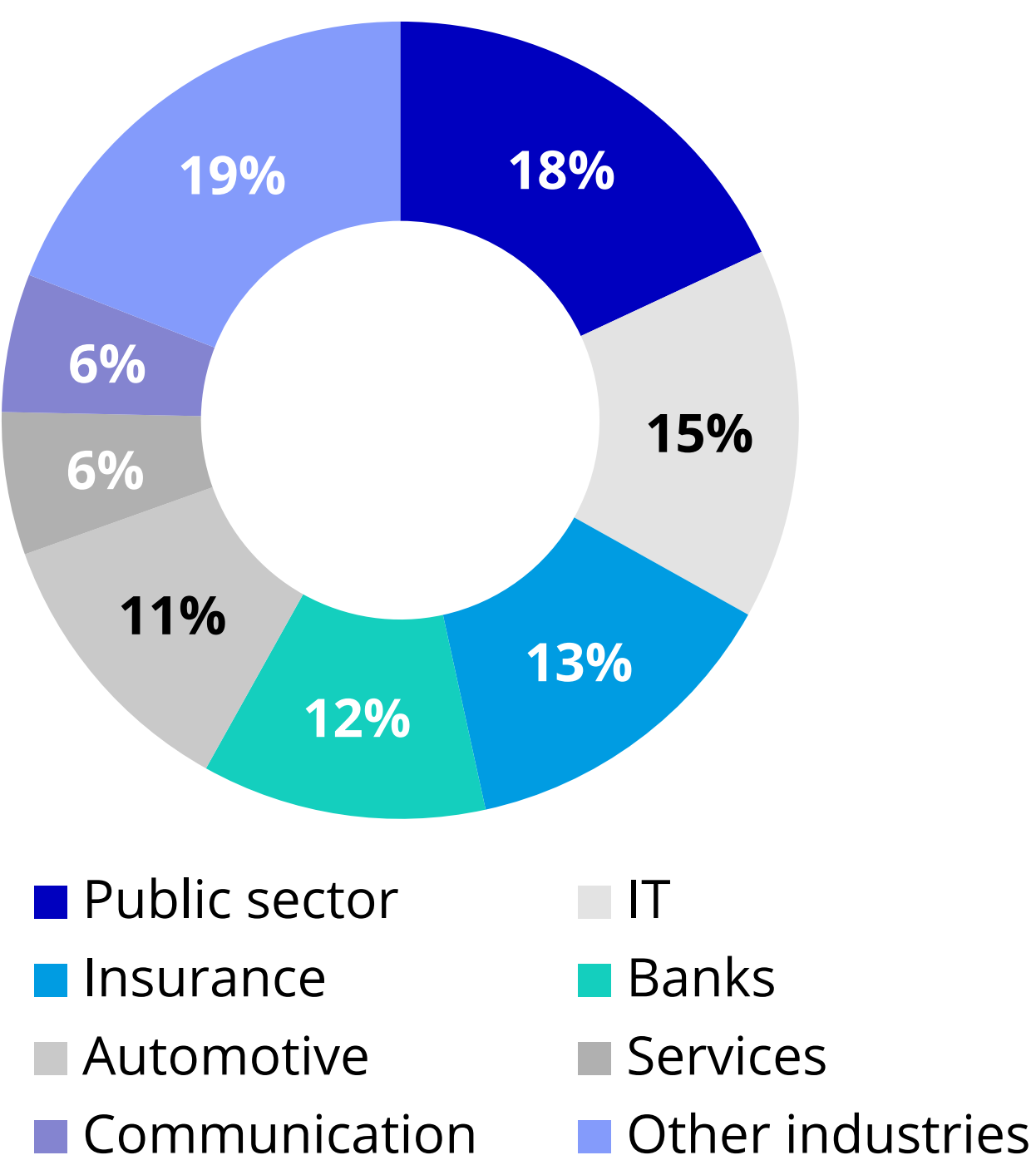
Customer diversification¹



Number of accounts¹



Industry segmentation¹



mgm technology partners – High-end specialist for digitization & disruptive technology and consulting services

Business focus

mgm technology partners is a [consulting and solution provider](#) for digitization projects and one of the [leading service providers for e-government in Germany](#)

The company implements its [own platforms](#) like “A12” and [develops enterprise applications](#) for crisis-resistant sectors. The mgm platforms are used by millions of users every day.

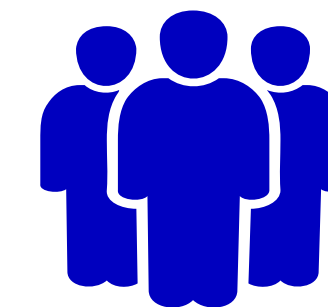
The most prominent platform is the electronic tax system [ELSTER](#) for the German public sector

mgm technology partners’ disruptive software development process [enables customers to digitize their business expertise](#) by themselves – leading to digital sovereignty

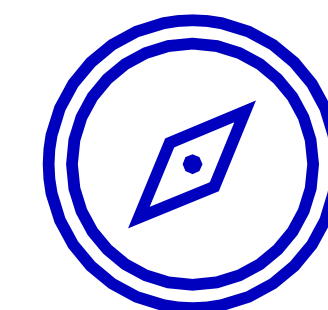
Together with its subsidiaries mgm consulting partners and mgm security partners mgm covers the full range of digitization topics: [management consulting, digital transformation and web application security](#)



Hamarz Mehmanesh
CEO



~750 software developers and consultants¹



10 locations in Germany
6 locations in France,
Czech Republic, Switzerland,
Austria, USA and Vietnam¹

mgm technology partners' success is underlined by key public & enterprise accounts

Customer story ELSTER

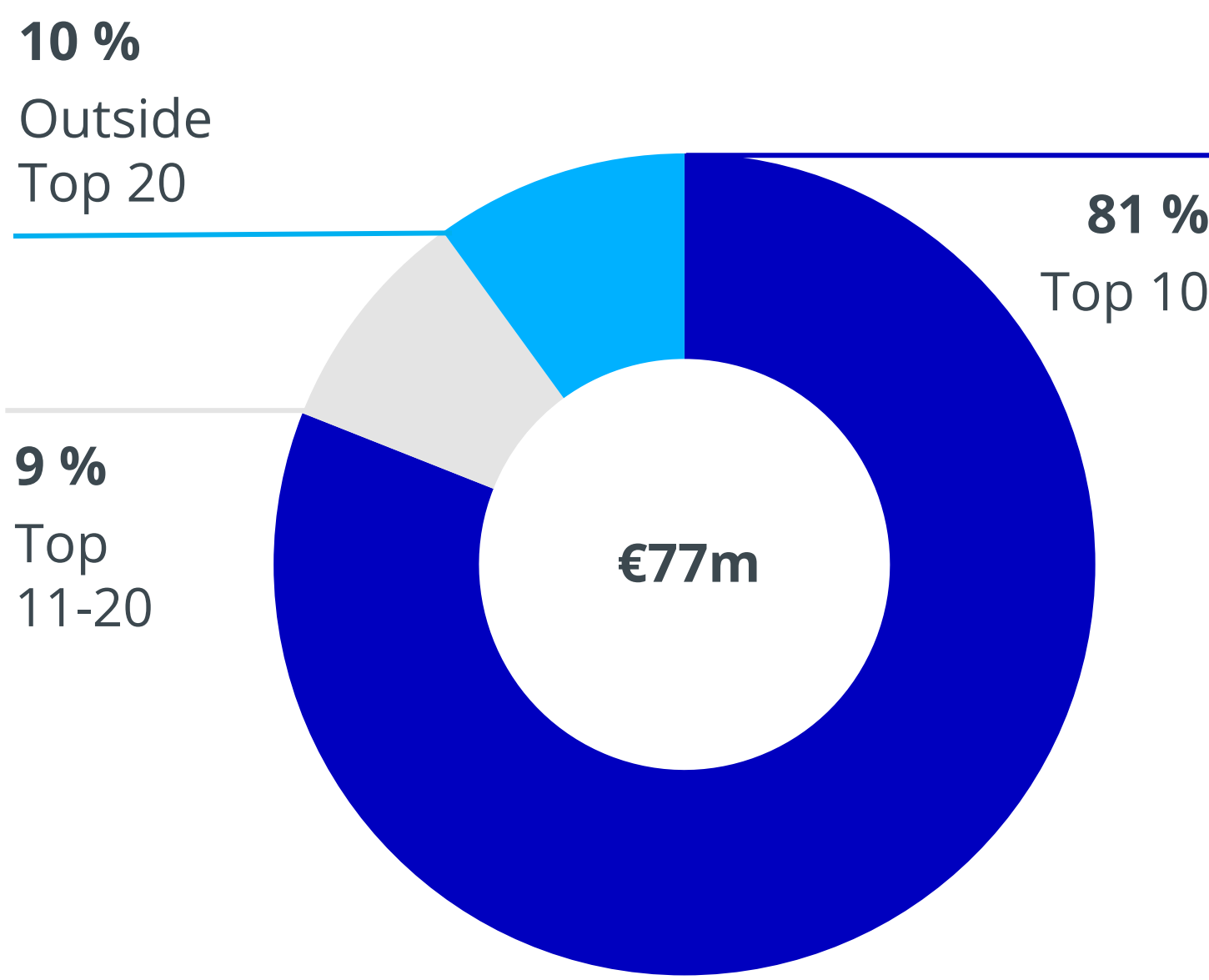
- ELSTER is the largest and best-known e-government solution from Germany and one of the best references
- Online since 15 years – safe, easily accessible, highly available & scalable; permanent access for 30m households and 5m companies
- Modern open source technology with proprietary IT and model-based approach that allows flexibility and customization
- High performance and stability for up to 1,000 system requests per second
- Ongoing project that continuously generates T&M revenues

Selected clients

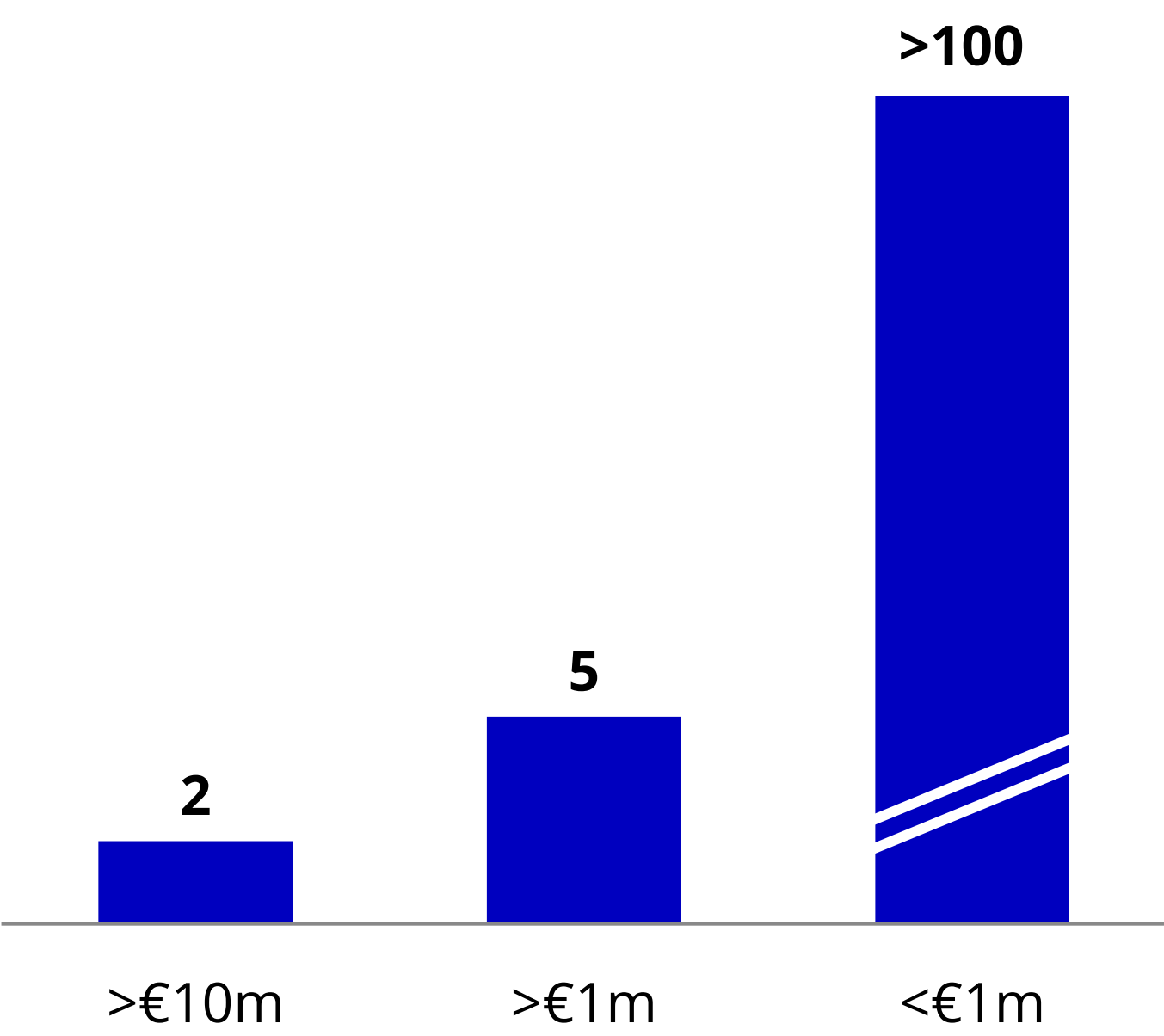


mgm technology partners has in-depth knowhow in commerce and e-government

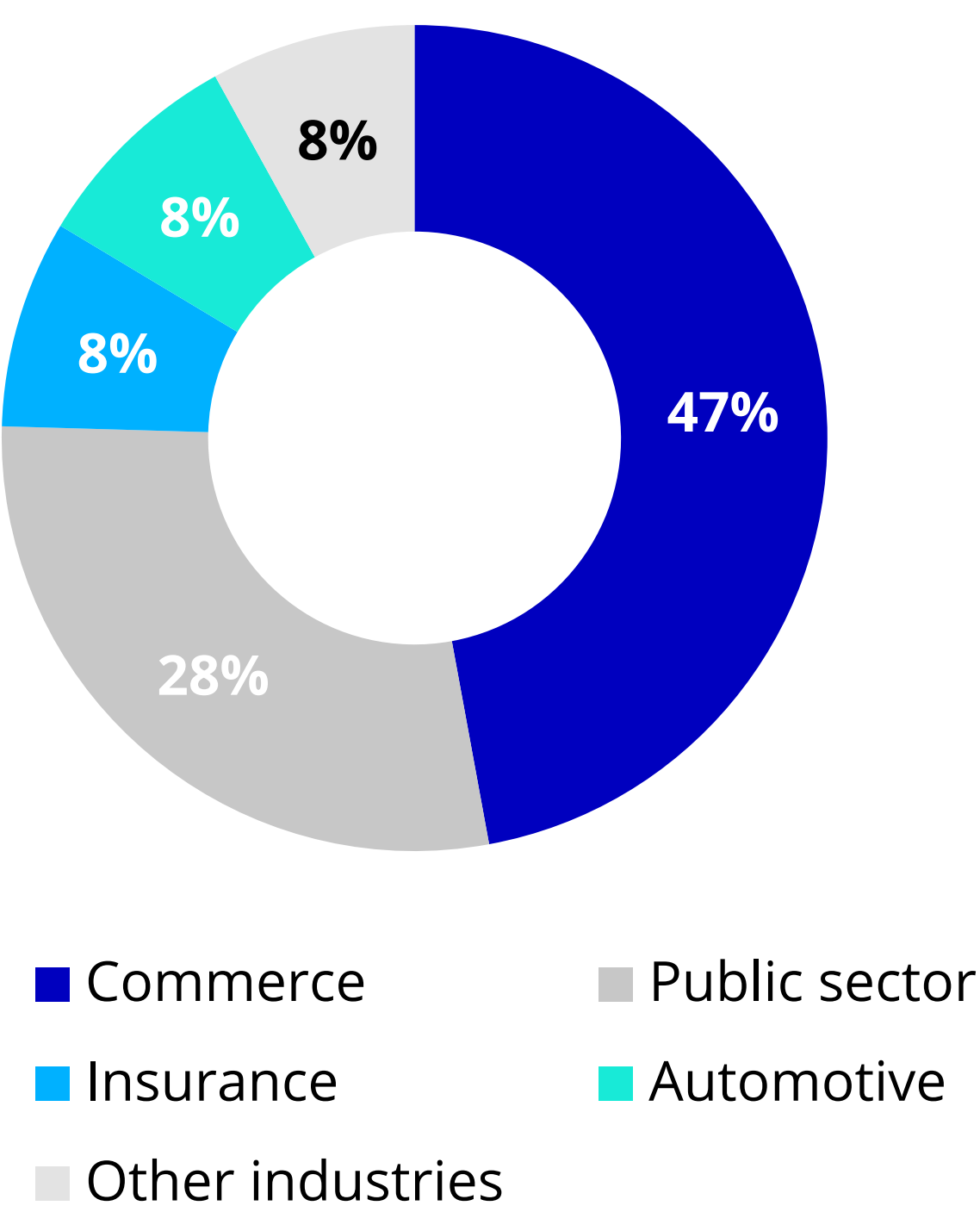
Customer diversification¹



Number of accounts¹



Industry segmentation¹





Strategy

Allgeier creates shareholder value by ...

1

... focusing on the attractive and sustainably **growing IT services and software market**

2

... building strong and **market leading operative units** with **experienced top management teams**

3

... continuing its **buy & build** strategy

4

... operating on **sound financial leverage**

Enterprise IT builds a leading German IT services player by ...

... combining and integrating the different business originating from former Enterprise Services, Experts and Cyber Security into **one full-service company** with one face to the customer under the brand name ALLGEIER



... deepening the relationship to its broad and **diversified customer** base and increasing **share of wallet**



... increasing margins through ongoing shift towards **higher value-add business**



... expanding its offering of **proprietary software products** and solutions



... doing **acquisitions** to broaden know-how, product offering as well as service offering and capacities



mgm technology partners upgrades its position as German digitization consultancy by ...

... attracting the **best talent** in Germany and its further locations to build a community of the best tech minded people



... building **high-end software solutions** with a high degree of usability, robustness and security that meet complex requirements



... further developing its own **proprietary software solutions** that can be re-used in multiple projects



... strengthening its outreach into the huge and growing market of digitization for **German public clients**



... doing **acquisitions** for winning new talent and broadening customer base

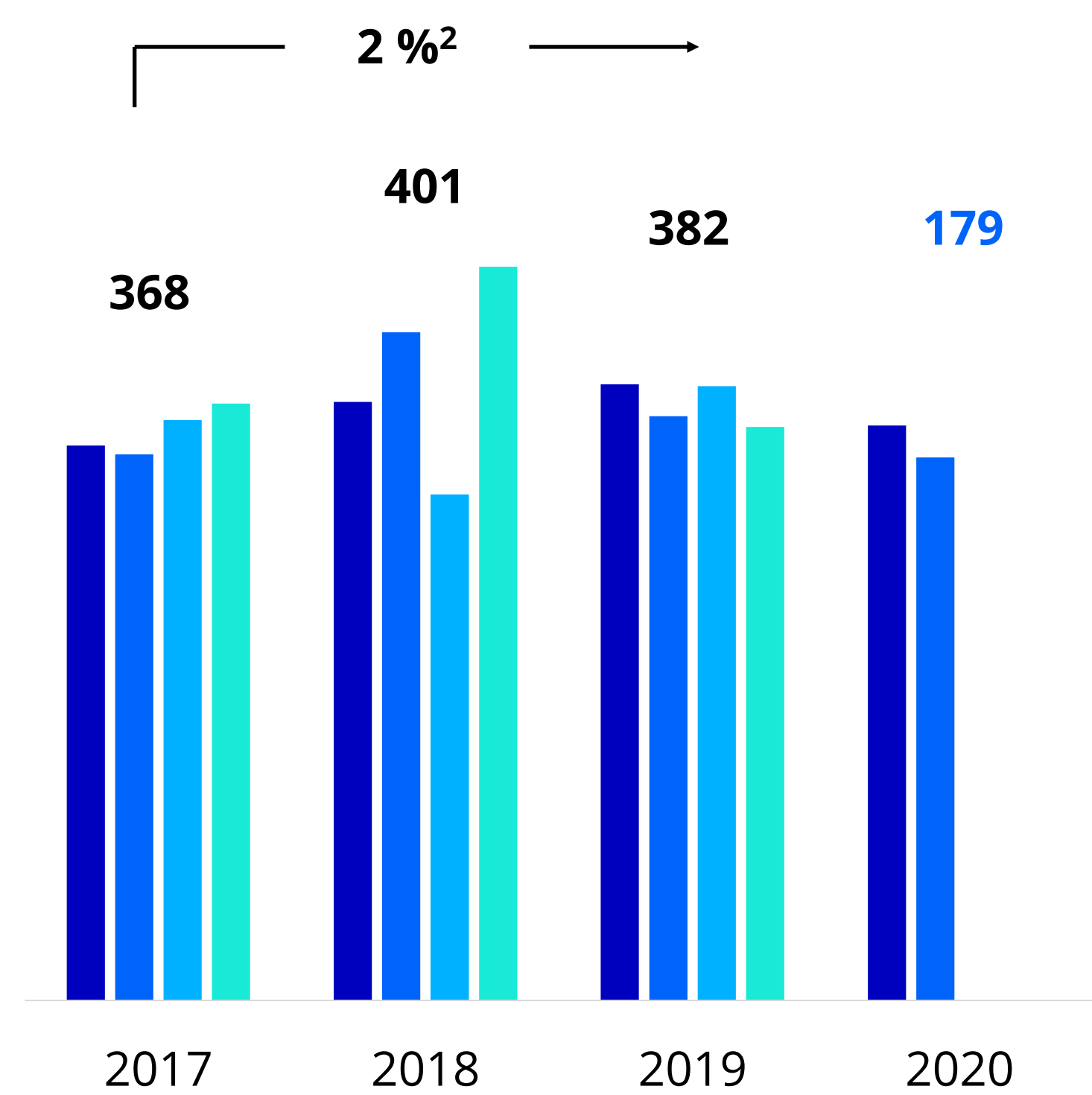




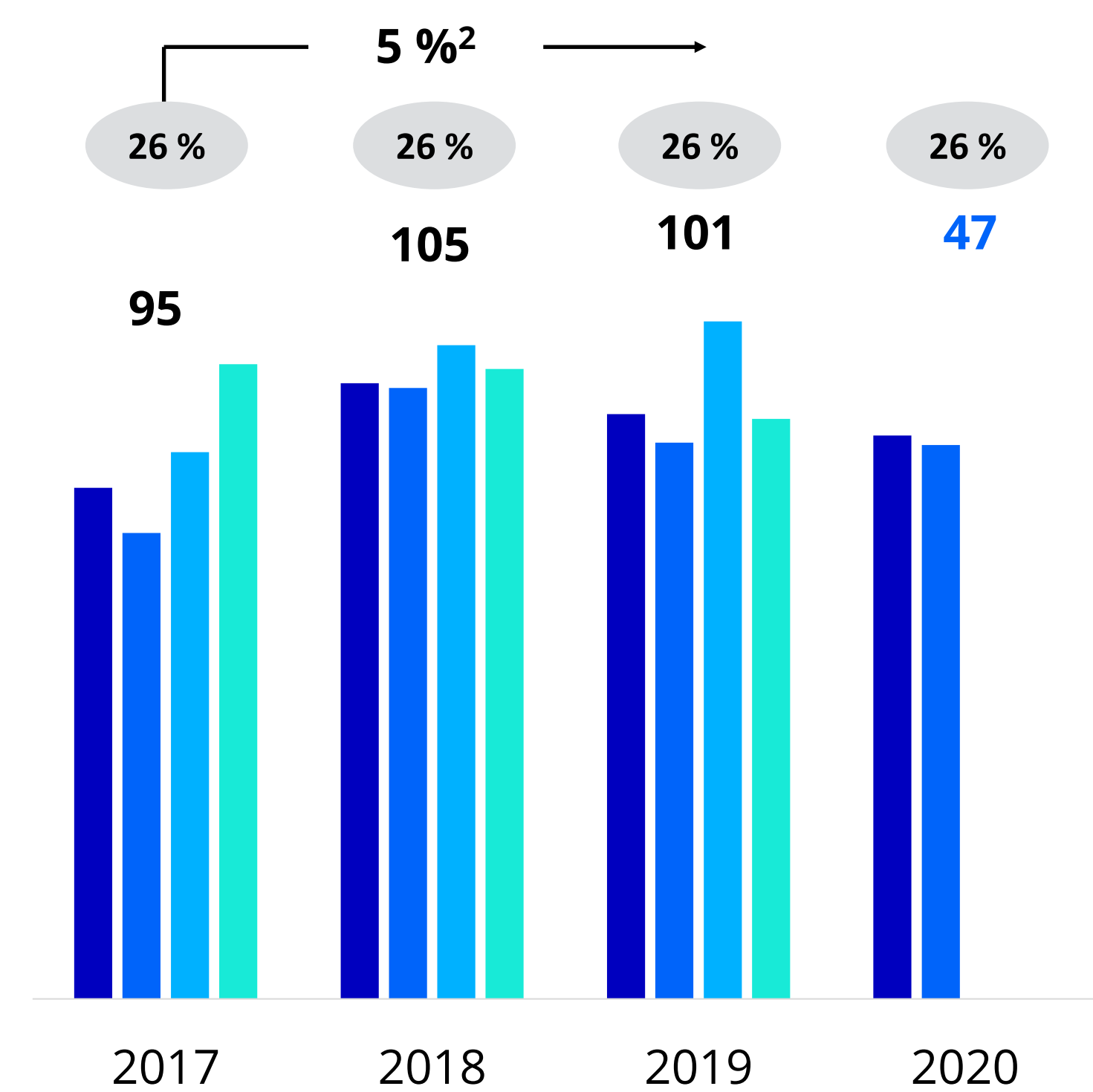
Financials

Allgeier P&L comprises of sustainable growth and restructuring of parts of the business

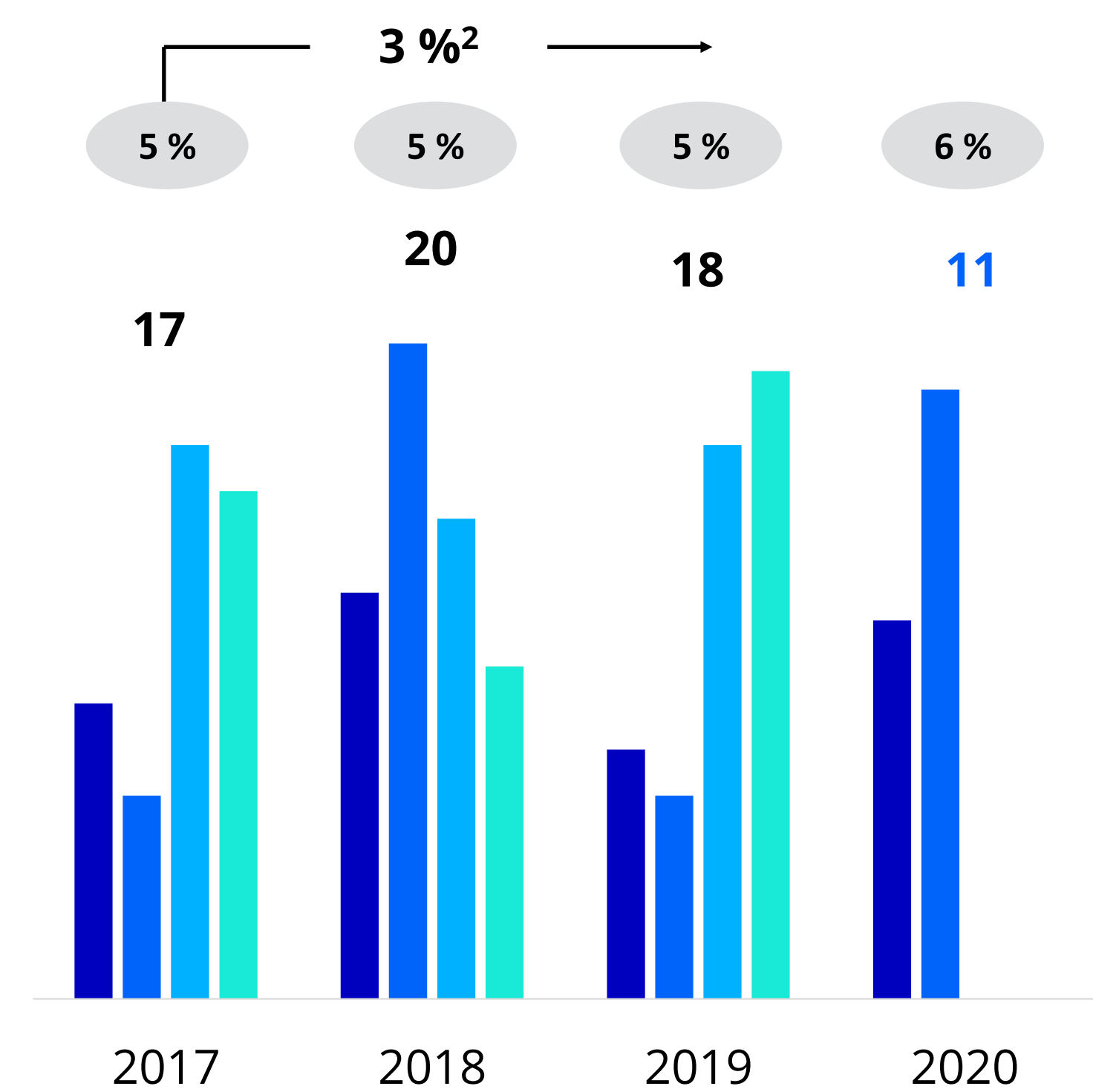
Revenue¹ in € m



Gross profit & margin¹ in € m



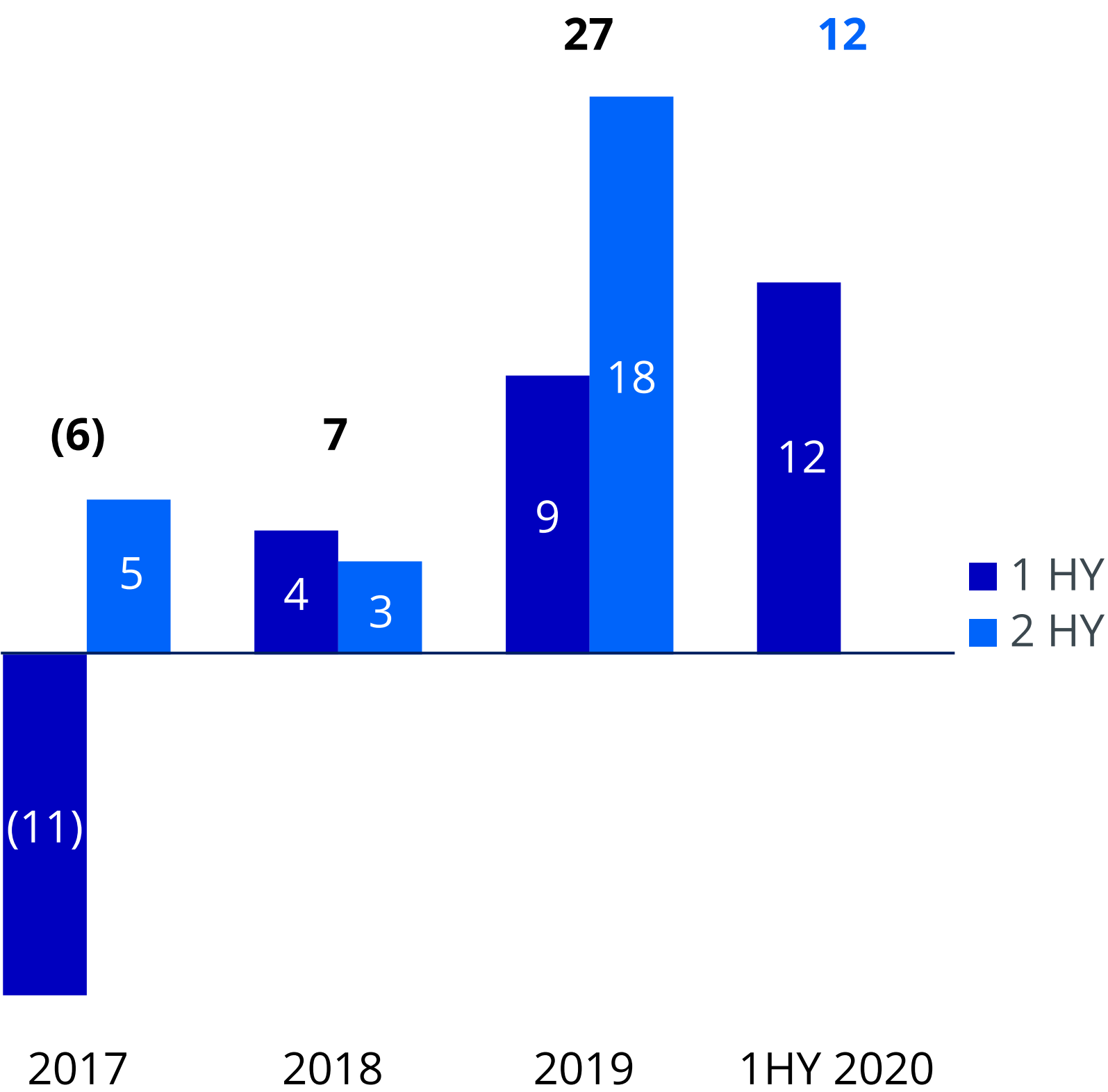
Adj. EBITDA & margin^{1,3} in € m



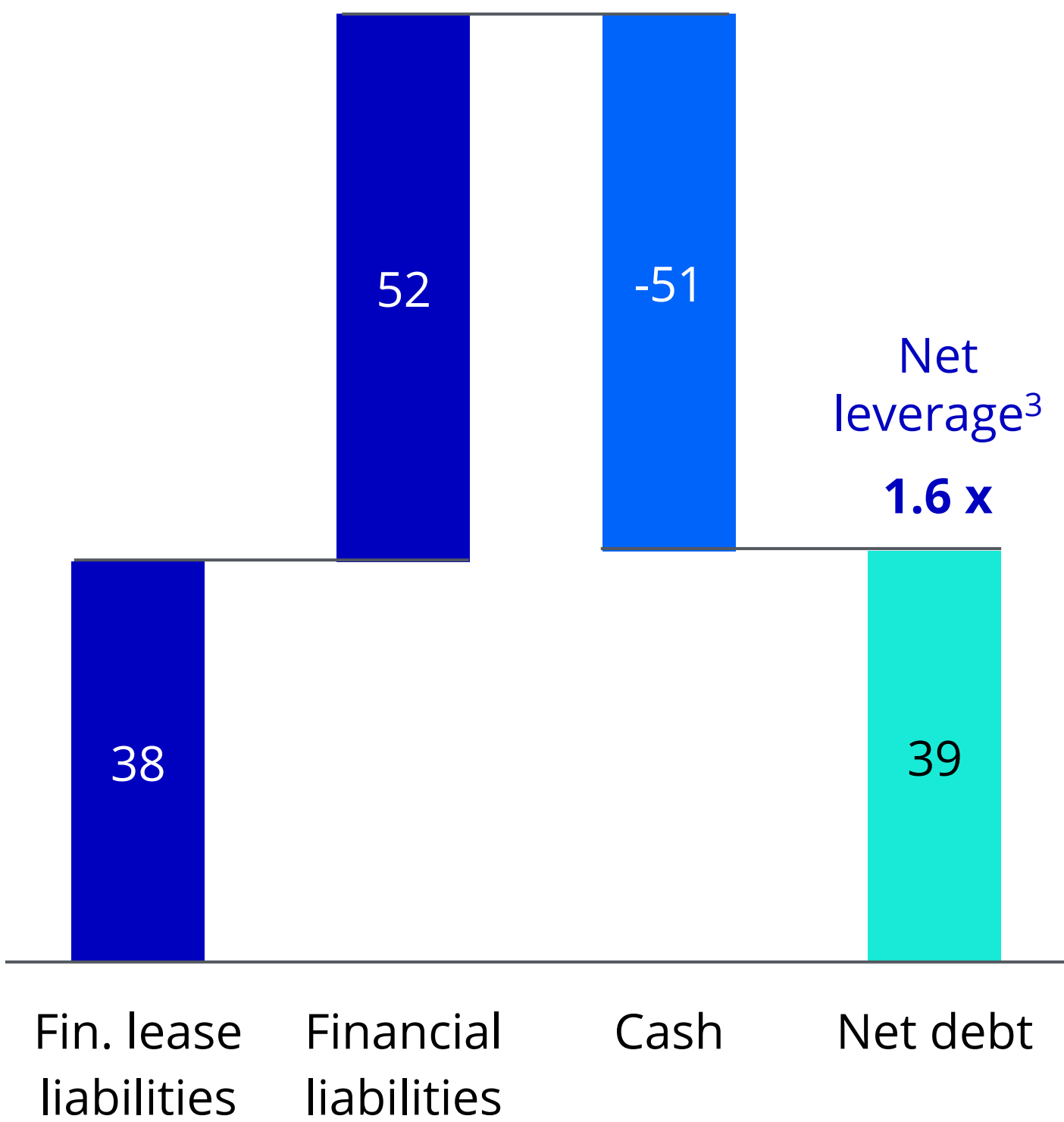
www.allgeier.com
¹) Based on unaudited quarterly financials of Allgeier group continued according to IFRS
²) Compound Annual Growth Rate 2017-2019 ³) EBITDA before effects that are extraordinary or relate to other periods

Allgeier has sufficient headroom for future M&A

Operating Cashflow development in € m¹



1 HY 2020 Net debt in € m^{1,2}



€140m

New revolving credit facility committed by a bank consortium

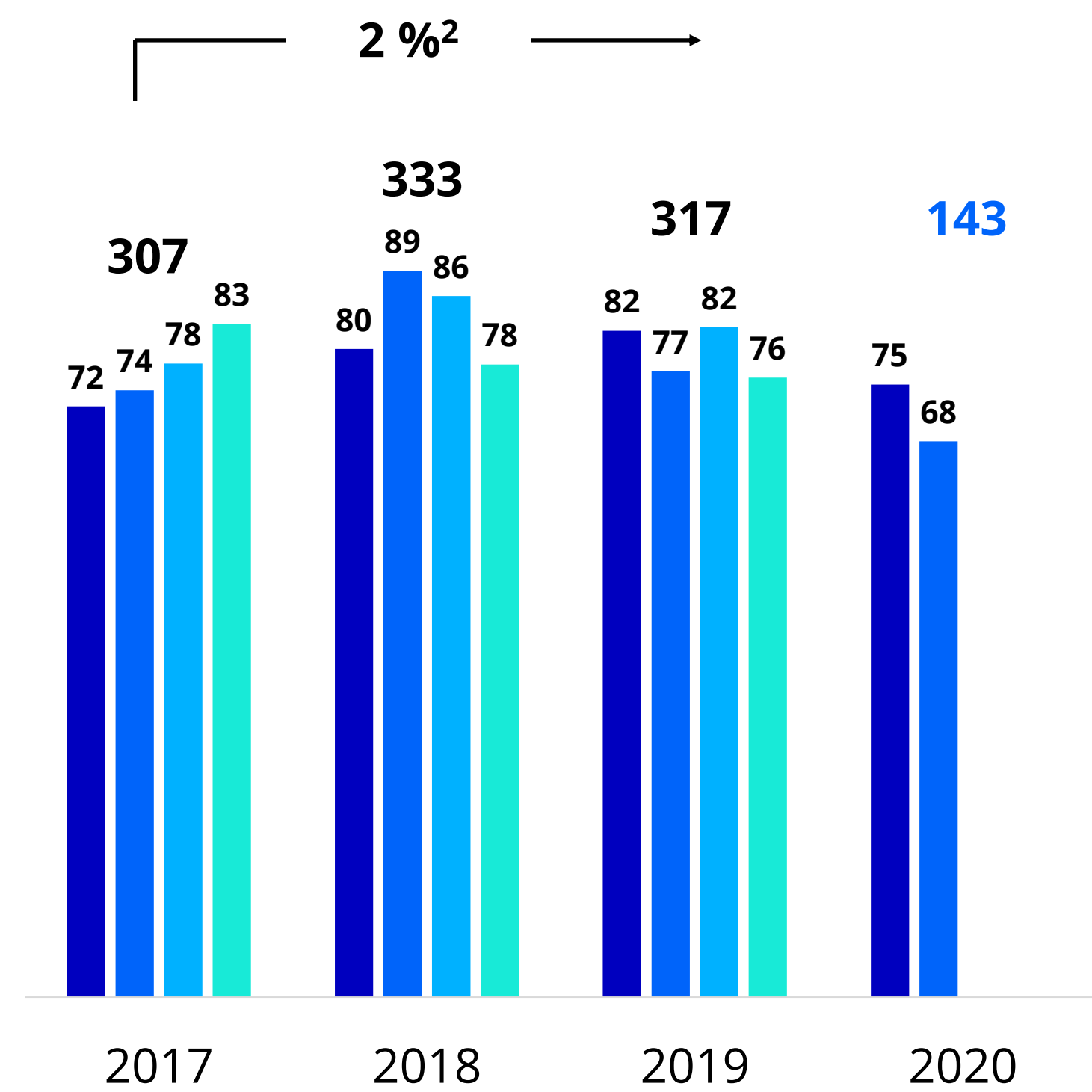
Post spin-off of Nagarro group...

... Allgeier keeps most of the holding costs with room for improvement and ... Nagarro takes on the majority of net debt

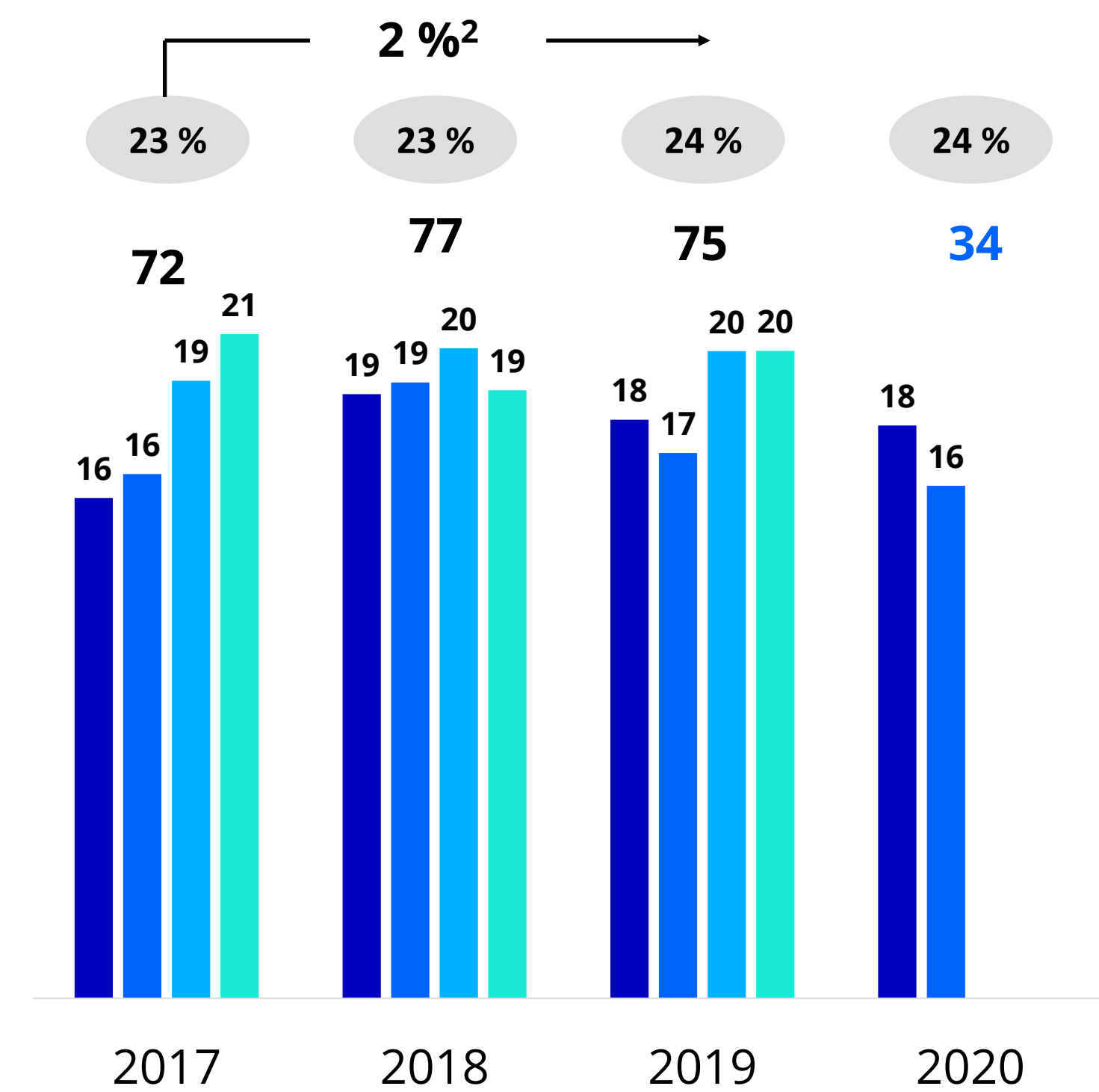
¹) Based on unaudited financials of Allgeier group continued according to IFRS
²) Incl. receivables from intercompany financing to Nagarro group ³) Net debt-to-EBITDA (LTM) ratio

The restructuring of Enterprise IT has led to decrease in revenue, but notable recovery of earnings

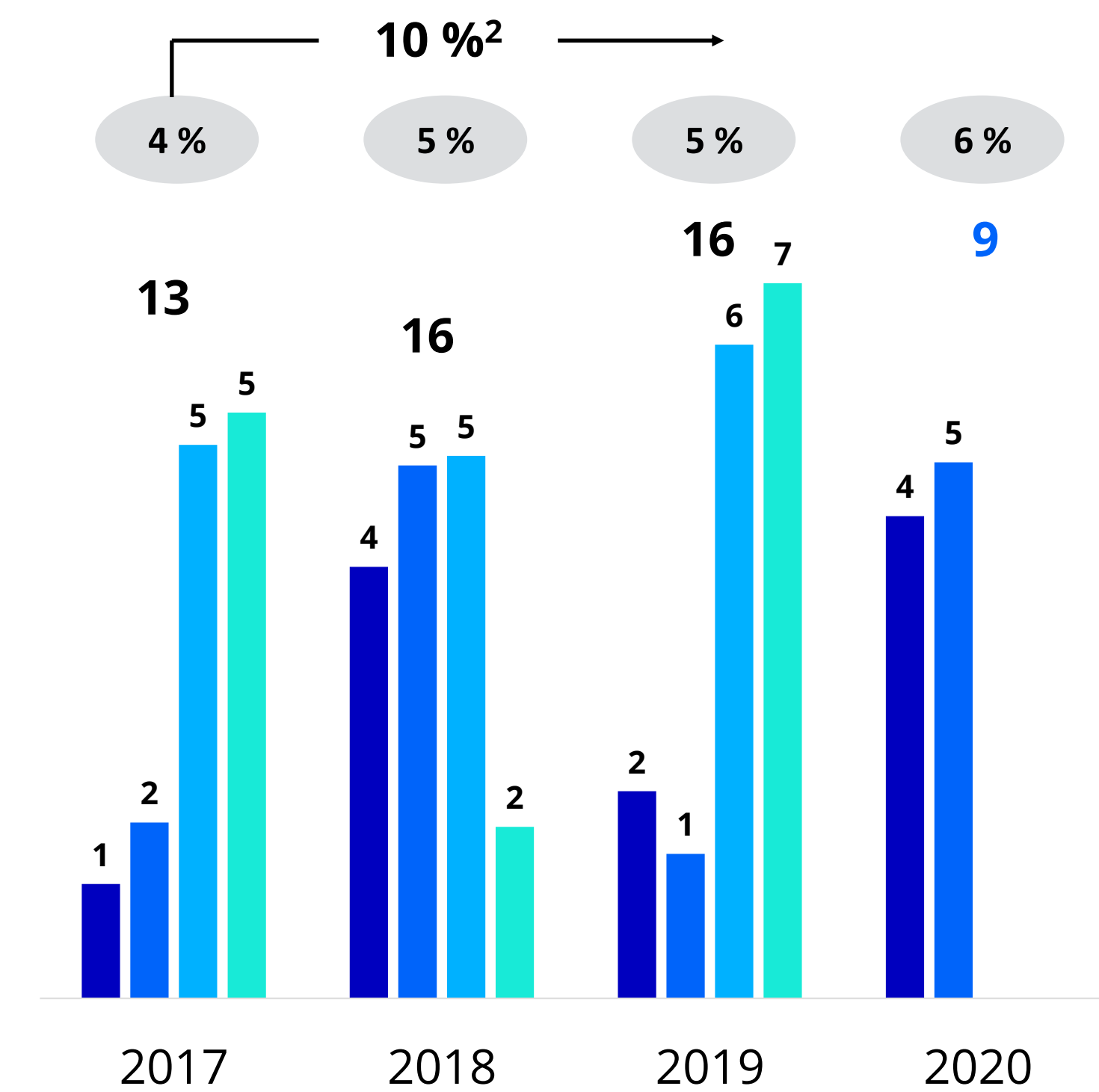
Revenue¹ in € m



Gross profit & margin¹ in € m



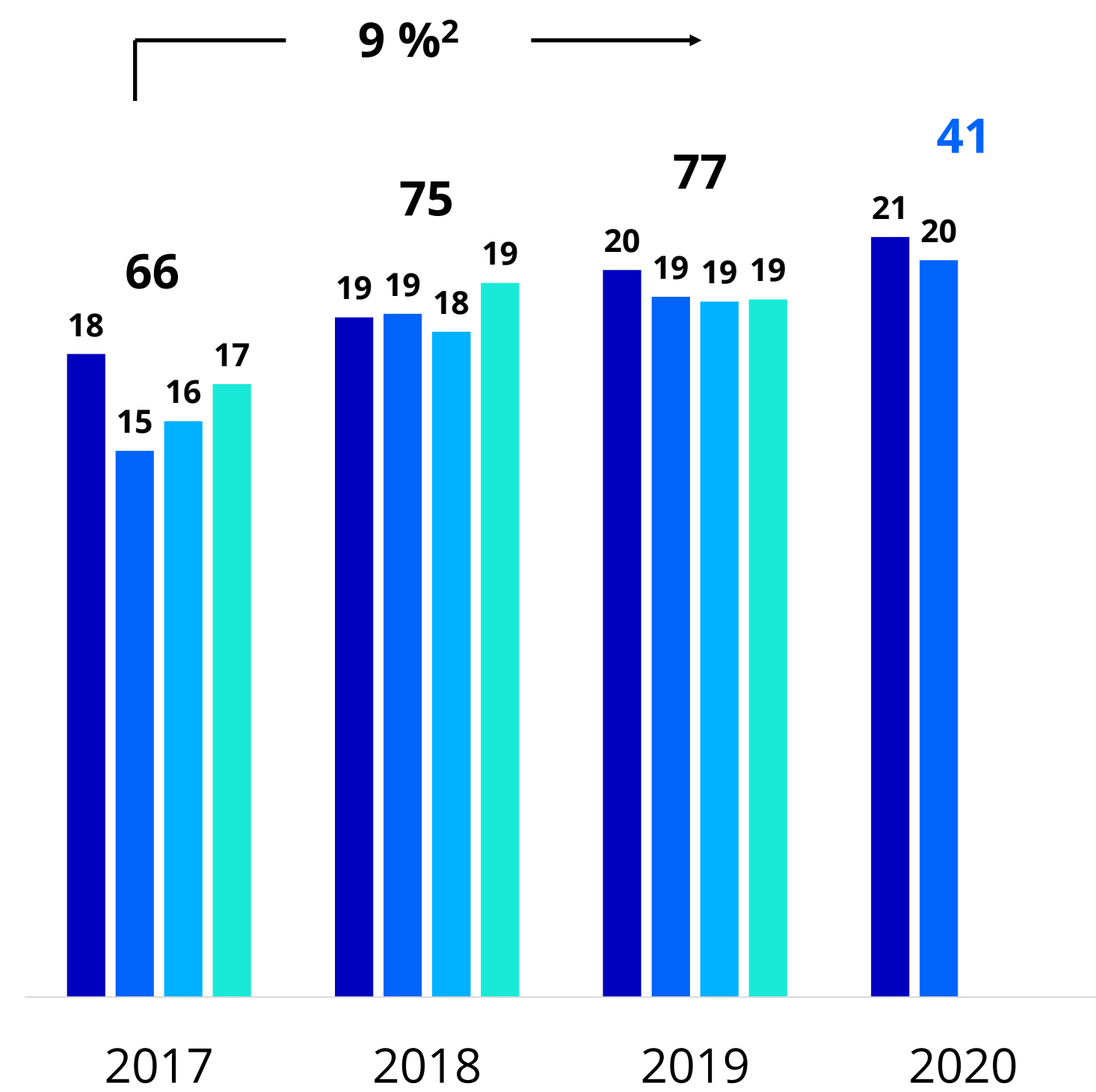
Adj. EBITDA & margin^{1,3} in € m



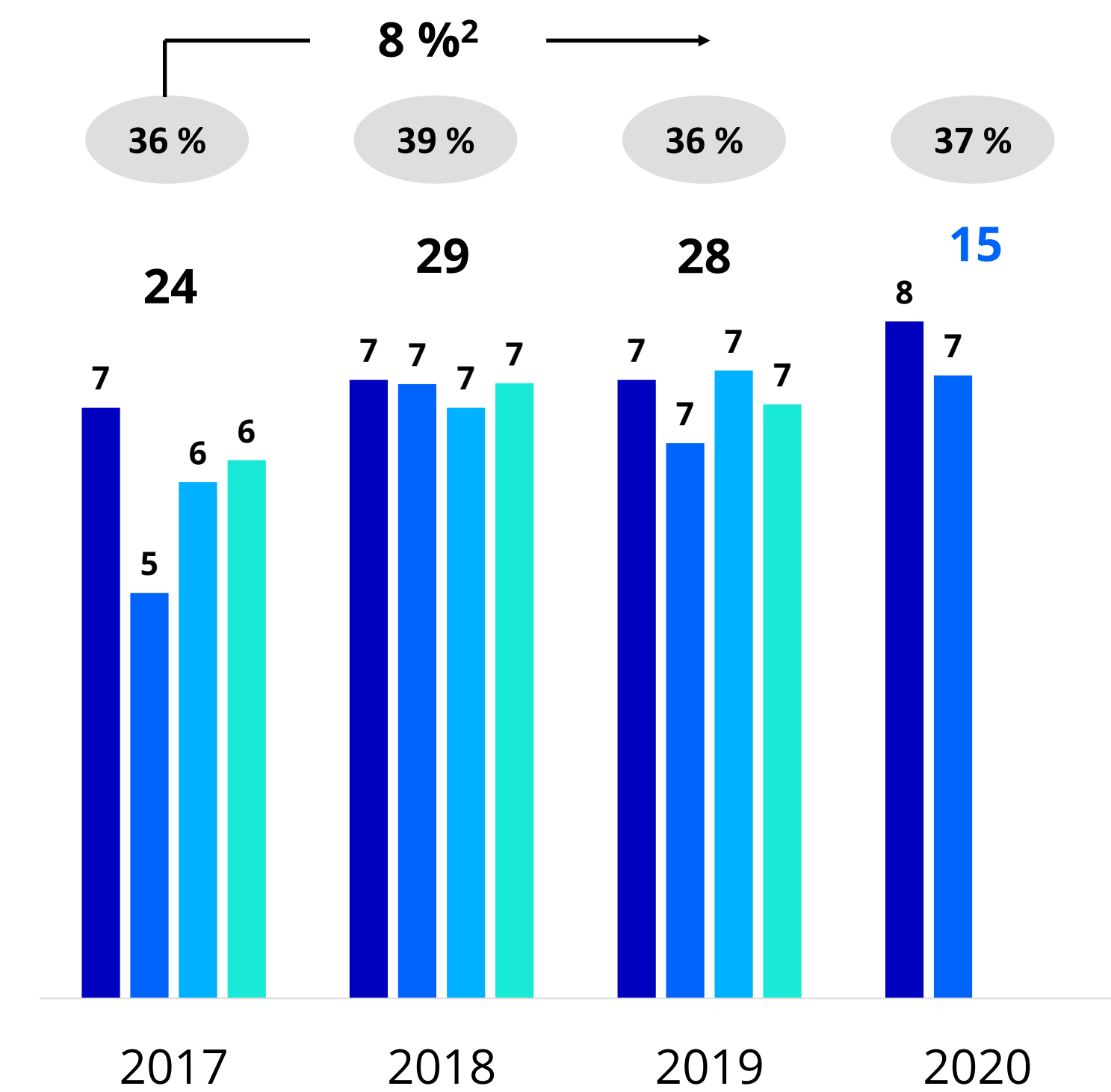
¹) Based on unconsolidated quarterly segment financials according to IFRS
²) Compound Annual Growth Rate 2017-2019 ³) Adj. EBITDA (EBITDA before effects that are extraordinary or relate to other periods) of operating unit w/o holding company costs

mgm technology partners shows continuous growth with high profitability

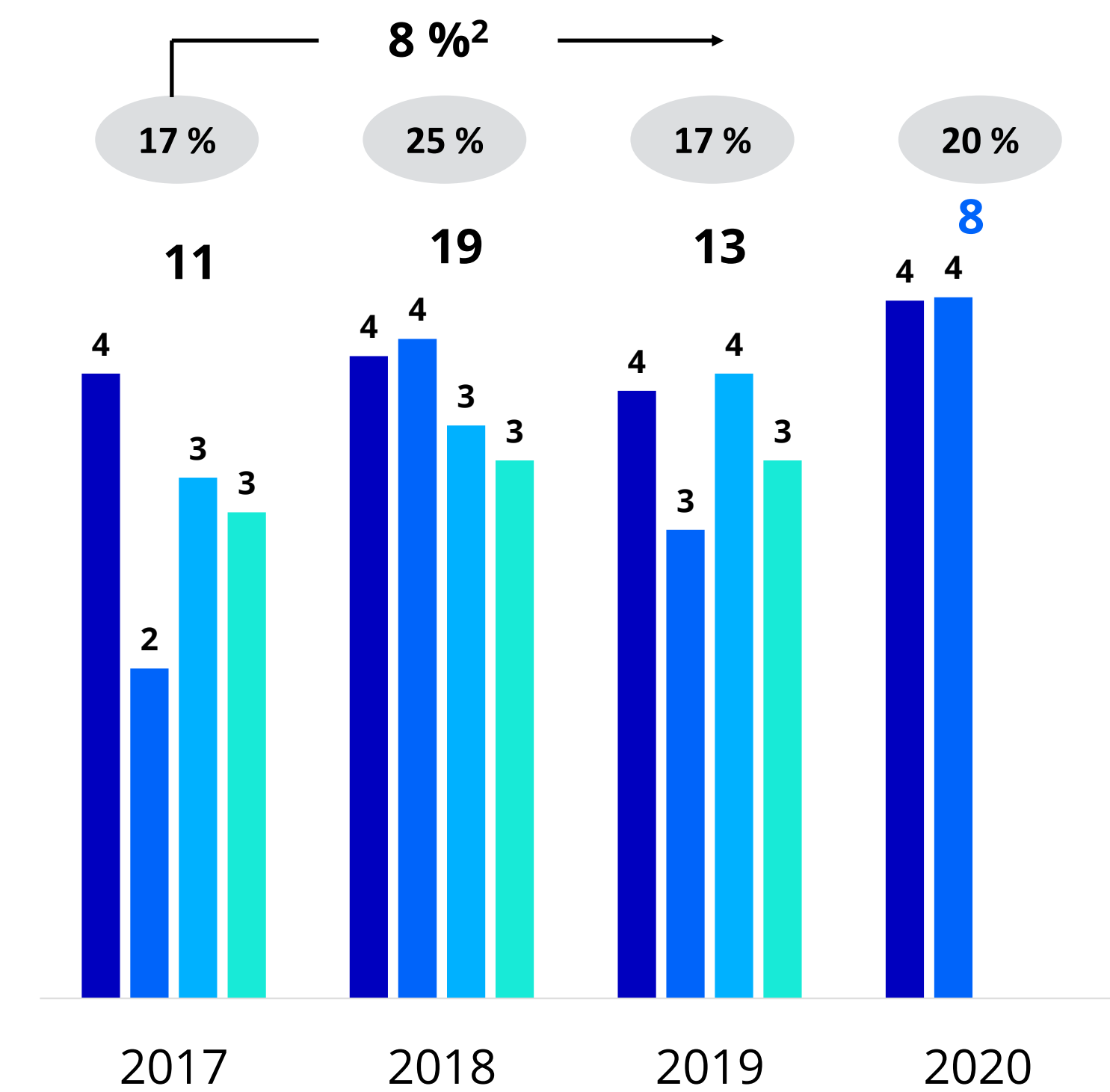
Revenue¹ in € m



Gross profit & margin¹ in € m



Adj. EBITDA & margin^{1,3} in € m



¹) Based on quarterly segment financials according to IFRS
²) Compound Annual Growth Rate 2017-2019 ³) Adj. EBITDA (EBITDA before effects that are extraordinary or relate to other periods) of operating unit w/o holding company costs

Remaining Allgeier Group: Guidance for the 2020 financial year





Investment highlights

Allgeier continues to be a valuable investment after the spin-off due to ...

- 1 ... its proven **buy & build** track record
- 2 ... attractive and sustainably **growing IT services and software** market
- 3 ... strong and market **leading operative units** with experienced top management
- 4 ... broad and **diversified customer base** with huge potential to **increase share of wallet**
- 5 ... headroom to **increase margins** through ongoing shift towards higher value-add business

ALLGEIER

Driving Technology

Appendix – Selected income statement figures¹

| (in € k) | 2017 | 2018 | 2019 | H1 2020 |
|---|-----------------|-----------------|-----------------|-----------------|
| Sales revenue | 367,758 | 400,649 | 381,778 | 178,643 |
| Total performance | 369,403 | 402,251 | 383,447 | 179,327 |
| Cost of goods sold | -274,170 | -296,768 | -282,527 | -132,356 |
| Thereof cost of raw materials, consumables and supplies as well as purchased services | -167,993 | -179,129 | -171,225 | -79,480 |
| Thereof production personnel costs, SBA, SBE | -106,177 | -117,640 | -111,302 | -52,876 |
| Gross Profit | 95,233 | 105,483 | 100,920 | 46,971 |
| Fixed costs | -77,810 | -85,041 | -83,287 | -36,255 |
| Thereof other operating income | 375 | 368 | 447 | 853 |
| Thereof personnel costs | -55,896 | -60,684 | -61,344 | -27,344 |
| Thereof other operating expenses | -22,289 | -24,726 | -22,390 | -9,764 |
| Adj. EBITDA | 17,423 | 20,442 | 17,633 | 10,716 |

Appendix – Reconciliation of reported to adjusted EBITDA¹

| (in € k) | 2017 | 2018 | 2019 | H1 2020 |
|---|---------------|---------------|---------------|---------------|
| Adj. EBITDA | 17,423 | 20,442 | 17,633 | 10,716 |
| Extraordinary profit + profit unrelated to the accounting period | -3,710 | -8,146 | -9,145 | -2,960 |
| Result unrelated to the accounting period | -706 | -1,722 | -359 | 95 |
| Thereof other operating income unrelated to the accounting period | 1,542 | 1,840 | 1,821 | 360 |
| Thereof other operating expenses unrelated to the accounting period | -2,248 | -3,562 | -2,180 | -264 |
| Extraordinary profit | -3,004 | -6,424 | -8,786 | -3,055 |
| Thereof extraordinary operating income | 2,345 | 2,634 | 201 | 127 |
| Profit from exchange rate differences | 1,339 | 770 | 166 | 126 |
| Profit from securities | 0 | 0 | 3 | 0 |
| Profit from purchase price adjustments | 1,000 | 500 | 0 | 0 |
| Other extraordinary income | 6 | 1,364 | 32 | 0 |
| Thereof other extraordinary operating expenses | -3,405 | -5,762 | -3,482 | -2,217 |
| Sunk cost acquisitions | -168 | -455 | -125 | -15 |
| Acquisition costs (acquisitions made) | -65 | -1,045 | -10 | -1 |
| Financing cost | -728 | -805 | -1,114 | -622 |
| Costs of exchange rate differences | -1,319 | -206 | -210 | -76 |
| Exchange Rate Differences from Earn Outs | 0 | 0 | 0 | -30 |
| Donations | -44 | -45 | -42 | -19 |
| Expenditures from PP Adjustments | 0 | -25 | -75 | -458 |
| Other extraordinary expenses | -1,080 | -3,180 | -1,905 | -996 |
| Extraordinary personnel cost | -1,945 | -3,296 | -5,505 | -964 |
| Reported EBITDA | 13,713 | 12,295 | 8,488 | 7,756 |

Appendix – Balance sheet as per 30 Jun 2020 - Assets¹

| (in € k) | H1 2020 |
|--|----------------|
| ASSETS | 370,777 |
| LONG-TERM ASSETS | 130,366 |
| Immaterial assets | 79,632 |
| Property | 6,840 |
| Value in Use Finance Lease Contracts | 34,924 |
| At equity shareholdings | 2,067 |
| Other financial assets | -105 |
| Non-current inventory | 0 |
| Other long-term financial assets | 3,523 |
| Other long-term assets | 448 |
| Deferred tax assets | 3,038 |
| CURRENT ASSETS | 240,411 |
| Current Inventory | 283 |
| Current contract assets | 0 |
| Contract assets from customer orders (profit realized) | 3,019 |
| Accounts receivable - trade | 56,008 |
| Other current financial assets | 121,748 |
| Other current assets | 6,419 |
| Profit tax claims | 1,775 |
| Means of payment | 51,160 |

Appendix – Balance sheet as per 30 Jun 2020 - Liabilities¹

| (in € k) | H1 2020 |
|---|----------------|
| LIABILITIES | 370,777 |
| EQUITY | 80,604 |
| DEBTS | 290,174 |
| LONG-TERM LIABILITIES | 204,155 |
| Long-term financial liabilities | 169,693 |
| Longterm liabilities from lease contracts | 31,121 |
| Pension provision | 955 |
| Other long-term provisions | 334 |
| Other long-term contractual liabilities | 127 |
| Other long-term financial liabilities | 0 |
| Long-term liabilities from acquisitions | -1,843 |
| Deferred tax liabilities | 3,767 |
| CURRENT LIABILITIES | 86,018 |
| Current financial liabilities | 3,841 |
| Shortterm liabilities from lease contracts | 6,136 |
| Current provisions for post-employment benefits | 18 |
| Other current provisions | 12,654 |
| Contract liabilities from customer orders (profit realized) | 4,973 |
| Accounts payable - trade | 22,175 |
| Other current financial liabilities | 14,322 |
| Current liabilities from acquisitions | 9,895 |
| Other current liabilities | 5,931 |
| Profit tax payable | 6,072 |

Appendix – Operating Cashflow¹

| (in € k) | 2017 | 2018 | 2019 | H1 2020 |
|--|---------------|---------------|---------------|---------------|
| EBITDA | 13,713 | 12,295 | 8,488 | 7,756 |
| Cash items | -138 | -151 | 1,485 | 6 |
| Expenses from the disposal of non-current assets | 183 | 364 | 17 | 0 |
| Change in non-current provisions | -14 | 202 | 277 | 72 |
| Reversals and additions of provisions | -285 | -779 | -272 | 0 |
| Other non-cash expenses and income | -1,448 | 237 | -749 | -166 |
| Changes in AR + inventory | -6,238 | -5,350 | 20,599 | 1,471 |
| Changes in provisions | 969 | 2,695 | 1,553 | 276 |
| Changes in other assets and liabilities | -6,679 | 1,057 | -2,805 | 2,750 |
| Income tax paid | -5,739 | -3,365 | -1,839 | -347 |
| Operating Cashflow | -5,675 | 7,206 | 26,754 | 11,819 |

¹⁾ Based on unaudited financials of Allgeier group continued according to IFRS

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